



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref. no.3/4/1/5

2021-03-31

NOTICE OF THE 41ST MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY WEDNESDAY, 2021-03-31 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 FJ Badenhorst FT Bangani-Menziwa (Ms) Ald PW Biscombe G Cele (Ms) PR Crawley (Ms) A Crombie (Ms) Z Dalling (Ms) R Du Toit (Ms) J Fasser A Florence AR Frazenburg E Fredericks (Ms) T Gosa E Groenewald (Ms) JG Hamilton AJ Hanekom JK Hendriks LK Horsband (Ms)	MC Johnson DD Joubert N Mananga-Gugushe (Ms) C Manuel NE Mcombring (Ms) XL Mdemka (Ms) C Moses (Ms) RS Nalumango (Ms) N Olayi MD Oliphant SA Peters WF Pietersen SR Schäfer Ald JP Serdyn (Ms) N Sinkinya (Ms) P Sitshoti (Ms) Q Smit LL Stander 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 **41ST MEETING** of the **COUNCIL** of **STELLENBOSCH MUNICIPALITY** will be held via **MS TEAMS** on **WEDNESDAY, 2021-03-31 at 10:00** to consider the items on the Agenda.

SPEAKER
WC PETERSEN (MS)

A G E N D A
MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY
2021-03-31

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5.	DISCLOSURE OF INTERESTS
6.	APPLICATIONS FOR LEAVE OF ABSENCE
7.	CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING
7.1	40 TH COUNCIL MEETING: 2021-01-27

The minutes of the 40th Council Meeting: 2021-01-27 is attached as **APPENDIX 1**.

FOR CONFIRMATION

APPENDIX 1



STELLENBOSCH
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MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref. no.3/4/1/5

2021-01-27

MINUTES

40TH MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY

2021-01-27 AT 11:00

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)

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MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY
2021-01-27

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MINUTES

40TH MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2021-01-27

PRESENT

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

COUNCILLORS

F Adams (until 13:00)	DD Joubert
FJ Badenhorst	C Manuel
Ald PW Biscombe	NE Mcombring (Ms)
G Cele (Ms)	XL Mdemka (Ms)
PR Crawley (Ms)	C Moses (Ms)
R Du Toit (Ms)	N Olayi
J Fasser	MD Oliphant
A Florence	SA Peters
AR Frazenburg	WF Pietersen
E Fredericks (Ms)	SR Schäfer
T Gosa	Ald JP Serdyn (Ms)
E Groenewald (Ms)	N Sinkinya (Ms)
JG Hamilton	Q Smit
AJ Hanekom	LL Stander
LK Horsband (Ms)	MC Johnson
MC Johnson	

Officials:

Acting Municipal Manager (Ms A De Beer)
 Chief Financial Officer (K Carolus)
 Director: Infrastructure Services (D Louw)
 Director: Planning and Economic Development (AP Barnes)
 Director: Community and Protection Services (G Boshoff)
 Chief Audit Executive (F Hoosain)
 Manager: Secretariat (EJ Potts)
 Senior Administration Officer (T Samuels (Ms))

1.	OPENING AND WELCOME
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The Speaker, Cllr WC Petersen (Ms) welcomed all present at the 40th Council meeting via livestream.

2.	MAYORAL ADDRESS
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“Speaker, Munisipale Bestuurder, Burgemeesterskomiteelede, Direkteure

Goeiedag, Good Morning, Molweni, As-salaam Alaikum

- Welcome back to the Speaker, the Deputy Mayor, Municipal Manager Mayco Members, Councillors, Directors and other officials.
- May this New Year bring us more joy and good news than sorrow and hardship.
- I hope everyone who took some downtime during the Festive Season feels well rested.
 - o 2021 will be another busy and challenging year.
 - o Thank you to all our officials who continued to work throughout the festive season to ensure service delivery continues uninterrupted.
 - o It is a big sacrifice and on behalf of this Council I want to ensure you that it has not gone unnoticed.
- It is my sad duty to formally communicate to Council the passing of two Councillors.
- On 7 January 2020 we lost a member of the Mayco, Councillor Manie Pietersen.
 - o It has been a great shock
 - o I have lost a friend, this Council has lost a truly wonderful hardworking and dedicated Councillor and our community has lost a great leader.
 - o Our deepest condolences go out to his family and friends.
 - o His absence will be felt and he will be greatly missed.
- Op 4 Januarie het ons ook PR Raadslid Derrick Hendrickse aan die dood afgestaan.
 - o Formidabele raadslid.
 - o Hy het 'n hart gehad vir die mense van Stellenbosch en dit ook uitgeleef in die Raad.
 - o Ons innige simpatie en medelye aan sy gesin, familie en vriende.
- COVID-19, as predicted, has return and has ripped through our community, leaving destruction and tears in its wake.
 - o Ek wil graag elke raadslid, amptenaar en inwoner versoek om gehoor te gee aan die regulasies wat deur die nasionale regering afgekondig is.
 - o Dra u masker!!! Oral wanneer u uit u huis gaan.
 - o Was en/of reinig u hande gereeld.
 - o Vermynabye kontak met mense, SOCIAL DISTANCING!
 - o En tot die pandemie afplat, vermy groot groepe ek groot kuiers
 - o Die siekte versprei ongelukkig vinnig wanneer groepe mense bymekaar kom, veral omdat sommige mense wat die virus opdoen geen simptome wys en nie eers weet hulle is siek nie.
 - o Ek raak woedend wanneer mense, wat positief getoets het uitgaan en sê hulle voel gesond en daarom bly hulle nie by die huis nie.
 - o Asseblief, ek smee elke inwoner om sy kant te bring. HOU BY DIE REELS

- Welkom terug aan die studente,
 - o die kolleges het reeds oop gemaak en daar is van die universiteitstudente wat al terug gekeer het
 - o Grootste deel van die universiteit studente gaan eers in Maart terugkeer
 - o Vra dat al ons studente ook asseblief sal hou by die regulasies om COVID te bekamp.
 - o Weet sosiaal verkeer is 'n groot deel van student wees maar tot tyd en wyl, moet ons egter probeer om groepe te vermy en te distansieer van mekaar.

Thank you."

3.	COMMUNICATION BY THE SPEAKER
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Good Morning to:

The Executive Mayor, Advocate Gesie Van Deventer

The Acting Municipal Manager, Ms. Annalene de Beer / **note absence of MM due to her Father's death**

Councillors and all Protocols observed:

Executive Mayor, Councillors, MM and the broader **public** - it is a privilege for me to welcome you to the first meeting of this Council for the **New Year 2021**.

En **het** die jaar nie met met 'n hoe spoed begin nie. En **ja** ons is terug by Level 3 van die Covid regulasies. Dit is belangrik - **Gemeenskap van Stellenbosch** dat ons tog by die reëls hou – Please wear a **mask, sanitise and keep your social distance** to avoid being infected. We have lost a lot of our fellow friends and family members, even Councillors – let us **remember** them in this difficult time. We will now proceed to a **moment of silence** for them who have passed on.

On the Council Agenda for the year Councillors is the following:

- Please **diarise** the schedule of Meetings of Council and its section 80 committees as it starts during February 2021.
- Regarding the **previous approved** ward allocations – the administration informed me that the tender for the ward allocation has been approved, ordered and will arrive at your offices soon. You have all received an email on the process – where it all started and where we are now.
- The Stellenbosch Municipality had to adhere to **Covid-19 regulations** in guarding for the **safety** of its personnel – we therefore had to look at the safety of the Ward Administrators before opening of the ward offices. We have agreed with the Administration to open the ward offices where there is no immediate contact with the community and safety gates will be closed. The outstanding ward offices will open as soon as the safety protocols
- The Executive Mayor will soon start a process of preparing the **new** budget 2021/2022
– councillors should please liaise with the relevant officials to get the projects on the budget.

- Councillors – you are aware that this will be our **5th year** in office – there is speculation that the local government election will take place during this year – keep this in mind as you continue to be of service to your electorate. Don't lose paste – we got a community to serve – our families are confronted with sudden death,
- Regarding **birthdays** the following:
 1. **January** it is Councillor Nokuthula Mananga-Gugushe – **5 January**, Ex Councillor DA Hendrickse on **12 January**.
 2. **February** – Cllr Alwin Hanekom and Councillor Donovan Joubert – both on **Sunday , 21st February**, and **myself** will celebrate my birthday already on the **8th February**.

Once again thank you very much Councillors and Administrators – The agenda in front of us has nearly **800 pages** - let us start our Council Meeting with the view to instill total **discipline, enforce respect** to each other and **focus** totally on service delivery to the broader Stellenbosch Community. Please note that the **Council Rules of Order** will be strictly adhere to.

I Thank You.”

4.	COMMUNICATION BY THE ACTING MUNICIPAL MANAGER: MS A DE BEER
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“Our thoughts and prayers go out to the Municipal Manager, Ms G Mettler and her family, who lost their father recently. Thoughts and prayers also go out to everyone else who lost someone in death.”

The Acting Municipal Manager acknowledged the letters of appreciation that were received from two members of the public, expressing their gratitude for excellent services rendered:

Letter (1): Mrs Bezuidenhout thanked the following employees that formed part of a team who assisted her within an hour after she logged a call with regard to her water supply: Zaahir Benjamin; Eben Nel; K Sulantsi; E Sebeko and F Ambroza. She expressed her gratitude for their professionalism, dedication and enthusiasm. She also thanked the Administration as a whole for the work they do on a daily basis.

Letter (2): Mr Lambert De Wet expressed his gratitude towards the Traffic License Department. When he visited their offices at 06:40 on the morning of 20 January 2021 to renew his license, the employees were already busy with operational work for the day. The queue moved briskly and when he entered, the surroundings were clean and the aircon was working. He was helped at the traffic-fine-counter, which was not previously open for this purpose, but due to the backlog, was opened to assist, because a considerable number of licenses would have expired the next day, 21 January 2021. He left the Traffic Department at 07:30, his license renewed and in time to still enjoy coffee and be in time for his work. All covid-protocols were observed and adhered to. Mr De Wet thanked everyone for the excellent service he received.

5.	DISCLOSURE OF INTERESTS
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NONE

6.	APPLICATIONS FOR LEAVE OF ABSENCE
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- 6.1 The following applications for leave of absence were approved in terms of the Rules and Order By-law of Council:-

Cllr FT Bangani-Menziwa (Ms) – 27 January 2021
 Cllr A Crombie (Ms) – 27 January 2021
 Cllr J Hendricks – 27 January 2021
 Cllr Cllr Mananga-Gugushe (Ms) – 27 January 2021
 Cllr RS Nalumango (Ms) – 27 January 2021
 Cllr P Sitshoti (Ms) – 27 January 2021
 Cllr E Vermeulen (Ms) – 27 January 2021

Municipal Manager: Ms G Mettler – 27 January 2021

- 6.2 Permission was granted to Cllr F Adams to leave the meeting earlier (at 13:00).

- 6.3 ABSENT

Cllr MD Oliphant – 27 January 2021

7.	CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING
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7.1	39TH COUNCIL MEETING: 2020-11-25
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The minutes of the 39th Council Meeting: 2020-11-25 were confirmed as correct.

MINUTES

40TH MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2021-01-27

8.	STATUTORY MATTERS
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8.1	MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR NOVEMBER 2020 AND DECEMBER 2020
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

20 January 2021 and 27 January 2021

1. SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR NOVEMBER 2020 AND DECEMBER 2020

2. PURPOSE

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy 2020/2021 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 (2020/2021) stipulate that SCM deviations be reported to Council. In compliance thereto, this report presents to Council the SCM deviations that occurred during November 2020 and December 2020.

40TH COUNCIL MEETING: 2021-01-27: ITEM 8.1

NOTED

the deviations as listed below for the months of November 2020 and December 2020.

DEVIATION NUMBER	CONTRACT DATE	NAME OF CONTRACTOR	CONTRACT DESCRIPTION	REASON	SUBSTANTIATION WHY SCM PROCESS COULD NOT BE FOLLOWED	TOTAL CONTRACT PRICE (R)
D/SM 07/21	19 Nov 2019	Livewire (Pty) Ltd	Meter reading of large power users	Exceptional case and it is impractical or impossible to follow the official procurement processes	The contract with the current service provider (BSM 28/19) was cancelled on 5 November 2020 with effect from 30 November 2020 due to poor performance that impacted the billing. The service has to	R 262 550.87 VAT incl

MINUTES

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OF STELLENBOSCH MUNICIPALITY

2021-01-27

					<p>continue without interruption to ensure that the municipality does not incur a substantial loss of revenue.</p> <p>It is impractically and impossible to go out on a new tender and make an award within the time period that is available.</p>	
D/SM 08/21	23 Dec 2020	TMT Services	Provision of Traffic Law Enforcement equipment, back office system and related services	Exceptional case and it is impossible to follow the official procumbent process	<p>Due to an appeal the successful bidder as per Tender: B/SM 04/20 cannot commence with the service from 01 January 2021. The appeal was subsequently resolved.</p> <p>The service has to continue without interruption to ensure that the municipality does not incur a substantial loss of revenue.</p>	Rates: R121.49 per fine.
D/SM 09/21	23 Dec 2020	Nedbank	Provision of banking services	Exceptional case and it is impossible to follow the official procurement process	<p>A service provider was appointed for the provision of banking services (B/SM 22/20) that includes opening new bank accounts.</p> <p>The old bank account need to remain open while the municipality is migrating to new bank. Given the vast customer base that includes foreign customers it is recommend that the old bank account remain open on a month to month basis not exceeding twelve months.</p> <p>National Treasury prefers that</p>	Bank charges.

MINUTES

40TH MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2021-01-27

					municipalities keep its old banking accounts open for a period of two months. The municipality has opted to make this period longer due to the vast consumer base that includes foreign customers.	
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FOR FURTHER DETAILS CONTACT:

NAME	Dalleel Jacobs
POSITION	Senior Manager: SCM
DIRECTORATE	Financial Services
CONTACT NUMBERS	021 808 8588
E-MAIL ADDRESS	Dalleel.Jacobs@ Stellenbosch.gov.za
REPORT DATE	06 January 2021

MINUTES

40TH MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2021-01-27

8.2	OVERSIGHT ROLE OF COUNCIL: SUPPLY CHAIN MANAGEMENT POLICY- REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY OF STELLENBOSCH MUNICIPALITY: QUARTER 2 (01 OCTOBER 2020 - 31 DECEMBER 2020)
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

20 January 2021 and 27 January 2021

1. **SUBJECT: OVERSIGHT ROLE OF COUNCIL: SUPPLY CHAIN MANAGEMENT POLICY - REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY OF STELLENBOSCH MUNICIPALITY: QUARTER 2 (01 OCTOBER 2020 - 31 DECEMBER 2020)**

2. **PURPOSE**

To submit to Executive Management a report for the period 01 October 2020 - 31 December 2020 on the implementation of Council's Supply Chain Management Policy. The report covers the performance of the various delegated functions and the implementation thereof.

3. **FOR DECISION BY MUNICIPAL COUNCIL**

Section 6 (3) & 4 of the SCM Policy 2020/2021, 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.

40TH COUNCIL MEETING: 2021-01-27: ITEM 8.2

NOTED

- (a) this report and **APPENDIX 1** 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	Dalleel Jacobs
CONTACT NUMBERS	021 808 8588
E-MAIL ADDRESS	Dalleel.Jacobs@ Stellenbosch.gov.za
DIRECTORATE	Financial Services
REPORT DATE	06 January 2021

8.3	REVISED TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2020/21
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

20 January 2021 and 27 January 2021

1. SUBJECT: REVISED TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2020/21

2. PURPOSE

To obtain Council's approval for the revisions made to the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) 2020/21.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The TL SDBIP 2020/21 was approved by the Executive Mayor on 24 June 2020. It is common practice for a municipality, as provided for in the MFMA, to review its performance indicators and targets after approving the adjustments budget. The TL SDBIP 2020/21 (as approved by the Executive Mayor) is attached hereto as **Annexure A**. All changes (for ease of reference) which should be deleted and or amended are indicated with a strikethrough and an underline respectively. It must also be noted that the TL SDBIP 2020/21 is the in-year plan of the municipality and amendments made to the TL SDBIP 2020/21 must also be read in conjunction with the Integrated Development Plan (IDP). Therefore, changes made to the Revised TL SDBIP 2020/21 are considered to be made in the IDP as well.

These changes will be effected with the review process of the IDP 2017-2022 to be submitted to Council for final approval during May 2021.

The reasons for the amendments to the following KPIs are as follows:

- a) KPI080- The target due date for the 2020/21 was moved due to capacity constraints and to negate the effects of the Covid-19 pandemic;
- b) KPI073- Target moved to negate the effects of the Covid-19 pandemic;
- c) KPI018- Target reduced from 90% to 80% as a result of capacity constraints experienced in the Department as well as to deal with the backlogs created by the Covid-19 pandemic;
- d) KPI019- The SMART (specific, measurable, attainable, realistic and time bound) principle is applied. The target was also reduced from 80% to 70% due to infrastructural challenges currently experienced at one of the waste water treatment works;
- e) KPI037- The SMART principle is applied;
- f) KPI042- The SMART principle is applied;
- g) KPI063- The SMART principle is applied;
- h) KPI083- Target moved to negate the effects of the Covid-19 pandemic;
- i) KPI074, KPI076 and KPI077- Targets reduced to bring it in line with the municipal valuation role for residential properties; and
- j) KPI084- New indicator

Any detected spelling and grammatical errors in the document were also corrected, where needed.

40TH COUNCIL MEETING: 2021-01-27: ITEM 8.3**RESOLVED** (majority vote)

- (a) that the Revised TL SDBIP 2020/21 be approved;
- (b) that the Revised TL SDBIP 2020/21 be published on the Municipal Website; and
- (c) that the Revised TL SDBIP 2020/21 be submitted to:
 - (i) Internal Audit Unit (for notification);
 - (ii) Department of Local Government: Western Cape;
 - (iii) Provincial Treasury: Western Cape;
 - (iv) Auditor General of South Africa; and
 - (v) National Treasury.

Councillor LK Horsband (Ms) requested that her vote of dissent be minuted.

FOR FURTHER DETAILS CONTACT:

NAME	Gurswin Cain
POSITION	Manager: IDP/PMS/PP
DIRECTORATE	Office of the Municipal Manager
CONTACT NUMBERS	021 – 808 8174
E-MAIL ADDRESS	Gurswin.Cain@ Stellenbosch.gov.za
REPORT DATE	12 January 2021

MINUTES

40TH MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2021-01-27

8.4	MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT FOR 2020/2021
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

20 January 2021 and 27 January 2021

1. SUBJECT: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT FOR 2020/2021**2. PURPOSE**

To submit the Section 72 report (Mid-year Budget and Performance Assessment Report) to Council.

3. DELEGATED AUTHORITY**FOR NOTICE BY MUNICIPAL COUNCIL**

In terms of Section 54 of the Municipal Finance Management Act (MFMA), 56 of 2003.

4. EXECUTIVE SUMMARY

This report provides the progress made by the Municipality in terms of the Service Delivery Budget and Implementation Plan (SDBIP) for the period 1 July 2020 to 31 December 2020.

40TH COUNCIL MEETING: 2021-01-27: ITEM 8.4**RESOLVED** (majority vote)

- (a) that Council takes note of the report and more specifically the assessment and forecasts contained in the report;
- (b) that Council takes note that an Adjustments Budget will be tabled to Council as a result of the following:
 - i the appropriation of additional allocations received and increased realistically anticipated revenue during the financial year;
 - ii the reprioritization of projects in line with being completed by the communicated cut-off dates to facilitate year- end preparation;
- (c) that Council notes the performance of the Municipality against the set objectives contained in Section 2; and
- (d) that the Accounting Officer attends to ensuring that Directors put the necessary corrective measures in place to ensure that projects are managed proactively in a bid to ensure that Council meets its strategic objectives contained in the Service Delivery and Budget Implementation Plan and to report on same at the end of quarter.

Councillors F Adams and LK Horsband (Ms) requested that their votes of dissent be minuted.

MINUTES

40TH MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2021-01-27

8.5	MFMA SECTION 52 REPORTING UP TO DECEMBER 2020
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

20 January 2021 and 27 January 2021

1. SUBJECT: MFMA SECTION 52 REPORTING UP TO DECEMBER 2020**2. PURPOSE**

To comply with section 52(d) of the Municipal Finance Management Act and report to Council on the budget; financial and service delivery budget implementation plan by the Municipality for quarter 2 of the 2020/21 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 October 2020 to 31 December 2020.

40TH COUNCIL MEETING: 2021-01-27: ITEM 8.5**NOTED**

the Section 52 Report (including Quarterly Performance Report) for the Second Quarter.

MINUTES

40TH MEETING OF THE COUNCIL
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2021-01-27

9.	REPORT BY THE ACTING MUNICIPAL MANAGER RE OUTSTANDING RESOLUTIONS
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40TH COUNCIL MEETING: 202-01-27: ITEM 9

NB: A proposal was made that this report also be submitted to the various Portfolio Committees for thorough scrutiny and interrogation.

NOTED

The report by the Municipal Manager re outstanding resolutions taken at previous meetings of Council.

10.	ITEMS FOR NOTING
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10.1	REPORT/S BY THE EXECUTIVE MAYOR
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10.1.1	REPORT BY THE EXECUTIVE MAYOR ON THE MAYOR – RECTOR FORUM VIRTUAL MEETING: 20 NOVEMBER 2020
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Collaborator No:

IDP KPA Ref No:

Good Governance and Compliance

Meeting Date:

27 January 2021

1. **SUBJECT: REPORT BY THE EXECUTIVE MAYOR ON THE MAYOR – RECTOR FORUM VIRTUAL MEETING: 20 NOVEMBER 2020**

2. **PURPOSE**

To inform Council of the matters under discussion at the Mayor – Rector Forum virtual meeting held on 20 November 2020.

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 20 November 2020. The minutes is attached as **Annexure A**.

40TH COUNCIL MEETING: 2021-01-27: ITEM 10.1**NOTED**

the report from the Executive Mayor on the Mayor–Rector Forum Virtual Meeting: 20 November 2020.

10.2	REPORT/S BY THE SPEAKER
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NONE

10.3	REPORT/S BY THE MUNICIPAL MANAGER
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NONE

11.	ITEMS FOR CONSIDERATION FROM THE EXECUTIVE MAYOR OR MAYORAL COMMITTEE: [ALD. G VAN DEVENTER (MS)]
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11.1	COMMUNITY DEVELOPMENT AND PROTECTION SERVICES: (PC: CLLR R BADENHORST)
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NONE

11.2	CORPORATE SERVICES: (PC: CLLR AR FRAZENBURG)
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11.2.1	PAYMENT OF WARD COMMITTEE MEMBERS WHERE WARD COMMITTEES DID NOT CONVENE MEETINGS DURING QUARTER 4 OF 2020
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

20 January 2021 and 27 January 2021

1. SUBJECT: PAYMENT OF WARD COMMITTEE MEMBERS WHERE WARD COMMITTEES DID NOT CONVENE MEETINGS DURING QUARTER 4 OF 2020

2. PURPOSE

To submit to Council a report to consider if payment should be made to ward committee members where their ward committee did not convene meetings during the period October 2020 to December 2020 due to various challenges.

3. DELEGATED AUTHORITY

Council is the decision-making authority.

4. EXECUTIVE SUMMARY

Subsequent to the declaration of a national disaster on the Covid-19 pandemic on 15 March 2020, Council, at an urgent meeting on 25 March 2020, granted permission to the Executive Mayor to exercise powers of the Council with the exception of powers stipulated in Section 160(2) of the Constitution. The Executive Mayor approved the payment of ward committee members despite the fact that they did not meet during lockdown, as committees could not meet.

With the entire country placed on alert level 2 during August 2020 in the wake of a moderate Covid-19 spread of the virus, council meetings took place again although on a virtual platform. Council was fully operational and the full workforce at work although some ward offices were still closed. Council withdrew the delegations to the Executive Mayor on her request in September 2020.

The ward offices, except those of wards 16 and 17, opened on 01 September 2020 after the national lockdown implemented in March 2020. This paved the way for ward committees to convene meetings, strictly adhering to the Covid-19 regulations, health and safety protocols.

The wards indicated in Table 1 below did not convene any ward committee meetings during the period October to December 2020 for the reasons indicated below as received from the respective ward councillor. Payment could not be made to the ward committee members of said ward committees as Clause 25 of the Policy and Procedures for Ward Committees stipulates that payment for out-of-pocket allowances should be made to a ward committee member for attending a ward committee meeting.

The country has subsequently moved to level 1 and was again placed under revised level 3 lockdown regulations from 28 December 2020. The responsibilities of the Ward Committee members are not limited to attending ward meetings, but include working within their respected communities and to assist the Ward Councillor in executing his/her functions/duties. For these reasons it is proposed that the Ward Committee members be paid despite meetings not taking place.

Table 1: List of ward committees that held no meetings during the period October to December 2020

Ward	Meetings scheduled prior to lockdown	Reason/s for not being able to meet
3	6 Oct ; 3 Nov	Unrest within Lanquedoc led to Councillor being protected 24/7
5	6 Oct ; 3 Nov ; 1 Dec	No network connection: ward office could therefore not function – was waiting for equipment to enable ICT to fix the problem at the ward office. Problem only fixed on 15 December 2020
14	14 Oct ; 11 Nov	No ward office – awaiting action from LED to provide office space as per negotiations done by the Office of the Speaker
22	7 Oct ; 4 Nov ; 3 Dec	No ward office – previous office space utilised (Plein Street Library Hall) not available during lockdown and beyond

Council has adopted a revised Policy and Procedures for Ward Committees on 25 November 2020. In terms of the said Policy ward committee members will be paid an amount of R350.00 for out-of-pocket expenses incurred when attending a ward committee meeting.

Council must consider if they want to consider waiving Clause 25 and approving the payment to ward committee members of those wards that could not meet as a result of the challenges as indicated in Table 1 above. It is also advised that Council resolves on the period between January 2021 and March 2021 as it is unclear what the situation will be as the current level 3 has been extended to manage wave 2 of the virus.

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40TH COUNCIL MEETING: 2021-01-27: ITEM 11.2.1**RESOLVED** (majority vote)

- (a) that the report is noted;
- (b) that Council waives clause 25 of the Policy and Procedures for Ward Committees for the last quarter of 2020; and
- (c) that, where meetings could not take place as indicated in the item, the ward committee members be paid for the last quarter of 2020, given the fact that the ward committee members also fulfilled other duties in the wards as ward committee members.

Councillor G Cele (Ms) requested that her vote of dissent be minuted.

FOR FURTHER DETAILS CONTACT:

NAME	Nicky Ceasar
POSITION	Executive Support Officer
DIRECTORATE	Corporate Services
CONTACT NUMBERS	021 808 8618
E-MAIL ADDRESS	nicky.ceaser@ Stellenbosch.gov.za
REPORT DATE	21 January 2021

11.2.2	PROPOSED AMENDED LEASE AGREEMENT: KARLIEN AND KANDAS CRECHE: ERVEN 12758 AND 12759, STELLENBOSCH
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance

20 January 2021 and 27 January 2021

1. SUBJECT: PROPOSED AMENDED LEASE AGREEMENT: KARLIEN AND KANDAS CRECHE: ERVEN 12758 AND 12759, STELLENBOSCH

2. PURPOSE

To obtain Council's approval to amend the Lease Agreement between Stellenbosch Municipality and Karlien and Kandas crèche in regard to erven 12758 and 12759, Stellenbosch.

3. DELEGATED AUTHORITY

The Executive Mayor in consultation with the Executive Mayoral committee has delegated powers to made a decision in regard to lease agreements for less than 10 years and values that will be less than R5 million.

4. EXECUTIVE SUMMARY

Stellenbosch Municipality took over a Lease Agreement between Karlien en Kandas Crèche and the Dutch Reform church when the properties (erven 12758 and 12759) were transferred to Stellenbosch Municipality in 2001. This agreement was for an undetermined period, and had an early termination clause (6 months).

This Agreement was replaced with a new Lease Agreement in 2004, also for an undetermined period (**APPENDIX 3**). Changes to the existing lease can only be implemented with the agreement of the lessee as rights are in existence in terms of the current agreement's term. The Lessee has indicated that they will accept the change in the lease period. The nature of the business of the crèche requires that they get at least 12 months' notice to ensure that the children are accommodated should they need to move out of the current facility

The item served before Mayco in November 2019, but was referred back due to the link the property has with erf 13246. The item on erf 13246 was resubmitted for consideration early in 2020, but the item on erf 13246 was referred back and therefore this item was also not dealt with. Both items are resubmitted for consideration.

The item served before Council in November 2020. No resolution was taken as it stood down for further deliberation. It is resubmitted for consideration.

40TH COUNCIL MEETING: 2021-01-27: ITEM 11.2.2**RESOLVED** (majority vote)

- (a) that it be confirmed that erven 12758 and 12759 were identified as land not needed for municipal purpose for the period for which the rights are awarded;
- (b) that Council notes that a current lease agreement with the Lessee exists;
- (c) that Council approves, in principle, the amendment to the period of lease from an undetermined period to a period of 9 years and 11 months;
- (d) that public comments/objections be requested on the amendment of the lease, and that the item be resubmitted after the public participation process; and
- (e) that the determination of the monthly rental and the decision on the costs for rezoning of the property stand over until after the public participation process has been completed.

Councillors F Adams; G Cele (Ms) 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	30 October 2020

11.2.3	APPLICATION FOR A LONG-TERM LEASE AGREEMENT BETWEEN STELLENBOSCH MUNICIPALITY AND THE STELLENBOSCH FLYING CLUB: PORTION L OF FARM 502, STELLENBOSCH
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance

20 January 2021 and 27 January 2021

1. SUBJECT: APPLICATION FOR A LONG-TERM LEASE AGREEMENT BETWEEN STELLENBOSCH MUNICIPALITY AND THE STELLENBOSCH FLYING CLUB: PORTION L OF FARM 502, STELLENBOSCH

2. PURPOSE

The purpose of this report is to:-

- a) Provide feedback on the public participation process envisaged in paragraph 9.2.2.1 of the Policy on the Management of Council-owned property, and
- b) Make a final determination on the request for a long term lease agreement.

3. DELEGATED AUTHORITY

The Executive Mayor in consultation with the Executive Mayoral Committee has delegated powers to decide on lease agreements less than 10 years. Council however has to deal with properties worth more than R5 million even if the proposed agreement is less than 10 years.

4. EXECUTIVE SUMMARY

After following the public participation process prescribed by Regulation 35 of the Asset Transfer Regulation, Council decided on 2010-08-29 *inter alia*, to in principle approve a Lease Agreement with the Flying Club for a period of 9 years and 11 months without following a public competitive process, subject thereto that Council's intention to enter into the agreement be advertised for public comment/inputs/alternative proposals.

The notice was published on 2 October 2020 and the closure for inputs was 23 October 2020.

Only one (1) input was received from the Western Cape Education Department which must now be considered by Council, before making a final determination regarding the proposed long term Lease Agreement (see 6.1.4 below).

The valuation reports are attached as appendices 4 and 5.

A further letter was received from the Western Cape Education department, of which the contents speaks for itself, dated 23 November 2020 and is attached as **APPENDIX 6.**

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40TH COUNCIL MEETING: 2021-01-27: ITEM 11.2.3**RESOLVED** (majority vote)

- (a) that Council takes note of the inputs received from the WCED;
- (b) that the lease be approved to be entered into for a period of 9 years and 11 months with an option to renew the agreement after this initial period;
- (c) that before the lease is signed, proof be submitted from the Western Cape Education Department on the agreement reached between the WCED and the Flying Club;
- (d) that a market-related monthly rental of R30 080.00 (the average of the two new evaluations) be charged from 1 April 2021;
- (e) that the rental be escalated by CPI on the first day of the financial year annually, excluding 1 July 2021;
- (f) that, if the Flying Club wishes to enter into a sub-lease arrangement, such sub-lease must be approved by Council;
- (g) that Council approves the sub-leases with the current companies operating on the field and with whom sub-leases were approved previously;
- (h) that the delegation to approve any other sub-leases be delegated to the Municipal Manager;
- (i) that the agreement may be terminated earlier on a 12 months' notice period if the land is needed for municipal services; and
- (j) that the Flying Club pays the taxes and services punctually.

Councillors F Adams; C Moses (Ms) 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	2021 – 01 - 03

11.2.4	PROPOSED EXCHANGE OF LAND: LEASE FARMS 502AA, 502AB AND A PORTION OF PORTION 13 OF FARM 491 FOR A PORTION OF PORTION 10 OF FARM 502, STELLENBOSCH: SPIER HOLDINGS (PTY) LTD
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance

20 January 2021

- SUBJECT: PROPOSED EXCHANGE OF LAND: LEASE FARMS 502AA, 502AB AND A PORTION OF PORTION 13 OF FARM 491 FOR A PORTION OF PORTION 10 OF FARM 502, STELLENBOSCH: SPIER HOLDINGS (PTY) LTD**

- PURPOSE**

To consider the (in principle) application to exchange land as submitted by Spier Holdings (Pty) Ltd.

- DELEGATED AUTHORITY**

For decision by Municipal Council.

- EXECUTIVE SUMMARY**

Spier Holdings (Pty) Ltd is leasing a number of Municipal-owned Lease Farms. They have now applied for an exchange of portions of Lease Areas for a portion of their own land. Council must now consider this application in principle in terms of the relevant provisions contained in the Property Management Policy.

There are 4 options that are discussed under point 6 below. Council may also decide on any other option. In consideration of the option sit must be taken into account that the properties fall in the above R10 million value categories and the provisions of the asset transfer regulations for the properties therefore needs to be followed which means an Information statement and public participation process must first be followed before a decision can be taken, similar to what took place with the lease process of the Flying club.

40TH COUNCIL MEETING: 2021-01-27: ITEM 11.2.4**RESOLVED** (majority vote with abstentions)

that Council considered the application, and does not approve the land exchange application.

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	2020-08 - 03

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: (PC: CLLR Q SMIT)
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11.5.1	REQUEST TO COMMENCE WITH THE INVESTIGATION INTO THE USE AND GENERATION OF ALTERNATE ELECTRICITY ENERGY SUPPLIES
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance

20 January 2021

1. SUBJECT: REQUEST TO COMMENCE WITH THE INVESTIGATION INTO THE USE AND GENERATION OF ALTERNATE ELECTRICITY ENERGY SUPPLIES

2. PURPOSE

To inform Council about the option to investigate alternate forms of Electricity Supplies through own generation or purchases from Independent Power Producers.

3. DELEGATED AUTHORITY

Municipal Council -- for notification.

4. EXECUTIVE SUMMARY

Under previous circumstances, the Constitution did not allow Local Government to enter into the generation of electricity and the Electricity Regulation Act did not allow municipalities to purchase electricity from any company other than Eskom. Through the promulgation of Electricity Regulation Act Regulations, in 16 October 2020, this changed and municipalities are now allowed to generate electricity and purchase electricity from other electricity providers than Eskom.

Stellenbosch Municipality is in the position to make use of internal research entities, Stellenbosch University and the Council for Scientific and Industrial Research (CSIR) as well as the Western Cape Government to facilitate the investigations into viability and feasibility of the following possible projects and other similar possibilities:

- a. Rooftop Solar Panel Generation of Electricity
- b. Methane Mining of the Landfill Site and utilising methane to power engines which in turn generates electricity through generators

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- c. Storage of Electricity with batteries/capacitor in order store cheap electricity at night and to use this during expensive slots within the day
 - d. Allowing the public to generate electricity and sell this to the municipality
 - e. Purchasing Electricity from registered Independent Power Providers (IPPs)
 - f. Investigating the generation of electricity on a large scale with the view of onward selling of this electricity to willing buyers outside the jurisdiction of Stellenbosch Municipality.

40TH COUNCIL MEETING: 2021-01-27: ITEM 11.5.1**RESOLVED** (nem con)

- (a) that Council approves the investigation into alternate methods of electricity generation and purchases;
- (b) that Council approves the joint investigation to be done by University of Stellenbosch, Council for Scientific and Industrial Research (CSIR), and the Western Cape Government;
- (c) that Council accepts the initiating of the following processes as may be required:
 - i. Municipal Systems Act, Section 78(1) processes
 - ii. Municipal Finance Management Act, Section 33 investigation processes
 - iii. Electricity Regulation Act, Section 13; and
- (d) that Council considers the funding of such investigations and implementation of completed investigations within the determination of the 2021/22 budget process.

FOR FURTHER DETAILS CONTACT:

NAME	Deon Louw
POSITION	Director Infrastructure Services
DIRECTORATE	Infrastructure Services
CONTACT NUMBERS	021 808 8815
E-MAIL ADDRESS	deon.louw@ Stellenbosch.gov.za
REPORT DATE	12 January 2021

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11.6	PARKS, OPEN SPACES AND ENVIRONMENT: (PC: XL MDEMKA (MS))
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NONE

11.7	PLANNING, LOCAL ECONOMIC DEVELOPMENT AND TOURISM: (PC: CLLR E GROENEWALD (MS))
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NONE

11.8	RURAL MANAGEMENT: (PC: CLLR S PETERS)
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NONE

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11.9	YOUTH, SPORTS AND CULTURE:
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11.9.1	UNIVERSAL ACCESS POLICY REVIEW
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Collaborator No: 700482
 IDP KPA Ref No: Good Governance and Compliance
 Meeting Date: 20 January 2021

1. SUBJECT: UNIVERSAL ACCESS POLICY REVIEW

2. PURPOSE

To obtain Council approval for the Universal Access Policy Review.

3. DELEGATED AUTHORITY

FOR DECISION BY MUNICIPAL COUNCIL

4. EXECUTIVE SUMMARY

Council approved the Universal Access Policy in April 2016. The first review includes progress evaluation of policy implementation and the introduction of the White Paper on the Rights of Persons with Disabilities.

40TH COUNCIL MEETING: 2021-01-27: ITEM 11.9.1

RESOLVED (nem con)

- (a) that Council notes the results of the public participation process for the Review of the Universal Access Policy; and
- (b) that the reviewed Universal Access Policy 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	2020-12-23

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40TH MEETING OF THE COUNCIL
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11.10	MUNICIPAL MANAGER
11.10.1	ADOPTION OF THE REVISED STRATEGIC AND OPERATIONAL RISK REGISTER FOR THE 2020/21 FINANCIAL YEAR WITH RISK APPETITE

Collaborator No: 700491
 IDP KPA Ref No: Good Governance and Compliance
 Meeting Date: 20 January 2021 and 27 January 2021

1. **SUBJECT: ADOPTION OF THE REVISED STRATEGIC AND OPERATIONAL RISK REGISTER FOR THE 2020/21 FINANCIAL YEAR WITH RISK APPETITE**
2. **PURPOSE**
To submit the Strategic and Operational Risk Register for the 2020/21 financial year for Council approval.
3. **DELEGATED AUTHORITY**
Council.
4. **EXECUTIVE SUMMARY**

Municipal Governance best practice as well the Municipal Finance Management Act (MFMA), Act 56 of 2003, requires municipalities to have an effective risk management mechanism to stay abreast of prevalent risks and to determine the risk appetite. To ensure effectiveness, a municipality must focus its attention and resources on the areas of most significant risk and concern to stakeholders. To this end, Stellenbosch Municipality has undertaken the practice of adopting a Strategic Risk Register which identifies strategic and operational risk at a corporate level to ensure that risks which could hamper service delivery and the strategic objectives are identified and linked to appropriate actions to mitigate the risks.

Due to the changing dynamics in the external environment with impact municipal services, amendments to the Strategic Risk Register were necessitated to ensure that the municipalities remain appropriately responsive to the risk environment.

The Stellenbosch Municipality is committed to effective risk management in order to achieve the municipality's vision, service delivery, and strategic objectives and to ensure appropriate outcomes for the community.

40TH COUNCIL MEETING: 2021-01-27: ITEM 11.10.1**RESOLVED** (majority vote)

that Council adopts the Strategic and Operational Risk Register for the 2020/21 financial year.

FOR FURTHER DETAILS CONTACT:

NAME	SHIREEN DE VISSER
POSITION	SENIOR MANAGER: GOVERNANCE
DIRECTORATE	OFFICE OF THE MUNICIPAL MANAGER
CONTACT NUMBERS	X8035
E-MAIL ADDRESS	shireen.devisser@stellenbosch.gov.za
REPORT DATE	13 JANUARY 2021

MINUTES

40TH MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2021-01-27

11.10.2 MUNICIPAL PARTNERSHIP FOR HUMAN RIGHTS

Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

20 January 2021 and 27 January 2021

1. SUBJECT: MUNICIPAL PARTNERSHIP FOR HUMAN RIGHTS

2. PURPOSE

To confirm the appointment of the two (2) Councillors and two (2) officials to represent Council in the partnership for Human Rights with Jönköping Municipality (JM) and to submit same as entries into the Inception Application to ICLD.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Stellenbosch Municipality (SM) has been approached by the Swedish International Centre for Local Democracy (ICLD) to explore the possibility of entering into a partnership with a Swedish Municipality selected by ICLD on the topic of Human Rights.

At the Council meeting of 25 November 2020 Council resolved that SM may enter into a partnership agreement (**APPENDIX 1**). This information was passed onto ICLD who identified Jönköping Municipality in the south of Sweden as the preferred municipality to enter into this partnership with SM.

Jönköping Municipality has recently won a prestigious European Union (EU) award which as a by-product unlocks funding and sponsorship from vast array of sources within the European Union (EU) who are interested in human rights and this kind of partnerships. This partnership potentially opens the doors to this funding and could potentially allow SM access to funding sources for human rights projects that were not previously available or accessible.

A Letter of Intent, outlining the broad partnership relations has been concluded and signed by both municipalities subsequent to the Council resolution, **APPENDIX 2**.

In accordance with this letter, as well as subsequent correspondence between the two municipalities the broad terms for the collaboration would be the area of human rights and specific emphasis will be given to the area of social sustainability, with further emphasis on particular issues such as amongst others gender inequality. The collaboration is therefore shaped within ICLD's core areas framework, i.e. equity and inclusion, citizen participation, transparency and the possibility of accountability.

Given the above, it is now required of the two municipalities to submit a joint Inception Application to ICLD. This application must be submitted to ICLD by January 2021.

In order to submit the application there are certain requirements that both municipalities must meet, i.e.

- i. That the application must be submitted in Swedish
- ii. That the suitable participants be confirmed and their details be submitted as part of the Application
- iii. SM's initial understanding of the partnership for Human Rights.

MINUTES

40TH MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2021-01-27

It must be noted that as a result of the Covid-19 pandemic, there are currently and most probably for the foreseeable future, international travel restrictions in place. This situation might result in using alternative methods of communication other than local visits by the representatives the respective municipalities.

40TH COUNCIL MEETING: 2021-01-27: ITEM 11.10.2**RESOLVED** (majority vote)

- (a) that Council takes note of the requirement to identify and confirm the appointment of two (2) suitable Councillors to represent the Municipality in this partnership;
- (b) that Council takes note of the requirement to identify and confirm the appointment of two (2) suitable Officials to represent the Municipality in this partnership;
- (c) that Council takes note that the traveling and accommodations requirements for the four (4) staff members will be covered by ICLD;
- (d) that Council takes note of the fact that there currently are international travel restrictions in place as a result of the ongoing Covid 19 pandemic;
- (e) that Council confirms the appointment of Cllrs WC Petersen (Ms) and Z Dalling (Ms) – with Cllr E Groenewald (Ms) to be the second- to represent the Municipality in this partnership, whose particulars will be recorded in the Inception Application; and
- (f) that Council confirms the appointment of the Municipal Manager, Ms Geraldine Mettler and the Manager: Housing Administration, Ms Rotanda Nona Swartbooi, as the two (2) suitable Officials to represent the Municipality in this partnership.

Councillor G Cele (Ms) requested that her vote of dissent be minuted.

FOR FURTHER DETAILS, CONTACT:

NAME	Geraldine Mettler
POSITION	Municipal Manager
DIRECTORATE	Municipal Manager
CONTACT NUMBERS	021 808 8025
E-MAIL ADDRESS	municipal.manager@ Stellenbosch.gov.za
REPORT DATE	9 January 2021

MINUTES

40TH MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2021-01-27

11.10.3	DECISIONS TAKEN BY DIRECTORATES IN TERMS OF DELEGATED AUTHORITY FROM 01 OCTOBER 2020 UNTIL 31 DECEMBER 2020
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

20 January 2021 and 27 January 2021

1. **SUBJECT: DECISIONS TAKEN BY DIRECTORATES IN TERMS OF DELEGATED AUTHORITY FROM 01 OCTOBER 2020 UNTIL 31 DECEMBER 2020**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 October 2020 until 31 December 2020, 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.

40TH COUNCIL MEETING: 2021-01-27: ITEM 11.10.3**NOTED**

the decisions taken, for the period 01 October 2020 until 31 December 2020, by the following Section 56 Managers:

- Municipal Manager – Ms G Mettler (01 October 2020 – 31 December 2020).
- Chief Financial Officer – Mr K Carolus (01 October 2020 – 31 December 2020).
- Director Community and Protection Services Mr G Boshoff (01 October 2020 – 31 December 2020).
- Director Corporate Services – Ms A de Beer (01 October 2020 – 31 December 2020).
- Director Infrastructure Services – Mr D Louw (01 October 2020 – 31 December 2020).
- Director Planning and Economic Development – Mr A Barnes (01 October 2020 – 31 December 2020).

NAME	Geraldine Mettler
POSITION	Municipal Manager
DIRECTORATE	Office of the Municipal Manager
CONTACT NUMBERS	021 808 8025
E-MAIL ADDRESS	municipal.manager@ Stellenbosch.gov.za
REPORT DATE	14 January 2021

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	ALLOCATION OF FUNDS TO ORGANISATIONS PROVIDING FOOD TO THE HOMELESS DURING THE COVID-19 LOCKDOWN PERIOD
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Collaborator No:

IDP KPA Ref No:

A Dignified Living

Good Governance and Compliance

Meeting Date:

27 January 2021

1. SUBJECT: ALLOCATION OF FUNDS TO ORGANISATIONS PROVIDING FOOD TO THE HOMELESS DURING THE COVID-19 LOCKDOWN PERIOD

2. PURPOSE

To consider a further donation to the Stellenbosch Unite Initiative to procure and distribute food packages to the homeless and vulnerable people of the municipal area during the COVID-19 lockdown period.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

On 20 April 2020, the Executive Mayor under the delegation approved by Council on 25 March 2020 to confer Council power and functions upon the Executive Mayor, approved the recommendations from the Special Grants Committee to donate funding to the Stellenbosch Unite Initiative to provide food parcels and soup to the vulnerable community groups during the COVID-19 lockdown period.

On 11 September 2020, Council approved a further donation to the Stellenbosch Unite Initiative as per the recommendations of the Special Grants Committee to provide soup to the vulnerable community groups during the COVID-19 lockdown period, with the decision *"that Council notes that no further ad-hoc financial donations will be entertained, as any further donations of this nature must be discussed through the IDP and Budget processes."*

The above decision was based on the fact that the Grants Committee noted that our country lowered the COVID-19 Regulations to Level 2, which resulted in a number of businesses being allowed to trade, and that more job opportunities may have been created, however this situation has changed during December 2020 due a surge of

COVID-19 infections, which emanated into the “second wave” COVID-19 infections, and the President announced that the country be placed at Level 3 Lockdown, with the prohibition of sale and distribution of alcohol in all its forms, as well as the announcement of curfew. This had a major impact on especially, the tourism businesses of Stellenbosch Municipality. This resulted in a number of donors not being in the position to financially assist with feeding scheme for the most vulnerable communities, which have increased as the number of hospitality businesses have lost patrons, which resulted in staff being retrenched and /or businesses closing. The need for assistance has thus exponentially increased and may even increase over the next months, with the uncertainty of the availability of the COVID-vaccine and the traditional winter months looming, which may result in a further rise of infections. Essentially funding is needed to continue with the various soup kitchens serving the vulnerable communities in WC024, and also that although Council made the decision that no further ad-hoc contributions will be made, could not have predicted the announcement of a further level 3 lockdown with such restrictive regulations accompanying it, which may have resulted in an already dire economy situation to our country.

40TH COUNCIL MEETING: 2021-01-27: ITEM 11.10.3

RESOLVED (nem con)

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

FOR FURTHER DETAILS, CONTACT:

NAME	Craig Alexander
POSITION	Senior Manager: Development Planning
DIRECTORATE	Planning & Economic Development
CONTACT NUMBERS	021 808 8196
E-MAIL ADDRESS	Craig.alexander@ Stellenbosch.gov.za
REPORT DATE	20 January 2021

14.	CONSIDERATION OF NOTICES OF QUESTIONS AND NOTICES OF MOTIONS RECEIVED BY THE SPEAKER
-----	--

NONE

15.	CONSIDERATION OF URGENT MOTIONS
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NONE

16.	URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER
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NONE

17.	REPORTS SUBMITTED BY THE SPEAKER
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NONE

18.	REPORTS SUBMITTED BY THE EXECUTIVE MAYOR
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NONE

19.	MATTERS TO BE CONSIDERED IN-COMMITTEE
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SEE IN-COMMITTEE DOCUMENTATION

The meeting adjourned at 13:45.

CHAIRPERSON:

DATE:

Confirmed on **with/without amendments**

7.2	SPECIAL COUNCIL MEETING: 2021-02-24
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The minutes of a Special Council Meeting: 2021-02-24 is attached as **APPENDIX 1**.

FOR CONFIRMATION

APPENDIX 1



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref. no.3/4/1/5

2021-02-24

MINUTES

SPECIAL MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY

2021-02-24 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
SPECIAL MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY
2021-02-24

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MINUTES

SPECIAL MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2021-02-24

PRESENT

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

COUNCILLORS

FJ Badenhorst	DD Joubert
FT Bangani-Menziwa (Ms)	N Mananga-Gugushe (Ms)
Ald PW Biscombe	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)
C Davidse	N Olayi
R Du Toit (Ms)	SA Peters
J Fasser	WF Pietersen
A Florence	SR Schäfer
AR Frazenburg	Ald JP Serdyn (Ms)
E Fredericks (Ms)	N Sinkinya (Ms)
T Gosa	P Sitshoti (Ms)
AJ Hanekom	Q Smit
JK Hendriks	LL Stander
LK Horsband (Ms)	RB Van Rooyen
MC Johnson	E Vermeulen (Ms)

Officials:

Municipal Manager (Ms G Mettler)
 Chief Financial Officer (K Carolus)
 Director: Community and Protection Services (G Boshoff)
 Director: Corporate Services (Ms A De Beer)
 Director: Infrastructure Services (D Louw)
 Director: Planning and Economic Development (AP Barnes)
 Chief Audit Executive (F Hoosain)
 Manager: Secretariat (EJ Potts)
 Senior Administration Officer (T Samuels (Ms))

1.	OPENING AND WELCOME
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The Speaker, Cllr WC Petersen (Ms) welcomed all present at the Special Council meeting via livestream.

2.	MAYORAL ADDRESS
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“Speaker, Munisipale Bestuurder, Burgemeesterskomiteelede, Direkteure

Goeiedag, Good Morning, Molweni, As-salaam Alaikum

- Still continuing online meetings.
- Seems that the second wave of the COVID pandemic is finally flattening out.
 - o Urge all residents to remain vigilant, now is not the time to relax with any of the regulations.
 - o Social gatherings are still restricted
 - o Everyone must wear a mask when moving about in public spaces, sanitise or wash your hands regularly, and maintain social distancing.
 - o These regulations have been proven as effective ways to prevent the spread of COVID-19.
 - o This second wave has been particularly devastating, and we have been warned about a third wave as well, experts project starting as early as April.
 - o The State of disaster has also been extended with another month, now until 15 March.
 - o We remain on level 3 regulations.
- Last Monday, I met with Minister Bongsi Madikizela.
 - o Here on an oversight visit, to see the progress on the R44 upgrade.
 - o The R44 in the direction of Somerset-West has been resurfaced.
 - o I am aware that it was frustrating to many commuters, but this was necessary to maintain the integrity of this critical route in our area.
 - o Now we have a nice newly resurfaced road.
 - o Project costs was more than R 60 million and created 92 job opportunities.
 - o Our thanks goes out to the Provincial Department of Public Works and Transport for their support and hard work to help maintain critical routes in our area.
- This year is the 50th anniversary of the Stellenbosch Wine Route
 - o Wine industry is very iconic in our region and it has been facing some of the most severe challenges in recent years.
 - o However, I want to congratulate the Stellenbosch Wine Routes.

-
- o Stellenbosch Wine Routes represent more than 200 wine farms and grape produces.
 - o This industry provides hundreds and hundreds of jobs, directly or indirectly.
 - o Thank you for what you contribute to our unique region, and I hope that we will be able to celebrate this momentous occasion, sooner rather than later.
 - Conclude with a hearty congratulations to all our 2020 Matric learners with the wonderful results that was released on Monday.
 - o The Matric class of 2020 faced unprecedented challenges.
 - o Schools were closed for long periods at a time and uncertainty about the academic year caused fear and frustration for many.
 - o Students, teachers and parents had to adapt to new ways of learning through virtual platforms and this placed a lot of extra pressure on our matric class of 2020.
 - o The hard work really did pay off for many of our learners! We are once again delighted to hear of the outstanding performances of learners and schools from our municipal area.
 - o We are proud to be home to several schools that consistently rank as some of the best performing schools in the country!
 - o If your results are not what you anticipated, please do not lose hope.
 - o I urge you to try again, apply yourself again,
 - o In the broader picture of your life, this is only one small hurdle, and trying again will help you to persevere throughout your life.

Thank you.”

3.	COMMUNICATION BY THE SPEAKER
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“Good Morning to:

The Executive Mayor, Advocate Gesie Van Deventer

Deputy Executive Mayor, Councillor Nyaniso Jindela

The Municipal Manager, Ms. G. Mettler

Councillors and all Protocols observed:

Executive Mayor, Councillors, MM and the broader Stellenbosch **Public** - it is a privilege for me to welcome you to this **Special** Meeting of Council for the **Year 2021**.

The purpose of the meeting is to give effect to the statutory requirement of considering and approving the MID-YEAR ADJUSTMENTS BUDGET AND REVISED SERVICE DELIVERY AND BUDGET and the IMPLEMENATION PLAN FOR 2020/2021

Raadslede soos u weet – moes die item alreeds gedurende Januarie 2021 gedien het – kom ons gee aandag aan die saak sodat die Administrasie kan voortgaan rakende die spandering van die Begroting vir die afhandeling van die belasting jaar.

Allow me to announce the following:

- We have to welcome the two new Councillors – Mnrre RB Van Rooyen and Clint Davidse – Welcome to your new home of **Service to the People**.
- Regarding the All wards meeting – may I acknowledge that the meeting has been postponed to 1st of March 2021. Ward Councillors will be reminded that their ward allocations is currently under discussion but that it will be dealt with in full at the All Wards meeting.
- Allow me also to congratulate our Matriculants of 2020 – for their remarkable achievement in passing their exams. For those who did not make it – please remember that it is not the end of the world.
- Regarding **birthdays** the following:
 1. **March 16** it is Councillor Rikus Badenhorst that will be celebrating his 51st birthday – **16 March**

Once again thank you very much Councillors and Administration for your continuous support to our electorate during this difficult time.

I Thank You”.

4.	COMMUNICATION BY THE MUNICIPAL MANAGER
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“Good morning Councillors,

Good morning members of the public and colleagues,

- It’s indeed a privilege to be here with you this morning.
- The Adjustments Budget normally serves before Council at the end of January each year, but due to covid and the challenges the municipality experienced, this matter will only serve before Council today.
- Congratulations to all matriculants who passed, to those who did not make it, never give up, you can always try again. It was indeed very difficult circumstances, but you have proven that you can adapt to the new normal.
- Welcome to all new students who will be joining the University this year. The University will start soon, please take care and be proud of our town, like we are, and observe covid protocols, especially during your orientation, etc.
- Thank you for all the messages of support and condolences which I received with the passing of my father. We’ve heard about the predictions about a third wave, it is everyone’s responsibility to take care of themselves, be safe and take the necessary precautions and observe covid protocols.

I thank you.”

5.	DISCLOSURE OF INTERESTS
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NONE

6.	APPLICATIONS FOR LEAVE OF ABSENCE
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- 6.1 The following applications for leave of absence were approved in terms of the Rules and Order By-law of Council:-

Cllr F Adams – 24 February 2021
Cllr E Groenewald (Ms) – 24 February 2021
Cllr JH Hamilton – 24 February 2021

- 6.2 ABSENT

Cllr MD Oliphant – 24 February 2021

7.	STATUTORY MATTERS
7.1	MID-YEAR ADJUSTMENTS BUDGET AND REVISED SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN FOR 2020/2021

Collaborator No:

IDP KPA Ref No:

Good Governance and Compliance

Meeting Date:

17 & 24 February 2021

1. SUBJECT: MID-YEAR ADJUSTMENTS BUDGET AND REVISED SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN FOR 2020/2021

2. PURPOSE

To table the adjustments budget as envisaged by Section 28 of the Municipal Finance Management Act (Act No.56 of 2003), for the 2020/2021 financial year together with the revised Service Delivery and Budget Implementation Plan.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

This adjustments budget addresses adjustments in terms of section 28 (2) a, b, d & f of the MFMA and is further explained as required by section 28 (2).

Furthermore Section 54 (1) of the MFMA states the mayor must-consider and, if necessary, make any revisions to the SDBIP, provided that revisions to the SDBIP may only be made with the approval of the council following approval of an adjustments budget. These revisions to the SDBIP was approved by council on 27 January 2021.

The approved revisions to the SDBIP is submitted with the Mid-year adjustments to ensure compliance with Section 54 (1) of the MFMA.

Attached as **APPENDIX 1** is an executive summary by the Accounting Officer.

SPECIAL COUNCIL MEETING: 2021-02-24: ITEM 7.1

The Executive Mayor's Budget Speech is attached as an **APPENDIX**.

RESOLVED (majority vote)

- (a) that the Adjustments Budget as prescribed by the Budgeting and Reporting Regulations, as set out in **APPENDIX 2**, be approved;
- (b) that the list of capital projects be adjusted over the MTREF (2021/2022), as set out in **APPENDIX 1**; and
- (c) that Council reaffirms the revised Service Delivery and Budget Implementation Plan approved on 27 January 2021 as aligned to the Mid-year adjustments budget, as set out in **APPENDIX 4**.

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

Cllr G Cele (Ms); FT Bangani-Menziwe (Ms); N Mananga-Gugushe (Ms); C Moses (Ms); RS Nalumango (Ms); N Sinkinya (Ms); P Sitshoti (Ms) and LL Stander.

APPENDIX



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

INNOVATION CAPITAL
ISIXEKO ESIZA NENGUQU
INNOVASIEHOOFSTAD

STELLENBOSCH MUNICIPALITY

**EXECUTIVE MAYOR:
Annual Adjustment Budget**

24 February 2021

Speaker;
Deputy Mayor;
Single Whip;
Members of the Mayoral Committee;
Members of Council;
Municipal Manager and senior management;
Members of the public;
Members of the media present; and
All protocol observed

Good Morning ladies and gentlemen.

Introduction

Speaker, it is my obligation as the Executive Mayor of Stellenbosch Municipality to submit the adjustment budget for the current financial year of 2020/21 in accordance with section 28(4) of Municipal Finance Management Act. In terms of section 28(2) of the Municipal Finance Management Act, an adjustments budget:

- a) must adjust the revenue and expenditure estimates downwards if there is material under collection of revenue during the current year;
- b) may appropriate additional revenue that has become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
- c) may authorize the utilization of projected savings in one vote towards spending in another vote; and
- d) may correct any errors in the annual budget.

In terms of section 23(1) of the Municipal Budget and Reporting Regulations, the above mentioned adjustments can only be done after the mid-year

budget and performance assessment has been tabled to Council, but not later than 28 February.

Speaker, this past year has proven to be most unusual. This was like Alice in Wonderland discovering a beast of a virus and miracles along this journey, stranger than one could ever have imagined possible a year ago. No one could have anticipated the devastating impact of the worldwide COVID pandemic on our communities, our economy and on our municipality. The hard lockdown and the continued limitations imposed by COVID throughout our entire financial year has delayed much of our planning and greatly affected our operational and capital expenditure and revenue.

Even though we tried to anticipate the impact of COVID-19 on our adjusted budget, it was impossible to determine the full extent of this international disaster on us.

Stats SA figures shows how our economy has been affected by the pandemic on a national level:

1. Income generated by the food and beverages industry **decreased** by **36,6%** in November 2020 compared with November 2019.
2. Total income for the tourist accommodation industry **decreased** by **65,5%** in November 2020 compared with November 2019.
3. Income from accommodation **decreased** by **66,8%** year-on-year in November 2020.
4. SA electricity generation **decreased** by **2,4%** year-on-year in November 2020. Whilst, generation only increased by 0,5% in November 2020 compared with October 2020.
5. Manufacturing production (including food and beverages), **decreased** by **3,5%** in November 2020 compared with November 2019.

6. The real value of recorded building plans **decreased** by **40,8%** year-on-year during January to October 2020. The real value of buildings completed **decreased** by **49,9%** over the same period.

These are just some of the national points which reflect directly on our own economy and how it has been affected. We have, however, not lost hope. And we shall never lose hope.

Christopher Reeve said: “Once you choose hope, everything is possible.” And that is what we choose to do every day. We hope, we dream and we believe we shall overcome this virus and rebuild what we lost as a result of this virus.

Years of prudent and responsible governance, has however helped us to weather this storm much better than many other Municipalities. Our focus for the rest of this financial year as well as the next, will be to finish projects that have already started which include critical projects. New multiyear projects will be rescheduled to the outer years will be reflected in the budget for the next financial year.

The main purpose of this adjustment budget is therefore to adjust the material under and over budgeted figures as well as to accommodate additional revenues received or cuts made in terms of government grants. Speaker, the Municipal Manager and the Chief Financial Officer, in accordance with their mandate streamlined the compilation of the adjustments budget in consultation I with the Executive Mayor and the Budget Steering Committee.

1. Capital Adjustment Budget

During the mid-year budget and performance assessment process, it was identified that the approved capital budget had to be adjusted to make necessary amendments to various projects in order to accelerate progress on the priorities identified.

We remain committed to investing in our communities. The limitations of COVID-19 and the lockdown that followed however curbed our capital

spending to 30% of our capital spending for the first 6 months of the financial year, in comparison with 33% for the same period in December 2019.

Taking all proposed adjustments into consideration, will result in the current approved capital budget of R 483 710 958 decreasing by 6,04% with R 29 246 948. The proposed adjusted capital budget for 2020/2021 will be R 454 464 010.

Speaker, this capital budget of R 454 464 010 continues to represent our investment and dedication to our communities throughout the Municipality to improve service delivery and the creation of job opportunities through economic growth. The underperformance for the current financial year is sadly not within our control and we have been working relentlessly, making every effort to balance the needs of our residents with the funds available and the restrictions imposed by the Corona virus.

Stellenbosch municipality vested the majority of the 2020/2021 capital budget in infrastructure services (R317million or 70% of the R 454 million capital budget) This investment is needed to ensure effective service delivery for our people and to ensure that bulk services are available to support development, including the “ municipal” housing projects. Mostly it is important to create an environment attractive to investment and conducive to economic growth. It is vital that we make sure that we have the necessary infrastructure in place to create opportunities for economic growth and improvement of services for our citizens.

Highlights of adjustment budget include, amongst other:

- An additional **R4 100 000** has been allocated to the establishment of the Kayamandi informal trading site. The amount of R2 600 000 of the additional funding has been received as part of a RSEP grant and will see to the completion of this vital project, which will help create job opportunities for local residents.

- Funding for the planning of upgrading projects in Langerug (**R1 000 000**) and Enkanini (**R1 279 000**) has been reduced in accordance with the latest cuts made by the Human Settlements Development Grant. This has been one of the areas adversely affected due to COVID.
- **R948 737** has been rolled over for the expansion of the new landfill site. This is a multiyear project which will continue in the next financial year. This remains a critical project to ensure that we can successfully manage solid waste in our region and ensure a healthy and clean valley.
- **R3 000 000** has been rolled over the next financial year for the upgrading of the Steps/Orlean Lounge. This is a multiyear project and will continue in the next financial year. I know that the residents in this area are eagerly awaiting the completion of this work, and I want to give them the assurance that this remains a top priority for me.
- The upgrade of the Waste Water Treatment Works in Pniel and decommissioning of Franschoek is an ongoing major infrastructure project with long term benefits for the entire community. This is a multiyear project and will continue in the next financial year. The budget for this project has been adjusted with **R22 000 000** to ensure work continues on this vital infrastructure.
- The Upgrade of the Wemmershoek WWTW facility is also ongoing. This project is in the planning phase and **R12 000 000** has been rolled over to continue this project in the next financial year.
- Ensuring a stable and reliable water supply forms part of critical infrastructure. The Kayamandi Bulk Water supply pipe and reservoir project is in the planning phase and will continue into the next financial year. **R15 000 000** has been rolled over for this purpose.

- An additional **R2 300 000** has been given for the procurement and storage of data and infrastructure connected with our CCTV security infrastructure.
- **R1 100 000** has been rolled over for the structural improvements of the Van Der Stel Sport Grounds. This project stretches over several years and we are giving all due attention to the much needed improvement of the infrastructure at this facility.
- Upgrading of the Stellenbosch Fire Station has been increased with **R1 000 000** as additional funding was necessary for phase one of this project.
- The budget for the extension of cemetery infrastructure at Jamestown has been decreased with **R1 000 000**. This project is managed with the assistance of Development Services.

2. Operational Adjustment Budget

With the process followed during the mid-year budget and performance assessment, taking into consideration projected spending or projected billed revenue, versus what was actually processed, it was identified that the operational budget should be adjusted accordingly.

The operational income budget of 2020/2021 decreases with 3,9% from **R2,007 billion** (R2 007 957 045) to the proposed budget of **R1,928 billion (R1 928 409 221)**.

The operational expenditure budget of 2020/2021 decreases with 4% from **R1,907 billion (R1 907 155 005)** to the proposed budget amount of **R1,827 billion (R1 827 604 182)**.

3. Operational Income Budget

Material changes to the operating budget:

The COVID pandemic and lockdown has had a severe impact on our expected revenue stream. We anticipate an underperformance in various line items that will have to be adjusted downward:

- **Water Service Charges:** The municipality has billed R24 846 872 less water charges than initially anticipated. This decline in billings is a result of the decrease in consumption. The categories reflecting the largest underperformance pertains to industrial water (R9 738 131) and the sale of conventional water (R13 287 058). The billings reflect a decline of R12 900 664 in comparison with the same period last year. It is evident that this service charge has been adversely affected by the COVID-19 lockdown regulations and its concomitant impact on the economy. The municipality has re-assessed the water revenue budget and anticipates that a downward adjustment of R20 000 000 will be necessitated during the Mid-year adjustment budget process.
- **Electricity Service Charges:** The municipality has billed R65 388 139 less electricity charges than initially anticipated. The largest under performance relates to the prepaid electricity usage (R17 486 291), Industrial consumption (R14 732 201), low usage during peak times reflected for the time of use tariffs (R24 905 932) and the Commercial users (R6 047 403). The billings reflect a decline of R28 638 538 in comparison with the same period last year. It is evident that this service charge has been adversely affected by the COVID-19 lockdown regulations and its concomitant impact on the economy. The municipality has re-assessed the electricity revenue budget and

anticipates that a downward adjustment of R33 000 000 will be necessitated during the Mid-year adjustment budget process.

- Sanitation Charges: The municipality has billed R12 341 644 less sanitation charges than initially anticipated. The largest under performance has been noted for the industrial waste water at R11 161 565. When taking into account the average monthly utilisation of the service, the risk exist that the municipality will only realise 79 per cent or R93 638 277 of its adjusted budget amount. This service charge has been adversely affected by the COVID-19 lockdown regulations and its concomitant impact on the economy. The municipality has re-assessed the sanitation revenue budget and anticipates that a downward adjustment of R10 000 000 will be necessitated during the Mid-year adjustment budget process.
- Rental of facilities and equipment: An under performance was noted for rental on facilities and equipment to the amount of R3 511 884. The variance is mainly due to the housing rental units. The user department indicated that the occupants of the municipal rental units have been subject to affordability testing since October 2019 which resulted in a decline in rentals. The municipality has re-assessed the rental of facilities and equipment revenue budget and anticipates that a downward adjustment of R5 700 000 will be necessitated during the Mid-year adjustment budget process.
- Interest earned - external investments: An under performance was noted for interest earned – external investments to the amount of R8 091 119. The variance is mainly due to the Covid-19 pandemic which resulted in the prime interest rate being reduced. This reduction has resulted in a significant decrease in our call accounts and primary bank account interest rates. Furthermore, we have received lower rates on offer from investing institutions than the previous financial year. The

interest on the investment journal to the amount of R1 245 179 will be processed during January 2021, which will result in an improvement for the next reporting period. The municipality has re-assessed the interest earned –external investments revenue budget and anticipates that a downward adjustment of R15 000 000 will be necessitated during the Mid-year adjustment budget process.

- Fines, penalties and forfeits: An underperformance was noted to the amount of R31 449 103. The municipality anticipates that a downward adjustment of R10 000 000 will be necessitated during the Mid-year adjustment budget process.

There are however line items where we anticipate receiving additional revenue over and above what has been included in the annual budget. The following has been adjusted upwards:

- Property Rates: The municipality has billed R36 606 865 more property rates than initially anticipated. This is due to the change in the interim valuations done during the year which resulted in additional property rates revenue being billed as well as the improvement in the turnaround for building plan approvals. The functionality of this unit has improved which has resulted in more plans being processed and approved resulting in an increase in revenue. The budget will be increased with R7 000 000 during the Mid-year adjustment budget process.

4. Operational Expenditure Budget

Various line items were adjusted due to requests received from user departments and operational pressure to increase efficiencies.

There are line items where we noted an overspending when compared to the year-to-date budget and we anticipate that additional funds will be required,

over and above those already included and approved in the annual budget. Additional funds were requested for the following expenditure line items:

- Finance Charges: The external loan will only be taken up towards the end of the financial year and it will result in a saving in finance charges.
- Outsourced Services: Security Services: A budget increase has been requested for the security services relating to land invasions and additional security services requests from user departments.
- Outsourced Services: Refuse Removal: A budget increase has been requested to continue service delivery, for the transport and disposal of waste and the landfill operation and management until 30 June 2021.
- Transfer Station Klapmuts: Outsourced Services: Refuse Removal: A budget increase has been requested for the transport and disposal of waste generated at the landfill site until 30 June 2021.

We have identified savings on the following expenditure categories:

- Employee related costs: An under performance of R14 652 008 is noted against the year to date budget projections. The under spending is due to vacancies which have not yet been filled. Various advertisements for vacancies have been issued during the last quarter. The expenditure budget for this line item will have to be adjusted downwards with R 48 835 278 during the Mid-year adjustments budget process.
- Materials and Bulk purchases: An underperformance of R47 893 348 is noted for materials and bulk purchases. A decline in consumption has been noted, as indicated under Service charges, which directly impacts the expenditure incurred on bulk purchases. This decline is largely due to the impact of COVID-19 on the local economy. Although it is envisaged that the demand for electricity will increase during the winter months, the budget will be preliminary decreased by R25 000 000 during the Mid-year adjustment budget process. A decline has also been noted for

water purchases as alluded to under Service charges. The decline in consumption has necessitated a preliminary decrease of R5 000 000 which will be implemented during the Mid-year adjustment budget process.

5. External Loan for 2020/2021

After considering the municipality's cash position as at 31 December 2020 and also taking into account the improved capital spending it would be in council's best interest to take up the external loan of R120 000 000 for the 2020/2021 financial year. However, prudent management of how we apply our external loan means that it will only be taken up towards the end of the financial year and it will result in a saving in finance charges.

6. Financial implications

Funds for various capital projects which have started, but will only be completed in the next financial year, will be rolled over to the next financial year.

Speaker, this is not the adjustment budget we wanted to present at this point of our current term in office. We were hoping to present an adjustment that will be completing all our envisioned projects, creating a springboard from which to launch our next chapter from. Unfortunately we have no control over the path COVID leads us on and we can only adapt and do the best we can.

I want to thank the CFO, the Municipal Manager and the entire administration for their hard work, steering us through this difficult time.

Speaker, this is fortunately not our final budget for the next financial year. That will only be tabled in May of this year, and implemented on 1 July. It is important to be conservative now, and adjust to the impact of COVID to ensure that we remain sustainable. We are in good financial standing and one of the most sustainable Municipalities in SA. I want to assure everybody that I as Mayor shall

do everything I can to keep it this way. Many municipalities in South Africa are not as fortunate.

We had to sacrifice some of our “luxury” projects to ensure that critical projects that benefit our residents, receive priority. We accept that and move forward.

Speaker, in the past year we have proven ourselves as one of the top municipalities in South Africa, because of our diligence, hard work and commitment to our residents. I am not prepared to give that up at any cost and will therefore continue our relentless mission to deliver services and opportunities to our most beautiful valley.

Japanese writer, Haruki Marukani said: And once the storm is over, you won't remember how you made it through, how you managed to survive. You won't even be sure, whether the storm is really over. But one thing is certain. When you come out of the storm, you won't be the same person who walked in. That's what this storm's all about. This is truly the take away from the past year, we have learnt valuable lessons. We have lost a lot, but gained a lot of strength and wisdom. We will continue to apply our newly found, hard learned lessons with conviction.

The road ahead will be difficult. Discussions with the provincial leadership in recent weeks have indicated that the COVID pandemic will continue to affect our people and our budgets and we will realistically enter the next financial year with very tight belts, but I believe we are ready to face these challenges, because we have a committed and dedicated team. There is an African proverb that says:

Smooth seas do not make skilful sailors.

No one could have anticipated the challenges and repercussions of the past year. I am however deeply grateful for the team I have had at my side to ensure that we continue as a caring government during the most trying time in this new century.

I table this adjustment budget, with great responsibility. We shall continue to work hard to provide the best leadership and guidance during this difficult time and to create a business ready environment for when this crisis ends, filled with opportunity for all. Like Alice, I hope that we will all be able to say, sooner rather than later: “What a curious dream I had”, once the horror of COVID has passed. Until then we will bravely continue this odd journey of nightmares and hope.

Speaker, in the item serving before Council the recommendations are set out as recommended in the Adjustments Budget Item. I herewith formally submit recommendations on page 8, a to c, in the Special Council Agenda, for consideration and approval of the 2020/2021 Adjustment Budget.

7.2	REPORT IN TERMS OF SECTION 126 (4) OF THE MUNICIPAL FINANCIAL MANAGEMENT ACT: REASONS FOR THE DELAY IN COMPLETING THE AUDIT OF STELLENBOSCH MUNICIPALITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

17 February 2021

- SUBJECT: REPORT IN TERMS OF SECTION 126 (4) OF THE MUNICIPAL FINANCIAL MANAGEMENT ACT: REASONS FOR THE DELAY IN COMPLETING THE AUDIT OF STELLENBOSCH MUNICIPALITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020**

- PURPOSE OF REPORT**

To notify Council on the communication received from the Auditor-General on the delay in completion of the Audit of the municipality for the financial year ended 30 June 2020.

- DELEGATED AUTHORITY**

Municipal Council

- EXECUTIVE SUMMARY**

The Accounting Officer received notification from the Auditor General on the challenges currently being experienced with the audit, which leads to non-compliance within the legislative deadlines.

SPECIAL COUNCIL MEETING: 2021-02-24: ITEM 7.2**NOTED**

the communication from the Auditor-General.

FOR FURTHER DETAILS CONTACT:

NAME	Kevin Carolus
POSITION	Chief Financial Officer
DIRECTORATE	Financial Services
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REPORT DATE	

MINUTES

SPECIAL MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2021-02-24

7.3	MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR JANUARY 2021
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

17 February 2021

1. **SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR JANUARY 2021**2. **PURPOSE**

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy 2020/2021 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 (2020/2021) stipulate that SCM deviations be reported to Council. In compliance thereto, this report presents to Council the SCM deviations that occurred during January 2021.

SPECIAL COUNCIL MEETING: 2021-02-24: ITEM 7.3**NOTED**

that there were no deviations listed for the month of January 2021.

8.	ITEMS FOR CONSIDERATION FROM THE EXECUTIVE MAYOR OR MAYORAL COMMITTEE
8.1	CORPORATE SERVICES: (PC: CLLR AR FRAZENBURG)
8.1.1	ERF 13246, STELLENBOSCH: DUTCH REFORM CHURCH: WELGELEGEN: APPLICATION TO ENFORCE FALL-BACK CLAUSE

Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance

17 February 2021

1. SUBJECT: ERF 13246, STELLENBOSCH: DUTCH REFORM CHURCH: WELGELEGEN: APPLICATION TO ENFORCE FALL-BACK CLAUSE

2. PURPOSE

To consider the enforcement of the fall-back clause in the Exchange of Land Agreement of 12 May 1995 and to determine the value at which such buy back should take place if approved.

3. DELEGATED AUTHORITY

For decision by Council.

4. EXECUTIVE SUMMARY

Stellenbosch Municipality and the Dutch Reform Church: Welgelegen concluded an Exchange of Land Agreement in 1995 in terms whereof erf 13246, Stellenbosch (municipal land) was exchanged for two residential erven in Die Boord, being erven 12758 and 12759 (church land) on an equal in value basis. The Agreement, however, has a fall-back clause, indicating that the land must be transferred back to the Municipality should it no longer needed for church purposes. Seeing that the Dutch Reform Church: Welgelegen does not want to use the property for church purposes they have requested that the fall-back clause be enforced, as per the Agreement. Council must agree to the value at which the property is bought back, as per the Agreement.

The item served before Mayco in November 2019 and was referred back. We received an update on the Municipal Value for the property on which the rates are base. That information is attached as **APPENDIX 8**.

It was resubmitted in February 2020, but did not serve on the agenda. It is now resubmitted for consideration. The item served before the Mayco meeting in November 2020, but no decision was taken. It is resubmitted for consideration in January and during the discussions the issue of clause 14.2 of the agreement (**APPENDIX 1**) was raised. Clause 14. 2 indicates a special condition requiring rezoning. It was argued that clause 14.2 is a suspensive condition. The Deeds Office did not regard this as a suspensive condition and the erf was transferred to the Municipality. If it was regarded as a suspensive condition it would not have been transferred. The condition in our view requires that the erf in question must be rezoned before it can be used and build on as a church.

There was a rezoning application (see paragraph 2 of **APPENDIX 2**) which was approved. The rezoning will only vest when building is started within the prescribed 2 years from the date of the approval of the application. The rezoning lapsed as there was never a building built on the land. The special clause cannot now be used to claim that the swapping agreement is invalid especially as it was implemented.

SPECIAL COUNCIL MEETING: 2021-02-24: ITEM 8.1

RESOLVED (majority vote)

- (a) that Council invokes the buy-back clause;
- (b) that the Municipal Manager be mandated to negotiate a mutually agreed price to buy back erf 13246, Stellenbosch, from the Dutch Reform Church: Welgelegen; and
- (c) that the Municipal Manager reports back to Council on the price before a final decision is made and the sale agreement is signed.

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

Cllr G Cele (Ms); FT Bangani-Menziwe (Ms); N Mananga-Gugushe (Ms); C Moses (Ms); RS Nalumango (Ms); N Sinkinya (Ms); P Sitshoti (Ms) and LL Stander.

FOR FURTHER DETAILS CONTACT:

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POSITION	Manager: Property Management
DIRECTORATE	Corporate Services
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E-MAIL ADDRESS	<u>Piet.smit@ Stellenbosch.gov.za</u>
REPORT DATE	2020 – 11- 09

9.	MATTERS TO BE CONSIDERED IN-COMMITTEE
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SEE IN-COMMITTEE DOCUMENTATION

The meeting adjourned at 11:35.

CHAIRPERSON:

DATE:

Confirmed on **with/without amendments**

8.	STATUTORY MATTERS
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8.1	APPROVAL OF THE DRAFT FOURTH REVIEW OF THE FOURTH GENERATION IDP 2017 – 2022
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Collaborator No: 703774
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: 24 March 2021 & 31 March 2021

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

2. PURPOSE

To submit the following to MayCo and Council for consideration:

- (a) The Draft Fourth Review of the Fourth Generation IDP 2017 – 2022; and
- (b) The Draft Public Participation Schedule, April 2021.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

The Integrated Development Plan is a 5-year Strategic Plan that is reviewed annually to accommodate changes in the municipal environment, including community priorities. It also informs the budget of the Municipality. The Draft Fourth Review of the Fourth Generation IDP 2017 – 2022 details the Municipality's actions to address the needs of the community.

The Municipal IDP must be reviewed every year to ensure that:

- Municipalities and communities keep track of progress in implementing development projects and spending the municipal budget; and
- Communities are provided with an opportunity to review their needs and make possible revisions to the priorities listed in the municipal IDP.

5. RECOMMENDATIONS

- (a) that Council adopts the Draft Fourth Review of the Fourth Generation IDP 2017 – 2022 of the Stellenbosch Municipality as tabled in terms of section 34 of the MSA for the purposes of obtaining public inputs and comments;
- (b) 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 Fourth Review of the Fourth Generation IDP 2017 – 2022 is open for public inputs and comments during April 2021;
- (c) that the Draft Public Participation Schedule, April 2021, be approved; and
- (d) that the Draft Fourth Review 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.

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

In terms of the provisions of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), each Council must, within the prescribed period after the start of its elected term, adopt a single, inclusive, strategic plan. The Fourth Generation IDP 2017 – 2022 serves as this instrument, which was adopted by the new Council on 31 May 2017 for the period 2017 – 2022.

An Integrated Process Plan and Time Schedule was approved by Council in August 2020 to guide the planning, review and adoption of the Fourth Revision of the Fourth Generation IDP 2017 – 2022.

As part of the municipality's consultative process on the Draft IDP and Budget 2021/22, the municipality will be embarking on a public participation process during April 2021. During this consultative process, members of the community and interested and affected parties will have an opportunity to submit input/s into the Draft IDP and Budget 2021/22. The schedule of public participation is attached hereto as **ANNEXURE B**.

The following processes were followed in accordance with the process plan:

DATE	ACTION(S)
August 2020	Approval of IDP/Budget/SDF Process Plan and Time Schedule.
September – November 2020	Online public participation meetings were held in all 22 wards, explaining the processes to be followed for the Fourth Review of the Fourth Generation IDP. Feedback was provided on the implementation of priorities listed by the wards. The priorities in the basic needs assessment were presented and the communities were given time for additional inputs. Ward plan update meetings were held in November 2020 with all 22 wards with the respective ward committees and Ward Councillors.
December 2020 – February 2021	Compilation of Draft IDP document in collaboration with all Directorates. Administration prepared the Draft IDP in finalising the chapters of the document. Administration prepared the Draft Budget. Administration prepared the draft Top Layer SDBIP. Provincial TIME held to support the Fourth Generation IDP.
March – April 2021	Mayco and Council to consider the draft IDP and Budget. SDF/IDP/BUDGET public meetings to be held in all 22 wards. Sector engagements to be held to determine the needs in Stellenbosch Municipal Area and exploring potential partnerships in addressing these needs. Closing date for submission on draft IDP, Budget and SDF (April 2021). Inputs received from the SDF/IDP/BUDGET meetings - collated and distributed to the Directorates for consideration.
May – June 2021	Capital Planning Forum (CPF) – to consider inputs received from SDF/IDP/BUDGET meetings. Consultation and refinement of SDF, IDP and Budget documents. Approval of Final SDF, IDP, Budget, Tariffs and Budget related policies Submit approved IDP to Provincial Government. Approval of Top Layer SDBIP by the Executive Mayor within 28 days after adoption of the IDP and Budget.

6.2. Financial Implications

The IDP and the Budget has been aligned, taking into account ward priorities and public needs identified through the public participation engagements outlined above.

6.3. Legal Implications

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

Section 34 of the MSA prescribes that the Municipal Council: –

“(a) *must review its Integrated Development Plan-*

(i) annually in accordance with an assessment of its performance measurements in terms of section 41; and

(ii) to the extent that changing circumstances so demand”.

6.4. Staff Implications

This report has no additional staff implications to the Municipality.

6.5. Previous / Relevant Council Resolutions:

The adoption by Council of the First, Second and Third Review of the Fourth Generation Integrated Development Plan 2017 - 2022.

6.6. Risk Implications

This report has no risk implications for the Municipality.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2021-03-24: ITEM 6.1

- (a) that Council adopts the Draft Fourth Review of the Fourth Generation IDP 2017 – 2022 of the Stellenbosch Municipality as tabled in terms of section 34 of the MSA for the purposes of obtaining public inputs and comments;
- (b) 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 Fourth Review of the Fourth Generation IDP 2017 – 2022 is open for public inputs and comments during April 2021;
- (c) that the Draft Public Participation Schedule, April 2021, be approved; and
- (d) that the Draft Fourth Review 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.

ANNEXURES

Annexure A: The Draft Fourth Review of the Fourth IDP 2017 – 2022

Annexure B: Draft Public Participation Schedule, April 2021.

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REPORT DATE	10 March 2021

ANNEXURE A

FOURTH GENERATION Integrated Development Plan

As prescribed by Section 34 of the Local
Government: Municipal Systems Act, 2000
(Act No. 32 of 2000) (MSA)

IDP 2017-2022

Fourth Review

March 2021





Integrated Development Plan for 2017-2022

Compiled in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)

Fourth Generation IDP 2017 – 2022 adopted by the Municipal Council in May 2017. IDP first Revision adopted in Council on 28 May 2018, second revision on 29 May 2019, the First Amendment on 28 August 2019 and the third revision in May 2020.

The Integrated Development Plan is the municipality's principal five-year strategic plan that deals with the most critical development needs of the municipal area (external focus) as well as the most critical governance needs of the organisation (internal focus).



The Integrated Development Plan –

- is adopted by the council within one year after a municipal election and remains in force for the council's elected term (a period of five years);
- is drafted and reviewed annually in consultation with the local community as well as interested organs of state and other role players;
- guides and informs all planning and development, and all decisions with regard to planning, management and development;
- forms the framework and basis for the municipality's medium term expenditure framework, annual budgets and performance management system; and
- seeks to promote integration by balancing the economic, ecological and social pillars of sustainability without compromising the institutional capacity required in the implementation, and by coordinating actions across sectors and spheres of government.

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Contents - Revisions

Section	Revisions made during the review process
List of Acronyms	Reviewed
Foreword by the Executive Mayor	The Foreword of the Executive Mayor was reviewed to take into account changes in the social, political and economic conditions.
Overview by the Municipal Manager	The Foreword of the Executive Mayor was reviewed to take into account changes in the social, political and economic conditions.
Chapter 1: Introduction	Chapter 1 reviewed and updated were necessary taking into account the changing circumstances of the Municipality
Chapter 2: Governance and Institutional Arrangements	Chapter 2 reviewed and updated were necessary taking into account the changing circumstances of the Municipality
Chapter 3: State of the Greater Stellenbosch Area	Chapter 3 reviewed and updated were necessary taking into account the changing circumstances of the Municipality
Chapter 4: Spatial Development Framework	Chapter 4 reviewed and updated were necessary taking into account the changing circumstances of the Municipality
Chapter 5: Strategic Policy Context	Chapter 5 reviewed and updated were necessary taking into account the changing circumstances of the Municipality
Chapter 6: Public Expression of Needs (Community Participation)	Chapter 6 reviewed and updated were necessary taking into account the changing circumstances of the Municipality
Chapter 7: Legacy Projects and Service Delivery Implementation Plans	Chapter 7 reviewed and updated were necessary taking into account the changing circumstances of the Municipality
Chapter 8: Financial Plan	Chapter 8 reviewed and updated were necessary taking into account the changing circumstances of the Municipality
Chapter 9: Implementation, Monitoring and Review (5 Years)	Chapter 9 reviewed and updated were necessary taking into account the changing circumstances of the Municipality
Chapter 10: Implementation, Monitoring and Review – one year	Chapter 10 reviewed and updated were necessary taking into account the changing circumstances of the Municipality



List of Acronyms

Abbreviation	Description	Abbreviation	Description
AQMP	Air Quality Management Plan	LUMS	Land Use Management System
CBD	Central Business District	LUPA	Land Use Planning Act
CBO	Community Based Organisation	MAYCO	Mayoral Committee
CITP	Comprehensive Integrated Transport Plan	MDG	Millennium Development Goal
CoCT	City of Cape Town	MDGs	Millennium Development Goals
CRR	Capital Replacement Reserve	MEC	Member of the Executive Council
CSP	Community, Social and Personal Services	MFMA	Municipal Financial Management Act, 2003 (Act No. 56 of 2003)
CWDM	Cape Winelands District Municipality	MOU	Memorandum of Understanding
DBSA	Development Bank of South Africa	MSA	Municipal Systems Act, 2000 (Act No. 32 of 2000)
DCoG	Department of Cooperative Governance	MTREF	Medium-Term Revenue and Expenditure Framework
DEADP	Department of Environmental Affairs and Development Planning	MTSF	Medium-Term Strategic Framework
DGDS	District Growth and Development Strategy	NDP	National Development Plan
DLG	Department Local Government	NGO	Non-Governmental Organisation
DMA	Disaster Management Act, 2002 (Act No. 57 of 2002)	NGP	New Growth Path
DoRA	Division of Revenue Act	NHDP	Neighbourhood Development Plan
DTPW	Department of Transport and Public Works	NMT	Non-motorised Transport
du/ha	Dwelling units per hectare	NPO	Non-Profit Organisation
DWAF	Department of Water Affairs and Forestry (now Department of Water and Sanitation)	NSDP	National Spatial Development Perspective
ECD	Early Childhood Development	PEA	Potentially Economically Active
EDA	Economic Development Agency	PGWC	Provincial Government of the Western Cape
EPWP	Expanded Public Works Programme	PMS	Performance Management System
FLISP	Finance Linked Individual Subsidy Programme	PMS	Performance Management System
FPSU	Farmer Production Support Unit	POE	Portfolio of Evidence
GCM	Greater Cape Metro	PSDF	Provincial Spatial Development Framework
GDP	Gross Domestic Product	PSTP	Provincial Sustainable Transport Programme
GDP-R	Gross Domestic Product in Rand	RAP	Rural Area Plan
GGP	Gross Geographic Product	RSIF	Regional Spatial Implementation Framework
GIS	Geographic Information System	SALGA	South African Local Government Association
GRAP	Generally-Recognised Accounting Practices	SAMWU	South African Municipal Workers Union
GVA-R	Gross Value-Added in Rand	SANBI	South African National Biodiversity Institute
HDI	Human Development Index	SAPS	South African Police Service
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome	SDBIP	Service Delivery and Budget Implementation Plan
HR	Human Resources	SDF	Spatial Development Framework
IDP	Integrated Development Plan	SITT	Stellenbosch Infrastructure Task Team
IHS	Integrated Human Settlements	SLA	Service Level Agreement



Abbreviation	Description	Abbreviation	Description
IHSP	Integrated Human Settlement Plan	SM	Stellenbosch Municipality
IIC	Infrastructure Innovation Committee	SMME	Small Medium and Micro Enterprises
I-MAP	Implementation Plan	SOE	State Owned Enterprises
IMATU	Independent Municipal Allied Trade Union	SOP	Standard Operating Procedure
IMESA	Institute for Municipal Engineers South Africa ITP Integrated transport Plan	SPLUMA	Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013)
IPC	Integrated Planning Committee	SU	Stellenbosch University
IRD	Integrated Residential Development Programme	UDS	Urban Development Strategy
ISC	Integrated Steering Committee	UISP	Upgrading of Informal Settlements Programme
IWMA	Integrated Waste Management Act, 2008 (Act No. 56 of 2008)	US	University of Stellenbosch
JPI	Joint Planning Initiative	WCDSP	Western Cape Draft Strategic Plan
KPA	Key Performance Area	WCG	Western Cape Government
KPI	Key Performance Indicator	WDM	Water Demand Management
LED	Local Economic Development	WESGRO	Western Cape Tourism, Trade and Investment Promotion Agency
LEO	Law Enforcement Officer	WSA	Water Service Authority
LGMTEC	Local Government MTEC	WSDP	Water Services Development Plan
LHA	Lanquedoc Housing Association	WIE	Waste to Energy
LM	Local Municipality	WWTW	Waste Water Treatment Works

Foreword by the Executive Mayor



Cllr Adv Gesie van Deventer
Executive Mayor

It is my privilege to share with you our fourth and final review of the Fourth Generation Integrated Development Plan (IDP) for the 2021/22 financial year, as this term of the current council draws to a close. The IDP is the business plan of the Municipality. It allows us, as Municipality, to continuously plan ahead, work and deliver the services we are responsible for, over the next five years. The IDP creates the framework within which the municipality will fulfil its mandate and apply its budget. It allows us to do short, medium and long term planning for our entire municipal area, and link these plans to projects implemented by the district, provincial and national governments.

As a Municipality we have made tremendous strides in our efforts to deliver quality services to our residents over the past few years. We have, throughout our term, focussed on projects that impacted the lives of residents immediately, but also had and continuous to have a positive impact and spill over effect the entire region. It is with a profound sense of pride that I reflect on the

performance of the IDP to date with which we have achieved the majority of our planned objectives.

I want to share some of the highlights from the past years with you. We have successfully created a strong foundation over the past few years on which to build for the future. It was however not smooth sailing all the way. The COVID-19 pandemic has been a major and unforeseen obstacle and the effects and fallout of the national lockdown will be felt for years to come. The already difficult economic climate has been exasperated even more with the international fallout of the pandemic and in the past year the South African economy has shrunk with 7%. Despite the challenging national economic climate, we are determined to create a local government environment to improve and enhance economic opportunities and improved living conditions for our residents.

The needs of our community is the guiding principle for everything that we do. We have listened to them and their needs were translated into projects. This resulted in various projects geared towards service delivery improvement and the improvement of the lives of our residents. Some of the highlights for this term include:



The upgrading and launch of the Stellenbosch Waste Water Treatment works. This facility is the single biggest capital expenditure item and bulk infrastructure project in the history of Stellenbosch and will serve our communities for generations to come. This also forms part of our continuous commitment to water and sanitation services as we continue to upgrade other waste water treatment facilities, upgrade sewer systems and improve maintenance.



Economic empowerment by creating an environment for conducive for sustainable economic opportunities as well as creating infrastructure for economic opportunities. This includes a focus on land transformation and empowerment by empowering emerging farmers to start farming



on municipal agricultural land, by means of an Agricultural land policy and signing the first lease agreements; building new trading spaces across the WC024 area; allocating the Victoria Street Clinic Building as an LED HUB; and providing continuous skills training via the Mayoral Youth Skills Development Programme.



Creating housing opportunities and providing secure tenure through the projects like the Ida's Valley Housing project, the Jamestown Housing Project, the upgrade of Mandela City in Klapmuts, the Vlottenburg Project and the upgrading of Steps in Cloetesville.



Serious attention has also been given to the backyarders issue and an audit has been done to establish the extent of this challenge and plan accordingly.



We have also approved the housing pipeline and implemented the new housing demand database along with the VOIS Housing Mobile application to provide easier access to housing opportunities for residents.



The installation of additional CCTV cameras as well as number plate recognition cameras across the region, forming part of our Camera master plan has stepped up safety and security. We have also approved new policies that will allow us to establish an auxiliary law enforcement force as well as externally funded law enforcement officials to increase the number of feet on the ground.



We have successfully taken over the Pniel Electricity network and we are in the process of upgrading the network to bring more stability to it. The electrification of Enkanini is also an ongoing project.



Increasingly cooperation between Town and Gown, resulting in collaboration in innovative projects that benefit our entire community, including solving the water crisis, addressing traffic congestion and cooperation on an alternative electrical resources project.

As our communities change, their needs change and our strategies evolve. We remain committed to the continuous updating of our IDP and the accompanying budget, through extensive public participation, to make sure that the community expresses their needs and that we plan and address it accordingly. The focus of this institution will always be service delivery to its residents and we will continue to listen and be guided by their inputs and interaction with us.

CLLR ADV GESIE VAN DEVENTER
EXECUTIVE MAYOR



Overview by the Municipal Manager



Geraldine Mettler
Municipal Manager

As we table the fourth review of our five-year Integrated Development Plan, I am reminded of the great progress that has been made in our aim to strengthen the integration of service delivery across the greater municipal area. This despite several challenges over the years, the latest of which were brought on by the worldwide COVID-19 pandemic. The subsequent national lockdown and the devastating impact that this had on people's lives and livelihoods will be felt for years to come. The pandemic changed our way of life, the way in which we interact, do business and go about our daily activities. It even affected the way in which we engage with our residents. Our organisation, however, remained fully committed to ensuring that the strategic intent is responsive to what our communities need and that service delivery could continue uninterrupted throughout the lockdown period.

The inputs from our communities form the backbone of the entire IDP process and as such, new and innovative ways of communicating with our residents were needed. Residents were provided with many different ways of interacting with us on the IDP and Ward Priorities. The Stellenbosch Citizen App was launched to serve as a key channel for quick and easy inputs on the IDP. Comments could also be made through a dedicated page placed on the municipal website, through emails, phone calls or WhatsApp messages to our IDP Office. Online Public Participation meetings were held for all wards, with hybrid venues set up in key areas to ensure that those without access to a smart device and internet connection, could still participate. The IDP review provides us with a golden opportunity to revisit the progress made over the past year, re-evaluate community needs, provide feedback on progress made under the Fourth Generation IDP and recommit to our strategic objectives. It was therefore critical for us to reach as many residents as possible for this review.

The pandemic placed immense pressure on our resources, staff complement and ability to provide municipal services in an uninterrupted manner. With the start of the national lockdown in March 2020, the two immediate objectives of the municipality were to ensure that essential and emergency service delivery could continue unabated and that our municipal officials were safe and protected.

During this challenging time, our poorer communities were particularly hard hit. As a caring local government we worked quickly to provide support to our residents in need, within the legal framework of our mandate. Out of this, #StellenboschUnite was born - a collaborative aid action purposed to provide social support to vulnerable community members during the COVID-19 pandemic that brought together Stellenbosch Municipality, Stellenbosch University, Visit Stellenbosch, Stellenbosch Civil Advocacy Network and the Greater Stellenbosch Development Trust.

In addition to our partnership with Stellenbosch Unite, we implemented several bold steps to reduce the economic impact on our residents, particularly our most vulnerable residents. This included payment reprieves on property rates being offered to households, an increase in the indigent water allocation and the unblocking of electricity meters to support households as much as possible during the initial phases of the hard lockdown. We also made provision for homeless residents in the region, who were accommodated at our temporary homeless shelter where they received meals, security and sanitation services.



Our core mandate as a local government, is to ensure that services are delivered to our communities. Our residents demand and deserve service excellence and we are constantly striving to improve the lives of our residents. The hard work and determination of implementing the development plans detailed in the IDP, is paying off and I believe there are numerous legacy projects that will serve as a reminder of this for generations to come. Over the past year alone, we have reached several milestones.

A further ten underutilised agricultural land parcels are currently being investigated to be advertised and allocated to emerging local farmers. New informal trading sites have been completed in Groendal, Klappmuts, Ida's Valley and Franschhoek. In terms of the Ida's Valley Housing Project, 87 Breaking-New-Ground (BNG) houses and 113 GAP houses have been constructed. Residents have already started moving into their new homes. We are expecting a public participation process around the upgrading of the Kayamandi Town Centre to commence within the year. Environmental Management Plans (EMPs) for all our Nature Reserves and Nature Areas are being finalised and will be made available to members of the public. The upgrading of the Cloetesville public park as well as an audit of all parks and open spaces have been completed. The tender for the electrification of 1 000 houses in Enkanini has been awarded and the site has been handed over to the contractor.

One of the highlights for me during this 5 year IDP process, was the opening of the brand new Stellenbosch Waste Water Treatment Works (WWTW). This project is the single biggest capital expenditure in the history of the Stellenbosch Municipality and is expected to serve our communities for generations to come. The new facility has greatly improved our wastewater treatment capacity, making use of a membrane biological reactor (MBR) process – an advanced wastewater treatment process that uses ultrafiltration membranes for liquid solid separation instead of conventional clarifiers. The use of these new technologies has significantly improved the state of the downstream river and the quality of water available to residents. The facility was also designed to be energy efficient by tailoring the technologies used and minimise pumping through the works; making this an eco-friendlier plant that significantly saves on energy costs.

The municipality has already begun with upgrades at several other wastewater treatment facilities across our municipal area, to ensure that all our facilities are able to meet the growing demands of our communities across the broader Stellenbosch.

As a municipality we are proactively looking at solutions to the energy crisis and will embark on a scientific investigation into alternate energy sources with our research partners at the Stellenbosch University, Centre for Scientific and Industrial Research (CSIR) and the Western Cape Government. While there is still a long road ahead in the battle against load shedding, the recent decision by Council to scientifically investigate alternates and the signing of the MOUs, puts Stellenbosch in the lead to potentially become the first municipality in the country to eliminate load shedding.

The investigation will look into the need, viability and opportunities available to us by focussing on various potential sources of energy, including rooftop solar panels, methane gas conversion at our landfill sites, allowing the public to generate electricity and sell this to the municipality and the purchasing of electricity directly from registered Independent Power Producers. As South Africa's Valley of Opportunity and Innovation, we look forward to walking alongside our research partners on this journey towards greater energy independence.

We continued to grow and develop our urban centres to realise a spatial future of which we can all be proud. Stellenbosch Municipal in collaboration with the Stellenbosch University and stakeholders are in the process of planning for the first smart city in the Cape Winelands. The objective is to promote social and technological innovation, entrepreneurship and the optimisation of existing infrastructure on a scale never seen before.



Housing opportunities remains central to our developmental agenda, especially the need to accommodate backyarders. Simultaneously, it is also apparent that the need amongst our more vulnerable members is on the increase. To this end, the municipality is embarking on social housing initiatives to cater for backyarders in particular. Further to this, Stellenbosch Municipality was identified by Provincial Department of Human Settlements (PDoHS) as one of seven leader municipalities which form part of the Social Housing Programme.

What we have achieved in the municipality is as a result of our commitment to working together, good governance practices, transparency and organisational stability. The years ahead should be a significant period of growth and development for our residents, now that so much groundwork has been completed. Together with the residents and stakeholders of the Stellenbosch Municipality, we can make our towns places of excellence and opportunity for all.

Through working together, we can leave a lasting legacy for future generations.

GERALDINE METTLER
MUNICIPAL MANAGER



Chapter 1

INTRODUCTION

1.1 Integrated Development Planning

The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) mandates South African municipalities to formulate a five-year Integrated Development Plan (IDP) plan to inform the municipal budget and guide all development within the municipal area. The IDP is considered the municipality's principal strategic plan that deals with the most critical development needs of the municipal area as well as the most critical governance needs of the organisation.

As the principal planning instrument that guides and informs the municipal budget, the planning process has to provide a forum for identifying, unpacking and resolving the real issues that face the residents of Stellenbosch Municipality. Clearly identifying these issues in consultation with communities, makes it possible for the municipality to propose realistic and workable solutions that can be budgeted for, implemented and monitored in a controlled environment. These issues may be over-arching issues that affect the whole municipality or may only affect specific communities. It is therefore crucially important that the IDP be developed after the completion of a public participation process in which community stakeholders were thoroughly consulted. The plan is also developed in partnership with the provincial and national government.

At the heart of the IDP lies the improvement in the provision of basic municipal services and expanding livelihood opportunities for the people of the Stellenbosch Municipality. The IDP also focusses on expanding and transforming Municipal capacity, enterprise development and crucially, exploring new ways of working and living together. This is especially relevant in an ever changing environment.

1.2 Review of the Integrated Development Plan

Section 34 of the MSA prescribes that a municipality –

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

The review process serves as an institutional learning process where stakeholders can meet to discuss the successes and frustrations of the previous year. It is not designed to interfere with the long-term strategic objectives of the municipality. The review process is a strategic process to ensure the institution remains in touch with their intentions, informed of the varying needs of residents and up to date with the changing environment within which it functions.

The Stellenbosch Municipality, in collaboration with all relevant stakeholders and following the completion of the IDP focused engagements during the past financial year, must now review its IDP.

This is the fourth IDP revision to occur since the adoption of the Fourth Generation IDP.



Importantly, this review does not seek to replace or rewrite the IDP that was adopted by Council on **31 May of 2017**. The purpose of this review, as instructed by the MSA, is to examine the progresses made and assess the municipality's strategic objectives and targets as set out in the IDP.

The priorities and actions identified in this review of the IDP will seek to better inform the municipality's budget and streamline service delivery initiatives. This will ensure that the Stellenbosch Municipality remains on course to attain its strategic objectives.

The IDP review outlines the following chapter:

- Introduction;
- Governance and Institutional Arrangements;
- State of the Greater Stellenbosch;
- The Strategic Policy Context;
- Public Expression of Needs (Community Participation);
- Legacy Projects and Service Delivery and Implementation Plans;
- Financial Plan;
- Implementation, Monitoring and Review (5 Years); and
- Implementation, Monitoring and Review (one year).

1.3 Legal Status of the IDP and IDP review

In terms of Section 35(1) of the MSA an IDP is adopted by the council of a municipality-

- (a) is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality;
- (b) binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality's integrated development plan and national or provincial legislation, in which case such legislation prevails; and
- (c) binds all other persons to the extent that those parts of the integrated development plan that impose duties or affect the rights of those persons have been passed as a by-law.

In terms of the core components of IDPs, Chapter 5 and Section 26 of the MSA indicate that:

An integrated development plan must reflect-

- (a) The municipal council's vision for the long term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;
- (b) An assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;
- (c) The council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- (d) The council's development strategies which must be aligned with any national and provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- (e) A spatial development framework which must include the provision of basic guidelines for a land-use management system for the municipality;
- (f) The council's operational strategies;
- (g) Applicable disaster management plans;
- (h) A financial plan, which must include a budget projection for at least the next three years; and
- (i) The key performance indicators and performance targets determined in terms of section 41.

The IDP is informed by a leadership agenda – as contained in national and provincial policy



documents – as well as the needs of local citizens and public, private and community organisations. It directs and is informed by different aspects of the municipality's work, including how the municipality is structured politically and administratively, the municipal budget, the sector plans and service delivery and budget implementation plans of different municipal services, and how the municipality manages its performance.

1.4 Relationship between the IDP, Budget, Performance Management and Risk Management

The IDP Process, together with the performance management process, should be seamlessly integrated, where the IDP ensures that the planning stage for performance management occurs and performance management fulfils the implementation, monitoring and evaluation of the IDP process. This is prescribed according to the Performance Management Guide for Municipalities, DPLG, 2001.

The role of the Budget is to attach money to the objectives that are contained in the IDP and the Budget gets monitored through the Service Delivery Budget Implementation Plan (SDBIP). The IDP therefore provides the strategic direction for the municipality, whereas the Budget should ensure the implementation of the IDP.

Risk Management is one of management's core responsibilities according to section 62 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and is an integral part of the internal processes of a municipality. It is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the service delivery capacity of the Stellenbosch Municipality. Risk management provides reasonable assurance that the institution will be successful in achieving its goals and objectives.

1.5 The IDP and Ward Plans

The twenty-two (22) ward plans, include:

-  The profile of the ward, as well as the strengths, weaknesses, opportunities and threats facing the community;
-  A consensus on priorities for the relevant ward(s);
-  An implementation plan; and
-  The capital budget available for the relevant wards, including the small capital budget.

Ward plans help to ensure that the IDP is more targeted and relevant to addressing the priorities of all groups, including the most vulnerable. These plans provide Ward Committees with a systematic planning and implementation tool to perform their roles and responsibilities. They form the basis for dialogue between the municipality and Ward Committees regarding the identification of priorities and budget requests and will also be used by Ward Committees for ongoing monitoring and evaluation throughout the year. The information is however on a detail level and not duplicated in the IDP, but a detailed Ward Plan is available on request.

1.6 The IDP Planning Process (five-year cycle)

According to the MSA, every new council that comes into office after the local government elections has to prepare its own IDP that will guide them for the five years that they are in office. The IDP is therefore linked to the five-year term of office of Councillors. This does, however, not restrict all proposals in the IDP to five years. The strategic goals that are part of the municipality's strategy all have a longer than five-year horizon, similar to the Spatial Development Framework (SDF) of the



municipality.

A clear distinction must also be made between the main IDP which is compiled every five years (or if a new council comes into power within the five-year period and does not accept the previous council's IDP) and the annual review of the IDP. The annual review is not a replacement of the five year IDP and its purpose is not to interfere with the long-term strategic orientation of the Municipality. The annual review reflects and reports on progress made with respect to the five-year strategy (and strategic goals) and proposes adjustments to the strategy if necessary because of changing internal and external circumstances that impact on the appropriateness of the IDP.

(The figure on the right reflects the five-year process of the IDP.)

Figure 1: 5 Year Corporate Strategy



1.7 Roles and Responsibilities

1.7.1 Executive Mayor

In terms of the MSA and the MFMA, the Executive Mayor must:

- ↓ Manage the drafting of the IDP;
- ↓ Assign responsibilities in this regard to the Municipal Manager;
- ↓ Submit the draft plan to the municipal council for adoption; and
- ↓ Co-ordinate the annual revision of the IDP and determine how the IDP is to be taken into account or revised for the purposes of the Budget.

1.7.2 The Municipal Council

The Council is the ultimate decision-making authority. Decisions to approve or amend the municipality's IDP may not be delegated and have to be taken by the full Council.

1.7.3 Proportional Councillors, Ward Councillors and Ward Committee Members (Ward Committees)

- ↓ Assist with public participation process;
- ↓ Assist the ward councillor (who is the chairperson) in identifying challenges and needs of residents;
- ↓ Provide a mechanism for discussion and negotiation between different stakeholders in the ward;
- ↓ Interact with other forums and organisations on matters affecting the ward;
- ↓ Draw up a ward plan that offers suggestions on how to improve service delivery in the particular ward;
- ↓ Disseminate information in the ward; and
- ↓ Monitor the implementation process concerning its area.



1.7.4 Municipal Manager and Management Team

- Provide technical / sector expertise and information;
- Provide inputs related to the various planning steps;
- Summarise / digest / process inputs from the participation process;
- Discuss/comment on inputs from specialists; and
- Address inputs from and give feedback to the community.

1.8 First Year Process Followed

The table below, reflects the preparation for the 2018/19 financial year to complete the first review of the Fourth Generation IDP 2017 - 2022.

Table 1: Preparation for the First Review of the Fourth Generation IDP

Date	Action(s)
July / August 2017	<ul style="list-style-type: none"> • Approval of IDP / Budget / SDF Process Plan and Time Schedule. • Provincial Government hosted a District Alignment Workshop on the Joint Planning Initiative (JPIs).
September – November 2017	<ul style="list-style-type: none"> • Community engagement meetings were held in all 22 wards, explaining the processes to be followed for the next five years and the time schedule for the 2018/19 financial year for the first review of the Fourth Generation IDP. Feedback was provided on the implementation of priorities listed by the wards. The priorities in the basic needs assessment were presented and the communities were given time for additional inputs. • Provincial IDP Manager's Forum hosted by Department Local Government. • Sector engagement was held to determine the basic needs and collectively devise plans to address the needs.
December 2017 – February 2018	<ul style="list-style-type: none"> • Compilation of Draft IDP document in collaboration with all Directorates. • Administration prepared the Draft IDP in finalising the chapters of the document. • Administration prepared the Draft Budget. • Administration prepared the draft high-level SDBIP. • Ward plan update meetings were held in all 22 wards with the respective Ward Committees and Ward Councillors. • Provincial LGMTEC held to agree on Joint Planning Initiatives to support the Fourth Generation IDP. • Various thematic sector engagements held to determine the needs in WC024 and exploring potential partnerships in addressing the needs.
March – April 2018	<ul style="list-style-type: none"> • MayCo and Council considered the draft IDP and Budget. • IDP / Budget / SDF public meetings held in 22 wards within WCO24 (Cluster meetings). • Closing date for submission on draft IDP, Budget and SDF (30 April 2017). • Inputs received from the IDP / Budget / SDF meetings - collated and distributed to the Directorates for inputs.
May – June 2018	<ul style="list-style-type: none"> • Budget Steering Committee – to consider inputs received from IDP/Budget/SDF meetings. • Consultation and refinement of IDP and Budget documents. • Approval of Final IDP, Budget, SDF; Tariffs and Budget related policies. • Submit approved IDP to Provincial Government. • Approval of SDBIP by the Executive Mayor within 28 days after adoption of the IDP and Budget.



1.9 Second Year Process Followed

The table below reflects preparation for the 2019/20 financial year to complete the second review of the Fourth Generation IDP 2017 - 2022.

Table 2: Preparation for the Second Review of the Fourth Generation IDP

Date	Action(s)
July /August 2018	<ul style="list-style-type: none"> Approval of IDP / Budget / SDF Process Plan and Time Schedule.
September – November 2018	<ul style="list-style-type: none"> Community engagement meetings were held in all 22 wards, explaining the processes to be followed for the next five years and the time schedule for the 2019/20 financial year for the second review of the Fourth Generation IDP. Feedback was provided on the implementation of priorities listed by the wards. The priorities in the basic needs assessment were presented and the communities were given time for additional inputs. Ward plan update meetings were held in all 22 wards with the respective Ward Committees and Ward Councillors. Provincial IDP Manager's Forum hosted by Department Local Government.
December 2018 – February 2019	<ul style="list-style-type: none"> Compilation of Draft IDP document in collaboration with all Directorates. Administration prepared the Draft IDP in finalising the chapters of the document. Administration prepared the Draft Spatial Development Framework (SDF). Administration prepared the Draft Budget. Administration prepared the draft high-level SDBIP. Provincial LGMTEC held to agree on Joint Planning Initiatives to support the Fourth Generation IDP. Various thematic sector engagements held to determine the needs in WCO24 and exploring potential partnerships in addressing the needs. Capital Planning Forum sessions held to determine capital needs for capturing the IDP and Medium Term Revenue and Expenditure Framework (MTREF) Budget.
March – April 2019	<ul style="list-style-type: none"> MayCo and Council considered the draft IDP and Budget. SDF / IDP / BUDGET public meetings held in 22 wards within WCO24. Various thematic sector engagements will be held to determine the needs in WCO24 and exploring potential partnerships in addressing the needs. Closing date for submission on draft IDP, Budget and SDF (30 April 2019). Inputs received from the SDF / IDP / BUDGET meetings - collated and distributed to the Directorates for inputs.
May – June 2019	<ul style="list-style-type: none"> MayCo and Council considered the draft IDP and Budget. SDF / IDP / BUDGET public meetings held in 22 wards within WCO24. Various thematic sector engagements will be held to determine the needs in WCO24 and explore potential partnerships in addressing the needs. Closing date for submission on draft IDP, Budget and SDF (30 April 2019). Inputs received from the SDF / IDP / BUDGET meetings - collated and distributed to the Directorates for inputs.



1.10 Third Year Process Followed

The table below reflects preparation for the 2020/21 financial year to complete the third review of the Fourth Generation IDP 2017 - 2022.

Table 3: Preparation for the Third Review of the Fourth Generation IDP

Date	Action(s)
August 2019	<ul style="list-style-type: none"> Approval of IDP / Budget / SDF Process Plan and Time Schedule.
September – November 2019	<ul style="list-style-type: none"> Community engagement meetings were held in all 22 wards, explaining the processes to be followed for the next five years and the time schedule for the 2020/21 financial year for the third review of the Fourth Generation IDP. Feedback was provided on the implementation of priorities listed by the wards. The priorities in the basic needs assessment were presented and the communities were given time for additional inputs. Ward plan update meetings were held in all 22 wards with the respective Ward Committees and Ward Councillors. Provincial IDP Manager's Forum hosted by Department Local Government.
December 2019 – February 2020	<ul style="list-style-type: none"> Compilation of Draft IDP document in collaboration with all Directorates. Administration prepared the Draft IDP in finalising the chapters of the document. Administration prepared the Draft Budget. Administration prepared the draft Top Layer SDBIP. Provincial LGMTEC held. Capital Planning Forum sessions held to determine capital needs for capturing the IDP and Medium Term Revenue and Expenditure Framework (MTREF) Budget. Provincial IDP Manager's Forum hosted by Department Local Government.
March – April 2020	<ul style="list-style-type: none"> MayCo and Council considered the draft IDP and Budget. Due to the COVID-19 pandemic, SDF / IDP / BUDGET public meetings could not continue due to the various regulations published in this regard. However, public participation continued on various online platforms e.g. the municipality's website, Facebook, Twitter, SMS notifications, emails notifications and the development and publishing of a mobile public participation app. Closing date for submission on draft IDP and Budget was 08 May 2020. Inputs received from the SDF / IDP / BUDGET meetings - collated and distributed to the Directorates for inputs.
May – June 2020	<ul style="list-style-type: none"> MayCo and Council considered the draft IDP and Budget. Closing date for submission on draft IDP and Budget was 08 May 2020. Inputs received from the SDF / IDP / BUDGET meetings - collated and distributed to the Directorates for inputs. Draft Top Layer Service Delivery and Budget Implementation Plan to be submitted to the Executive Mayor for approval within 28 days after the approval of the Budget.



1.11 Fourth Year Process Followed

The table below reflects preparation for the 2021/22 financial year to complete the fourth and final review of the Fourth Generation IDP 2017 - 2022.

Table 4: Preparation for the Fourth and Final Review of the Fourth Generation IDP

Date	Action(s)
August 2020	<ul style="list-style-type: none">Approval of IDP / Budget / SDF Process Plan and Time Schedule.
September – November 2020	<ul style="list-style-type: none">Community engagement meetings were held in all 22 wards, explaining the processes to be followed for the next five years and the time schedule for the 2021/22 financial year for the fourth review of the Fourth Generation IDP. Feedback was provided on the implementation of priorities listed by the wards. The priorities in the basic needs assessment were presented and the communities were given time for additional inputs.Ward plan update meetings were held in all 22 wards with the respective Ward Committees and Ward Councillors.Provincial IDP Manager's Forum hosted by Department Local Government.
December 2020 – February 2021	<ul style="list-style-type: none">Compilation of Draft IDP document in collaboration with all Directorates.Administration prepared the Draft IDP in finalising the chapters of the document.Administration prepared the Draft Budget.Administration prepared the draft Top Layer SDBIP.Provincial LGMTEC held.Capital Planning Forum sessions held to determine capital needs for capturing the IDP and Medium Term Revenue and Expenditure Framework (MTREF) Budget.Provincial IDP Manager's Forum hosted by Department Local Government.



CHAPTER 2

GOVERNANCE AND INSTITUTIONAL ARRANGEMENTS

2.1 Roles and Responsibilities

Section 53 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) stipulates inter alia that the respective roles and areas of responsibility of each political structure and political office bearer of the municipality and of the Municipal Manager must be defined.

2.2 Municipal Council

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

Stellenbosch Municipality is represented by 43 councillors (of which one is currently vacant), of whom 22 were elected directly as ward councillors. The rest of the councillors were elected on the basis of the proportion of votes cast for the different political parties. The political composition of the Council is as follows:

Table 5: Council Political Representation

Political Party	Number of Councillors
DA (Democratic Alliance)	30
ANC (African National Congress)	8
EFF (Economic Freedom Fighters)	2
PDM (People's Democratic Movement)	1
ACDP (African Christian Democratic Party)	1
DNCA (Democratic New Civic Association)	1
Total	43

Below is a table that categorises the Councillors within their respective political parties and wards.

Table 6: Ward Councillors and Proportional Representative Councillors

No.	Name of Councillor	Capacity	Political Party	Ward Councillor and Proportional (PR)
1.	F Adams	Part-time	DNCA	PR
2.	R Badenhorst	Part-time	DA	Ward Councillor: Ward 21
3.	FT Bangani-Menziwa (Ms)	Part-time	ANC	Ward Councillor: Ward 13
4.	PW Biscombe	Chief Whip	DA	Ward Councillor: Ward 17
5.	G Cele	Part-time	ACDP	PR
6.	PR Crawley (Ms)	MayCo Member	DA	PR
7.	A Crombie (Ms)	Part-time	DA	Ward Councillor: Ward 20
8.	Z Dalling (Ms)	Part-time	DA	Ward Councillor: Ward 9
9.	C Davidse	Part-Time	CFF	PR
10.	R Du Toit (Ms)	Part-time	DA	Ward Councillor: Ward 10



No.	Name of Councillor	Capacity	Political Party	Ward Councillor and Proportional (PR)
11.	J Fasser	Part-Time	DA	PR
12.	A Florence	Part-time	DA	PR
13.	AR Frazenburg	MayCo Member	DA	Ward Councillor: Ward 1
14.	E Fredericks (Ms)	Part-time	DA	Ward Councillor: Ward 18
15.	T Gosa	Part-time	DA	PR
16.	E Groenewald (Ms)	MayCo member	DA	Ward Councillor: Ward 22
17.	J Hamilton	Part-time	DA	PR
18.	A Hanekom	Part-time	DA	Ward Councillor: Ward 7
19.	JK Hendriks	Part-time	DA	Ward Councillor: Ward 19
20.	LK Horsband (Ms)	Part-time	EFF	PR
21.	N Jindela	Deputy Mayor including Human Settlements portfolio	DA	PR
22.	M Johnson	Part-time	DA	Ward Councillor: Ward 4
23.	DD Joubert	Part-time	DA	Ward Councillor: Ward 5
24.	N Mananga-Gugushe (Ms)	Part-time	ANC	Ward Councillor: Ward 12
25.	C Manuel	Part-time	DA	Ward Councillor: Ward 3
26.	N Mcombring (Ms)	Part-time	DA	Ward Councillor: Ward 6
27.	XL Mdemka (Ms)	MayCo Member	DA	PR
28.	C Moses (Ms)	Part-time	ANC	PR
29.	RS Nalumango (Ms)	Part-time	ANC	PR
30.	N Olayi	Part-time	DA	PR
31.	MD Oliphant	Part-time	ANC	PR
32.	S Peters	MayCo Member	DA	PR
33.	WC Petersen (Ms)	Speaker	DA	Ward Councillor: Ward 2
34.	WF Pietersen	MPAC Chairperson	PDM	PR
35.	S Schäfer	Part-time	DA	PR
36.	JP Serdyn (Ms)	Part-time	DA	Ward Councillor: Ward 11
37.	N Sinkinya (Ms)	Part-time	ANC	Ward Councillor: Ward 15
38.	P Sitshoti (Ms)	Part-time	ANC	Ward Councillor: Ward 14
39.	Q Smit	MayCo member	DA	Ward Councillor: Ward 8
40.	L Stander	Part-time	ANC	PR
41.	G Van Deventer (Adv)	Executive Mayor	DA	PR
42.	RB Van Rooyen	Part-time	DA	PR
43.	E Vermeulen (Ms)	Part-time	DA	Ward Councillor: Ward 16

2.3 Executive Mayor and Mayoral Committee (MayCo)

The Executive Mayor of the municipality, Cllr Adv Gesie van Deventer, assisted by the Mayoral Committee, heads the political executive arm of the municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in the executive mayor to oversee the day-to-day affairs. This encompasses an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, in addition delegated powers by the Council were assigned. Although accountable for the strategic direction and performance of the municipality, the Executive Mayor operates in consultation with the Mayoral Committee.



Table 7: Executive Mayor and Mayoral Committee (MayCo)

Name of member	Portfolio
Alderman G van Deventer	Executive Mayor
Cllr N Jindela	Deputy Executive Mayor, including Human Settlements
Cllr P Crawley	MayCo member: Financial Services
Cllr Q Smit	MayCo member: Infrastructure Services
Cllr R Badenhorst	MayCo member: Community and Protection Services
Cllr A Frazenburg	MayCo member: Corporate Services
Cllr J Fasser	MayCo member: Youth, Sport and Culture
Cllr S Peters	MayCo member: Rural Management and Tourism
Cllr E Groenewald	MayCo member: Planning and Economic Development
Cllr X Mdemka	MayCo member: Parks, Open Spaces and Environment



Figure 2: Executive Mayoral Committee

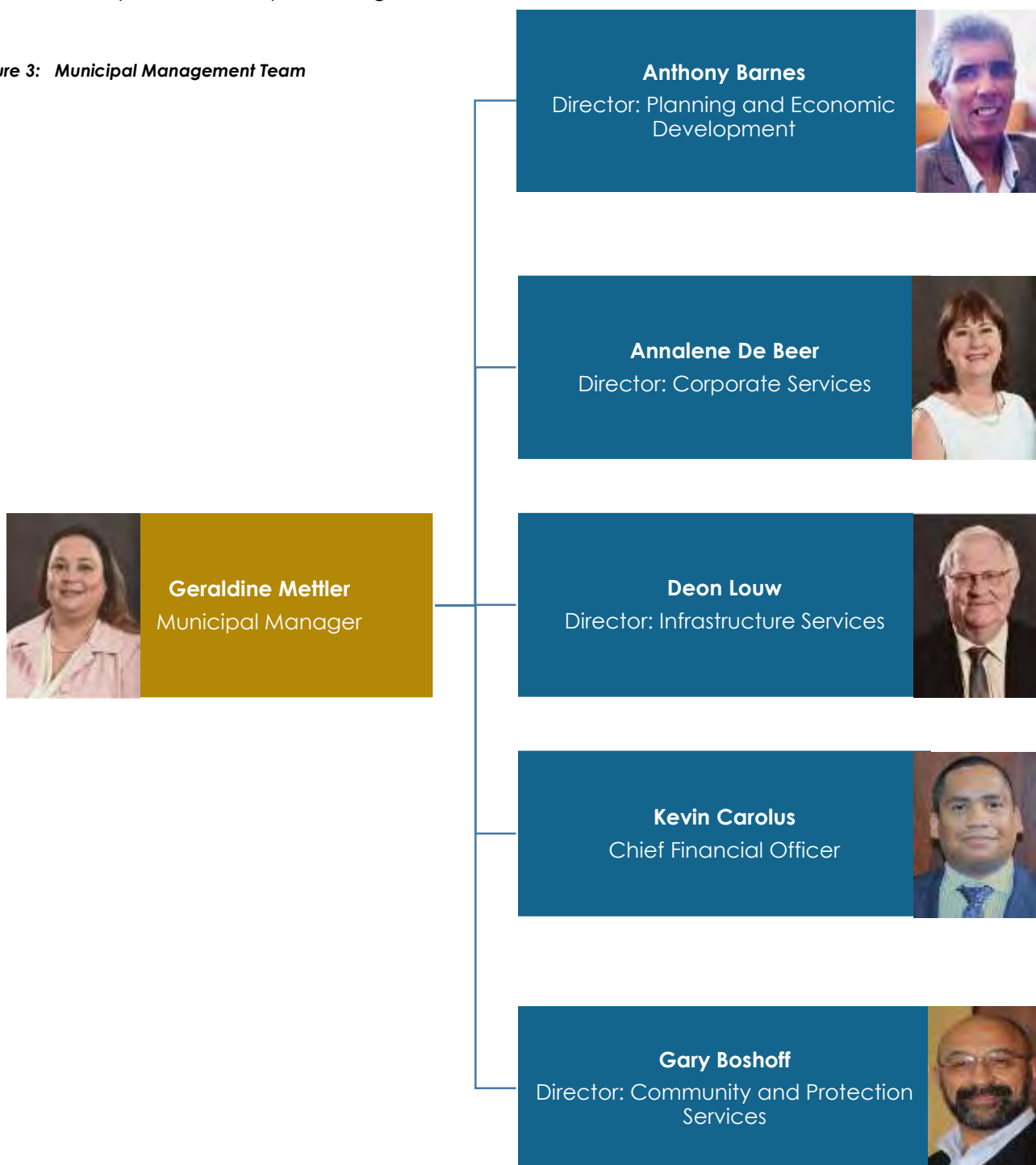




2.4 The Administration

The Municipal Manager is the Chief Accounting Officer of the municipality. The Municipal Manager is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. The Municipal Manager is assisted by the Management Team that reports directly to the Municipal Manager.

Figure 3: Municipal Management Team





The structure of the Management Team is outlined in the table below:

Table 8: The Administration¹

Directorate / Business Centre	Responsibilities	Name	Designation
Office of the Municipal Manager	Strategic Management; Internal Audit; Corporate Governance; Risk Management; Intergovernmental Relations; International Relations; Integrated Development Planning; Strategic Management; Organisational Performance Management; Communications; and Knowledge Management.	Geraldine Mettler	Municipal Manager
Financial Services	Revenue Management; Expenditure Management; Budget Preparation and Management; Management of Financial Statements; Supply Chain Management; Financial Systems; and Asset Management.	Kevin Carolus	Chief Financial Officer
Corporate Services	Administrative Services; Legal and Compliance; Human Resources Management; Individual Performance Management; Information and Communication Technology; Councillor's Support; Committee Services; Municipal Court; and Properties Management and Municipal Building Maintenance.	Annalene de Beer	Director: Corporate Services
Infrastructure Services	Roads, Transport and Storm Water; Water and Waste Water Services; Electrical Services; Waste Management; and Infrastructure Planning, Development and Implementation.	Deon Louw	Director: Infrastructure Services
Planning and Economic Development	Development Management; Development Planning; Integrated Human Settlements; Building Management; Heritage Resource Management; Spatial Planning and Land Use Management; Local Economic Development and Tourism, Housing Development; Informal Settlements; and Housing Administration.	Anthony Barnes	Director: Planning and Economic Development
Community and Protection Services	Community Development; Protection Services; Disaster Management and Fire Services, Traffic and Law Enforcement Services; Library Services; Parks and Cemeteries; Recreation, Sport and Halls; and Environmental Management.	Gary Boshoff	Director: Community and Protection Services

¹ A revised organisational structure has been approved in Council on 27 February 2019.



The revised Micro-Organisational Structure was approved on 27 February 2019. The municipality is currently in the final stages of the Placement Process which include:

-  Office of the Municipal Manager;
-  Financial Services;
-  Corporate Services;
-  Infrastructure Services;
-  Planning and Economic Development; and
-  Community and Protection Services.

The Human Settlements and Property Management Directorate has been split, with Human Settlements being absorbed into Planning and Economic Development and Property Management into Corporate Services.

2.5 Corporate Governance

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

2.6 Risk Management

Section 62 of the MFMA, states that the Accounting Officer should take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and **risk management** and internal control, as well as the effective, efficient and economical use of the resources of the municipality.

The top 5 strategic risk identified include:

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



The Municipal risks have been aligned to the Integrated Development Plan (IDP) through linkages to the Strategic Focus Areas. The following table depicts these linkages:

Table 9: Risk and IDP Alignment

Revised Strategic Risks						
Risk Item	Risk Description	Risk Background	Strategic Focus Areas	Impact Rating	Likelihood Ratings	Directorate
SR 1	Increased risk of Land Invasions	Political environment leading up to the election. Legal precedents set under disaster management declaration limiting municipal scope to evict. Illegal invasions and landgrabs. Compromising housing development and housing opportunities.	Dignified Living, Safe Valley, Financial Sustainability, Good Governance and Compliance	5	5	Municipal Manager and directors
SR 2	Availability and Cost of Electricity	Continuous and persistent load shedding; sustainability of the national power supplier.	Green and Sustainable Valley, Dignified Living	5	5	Infrastructure Services
SR 3	Corona-19 Pandemic.	Manage the Corona-19 pandemic within the context of the prescribed regulations, taking the second wave and intensity of new infections into account.	Safe Valley, Dignified Living	5	4	Geraldine Mettler and all directors
SR 4	Scarcity of landfill space.	Unavailability of suitable land.	Green and Sustainable Valley	5	5	Infrastructure Services
		Costs of SLA's and alternative waste disposal.				
		Legislative requirements i.e. EIA applications and approvals etc.				
SR 5	Increase community unrest due to the fact that growth in demand for housing exceeds the resources available for development.	Lack of bulk infrastructure; lack of identified and suitable land, unrealistic eviction judgements, housing backlogs, migration.	Dignified Living, Safe Valley	4	5	Geraldine Mettler, Community and Protection Services; Planning and Economic Development
SR 6	Financial Sustainability.	Debt management; cash flow; changing patterns in revenue (more of the grid connections to water and electricity).	Good governance and Compliance, Green and Sustainable Valley	5	4	Financial Services
		Increase in criminal activities.				
SR 7	Economic downturn due to perceived civil unrest and crime.	Civil unrest.	Safe Valley, dignified Living	5	4	Community and Protection Services
		Reputational risk due to perceived increase in the said activities.				
		Lack of bulk infrastructure.				
		Housing backlogs.				
SR 8	Loss of credibility and reputation	Abuse of legislation.	Good Governance	4	4	All Directorates
		Reputational risk and credibility.				



Revised Strategic Risks						
Risk Item	Risk Description	Risk Background	Strategic Focus Areas	Impact Rating	Likelihood Ratings	Directorate
	due to perceived fraud and corruption.	Incorrect media statements and role of social media in incorrect negative reports etc.	and Compliance			
SR 9	Material Misstatements in the AFS that constitutes non-compliance with Section 122 of the MFMA.	System errors.	Good Governance and Compliance	4	3	Financial Services
		Transactions and events not recognised as they occur and accordingly nor recorded in the financial period it occurred.				
SR 10	Cyber-attacks.	Cyber-attacks and cyber safety / security has become essential in municipalities.	Good Governance and Compliance	3	3	Corporate Services
		Investigate security gaps.				
SR 11	Urbanisation and growth.	Comprehensive understanding of the developmental needs in the greater Stellenbosch area housing pipeline.	Valley of Possibility	3	3	Infrastructure Services
		Rapid and continued urbanisation.				
		Changes in the needs of the community; master plans; housing pipeline..				
		IDP and SDF alignment.				
Revised Operational Risks						
OR 1	Insufficient burial space in the greater Stellenbosch	Planning and Funding. Land availability.	Dignified Living	4	4	Community and Protection Services
OR 2	Business Continuity	Disasters, Electricity outages, hacking of systems.	Good Governance and Compliance	4	2	Corporate Services
OR 3	Climate Change	Changing weather patterns Unpredictable rainfall / flash floods. Natural disasters – fires (seasonal and other).	Green and Sustainable Valley; Safe Valley	4	2	Office of the Municipal Manager
OR 4	Timeous Capital Spending	Steady increase in budget allocation. Growing population and demand for services. Demand Management.	Good Governance and Compliance	5	2	Financial Services
OR 5	Water Security	Limited sustainable water sources. Growing population with increase in demand. Pollution of sources.	Dignified Living; Valley of possibility; Green and Sustainable Valley	3	2	Infrastructure Services
OR 6	High Vacancy Rate	A skilled and capable workforce is necessary to support growth objectives, quality and timeous service delivery needs to be provided	Good Governance and Compliance	4	2	Corporate Services



Revised Strategic Risks						
Risk Item	Risk Description	Risk Background	Strategic Focus Areas	Impact Rating	Likelihood Ratings	Directorate
		by all departments.				
OR 7	Lack of integrated Information and Communication Technology	Disparate systems.	Good Governance and Compliance	3	2	All Directorates
OR 8	Losing the historic status of Stellenbosch w.r.t environment (trees, biodiversity, buildings, rivers, etc.)	Keeping the balance - development and the historic status. Occurrence of natural disasters.	Dignified Living; Valley of Possibility; Green and Sustainable Valley	3	2	All Directorates

2.7 Anti-Corruption and Anti-fraud

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption. Section 115(1) of the MFMA states that the accounting officer must take reasonable steps to ensure that mechanisms and separation of duties in a supply chain management system are in place to minimise the likelihood of corruption and fraud.

Section 62 (1) of the MFMA, states the following “the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure: –

- (a) That the resources of the municipality are used affectively, efficiently and economically;
- (b) That the full and proper records of the financial affairs are kept in accordance with any prescribed norms and standards;
- (c) That the municipality has and maintains effective, efficient and transparent systems –
 - (i) Of financial and risk management and internal control;
 - (ii) Of internal audit operating in accordance with any prescribed norms and standards;
- (d) That unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented; and
- (e) That disciplinary or, when appropriate, criminal proceedings are instituted against any official of the municipality who has allegedly committed an act of financial or an offence in terms of Chapter 15.”

2.8 Audit and Performance Audit Committee (APAC)

The Municipal Audit and Performance Audit Committee (APAC) (refer to Table below for members of the Audit Committee), appointed in terms of Section 166 of the MFMA, has also been appointed as the Performance Audit Committee. Section 166(2) of the MFMA states that an audit committee is an independent advisory body that must:

- (a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to: –

-  internal financial control and internal audit;
-  risk management;
-  accounting policies;
-  the adequacy, reliability and accuracy of financial reporting information;
-  performance management;



-  effective governance;
-  compliance with this Act, the annual Division of Revenue Act, 2013 (Act No. 2 of 2013) and any other applicable legislation; and
-  performance evaluation; and any other issues referred to it by the municipality.

Table 10: Members of the Audit Committee

Name of representative	Capacity
Dr NL. Mortimer (Mr)	Chairperson
J. Williams (Ms)	Member
V. Botto (Mr)	Member
T. Lesihla (Mr)	Member



2.9 Ward Committees

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

Figure 4: Main duties of the Ward Committees



2.10 Partnerships

In order to ensure effective service delivery, it is essential that high levels of cooperation exist between all three spheres of government. Effective inter-governmental relations (IGR) structures are especially important to the developmental role of municipalities. This role can only be fulfilled through the active involvement of all spheres of government in the setting of priorities, resource allocation and development planning.

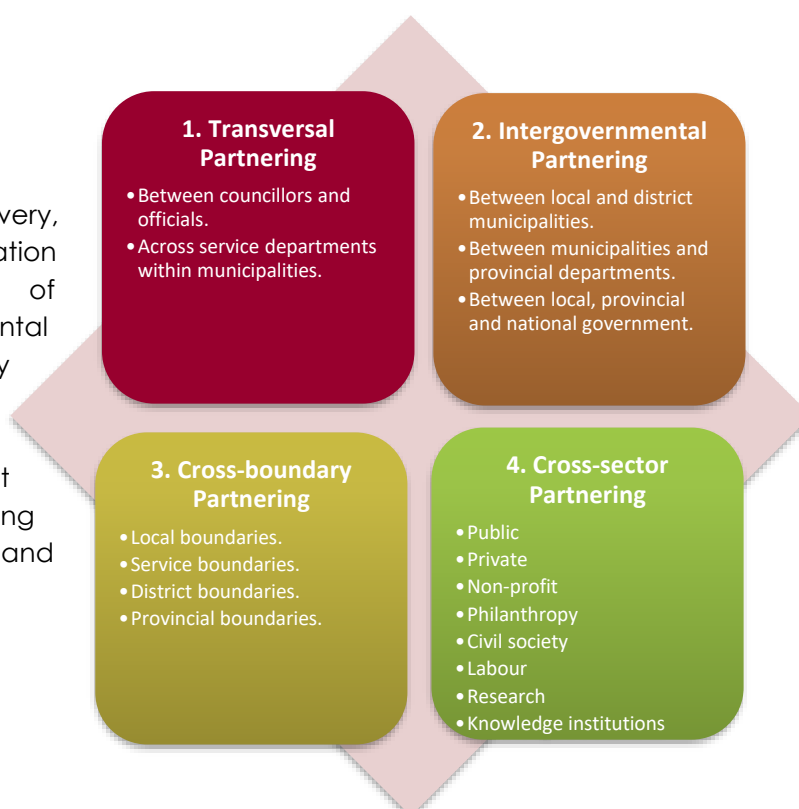


Figure 5: Partnering



The demonstration of the importance of partnerships for the municipality is illustrated in the table below.

Table 11: Key Partnerships

Name of Partner / Partnership	Purpose
@ Heart	The @heart partnership is a long standing relationship built on past experience with youth work and HCT testing from a municipal facility.
Arte Velden Hoge School in Gent	A partnership for the placement of practical students from Belgium (third year Social Work students). This only applies when they have students who indicate a willingness to come to Stellenbosch for practical training.
Barrier Improvement Programme	A partnership was formed to improve the quality of the storm water runoff from the Langrug Informal Settlement. The project entails the implementation of biomimicry, waste recycling and a Sustainable Urban Drainage lab.
City of Cape Town and Drakenstein Municipality	Partnership through the Greater Cape Metro Regional Spatial Implementation Framework has been initiated in order to improve coordination around the development of the Klapmuts area.
Community Organisation Resource Centre	Partnerships Towards Informal Settlements Upgrading: CORC/ISN - Stellenbosch Municipal Partnership Objectives: <ul style="list-style-type: none"> • build an urban poor platform through a network of informal settlements and informal backyards; • invest in the social institutions of the poor in order to partake in development; and • Share knowledge among stakeholders around informal settlement upgrading strategies.
Community structures (Forums, ECD centres, religious fraternities, etc.)	Aim to promote and implement: <ul style="list-style-type: none"> • platforms to share knowledge; • disaster risk reduction initiatives; • community safety programmes; and • campaigns to promote safe resilient sustainable communities.
CSIR (Council of Scientific and Industrial Research)	A partnership aimed at multidisciplinary research and development by supporting innovation in Stellenbosch.
Department of Education	Aims to promote a culture of prevention, preparedness and resilience at all levels through knowledge, innovation and education.
Department Social Development, DCAS, Cape Winelands District Municipality	Joint implementation of programmes focusing on common issues within WC024.
Dilbeek Twin City Agreement	Dilbeek is a partnership with the Dilbeek Congregation in Belgium focussed on community and youth development. The partnership has recently changed their focus to include LED.
Disaster Management Advisory Forum	An advisory forum on all safety issues as well as remedial measures implemented to address and alleviate and/or minimise risks.
Executive Mayor/ Rector Forum	A partnership with the University of Stellenbosch to ensure aligned development planning and that the municipality draws from the University's expertise and resources.
Fire fighter and Fire Officer Training assistance	To aid in the professional development of fire and emergency responders. Partnership between Stellenbosch Municipality and Provincial Government Western Cape (PGWC).
Fire Services Mutual aid agreement	To ensure that incidents are responded to in a coordinated manner, using existing infrastructure to its optimum effectiveness. Mutual agreement between Stellenbosch Municipality and Cape Winelands District Municipality.
Genius of Space	This initiative developed from, and forms part of the Western Cape 110% Green Initiative. The Biomimicry Genius of Space project is a registered flagship project of 110% Green. This initiative combines two priorities of the Western Cape Government – the Berg River and the Green Economy – to find an innovative solution to water pollution in the Berg River.
Green Cape	The Green Cape partnership represents cooperation with the Province's 110% green initiatives, focusing on alternative waste management initiatives and energy efficiency.



Name of Partner / Partnership	Purpose
HeartFlow	Helping people on fringes of society. Provide paper coupons which can be exchanged a stay at the night-shelter, a blanket or a meal. The programme was extended to include an electronic app through which said coupons can be bought to benefit people living on the street.
ICLEI (International Council for Local Environmental Initiatives)	A partnership between the City of Cape Town, ECLEI and Stellenbosch Municipality to discuss developments in Transport, Waste and Electricity Generation, towards ensuring sustainability.
IMESA (Institute for Municipal Engineers South Africa)	A partnership with IMESA aimed at strengthening knowledge and capacity related to municipal infrastructure and service delivery.
Infrastructure Innovation Committee (IIC)	A partnership with the University and other stakeholders aimed at exploring sustainable and innovative infrastructure provision to meet the needs of the municipality and achieve future sustainability.
Integrated Development Committee (IDC)	A partnership with the University and other stakeholders aimed at exploring spatial and urban planning possibilities for Stellenbosch to meet the needs of the municipality and University.
IPC (Integrated Planning Committee)	The Integrated Planning Committee is a working group between the City of Cape Town, Stellenbosch, Saldanha Bay, Overstrand, Theewaterskloof, and Drakenstein Municipality that discuss all transport related matters to effectively promote regional planning.
Landfill Monitoring Committee	A partnership with the Devon Valley residents, whereby residents monitor the Stellenbosch landfill site.
LTAB (Land Transport Advisory Board)	A partnership was formed between political leaders to discuss Land Transport related matters that affect transport in the area.
Memorandum of Cooperation between the Stellenbosch Municipality and Stellenbosch University (SU)	Cooperation in terms of closed circuit television in the interest of the security of the town and the campus with a view to a crime-free university town.
NMT (Non-motorised Transport) Working Group	A working group that discusses all Non-Motorised Transport matters in the Stellenbosch area. The group consists of NMT users, officials, representatives from the University and the disabled fraternity.
Provincial Disaster Management Centre, Cape Winelands District Municipal Disaster Management Centre	Aims to promote the development, implementation and maintenance of effective services within its area of jurisdiction.
Provincial Waste Management Officer's Forum	Quarterly Meetings (All designated Waste Management Officers of Western Cape engage with Provincial Government's Waste Management Department (D:EA&DP on issues relating to policy, best practice, etc.)
Ranyaka	Sustainable and integrated solutions to the challenges facing towns, neighbourhoods and communities. Activate communities to self-help. Community based data collection, analysis, planning and stakeholder mapping. Project pipeline development for coordination of public, private and NGO partners to achieve collective, sustainable impact. Identify community priorities. Measure improvement of communities against the Ranyaka Protocol.
Roads Safety Management	Assisting with schools and education, special projects, e.g. Learners license classes.
Safety Forum	An advisory forum to the Executive Mayor on all safety issues as well as remedial measures implemented to address and alleviate threats.
SALGA Municipal Benchmarking Committee	A partnership aimed at improving efficiency and effectiveness through comparative process benchmarking, peer-to-peer operational knowledge sharing, and interactive performance improvements.
SCORE	Youth Sport Development at the Indoor Sport Centre, Franschhoek.
Stellenbosch Alternate Energy Research	A joint working relationship is being launched amongst University of Stellenbosch, Council for Scientific and Industrial Research, Western Cape Government and the municipality to investigate the generation of alternate electricity in order to combat load shedding from Eskom.



Name of Partner / Partnership	Purpose
Stellenbosch 360 Advisory Committee	A partnership with the umbrella tourism body for the Greater Stellenbosch area aimed at growing and sustaining the municipality's tourism industry and broadening tourism-related benefits.
Social Housing Regulatory Authority (SHRA)	An informal working partnership on the promoting and implementing Social Housing within the Stellenbosch Municipal area.
Stellenbosch Gotland Municipality Partnership	A partnership with Gotland municipality focusing on programmes in local economic development.
Stellenbosch Heritage Foundation	The initiative is aimed at providing support to the municipality on the interactive website of the Heritage Foundation and to assist with the compilation of the heritage inventory.
Stellenbosch Infrastructure Task Team (SITT)	A partnership with the University of Stellenbosch and other stakeholders aimed at exploring sustainable infrastructure provision to meet the needs of the municipality.
Stellenbosch Night Shelter	A partnership to enable appropriate management of the municipal night shelter.
Stellenbosch River Collaborative Steering Committee	A partnership was formed between various role-players to improve the water quality in the Eerste River catchment, with the focus being on the Plankenbrug river.
Mobility Forum and NMT Working Group	A Mobility Forum and NMT Working Group was established to discuss transport related matters that affects the Stellenbosch, including all relevant governmental institutions and other role-players.
University of Stellenbosch – Student Representative Council	A partnership with the University, whereby students provide: <ul style="list-style-type: none"> • relief aid (clothing, food); • placement of students to assist during incidents / disasters; and • awareness programmes.
University of Stellenbosch – Department of Geography and Environmental Studies	A partnership with the University and other stakeholders focusing on strengthening community-based risk assessment capabilities in disaster prone areas.
University of Stellenbosch – Maties Sport: Community Interaction	A partnership striving for excellence in meeting the needs of the youth through innovative and sustainable programmes to disseminate information on risk avoidance, hazards and their effects and preventative activities.
Western Cape Planning Heads Forum	A partnership with all local municipalities within the Western Cape and the Western Cape Government Department of Environmental Affairs and Development Planning aimed at the sharing of best practice and improving coordination on matters related to the Spatial Planning and Land Use Management sector.
Western Cape Government Department of Environmental Affairs and Development Planning.	A partnership around the implementation of the Adam Tas Corridor Catalytic initiative.
Western Cape Government Department of Environmental Affairs and Development Planning.	A Partnership around the development of an Inclusionary Housing Policy Framework for Stellenbosch Municipality.
Western Cape Government Department of Environmental Affairs and Development Planning.	A Partnership through the Greater Cape Metro Regional Spatial Implementation Framework has been initiated in order to improve coordination around the development of the Klapmuts area.
Western Cape Department of Public Works , Roads and Transport	As part of the Provincial Sustainable Transport Programme (PSTP) the Western Cape Department of Public Works, Roads and Transport identified Stellenbosch as a priority municipality for the development of a sustainable transport system. The emphasis will be the development of a public transport system and the development of infrastructure to improve non-motorised transport.
Western Cape Recycling Action Group Forum	Quarterly Meetings (Meetings involving private sector, industries and government in terms of waste minimisation initiatives).
WOF (Working on Fire)	A partnership aimed at promoting capacity building through various programmes which helps to develop social cohesion.



CHAPTER 3

STATE OF THE GREATER STELLENBOSCH AREA

3.1 Socio-Economic Perspective

3.1.1 Population Growth

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

This convergence of environmental resources, scenic quality and business opportunities has two other mutually reinforcing spin-offs: The largest number of JSE-listed companies based in any small South African town have their headquarters in Stellenbosch and the town is home to a disproportionately high number of corporate CEOs and executives, which in turn means that it is able to sustain a comparatively high level of economic activity and consumer services for a town of its size. This results in other benefits throughout the value-add chain and for employment. The municipal area covers approximately 900 km². The municipality's area of jurisdiction includes the towns of Stellenbosch and Franschhoek, as well as a number of rural hamlets such as Wemmershoek, La Motte, De Novo, Kylemore, Pniel, Johannesdal, Languedoc, Groot Drakenstein, Muldersvlei, Klapmuts, Elsenburg, Raithby, Jamestown, Koelenhof and Vloffenburg (most with a population of less than 5 000). Apart from formal settlement areas, the municipal area also includes a number of informal settlements.

Stellenbosch town is the second oldest town in South Africa, dating back to 1679 when an island in the Eerste River was named Stellenbosch by the then Governor of the Cape, Simon van der Stel. The first farming activities in the area were started in 1679. Today, the area has become primarily known for its extraordinary wines and fruits. The towns of Stellenbosch and Franschhoek are renowned for various architectural styles such as Dutch, Georgian and Victorian, which reflect its heritage and traditions, but also divisions of the past.

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



3.2 Wards

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

Table 12: Municipal ward population

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

Source: StatsSA



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

Figure 6: Locality of Cape Winelands District in relation to Provincial Boundaries



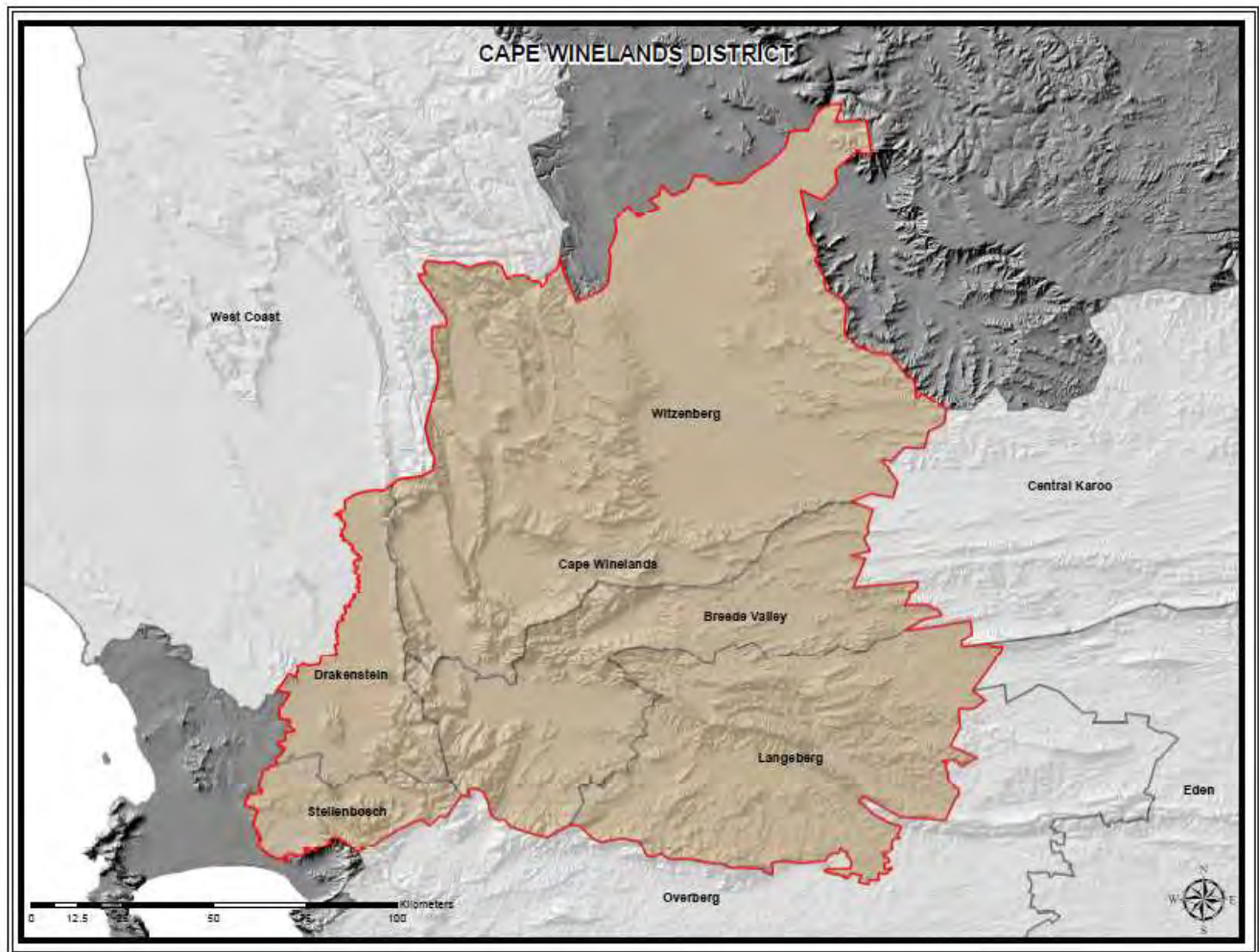
Source: Western Cape Provincial Spatial Development Framework

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



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

Figure 7: Locality map of Stellenbosch Municipality in relation to Cape Winelands District Boundaries



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



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

Figure 8: Locality map of Municipal Boundaries



Stellenbosch Local Municipality is located in the heart of the Cape Winelands and adjacent to City of Cape Town and Drakenstein Municipality. As a local authority Stellenbosch Municipality governs the towns of Stellenbosch, Franschoek and Pniel, and the surrounding rural areas. The area covers 831 square kilometres and adjoins the City of Cape Town (CoCT) to the west and south and the Breede Valley, Drakenstein and Theewaterskloof Municipalities to the east and north. Functionally, SM forms part of the Greater Cape Town metropolitan area.

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

3.3 State of the Greater Stellenbosch

Stellenbosch is situated about 50 km from Cape Town and is flanked by the N1 and N2 main routes. The municipal area covers roughly 900 km². According to population growth estimates, of the Community Survey the population figures for Stellenbosch for 2020 indicates a number of 192 879 people and 52 374 households. The municipality's area of jurisdiction includes the town of Stellenbosch and stretches past Jamestown to Raithby in the South, Bottelary, Koelenhof, and Klappmuts to the North, and over the Helshoogte Pass to Pniel, Kylemore, Groendal and Franschoek in the East.



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

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

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

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

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

The following municipalities share their borders with Stellenbosch Municipality:

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

Stellenbosch municipal area is now divided into 22 Wards, with recent amendments to some of the ward boundaries by the Municipal Demarcation Board in 2016. The wards consist of urban settlements as well as the surrounding rural areas which contain agricultural and natural environments. The table below describes the urban settlements and rural areas within the different wards and the figure on the next page indicates the ward demarcation for the respective 22 wards within the WCO24 boundary.



3.4 Stellenbosch at a Glance

Table 13: Stellenbosch Municipality: Summarised Statistics

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

Source: DLG 2020 Socio- Economic Profile- Stellenbosch Municipality



3.5 Socio-Economic Context

3.5.1 Population

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

Table 14: Age Cohorts and Dependency Ratio

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

Source: Western Cape, Socio-Economic Profile 2020

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

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

3.5.2 Sex Ratio

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

3.5.3 Age Cohorts

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

3.5.4 Household sizes

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

3.5.5 Population density

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



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

- Stellenbosch 232 people/km²
- Drakenstein 189 people/km²
- Breede Valley 50 people/km²
- Langeberg 26 people/km²
- Witzenberg 14 people/km²

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

3.6 Education

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

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

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Table 15: Early Childhood Development – attendance levels

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

Source: Western Cape, Socio-Economic Profile 2018

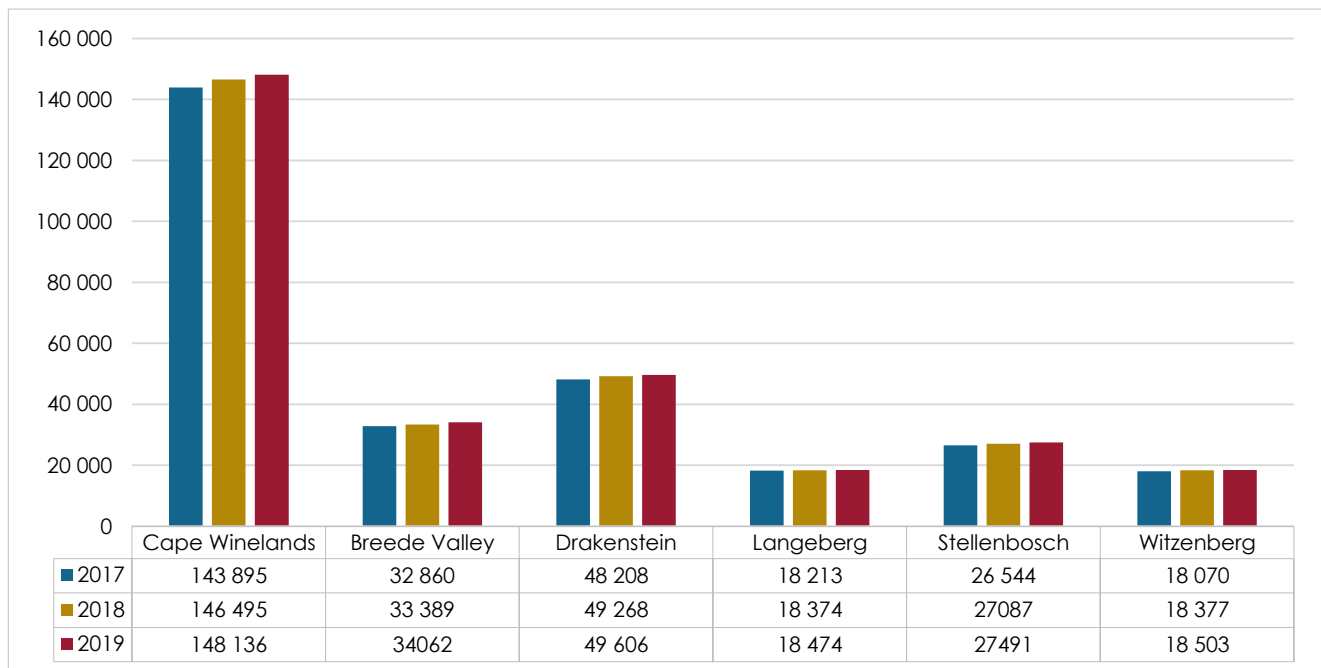
Attendance of children between 1 and 2 years old at educational facilities fluctuates and is largely attributed to working parents in need of child care. Attendance between 3 and 5 years old shows a promising increase of attendance at early childhood facilities, with attendance of 73% for age group 3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



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

Learner enrolment in Stellenbosch increased from 27 087 enrolments in 2018 to 27 491 in 2019, an increase of 1.5 per cent. The learner-teacher ratio also reflected an increase from 28.5 in 2018 to 28.9 in 2019. The learner retention rate improved from 72.5 per cent in 2018 to 75.5 per cent in 2019. This could be attributed to a number of factors including improvement in the socio-economic context.

Figure 9: Learner enrolment



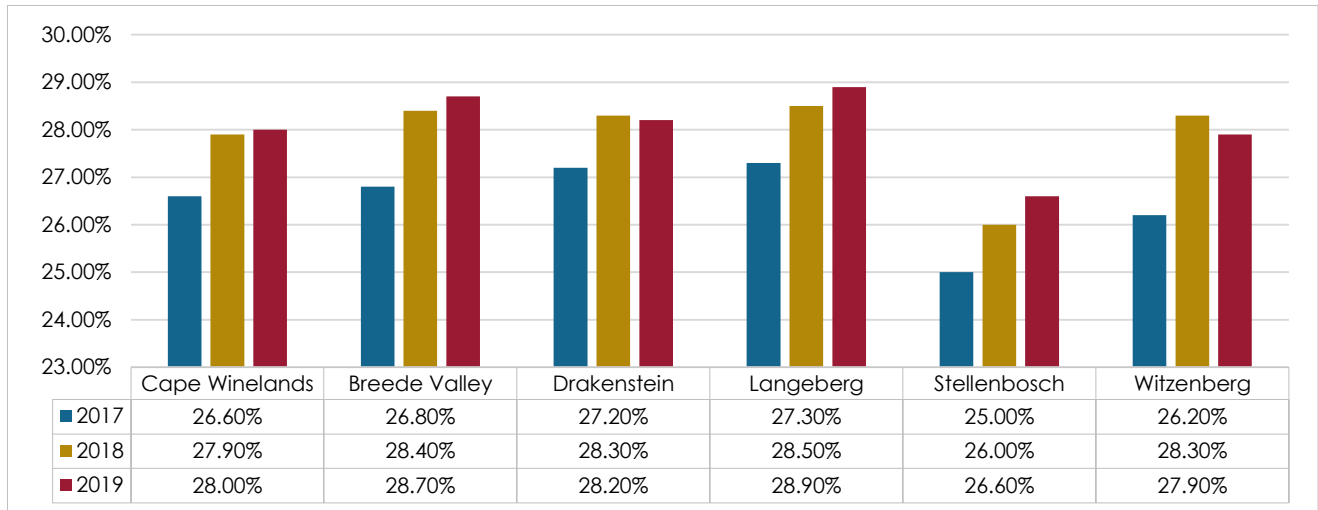
Source: Western Cape, Socio-Economic Profile 2020

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

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



Figure 10: Learner-Teacher Ratio

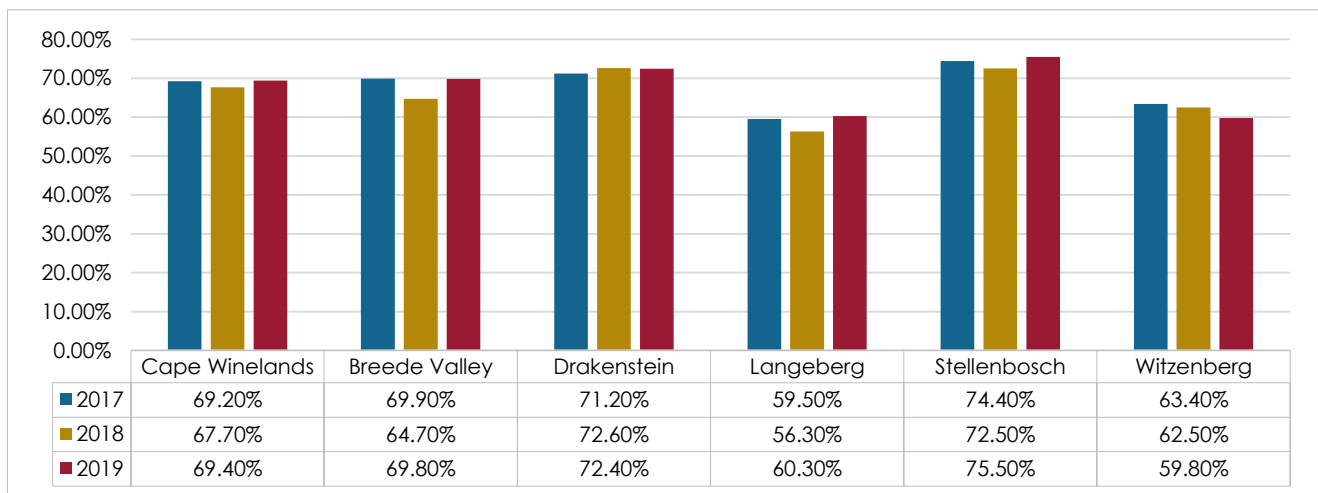


Source: Western Cape, Socio-Economic Profile 2020

Stellenbosch has the lowest learner-teacher ratio in the District, which bodes well for educational outcomes.

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

Figure 11: Learner retention



Source: Western Cape, Socio-Economic Profile 2020



3.6.2 Number of schools and no-fee schools

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

3.6.3 Schools with libraries and media centres

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

3.6.4 Schools with libraries

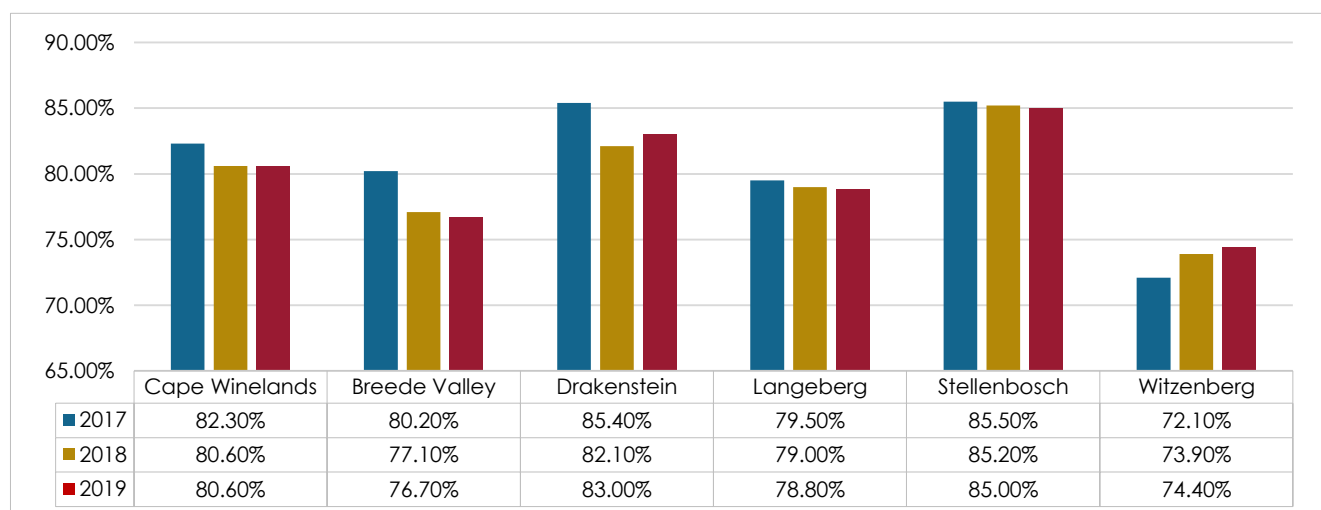
Schools with libraries and media centres has remained at 29 over the reference period, contributing to the overall quality of education in the area.

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

3.6.5 Education Outcomes (Matric Pass Rates)

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

Figure 12: Education Outcomes



Source: Western Cape, Socio-Economic Profile 2020



3.7 Health

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

Table 16: Health care facilities

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

*Source: Western Cape, Socio-Economic Profile 2020

3.7.1 Emergency Medical Services

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

3.7.2 HIV / AIDS / TB

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

Stellenbosch experienced an increase of in tuberculosis (TB) cases in 2019. 1 176 TB patients were registered in 2019 compared to 1 175 in 2018.

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

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



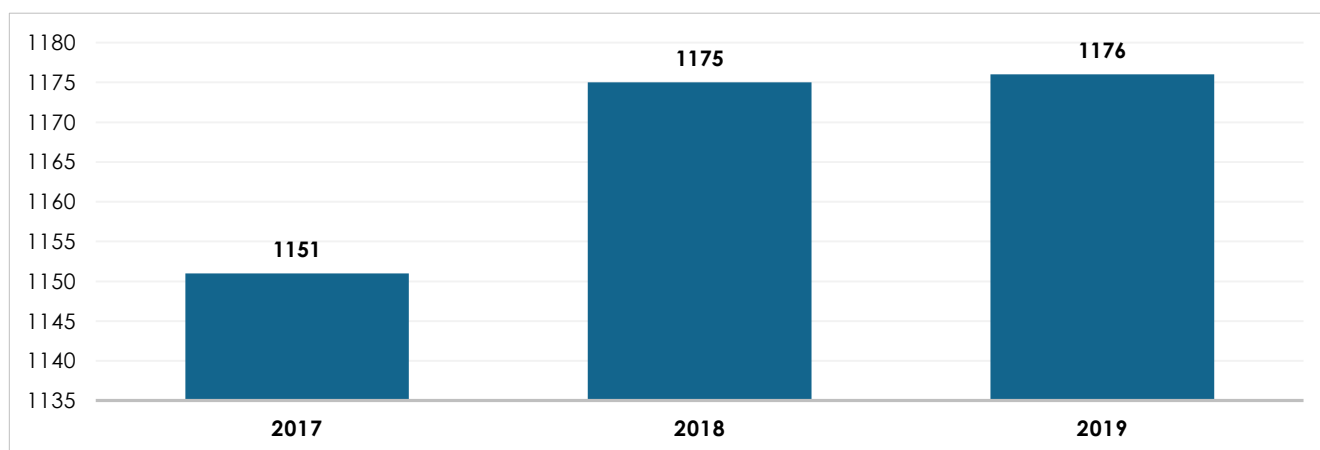
HIV / AIDS management is crucial given its implications for the labour force and the demand for healthcare services.

Table 17: HIV/AIDS Management

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

Source: Western Cape, Socio-Economic Profile 2020

Figure 13: Tuberculosis

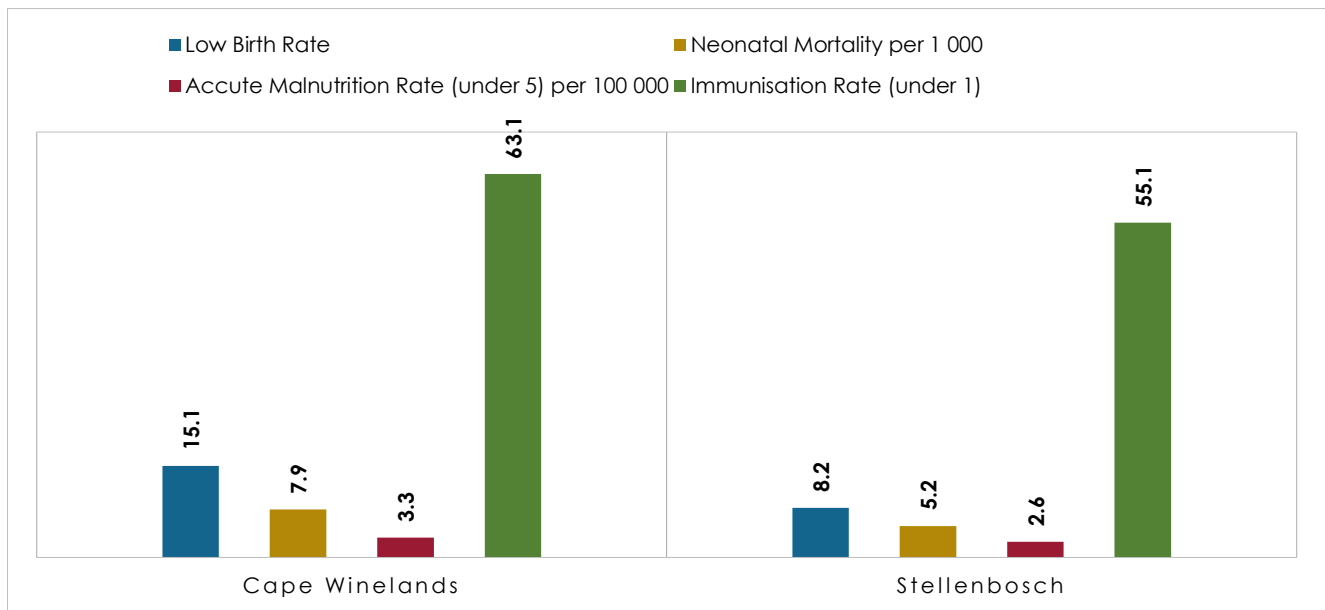


Source: Western Cape, Socio-Economic Profile 2020

3.7.3 Child Health

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

Figure 14: Child Health



Source: Western Cape, Socio-Economic Profile 2020

3.7.4 Maternal Health

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

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

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

Table 18: Maternal Health

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

Source: Western Cape, Socio-Economic Profile 2020



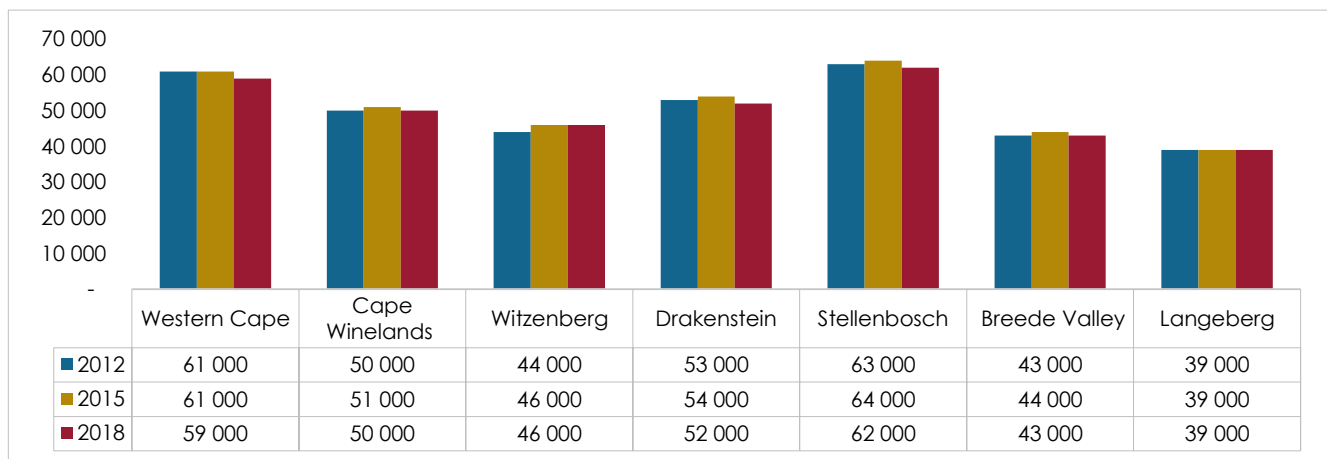
3.8 Poverty

3.8.1 GDPR Per Capita

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

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

Figure 15: GDPR Per Capita



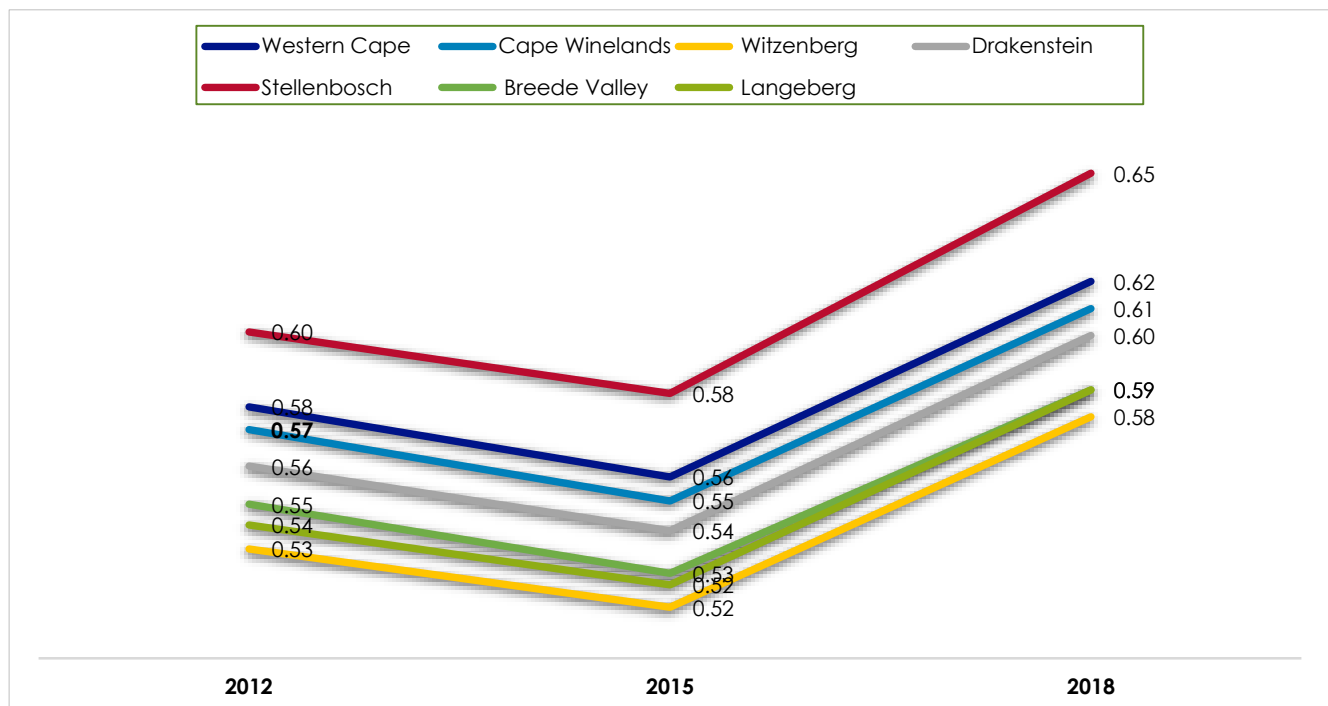
Source: Western Cape, Socio-Economic Profile 2020

3.8.2 Income Inequality

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

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

Figure 16: Income Inequality



Source: Western Cape, Socio-Economic Profile 2020

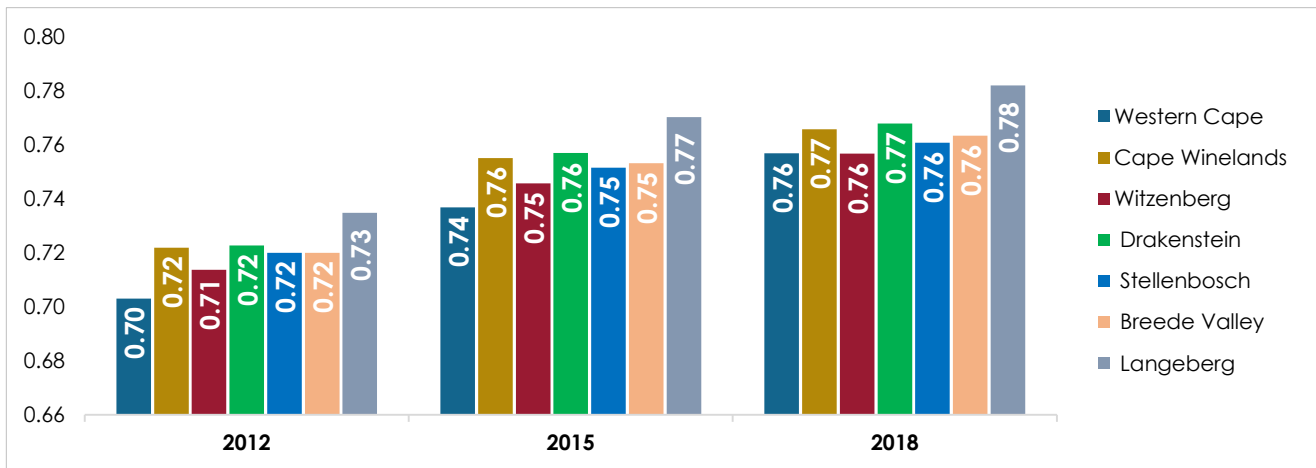
3.8.3 Human Development

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

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

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

Figure 17: Human Development



Source: Western Cape, Socio-Economic Profile 2020

3.9 Basic Service Delivery

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

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

3.9.1 Housing and Household Services

With a total of 49 332 households in the Stellenbosch municipal area, only 73.4 per cent had access to formal housing, the lowest access level when compared to the other municipalities in the Cape Winelands District area; the District average was 81.2 per cent. The area also had highest proportion of informal households in the District, a total of 24.5 per cent compared with the District average of 17.0 per cent.

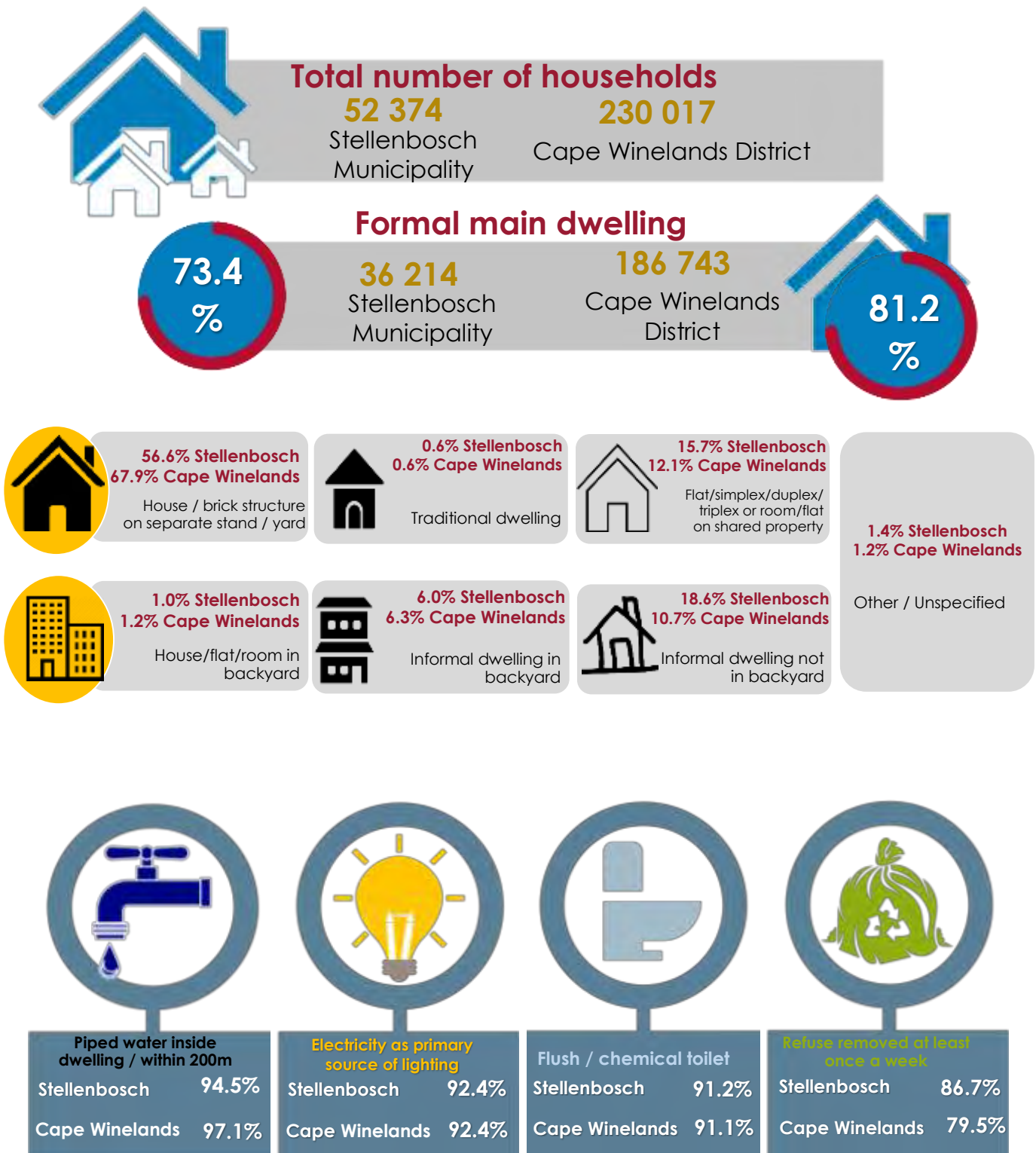
Subsequently, service access levels were high in the area, with access to piped water inside / within 200m of the dwelling at 94.5 per cent, access to a flush or chemical toilet at 91.2 per cent, access to electricity (for lighting) at 92.4 per cent and the removal of refuse at least weekly by local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

3.9.2 Free Basic Services

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



Figure 18: Total number of households



Source: Western Cape, Socio-Economic Profile 2020



3.10 Safety and Security

3.10.1 Murder

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

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

Table 19: Murder (per 100 000)

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

Source: Western Cape, Socio-Economic Profile 2020

3.10.2 Sexual Offences

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

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

Table 20: Sexual Offences (per 100 000)

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

Source: Western Cape, Socio-Economic Profile 2020

3.10.3 Drug-related Offences

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

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

Table 21: Drug Related Offences (per 100 000)

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

Source: Western Cape, Socio-Economic Profile 2020



3.10.4 Driving under the influence (DUI)

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

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

Table 22: Driving under the influence (per 100 000)

Driving under the influence (per 100 000)		
2017/18	2018/19	2019/20
39	37	39

Source: Western Cape, Socio-Economic Profile 2020

3.10.5 Road user fatalities

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

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

Table 23: Road user fatalities (actual cases)

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

Source: Western Cape, Socio-Economic Profile 2020

3.10.6 Residential Burglaries

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

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

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

Table 24: Residential burglaries (per 100 000)

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

Source: Western Cape, Socio-Economic Profile 2020



3.11 Economy and Labour Market Performance

3.11.1 Sectoral Overview

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

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

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

3.11.2 Formal and Informal Employment

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

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

3.11.3 Unemployment

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



Table 25: Economic Sector Overview

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

Source: Western Cape, Socio-Economic Profile 2020

Table 26: Skill Levels Formal employment

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

Source: Western Cape, Socio-Economic Profile 2020



Table 27: Informal Employment

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

Source: Western Cape, Socio-Economic Profile 2020

Table 28: Unemployment rates

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

Source: Western Cape, Socio-Economic Profile 2020

3.12 Public Infrastructure Spending

3.12.1 Spending on Social Infrastructure

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

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

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

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

3.12.2 Spending on Economic Infrastructure

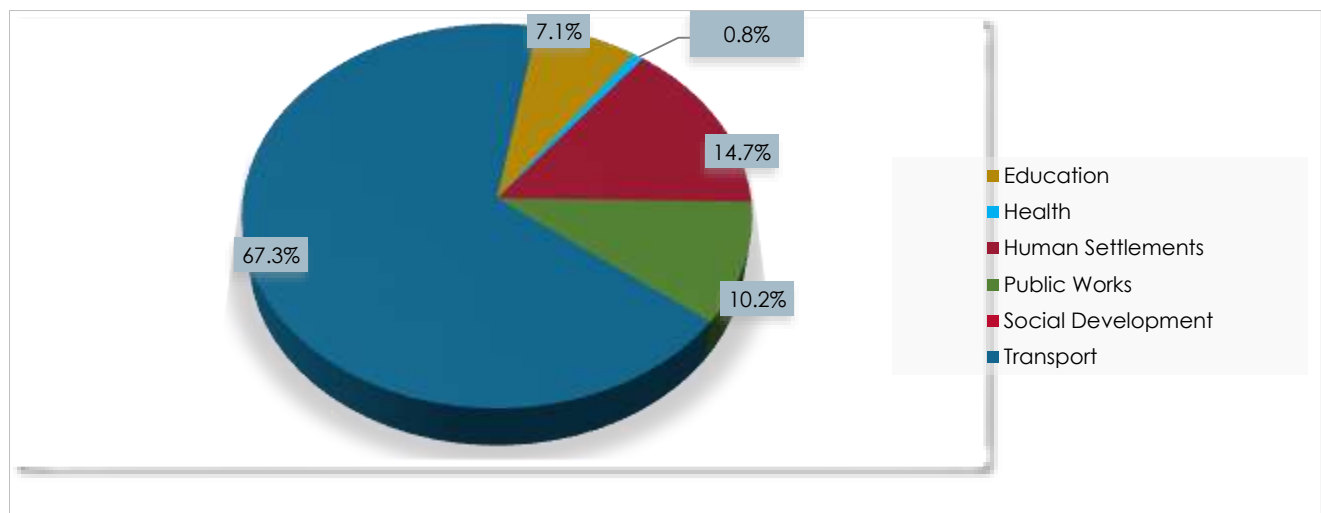
Economic infrastructure is defined as infrastructure that promotes economic activity. Considering the sluggish economic growth throughout the country, spending on economic infrastructure is crucial to stimulating economic activity.

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

3.12.3 Spending on Trading Services

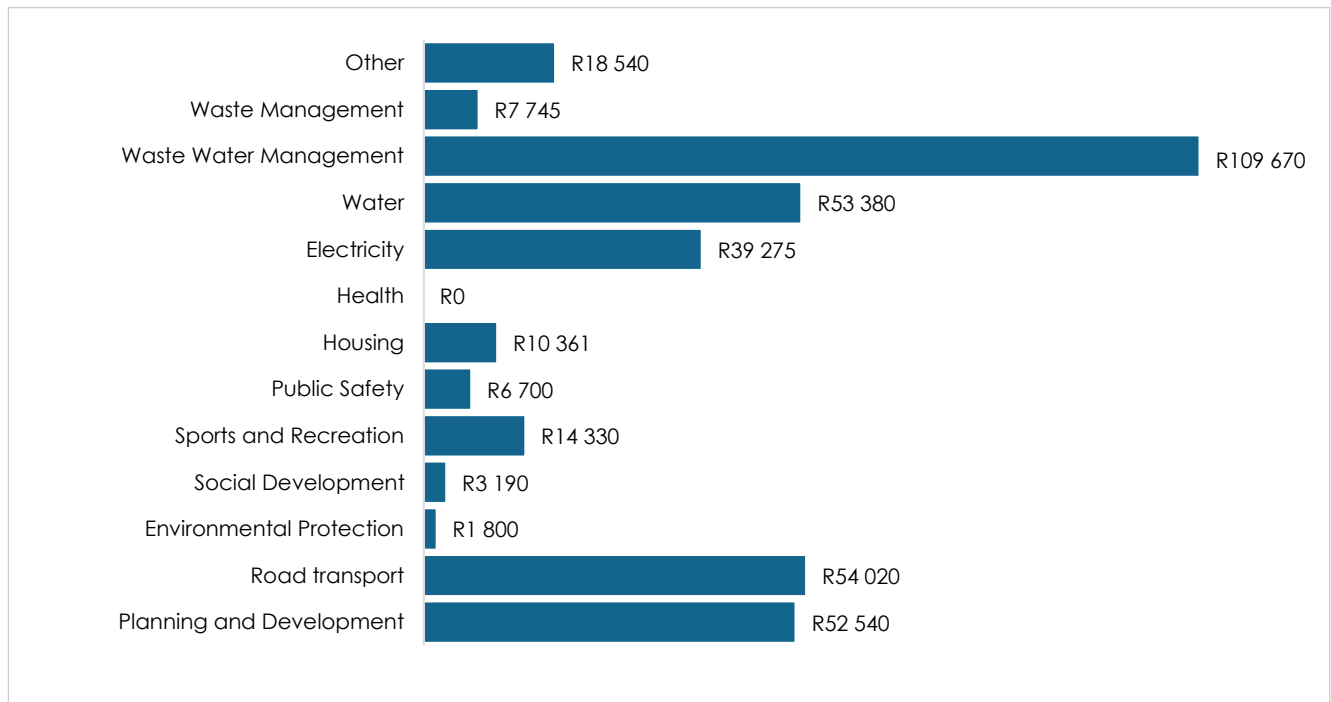
Basic services are crucial to improving the living conditions of citizens within the municipal area and enabling economic activity for businesses via access to water, electricity, sanitation and refuse removal. The majority of the municipality's infrastructure budget is allocated towards the provision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

Figure 19: Provincial Infrastructure Spend



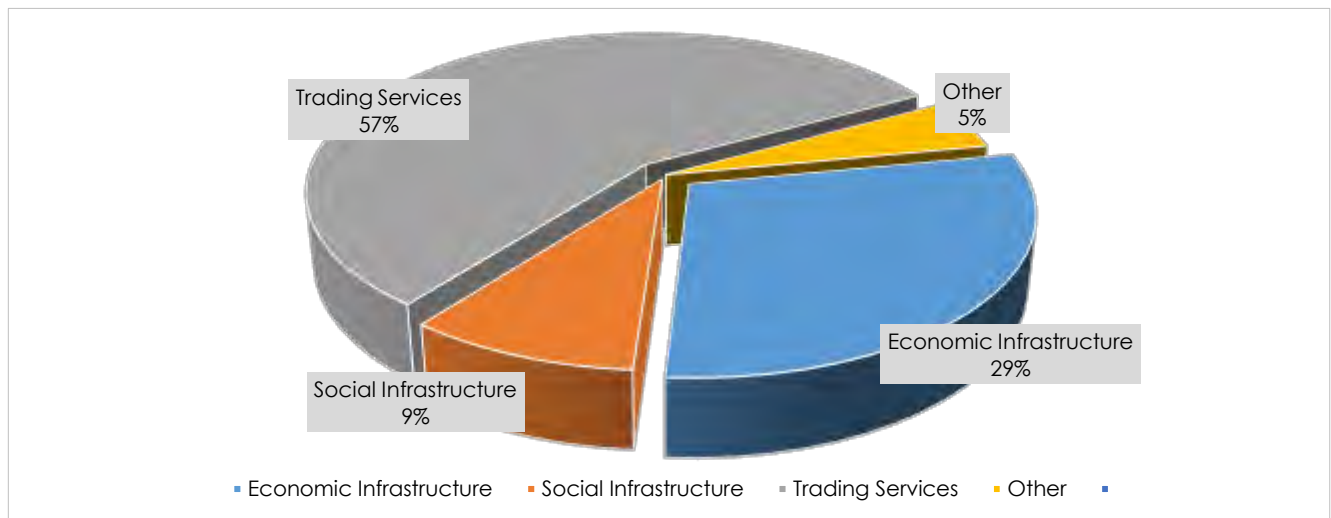
Source: Western Cape, Socio-Economic Profile 2020

Figure 20: Municipal Infrastructure Spend



Source: Western Cape, Socio-Economic Profile 2020

Figure 21: Municipal Infrastructure Spend



Source: Western Cape, Socio-Economic Profile 2020



CHAPTER 4

Spatial Development Framework

4.1 The Purpose of the Spatial Development Framework

Spatial Development Frameworks (SDFs) are policy statements that seek to influence the overall *spatial* distribution of current and future land use within a municipality or other described region to give effect to the vision, goals and objectives of the municipal Integrated Development Plan (IDP) or related business plans of government.

In the case of Stellenbosch Municipality, the SDF must answer the following questions: "How is Stellenbosch going to develop over the next ten to thirty years? What kind of development will take place, where will it take place, and who will be responsible for what aspect of the development?"

4.2 Why the SDF is Important?

Future growth, expansion and innovation cannot be allowed to unfold in haphazard ways as this is likely to result in expensive outward, low density sprawl of housing and commercial areas and the related destruction of valuable eco-system and agricultural resources. This kind of development is also likely to exacerbate spatial divisions and exclude citizens with lesser material resources from opportunity to live in proximity to work, commercial opportunity, and social facilities.

Ad hoc development removes the certainty that everyone needs to be able to make long-term investment decisions, including municipal leadership – planning for associated infrastructure – and key players like the property developers, financial investors, development planners, municipal officials dealing with associated approval processes, and ordinary households.

4.3 The Subject Matter of SDFs

At its core, SDFs deal with the art and science of shaping places at different scales (or areas of influence, from large regions to municipal jurisdictions or neighbourhood precincts). The SDF aims to:

-  Enable a vision for the future of regions and places that is based on evidence, local distinctiveness and community derived objectives;
-  Translate this vision into a set of policies, priorities, programmes, and land allocations together with the public-sector resources to deliver them;
-  Create a framework for private investment and regeneration that promotes economic, environmental and social well-being for a specific region or area; and
-  Coordinate and deliver the public-sector components of this vision with other agencies and processes to ensure implementation.

4.4 Users of the SDF

The SDF for the Stellenbosch Municipality targets two broad user categories.



The first is the government sector, across spheres from national to local government, and including State Owned Enterprises (SOEs). While the SDF is informed by the spatial direction stated in national, provincial, and district level policy, it also sets out the municipality's spatial agenda for government departments across spheres of government to consider and follow. Most importantly, the SDF outlines the municipality's spatial agenda to its own service departments, ensuring that their sector plans, programmes, and projects are grounded in a sound and common spatial logic.

The second user category is the private sector, comprising business enterprises, non-government organisations, institutions, and private citizens. While the private sector operates with relative freedom spatially – making spatial decisions within the framework of land ownership, zoning, and associated regulations and processes – the SDF gives an indication of where and how the municipality intends to channel public investment, influence, and other resources at its disposal. In broad terms, this includes where infrastructure and public facility investment will be prioritised, where private sector partnership will be sought in development, and how the municipality will view applications for land use change.

4.5 The Legislative Framework for SDFs

With the enactment of the Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) (SPLUMA), a new planning regime was introduced in South Africa. It replaced disparate apartheid era laws with a coherent legislative system designed to spatially transform the country in its democratic era.

In broad terms, SPLUMA differentiates between two components of the planning system:



- Spatial Development Frameworks; and
- The Land Use Management System (LUMS).

As indicated above, SDFs are guiding and informing documents that indicate the desired spatial form and define strategies and policies to achieve this. They inform and guide the LUMS, which includes town planning or zoning schemes, allocating development rights, and the procedures and processes for maintaining the maintenance of or changes in development rights.

SPLUMA requires national, provincial, and municipal spheres of government to prepare SDFs that establish a clear vision which must be developed through a thorough inventory and analysis based on national spatial planning principles and local long-term development goals and plans.

SDFs are thus mandatory at all three spheres of government. Sub-section 12(2) of SPLUMA confirms that all three spheres must participate in each other's processes of spatial planning and land use management and each sphere must be guided by its own SDF when taking decisions relating to land use and development.

Section 12 (1) of SPLUMA sets out general provisions which are applicable to the preparation of all scales of SDFs. These provisions require that all SDFs must:



Interpret and represent the spatial development vision of the responsible sphere of government and competent authority;



Be informed by a long-term spatial development vision;



Represent the integration and trade-off of all relevant sector policies and plans;



Guide planning and development decisions across all sectors of government;



Guide a provincial department or municipality in taking any decision or exercising any discretion in terms of this Act or any other law relating to spatial planning and land use management systems;



- Contribute to a coherent, planned approach to spatial development in the national, provincial and municipal spheres;
- Provide clear and accessible information to the public and private sector and provide direction for investment purposes;
- Include previously disadvantaged areas, areas under traditional leadership, rural areas, informal settlements, slums and land holdings of state-owned enterprises and government agencies and address their inclusion and integration into the spatial, economic, social and environmental objectives of the relevant sphere;
- Address historical spatial imbalances in development;
- Identify the long-term risks of spatial patterns of growth and development and the policies and strategies necessary to mitigate those risks;
- Provide direction for strategic developments, infrastructure investment, promote efficient, sustainable and planned investments by all sectors and indicate priority areas for investment in land development;
- Promote a rational and predictable land development environment to create trust and stimulate investment;
- Take cognisance of any environmental management instrument adopted by the relevant environmental management authority;
- Give effect to national legislation and policies on mineral resources and sustainable utilisation and protection of agricultural resources; and
- Consider and, where necessary, incorporate the outcomes of substantial public engagement, including direct participation in the process through public meetings, public exhibitions, public debates and discourses in the media and any other forum or mechanisms that promote such direct involvement.

Chapter 2 of SPLUMA sets out the development principles that must guide the preparation, adoption and implementation of any SDF, policy or by-law concerning spatial planning and the development or use of land. The table below summarises the five SPLUMA principles and what they mean.

Table 29: SPLUMA and Development Principles

Principle	Meaning
Spatial justice	<ul style="list-style-type: none"> • Past spatial and other development imbalances must be redressed through improved access to and use of land. • SDFs (and associated policies) must address the inclusion of persons and areas that were previously excluded, with an emphasis on informal settlements, and areas characterised by widespread poverty and deprivation. • Spatial planning mechanisms, including land use schemes, must incorporate provisions that enable redress in access to land by disadvantaged communities and persons. • Land use management systems must include all areas of a municipality and specifically include provisions that are flexible and appropriate for the management of disadvantaged areas and informal settlements. • Land development procedures must include provisions that accommodate access to secure tenure and the incremental upgrading of informal areas. • In considering an application, a Municipal Planning Tribunal may not be impeded or restricted in the exercise of its discretion solely because the value of land or property is affected by the outcome of the application.
Spatial sustainability	<ul style="list-style-type: none"> • Promote land development that is within the fiscal, institutional and administrative means of government. • Give special consideration to the protection of prime and unique agricultural land. • Uphold consistency of land use measures in accordance with environmental management instruments. • Promote and stimulate the effective and equitable functioning of land markets.



Principle	Meaning
	<ul style="list-style-type: none"> Consider all current and future costs to all parties for the provision of infrastructure and social services in land developments. Promote land development in locations that are sustainable, limit urban sprawl, and result in communities that are viable.
Efficiency	<ul style="list-style-type: none"> Land development must optimise the use of existing resources and infrastructure. Decision-making procedures must be designed to minimise negative financial, social, economic or environmental impacts. Development application procedures must be efficient, streamlined, and timeframes adhered to by all parties.
Spatial resilience	<ul style="list-style-type: none"> Development application procedures must be efficient, streamlined, and timeframes adhered to by all parties.
Good administration	<ul style="list-style-type: none"> All spheres of government must ensure an integrated approach to land use and land development. All government departments must provide their sector inputs and comply with any other prescribed requirements during the preparation or amendment of SDFs. The requirements of any law relating to land development and land use must be met timeously.

At the Provincial sphere of government, aligned with SPLUMA, the Western Cape Land Use Planning Act, 2014 (Act No. 3 of 2014) (LUPA) further outlines minimum standards for SDFs, both in preparation process, and content.

At the municipal level IDPs, which include budget projections, financial and sector plans, are set every five years correlating with political terms of office in local government. SDFs should be subject to a major review every five years, with less comprehensive reviews annually.⁴

In support of SPLUMA, the Department of Rural Development and Land Reform prepared detailed process and content “Guidelines for the Development of Provincial, Regional and Municipal Spatial Development Frameworks and Precinct Plans”. The Stellenbosch Municipality follows these guidelines in its work on the SDF.

4.6 The Policy Framework for the SDF

Numerous policy frameworks, both focused the work of government holistically, the spatial arrangement of activities or specific sectors. These are explored fully in the approved SDF as well as the IDP. In the sections below, only the most specific policy informants are summarised, namely the National Development Plan (NDP), the Western Cape Government's Provincial Spatial Development Framework (PSDF), the Greater Cape Metro (GCM) and Regional Spatial Implementation Framework (RSIF).

4.7 The National Development Plan 2030

The National Development Plan (NDP), developed by the National Planning Commission and adopted in 2012, serves as the strategic framework guiding and structuring the country's development imperatives and is supported by the New Growth Path (NGP) plus other national strategies.

In principle, the NDP is underpinned by, and seeks to advance, a paradigm of development that sees the role of an enabling government creating the conditions, opportunities and capabilities conducive to sustainable and inclusive economic growth that makes poverty alleviation and the sharp reduction of inequality possible by 2030. The NDP sets out the pillars through which to cultivate and expand a

⁴ This does not detract from the SDF including for a longer term spatial development vision, projecting ten to twenty years into the future.



robust, entrepreneurial and innovative economy that will address South Africa's primary challenge of significantly rolling back poverty and inequality.

The legacy of apartheid spatial settlement patterns that hinder inclusivity and access to economic opportunities, as well as the poor location and under-maintenance of major infrastructure, are two of the nine identified core challenges facing the country's development. Aimed at facilitating a virtuous cycle of expanding opportunity for all, the NDP proposes a programme of action that includes the spatial transformation of South Africa's towns, cities and rural settlements given the "enormous social, environmental and financial costs imposed by spatial divides".

4.8 The Provincial Spatial Development Framework

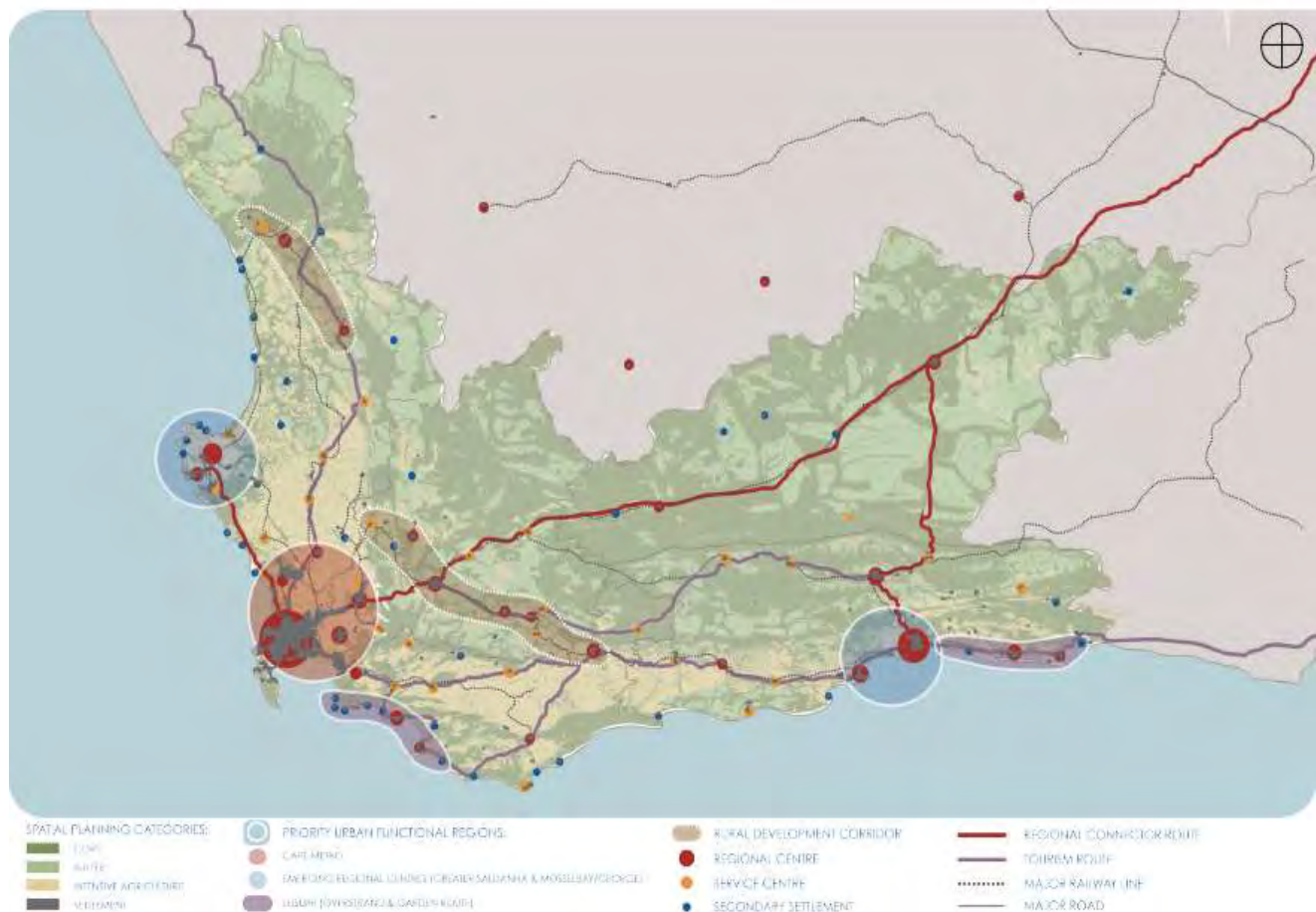
The spatial agenda advocated by the PSDF is summarised in the table below.

Table 30: PSDF Spatial Agenda

Focus	What it involves
Growing the Western Cape economy in partnership with the private sector, non-governmental and community based organisations.	<ul style="list-style-type: none"> • Targeting public investment into the main driver of the Provincial economy (i.e. the Cape Metro functional region, the emerging Saldanha Bay / Vredenburg and George / Mossel Bay regional industrial centres, and the Overstrand and Southern Cape leisure and tourism regions). • Managing urban growth pressures to ensure more efficient, equitable sustainable spatial performance. • Aligning, and coordinating public investments and leveraging private sector and community investment to restructure dysfunctional human settlements. • Supporting municipalities in managing urban informality, making urban land markets work for the poor, broadening access to accommodation options, and improving living conditions. • Promoting an urban rather than suburban approach to settlement development (i.e. diversification, integration and intensification of land uses). • Boosting land reform and rural development, securing the agricultural economy and the vulnerability of farm workers, and diversifying rural livelihood and income earning opportunities.
Using infrastructure investment as primary lever to bring about the required urban and rural spatial transitions.	<ul style="list-style-type: none"> • Aligning infrastructure, transport and spatial planning, the prioritisation of investment and on the ground delivery. • Using public transport and ICT networks to connect markets and communities. • Transitioning to sustainable technologies, as set out in the WCIF. • Maintaining existing infrastructure.

For the agglomeration of urban activity, the Cape Metro functional region, as well as the emerging regional centres of the Greater Saldanha functional region and the George / Mossel Bay functional region, are prioritised. The priority tourism / leisure corridors are the Overstrand and Garden Route leisure corridors (the priority tourism routes are the N2-corridor, R62 between Worcester and Oudtshoorn, the N7 corridor and R43). Two priority rural development corridors – areas of agricultural and rural development opportunity – have been identified. The first is on the west coast – stretching from Lutzville in the north to Clanwilliam in the south. The second rural development corridor stretches from Tulbagh in the north-west to Swellendam in the southeast.

Figure 22: The Provincial Spatial Development Framework



4.9 The Greater Cape Metro Regional Spatial Implementation Framework

The Greater Cape Metro (GCM) Regional Spatial Implementation Framework (RSIF) aims to build consensus between the spheres of government and state-owned companies on what spatial outcomes the GCM should strive for, where in space these should take place, and how they should be configured. The GCM covers the municipal jurisdictions of Cape Town, Saldanha Bay, Swartland, Drakenstein, Stellenbosch, Breede Valley, Theewaterskloof, and Overstrand.

The regional settlement concept proposed by the GCM RSIF is built on the following key tenets:

- Containing settlement footprints by curtailing the further development of peripheral dormitory housing projects;
- Targeting built environment investments within regional centres, specifically in nodes of high accessibility and economic opportunity;
- Targeting these locations for public and private residential investment, especially rental housing, to allow for maximum mobility between centres within the affordable housing sector;
- Using infrastructure assets (specifically key movement routes) as “drivers” of economic development and job creation;
- Promoting regeneration and urban upgrading within strategic economic centres as well as high-population townships across the functional region;
- Shifting to more urban forms of development within town centres including higher densities and urban format social facilities;



- Connecting these nodes within an efficient and flexible regional public transport and freight network; and
- Maintaining valuable agricultural and nature assets.

In terms of role and function, Paarl and Wellington is the Northern Winelands service, administrative, tertiary education, agri-processing and distribution, and tourist centre, with very high/ high growth potential.

Stellenbosch is identified as the Southern Winelands service, administrative, tertiary education and research, and agri-processing centre, as well as home to multi-national enterprise headquarters, a key tourism destination, and focus for technology industry, with very high growth potential.

In relation to Klapmuts, the RSIF recognises that:

- Existing infrastructure in the area (i.e. N1, R101, R44 and the Paarl-Bellville railway line and station), which dictate the location of certain transport, modal change or break-of-bulk land uses; and
- Klapmuts is a significant new regional economic node within metropolitan area and spatial target for developing a "consolidated platform for export of processed agri-food products (e.g. inland packaging and "containerisation port") and "an inter-municipal growth management priority".

Figure 23: The diagram illustrates the GCM RSIF in plan form



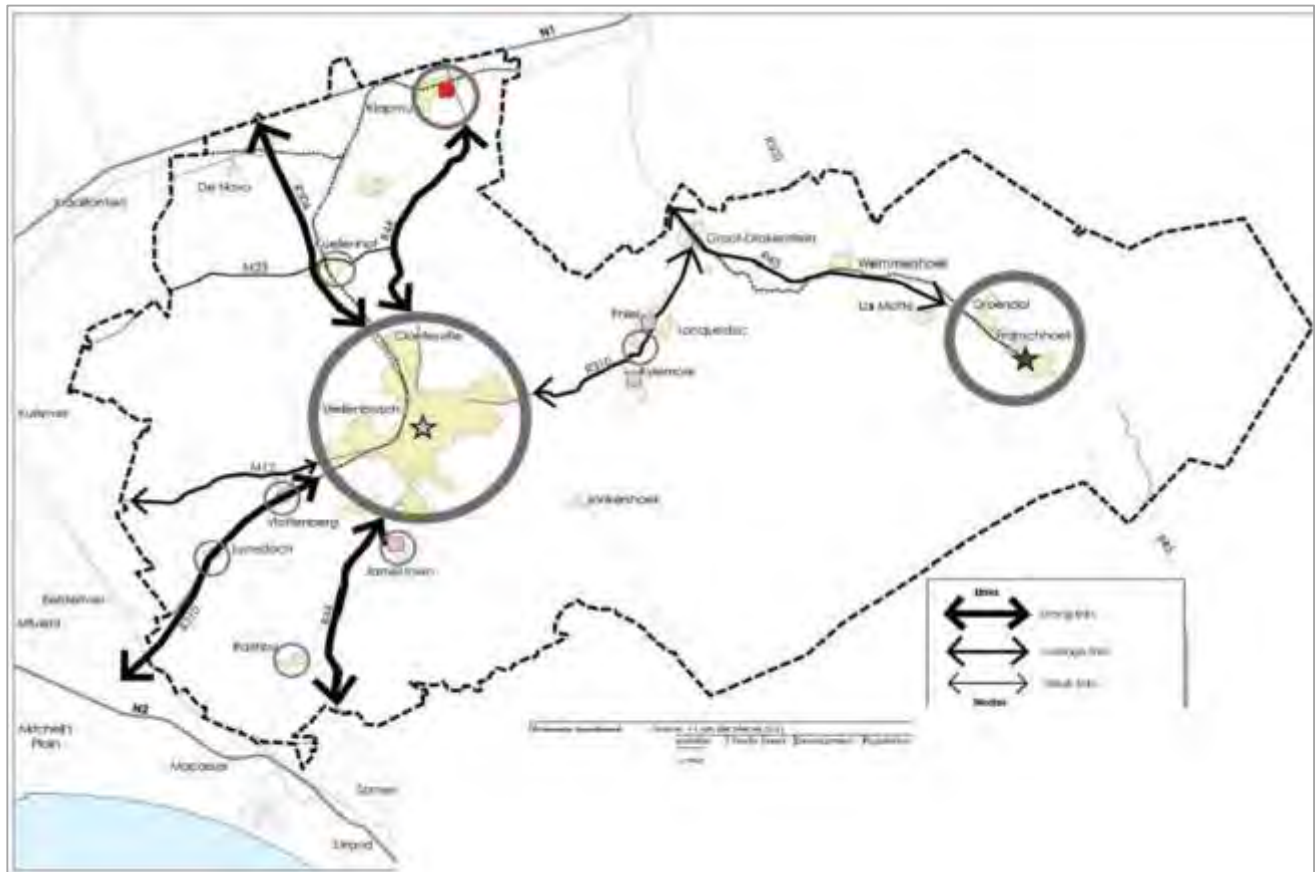
4.10 Stellenbosch Municipality's Work on a SDF

Over the last decade, the Stellenbosch Municipality has completed a considerable volume of studies, policy documents, and plans, specifically related to SDFs, as well as studies, policy documents, and plans that should inform or be informed by the SDF (for example comprehensive plans like the IDP

covering all the activities of the Municipality, or sector specific work related to economic development, transport, the environment, housing, and so on). Some of these studies, policy documents, and plans cover the whole Municipal area, while others focus on specific parts of the area.

The below diagram illustrates the varied spatial and related sector documents prepared over the last ten years by Stellenbosch Municipality.

Figure 24: Varied spatial and related sector documents prepared over the last ten years



4.11 Institutional Arrangements for Preparing the SDF

The Stellenbosch Municipality's current work on the SDF have taken place with the inputs and oversight of an Intergovernmental Steering Committee (ISC), as prescribed in LUPA, and comprising representatives across spheres of government and sectors.

Further, it should be noted that the approved SDF, as well as specific sector documents and area studies listed in chapter 7, sought inputs from various organisations and individuals as part of public participation processes undertaken during various stages of preparing these studies.⁵

⁵ For example, the "Shaping Stellenbosch" initiative involved a facilitated process of engagement between Directors of key municipal departments and members of the Mayoral Committee (MayCo), consultations with all ward councillors, meetings with Ward Committees and 72 formal engagements with various groups, and four major workshops that were attended by a wide cross-section of organisations. By August 2014, a total of over 200 ideas were submitted from around 108 stakeholders to a dedicated web-site.



4.12 The Challenges Addressed by the SDF

The Stellenbosch Municipality SDF attempts to address the spatial dimensions of varied challenges, documented in this IDP and numerous studies and documents produced to date, and dealing with spatial and non-spatial matters.

Framed as a question, the key challenge revolves around how to achieve, through managing the spatial distribution and form of development – primarily land use activities and associated structures, both new and existing – shared and inclusive growth, increased access to opportunities (particularly for disadvantaged citizens), improved sustainability by minimising ecological footprints, and maintenance of the unique sense of place of the settlements and surrounding lands which constitute the municipality.

In addressing these challenges, the SDF has two tasks. The first relates to how activities should be organised and accommodated in space to best address challenges. The second is to guide how other sectors, services, or functional areas, should adjust their focus and work to support the recommended organisation and accommodation of activities in space.

Without re-stating the varied challenges of the municipality outlined in full in the IDP and sector documents, the table below lists specific spatial challenges addressed by work on the SDF, following the broad themes contained in the SPLUMA Guidelines.

Table 31: Spatial Challenges

Theme	Spatial Challenges
Bio-physical context	<p>The ongoing loss of agricultural opportunity through urban development and land use change of high value agricultural land.</p> <p>Development which threatens the integrity and value of high worth nature, scenic, cultural, and heritage landscapes and places.</p> <p>The poor state of rivers within the municipal area.</p>
Socio-economic context	<p>The current population of approximately 175 000 is very unequal with the municipality having one of the highest Gini-Coefficients in South Africa. 53% of households are classified as low-income, with 20% of these having no registered income. Unemployment stood at around 20% in 2011, and continues to rise. Despite a relatively positive and resilient economic trend showing some employment growth in the managerial and skilled sectors, job losses continue in the low and semi-skilled sectors. This is of critical concern for the region's sustainability.</p> <p>Although Stellenbosch Municipality has a slightly lower unemployment rate than the Western Cape and the country, its unemployment rate of more than 20% represents a significant social challenge.</p> <p>Almost 23% of the population is under 15 in age, indicating that a large percentage of the population will be entering the labour market in the next two decades.</p>
Built environment context	<p>60% of households do not have access to a car, and are dependent on unsupported informal public transport or travel on foot. Many trip needs remain unsatisfied or are undertaken with great hardship. For these captive populations, access to ever more dispersed activity is increasingly difficult, yet virtually all available funding is allocated to providing general road infrastructure rather than the development of transport systems and approaches that serve the most effective and sustainable movement of people and goods.</p> <p>There has been continuous growth in weekday commuter trips from the Cape Town Metropole and surrounding areas into Stellenbosch. This in part reflects increased employment opportunities but also the shortage of affordable local accommodation requiring many employees to commute from distant locations with cheaper housing.</p> <p>70% of all trips entering Stellenbosch town are by private car. There is worsening peak period congestion, with average traffic speeds pushed down to 13km/h (below cycling speed) and a throughput per lane of only 600 persons per hour due to the very low vehicle occupancies.</p> <p>Local (<5km) peak period person trips within the town of Stellenbosch total twice the number of longer distance (>5km) passenger commute trips. 95% of all NMT trips within the Stellenbosch town are made by low income residents. In contrast over 80% of all local trips by choice-user are made by car. There is great potential for reducing private motor vehicle travel through targeting short trips and market sectors (e.g. University students) to switch to cycling and walking, which will help to significantly improve general traffic flow.</p> <p>Significant unmet and future demand for housing (across housing typologies and income brackets).</p> <p>Large old industrial complexes in well-located areas are disused or underutilised.</p> <p>Inadequate sanitation, stormwater and solid waste infrastructure in some lower income areas / informal settlements are contributing to river pollution.</p>



Theme	Spatial Challenges
Institutional context	The limited capital budget of the municipality, given the extent and depth of community needs. The limited professional resources of the municipality, specifically in relation to the rigorous, and dedicated full-time management of large scale projects.

4.13 Strategic Component of the SDF

4.13.1 Vision

In line with the SM's vision as the "valley of opportunity and innovation" (as contained in the IDP), the vision for spatial development and management is described as follows:

"we envisage a municipal area even more special than it is today; a place of natural beauty, rich in the way it preserves and exposes elements of history and culture, its produce from the land, the quality of its institutions, and the mindfulness and innovations of its people.

It is a future Stellenbosch municipal area that remains familiar; it has retained what differentiates the municipality from other places, its landscapes, historic buildings and settlement patterns, and the specialness of its institutions. It is resilient; it has adapted to the needs of today without losing what is special from the past. It is inclusive; it has accommodated the needs of citizens from all walks of life without fear. It is diverse and therefore productive. In adapting to new needs, and accommodating new people, it has become the stage for new expressions of culture, new businesses, and new ways of doing.

In form, it comprises a set of compact settlements, large and small, surrounded by natural and productive landscapes, and linked by means of public transport. Internally, settlements are relatively dense, cyclable and walkable. Each portrays a unique character, closely linked to its surrounding landscape, the reach and extent of its public institutions, and the capacity and opportunity of its infrastructure. Each provides for a range of citizens from all walks of life, with significant choice in place of residence."

4.13.2 Strategic focus

The table below illustrates how work on the SDF relates – in terms of its focus and contribution – to achieving the five municipal strategic focus areas as contained in the IDP.

Table 32: IDP strategic focus areas and the SDF

IDP Strategic Focus Area	Related concerns of the SDF	SDF Strategic Direction
Valley of possibility	The way settlements, nature and agricultural are spatially developed and managed to enhance individual and collective livelihood opportunities and enterprise development, and overcome inequity and exclusion.	Containment of settlements to protect nature / agricultural areas and enable public and non-motorised transport and movement. A focus on public and non-motorised transport and movement.
Green and sustainable valley	The way settlements, nature and agricultural areas are spatially developed and managed to maintain and enhance natural resources and ensure future balance between human settlement and its use of natural resources and opportunity.	Protection of nature areas, agricultural areas, and river corridors.
Safe valley	The way settlements, nature and agricultural areas are spatially developed and managed to ensure individual and collective safety in living, in movement, at work, institutions, and play.	Denser settlements with diverse activity to ensure surveillance.
Dignified living	The way settlements, nature and agricultural areas are spatially developed and managed to ensure equal access to shelter, facilities and services,	A specific focus on the needs of "ordinary" citizens, experiencing limited access to opportunity because of restricted available material resources.



IDP Strategic Focus Area	Related concerns of the SDF	SDF Strategic Direction
	notwithstanding material wealth, age, gender, or physical ability.	
Good governance and compliance	The way settlements, nature and agricultural areas are spatially developed and managed to ensure individual and collective participation – based on accessible information and open processes – in matters related to spatial planning and land use management.	Presenting information, including opportunities and choices in a manner that assists its internalisation by all.

As it is not specifically mentioned in the strategic focus areas – perhaps as it is more an approach or “way of thinking and doing” about matters generally than a strategic focus area – a note on innovation is justified, specifically in relation to spatial planning and the SDF.

Innovation is not limited to – as it is often perceived to be – information technology. It cuts across all tasks; it must be at the basis of all efforts and approaches to meet challenges. Much of Stellenbosch’s current spatial challenges will not be resolved through conventional spatial planning approaches; ways of doing which have become part of a prevailing culture in planning and development, including accommodating new development on “undeveloped” nature or agricultural land, supporting relatively low density development, attempts to accommodate unimpeded movement by private vehicles with low occupancy, each potential land developer striving to maximise individual development opportunity, and so on. In many ways, these approaches have contributed to varied existing challenges to be addressed today, including inequity in access to opportunity, environmental degradation, and stress on municipal resources.

Arguably, exploring and implementing new approaches or strategy are not easy, as observed by Hamel: “When people sit down and think about strategy ... they take 90 or 95% of industry orthodoxies as a given ... Instead, they must stare down their orthodoxies and determine that they are not going to be bound by them anymore ... The deepest reason [for not doing this] is an unwillingness or inability to look outside of current experiences. It’s the whole set of definitions that grew up over time ... about what business we’re in ... you get convergence around those things. A lot of this is not simply blindness; a lot of this is denial. Yes, we see it, but it is so uncomfortable that we can’t admit to it.”⁶

⁶ An interview with Gary Hamel, strategy + business <http://www.strategy-business.com/press/16635507/13304>



4.13.3 Concept and core argument

The concept for spatial development and management of SM comprises seven key tenets:

1: Maintain and grow our natural assets

Valuable land areas, including critical biodiversity areas, agricultural land, land affecting the maintenance of water resources, and so on, cannot be built upon extensively, it cannot be the focus for significantly accommodating existing or future settlement need spatially.

2: Respect and grow our cultural heritage

The areas and spaces – built and unbuilt – that embody the cultural heritage and opportunity of SM needs to be preserved and exposed further. Some areas and spaces need to be maintained intact, others provide the opportunity for new activity, in turn exposing and enabling new expressions of culture.

3: Direct growth to areas of lesser natural and cultural significance as well as movement opportunity

Within areas of lesser natural and cultural significance, the focus should be on areas where different modes of transport intersect, specifically places where people on foot – or using non-motorised transport – can readily engage with public transport.

4: Clarify and respect the different roles and functions of settlements

The role and potentials of different settlements in Stellenbosch require clarification. In broad terms, the role of a settlement is determined by its relationship to natural and cultural assets and the capacity of existing infrastructure to accommodate change and growth.

5: Clarify and respect the roles and functions of different elements of movement structure

Ensure a balanced approach to transport in SM, appropriately serving regional mobility needs and local level accessibility improvements, aligned with the spatial concept.

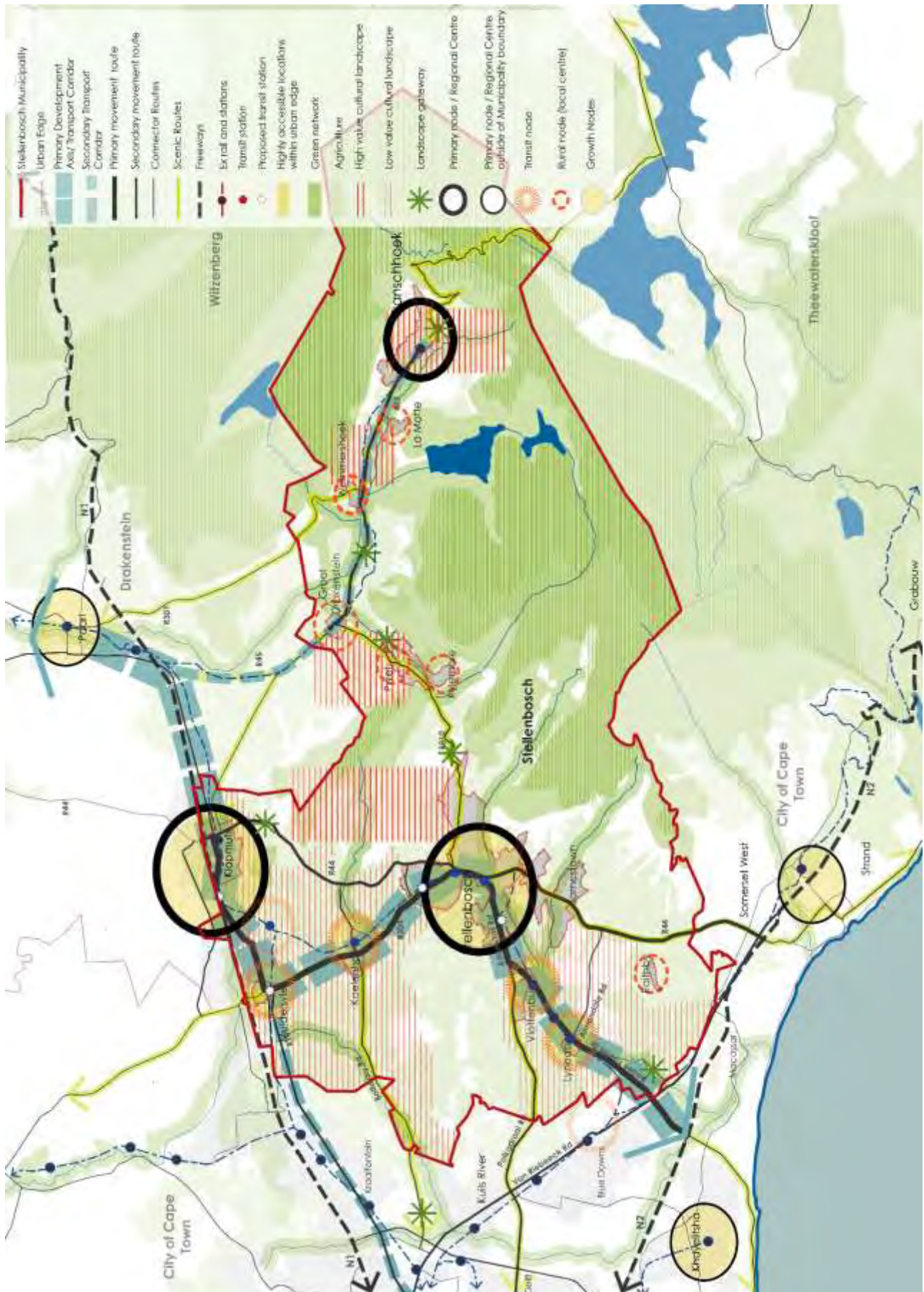
6: Ensure balanced, sustainable communities

Ensure that all settlements are balanced and sustainable, providing for different groups, maintaining minimal development footprints, walkability, and so on.

7: Focus collective energy on critical lead projects

Harness available energy and resources to focus on a few catalytic areas that offer extensive opportunity fastest and address present risk.

Figure 25: The overarching concept is illustrated in figure below





4.14 Implementation Framework

4.14.1 Introduction

The SPLUMA guidelines require, as part of the *mSDF*, a high-level Implementation Framework setting out the required measures that will support adoption of the SDF proposals while aligning the capital investment and budgeting process moving forward. The *mSDF* Implementation Framework comprises the following sections:

- A proposed settlement hierarchy.
- Priority development areas and themes.
- A policy framework (linked to strategies).
- Guidelines, studies, and information supporting the policies.
- Implications for sector planning and specific development themes, including:
 - Movement;
 - Housing; and
 - Local economic development.
- Implications for inter-municipal planning
- Land use management and regulations.
- Catalytic initiatives.
- Further planning work.
- Institutional arrangements.
- Checklists in support of decision-making.
- A municipal leadership and advocacy agenda related to spatial development and management.

4.14.2 Proposed Settlement Hierarchy

The proposed settlement hierarchy for SM, supporting the spatial plan and proposals for the settlement as a whole, is outlined in the table below.

Table 33: Proposed settlement hierarchy for the Stellenbosch Municipality

Settlement	Role	Development and Land Use Management Focus
Primary settlements		
Stellenbosch town	A significant centre comprising extensive education, commercial and government services with a reach both locally and beyond the borders of the municipality, tourism attractions, places of residence, and associated community facilities.	Broadening of residential opportunity for lower income groups, students, and the lower to middle housing market segments. Upgrade of informal settlements. Retention of University functions in town. Enablement of the Adam Tas Corridor. Sensitive residential infill and compaction. Drive to established "balanced" precincts. Public transport development, travel demand management, parking controls, and NMT improvements.
Klapmuts	Focus for economic development (utilising a favourable location for manufacturing, logistics, and warehousing enterprises) and associated residential opportunity.	Support for development of RE / Farm 736 as a lever to economic development utilising a favourable location for manufacturing, logistics, and warehousing enterprises. Balanced housing provision in Klapmuts South, focused on those who can benefit from employment provision through unlocking Klapmuts North. Establishing the Klapmuts town centre. NMT improvements.



Settlement	Role	Development and Land Use Management Focus
Franschhoek	Secondary service centre, significant tourist destination, and place of residence.	Upgrade of informal settlements NMT improvements. Sensitive infill within urban edge providing inclusive housing and extended commercial opportunity (also for small and emerging entrepreneurs). Retention of historic character.
Secondary settlements		
La Motte	Contained rural settlement.	Diversification of existing activities to curtail the need for movement. Sensitive location of diversified uses closer to the R45. Limited further housing development.
Wemmershoek	Contained rural settlement.	Possible extension of residential opportunity linked to re-use of saw-mill site and local employment opportunity.
Groot Drakenstein	Contained rural settlement.	Accommodation of sensitive private and public sector initiatives offering expanded livelihood (including tourism) and residential opportunity.
Dwars River Valley	Contained historic rural settlements.	Accommodation of sensitive private and public sector initiatives offering expanded livelihood (including tourism) and residential opportunity.
Jonkershoek	Contained, but dispersed collection of institutional, recreational and residential uses.	Rationalisation and containment of existing occupation rights.
Muldersvlei	Contained rural settlement.	Potential future consolidated, inclusive settlement linked to rail/ bus.
Koelenhof	Contained rural settlement.	Potential future consolidated, inclusive settlement linked to rail/ bus.
Vlottenburg	Contained rural settlement.	Potential future consolidated, inclusive settlement linked to rail/ bus.
Lynedoch	Contained village and institutional cluster.	Gradual expansion of unique development model based focused on sustainable living and education.
Spier	Contained tourism and cultural centre.	Containment and limited expansion of existing offering.
Raithby	Contained historic rural settlement.	Protection of unique historic settlement structure and form.

4.14.3 Priority Development Areas and Trends

In terms of the *mSDF* concept, prioritisation of development – at a broad level – are of two types. The first is spatial and targeted at significant future growth in specific places. The second is sectoral or thematic, focused on the kind of development to be prioritised.

Spatial areas for priority development over the *mSDF* planning period are:

-  Stellenbosch Town.
-  Klapmuts.

As argued elsewhere in this document, it is here, by virtue of settlement location in relation to broader regional networks and existing opportunity within settlements, that the needs of most people can be met, in a compact settlement form while protecting the municipality's nature and agricultural assets.

Over the longer term, Muldersvlei / Koelenhof and Vlottenburg / Lynedoch along the Baden Powell-Adam Tas-R304 could possibly accommodate more growth and be established as inclusive settlements offering a range of opportunities. However, much work needs to be done to ensure the appropriate make-up of these settlements (including each providing opportunity for a range of income groups) and integration with the corridor in terms of public transport. They are therefore not prioritised for significant development over the *mSDF* period.



Should significant development be enabled in these areas now, it is likely to be focused on private vehicular use and higher income groups (in gated developments), and will in all probability reduce the potential of initiatives to transform Stellenbosch town and Klapmuts.

The focus on Stellenbosch town and Klapmuts does not exclude all development focus in Franschhoek and the smaller settlements. Rather, it is argued that these settlements should not accommodate significant growth as the pre-conditions for accommodating such growth does not exist to the same extent as in Stellenbosch town and Klapmuts. What should be emphasised in Franschhoek and smaller settlements is improving conditions for existing residents and natural growth within a context of retaining what is uniquely special in each (from the perspective of history, settlement structure and form, relationship with nature and agriculture, and so on).

In terms of sectoral or thematic focus, the spatial development priority in all settlements should be to:

- Upgrade the servicing and transformation of informal settlements;
- Provide housing for lower income groups in accessible locations (specifically through infill of vacant and underutilised land or redevelopment of existing building footprints);
- Expand and improve public and NMT routes;
- Improve public and community facilities and places (e.g. through clustering, framing them with infill development to improve edges and surveillance, prioritisation for landscaping, and so on); and
- Expand the recognition, restoration, and exposure of historically and culturally significant precincts and places (both in the form and use of precincts and places).

4.14.4 Policy Framework

The table below sets out specific spatial policies to support the *mSDF* concept and settlement plans. In using the policy framework, it is important to note that one specific policy or guideline should not be highlighted or used exclusively to support a specific initiative. Rather, each policy supports the other; each “frames” the other. Thus, initiatives or proposals should be evaluated in terms of the policy framework as a whole.

Further, the successful implementation of spatial policy and guidelines is often dependent on related, supportive, non-spatial policy. This implies policy alignment across municipal functional areas and services.

The table also includes specific work guidelines which begins to frame work to be undertaken – or continued – in support of proposed policies.

Table 34: Specific work guidelines

No.	Strategy	Spatial Policy	Non-Spatial, Supportive Policy	Work Guidelines
1.	Maintain and grow the assets of SM's natural environment.	<ul style="list-style-type: none"> • As far as is possible, protect and expand priority conservation areas, establish ecological linkages, and preserve high-potential agricultural land within the municipality. • Resist the subdivision of viable agricultural land unless it forms part of a new balanced, integrated, and inclusive settlement supportive of the <i>mSDF</i> objectives, an 	<ul style="list-style-type: none"> • Proactively maintain and upgrade municipal infrastructure services to limit/ mitigate risk to ecological services. • Support initiatives to protect water resources, rehabilitate degraded aquatic systems, retrofit or implement water demand management systems, and mainstream water conservation. • Support energy diversification and energy efficiency initiatives to enable a transition to a low carbon, sustainable energy future. 	<ul style="list-style-type: none"> • Prepare and implement management plans for municipal nature reserves and other ecological assets. • Prepare and implement invasive species control plans for municipal properties. • Prepare and implement initiatives for the rehabilitation of rivers and wetlands in urban areas.



No.	Strategy	Spatial Policy	Non-Spatial, Supportive Policy	Work Guidelines
		<p>agri-village in line with provincial policy for the settlement of farm workers, or the formalisation of the "urban" component of existing forestry settlements (for example Jonkershoek and La Motte).</p> <ul style="list-style-type: none"> Support compatible and sustainable rural activities outside the urban edge (including tourism) if these activities are of a nature and form appropriate in a rural context, generate positive socio-economic returns, and do not compromise the environment, agricultural sustainability, or the ability of the municipality to deliver on its mandate. 	<ul style="list-style-type: none"> Support initiatives to extend public access to nature assets without compromising the integrity of nature areas or ecological services. Support initiatives by the private sector to extend environmental stewardship. Assist in initiatives to diversify, strengthen, and open up new opportunities and jobs in the rural economy, including the identification of strategically located land for land reform purposes. Support initiatives to utilise municipally-owned agricultural land for small scale agriculture, forge partnerships with non-governmental or public benefit organisations to assume management responsibilities for commonages, and provide basic agricultural services to commonages. 	<ul style="list-style-type: none"> Develop resource efficient strategies for all municipal services and land and building development (e.g. compulsory green energy installations in building development, grey water circulation, sustainable urban drainage, etc.). Utilise and contribute to municipal and provincial mapping and planning initiatives that inform land use decision-making supportive of ecological integrity, securing natural resources, and protecting agricultural land of high value. Delineate and manage urban edges and watercourse setbacks in a manner which diverts urban growth pressures away from important natural and agricultural assets. Apply biodiversity offsets in cases where development in areas of endangered and irreplaceable biodiversity cannot be avoided. Actively engage with adjoining municipalities and provincial government to ensure that the integrity of SM's natural environment is maintained (specifically in relation to land use management in adjoining municipal areas).
2.	Respect, preserve and grow the cultural heritage of SM.	<ul style="list-style-type: none"> Preserve significant cultural and historic assets within the municipality and grow the opportunity for new or emerging forms of cultural expression through expanding the use of existing cultural assets or supporting new uses for areas or structures of historic value. As far as is possible, protect cultural landscape assets – including undeveloped ridge lines, view corridors, scenic routes, and vistas – from development. Support alternative uses for historic structures and 	<ul style="list-style-type: none"> Support the transfer of municipal assets of cultural and historic value to organisations geared to manage these assets sustainably in the interest of the broader community. Manage heritage places and structures in terms of the recommendations of municipal heritage studies. 	<ul style="list-style-type: none"> Maintain and utilise municipal and inter-governmental evaluation and mapping initiatives to inform land use decision-making supportive of cultural integrity, and securing historic places and structures. Actively engage – on a continuous basis – with adjoining municipalities and provincial government to ensure that the integrity of SM's heritage is maintained (specifically in relation to land use management in adjoining municipal areas).



No.	Strategy	Spatial Policy	Non-Spatial, Supportive Policy	Work Guidelines
		places which will enable its preservation (subject to adherence to general mSDF strategy and policies).		
3.	<p>Direct significant growth or new development in SM to areas:</p> <ul style="list-style-type: none"> Not identified as of the most critical natural or cultural significance. Where the most opportunity exist in existing infrastructure investment, whether reconfigured, augmented, or expanded. 	<ul style="list-style-type: none"> Prioritise the targeted settlements on the Baden Powell-Adam Tas-R304 corridor for growth / new development. Over the mSDF period, focus on Stellenbosch town and Klapmuts to accommodate significant new growth. 	<ul style="list-style-type: none"> Align the policy and planning of all municipal services to support accommodating significant growth and new development as proposed in specific areas. Progressively utilise the municipality's significant asset of land as a resource to direct major growth or new development to areas not identified as of the most critical natural or cultural significance. Allocate municipal funds for land acquisition in areas identified as most suitable for growth or new development (specifically for development as lower income housing). 	<ul style="list-style-type: none"> Together with the WCG, undertake inter-service investigations to determine the exact location, size, nature, and form of new settlement areas to accommodate new growth. Develop specific framework planning, land use management, infrastructure, financial, and urban design provisions and directives to ensure the optimal development of identified settlement areas to accommodate new growth.
4.	<p>Clarify and respect the different roles and potentials of settlements in SM and maintain the identity of each.</p>	<ul style="list-style-type: none"> Ensure that each settlement – large and small – remains a distinct entity, surrounded by natural open space and agricultural land. Maintain a clear hierarchy of settlements which (in general terms) focus new growth and development in larger settlements to: <ul style="list-style-type: none"> Minimise associated impacts on the environment, agricultural land, and natural resources. Maximise livelihood opportunity through building on the availability of existing public facilities, and commercial opportunity. Maximise the sustainability of new facilities and commercial opportunity. Enable the provision of infrastructure in the most efficient and cost effective way. Minimise the need for inter-settlement movement. Maximise opportunity for and use of non- 	<ul style="list-style-type: none"> Align the policy and planning of all municipal services to support the proposed settlement hierarchy and development/ management approach. Reinforce the role of Stellenbosch town as a regional service and tourism centre focused on higher order educational, health, government, and commercial uses, as well as unique historic assets. Reinforce the role of Klapmuts as a potential regional logistics / warehousing / manufacturing hub – with associated residential opportunity – based on its location at the intersection of the N1 and regional north / south movement routes. Maintain Franschhoek as a centre for tourism and culture with limited growth potential. 	<ul style="list-style-type: none"> Support the re-location of land extensive manufacturing, logistics, and warehousing enterprises from Stellenbosch town to Klapmuts. Maintain the nature and form of small rural settlements while enabling small changes towards improving livelihood opportunity.



No.	Strategy	Spatial Policy	Non-Spatial, Supportive Policy	Work Guidelines
		<p>motorised and public transport.</p> <ul style="list-style-type: none"> Minimise growth in smaller settlements where opportunity is limited while improving access to local services and facilities (required daily). Maintain and enhance the unique historic, cultural, and settlement characteristics of different settlements. 		
5.	Ensure a balance approach to transport in SM, that appropriately serves regional mobility needs and local level accessibility improvements.	<ul style="list-style-type: none"> Actively promote compact, dense, mixed use development which reduces car dependence and enables and promotes use of public and NMT. 	<ul style="list-style-type: none"> Shift municipal resources to include a greater focus on non-motorised, shared vehicle travel, and public transport solutions. Establish measures to ensure that there is inter-service agreement on the settlement hierarchy, settlement roles, and associated function, modes of transport to be carried, and development / management approach to be followed in relation to different sections of the municipal movement network. Work with provincial and national government to affirm the proposed categorisation of movement forms, and associated infrastructure and management needs in Stellenbosch. Proactively seek management of travel demand among key stakeholders in SM, in a manner that significantly higher passenger volumes are gradually achieved from existing transport infrastructure. Proactively allocate resources to improve NMT in the municipal area. Strengthen the role played by rail based public transport, including advocating for a new, lighter, frequent rail service on the Eerste River / Klipmuts rail line as backbone of transport movement along the Baden Powell-Adam Tas-R304 corridor. 	<ul style="list-style-type: none"> Assess future transport development / improvements in relation to impact on the complete settlement system. Guard against needed / required vehicular routes of necessity resulting in development of undeveloped land traversed by the route.
6.	Develop all settlements as balanced, inclusive, appropriately serviced, communities, negotiable through NMT and exhibiting a positive relationship with surrounding nature and	<ul style="list-style-type: none"> Work towards and maintain – for each settlement in the municipality – a compact form and structure to achieve better efficiency in service delivery and resource use, the viability of public and NMT, and facilitate inclusion, integration, and entrepreneurship development. Adopt a conservative view towards the extension of existing 	<ul style="list-style-type: none"> Proactively drive transport demand management programmes (specifically in and around Stellenbosch town) to curtail private vehicle use. Shift more transport resources to the development and operation of effective public transport services and comprehensive provision of NMT. 	<ul style="list-style-type: none"> Review the delineation of restructuring zones to support the mSDF objectives Support development which emphasises public transport / NMT as opposed to private vehicular use. Integrate spatial planning, transport planning (emphasis on public and NMT), and social facilities planning. Move away from self-reinforcing conditions for development in terms of



No.	Strategy	Spatial Policy	Non-Spatial, Supportive Policy	Work Guidelines
	agricultural land.	<p>urban edges over the mSDF period.</p> <ul style="list-style-type: none"> Actively support infill development and the adaptive re-use of existing structures. Support increased densities in new, infill, and redevelopment projects. Rationalise space standards – especially of social facilities – and release surplus land for other uses, specifically housing. 		<p>car parking minimum standards, and ensure the active participation and collaboration between land owner, developer, and municipality towards the provision of alternatives to car use.</p> <ul style="list-style-type: none"> Actively engage – on a continuous basis – with adjoining municipalities and provincial government to ensure that the integrity of SM's settlements as contained, balanced communities is maintained (specifically in relation to land use management in adjoining municipal areas).
	Support the general upgrading and transformation of existing informal settlements.		<ul style="list-style-type: none"> Prioritise basic residential services for poor households, specifically in informal settlements, backyard dwellings, and a minimum level of basic services to marginalised rural settlements. Resist existing informal settlements being the only viable settlement option for poor households by supporting the identification and servicing of alternative areas for settlement. Ensure that asset management best practice is followed to maintain existing infrastructure investment and prevent greater replacement cost in future. Reinforce basic service delivery with good quality urban management to support household and economic asset development. 	<ul style="list-style-type: none"> Put in place an inter-governmental portfolio of land (existing and earmarked for purchase), an agreed land preparation programme, and a release strategy, for publicly assisted, lower income housing (including the BNG, FLISP, social / rental, and GAP markets). Identify alternative settlement locations for poor households, over and above existing informal settlements. To assist the municipality in housing provision, support initiatives to house farm workers on farms (in a manner which secures tenure).
	Expand housing opportunity for a broader range of groups – including lower income groups and students – particularly in settlements forming part of the Baden Powell-Adam Tas-R304 corridor.		<ul style="list-style-type: none"> The planning of infrastructure and social facilities should accommodate the likelihood of back-yarding and its contribution to livelihood strategies. 	<ul style="list-style-type: none"> Develop an inclusionary housing policy and guidelines. Prioritise infill housing opportunity on public land for the BNG, FLISP, social / rental, and GAP markets. Where possible, proactively plan for back-yarding opportunity in lower income housing projects. Actively support the development of student housing in Stellenbosch town.
	Provide and maintain a system of accessible social facilities, integrated with		<ul style="list-style-type: none"> Reinforce social facilities with good quality urban management to ensure service excellence and sustainability. 	<ul style="list-style-type: none"> Cluster social facilities. Locate facilities in association with public



No.	Strategy	Spatial Policy	Non-Spatial, Supportive Policy	Work Guidelines
		public space and public and NMT routes.	<ul style="list-style-type: none"> Focus on fewer but better social facilities. 	space and public and NMT routes.
		Provide and maintain an urban open space / public space system integrated with public transport / NMT, social facilities, and linked to natural assets (e.g. river corridors).	<ul style="list-style-type: none"> Prioritise open / public space development in poor and denser neighbourhoods of the municipality. Reinforce open / public space with good quality urban management to ensure use and safety. 	Ensure that the edges between building development and open spaces promote activity and passive surveillance.
		Ensure work and commercial opportunity accessible through public and NMT to all communities and providing opportunities for emerging and small entrepreneurs.		<ul style="list-style-type: none"> Avoid large retail malls and office parks in peripheral locations reliant on private vehicular access and which detract from the viability of established commercial and work areas, and lock out small entrepreneurs.
7.	Actively seek conditions to enable the private and community sectors to align their resources and initiatives with the mSDF principles and proposals.	Conscious of public resource constraints, actively seek and support private and community sector partnership to expand livelihood opportunities, settlement opportunity for ordinary citizens, and the national imperative to expand participation in the economy.	Develop an incentives package to support private and community sector partnerships in achieving the mSDF principles and proposals.	<ul style="list-style-type: none"> Enable private and community sector participation by making known the municipality's spatial principles and intent in user friendly communiques and guidelines. Require private land owners in key areas to plan and coordinate development collectively (beyond individual property boundaries and interests) in order to ensure appropriate infrastructure arrangements, the provision of inclusionary housing, public facilities, and so on.
8.	Focus major development energy in SM on a few catalytic development areas that offer extensive, inclusive opportunity.	Focus major development effort in SM on: <ul style="list-style-type: none"> Unlocking development in Klapmuts North. The Adam Tas Corridor (in Stellenbosch Town). 	<ul style="list-style-type: none"> Clearly communicate municipal objectives and principles – across functional areas and services – for development and urban management in catalytic areas. Seek land owner, provincial government, and national government support to develop catalytic areas in the best public interest. Support the establishment of institutional arrangements solely dedicated to enable development of catalytic areas and proceed with work to detail the broader plan and activity programme. Align municipal infrastructure and social services planning to support development in catalytic areas. Use municipal and government owned land assets to support development in catalytic areas. 	<ul style="list-style-type: none"> Ensure that catalytic areas be developed as inclusive, appropriately serviced communities, negotiable through NMT and exhibiting a positive relationship with surrounding nature and agricultural land. Prepare land use management measures to enable development in catalytic areas. Define catalytic areas as "restructuring" or other special-measure areas to enable benefit from national and provincial support and incentives.



4.15 Catalytic Initiatives

4.15.1 Adam Tas Corridor (ATC)

The most strategically located land in Stellenbosch town comprises large industrial spaces, including land previously occupied by Cape Sawmills and Distell facilities. A significant proportion of these have been vacated or will be vacated in the foreseeable future in response to changes in the operating context of manufacturing enterprises. Thoughtful redevelopment of these spaces – at scale – can contribute meaningfully to meeting existing challenges and mSDF objectives.

In simple terms, the concept is to launch a process of re-imagining and re-purposing the land around the Adam Tas Road within the Stellenbosch town to enable maximum potential of this space. This will entail the redevelopment of the Adam Tas Corridor which includes, the area stretching along the R310 and R44 along the foot of Papegaaiberg, from the disused Cape Sawmills site to the west of Kayamandi and Cloeteville along the north part of this corridor.

It forms the western edge to the town but is not well integrated with the rest of Stellenbosch, largely because of the barrier / severance effect of the R44 and the railway line. Much of the area was historically utilised for light industrial and manufacturing purposes. It includes the dis-used sawmill site, the government owned Droë Dyke area, Distell's Adam Tas facility, Oude Libertas, various Remgro property assets, Bosman's Crossing, the rail station, Bergkelder complex, Van der Stel sports complex, the George Blake Road area, and parts of Kayamandi and Cloeteville. Under-utilised and dis-used land in the area measures more than 300ha.

Conceptually, a linear new district within Stellenbosch is envisaged adjacent to and straddling (in places) Adam Tas Road, the R44, and railway line. Overall, development should be residentially-led with a strong mixed use basis, high density and should favour non-motorised ("NMT") access to the centre of Stellenbosch Town. It is estimated that Adam Tas Corridor through a preliminary development conceptual framework that the ATC will produce approximately 3 million square metres of bulk within a 293ha area, with 69% earmarked for residential usage.

A central movement system (with an emphasis on public transport and NMT) forms the spine of the area and is linked to adjacent districts south and west of the corridor. The corridor retains west-east and north-south vehicular movement (both destined for Stellenbosch town and through movement) as well as the rail line. Remote parking facilities will enable ease of access within the corridor concept, with passengers transferring via public transport, cycling and walking to reach destinations within the town of Stellenbosch.

The corridor is not envisaged as homogenous along its length, with uses and built form responding to existing conditions and its relationship with surrounding areas. Conceptually, three (3) areas could be defined, each linked through a sub-district.

-  Grow Stellenbosch town – and accommodate existing demand – in a manner which prevents sprawl, and create conditions for efficient, creative living and working;
-  Stimulate and act as a catalyst for the development of improved public transport and NMT;
-  Rethink and reconstruct infrastructure, and particularly the movement system, including the possible partial grade separation of east-west and north-south movement systems, in turn, integrating the east and west of town and releasing land for development;
-  Integrate Kayamandi and Stellenbosch town seamlessly;
-  Shift new development focus to the west of town, with Die Braak and Rhenish complex forming the centre and seam between the new west and east of Stellenbosch town;



- Investigating options for alternative parking provision initiatives in and around the town whilst the corridor provides for and promotes a greater focus -for non-motorised transport;
- Accommodate uses which meet urgent needs, specifically higher density housing and university expansion, also assisting in establishing a compact, less sprawling town, public transport, and NMT; and
- Increases land value east of the R44 and in the area between Kayamandi and the Bergkelder complex.

Along the corridor as a whole – depending on local conditions – significant re-use of existing buildings is envisaged. This is seen as a fundamental prerequisite for diversity, in built character and activity (as re-purpose offers the opportunity for great variety of spaces). Aspects of the industrial history of the area should remain visible. A range of housing typologies, accommodating different income groups and family types.

Redevelopment in terms of the concept offers the opportunity to:

- Re-imagine the future use of the land encompassed in the ATC;
- Grow Stellenbosch town – and accommodate existing demand – in a manner which prevents sprawl, and create conditions for efficient, creative living and working;
- Stimulate and act as a catalyst for the development of improved public transport and NMT;
- Reconstruct infrastructure, and particularly the movement system, including the possible partial grade separation of east-west and north-south movement systems, in turn, integrating the east and west of town and releasing land for development;
- Integrate Kayamandi and Stellenbosch town seamlessly;
- Shift new development focus to the west of town, with Die Braak and Rhenish complex forming the centre and seam between the new west and east of Stellenbosch town;
- Investigate options for alternative parking provision initiatives in and around the town whilst the corridor provides for and promotes a greater focus -for non-motorised transport; and
- Accommodate uses which meet urgent needs, specifically higher density housing and university expansion, also assisting in establishing a compact, less sprawling town, public transport, and NMT.

Existing manufacturing enterprises can gradually relocate to the north, closer to the N1 logistics corridor (as planned by Distell for their operations).

A Local Spatial Development Framework ("LSDF") is currently being drafted and will be used as the enabling planning framework to realise the implementation of the Adam Tas Corridor over the next 3 – 20 years. This LSDF will include an Implementation Framework that will provide guidance in respect of the following:

- Most appropriate Land Use Strategy;
- Action Areas / Catalytic Projects;
- Framework for Investment; and
- Other enabling Interventions.

The LSDF and its Implementation Framework will spell out – in broad terms – what activities should ideally happen where (and in what form), where to start, and what infrastructure is anticipated by when. However, a spatial plan is not enough. The preparation of the plan has to be situated within a broader surround of development and transport objectives, institutional arrangements and agreements, and parallel professional work streams, which is currently being initiated in conjunction with the Western Cape Government: Department of Environmental Affairs and Development Planning ("DEA&DP") as

the coordinator within WCG.

Institutional arrangements are critical, which includes all spheres government, private stakeholder involvement and established partnerships. It would include broad agreement between land owners and the municipality to pursue the corridor development concepts.

Critical also, both for the Adam Tas Corridor and the broader Baden Powell-Adam Tas-R304 development corridor is to explore the feasibility of introducing a more reliable and frequent rail service along the Eerste River-Stellenbosch-Muldersvlei-Klapmuts rail line. The aim should be to have a more frequent passenger service along the corridor.

The Adam Tas Corridor is the start of Stellenbosch's emerging urban transformation district and the vision is to create an integrated urban development corridor that is liveable, safe, resource-efficient, socially integrated, economically inclusive and globally competitive, in which all citizens can actively participate. The Adam Tas Corridor concept will require sustained, committed work over a prolonged period, trade-offs, and a departure of current norms, i.e. investigation of overlay zones e.g. Urban Development Zones ("UDZ"), Special Ratings Areas ("SRA"), etc., to be included within the Stellenbosch Municipality Zoning Scheme By-law, 2019.

The emerging objectives for the Adam Tas Corridor are as follows:

- Re-purposing and transforming Stellenbosch Town, using existing under-utilised assets in a manner to benefit all and address critical needs;
- Establishing a process and plan which gives certainty and sufficient flexibility to accommodate the unknown while enabling a *"starting through sharing, learning by doing and using small steps to inform the next methodology"*;
- Broadening opportunity for a range of stakeholders, while accommodating varying degrees of readiness and material means; and
- To place Stellenbosch in the heart of the most important urban development project in the province.

Figure 26: Adam Tas Corridor

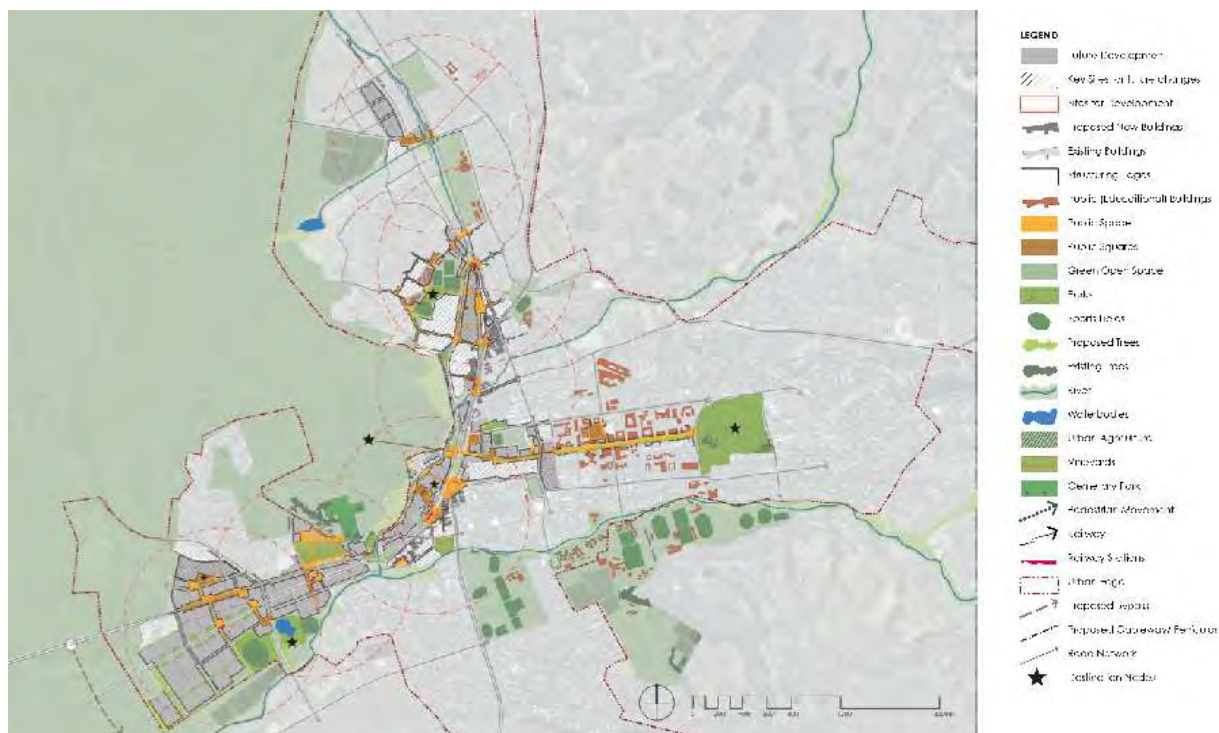
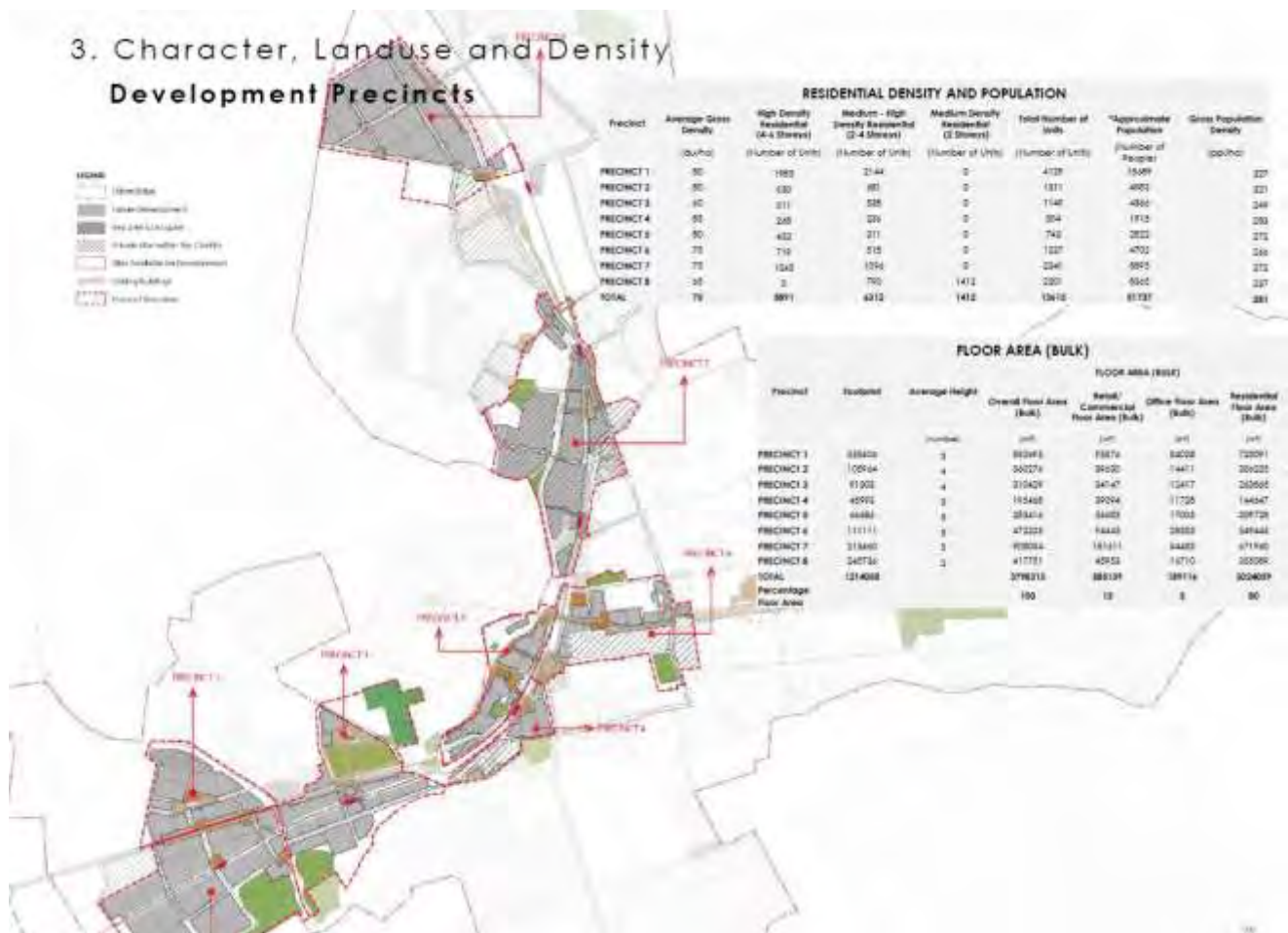


Figure 27: ATC development precinct



4.15.2 Development of Klappmuts

The Greater Cape Metro Regional Spatial Implementation Framework (RSIF) contains very specific policy directives related to Klappmuts, aimed at addressing pressing sub-regional and local space economy issues. Key policy objectives include:

- Using infrastructure assets (e.g. key movement routes) as “drivers” of economic development and job creation;
- Recognition that existing infrastructure in the area (i.e. N1, R101, R44 and the Paarl-Bellville railway line and station) dictate the location of certain transport, modal change or break-of-bulk land uses;
- Recognition of the Klappmuts area as a significant new regional economic node within metropolitan area and spatial target for developing a “consolidated platform for export of processed agri-food products (e.g. inland packaging and containerisation port)” and “an inter-municipal growth management priority”;
- The consolidation of and support for existing and emerging regional economic nodes as they offer the best prospects to generate jobs and stimulate innovation;
- The clustering of economic infrastructure and facilities along public transport routes;
- Maintaining valuable agricultural and nature assets; and
- Providing work opportunity in proximity to living areas.



There is no doubt that Klapmuts is a potentially significant centre for economic activity and residence within the metropolitan region and SM, located as it is on the N1 transport corridor which carries 93% of metropolitan freight traffic. To date, the settlement is characterised by residential use and limited commercial and work-related activity. Public sector resource constraints have prevented the infrastructure investment required to enable and unlock the full potential of the area for private sector economic development as envisaged in the GCM RSIF.

The decision by Distell Limited to relocate to and consolidate its operations in Klapmuts is critical to commence more balanced development of the settlement. Distell Limited proposes to develop a beverage production, bottling, warehousing and distribution facility on Paarl Farm 736/RE, located north of the N1, consolidating certain existing cellars, processing plants, and distribution centres in the Greater Cape Town area. The farm measures some 200 ha in extent. The beverage production, bottling, warehousing and distribution facility will take up approximately 53 ha.

The project proposal includes commercial and mixed-use development on the remainder of the site which is not environmentally sensitive to provide opportunities both for Distell's suppliers to co-locate, and for other business development in the Klapmuts North area. The site does not have municipal services, and the proposed development will therefore require the installation of bulk service infrastructure, including water, wastewater treatment, storm water, electricity, and internal roads.

Significant progress has been made in planning for a "Innovation Precinct" or "Smart City" district west of but contiguous to Klapmuts south. This includes a land agreement with the University of Stellenbosch to possibly establish university related activities in this area. The urban edge has been adjusted in recognition of the opportunity associated with this initiative (See Figure 55 for the concept Development Framework).

A number of issues require specific care in managing the development of Klapmuts over the short to medium term.

-  The first is speculative applications for land use change on the back of the proposed Distell development. Already, a draft local plan prepared by DM has indicated very extensive development east of Farm 736/RE. Distell will not fund the extensive infrastructure required to unlock development here, and arguably, land use change to the east of Farm 736/RE could detract from the opportunity inherent in Farm 736/RE;
-  The second is the linkages between Klapmuts north and south, specifically along Groenfontein Road and a possible NMT crossing over the N1 linking residential areas south of the N1 directly with Farm 736/RE. Without these linkages, residents to the south of the N1 will not be able to benefit from the opportunity enabled north of the N1; and
-  The third is speculative higher income residential development in the Klapmuts area, based on the area's regional vehicular accessibility. Higher income development is not a problem in and of itself, but ideally it should not be in the form of low density gated communities.

Given that management of Klapmuts is split between DM and SM (respectively responsible for the area north and south of the N1), special arrangements will be required to ensure that the settlement as a whole develops responsibly, in a manner which ensures thoughtful prioritisation, infrastructure investment, and opportunity for a range of income groups.

Arguably, recent LSDF planning work commissioned by DM for the area east of Farm 736/RE begins to illustrate the problem of insufficient coordinated planning. The LSDF envisages a very significant extent of development for Klapmuts North. Specifically, in terms of a 20-year growth trajectory, Commercial Office development of 912 354m² is envisaged, Commercial Retail development of 187 839m², and General Light Industrial Development of 370 120m². A number of issues emerge:



Firstly, the realism of these land use projections within the context of the regional economy is questioned. To illustrate:

- ✚ Considering the envisaged Commercial Office allocation, it is noted that Cape Town CBD currently has some 940 000m² of office space, Sandton in Gauteng is larger at over 1,2m m² of Commercial Office space, Midrand at some 640 000m², and Century City (some 20 years in the making) at some 340 000m²;
- ✚ In relation to Commercial Retail space, it is noted that more of this use is envisaged for Klapmuts North than Century City's current 140 000m²;
- ✚ While 370 120m² is provided for General Light Industrial Development, the proposed Distell distribution centre alone will comprise 125 000m², and many new logistic centres recently completed in the Kraaifontein / Brackenfell area range in size between 45 000m² and 120 000m². The master plan prepared as part of the acquisition process of Farm 736/RE foresee significantly more light industrial floor area than the 370 120m² indicated in the LSDF.

Secondly, these land use allocations need to be viewed against the policy context, which sees Klapmuts as a regional freight/ logistics hub – with a focus on job creation – and establishing a balanced community. It would appear that the LSDF over-emphasises commercial office and retail development, “exploiting” the areas’ access to regional vehicular routes, and private vehicular access, at the expense of job creation at scale – and establishing a regional light industrial hub – serving an existing poorer community in proximity to a freight movement corridor.

Thirdly, it is maintained that the infrastructure service requirements – and affordability – of the projected land use allocations are understated. For example, it is known that any development north of the N1 over and above the proposed Distell distribution centre of 125 000m² will involve very costly reconfiguration and augmentation of intersections with the N1. It would be irresponsible to create expectations around land use without these associated requirements being resolved to a fair degree of detail.

Finally, Farm 736/RE is remarkably unique; comprising some of the least valuable agricultural land within the Paarl/ Stellenbosch area. It would appear that the LSDF, given the development process for Farm 736/RE, assumes that adjacent land to the east, of higher agricultural value, should also be developed.

4.15.3 Alternative rail service along the Baden Powell Drive-Adam Tas-R304 corridor

As indicated above, it is critical, both for the Adam Tas Corridor and the broader Baden Powell-Adam Tas-R304 development corridor to explore the feasibility of introducing a more frequent and reliable rail service along the Eerste River-Stellenbosch-Muldersvlei-Klapmuts rail line. The aim should be to have a more frequent passenger service along the corridor, connecting larger and smaller settlements. Lighter rail stock – possibly in the form of a “tram” system has been suggested - offering the advantage of safe at grade crossing of the rail line and other modes of transport, in turn, enabling “lighter” infrastructure support for settlement development and concomitant cost savings. Alternatively, the viability of a regular bus service along this route should be explored. The SM should commence engagements with PRASA in this regard.

As argued elsewhere in this document, Stellenbosch town and Klapmuts should be the focus for significant settlement growth. It is here, by virtue of settlement location in relation to broader regional networks and existing opportunity within settlements, that the needs of most people can be met, in a compact settlement form while protecting the municipality’s nature and agricultural assets.

Over the longer term, Muldersvlei / Koelenhof and Vlottenburg along the Baden Powell-Adam Tas-R304 corridor could possibly accommodate more growth, and be established as inclusive settlements offering a range of opportunities. However, much work needs to be done to ensure the appropriate



make-up of these settlements (including each providing opportunity for a range of income groups) and integration with the corridor in terms of public transport.

The smaller settlements are therefore not prioritised for significant development over the *mSDF* period. Should significant development be enabled in these areas now, it is likely to be focused on private vehicular use and higher income groups, and will in all probability reduce the potential of initiatives to transform Stellenbosch town and Klappmuts.

4.16 Institutional Arrangements

The SM has dedicated staff resources for spatial planning, land use management, and environmental management organised as the Planning and Economic Development Directorate). Work occurs within the framework set by annually approved Service Delivery and Budget Implementation Plans (aligned with the IDP), decision-making processes and procedures set by Council, and a suite of legislation and regulations guiding spatial planning, land use management, and environmental management (including SPLUMA, LUPA, and the National Environmental Management Act, 1998 (Act No. 107 of 1998)).

The Planning and Economic Development Directorate will facilitate implementation of the *mSDF* in terms of institutional alignment, including:

-  The extent to which the main argument and strategies of the *mSDF* are incorporated into Annual Reports, annual IDP Reviews, future municipal IDPs, and so on;
-  The annual review of the *mSDF* as part of the IDP review process.
-  The extent to which the main argument and strategies of the *mSDF* inform sector planning and resource allocation;
-  The extent to which the main argument and strategies of the *mSDF* inform land use management decision-making;
-  Alignment with and progress in implementing the municipality's Human Settlement Plan and Comprehensive Integrated Transport Plan; and
-  The mutual responsiveness of the *mSDF* and national, provincial and regional plans, programmes and actions (including the extent to which *mSDF* implementation can benefit from national and provincial programmes and funding).

Over and above institutional arrangements in place, it appears that two aspects require specific focus in support of the *mSDF*.

4.16.1 Inter-municipal planning

The first relates to inter-municipal planning. As indicated elsewhere in the *mSDF*, SM (and other adjoining municipalities) appears to experience increasing challenges related to development pressure in Cape Town. This pressure is of different kinds. The first is pressure on the agricultural edges of Stellenbosch through residential expansion within Cape Town. The second is migration to SM (whether in the form of corporate decentralisation, or both higher and lower income home seekers), leading to pressure on available resources, service capacity, and land within and around the settlements of SM. While municipal planners do liaise on matters of common concern, there appears to be a need for greater high-level agreement on spatial planning for “both sides” of municipal boundaries. The spatial implications of pressure related to migration to SM could be managed locally, should there be agreement to redevelop existing settlement footprints rather than enabling further green-fields development (as a general rule). However, the municipality's increased resource needs to accommodate new growth – a non-spatial issue – should be acknowledged and addressed.



4.16.2 Private sector joint planning

The second relates to joint planning and action resourced by the private sector, increasingly needed for a number of reasons:

-  The municipal human and financial resource base is simply too small to achieve the vision of the *mSDF* or implement associated strategies and plans;
-  Many matters critical to implementing the *mSDF* fall outside the direct control or core business of the municipality. For example, the municipality does not necessarily own the land associated with projects critical to achieve *mSDF* objectives;
-  It is increasingly evident that individual land owners are finding it difficult to develop – to make the most of what they have – individually. Specifically, the transport and movement implications of individual proposals require strong and dedicated integration;
-  Individual land owners do not necessarily control the extent of land required to undertake inclusive development, focusing on opportunity for a range of income groups. Inclusive development often requires cross-subsidisation, in turn, enabled by larger land parcels and development yields; and
-  The municipality's focus is often – and understandably so – on the “immediate”, or shorter-term challenges. Much what is needed to implement the *mSDF* or catalytic projects requires a longer-term view, a committed focus on one challenge, and cushioning from the daily and considerable demands of municipal management.

Partnerships are needed, with different agencies and individuals working in concert with the municipality to implement agreed objectives. Further, partnerships are required between individual corporations and owners of land. The Adam Tas corridor is a prime example: making the most of the disused sawmill site, Bergkelder complex, Van der Stel complex, Die Braak and Rhenish complex – in a manner which contributes to agreed objectives for developing Stellenbosch town – is only possible if various land owners, the municipality, University, and investors work together, including undertaking joint planning, the “pooling” of land resources, sharing of professional costs, infrastructure investment, and so on. The municipality simply do not have the resources – and is overburdened with varied demands in different locations – to lead the work and investment involved.

4.16.3 Further Planning Work

Future settlement along the Baden Powell Drive-Adam Tas-R304 corridor

As indicated above, over the longer term, Muldersvlei / Koelenhof and Vlottenburg along the Baden Powell-Adam Tas-R304 corridor could possibly accommodate more growth, and be established as inclusive settlements offering a range of opportunities. However, these settlements are not prioritised for development at this stage. Critical pre-conditions for significant development include:

-  The measures required to ensure that settlements provide for a range of housing types and income groups (in a balanced manner);
-  Establishing regular public transport services between settlements, including services between the expanded smaller settlements and Stellenbosch town; and
-  Understanding to what extent settlements can provide local employment, in this way minimising the need for transport to other settlements.



4.16.4 Other local planning initiatives

Ideally, each of the settlements in SM should have a LSDF, applying the principles of the *mSDF* in more detail. The priority for LSDFs should be determined by the position and role of settlements in the SM settlement hierarchy.

The SM has appointed service providers to investigate and establish the rights for two regional cemetery sites in the municipal area. All the specialist studies have been completed and the Land Use Planning and Environmental applications was submitted and in progress. The first is the proposed Calcutta Memorial Park, located ± 10 km north-west of Stellenbosch to the east of the R304, on Remainder of Farm 29, Stellenbosch RD. The second is Louws Bos Memorial Park located south-west of Stellenbosch town and south of Annandale Road, on Remainder of Farm 502, Stellenbosch.

4.16.5 Checklists in Support of Decision-Making

To further assist in aligning day-to-day land use and building development management decision-making and detailed planning – public and private – with the *mSDF*, it is proposed that a “checklist” of questions be employed.

If the initiators of development proposals, applicants, officials, and decision-makers all, in general terms, address the same questions in the conceptualisation, assessment, and decision-making related to proposals, a common, shared “culture” could be established where key tenets of the SDF is considered and followed on a continuous basis.

Although focused on the location, nature, and form of activities in space, the checklist incorporates questions addressing issues beyond space, including matters of resource management, finance, institutional sustainability, and so on.

It is not envisaged that the checklist be followed slavishly in considering every development proposal. Yet, its use is important in ensuring that relevant issues be addressed and discussed to enable decision-making in line with the *mSDF* and broader provincial and national planning policy. If, in assessing a proposal or project, posing a question results in a negative answer, the proposal probably requires very careful consideration, further work, or change.

The checklist should not be viewed as static. Rather, it should be reviewed periodically and in parallel with the *mSDF* review – perhaps under the leadership of the Municipal Planning Tribunal and with input from all stakeholders – to reflect the municipal spatial planning agenda and challenges.

It is proposed that the questions – together with the SPLUMA principles, and the key SDF strategies and policies – are packaged in an easy-to-use and accessible form to facilitate wide usage.

4.16.6 Partnerships

Arguably, the municipal budget is simply too small to achieve the vision of the SDF's or implement associated strategies and plans. Also, many matters critical to implementing the SDF, fall outside the direct control or core business of the municipality. For example, the municipality does not necessarily own the land associated with projects critical to achieve SDF objectives.

Even if the municipal budget is increased ten-fold, or its staff resources significantly enhanced, it would still not have the control to do what is needed for the capacity to drive critical projects. The municipality's focus is often – and understandably so – on the “immediate”, or the shorter-term challenges. Much what is needed requires a longer-term view, a committed focus on one challenge, and cushioning from the daily and considerable demands of municipal management.



Partnerships are needed, with different agencies and individuals working in concert with the municipality to implement agreed objectives. Further, partnerships are required between individual corporations and owners of land. It is increasingly evident that individual land owners are finding it increasingly difficult to develop – to make the most of what they have – individually. Specifically, the transport and movement implications of individual proposals require strong and dedicated integration. The Adam Tas corridor is a prime example: making the most of the disused sawmill site, Bergkelder complex, Van der Stel complex, Die Braak and Rynse complex – in a manner which contributes to agreed objectives for developing Stellenbosch town – is only possible if various land owners, the municipality, University, and investors work together, including undertaking joint planning, the “pooling” of land resources, sharing of professional costs, infrastructure investment, and so on.

The municipality simply does not have the resources – and is overburdened with varied demands in different locations – to lead the work and investment involved.

There appears to be an opportunity to establish a new partnership with business, to the side of the municipality, to drive major integrated projects, and specifically the Adam Tas Corridor. Fortunately, Stellenbosch has established (private sector) institutions with an astounding track record in achieving urban development / management objectives (e.g. Historiese Huise). Their work can be expanded, to assist in meeting new challenges, in partnership with the municipality.

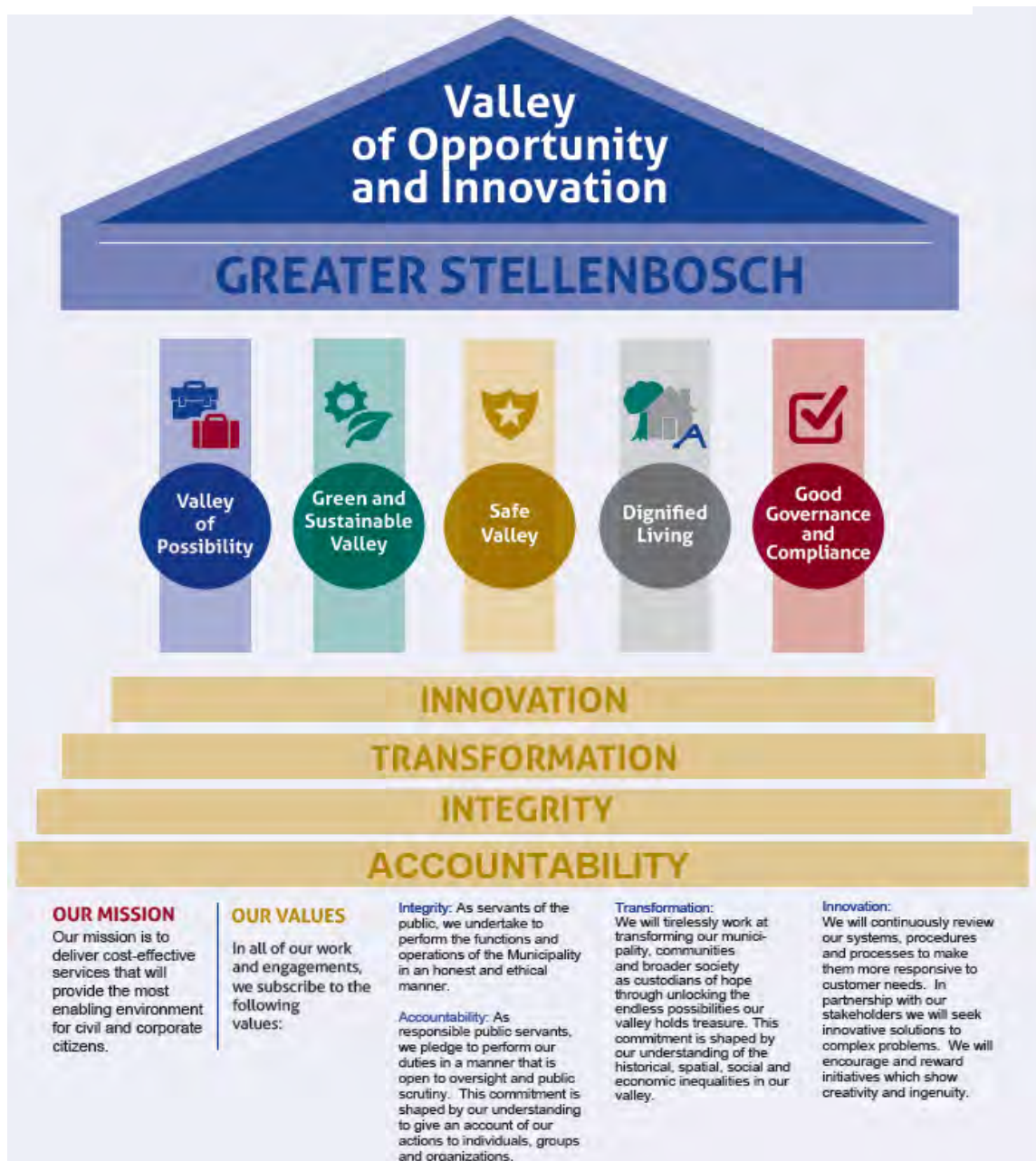
CHAPTER 5

Strategic Policy Context

5.1 Municipal Vision and Strategy

The figure below illustrates our overarching strategy of Stellenbosch Municipality.

Figure 29: Overarching Strategy of Stellenbosch Municipality





VISION

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

MISSION

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

VALUES

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

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

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

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

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

5.2 Strategic Focus Areas

5.2.1 Strategic Focus Area 1: Valley of Possibility

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

5.2.2 Strategic Focus Area 2: Green and Sustainable Valley

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



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

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

5.2.3 Strategic Focus Area 3: Safe Valley

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

5.2.4 Strategic Focus Area 4: Dignified Living

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

5.2.5 Strategic Focus Area 5: Good Governance and Compliance

As more people become urbanised, towns and cities have become increasingly important foci of political and economic power and service provision. As the 13th largest economy nationally, the greater Stellenbosch area and municipality is a significant seat of power and deliverer of services. Deciding what to do, when, where and to whose benefit it is, however, is a difficult task. The range of services to be provided is wide in scope, and the needs of citizens and enterprises vary significantly. Given the depth of need in many communities and limited resources, tough choices have to be made. To succeed, municipalities have to develop appropriate policy- and decision-making structures and plan carefully for the long and short term (across territorial areas and sectors). They should also ensure



synergy between the work of the political and administrative spheres of the municipality, their own work and that of other spheres of government, civil society and the business sector. Municipalities should communicate well; and monitor processes and procedures in a structured manner. It is also important that excellence in service delivery contributions, external and internal to the organisation, needs to be recognised and built upon.

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

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

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

5.3 Core Principles in Executing Strategy

Shared work between political leadership, the administration and community.

The municipality comprises three core components:

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

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

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

A component of community participation focuses on ward-based planning, where the desired outcome is to have a ward-based plan for each of the 22 wards. Ward-based plans are a form of participatory planning designed to promote community action, with clear linkages to the IDP. Such plans mobilise communities and citizens to take responsibility for their own destiny and capture what communities see as their desired outcomes. They also help to speed up the implementation of the IDP. This ensures that the IDP objectives become the collective responsibility of community members, ward



councillors, Ward Committees, the business community, NGOs and CBOs and all other stakeholders in the greater Stellenbosch. This presents an opportunity for visionary local leaders to implement a shared agenda and show tangible and measurable results through collectively addressing the above-mentioned Ward Priorities.

5.3.1 Alignment with institutional structures and processes

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

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

5.3.2 Considering the different investment needs of settlement

Figure 30: The different investment needs of settlements



Fundamentally, we believe that sustainable management of any settlement requires continued focus on four investment needs. It has to provide in the basic needs of citizens; it has to maintain its assets and functions; it has to provide for crisis and disaster, and fix past mistakes; and it has to invest productively, making the settlement better for the future.

Successful settlements deal with all four of these investment needs at the same time. This makes for balanced development, allowing for both individual and public needs to be met and for the mistakes of the past to be fixed while preparing for the future.

The proportion of resources to be allocated to each dimension needs to be determined through policy, informed, in turn, by an understanding of settlement and citizen needs. Settlement needs are critical. Unlike citizen needs, settlement needs relate to the collective needs of the settlement (or part of the settlement), and often include things that are not politically popular. Major infrastructure maintenance – the kind of service that is not very visible or takes time to manifest if neglected – is a prime example.

Many local governments remain stuck in basic needs provision, managing crises and asset maintenance – a conventional municipal mandate. As a result, the urban system is merely maintained. Focus must be placed on productive investment and making new partnerships with the private and community sectors; in this way transforming the municipal area for the better.

We therefore propose that the greater Stellenbosch IDP considers these different investment needs in detail in the formulation of objectives and short- and medium-term milestones (as contained in the SDBIPs of the different services).



5.3.3 The tools of governance

All spheres of government have a range of tools available to achieve objectives and maintain relationships with citizens, the private sector, other government organisations, community sector, and so on. What is becoming increasingly true is that the complexity and interconnectedness associated with achieving the desired settlement outcomes in today's settlement context, demand the employment of a range of tools – in concert with each other. This differs from the past, where settlement management focused on infrastructure investment for growth, regulating land subdivision, and land use and built environment management. The paragraphs below outline the range or classes of tools available to government for use in pursuit of its objectives (Adapted from Neilson, L. 2002). Instruments of governance in urban management, *Australian Planner*, 39(2): 97–102).

Policy: defining/framing the position of government and direction for action in relation to issues where clear choices exist (for example, to focus on private or public transport, to grow a settlement outwards or contain it inwards).

Plan making: indicating where resources should focus functionally or spatially, in what form, and when.

Legislation: directing, constraining and rewarding (potentially) the behaviour of different actors in society (in the interest of all citizens).

Regulation: elaborating on behaviour outlined in legislation through guidelines, standards, and so on.

Fiscal measures: fees, charges and taxes for services as a means for raising government revenue, and directing action in support of policy and legislation (through fiscal "incentives").

Financial measures: the priorities and areas of government spending, including investments in infrastructure, facilities and programmes to support spatial and sectoral or functional area policy and plans.

Institutional measures: arrangements for decision-making, the allocation of powers, responsibilities, agreements and relationships between government and other actors, human resource capacity/competency, and measurement systems within government and between government and other actors.

Asset management: the approach taken to the management of government assets (land, public facilities, and so on).

Knowledge and information management: the government's investment in and dissemination of knowledge about existing/anticipated conditions which require management.

Advocacy: the positions that government take on issues, "positive" and "negative". This could be through the media, public meetings/engagements, at events, and so on.

5.3.4 Accessible documents

We firmly believe that strategic documents should be presented in a format accessible to all stakeholders. Attention should be paid specifically to the following:

For integrated service delivery over time, it is necessary for municipal leadership and officials at all levels, representing different services and interests, to understand the strategy. This cannot be achieved by presenting strategy in a number of weighty documents, each prepared by different services. The complete overall strategy needs to be presented in a manner that assists its internalisation by all.

The IDP should also be supported by a clear "story" where successive actions build on each other. Generally, achieving meaningful integration is a difficult task in municipal development strategy formulation. Work is predominantly done within different services or functional areas and then simply



'packaged' together as an 'integrated' strategy. A key aim with the IDP is therefore to show how various actions – of different kinds and often undertaken by different services, are interdependent and only have full meaning if implemented together.

5.4 Reflection, Challenges and Opportunities

To determine our strategy, an assessment of the current situation in the Stellenbosch Municipal Area is necessary. This chapter therefore reflects on the challenges to be addressed and opportunities to be explored. It is informed by the current reality of life, service delivery in the municipality, key policy directives, the expressed needs of citizens and interest groups as well as key findings of various municipal sector plans.

Our region, with its bigger towns of Stellenbosch and Franschhoek, smaller villages, historic farms and impressive valleys and mountain landscapes are imprinted in the minds of many people, nationally and internationally, as an area of environmental richness and scenic beauty, and as a place of learning, history and cultural heritage. Many have engaged with what we offer, for a brief period during a visit, for a number of years as a student, or for a lifetime as a citizen. We believe these engagements will invariably have provided enormously rich opportunities and good memories.

In the light of the current economic situation, many citizens struggle to survive. Challenges such as lack of housing, unemployment and food security impacts greatly on human dignity. Extensive work has been done to ascertain and measure the basic needs in our community, in order to improve service delivery and encourage active citizenry.

5.4.1 The environment and heritage

We know that our environment is increasingly under threat globally, in different ways. We also see it in the greater Stellenbosch area. Although development of infrastructure is crucial for service delivery it has also led to the loss of many hectares of valuable agricultural land, and some pristine nature areas have been scarred or have become less accessible for everyone to enjoy.

On the other hand, we have undermined the value of biodiversity and its impact on valuable ecosystem services such as clean air, water and cultural benefits.

5.4.2 Housing needs

We have a current and future housing backlog, half of which are for middle and upper income households. Over the past ten years Kayamandi has more than doubled its population. Cloetesville has also almost doubled in size. As the population has grown, the release of land for development and housing has not kept pace.

Housing has become so expensive that many of those who work in the Stellenbosch Municipal area commute from outside this area. For these and others, the most basic shelter – even of a temporary nature – within this municipal domain remains an unattainable dream.

5.4.3 Poverty and unemployment

We have not impacted significantly on unemployment, or made significant progress in increasing access to livelihood opportunities for poor families. The ever-increasing pressures on the international and local economy require a more intense focus on entrepreneurship. Capacity-building for the potential workforce should be better aligned with the skills required by local enterprises to ensure increased and successful placement.



5.4.4 Safety, security and wellness

The incidence of crime has increased and evidence of social disintegration is visible in our streets. The result is mistrust, increased withdrawal into private and gated lifestyles, and failure to work together for a better future. We have seen the growth of poor areas, independent of existing settlements and devoid of residential opportunity. Existing poor areas, already limited in capacity and over utilised, are now forced to accommodate new opportunities for affordable accommodation.

5.4.5 Infrastructure stress

Limited Waste Water Treatment (WWT) capacity is increasingly putting pressure on the environment, specifically polluting rivers and underground water systems. The upgrading of the current WWT works is one of the largest capital investments ever made by the Stellenbosch Municipality. It offers the opportunity to alleviate this problem.

Limited landfill space is not only a local, but a regional challenge. Minimisation and diversion of waste is therefore critical. Waste recycling offers entrepreneurial opportunities, and should therefore be encouraged.

Road congestion is a cause for great concern in key areas during peak hours. There is increasing pressure to provide more parking space in Stellenbosch. There is an increased need for initiatives on integrated transport orientated development such as non-motorised transport.

The current drought and water scarcity requires additional measures to ensure that this resource is preserved. Current water-saving initiatives need to be increased, and the percentage of unaccounted-for water needs to be significantly decreased. The limited water capacity should be taken into consideration for future developments.

It is clear that more sustainable and innovative solutions are required for future infrastructural developments.

5.4.6 Stretched municipal resources

Limited municipal resources require an increase in multi-sectoral partnerships to address the broad spectrum of needs in the community. The municipality cannot address the challenges of Stellenbosch on its own, not only because of limited resources, but also because it does not control all the variables impacting on development and management in the town and does not necessarily have the full range of competencies for the task. The municipality remains very much an institution geared to delivering a set of defined services – focused on infrastructure and maintenance.

5.4.7 Untapped capacity

Within a context of resource constraints, partnerships are frequently explored as an option to assist with municipal service delivery. Although Stellenbosch is blessed with strong intellectual, community and business competency, we have not tapped into these resources sufficiently to ensure solutions to our challenges.

This reflection has highlighted a number of considerations for review and they are as follows:

-  A longer-term focus is needed because Stellenbosch is growing. Decisions on investment and development made today will have implications for years to come (legacy projects);
-  Partnerships are essential to expand the range of functions and activities available to citizens and visitors to Stellenbosch. The municipality needs to lead with boldness and to give people a



chance to contribute and be appreciated;

In general, IDP meetings in affluent areas are very poorly attended compared to those in poor areas and a change in approach is required;

A more integrated approach to service delivery is needed in the townships to add proper programmes for maintenance, social services, and safety and security to the usual provision of **housing and infrastructure**; and

In the past, the IDP was not written to be easy to understand. A more user friendly IDP is required.

Influential factors and approaches:

The IDP process was guided by internal engagements that focused on establishing a shared understanding and agreement on the purpose and focus of public participation;

The sector input workshops increased collaboration with civil society and promoted active citizenry during the process;

A new concept was developed for the IDP feedback sessions, which combined presentations with information / helpdesks where individual needs of community were captured and addressed;

Listed Ward Priorities and needs for the past three financial years were listed and analysed and detailed feedback on these were required and received from the different Directorates to promote better engagement and integration;

Dry-run sessions on the IDP presentations assisted to improve accurate feedback to the community;

Improved communication and customer care played a vital role in the process; and

The implementation of the performance management system at the municipality has been cascaded down to managers and heads that directly report to Directors.

5.5 Global Policy Direction

The Stellenbosch Municipality's strategic planning does not occur within a vacuum. Various key policy directives are employed that range from a global reach to more specific directives applicable to the municipality and its neighbouring municipalities. All these directives are considered when framing future strategic planning and resource allocation. The sections below outline key policy directives considered when framing Stellenbosch Municipality's fourth generation IDP.



(a) Sustainable Developmental Goals (SDGs)

In September 2015, the United Nations adopted the Development Agenda, *Transforming our world: the 2030 Agenda for Sustainable Development*. The Agenda is an action plan for people, planet, and prosperity, with a focus on strengthening peace and partnerships. Central in this action plan are 17 Sustainable Development Goals (SDGs) that aim to build on the Millennium Development Goals (MDGs). The MDGs set the momentum for the SDGs to continue the people-centred development agenda.

Substantial headway was made globally after the adoption of the MDGs, with a global reduction in poverty numbers. Since the MDGs expired in 2015 and the new agenda has been taken on, the SDG's hope to expand on that success with more, focused goals. These Sustainable Development Goals are a three-dimensional tool, incorporating and integrating the social, economic and political spheres of society. This agenda also calls for participation and implementation from all sectors of society.

Figure 31: Sustainable Developmental Goals (SDG's)



(b) MDGs

- Goal 1: Eradicate extreme poverty and hunger.
- Goal 2: Achieve universal primary education.
- Goal 3: Promote gender equality and empower women.
- Goal 4: Reduce child mortality.
- Goal 5: Improve maternal health.
- Goal 6: Combating HIV / AIDS, malaria, and other diseases.
- Goal 7: Ensure environmental sustainability.
- Goal 8: Develop a global partnership for development.

(c) SDGs

- Goal 1: End poverty in all its forms everywhere.
- Goal 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.
- Goal 3: Ensure healthy lives and promote well-being for all ages.
- Goal 4: Ensure inclusive and equitable quality education and promote life-long learning opportunities for all.
- Goal 5: Achieve gender equality and empower all women and girls.
- Goal 6: Ensure availability and sustainable management of water and sanitation for all.
- Goal 7: Ensure access to affordable, reliable, sustainable, and modern energy for all.
- Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation.
- Goal 10: Reduce inequality within and among countries.



- Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable.
- Goal 12: Ensure sustainable consumption and production patterns.
- Goal 13: Take urgent action to combat climate change and its impacts.
- Goal 14: Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.
- Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat deforestation, halt and reverse land degradation, and halt biodiversity loss.
- Goal 16: Promote peaceful and inclusive societies for sustainable development, to provide access to justice for all, and build effective, accountable and inclusive institutions at all levels.
- Goal 17: Strengthen the means of implementation and revitalise the global partnership for sustainable development.

5.6 National Policy Direction

5.6.1 National Strategic Outcomes

Based on the National Government's election manifesto and Medium Term Strategic Framework, a set of twelve outcomes were developed through extensive consultation and discussion at both Ministerial and administrative levels. These outcomes reflect the desired development impacts sought nationally, given government's policy priorities indicated in the diagram.

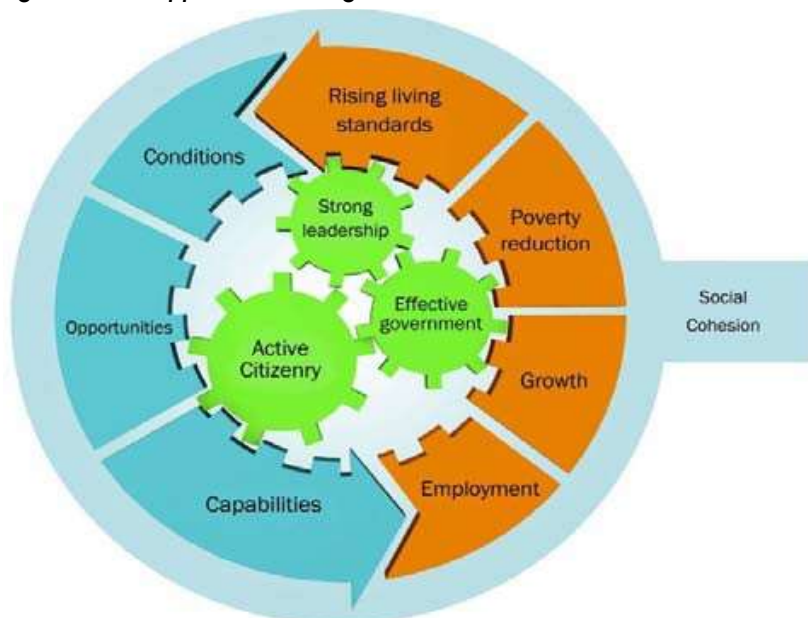
Figure 32: National Strategic Outcomes

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.

5.6.2 National Development Plan – 2030

The President appointed a National Planning Commission in May 2010 to draft a vision and plan for the country. On 9 June 2011 the Commission released a diagnostic document and elements of a vision statement. On 11 November 2011 the vision statement and the plan was released for consideration. The Commission consulted widely on the draft plan. The National Development Plan was handed to former President Jacob Zuma in August 2012 and was adopted by Cabinet in September 2012.

Figure 33: An approach to change



(a) An approach to change

The graphic to the left demonstrates the close link between capabilities, opportunities and employment on social and living conditions. It shows how leadership, an active citizenry and effective government can help drive development in a socially cohesive environment.

The plan focuses on the critical capabilities needed to transform the economy and society. Achieving these capabilities is not automatic, nor will they emerge if the country continues on its present trajectory. Rising levels of frustration and impatience suggest that time is of the essence: failure to act will threaten democratic gains. In particular, South Africa must find ways to urgently reduce alarming levels of youth unemployment and to provide young people with broader opportunities.

Progress over the next two decades means doing things differently. Given the complexity of national development, the plan sets out six interlinked priorities:

- ✦ Uniting all South Africans around a common programme to achieve prosperity and equity.
- ✦ Promoting active citizenry to strengthen development, democracy and accountability;
- ✦ Bringing about faster economic growth, higher investment and greater labour absorption;
- ✦ Focusing on key capabilities of people and the state;
- ✦ Building a capable and developmental state; and
- ✦ Encouraging strong leadership throughout society to work together to solve problems.

(b) 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% to zero.
- ✦ Reduce inequality – The Gini-coefficient should fall from 0.69 to 0.6.
- ✦ 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% from 6% to 10%.
- ✦ 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.

5.6.3 National IDP Guidelines and the One Plan

The 2020/21 municipal financial year represents the last year of the current municipal councils' electoral term. Therefore, the next municipal election to usher in new councils is expected to take place between August and November 2021 in terms of the Section 24 (2) of the Local Government: Municipal Structures Act, 2000 (Act No. 32 of 2000) (MSA).⁷

Given the fact that the IDP and budget would need to be reviewed and adopted by 30 June 2021, the current council has an obligation to ensure that these stipulations are complied with. In this regard, the current council will be expected to continue reviewing the IDP and ensuring that it is adopted within the legislated timeframe.

Section 25(3) of the MSA does allow the municipal council to adopt the IDP of the preceding council. However, should the incoming council be unhappy with the priorities set out by the current council, in this case, the incoming municipal council are advised to consider the existing adopted IDP and resolve to initiate or not to initiate an amendment procedure as guided by the MSA and the Municipal Performance and Planning Regulations (2001).

In addition to the preceding, the IDP guideline document, as issued by the Department of Cooperative Governance and Traditional Affairs, is developed in terms of Section 37 of the MSA, which empowers the National Minister responsible for local government to issue guidelines on drafting, adoption, or reviewing on integrated development plans. In this regard, the purpose of the revised IDP guidelines is to:

- Assist municipalities to develop IDPs that are legally compliant, reassert the strategic nature of IDPs, and ensure that they respond to key national and provincial policy imperatives;
- Provide guidance on the adoption of IDPs during an election year;
- Describe the process for transversal planning for municipal departments;
- Clarify the roles and responsibilities of stakeholders in the development, review and implementation of IDPs; and
- Clarify the relationship between IDPs and One Plans.

These IDP guidelines are targeted at:

- All categories of municipalities for the development and implementation of IDPs in the context of the National Development Plan (NDP), Integrated Urban Development Framework (IUDF) and other policy imperatives. Whilst these guidelines are relevant to all types of municipalities, they are specifically geared towards the needs of non-metropolitan municipalities;
- National and provincial departments with regards to their roles and responsibilities in the development and implementation of IDPs; and
- Government entities, traditional leadership, private enterprises (including mining companies) and other stakeholders with regards to their role in the development and implementation of IDPs.

What is the One Plan?

The One Plan is an intergovernmental plan that outlines a common vision and desired future outcomes in each district and metro space. It sets out a long-term strategic framework (25-30 years) to guide

⁷ Municipal Budget Circular for the 2021/22 MTREF, MFMA Circular 108

investment and delivery in each of the 52 district and metropolitan spaces in the country. Furthermore, the One Plan is formulated jointly by all three spheres of government through a series of collaborative intergovernmental planning sessions. This process will facilitate a shared understanding of the district / metro space amongst all spheres of government.

The formulation of a credible One Plan will enable programmatic implementation over multi-term electoral cycles thereby entrenching predictability and stability in the government planning system. This will improve performance and coherent delivery by the State, which is a necessary prerequisite for achieving desired developmental impacts. It is envisaged that the One Plan will be reviewed every 5 years in line with the local government electoral cycle and the development of the 5-year IDPs.

It is important to note that the One Plan is not a summation of government plans and does not necessarily incorporate all the projects and programmes of government departments and State Entities. The One Plan focuses on key and strategic programmes required to catalyse and advance socio-economic transformation. It is however critical for municipalities (district and local municipalities) to be aware of all key investments and plans of other spheres to be implemented within the district space including those that might fall outside the scope of the One Plan. These will be incorporated in the IDPs and other municipal development plans.

What is the relationship between the One Plan and the IDP?

The **ONE PLAN** concept comes into a planning environment where there are existing planning instruments at local, provincial and national levels of government. However, the One Plan is not introduced to replace the IDP or any other existing prescribed development, departmental strategic and annual performance plans that each sphere, department and state entity is responsible for or required to develop. The One Plan is rather informed by these plans and once in place, it will guide the review of these plans and budgets.

The table below depicts the relationship between the One Plan and the IDP.

Table 35: The relationship between the One Plan and the IDP

One Plan (Long Term - 30 Years)	IDP (Medium Term - 5 Years)
Long-term vision of the district area of impact and common understanding of goals and objectives amongst stakeholders in the district area.	Determine how the long-term vision, goals and objectives contribute towards addressing challenges at a local level by directing actions and interventions towards the vision.
Long term vision expressed in policy and long range plans across all spheres of government, i.e. NDP, PGDS, NSDF, PSDF, DSDF, etc.	Implementation of short to medium term service delivery programmes and projects informed by the MTSF, municipal SDFs, sectoral/master plans and long term financial strategies.
Determines government-wide key development strategies and priorities to be addressed.	Address municipal strategies, Council development priorities/objectives and community needs.
Conceptualisation of the desired future and results (outcomes and impact) to be achieved by the district area in the long term.	Plans implemented by municipalities and departments respond directly to the desired outcomes and impact.
Spatially referenced plans and budgets at district and metro level with emphasis on long-term catalytic programmes and interventions to unlock development potential.	Focus on implementation of immediate service delivery interventions and priority projects in the One Plan.

5.7 Provincial Policy Direction

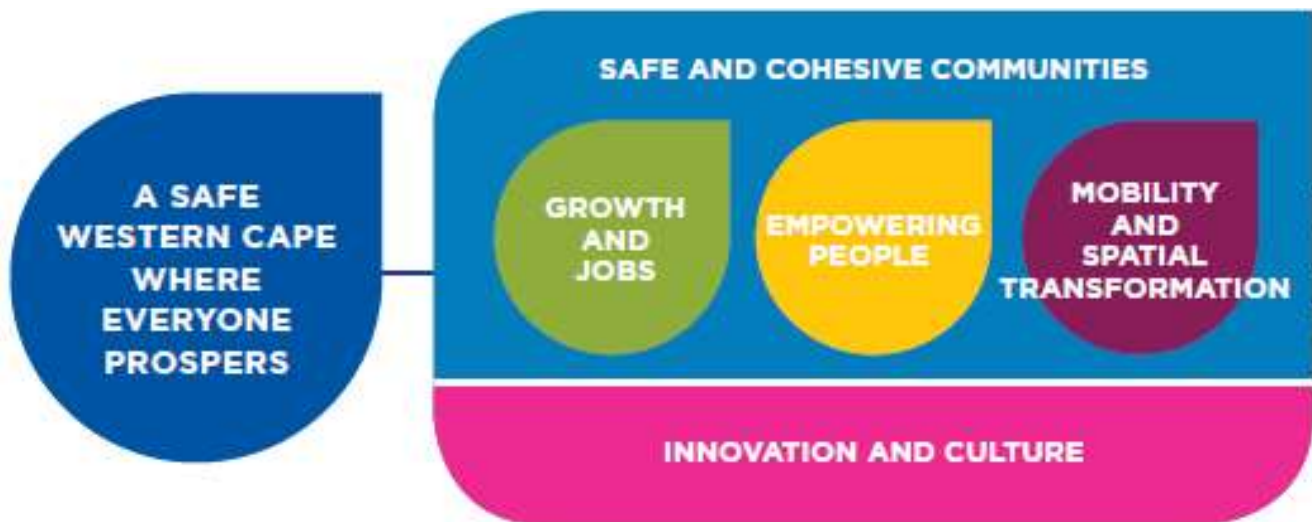
5.7.1 The Western Cape Provincial Strategic Plan: 2019 - 2024

The Western Cape Provincial Government (WCG) committed itself, through its recently adopted Vision Inspired Priorities (VIPs), to building a values-based competent state that enables opportunity and promotes responsibility in a safer Western Cape.

The VIPs are as follows:

1. Safe and Cohesive Communities (**VIP 1**);
2. Growth and Jobs (**VIP 2**);
3. Empowering People (**VIP 3**);
4. Mobility and Spatial Transformation (**VIP4**); and
5. Innovation and Culture (**VIP 5**).

Figure 34: WCG: Vision Inspired Priorities (VIPs)



5.8 Functional Regional and District Policy Direction

5.8.1 The Cape Town Functional Region

Within the Western Cape, there is increasing support to focus strategic planning efforts within the Cape Town Functional Region, incorporates the City of Cape Town, Saldanha Bay, Malmesbury, Paarl, Stellenbosch and Hermanus. This focus recognises shared environmental resources and key regional economic interdependencies, such as commuting workforce, shared consumer catchment area, transport and other infrastructure, a second port at Saldanha, and tourism and agricultural areas amongst others. Key related initiatives include the following:

-  The planned establishment of an Economic Development Agency (EDA) in 2012. The EDA is a joint initiative of the Province and the City of Cape Town, charged with developing and leading a common economic agenda within the broader city region. The increase of unemployment, barriers to making the region more competitive and a relatively weak business brand are key issues to be addressed by the EDA;
-  Joint work by the Province and the City of Cape Town to explore the most appropriate roles for the Cape Town and Saldanha ports (and associated economic and settlement opportunity); and
-  As a key settlement within the functional region, the Stellenbosch Municipality is expected to play an active role in initiatives related to strengthening the region.



5.8.2 The Cape Winelands District Municipality (CWD M)

The Cape Winelands District Municipality has set the following strategic objectives for their District:

Table 36: CWD M Strategic Objectives

NO	Strategic Objective
SO 1	To create an environment and forging partnerships that ensure social and economic development of all communities, including the empowerment of the poor in the Cape Winelands District.
SO 2	Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities
SO 3	Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.

(a) Cape Winelands District Rural Development Plan (CWDRDP)

The Cape Winelands District Rural Development Plan (Cape Winelands DRDP) has been prepared specifically to ease integration of the Agri-Park Initiative and accompanying DRDLR (Department Rural Development and Land Reform) projects into the various Local Municipal and District Integrated Development Plans and Spatial Development Frameworks. It is also intended to assist the Local Municipalities, District Municipalities, as well as the other sector departments to invest in a coordinated manner to best enable the development and functioning of the Agri-Park.

(b) Cape Winelands District Agri-Park Vision

The Cape Winelands DM Agri-Park will be a catalyst for rural economic development / industrialisation ensuring development and growth in order to improve the lives of all communities in the district.

(c) Cape Winelands District Agri-Park Mission Statement

Our mission is to strive for a viable and sustainable Agri-Park, delivering good returns for smallholder and emerging farmers, investors, customers, black entrepreneurs, tenants, its owners and all communities in the district by ensuring that the following are achieved:

Achieve a sustainable equilibrium between urbanisation, conservation, and tourism, mining and agricultural activities within the District, by way of proper land use management and in partnership with the private sector and local communities.

Define and establish a functional hierarchy of urban and rural service centres in the District, in order to optimise the delivery of social and engineering services and stimulate the local economy, while protecting valuable agricultural land.

Promote irrigated and cultivated farming activities on suitable land within the District; and to support small scale and/ or family farmers farming throughout the remainder of the area.

Cape Winelands District Agri-Park Goal Statement:

By 2025 Cape Winelands DM's rural areas and small towns would be transformed into thriving areas in terms of jobs, food security and opportunities to prosper.

Proposed Objective One	To transform and modernise rural areas and small towns in the Cape Winelands DM through the development of the Agricultural sector over the next 10 years.
Proposed Objective Two	To develop an integrated and networked Agri-Park Infrastructure over the next 10 years.
Proposed Objective Three	To facilitate the establishment and implementation of a sustainable Agri-Park governance and management model over the next 3 years.
Proposed Objective Four	To facilitate funding and investment for the development of the Agri-Park



	over the next 5 years.
Proposed Objective Five	To provide technical support and extension services to Agri-Park beneficiaries over the next 10 years and beyond.
Proposed Objective Six	To enhance the capacity and capability of officials responsible for the implementation of the Agri-Parks

(d) **FPSU Prioritisation**

The DRDLR has prioritised Agri-park implementation in Saron, Stellenbosch, Ceres within the Fourth Generation IDP for the following areas: Paarl, Robertson, Montagu, Ashton and Worcester. The focus will be on the establishment of the necessary Farmer Production Support (FPSU) Infrastructure as well as support to emerging farmers and the local community within the FPSU catchments.

(e) **Progress on the Agri – Park Programme**

The agri – park project is in the beginning phases in 3 of the 5 local municipalities within Cape Winelands District, i.e. Witzenberg, Drakenstein and Stellenbosch. The progress made on this project is as follows:

Findings

- Council approved the implementation of the FPSU in Stellenbosch.
- 65 hectares has been made available under lease for this initiative (portion BH1 of Farm 502 and portion BH2 of Farm 502).
- 10 emerging farmers have entered into individual lease agreements with the municipality in terms of the Agri - Parks Master Plan developed by Urban Econ.
- There is provision made to ensure that there is enough water supply as Stellenbosch Municipality is currently busy with an extra water line through DWA and DOA.
- A soil survey was conducted by the Department of Agriculture during September 2008 on Farm 502 BH and it was found that the soil is of medium to high potential for the cultivation of vegetables.

Recommendations

- 10 emerging farmers be enterprised into a secondary co –operative to ensure maximum impact.
- In December 2017 the FPSU project was presented to the DAMC, but the DAMC indicated that if beneficiaries require funding, these beneficiaries must present their project and not municipal officials.
- In December 2017 a site visit was conducted by the Department of Rural Development and Land Reform to inform the beneficiaries of the outcome of the DAMC and that the beneficiaries will be invited to come and present their project.
- In February 2018 the beneficiaries presented their project to the DAMC in Saron and the DAMC referred it to the DJOC for consideration. A special DJOC was called to recommend the project to the PJTC.

5.9 Local Policy Direction

5.9.1 Stellenbosch Municipality

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



amended to “A Safe Valley”, whilst “Dignified Living” and “Good Governance and Compliance”, remain unchanged.

The table below indicates how the municipality Strategic Focus Areas are aligned to National and Provincial Plans.

Table 37: Horizontal Alignment Matrix

Strategic Focus Areas (SFAs)	National Strategic Outcomes	Sustainable Development Goal	National Planning Commission	Western Cape Provincial Government Strategic Plan	CWDM Strategic Objectives
SFA 1- Valley of Possibility	Ensuring decent employment through inclusive economic growth (4)	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (8)	Creating jobs (1)	Growth and Jobs (VIP 2)	Promoting sustainable infrastructure services and transport system which fosters social and economic opportunities.
SFA 2- Green and Sustainable Valley	Ensuring that the environmental assets and natural resources are well protected and continually enhanced (10)	Take urgent action to combat climate change (13) Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss (15)	Transitioning to a low carbon economy (3) Transforming urban and rural spaces (4)	Empowering People (VIP 3)	To create an environment and forge partnerships that ensures the health, safety, social and economic development of all communities including the empowerment of the poor in the Cape Winelands District through economic, environmental and social infrastructure investment.
	Ensuring vibrant, equitable and sustainable rural communities with food security for all (7) Promoting sustainable human settlements and improved quality of household life (8)	Make cities and human settlements inclusive, safe, resilient and sustainable (11)	Transitioning to a low carbon economy (3) Transforming urban and rural spaces (4)	Mobility and Spatial Transformation (VIP 4)	Environmental and social infrastructure investment.
SFA 3- Safe Valley	Ensuring all people in South Africa are and feel safe (3)	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels (16)		Safe and Cohesive Communities (VIP 1)	To create an environment and forging partnerships that ensures the health, safety, social and economic development of all communities including the empowerment of the poor in the Cape Winelands District.



Strategic Focus Areas (SFAs)	National Strategic Outcomes	Sustainable Development Goal	National Planning Commission	Western Cape Provincial Government Strategic Plan	CWDM Strategic Objectives
SFA 4- Dignified Living	<p>Providing improved quality of basic education (1)</p> <p>Enabling a long, healthy life for all South Africans (2)</p>	<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (4)</p> <p>Ensure healthy lives and promote well-being for all at all ages (3)</p>	<p>Providing quality health care (6)</p>	<p>Growth and Jobs (VIP 2)</p>	<p>To create an environment and forging partnerships that ensures the health, safety, social and economic development of all communities, including the empowerment of the poor in the Cape Winelands District.</p>
	<p>Setting up an efficient, competitive and responsive economic infrastructure network (6)</p>	<p>Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation (9)</p>	<p>Expanding infrastructure (2)</p>	<p>Empowering People (VIP 3)</p>	<p>Promoting sustainable infrastructure services and transport system which fosters social and economic opportunities.</p>
SFA 5- Good Governance and Compliance	<p>Achieving an accountable, effective and efficient local government system (9)</p> <p>Creating a better South Africa and a better and safer Africa and world (11)</p> <p>Building an efficient, effective and development oriented public service and an empowered fair and inclusive citizenship (12)</p>	<p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels (16)</p>	<p>Improving education and training (5)</p> <p>Building a capable state (7)</p> <p>Fighting corruption (8)</p>	<p>Innovation and Culture (VIP 5)</p>	<p>Promoting sustainable infrastructure services and transport system which fosters social and economic opportunities.</p>
	<p>Achieving a responsive, accountable, effective and efficient local government system (9)</p>		<p>Building a capable state (7)</p>	<p>Embed good governance and integrated service delivery through partnerships and spatial alignment (5)</p>	<p>To provide an effective and efficient financial and strategic support service to the Cape Winelands District Municipality.</p>

5.10 Strategy Unpacked

5.10.1 Strategic Focus Areas, Pre-determined Objectives and Programmes

5.10.1.1 SFA 1: Valley of Possibility

Table 38: SFA 1- Strategy Unpacked

STRATEGIC FOCUS AREA 1: VALLEY OF POSSIBILITY					
Predetermined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
1.1 Create an environment conducive to business development and job creation.	. Development and implementation of Integrated zoning scheme.	The draft Integrated Zoning Scheme (IZS) was tabled by Council the end of October 2017 subsequent to a second round of public participation. The additional comments will be reviewed and the edited Integrated Zoning Scheme will be submitted to Council for adoption during 2018.	The draft Integrated Zoning Scheme (IZS) went through two rounds of public participation. After the comments from interested and affected parties were reviewed, the document was edited, where applicable. The final draft Stellenbosch Zoning Scheme, October 2018 will be submitted to Council for consideration and adoption during May 2019.	The Stellenbosch Municipality Zoning Scheme By-law, 2019 was adopted by Council 31 May 2019, with the commencement date of 01 November 2019. The Zoning Scheme By-law is currently fully implemented as per Council resolution.	Implementation of the Stellenbosch Zoning Scheme By-law, 2019. Preparation of a Report to Council on the progress with implementation of the Zoning Scheme By-law. Report to be finalised and submitted to Council in 2021/22 financial year.
	. Develop local economic development hubs.	Stellenbosch Municipality has allocated R11.5 million of its 2018/19 capital budget to local economic development as well as R7.950 million in 2019/20 and R4.250 million in 2020/21. This allocation is for the establishment of Informal Trading Sites in Kayamandi (R4.9 million), Klapmuts (R4.0 million) and Groendal (R2.7 million), a Local Economic Hub for Jamestown (R4.3 million), establishment of informal trading markets in Bird Street (R3.3 million) and a Heritage Tourism Centre in Jamestown (R1.5 million).	The planning phase of the Kayamandi informal trading site has commenced. The planning and the implementation of the upgrading of the Blomhuisie commenced. The Klappmuts and Groendal informal trading sites- planning phase is complete and the construction will commence in the 2018/2019 financial and is anticipated for completion in 2019/20. The Jamestown LED Hub is in the Planning phase and construction is expected to commence in the 2019/20 financial year.	The following informal trading sites has been completed and the process to allocate trading spaces to informal traders is in progress: Klappmuts, Franschhoek and Kayamandi. The Groendal Informal Trading Site will be complete in the current financial year. The Jamestown LED Hub and Bird Street Informal Trading site is in the planning phase and construction will take place in the next financial year.	The Franschhoek Informal Trading Site was successfully implemented and opened by the Executive Mayor. Currently, the construction of the following markets have been completed and the request for traders have been advertised: <ul style="list-style-type: none"> Klappmuts; Cloetesville; Groendal; and Kayamandi. The Kayamandi Bridge West (Taxi Rank) Informal Trading Site is scheduled to be completed during the 2021/22 financial year, whilst the Jamestown Hub will be aligned with the Jamestown Housing Project.

STRATEGIC FOCUS AREA 1: VALLEY OF POSSIBILITY

Predetermined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
	Investment in bulk and connecting engineering infrastructure for development purposes.	Currently, Stellenbosch Municipality allocates 5.0 per cent of its 2018/19 budget to Renewal and Upgrading and Repairs and Maintenance as a percentage of Plant, Property and Equipment which is below the National standard of 8 per cent.	The Directorate: Infrastructure Services continuously budgets for provision and upgrading of services throughout the Stellenbosch Municipal area.	The Directorate: Infrastructure Services continuously budgets for provision and upgrading of services throughout the Stellenbosch Municipal area.	The Directorate: Infrastructure Services continuously budgets for provision and upgrading of services throughout the Stellenbosch Municipal area.
1.2 To facilitate and co-ordinate support to emerging entrepreneurs by utilising internal SCM processes and linking SMME's with opportunities in the market.	Develop a guiding document to link Small Medium and Micro Enterprises to SCM and open market opportunities. Update and implement the Preferential Procurement Policy.	Regular seminars and workshops facilitated by the municipality and Private Sector Partners to establish a networking and mentoring system to ensure SMME development.	Regular seminars and workshops facilitated by the municipality and Private Sector Partners to establish a networking and mentoring system to ensure SMME development.	Regular seminars and workshops facilitated by the municipality and Private Sector Partners to establish a networking and mentoring system to ensure SMME development.	Regular seminars and workshops facilitated by the municipality and Private Sector Partners to establish a networking and mentoring system to ensure continued SMME development.
1.3 To provide, upgrade and maintain an effective engineering infrastructure to support effective service delivery.	1. Major capital expenditure is planned in the following areas during the 2018/2019 financial year: Electricity <ul style="list-style-type: none"> Energy Efficiency and Demand Side Management Integrated National Electrification Programme Electricity Network Roads, Storm water and Traffic Engineering	Implemented in terms of the available capital budget approved for the 2017/18 financial year.	Implemented in terms of the available capital budget approved for the 2018/19 financial year.	Implemented in terms of the available capital budget approved for the 2019/20 financial year.	Electricity Network Kick off Processes by placing on Priority List. Recruit University of Stellenbosch and local CSIR as Partners and start viability study Finish Viability Assessment. Place amount on MTREF Budget. Design First Round Tariffs. Obtain buy in from NERSA, DMRE, COGTA and NT.
		Implemented in terms of the available capital budget	Implemented in terms of the available capital budget approved for the 2018/19 financial year.	Implemented in terms of:	Implemented the construction phase of the following Programmes



STRATEGIC FOCUS AREA 1: VALLEY OF POSSIBILITY

Predetermined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
	<ul style="list-style-type: none"> Reconstruction of roads Upgrade of Gravel Roads Reseal of Roads Main Roads Intersection Improvements Klapmuts Public Transport Interchange 	approved for the 2017/18 financial year.		<ul style="list-style-type: none"> Available capital budget, approved for the 2019/20 financial year. The following Departmental Programmes: <ul style="list-style-type: none"> Road reseal programme; Gravel road upgrading programme; Intersection improvement programme; Public transport facility upgrade programme. 	<ul style="list-style-type: none"> Gravel Road Upgrading (Franschhoek); and Intersection improvement programme (Techno Park and Paradyskloof). <p>New Public Transport facilities (Groendal) and Upgrades to existing Public Transport Facilities (Klapmuts and Kayamandi).</p>
	Solid Waste <ul style="list-style-type: none"> Major Drop-offs : Construction-Franschhoek 	Implemented in terms of the available capital budget approved for the 2017/18 financial year.	Implemented in terms of the available capital budget approved for the 2018/19 financial year.	Project Halted. 2 sites were identified but after assessment both sites were found unsuitable for this purpose.	This project will be reviewed in the new financial year 2021/22.
	Water Services <ul style="list-style-type: none"> Extension of WWTW: Stellenbosch Relocation/ Upgrading main Water Supply line: Ida's Valley Storage Dams Bulk Sewer Outfall: Jamestown Bulk water supply Pipe Reservoir: Dwarsriver (Johannesdal / Kyle more / Pniel) New Plankenburg: Main Sewer Outfall Water Treatment Works: Paradyskloof Water pipe replacement Ida's Valley Merriman Outfall Sewer 	Implemented in terms of the available capital budget approved for the 2017/18 financial year.	Implemented in terms of the available capital budget approved for the 2018/19 financial year.	<ul style="list-style-type: none"> Stellenbosch Wastewater Treatment Works officially opened on 4 March 2020. Relocation / Upgrade main water supply Ida's Valley – In process of completion, finalisation June 2021. Bulk Sewer Outfall: Jamestown – In process of completion June 2021. Bulk water supply Pipe Reservoir: Dwarsriver (Johannesdal / Kylemore / Pniel) – Completed. New Plankenburg: Main Sewer Outfall – In process. Completion June 2020. Water Treatment Works: Paradyskloof – Completed – Inauguration to take place during March 2020. 	<p>Finalisation of phase 2 and design of tanker discharge facility.</p> <p>Relocation / Upgrade main water supply Ida's Valley – In process of completion, finalisation June 2021.</p> <p>Bulk Sewer Outfall: Jamestown – In process of completion June 2021.</p> <p>Bulk water supply Pipe Reservoir: Dwarsriver (Johannesdal / Kylemore / Pniel) – Completed.</p> <p>New Plankenburg: Main Sewer Outfall – Completed.</p> <p>Water Treatment Works: Paradyskloof – Completed –</p> <p>Waterpipe Replacement – Ongoing Completion June 2028.</p> <p>Close –out , Completed.</p>



STRATEGIC FOCUS AREA 1: VALLEY OF POSSIBILITY

Predetermined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
1.4 To ensure the provision of non-motorised transport routes as a functional mode of transport	Sports Fields <ul style="list-style-type: none"> • Upgrade of Sport Facilities • Information Technology • Upgrade and Expansion of IT Infrastructure Platforms Human Settlements • New Community Halls Klapmuts • Housing Project Kayamandi Watergang / Zone O 	Implemented in terms of the available capital budget approved for the 2017/18 financial year.	Implemented in terms of the available capital budget approved for the 2018/19 financial year.	<ul style="list-style-type: none"> • Waterpipe Replacement – Ongoing Completion June 2028. • Ida's Valley Merriman Outfall Sewer – In process. 	
				<ul style="list-style-type: none"> • Upgrade of Sport Facilities- Focus point is to upgrade sport facility lighting needs on fields. In the process of appointing consultants to furnish assessments and repair specifications. • New Community Halls Klapmuts- project completed. 	<p>A consultant was appointed to do an investigation to the flood lights at some of our facilities. This study has been completed. However due to a lack of funding it is not possible to implement the findings during the 2020/21 financial year. Funding will be requested on the 2021/22 capital budget to implement the recommendations.</p>
	Construction and upgrading of pedestrian and cycle Paths.	Ongoing	Implementation of the NMT policy.	<p>Implemented in terms of:</p> <ul style="list-style-type: none"> • Available capital budget, approved for the 2019/20 financial year. • Current Policy and NMT Master plan. 	Implemented construction phase of pedestrian and cycle paths (R44 Jamestown) in terms of NMT Masterplan and Policy.
	Develop Specific Non-Motorised Transport routes according to needs.	Ongoing	Implementation of the NMT policy.	<p>Implemented in terms of:</p> <ul style="list-style-type: none"> • Available capital budget, approved for the 2019/20 financial year. • Needs identified through IDP public participation process. 	Review of NMT Masterplan and Policy currently underway.
	Design, construct and upgrade Cycle paths.	Ongoing	Implementation of the NMT policy.	<p>Implemented in terms of:</p> <ul style="list-style-type: none"> • Available capital budget, approved for the 2019/20 financial year. • Current Policy and NMT Master plan. 	Implemented construction phase of pedestrian and cycle paths (R44 Jamestown) in terms of NMT Masterplan and Policy.



STRATEGIC FOCUS AREA 1: VALLEY OF POSSIBILITY					
Predetermined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
	Design and construct Bicycle parking facilities.	Ongoing	Implementation of the NMT policy.	Implemented in terms of the available capital budget approved for the 2019/20 financial year and identified needs.	Bicycle parking facilities incorporated in the designs for new parking areas.
	Construct Bus and Taxi shelters.	Ongoing	Implementation of the NMT policy.	Implemented in terms of the available capital budget approved for the 2019/20 financial year and identified needs.	Bus and Taxi shelters constructed as identified through CTP and IDP process.

5.10.1.2 SFA 2: A Green and Sustainable Valley

Table 39: SFA 2- Strategy Unpacked

STRATEGIC FOCUS AREA 2: A GREEN AND SUSTAINABLE VALLEY					
Predetermined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
2.1 Managing human use of the biosphere and its resources	1. Conserve natural resources, biodiversity and landscapes.	Ongoing, in terms of various programmes and management plans (Stellenbosch Environmental Management Framework / Stellenbosch Municipality Invasive Alien Vegetation Management Plan / Stellenbosch River Stewardship Action).	Ongoing, in terms of various programmes and management plans (Stellenbosch Environmental Management Framework / Stellenbosch Municipality Invasive Alien Vegetation Management Plan / Stellenbosch River Stewardship Action).	Ongoing, in terms of various programmes and management plans. The Stellenbosch Environmental Management Framework was adopted by Council June 2019 as Stellenbosch Municipality's first dedicated environmental policy.	<p>The Department Community Services is in the process of compiling Management Plans (EMP) for all our Nature Reserves and Nature Areas.</p> <p>The following EMP are have been completed and approved:</p> <ul style="list-style-type: none"> Paradyskloof Nature Area (Stellenbosch) <p>The following EMPs are have been drafted:</p> <ul style="list-style-type: none"> Jan Marais Nature Reserve (Stellenbosch) Mont Rochelle (Franschhoek) <p>The following EMP is up for review:</p> <ul style="list-style-type: none"> Papegaaiberg Nature Reserve (Stellenbosch) <p>The following EMP to be drafted:</p> <ul style="list-style-type: none"> Ida's Valley Nature Area (Stellenbosch)
	2. Encourage the use of materials obtained from sustainable sources in new development and in the design of buildings.	Ongoing, as far as possible through input on development proposals and approvals.	Ongoing, as far as possible through input on development proposals and approvals.	Ongoing, as far as possible through input on development proposals, conditions of approval.	Ongoing, as far as possible through input on development proposals, conditions of approval.
	3. Facilitate the use of green energy.	Ongoing, as far as possible through input on development proposals and approvals.	Ongoing, as far as possible through input on development proposals and approvals.	Ongoing, as far as possible through input on development proposals and conditions of the municipality's environmental 'capital' is	Initiating the investigation of generating green electricity with the intentions to stop Load Shedding. Concluding a MOU with University of Stellenbosch, CSIR and Western Cape

STRATEGIC FOCUS AREA 2: A GREEN AND SUSTAINABLE VALLEY

Predetermined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
				advocated by the Stellenbosch Environmental Management Framework.	Government. Continuing with green energy projects such as: 1. Fats, Oils and Grease (FOG) to Eco Diesel; 2. Landfill Site Methane mining; 3. Solar Roof Top Installation; and 4. Purchasing electricity from homeowners.
	4. Minimise the use of the four generic resources, namely energy, water, land and materials.	Ongoing	Ongoing	Ongoing, as far as possible through input on development proposals and conditions of approvals. The optimal use of the municipality's environmental 'capital' is advocated by the Stellenbosch Environmental Management Framework.	Ongoing investigation into water resources in order to drought resistant, Alleviation of impact of load shedding by purchasing alternate electricity.
	5. Maximise the re-use and/or recycling of resources.	Ongoing	Ongoing	Ongoing, as far as possible through input on development proposals and conditions of approvals. The optimal use of the municipality's environmental 'capital' is advocated by the Stellenbosch Environmental Management Framework.	Projects: 1. Mining of Methane Gas from Landfill Gas; 2. Fats, Oils and Grease conversion to Eco Diesel; 3. Standards for safe use of Gray Water; and 4. Swap Shop regeneration once COVID-19 is not a danger.
	6. Use renewable resources in preference to non-renewable resources.	Ongoing, with the promulgation of by-laws, monitoring and enforcement.	Ongoing, with the promulgation of by-laws, monitoring and enforcement.	Ongoing, as far as possible through input on development proposals and conditions of approvals. The optimal use of the municipality's environmental 'capital' is advocated by the Stellenbosch Environmental Management Framework.	Investigation launched to look at renewable energy.
	7. Minimise air, land and water pollution.	Ongoing	Ongoing	Ongoing, through the Air Quality / Noise Control Official, Rangers deployed in nature areas and working together with Infrastructure Services' Water Services Section.	Ongoing, through the Air Quality / Noise Control Official, Rangers deployed in nature areas and working together with Infrastructure Services' Water Services Section. The promotion of natural areas and ecosystem services from such areas

STRATEGIC FOCUS AREA 2: A GREEN AND SUSTAINABLE VALLEY

Predefined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
2.2 Enhancing the integrity of the environment as an imperative for long-term sustainability.	1. Maintain essential ecological processes, preservation of genetic diversity and the insurance of the sustainable utilisation of natural resources.	Ongoing	Ongoing, in terms of various programmes and management plans (Stellenbosch Environmental Management Framework / Stellenbosch Municipality Invasive Alien Vegetation Management Plan / Stellenbosch River Stewardship Action).	Ongoing, in terms of various programmes and management plans (Stellenbosch Environmental Management Framework / Stellenbosch Municipality Invasive Alien Vegetation Management Plan / Stellenbosch River Stewardship Action / Stellenbosch Integrated Fire Management Plan and various nature serve and nature area environmental management plans).	are promoted through the Stellenbosch Environmental Management Framework.
	2. Plan and design the cultural (human) environment in a manner that enhances the intrinsic value (including heritage and traditional legacy) of the subject places and Stellenbosch Municipality as a whole.	In progress.	Done, through the designation of Spatial Planning Categories included in the Stellenbosch Environmental Management Framework.	This is done through the designation of Spatial Planning Categories included in the Stellenbosch Environmental Management Framework. The appointed Environmental Planner administers the Stellenbosch Environmental Management Framework to ensure compliance thereto.	This is done through the designation of Spatial Planning Categories included in the Stellenbosch Environmental Management Framework. The appointed Environmental Planner administers the Stellenbosch Environmental Management Framework to ensure compliance thereto. The environmental consideration is factored into decision-making when planning documents / application are circulated to environmental planning for comment.
2.3 Incorporating bio-diversity into the environment as an imperative for long-term sustainability.	1. Biodiversity conservation is a prerequisite for sustainable development, and for biodiversity conservation to succeed, the maintenance of environmental integrity (as defined by ecological, economic and social criteria) must be one of the	Environmental by-laws are being implemented.	Stellenbosch Municipality comments on application submitted in terms of NEMA. In turn the Stellenbosch Municipality's Environmental Planner comments on land-use applications that are expected to have an impact on the environment. The Environmental Planner administers the Stellenbosch Environmental Management Framework to ensure compliance thereto.	Stellenbosch Municipality comments on application submitted in terms of NEMA. In turn the Stellenbosch Municipality's Environmental Planner comments on land-use applications that are expected to have an impact on the environment. The Environmental Planner administers the Stellenbosch Environmental Management Framework to ensure compliance thereto. Area specific environmental	Stellenbosch Municipality comments on application submitted in terms of NEMA. In turn the Stellenbosch Municipality's Environmental Planner comments on land-use applications that are expected to have an impact on the environment. The Environmental Planner administers the Stellenbosch Environmental Management Framework to ensure compliance thereto. Area specific environmental



STRATEGIC FOCUS AREA 2: A GREEN AND SUSTAINABLE VALLEY				
Predetermined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20
	primary determinants of land-use planning.			management plans are also taken into consideration.
2.4 Ensuring spatial sustainability.	1. Promote land development that is within the environmental, fiscal, institutional and administrative means of Stellenbosch Municipality.			The approved mSDF forms the basis for decision-making by the municipality. Land not earmarked for development are not considered for development. The LSDF for the ATC is being drafted and will result in planning-led development taking place.
	2. Ensure that special consideration is given to the protection of high-potential farm land.			High-potential agricultural land is not considered for urban development and any development proposal located on high-potential agricultural land is PED recommended for refusal.
	3. Uphold consistency of land-use measures in accordance with environmental requirements and associated management instruments.	Items 1 – 5 are being addressed in the new Municipal Spatial Development Framework (mSDF).	Items 1 – 5 are being addressed in the new Municipal Spatial Development Framework (mSDF).	All development that requires approval in terms of the subdivision of Agricultural Land Act, 1970 (Act No. 70 of 1970) and in terms of the NEMA regulations are referred to those institutions.
	4. Limit urban development to locations where such development can be sustainable, where urban sprawl can be limited, and where such development can result in sustainable communities.			Focus on the Catalytic projects of the Adam Tas Corridor and Klapmuts Bridge development.
	5. Implement strategies to ensure that any form of development, on balance, improves current circumstances in the subject area.			Through conditions of approval of development applications, sustainable development and the provision of social facilities and affordable housing is addressed. A Inclusionary Housing Policy is being drafted and will encourage the development of more



STRATEGIC FOCUS AREA 2: A GREEN AND SUSTAINABLE VALLEY

Predetermined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
2.5 Facilitate efficient use of all forms of capital available to Stellenbosch.	1. Implement plans to ensure that development optimises the use of existing resources and infrastructure (i.e. monetary capital, environmental capital and infrastructural capital) and that such development result in beneficial synergies and multipliers in the local economy.	In progress.	The municipality has compiled a comprehensive 10 year Capital Expenditure Framework for this intended purpose.	The municipality has compiled a comprehensive 10 year Capital Expenditure Framework that is informed by the Long Term Financial Plan of the municipality.	affordable housing located in places closer to employment opportunities.
	1. Promote cooperative skills development.	This is an annual process where a skills development plan is drawn up and training interventions then flows from there.	This is an annual process where a skills development plan is drawn up and training interventions then flows from there.	This is an annual process where a skills development plan is drawn up and training interventions then flows from there.	This is an annual process where a skills development plan is drawn up and training interventions then flows from there.
2.6 Building Human capacity and ability.	2. Encourage Full involvement of stakeholders.	Stakeholders participate in municipal information sessions and focused engagements.	Stakeholders participate in municipal information sessions and focused engagements.	Stakeholders participate in municipal information sessions, public participation sessions and stakeholder engagements.	Stakeholders participate in municipal information sessions, public participation sessions and stakeholder engagements.
				Online public participation meetings were held in all 22 wards. A hybrid model of public participation was used where the meetings were held online with satellite venues made available to community members not able to access data or ICT hardware.	Community members and stakeholders were also invited to submit their feedback through the municipality's Stellenbosch Citizen App, email and WhatsApp.



STRATEGIC FOCUS AREA 2: A GREEN AND SUSTAINABLE VALLEY					
Predetermined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
2.7 Efficient information management (refer to Environmental Management Framework)	1. Develop and implement a biodiversity register.	A biodiversity register is maintained through a Geographical Information System.	A biodiversity register is maintained through a Geographical Information System.	A biodiversity register is maintained through a Geographical Information System. This system will be expanded to include CBA, alien clearing data, air quality (fuel-burning appliances) and other data.	An electronic feedback form was also activated on the municipality's website during October / November 2020.

5.10.1.3 SFA 3: Safe Valley

Table 40: SFA 3- Strategy Unpacked

STRATEGIC FOCUS AREA 3: A SAFE VALLEY					
Predetermined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
3.1 To implement an integrated safety strategy to incorporate multi-stakeholder engagements in addition to focusing on institutional, situational and social crime prevention interventions.	1. Identify and develop a safety network database.	Complete and regularly updated.	Completed and will be updated before June 2019.	Continued updating taking place as new partners join the initiative.	Stellenbosch Safety Initiative in place (SSI). Ongoing meetings with role-players and updating continuous.
	2. Allocation of roles and responsibilities to stakeholders.	In progress.	MOU with SAPS in place and will be updated in (SSI Agreement) Continually being updated. Regular meetings are held with safety stakeholders. Capacity building is being explored.	Continually being updated. Regular meetings are held with safety stakeholders.	MOU between Stellenbosch Municipality and University in place in terms of CCTV camera monitoring and sharing of resources. MOU in place between Stellenbosch Municipality and Security partners in terms of an integrated crime combat strategy through a multi-disciplinary approach.
	3. Sign MOUs with SAPS to extend Municipal Law Enforcement Security Cluster.	Continually being updated.	In progress.	Continue to be updated based on new management at SAPS stations and getting their buy-in.	Regular joint operations with SAPS in crime prevention initiatives.
	4. Perform ward based risks assessments.	Continually being updated.	Joint planning initiatives are successfully implemented through consultations with ward councillors. (for etc. the installation of CCTV cameras in specific wards).	Continually being updated.	Completed and integrated within the Disaster Management Plan as well as Safety Plan.
3.2 To develop and implement Institutional Crime prevention strategies, with the focus on improved law enforcement and neighbourhood watches.	1. Build the capacity of safety stakeholders.	Regular meetings are held with safety stakeholders. Capacity building is being explored.	Regular meetings are held with safety stakeholders. Capacity building is being explored.	Regular meetings are held with safety stakeholders.	Weekly operational planning with safety partners and SAPS. SSI operational grid for execution. Based on weekly planning.
	2. Register neighbourhood watches in all wards.	In progress.	In progress.	Ongoing.	Safety equipment issued to neighbourhood watches. Improved working relations and joint operations with neighbourhood watches.

STRATEGIC FOCUS AREA 3: A SAFE VALLEY					
Predetermined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
3.3 To develop and implement Situational Crime prevention strategies					Assisting neighbourhood watches with training in conjunction with Department of Community Services (DOCS).
	3. Perform joint planning initiatives to promote safety in all wards.	Successfully being implemented	Joint planning initiatives are successfully implemented through consultations with ward councillors. (for etc. the installation of CCTV cameras in specific wards)	Joint planning initiatives are successfully implemented through consultations with ward councillors. (for etc. the installation of CCTV cameras in specific wards).	Weekly operational planning with safety partners and SAPS. SSI operational grid for execution. Ongoing.
	1. Identify and map crime hot spots.	Complete and regularly updated as the need arises.	Regular patrols, joint operations with SAPS, Neighbourhood Watches, Law Enforcement and stakeholder meetings take place regularly.	This is being received from SAPS and hotspots are discussed at weekly SSI planning meeting.	Weekly operational planning based on hotspots received from SAPS with safety partners and SAPS. SSI operational grid for execution. Ongoing.
	2. Convert crime hot spots into safe spaces by addressing the cause of crime in the identified hot spots.	Regular patrols, joint operations and stakeholder meetings take place for this purpose. Adequate lighting is also installed for safety purposes.	Regular patrols, joint operations with SAPS, Neighbourhood Watches, Law Enforcement and stakeholder meetings take place regularly.	Regular patrols, joint operations with SAPS, Neighbourhood Watches, Law Enforcement and stakeholder meetings take place regularly.	Weekly operational planning based on hotspots received from SAPS with safety partners and SAPS. SSI operational grid for execution. Ongoing.
3.4 To implement and facilitate social crime prevention initiatives in all wards	3. Introduce appropriate technology and extend Close Circuit Television coverage to all wards.	Successfully rolled out in identified hotspots and gradually being introduced to the other wards.	Stellenbosch Safety Initiative is in place.	CCTV cameras are rolled out based on Ward funding and departmental funding. Positioning is placed after consultation with SAPS based on crime patterns.	Continuous liaison with Ward Councillors and safety partners on problematic locations. Consideration given to CCTV locations an mapping of such on a masterplan.
	1. Provide support to Early Childhood Development centres.	The municipality serves 134 ECD's within the Stellenbosch Municipal Area with a budget of R 80 000 per annum. Capacity building of ECD through the following training programmes: Nutrition and Hygiene,	The municipality serves 134 ECD's which comprises of ECD Forums namely, Kayamandi, Stellenbosch, Franschhoek and Klapmuts, within the Stellenbosch Municipal Area with an estimate budget of R 90 000 per annum. Capacity building	The municipality supports 140 ECD's through quarterly capacity building sessions. During these sessions we provide accredited skills training for ECD practitioners. The above support is provided in partnership with DSD, ECD grassroots	The municipality supports 150 ECD facilities through quarterly capacity building sessions. This is done in partnership with local ECD forums and The Early Education Centre and other ECD grassroots organisations. Annual Grant in Aid support are provided to all qualifying centres

STRATEGIC FOCUS AREA 3: A SAFE VALLEY					
Predefined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
		FAS, Fire Safety, Good Governance, Financial Management and Facility Registration. Allocation of suitable infrastructure for operations of ECD and partial care facilities where available. Assistance with registration: Internal support with planning processes, fire safety certificates. External – DSD, CWD – health requirements. GIS Mapping and updating of ECD facilities. Partnering with organisations such as JAM SA to ensure optimal ECD facility development.	of ECD takes through the following training programmes: Nutrition and Hygiene, FAS, Fire Safety, Good Governance, Financial Management and Facility Registration. Allocation of suitable infrastructure for operations of ECD and partial care facilities where available. Assistance with registration: Internal support with planning processes, fire safety certificates. External – DSD, CWD – health requirements. GIS Mapping and updating of ECD facilities. Partnering with organisations such as ASHA to ensure optimal ECD facility development.	organisations and other spheres of government. Financial support to ECD facilities are provided through the Grant in Aid donation programme for which the municipality assist with 3 further capacity building workshops aimed at financial management and reporting and grant application requirements. All ECD's are registered and regularly updated on the GIS system.	along with financial management and governance workshops. The status of ECDs are updated on the GIS system on a monthly basis. After lock down ECDs were supported with COVID-19 readiness plan development and PPE. All 150 ECD's were supported with the Employment Stimulus programme and the application process linked to it.
	2. Develop, facilitate and implement youth programmes in partnership with public and private institutions.	The municipality's main youth related functions and current programmes include Job readiness Programmes in partnership with DSD (R 10 000 – reaching about 30 youth), Accredited Artisan Youth Skills Development through local NGOs (R 1 000 000 – reaching 60 youth per annum. The plan is to continue this programme in the future.), Annual Career exhibition for high school learners in partnership with DOE (R 40 000 – reaching 1300 youth from all schools). DCAS District Drama Festival in	The municipality's main youth related functions and current programmes include job readiness and life skills programmes in partnership with DSD, Department of Labour and local NGO's, Accredited Youth Skills Development, Driver's and learners programme, through local NGOs and service providers. This has become an annual programme. DCAS District Drama Festival in partnership with DCAS. 2018 – 2019 the municipality's group came 3rd in the final. Annual Agri-expo for high school learners in partnership with Sandringham and DOE	The Mayoral Youth Skills Development training in: <ul style="list-style-type: none"> General Building Maintenance Plumbing Five Star Table Attendant Food Service Assistant and Assistant Chef Job Readiness in partnership with DSD focus on CV writing and interviewing skills reaching 79 youth. The DCAS Youth Drama Festival delivered the following results for Stellenbosch Municipality: Best Writer Best Actress Best Production – Runner up DSD Youth Camp and recruitment drive for Chrysallis Academy to	Youth programmes focused mainly on the artisan skills development programme as COVID-19 regulation requirements made face to face engagements difficult. The municipality is in the process of establishing a Youth Forum with the assistance of Open-Up to establish an electronic platform through which youth can engage with the municipality and each other on issues affecting them. 50 youth have been trained in General Building Maintenance and Plumbing as well as Ass Chef and Table Attendant skills. Further education was done in job readiness, life skills and fire awareness.



STRATEGIC FOCUS AREA 3: A SAFE VALLEY					
Predefined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
		partnership with DCAS (R 10 000 – reaching 3 youth groups). 2017-2018 saw the first Stellenbosch group winning this competition. Indoor Sport centre in partnership with SCORE – formal 50-year agreement with municipality. (Sport development, holiday programmes and DCAS Indigenous Games) (R 100 000 – reaching 300 youth per month). JPI 27: Establish Stellenbosch Municipality as a centre of innovation in terms of youth empowerment: Sport art and cultural programmes in partnership with DCAS, DoE, DoH, DCs, DSD.	reaching 1300 learners throughout the Stellenbosch District.	introduce the youth to different opportunities available.	
	3. Develop, facilitate and implement entrepreneurial programmes.	In progress.	In progress.	Programmes relates workshops on Tender training, Costing and Pricing, Training for start-up businesses, Entrepreneurial Exhibitions, funding etc.	Regular seminars and workshops facilitated by the municipality and private sector partners to establish a networking and mentoring system to ensure continued SME development and could include tender training; product costing and pricing; business start-up training; and business funding opportunities.



5.10.1.4 SFA 4: Dignified Living

Table 41: SFA 4- Strategy Unpacked

STRATEGIC FOCUS AREA 4: DIGNIFIED LIVING				
Predetermined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20
4.1 To develop and maintain sustainable human settlements that will deliver in the diverse range of housing needs	1. Develop and implement a housing pipeline.	The housing pipeline was approved in Council on 30 August 2017 and is currently being implemented.	<p>The main objective is to provide sustainable human settlements in accordance with the approved Housing pipeline. Accept for the current housing projects has the municipality advertised two proposal calls:</p> <p>1. Jamestown- The particular goal of this specific Call for Proposal is the delivery of mix –used development which includes additional state subsidised housing units, serviced sites for affordable housing (plot and plan) and GAP housing units. The tender has closed and is being evaluated.</p> <p>2. Cloetesville- The aim with Erf 7001 is to provide affordable housing for the residents of the area. The tender was advertised and it closed on the 25 February 2019. The Proposal Calls will be evaluated in terms of the Supply Chain Management Policy.</p>	<p>In accordance with the aims and objectives of the Housing Pipeline, the municipality through Provincial funding acquired the Watergang farm north to Kayamandi. This property as well as Council owned-land will enable mixed-used development of more than 5 000 housing opportunities. In La Motte, the National Department of Public Works is in the process of transferring the land to the municipality that would provide approximately 1 000 housing opportunities. In Jamestown, the provision of bulk services to the sites (Phase 2, 3 and 4) for the housing development have commenced. A procurement process has started to appoint a service provider to finalise the Bill of Quantities (BoQ) in order to conclude the appointment of an Implementing Agent. The original Call for Proposal for Erf 7001 , Cloetesville ("Soek-mekaar") has to be cancelled due to non-responsive bidders. A second Call for Proposal has been advertised and the closing date is 20 March 2020. In addition to La Motte, the National Department of Public Works is in the process of transferring Erf 64, Kylemore in favour of Stellenbosch Municipality. The municipality concluded with the land-owner of Langlands and the Provincial Department of Human Settlements a Tripartite Agreement. This will enable the Implementing Agent to immediately commence with the installation of civil -and electrical services. According to project programme submitted by the Implementing Agent, the installation of 144 services sites and 106 top structures will be completed during the 20/21 financial year. Phase 1 of Ida's Valley GAP houses is near completion and the Implementing Agent has also commenced with the subsidised houses. The development on Erf 11330</p>
			<p>The National Department of Human Settlements (NDoHS) submitted a communication dated 30 September 2020 to the Western Cape Government Department of Human Settlements stating that the current budget reductions require a re-think regarding the housing subsidy programme approach. According to the National Department of Human Settlements the delivery of top structures are considered fiscally unsustainable and the instruction is to rather prioritise the delivery of serviced sites.</p> <p>In accordance with the aims and objectives of the NDoHS and PDoHS, an assessment will be conducted to determine the impact of the reprioritisation of the Human Settlement Development Grant (Business Plan) on the future Housing Pipeline of Stellenbosch Municipality. It is therefore imperative that all current integrated housing development projects must take into consideration the new strategy as conveyed by the National Department of Human Settlements. The Housing Pipeline which will be tabled before Council during May 2021 will have to incorporate all the housing projects earmarked for the next 10 years, in a manner that</p>	

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STRATEGIC FOCUS AREA 4: DIGNIFIED LIVING					
Predetermined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
				<p>(Hillside Village) is earmarked to be completed by June 2020.</p> <p>LUPA application has been submitted to the Land Use Planning department and approved by MPT for the development of Zone O, Kayamandi. After the appeal period has lapsed, a tender process will be followed to appoint a service provider to commence with services and construction. A phase approached will be followed in order to implement this project. The appointed consultants for the Kayamandi Town Centre are continuing with preparatory work in order to submit a LUPA application to the Land Use Planning department. The consultants are in the process to finalise the necessary studies in order to acquire township establishment and to obtained Development Rights.</p>	<p>conforms to the latest policy directive of NDoHS and PDoHS.</p> <p>An inclusionary Housing policy is being developed to ensure the delivery of more affordable housing in strategic locations.</p> <p>The Integrated Housing Plan is in process to be aligned with the approved mSDF.</p>
	<p>2. Implement upgrading of informal settlements programme.</p>	<p>Serves as a priority project on the housing pipeline.</p> <p>Addressed through the housing pipeline.</p>		<p>The programme is linked to a housing projects that are on the housing pipeline such as the Zone O and Enkanini. Kayamandi, Mandela City in Klapmuts, Langrug in Franschhoek. The respective projects include the provision of basic services as well as rudimentary top structures in Klapmuts. These projects are ongoing, especially in instances where basic services are provided.</p>	<p>The programme is linked to housing projects that are on the housing pipeline. That Residents in Zone O, Enkanini, Kayamandi and Mandela City in Klapmuts have been relocated to the various TRA's as planned in the previous IDP cycles.</p> <p>The Langrug project in Franschhoek consists of 4 sequential stages, i.e. the development of Erf 3229, as a decanting site, the relocation of inhabitants of the dam in Langrug to Erf 3229, the rehabilitation of the Langrug dam area and the relocation of the original inhabitants of the Langrug dam area.</p> <p>The planning of Erf 3229 is at an advanced stage and is done concurrently with general upgrading in the Langrug area. These upgrading projects include the</p>



STRATEGIC FOCUS AREA 4: DIGNIFIED LIVING					
Predetermined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
					provision of basic services in accordance with the ISUP (Informal Settlement Upgrading Programme). These projects are ongoing.
	3. Integrated Residential development programme.	Addressed through the housing pipeline.		The implementation of the housing pipeline is linked to certain funding programmes of which Integrated Residential Development Programme (IRDP) particularly is earmarked to address subsidy – and GAP housing. The housing pipeline indicates which projects will be funded through the IRDP.	The implementation of the housing pipeline is linked to certain funding programmes of which Integrated Residential Development Programme (IRDP) in particular is earmarked to address subsidised development. This includes BNG, GAP and Social housing programmes and will be funded through the HSDG and ISUP. The housing pipeline indicates which projects will be funded through the DORA allocation.
	4. Social Housing programme.	Addressed through the housing pipeline.		Stellenbosch Municipality, was identified as one of the leader towns to promote Social Housing, requested the Provincial Department of Human Settlements and the Social Housing Regulatory Authority (SHRA) for funding to do the necessary feasibility studies in the approved restructuring zone. On the 7th of June 2019, a service provider was appointed by SHRA to carry out feasibility studies to determine the potential for Social Housing project development on three sites located within the Stellenbosch Municipality. Council has now approved that the administration may invite competent Social Housing Institutions (SHI's) or Other Development Agencies (ODA's) to implement Social Housing developments.	As an identified leader town with respect to in Social Housing, Stellenbosch Municipality was selected by the SHRA (Social Housing Regulatory Authority) for its Municipal Support Programme. This programme will enable the municipality to progressively address the need for safe and affordable rental accommodation for families earning between R1 500 to R15 000 per month. In terms of its Social Housing Initiatives, Council approved Erf 81/2 and Erf 81/9, Stellenbosch situated on the R304 as the first Social Housing project. In this regard a Call for Proposal to appoint a suitable Social Housing Institution (SHIs) and / or Other Development Agency (ODA's)

STRATEGIC FOCUS AREA 4: DIGNIFIED LIVING					
Predetermined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
4.2 To develop and implement a social infrastructure master plan for the upgrading and maintenance of social facilities in all wards.	<ol style="list-style-type: none"> 1. Identify and map all current social infrastructure. 2. Identify and upgrade facilities for multi-purpose usage. 3. Identify areas to establish new facilities for sport and recreation facilities. 				<p>is currently being prepared for advertisement.</p> <p>An inclusionary housing policy is being drafted to ensure more affordable housing opportunities in areas closer to employment opportunities.</p>
		Addressed through the housing pipeline.		The funding source for Community Residential Units (CRUs) has been incorporated into the allocation of funds to the Social Housing Regulatory Authority (SHRA) hence all CRU funding will be deemed part of Social Housing development.	The funding source for Community Residential Units (CRUs) has been incorporated into the allocation of funds to the Social Housing Regulatory Authority (SHRA) hence all CRU funding will be deemed part of Social Housing developments.
		The mapping of the infrastructure by the Department Community Service has been completed in 2017/18.			The mapping of the infrastructure document has been revised during 2021.
4.3 To involve and build the capacity of stakeholders in the planning and management (governance) of the areas where they live. (Promote participatory planning and	<ol style="list-style-type: none"> 1. Conduct community meetings. 	This is in progress.	Currently in the process of upgrading facilities.	Various tenders are in place for the upgrading of community halls.	Two of the main halls, namely Ekstad and Stellenbosch Town Hall has been upgraded.
		In progress.	The Directorate: Community and Protection Services is busy identifying an area to construct a splash pad in Kayamandi.	No suitable site could be found in Kayamandi. The department is still investigating other possible sites.	No site could be identified to construct recreational facilities like a Waterpark.
		General Community meetings facilitated by the Ward Councillor take place on a regular basis in addition to the IDP community meetings.	Community meetings are being facilitated by the Ward Councillor and takes place on a regular basis. This is in addition to the IDP community meetings scheduled for April and September each year.	Community meetings are being facilitated by the Ward Councillor and takes place on a regular basis. This is in addition to the IDP community meetings scheduled for April and September each year. Due to the current COVID-19 pandemic, a hybrid model of public participation is being implemented by the municipality. Public meetings	Community meetings are being facilitated by the Ward Councillor and takes place on a regular basis. This is in addition to the IDP community meetings scheduled for April and September each year. Due to the current COVID-19 pandemic, a hybrid model of public participation is being implemented by the municipality. Public meetings

STRATEGIC FOCUS AREA 4: DIGNIFIED LIVING					
Predefined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
Integrated implementation)					are held online via MS Teams with selected venues made available in communities with challenges to access data and other ICT infrastructure and hardware.
	2. Conduct Project Steering Committee meetings.	Stakeholder engagements are held on a continuous basis to inform beneficiaries and interested parties of progress in terms of Project deliverables and also unpack legislation with regards to project planning.	Housing officials attend community meetings on invitation by Councilors to share information on the National Housing Code and Beneficiary Selection Processes.	5 Community Meetings held in Ida's Valley, New Watergang TRA (Kayamandi) and Longlands.	Community meetings were held in Ida's Valley and Longlands in order to inform the potential beneficiaries on the progress in terms of Project deliverables and enable the election of Beneficiary committee members (Longlands).
	3. Conduct beneficiary community meetings.	Beneficiary meetings are held and beneficiary committees elected for continuous engagement and to keep potential beneficiaries for a project informed of progress. This promotes transparency and fairness and limits any negative human interference in terms of beneficiary selection.	General community meetings are also held as part of information sharing even for those who are still on the Housing Demand Database so that they are aware of future planned projects and available different housing subsidy instruments available as state intervention towards provision of housing opportunities.	6 Beneficiary meetings held in Ida's Valley and Longlands Housing Projects.	Beneficiary administration processes were undertaken in Ida's Valley, Longlands and for the TRA's in Klipmuts. Beneficiary committees were elected in Ida's Valley and Longlands and social compacts signed. Regular interactions with these beneficiary committees have enabled fluent implementation and initiation processes in these projects. Outreaches have also been undertaken to potential beneficiaries living with disabilities on farms on an individual basis, taking government services to them.
	4. Housing consumer education sessions.	Relevant departments host meetings.	In progress.	3 Title Deeds Restoration Programmes Workshops. 2 Temporary Residential Area Workshops. 2 Beneficiary Administration Workshops in preparation for subsidy applications for New Housing. 2 Public Rental Stock dealing with Anti-Social Issues.	Consumer Education was undertaken on an individual basis and with strict COVID-19 protocols in respect of all Title Deed handovers (52), TRA (rental stock) recipients and RDP houses handed over (105 individuals). In Pniel, an almost 30-year quest for homeownership

STRATEGIC FOCUS AREA 4: DIGNIFIED LIVING					
Predetermined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
4.4 To provide access to basic services for households in the WC024 area.					culminated in the handover of 16 Title Deeds to their respective owners by the Western Cape Minister of Human Settlements, Tertius Simmers, along with Executive Mayor, Advocate Gesie van Deventer. Continuous Consumer Education of tenants in the public rental stock units, addressing anti-social issues, was undertaken on an individual basis.
	1. Implement the access to basic services programme Provision of communal water points.	All the formal households in urban areas of the municipality are provided with water connections and waterborne sanitation facilities inside the houses (higher level of service). Communal standpipes and ablution facilities are provided in the informal areas as a temporary emergency service.	Water connections installed in terms of needs identified and available funding.	Water connections installed in terms of needs identified and available funding.	Water provision in terms of Basic Service standards. One tap for every 25 families. To be brought as close as possible to families as landscaping allows.
	2. Provision of communal ablution facilities.	All the formal households in urban areas of the municipality are provided with water connections and waterborne sanitation facilities inside the houses (higher level of service). Communal standpipes and ablution facilities are provided in the informal areas as a temporary emergency service.	Sanitation facilities installed in terms of needs identified and available funding.	Sanitation facilities installed in terms of needs identified and available funding.	Standard of one toilet per 5 families used and implemented. Servicing of ablution facilities augmented. Cubicle material used which are more vandalism protected.



STRATEGIC FOCUS AREA 4: DIGNIFIED LIVING					
Predetermined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
	3. Provision of chemical toilets.	Complete where the need was identified.	Sanitation facilities installed in terms of needs identified and available funding.	Sanitation facilities installed in terms of needs identified and available funding.	Only used in emergency cases. During COVID-19 a large amount supplied to destitute families.
	4. Provision of basic waste removal services.	In progress.	Weekly waste removal services in place.	Weekly waste removal services are in place. Daily refuse collection from skips in informal areas also in place.	Teams launched to provide a bag-for-a-bag service to informal settlements to prevent the uncontrolled waste generation.

5.10.1.5 SFA 5: Good Governance and Compliance

Table 42: SFA 5- Strategy Unpacked

STRATEGIC FOCUS AREA 5: GOOD GOVERNANCE AND COMPLIANCE					
Predefined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
5.1 To develop, align and implement effective Management Information Systems.	1. Align and integrate current Management Information systems.	There is a continuous alignment of ICT Services and Systems with the strategic goals and objectives of the municipality, as well as statements of direction from National Government and the Western Cape Provincial Government.	The alignment of the ICT services is ongoing due to the rapid change in the ICT environment. It is in line with the strategic goals of the municipality, the Western Cape Provincial Government and National government.	The alignment of the ICT services is ongoing due to the rapid change in the ICT environment. It is in line with the strategic goals of the municipality, the Western Cape Provincial Government and National government.	A system integration business case documentation was circulated to all Directorates for comments and inputs. Subsequently, the office of the CFO conducted sessions to analyse the current municipal systems landscape in line with the 15 MSCOA business processes. An item will be submitted to Council to make recommendations not to procure a new ERP system, but rather to concentrate on integration of current system and to eliminate duplication. A Final System Decision was made on the ICT Steering Committee of 02 December 2020 that SAMRAS Financial System was identified as the core system for the Stellenbosch Municipality. An e-Procurement module has been implemented and rolled out with ongoing training of users. SAMRAS has been requested to present their 5-year implementation roadmap of system modules in line with the MSCOA 15 business processes.
	2. Implement MSCOA requirements on Information Systems.	In consultation with the Legal Department, the ICT Department is in the process to develop a customised Main Agreement for all ICT related services and systems that are fully compliant with all regulatory requirements as per the MFMA and all relevant Auditor General requirements when contracting with external service providers for ICT related services and systems.	A Main Agreement for all ICT related services went for legal advice and has been signed with relevant service providers.	All financial systems are aligned to the MSCOA requirements.	All financial systems are aligned to the MSCOA requirements.



STRATEGIC FOCUS AREA 5: GOOD GOVERNANCE AND COMPLIANCE

Predetermined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
5.2 An effective asset management system to optimise the use of Municipal assets.	1. Update and implement the Asset Management Policy.	Is currently in place and implemented.	The Asset Management Policy is in place and will be reviewed with the draft budget 2019/20.	The Asset Management Policy is in place and will be reviewed with the Medium Revenue and Expenditure Framework (Budget).	The Asset Management Policy is in place and was reviewed with the Medium Revenue and Expenditure Framework (Budget).
	2. Establish an Asset Management Section as part of the organisational structure.	A new organisational structure has been approved on 21 September 2017 for implementation 1 July 2018 for optimal use of human resources.	The Section is on the organisational structure and will be finalised with the placement process.	Placement process for the Asset Management Section is finalised. The funded vacancies in the Asset Management Section will be filled in the 2020/21 financial year.	The Asset Management Section is established and the placement process is finalised. The critical vacancies will be filled during the 2021/22 financial year.
5.3 To manage integrated development planning and the efficient measurement of predetermined objectives as per regulatory framework.	1. Implement the performance management plan.	Is currently in place and implemented in line with the performance management policy currently up for review in May 2018.	The individual performance management policy is in place and will be reviewed for submission with the budget related policies during May 2019.	The adopted revised Performance Management Policy is being implemented.	The Revised Performance Management Policy was adopted by Council on 30 September 2020 and is being implemented.
5.4 To involve the community in the planning and management of programmes and projects impacting their ward(s).	1. Improve ward planning by the introduction of geo-mapping to Ward Committees.	In the process of rolling out to the Ward Committees. CP3 system provides a platform to position and display projects spatially, providing sufficient detail around the project. The process is currently being used administratively and will be shared within the wards after the budget has been approved.	The service provider has been approved for a three-year period. A 10 year budget forecast is in place and will be reviewed on an annual basis.	The service provider has been approved for a three-year period. A 10 year budget forecast is in place and will be reviewed on an annual basis.	
5.5 To review municipal governance processes as per the Risk Based Audit Plan	1. Implement and monitor actions listed in the relevant risk based audit plan on an annual basis.	The audit committee reviews the relevant risk based audit plan.	The Risk Based Audit Plan has been reviewed and updates are done quarterly for attention of the audit committee.	The Risk Based Audit Plan has been reviewed and updates are done quarterly for attention of the audit committee.	The Risk Based Audit Plan has been revised taking into consideration COVID-19 compliance and emerging risk. The Combined Assurance Framework has also been drafted and submitted to the Audit and Performance Audit Committee.



STRATEGIC FOCUS AREA 5: GOOD GOVERNANCE AND COMPLIANCE					
Predetermined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
5.6 A skilled and capable workforce that supports the growth objectives of the municipal area	1. Organisational design.	A new organisational structure has been approved on 21 September 2017 for implementation 1 July 2018 for optimal use of human resources.	The placement process is due for completion by the 31 March 2019.	A further review of the structure was approved in February 2019. Placement process completed. 10 employees remaining in the "pool".	A review of the structure is due in 2021 due to operational requirements.
	2. Implement the Workplace Skills Plan.	Workplace skills plan is drawn up and implemented on annual basis.	Workplace skills plan is drawn up and implemented on annual basis.	Workplace skills plan is drawn up and implemented on annual basis.	Workplace skills plan is drawn up and implemented on annual basis.
5.7 A responsive, accountable, effective and efficient local government system	1. Regular compliance reporting to Council committees and other relevant oversight bodies.	Reporting back to Council on a quarterly, bi-annually as well as on an annual basis on the performance of the municipality.	The mSCOA version 6.2 has been implemented and quarterly reporting occurs.	Quarterly and Mid-yearly financial and non-financial performance reports submitted to Council and APAC. The Draft and Final Annual Report 2018/19 served before MPAC.	Quarterly and Mid-yearly financial and non-financial performance reports submitted to Council and APAC. The Draft and Final Annual Report 2019/20 served before MPAC and was approved without any significant changes.
	1. Organisational restructuring to improve revenue management.	A new organisational structure has been approved on 21 September 2017 for implementation 1 July 2018 for optimal use of human resources.	The placement process is due for completion by the 31 March 2019.	Placement process is finalised. The funded vacancies in the Revenue Section will be filled in the 2020/21 financial year.	The placement process is finalised and a number of critical vacancies were filled during the financial year.
5.8 To implement an effective revenue management system.	2. Effective billing systems.	An effective billing system is in place as a key revenue raising strategy.	An effective billing system is in place and reporting occurs on a monthly basis as a key revenue raising strategy.	An effective billing system is in place and reporting occurs on a monthly basis as a key revenue raising strategy.	An effective billing system is in place and reporting occurs on a monthly basis as a key revenue raising strategy.
	3. Effective credit control and debt collection processes.	Addressed through the Credit Control and Debt Collection Policy.	Effective credit control and debt collection processes are followed on a daily basis.	Effective credit control and debt collection processes are followed on a daily basis.	Effective credit control and debt collection processes are in place. The Debt Review Committee was established during the 2020/21 financial year.
5.9 To provide accurate and relevant financial information for decision making.	1. Implement the Municipal Standard Chart of Accounts.	mSCOA was implemented as of 1 July 2017.	The mSCOA version 6.2 has been implemented and monthly and quarterly reporting occurs.	The mSCOA version 6.3 has been implemented. Monthly and quarterly reporting are done in mSCOA version 6.3.	The mSCOA version 6.4 has been implemented. Monthly and quarterly reporting are done in mSCOA version 6.4.



STRATEGIC FOCUS AREA 5: GOOD GOVERNANCE AND COMPLIANCE					
Predetermined Objectives	Programmes for the next 5 Years	Progress Year 1 2017/18	Progress Year 2 2018/19	Progress Year 3 2019/20	2020/21
5.10 To develop and implement a responsive, accountable, effective and efficient customer care structure and system.	1. Organisational restructuring to implement a centralised and integrated customer care system.	A new organisational structure has been approved on 21 September 2017 for implementation 1 July 2018 for optimal use of human resources.	<p>A draft Customer Care framework is developed. The Customer Care Unit that was established by Council will be staffed at least partially by 30 June 2018.</p> <p>The municipality is in the process of procurement of an electronic system to deal with customer care queries organisational wide.</p>	The Medium Term Revenue and Expenditure Framework will be prepared in mSCOA version 6.4.1.	The Medium Term Revenue and Expenditure Framework will be prepared in mSCOA version 6.5.
				<p>After presentation to the Executive Committee an item served before Council and it was resolved to us the customer care module the GIS system that will also be able to do asset management. A Steering Committee was established on the 4th March 2020 to assists with the implementation of a pilot project on customer care.</p>	<p>The Customer Care Interface implementation actively commenced in July 2020, where the 1st pilot department was consulted. The implementation of the 1st pilot started with the Department Urban Greening. The teething problem with the 1st pilot was resolved in December 2020 which allowed us to continue with further departments.</p> <p>In January 2021 the 2nd phase of the pilot commenced, which included the whole Directorate: Infrastructure Services. The Directorate handles the bulk of complains as they are responsible for the most of the core services to residents. The teething problems in this department were dealt with much quicker.</p> <p>In February 2021, an engagement with the balance of the municipality was held which included Financial Services, the Directorate Planning and Economic Development and the Directorate: Community and Protection Services.</p> <p>In March 2021 a communication strategy will be implemented to make the public aware of the launch of the new Customer Care Interface deployed by the municipality to address all citizen enquiries or complaints.</p> <p>The Directorate: Corporate Services envisaged the Customer Care Interface to reach full (internal and external customer engagement) implementation in April 2021.</p>



CHAPTER 6

Public Expression of Needs (Community Participation)

6.1 Effective Community Participation

Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) requires of municipalities to maintain a culture of community participation. According to Section 16(1)(a)(i) of the MSA, "A municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose encourage, and create conditions for, the local community to participate in the affairs of the municipality, including in the preparation, implementation and review of its integrated development plan in terms of Chapter 5". It is therefore essential to have effective public participation structures in place.

The SDF, IDP, Budget, Sector Plans as well as major municipal policies, by-laws and decisions should be engaged in order to ensure that they are designed and implemented for and with the community. This also adds to the credibility of the needs reflected in the IDP, the Budget calculated in addressing these needs and the SDBIP drafted in implementing programmes and projects which reflects the communities' needs.

In the spirit of the commitment made by the municipality's Executive Mayor (Cllr Adv Gesie van Deventer) and our Municipal Manager (Ms Geraldine Mettler) to undergo intensive public participation, ward based meetings were held with each ward throughout the Stellenbosch Municipal area. We are therefore confident that this goal was accomplished.

The growing trend of mature and constructive discussions from the public, the level of complexity and the investment made in understanding the municipality's business is encouraging. The direct participation and involvement of the Ward Councillors and Ward Committees in the identification of ward based priorities and their involvement in the ward meetings has added great value to the maturity and quality of the discussions between the public and the municipality. Ward Councillors are a critical link in connecting the municipality with the public. As members in Council, and recipients of all the decisions taken by Council, it positions Councillors strategically to ensure that the municipality not only understand the needs of the community better, but also to provide the public with honest and accurate feedback of the municipality's initiatives. These endeavours are supported by well-functioning Ward Committees. This municipality has the benefit of very experienced politicians which has facilitated a very strong connection between the public and the administration. Councillors are however encouraged to always adhere to the code of ethics for Councillors and to always act with the utmost integrity and accountability toward their constituents and the municipality, as this is the only way in which to form a responsible local government.

Public participation takes place through various means and is often tailored to suit a specific audience or community. Importantly, communities from different socio-economic backgrounds use different platforms to communicate. It is important to cater for all scenarios and to utilise all available platforms

to its optimum potential, given that a certain degree of apathy exists in certain communities.

The maturity of the public participation process has achieved new heights from both the community members and the administration. All of the municipality's directors, strategic and service delivery managers were part and parcel of each of the public sessions allowing for direct feedback on some of the key issues raised. Further feedback will be provided on the comments captured in sessions. To ensure that the public participation process is a two-way process, all comments have been carefully reviewed.

6.2 Public Participation in the Review Process

Individual ward meetings were held in October / November 2020 to determine the needs of the community that need to be addressed to improve the quality of life of residents in the greater Stellenbosch Municipal area. At these meetings feedback was provided on Ward Priorities and to report on initiatives underway.

Information about the schedule of IDP Public Engagement Meetings in October / November 2020 were communicated both internally and externally. Internal communication was sent to management, Councillors, the Executive Mayoral Committee, Council and all officials within the municipality. External communication about the meetings taking place was done through advertising in the main local newspaper as well as the community newspaper distributed free of charge. The schedule and advertisement were also published on the municipality's official website, social media (WhatsApp, Facebook and Twitter), the **Stellenbosch Citizen App** and SMS cellular phone messaging. Notifications sent out were online, via social media and SMS. Reminders were also published on a continuous basis to keep reminding the public to submit their inputs. In addition, thereto, the municipality provided transport to members of the public who wished to attend the public engagements.

The following **public participation** and **Ward Committee programme** gives effect to the review process of the 2021/22 Integrated Development Plan and Budget:

Table 43: Public Participation Engagement Programme

Type of Engagement	Purpose of Meeting	Number of Meetings Held	Timeframes
Online Public Participation Meetings	Platform to provide feedback and obtain public input for the 2021/22 IDP review process.	18	26 October - 04 November 2020
Meetings for the revision (updating) of Ward Priorities	Review and update of Ward Priorities.	19	18 November 2020 - 03 December 2020
IDP Stakeholder Engagement	Stakeholder engagement to be held in April 2021 on a themed structure to gather focused input from the various interest groups on the 2021/22 Draft IDP and Budget.	1	April 2021
Online Public Participation Meetings	Platform to provide feedback and obtain public input for the 2021/22 IDP review process.	22	April 2021

6.3 IDP Public Participation Meetings – October / November 2020

The aim of these public engagements is to provide each ward an opportunity to engage with the municipality with regard to the strategic plan, Ward Priorities and specific initiatives planned for the greater Stellenbosch and wards specifically.



On 15 March 2020, President Cyril Ramaphosa declared a “national state of disaster” as a result of the COVID-19 pandemic followed by a national lockdown for 21 days effective from Thursday 26 March 2020 until 16 April 2020. In support to this, Minister Nkosazana Dlamini Zuma issued the COVID-19 Directives in terms of section 27 of the Disaster Management Act, 2002 (Act No. 57 of 2002) on 25 March 2020, amended on 30 March 2020 and 2 April 2020 with directives to various institutions to curb the spread of COVID-19.

As part of the declaration of a disaster and the lockdown conditions, a number of restrictions has been placed on citizens, with direct impact on large gatherings and meetings. One of the major decisions taken by Cabinet include, a ban on gatherings of 100 people or more. Further to this, the Minister of Cooperative Governance and Traditional Affairs issued directives in directive 6.7.3 (b) to “not convene any meetings, including the IDP community and consultation processes and the consideration and passing of budgets, during the initial 21 Day Lockdown” (Directives of 30 March 2020).

Gatherings and meetings are the traditional form of interacting with communities for purposes of public participation, which was prohibited for duration of the lockdown. Municipalities were directed to “instead of convening contact meetings, develop electronic and alternative methods of consultation ... for municipal governance planning and budgeting processes” in terms of directive 6.7.2 (b) of the Minister’s Directives.

It is for this reason that Stellenbosch Municipality's approach has been adjusted with regards to public participation processes for October / November 2020 in order to respond appropriately to the health threat posed by COVID-19. This included actively encouraging alternative means of communication with the public that mitigated the risk of exposure and spread of the virus by utilising online and local media platforms to facilitate public comment. Stellenbosch Municipality remained vested and facilitated two-way communication as far as reasonably possible during the lockdown period. The different means of communication with communities included:

- 🌸 Notifications and inputs were published and received online, via social media and SMS. Reminders were also published on a continuous basis to keep reminding the public to submit their inputs;
- 🌸 Inputs of stakeholders and residents regarding public participation were received via **email** at idp@stellenbosch.gov.za; and via **WhatsApp at 067 427 1556**.
- 🌸 Notifications via email to stakeholders and residents regarding the public participation period for public comment and extension of public participation period;
- 🌸 Posting of all relevant documents to be viewed on line via the municipal website;
- 🌸 The **Stellenbosch Citizen App** was launched during May 2020 and is available from the Google Play Store;
- 🌸 An IDP and Budget Public Participation Presentation with community feedback per portfolio was sent via email to stakeholders and residents and published on the municipality's website and mobile app;
- 🌸 Public Participation meetings were also held on MS Teams to allow residents and stakeholders to participate in the meetings; and
- 🌸 There were satellite venues per ward with officials to assist with sanitising, scanning temperatures, and ensuring social distancing within the venue.

The public engagements took place in the afternoon and evenings, at 15:00 and 19:00, and were chaired by a municipal official. Minutes of all these meetings were noted and audio recordings serve to verify the content of the minutes.



Table 44: Public Participation Engagement

IDP Public Engagements 26 October – November 2020 @ 15:00 and 19:00			Number of Participants	
Wards	Venue	Date and Time	Oct / Nov 2020	
			Venue	Online
1 – Cllr AR Frazenburg	Groendal Community Hall	Monday, 26 October 2020 19:00	24	36
2 – Cllr WC Petersen	La Motte Community Hall	Monday, 26 October 2020 19:00	19	
3 – Cllr C Manuel	Wemmershoek Community Hall	Monday, 26 October 2020 19:00	17	
4 – Cllr MC Johnson	Pniel Community Hall and Kylemore Community Hall	Monday, 26 October 2020 19:00	17	
5 – Cllr DD Joubert	Gratitude Park, Ida's Valley (Kreefgat Park) (weather permitted. Alternatively, Ida's Valley Sport Grounds)	Tuesday, 27 October 2020 19:00	27	39
6 – Cllr NE Combring	Idas's Valley Market (weather permitted. Alternatively, Ida's Valley Sport Grounds)	Tuesday, 27 October 2020 19:00	13	
7 – Cllr AJN Hanekom 8 – Cllr Q Smit 9 – Cllr Z Dalling 10 – Cllr R Du Toit 11 – Cllr JP Serdyn 22 – Cllr E Groenewald	Stellenbosch Town Hall (Plein Street)	Wednesday, 28 October 2020 19:00	24	79
12 – Cllr N Mananga-Gugushe 15 – Cllr N Sinkinya	Kayamandi Legacy Hall	Thursday, 29 October 2020 15:00	18	3
13 – Cllr FT Bangani-Menziwa	Kayamandi Corridor	Thursday, 29 October 2020 19:00	24	
14 – Cllr P Sitshoti	Kayamandi Community Hall	Thursday, 29 October 2020 15:00	21	
16 – Cllr E Vermeulen	Breughel Theatre Hall Cloetesville	Monday, 02 November 2020 19:00	22	37
17 – Cllr PW Biscombe	Cloetesville Sport Grounds	Monday, 02 November 2020 19:00	45	



IDP Public Engagements 26 October – November 2020 @ 15:00 and 19:00			Number of Participants	
Wards	Venue	Date and Time	Oct / Nov 2020	
			Venue	Online
18 – Cllr E Fredericks	Klapmuts Multipurpose Centre	Tuesday, 03 November 2020 19:00	33	25
19 – Cllr JK Hendriks	Bottelary Tennis Club	Tuesday, 03 November 2020 19:00	16	
20 – Cllr A Crombie	Vlottenburg Methodist Church	Wednesday, 04 November 2020 19:00	3	20
21 – Cllr FJ Badenhorst	Clubhouse – Jamestown Sport Grounds	Wednesday, 04 November 2020 19:00	3	

The graphs below illustrate the comparison of community attendance at the October / November 2020 public participation engagements.

Figure 35: Physical attendance for IDP Public Participation

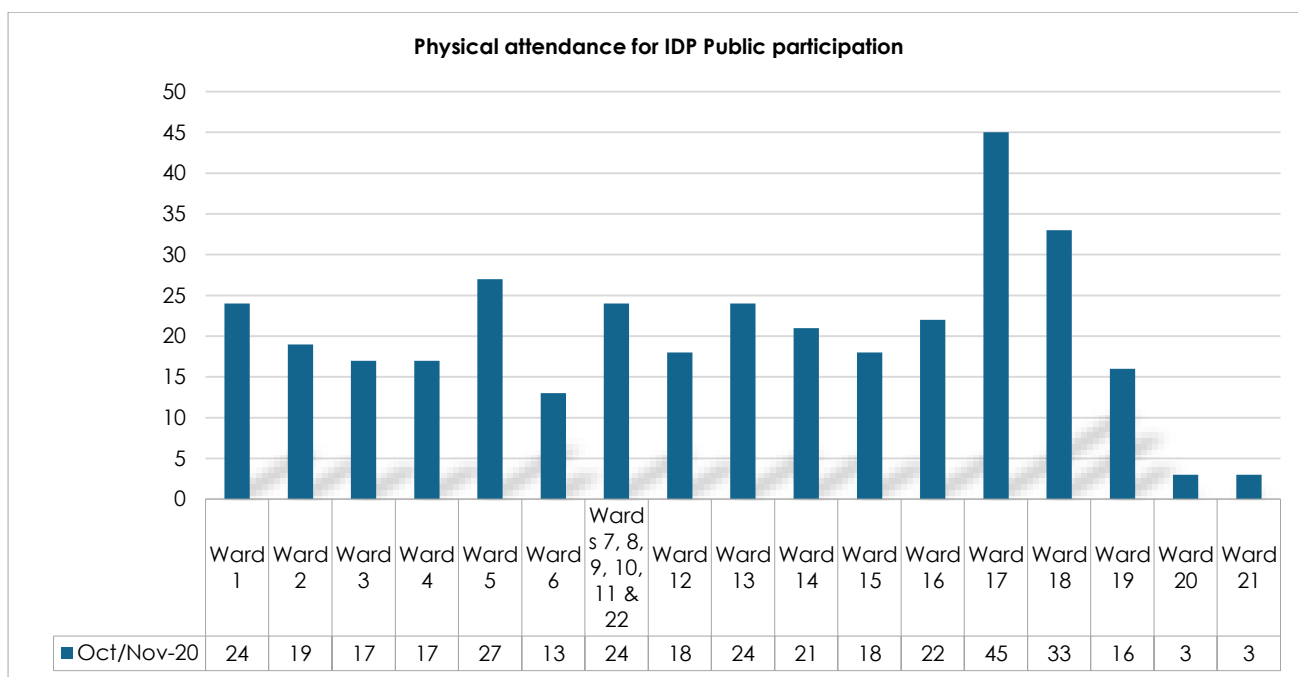




Figure 36: Online Public Participation Engagement

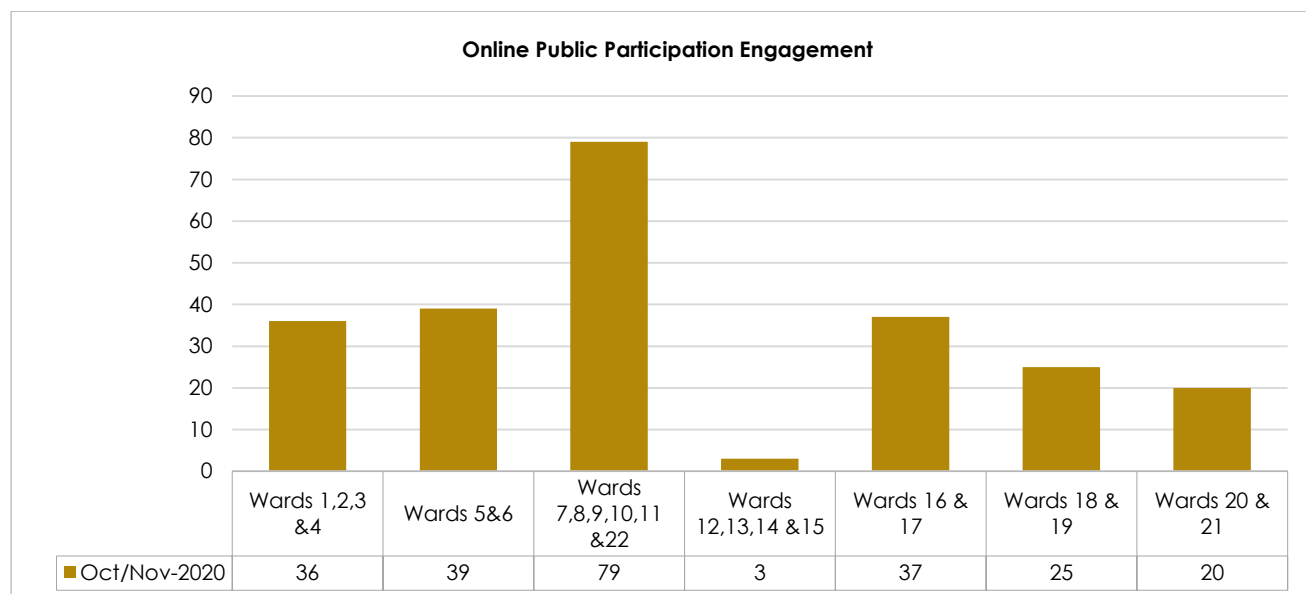


Figure 37: Oct/Nov-2020 Physical vs Online Attendance

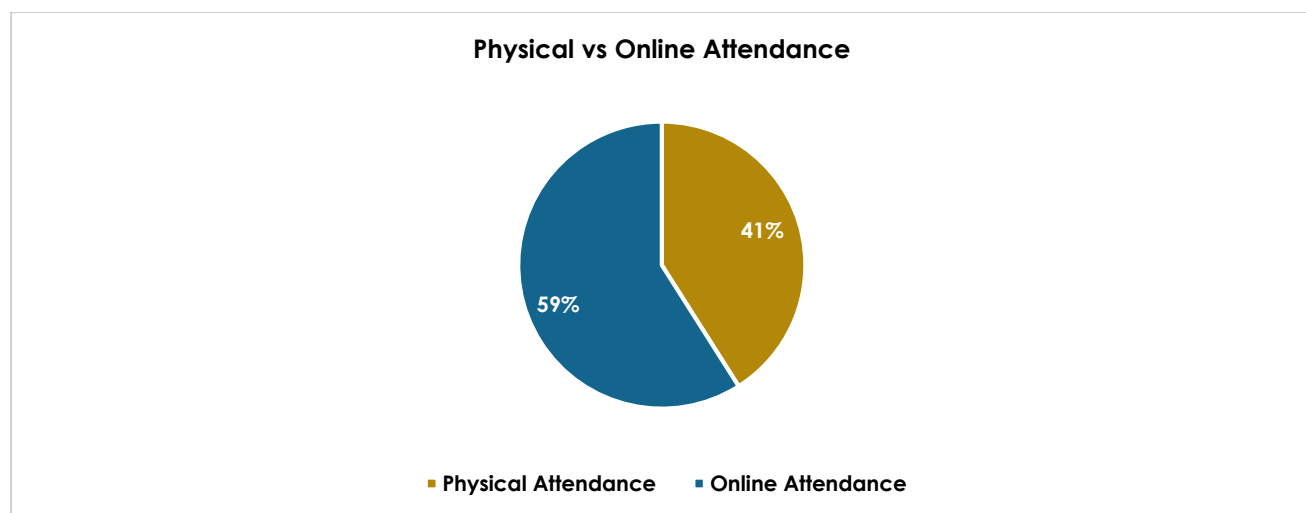
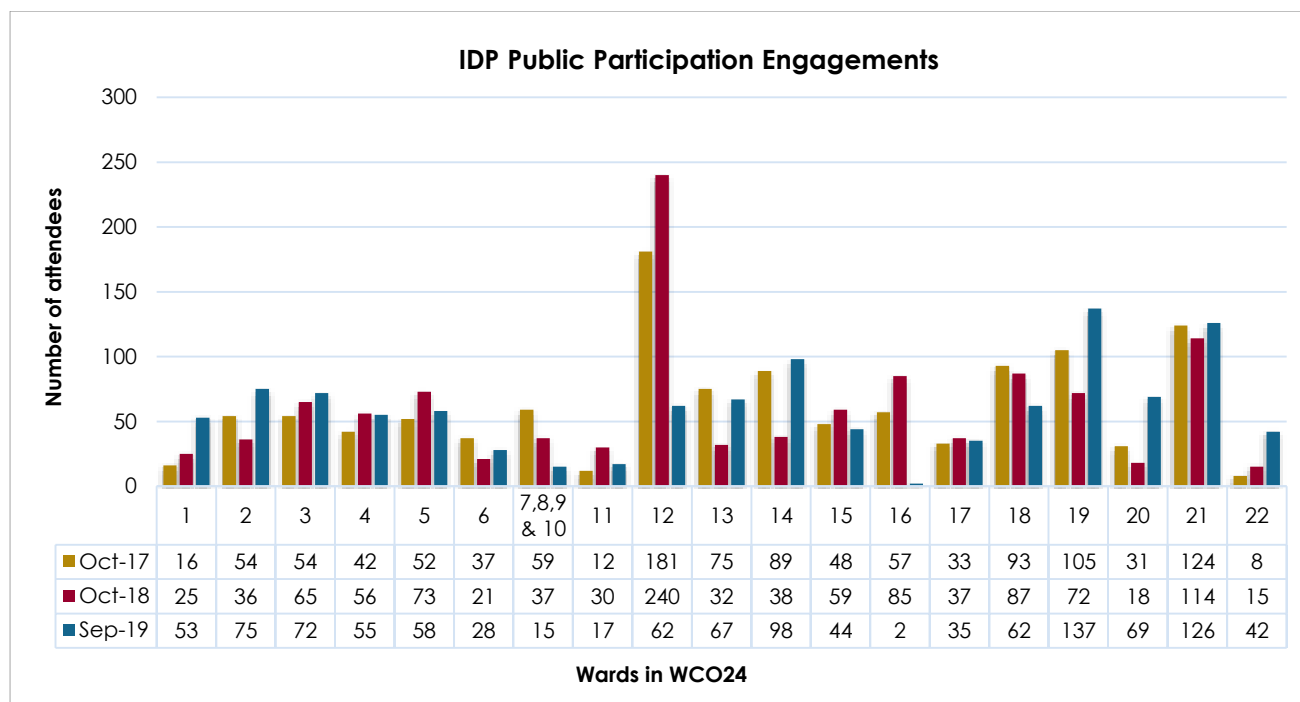


Figure 38: Comparative Analysis of Community Attendance (year-on-year)



6.3.1 Meetings for the Revision (updating) of Ward Plans

These engagements were conducted with the Ward Councillors and Ward Committee members to assess and ensure that they agree with their priorities. Where priorities have been concluded, new priorities may be selected by the Ward Committees who are the legislated representative structure of the community. The Ward Priorities must be signed off by the ward councillor and then updated on the ward plan.

The role of departments before and during the ward plan process was to provide inputs and comments on the progress and status of Ward Priorities per ward. Progress on Ward Priorities will be shared with the Ward Councillors and Ward Committee members for them to monitor the 2021/22 Ward Priorities for inclusion in the Budget.

The following meetings were held for the revision of Ward Plans.

Table 45: Ward Plan Review Meetings

Wards	Venue	Date and Time
1 – Cllr AR Frazenburg 2 – Cllr WC Petersen	Wemmershoek Community Hall (Wemmershoek)	Wednesday, 18 November 2020 18:30
7 – Cllr AJN Hanekom 8 – Cllr Q Smit 9 – Cllr Z Dalling 10 – Cllr R Du Toit 11 – Cllr JP Serdyn	Stellenbosch Town Hall (Plein Street)	Wednesday, 18 November 2020 18:30
13 – Cllr FT Bangani - Menziwa 14 – Cllr P Sitshoti 15 – Cllr N Sinkinya	Kayamandi Legacy Hall	Thursday, 19 November 2020 18:00
16 – Cllr E Vermeulen 17 – Cllr PW Biscombe	Cloeteville Sport Grounds	Thursday, 19 November 2020 18:30



Wards	Venue	Date and Time
18 – Cllr E Fredericks 19 – Cllr JK Hendriks	Bottelary Tennis Court	Thursday, 19 November 2020 18:30
12 – Cllr N Mananga - Gugushe	Kayamandi Corridor Hall	Tuesday, 24 November 2020 17:30
11 – Cllr JP Serdyn	Skype online	Tuesday, 24 November 2020 19:00
5 – Cllr DD Joubert	Ward 5: Ward Office (Ida's Valley Sportsground)	Tuesday, 24 November 2020 18:00
20 – Cllr A Crombie	Vineyard Fellowship Church Vlottenberg	Thursday, 26 November 2020 18:30
9 – Cllr Z Dalling	MS Teams (online)	Tuesday, 01 December 2020 18:00
10 – Cllr R Du Toit	Ward Office LAP Land	Tuesday, 01 December 2020 19:00
21 – Cllr FJ Badenhorst	MS Teams (online)	Tuesday, 01 December 2020 18:30
6 – Cllr NE Mcombring	Ida's Valley, Library Hall, Rustenburg Road	Monday, 02 December 2020 18:00
3 – Cllr C Manuel	Online	Monday, 02 December 2020 18:00
4 – Cllr M Johnson	Ward Office - Pniel	Tuesday, 03 December 2020 19:00
22 – Cllr E Groenewald	Online	Tuesday, 03 December 2020 19:00

6.4 Feedback to Comments Received as part of the Public Participation Process- Oct / Nov 2020

As this Fourth Draft IDP Review process was conducted, South Africans were confronted by a nationwide lockdown limiting most movement and confining South Africans to their homes and forcing businesses to close. The fast response to COVID-19 pandemic and ensuing lockdown was at the time aimed at flattening the curve by reducing the rate of infections. Level 1 of this lockdown was restrictive with measures implemented to contain the spread of the virus. Only limited numbers were allowed in public meetings, social gatherings as means of enforcing the lockdown regulations.

The lockdown from 27 March affected public participation period on the Fourth Review of IDP. Whereas the municipality would have engaged in various forms of public meetings to provide the public the opportunity to share their views and inputs with the municipality, the municipality were confined to online platforms, written comments and limited number of participants in public meeting venues.



In spite of the limitations faced by the lockdown and social distancing in all gatherings and meetings, we remain committed to ensuring that the public participation process is a two-process. We will once again as in previous years make sure that all comments are reviewed with responses provided from the respective departments responsible for different areas of service delivery.

The public comments received from the engagement with the public and with the respective Ward Committees over October and November 2020 were captured and carefully considered by each department. These considerations formed part of the strategic conversations of each directorate in the determination of their strategic approach and budgetary requirements for the year under review and the upcoming medium-term revenue and expenditure framework (2021/22 MTREF). With this we want to put your minds at ease that the IDP and MTREF Budget as tabled this year, is not devoid of the public needs as identified by the community members, businesses, interested parties and key stakeholders.

6.5 Ward Priorities per Ward

The table below includes the updated Ward Priorities listed by each Ward Committee in October 2019.

The analysis in this section is based on the following rating system:

	Ward Priority / Project completed.
	Ward Priority / Project in progress.
	Not completed / No budget available / District Function / Provincial Function

Table 46: Ward Priorities- Ward 1

Ward 1				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/19	Ward Priorities for 2019/20	Rating 2019/20
 Cllr Aldridge Frazenburg (Franschhoek)	Priority 1: Planning and Development – Upgrading of the existing Mooiwater Building for a multi-purpose centre and 24 hour clinic.		Priority 1: Planning and development of the Mooiwater Building for a multi – purpose centre.	
	Priority 2: General traffic, pedestrian safety/ traffic management and security cameras.		Priority 2: General traffic and safety Circles on the R45. Installations of speed cameras. Reduce speed limits on the R45 and Franschhoek pass. Safety on R45.	
	Priority 3: Transport – Bus service to Paarl and Stellenbosch.		CCTV cameras at various hotspots in Ward 1.	
	Priority 4: Beautification of entrance ward 1 – eco-friendly, management of rivers, dams etc. (Mooiwater dam study).		Priority 3: Transportation: Bus/ Taxi service to Stellenbosch and Paarl.	
			Priority 4: Mooiwater dam: Zoned as a Sports Area (2 soccer field facilities to be built by the municipality).	
			Priority 5: Housing: Land need to be identified for housing.	
	Ward Priorities for 2020/2021	Activity		Rating 2020/21
	Priority 1: Housing  Land for GAP, Social and Medium housing at Vietman area and Robertsvlei.  Housing needs of backyarders dwellers.	Mooiwater: Service providers have been appointed to undertake a Geotech study required in order to make application in terms of the relevant legislation for the development of Erf 3229. To date a draft subdivision plan has been developed and will be finalised once the possible environmental impacts on the site have been mitigated. La Motte: Discussion is currently taking place between the Stellenbosch Municipality and the Housing Development Agency (HDA) to assist with the transfer of land from the National Department of Public Works (NDPW) to the Stellenbosch Municipality and to further attend to the required applications to obtain land use rights, the registration of diagrams / general plans with the Surveyor General and the relevant applications to the Provincial Department of Human Settlements, Western Cape Government (DHS).		
		Priority 2: Safety and Security  Cameras to be installed on the Sportsground, business area (USAVE), Neighbourhood Watch  10 Law Enforcement Officers for Franschhoek.  Constructions of speed humps at Beaucop de Leau, Sports Centre and around the schools in the		Install cameras on the Sportsground business area, business areas (USAVE), Neighbourhood Watch Project completed.
			12 Temporary law enforcement officers (LEOs) + 5 permanent officers dedicated to Franschhoek area.	
		Installation of lighting at Mooiwater Gym Park. This request was attended to in 2019/20 financial year. It is completed.		



Ward 1			
	wards. Pedestrians signs. Installation of lighting.	Speedhump to be assessed and implemented in terms of new Policy.	☹️
		Proposals to be assessed and forwarded to Provincial Roads Department.	☹️
	Priority 3: 24 Hour Health Care Centre Ambulance service.	Matter was raised with the department of Health. Awaiting feedback from them. The municipality does not render health services.	☹️
	Priority 4: Beautification All rivers in ward 1 to be cleaned. Maintenance of the Gym parks. Illegal dumping sites to be cleaned.	the maintenance of play parks takes place on a weekly basis. This action forms part of the maintenance of play parks.	☹️
		Remove all illegal dumping is ongoing. The Department has no permanent staff to render this service and can only provide a limited service with EPWP staff.	☹️
		The tender for alien clearing has been approved and is currently in its appeal period. Once the appeal period lapsed the tender will be implemented, subject to available funds.	☹️
	Priority 5: Job Creation and Skills Development More EPWP contracts. Fixed terms EPWP contracts for both genders.	Currently, the municipality is in process of provide more EPWP job opportunities, through the registration of additional projects on the business plans. A job-seekers database has been established.	☹️
Ward Priorities for 2021/22			
Priority 1: Land and housing Provide Land for GAP, social and medium housing at Vietham and Robertvlei. Provide Housing for backyarder dwellers. Electricity for backyarder dwellers to be installed.			
Priority 2: Safety and security Cameras to be installed on the Sportsground business area. 10 law enforcement officers to be provided for Franschoek. Speedhumps at Beaucoup De L'eau and surrounding areas to be contracted. Pedestrian signs and all kinds of signs to be provided. Installation of lights in Parks, River, etc.			
Priority 3: Water and sanitation Provide toilets ablution for Kleinmooiwater and Riverside. Potable drinking water facilities to be provided. All rivers in ward 1 to be cleaned as well as the bridges. Illegal dumping sites to be cleaned. Newsletter in water-bill accounts and skips to be provided.			
Priority 4: Roads and parks Maintenance of gym parks and play parks around ward 1. Roads for medical and fire facilities to be build. Kleinmooiwater to be maintained.			
Priority 5: EPWP Programme More EPWP contracts. Provide fixed term EPWP contracts for both genders.			

Table 47: Ward Priorities- Ward 2

Ward 2				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/19	Ward Priorities for 2019/20	Rating 2019/20
 <p>Ward 2: Cllr Wilhelmina Petersen (Franschhoek)</p>	Priority 1: In-situ upgrading in Langrug. drain overflowing and terrible smell from the drain	☹️	Priority 1: Installing tar road in Bosbou.	😊
	Priority 2: 24 Hour Clinic – La Motte	☹️	Priority 2: Re - blocking of structures in Langrug.	☹️
	Priority 3: Building of sidewalks	😊	Priority 3: Infrastructure R45 between Bosbou railway lines needs street lights to be installed.	☹️
	Priority 4: Maintenance of Stiebeul river bank	😊	Bus stop across Dennegeur.	☹️
	Priority 5: Swimming pool	☹️	Priority 4: Circle – La Motte Cross.	☹️
			Priority 5: Housing: Land need to be identified for housing.	☹️
	Ward Priorities for 2020/21		Activity	Rating 2020/21
	Priority 1: Land for housing, housing and title deeds <ul style="list-style-type: none"> Land for housing. Title deeds. Services for backyard dwellers (electricity and water). 		La Motte: Land has been identified in La Motte and the necessary feasibility studies have been completed. The municipality is in process to appoint the Housing Development Agency to facilitate the process to acquire the relevant land parcels from the Department of Public Works and to proceed with the necessary processes to establish housing developments in La Motte.	☹️
			The title deeds restoration programme is continuing but due to closure of the Deeds Offices the process has been slow. There are other challenges where the owners have passed away without a will and surviving heirs take too long to report estates at the Office of the Master of High Court.	☹️
			Directive currently allows for more than one service connection in a property. However, funding / payment for such is to be made. The municipality to provide guidance on how services to backyard dwellers would be funded.	☹️
			Installation of cameras will be completed by June 2021 in front municipal town hall, Main Rd Franschhoek.	☹️
	Priority 2: Safety <ul style="list-style-type: none"> Installation of streetlights. Installation of CCTV cameras. Traffic Congestion. Turning lanes. 		Traffic officers sensitised. If there are any specific areas for traffic congestion, it to forwarded via email	☹️
			"* Point of supply has been paid for at Eskom. * Material for the streetlights has been purchased. * Waiting for wayleave approval from provincial roads department."	☹️
			Road marking currently being addressed through operational maintenance.	☹️
			Assessment underway to determine scope and extent of works.	☹️
	Priority 3: Insitu - upgrading of Langrug (site and services) <ul style="list-style-type: none"> Streets opened for more services. Play park. Toilets. 		Service provider investigated and produce a report which include new water borne toilets and 51 new toilets were installed.	☹️
			Planning phase Planning of position / location and amount of toilets	☹️



Ward 2			
	Site and Services.	by Human settlements"	
		Plans submitted for propose road.	☹️
		The department will discuss this request with Cllr Petersen. Lack of human resource capacity and the reduction in overtime work is some of the challenges to open the toilets facilities to the community.	☹️
Priority 4: Waterpark	Construction of a waterpark to be replaced with the swimming pool.	On the current budget there is no funding for a swimming pool in Groendal or a Waterpark.	☹️
Priority 5: Wi-Fi and IT Facilities	To empower youth to do job hunting and searching. To empower youth to type their own CV's and apply for jobs online.		
Ward Priorities for 2021/22			
Priority 1: Land for housing and tittle deeds			
Sites and serviced land to be provided for people.			
Basic services such as water and electricity to be provided for back yard dwellers.			
Historical title deeds to be transferred to homeowners.			
The land for housing was identified in La Motte to be finalised.			
Erf 412 for business and housing project to be provided.			
Erf at the back of Kobout and next to La Province street should be developed for housing.			
Priority 2: Safety and security			
Die Vlei to La Motte needs streetlights.			
CCTV camera to be installed at the entrance of Roux Street and of Boonzaaier Rd.			
Turning lanes at entrance and exit to the R45, intersection at La Province Street and Le Roux street, Dennegeur and La Motte to be constructed.			
Build the bus-stop for Dennegeur Park in Skool street.			
Dei Vlei to La Motte streetlights to be installed.			
Traffic calming is needed ASAP and a slipway for vehicles turning up to Groendal.			
Priority 3: Insitu-upgrading of Langrug to open toilets			
Need a relocation as soon as possible.			
Roads to be cleared in Langrug to allow essential services.			
Langrug needs toilets in line with the basic norms and standards of National Regulation			
Re-location of Mooiwater to be finalised ASAP.			
Re-blocking to open the roads.			
Priority 4: Waterpark and toilets in public spaces			
Swimming and waterpark / park to be build next to the clinic in Groendal opposite the Stieboul Street.			
Eco park – building can be redeveloped into toilets.			
Priority 5: Wi-Fi			
install Wi-Fi in the La Motte Hall and Langrug.			
Build municipal building in Langrug.			
Propose that the municipality explore the possibility of providing a site where Wi-Fi infrastructure can be installed.			

Table 48: Ward Priorities: Ward 3

Ward 3				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/19	Ward Priorities for 2019/20	Rating 2019/20
 <p>Ward 3</p> <p>Cllr Charles Manuel (Meerlust / Wemmershoek / Lanquedoc)</p>	Priority 1: Sidewalks from Lanquedoc to Pniel School.	😊	Priority 1: Housing – Lanquedoc, Wemmershoek, Maasdorp, Meerlust.	😊
	Priority 2: Tarring of gravel roads and traffic calming in Wemmershoek.	😊	Priority 2: Clinic – Lanquedoc and Wemmershoek.	😊
	Priority 3: Establishment, maintenance and fencing of all Parks in Ward 3 – Maasdorp; Meerlust; Lanquedoc and Wemmershoek.	😞	Priority 3: Multi – purpose Centre – Lanquedoc.	😞
	Priority 4: Traffic calming for Wemmershoek and Lanquedoc.	😊	Priority 4: Traffic Calming – Meerlust, Wemmershoek, Maasdorp R45, Speed humps in Lanquedoc.	😊
	Priority 5: Outside Gyms for Wemmershoek; Maasdorp and Meerlust.	😊	Priority 5: Business Hubs – Lanquedoc, Meerlust, Maasdorp and Wemmershoek.	😞
	Ward Priorities for 2020/21		Activity	Rating 2020/21
	Priority 1: Clinic		Matter was raised with the department of Health. Awaiting feedback from them. The municipality does not render health services.	😊
	Priority 2: Safety and Security		The department is busy assisting in the registering and establishing of NHW.	😊
	<ul style="list-style-type: none"> Assist with the establishment of neighbourhood watches. Procurement of equipment, radio's and bicycles. Appointment of law enforcement officials in all 4 areas. Request for a safety (integrated) meeting. 		Equipment procurement in process.	😊
			Appointment of law enforcement officials in all 4 areas is funding dependent.	😊
	Priority 3: Community Hall (Lanquedoc and Meerlust)		Property not yet transferred to the municipality. The municipality can therefore not do the upgrade of the Meerlust hall until such time as the property has been transferred to the municipality.	😊
			Not in budget for next three years to build halls.	😞
			Budget will be requested to appoint an architect to do a feasibility study and draw plans for approvals.	😊
	Priority 4: Traffic Calming (Wemmershoek and Lanquedoc)		Assessment underway.	😊
	Priority 5: Housing (Maasdorp, Meerlust and Lanquedoc)		<p>Lanquedoc –Wemmershoek - Currently no further housing development studies will take place due to the environmental matters raised during the previous feasibility study.</p> <p>Maasdorp - A service provider was appointed to provide different options in order to do township establishment.</p>	😊



Ward 3		
		<p>These different options were discussed with the affected community during August 2020. Further investigation regarding the options is current ongoing.</p> <p>Meerlust - The property is currently owned by the National Department of Public Works. Stellenbosch Municipality has started engagement with the Housing Development Agency (HDA) to expedite the transfer of the portion of land as well as obtaining all development rights.</p> <p>Note: Discussion is currently taking place between the Stellenbosch Municipality and the Housing Development Agency (HDA) to assist with the transfer of land from the National Department of Public Works (NDPW) to the Stellenbosch Municipality and to further attend to the required applications to obtain land use rights, the registration of diagrams / general plans with the Surveyor General and the relevant applications to the Provincial Department of Human Settlements, Western Cape Government (DHS).</p> <p>The HDA and the Stellenbosch Municipality are in the process of finalising the Implementation Protocol to enable the further progress of the projects. Once the Implementation Protocol has been finalised, the document will be prepared for final approval by the Municipal Manager. The HDA will then be appointed and instructed to proceed with various projects within the Housing Pipeline.</p>
Ward Priorities for 2021/22		
Priority 1: Housing		
Housing to be built in Lanquedoc, Meerlust and Wemmershoek.		
Priority 2: community Hall		
Community hall to be built in Lanquedoc.		
Priority 3: Clubhouse at Sport field		
Clubhouse to be built in Wemmershoek Sport field.		
Priority 4: Clinic		
Clinic to be built in Lanquedoc and Wemmershoek.		
Priority 5: Roads		
Make all entrances more visible and beautify the entrances in Lanquedoc, Meerlust and Wemmershoek.		

Table 49: Ward Priorities: Ward 4

Ward 4				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/19	2019/20 Ward Priorities	Rating 2019/20
 Ward 4 Cllr Malcolm Johnson (Kylemore, Pniel, Johannesburg)	Priority 1: Housing (Kylemore and Pniel), Land for Housing.	😊	Priority 1: Housing (Kylemore and Pniel), Land for housing.	😊
	Priority 2: Visibility of Law Enforcement Pniel, Johannesburg and Kylemore.	😊	Priority 2: Visibility of Law Enforcement Pniel, Johannesburg and Kylemore.	😊
	Priority 3: New Library (Kylemore).	😞	Priority 3: New Library (Kylemore).	😊
	Priority 4: Sidewalks and tarring of roads (Kylemore, Johannesburg and Pniel).	😊	Priority 4: Sidewalks and tarring of roads (Kylemore, Johannesburg and Pniel).	😊
	Priority 5: Upgrading of Change rooms at Sports grounds and the safety of it (Kylemore and Pniel).	😊	Priority 5: Upgrading of Change rooms at Sports grounds and safety of it (Kylemore and Pniel).	😊
	Ward Priorities for 2020/21		Activity	Rating 2020/21
	Priority 1: Erf 64 ✦ Land for housing. ✦ Purchasing of land for housing.		Discussion is currently taking place between the Stellenbosch Municipality and the Housing Development Agency (HDA) to assist with the transfer of land from the National Department of Public Works (NDPW) to the Stellenbosch Municipality and to further attend to the required applications to obtain land use rights, the registration of diagrams / general plans with the Surveyor General and the relevant applications to the Provincial Department of Human Settlements, Western Cape Government (DHS). The HDA and the Stellenbosch Municipality are in the process of finalising the Implementation Protocol to enable the further progress of the projects. Once the Implementation Protocol has been finalised, the document will be prepared for final approval by the Municipal Manager. The HDA will then be appointed and instructed to proceed with various projects within the Housing Pipeline.	😊
	Priority 2: Safety of Pniel River Park ✦ Installation of solid palisades and gates. ✦ Forward a cleaning schedule to the Ward Committee (open spaces and parks).		It is impossible to fence the full length of the river. A fence was erected along the Park, next to the river in Pniel. The newly erected gate was vandalised and stolen, only after a short period since it was installed. On the current budget there is no funding to replace the fence and gate with palisade fencing. Cleaning schedule to be communicated with the Ward Cllr.	😞
	Priority 3: Tourism ✦ Funding for tourism.		Funding is provided for qualifying Local Tourism Organisations ("LTO"). The request for LTO's to submit proposals will be advertised during April 2021.	😊
	Priority 4: R310 ✦ Safety measures on R310. ✦ Installation of traffic light, 4 way stop		Proposal for safety measures to be assessed and forwarded to Provincial Roads Department.	😊



Ward 4				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/19	2019/20 Ward Priorities	Rating 2019/20
	and traffic circle.			
	Priority 5: Club Houses in Pniel and Kylemore ⚙ Upgrading of Club houses in Pniel and Kylemore.		Department will investigate and provide feedback by March 2020.	😊
	Ward Priorities for 2021/22			
	Priority 1: Housing ⚙ Low cost / affordable housing in Pniel, Johannesdal and Kylemore to be built. ⚙ supply water to Die Clif, community get water from the graveyard of Pniel. ⚙ ERF 64: housing committee to be established urgently. ⚙ Information on progress to be shared. ⚙ Open applications / roadshow. ⚙ Identify land for Pniel and Johannesdal for housing.			
	Priority 2: Safety and security ⚙ Installation of cameras in strategic places in Die Clif. ⚙ Visibility of law enforcement officers in Kylemore crossing. ⚙ Closing off (fencing off) of river entrances Languedoc to Pniel. ⚙ Maintenance of streetlights in Kylemore. ⚙ Fencing of Pniel side of the river – Pastones Ave. ⚙ Install Traffic lights at intersection Kylemore; R45 and R310.			
	Priority 3: Cemetery/graveyard ⚙ Upgrading or building of new durable fencing and gates in Pniel and Kylemore graveyard. ⚙ Employ security for Kylemore and Pniel graveyard. ⚙ Pniel and Kylemore needs complete fencing and entrance gate to be locked at night.			
	Priority 4: Infrastructure ⚙ Speedbumps in all areas to be investigated and built. ⚙ Sidewalks to be constructed (been on previous IDPs). ⚙ Cleaning of streets etc.			
	Priority 5: Library ⚙ Build Library in Kylemore land is available, was identified in School street in Kylemore.			

Table 50: Ward Priorities: Ward 5

Ward 5				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/19	2019/20 Ward Priorities	Rating 2019/20
 Ward 5 Cllr Donovan Joubert (Ida's Valley / Jonkershoek / Hydro and Surrounding)	Priority 1: Housing – Gap and Subsidised Housing for Jonkershoek, Farms and Ida's Valley	😊	Priority 1: Housing: Gap and Subsidised housing for Jonkershoek, Farms and Ida's Valley.	😊
	Priority 2: Safety – Visible law enforcement, Crime prevention and eradication of drug houses	😊	Priority 2: Safety Programmes: visible law enforcement, crime prevention, eradication of drug houses, spinning cars, drinking on parks, burglary, stray dogs and littering.	😊
	Priority 3: Backyard dwellers – Basic Service delivery in Ida's Valley	😊	Priority 3: Land for Housing.	😊
	Priority 4: Community Hall / Thusong Centre	😊	Priority 4: Youth development.	😊
	Priority 5: Youth Empowerment	😊	Priority 5: Community Hall: building of a community hall.	😞
	Ward Priorities for 2020/21		Activities	Rating 2020/21
Priority 1: Housing and Land for housing 🔧 GAP and Subsidised housing for Jonkershoek Farms and Ida's Valley.			Jonkershoek: Discussion is currently taking place between the Stellenbosch Municipality and the Housing Development Agency (HDA) to assist with the transfer of land from the National Department of Public Works (NDPW) to the Stellenbosch Municipality and to further attend to the required applications to obtain land use rights, the registration of diagrams / general plans with the Surveyor General and the relevant applications to the Provincial Department of Human Settlements, Western Cape Government (DHS). The HDA and the Stellenbosch Municipality are in the process of finalising the Implementation Protocol to enable the further progress of the projects. Once the Implementation Protocol has been finalised, the document will be prepared for final approval by the Municipal Manager. The HDA will then be appointed and instructed to proceed with various projects within the Housing Pipeline. Ida's Valley: The municipality is in the process of finalising the agreement with ASLA on the continuation of the project. Erf 11330 (Hillside) – The developer has completed 87 BNG houses for the low-income category. In terms of the 87 BNG houses, a total number of 86 subsidies has already been approved. 1 further BNG subsidy application has been submitted and awaits approval from PDoHS. 113 GAP houses have been built. All houses have been handed over and the contractor is currently busy with the snags in accordance with the retention period. Erf 9445 (Oak Tree Village) – An amount of 166 GAP housing opportunities will be created on Erf 9445 and PDoHS has indicated that funding to service these sites will be available on the 2021/22 financial year. Implementation will be managed by the municipality's Project Management Unit. Note: in accordance with the housing pipeline, additional land for possible housing development in	😊



Ward 5			
		the Ida's Valley, area is linked to the Botmaskop development for which a tender process is currently underway to appoint a suitable service provider to conduct a feasibility study to commence in the 2020/21 financial year,	
	Priority 2: Backyard dwellers (Basic Service Delivery in Ida's Valley) <ul style="list-style-type: none"> Rubbish bins. Electricity boxes. Smoke detectors. Provision of plastic during winter season. 	Smoke alarms must be provided to backyard dwellers is an ongoing project, monthly feedback is supplied. If there are specific area requirements, it should be sent via email.	😊
		Directive currently allows for more than one service connection in a property. However, funding/payment for such is to be made. The municipality to provide guidance on how services to backyard dwellers would be funded.	😊
		The Department is awaiting the development of a backyard dwellers service delivery policy by the relevant department. This policy will guide user departments on how service delivery points will be identified, how services will be delivered and how revenue will be collected.	😊
	Priority 3: Safety <ul style="list-style-type: none"> Enforcement of by-laws. Satellite station. Visible Law Enforcement. 	Enforcement of by-law is ongoing.	😊
		No satellite stations for Law Enforcement - funding dependent.	😞
		Visible Law Enforcement is ongoing.	😊
	Priority 4: Community Hall <ul style="list-style-type: none"> Building of a community hall on the netball court. 	Not in budget for next three years to build halls.	😞
	Priority 5: Youth development empowerment <ul style="list-style-type: none"> Development of children on farms. 	Pebbles is the only organisation that is currently working on the farms in Stellenbosch Municipal Area and also have ECD Centres at the farms. This function solely lies with DSD for partial care centres and Department of Education for school programmes and not municipal function.	😊
	Priority 6: Community Upliftment Projects	The Youth Skills Development programme was implemented after it was promoted across all wards.	😊
	Priority 7: Employment Creation	The Section: Economic Development and Tourism is in the process of the Compilation of an Economic Development Strategy for the Stellenbosch Municipality, which will be workshopped with Council during April 2021. The draft must be submitted to Council by end June 2021.	😊
Ward Priorities 2021/22			
	Priority 1: Land and housing <ul style="list-style-type: none"> Land for GAP, social and medium housing at Vietham and Robertvlei to be provided. Housing for backyarder dwellers to be built. Electricity for backyarder dwellers to be provided. 		
	Priority 2: Safety and security <ul style="list-style-type: none"> Cameras to be installed on the Sportsground business area. 10 law enforcement officers for Franschoek to be provided. Construction of speedhumps at Beaucoup de leay and surrounding areas. Pedestrian signs and all kinds of signs to be provided. Installation of lights in Parks, River. 		
	Priority 3: Water and sanitation <ul style="list-style-type: none"> Building of Toilets for Kleinmooiwater and Riverside. Potable drinking water facilities to be provided. All rivers in ward 1 to be cleaned as well as the bridges. Illegal dumping sites to be cleaned. Newsletter to be attached in water-bill accounts and skips. 		
	Priority 4: Roads and parks		

Ward 5	
	<ul style="list-style-type: none"> Maintenance of gym parks and play parks around ward 1. Roads for medical and fire facilities to be built. Maintenance of Kleinmooiwater.
	Priority 5: EPWP Programme <ul style="list-style-type: none"> More EPWP contracts to be provided. Fixed term EPWP contracts for both genders to be provided.

Table 51: Ward Priorities: Ward 6

Ward 6				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/19	2019/20 Ward Priorities	Rating 2019/20
 Ward 6 Cllr Nateshia Mcombring (Ida's Valley and Surrounding Farms)	Priority 1: Flea market at the corner of Rustenburg Road and Sonneblom Street and the starting point of the Green Route.		Priority 1: Flea market at the corner of Rustenburg Road and Sonneblom Street and the starting point of the Green Route.	
	Priority 2: Traffic lights at the corner of Lelie Street and Helshoogte Road.		Priority 2: Launch of the market is in October 2018.	
	Priority 3: Tar of pavements from Tindall Street and the top part of Rustenburg Road, from the mini circle to the directions of the Vine Yard Court.		Priority 3: Infrastructure Parking embayment on the corner of Tindall Street and Old Helshoogte Road in front of Nita's hair salon.	
	Priority 4: Upgrade of Sport facilities e.g. Astro- turf for hockey, upgrading of the tennis and netball courts.		Priority 3: Infrastructure Tar of pavements in Ward 6.	
	Priority 5: Multi - Purpose Centre.		Priority 4: Upgrade of Sports facilities e.g. upgrading of the tennis and netball courts etc.	
			Priority 5: Multi – Purpose Centre (Land to be identified).	
	Ward Priorities for 2020/21		Activity	Rating 2020/21
	Priority 1: Infrastructure Parking embayment opposite Community Market/ Flea market at the corner of Rustenburg Road and Sonneblom Street.		Complete.	
	Priority 2: Infrastructure Tar/Paving of Public Parking area next to Ida's Valley Library and the Ward office in Helshoogte Road Plaphysel and (draining system x3) for flowing of water at the public parking area next to Ida's Valley Library. Information board to prevent taxi's and big trucks from parking.		Following assessment - Gravel surface was deemed most suitable option and implement - complete.	
			No parking signs to be erected by end of April 2021.	
Priority 3: Safety and Security Close circuit cameras on the corner of Lelie Street and Bloekom Avenue opposite Vine Yard Court.		Close circuit cameras will be completed by June 2021. Waiting on wayleaves.		
Priority 4: Recreation and Sport Upgrade of Sports facilities e.g. upgrading of the tennis and netball courts, lights on rugby sports fields and the replacement of the vibracrete wall with a solid wall.		Sport department to action.		



Ward 6			
	Priority 5: Infrastructure <ul style="list-style-type: none"> Tar and pavement from Tindall Street and the top part of Rustenburg Road from the mini circle in the direction of Vine Yard Court. Upgrading and resealing of Botmanskop Road and other roads as required. 	Road-works as needed to be carried out during 2021/22 financial year.	
	Ward Priorities for 2021/22		
	Priority 1: safety and security <ul style="list-style-type: none"> Install close circuit camera on the corner of Lelie Street and Yard Court. Upgrade of the current close circuit camera and better lighting for the Open Air Gym. Use the building in the community market for a satellite Police Station. More visibility and regular patrols of the Police and Law Enforcement officials. Information board (No taxi's and trucks allowed) next to Ida's Valley Library and Ward office (Ward 6). 		
	Priority 2: infrastructure <p>Request traffic lights on the following:</p> <ul style="list-style-type: none"> Turn-off for Kromme Rhee Road in the direction of Koelenhof; Turn-off for Elsenburg (near Kanonkop); Pedestrian crossing between Nietvoorbij and Timberlea in the direction of Cloeterville and Pedestrian crossing between Remhoogte and L'Avenir. 		
	Priority 3: LED (Planning) <p>Ida's Valley Community Market:</p> <ul style="list-style-type: none"> Request waterproof covers for the community Market. Support and funding for nature / tourism / running / cycling / walking / walking route from Ida's Valley Community Market in the direction of Ida's Valley dam (Green Route to promote Tourism in the Ward). Addressing the Skills Development and unemployment in the ward. 		
	Priority 4: Infrastructure <ul style="list-style-type: none"> Construct tar pavements for the following Streets: <ul style="list-style-type: none"> Hahn Street; Mofaat Street; Kahler Street; and Erasmus Smith Street. Upgrading and resealing of roads and potholes as required. More regular cutting of pavements of grass on the R44. Cutting of grass for all side roads in the Ward. 		
	Priority 5: Recreation and Sport <ul style="list-style-type: none"> Upgrading of the tennis and netball courts. Better lightning on the Rugby field. Replacement of the vibracrete wall with a solid wall. Provide a big notice board next to Ida's Valley Library with instruction (in the 3 official languages of the Province) on how to use equipment of the gym. 		

Table 52: Ward Priorities: Ward 7

Ward 7				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/29	2019/20 Ward Priorities	Rating 2019/20
 <p>Ward 7 Cllr Alwyn Hanekom (Mostertdrif / Universiteitsoord)</p>	Priority 1: Running and Cycling routes – Martinson Street		Priority 1: Jan Marais Park: to uplift and better utilise the JMP to benefit the residents, students and visitors to Stellenbosch.	
	Priority 2: Parking Area – Jan Marais Park – Martinson Street		Priority 2: Character: to foster and improve the ward's pleasant character.	
	Priority 3: Safety fence – Botmaskop		Priority 3: Natural Resources: to foster conservation and appreciation of the ward's exceptional natural resources.	
	Priority 4: Traffic at schools – Improve traffic flow around school		Priority 4: Safety: to improve the safety of the residents and their property.	
	Priority 5: Management of ER1 (Hangbrug and River)		Priority 5: Mobility and Recreation facilities: to improve the mobility and recreation facilities in and through the ward.	
	Ward Priorities for 2020/21		Activity	Rating 2020/21
	Priority 1: Jan Marais Park		No funding was made available for further development of the northern side of the park, adjacent to Merriman Avenue.	
	<ul style="list-style-type: none"> The unlocking of the full potential of the Park as a community asset, in close liaison with the new JMP Friends Group, e.g. Parking, bicycle plan and tourist consideration. Maintenance and conservation of structures: e.g. Woodwork, stonework, picnic benches etc. 		The department is in conversation with adjacent resident to discuss their involvement and help regarding certain maintenance of woodwork and other items. An official agreement will be formalised.	
	Priority 2: Character of the ward		Feasibility assessment needs to be done. The challenge of lack of enough staff and resources may hamper this request.	
	Priority 3: Natural Resources		The department is in the process of established a "Friends For Jan Marais" group for the Jan Marais Park. The department is also in discussion with adjacent residents more involvement from their side.	
	<ul style="list-style-type: none"> To protect and promote the high biodiversity and natural resources in ward. Rehabilitation of Historical Trees like the oak trees in Jonkershoek way and other areas in the ward needed. Planting of more trees in streets (filling gaps where needed). More regular irrigation of trees in streets during summer time. 		Trees are being managed and maintained as per the annual plan of operations.	
	Priority 4: Safety and Security		Close liaison between the JSRA and law enforcement agencies is already in place.	
	<ul style="list-style-type: none"> Promote close liaison between the JSRA and law enforcement agencies. The installation of LPR cameras to access points to the ward. Improved security at the Hangbrug. 		The installation of LPR cameras to access points to the ward completed.	
			Officers are placed seasonal to manage Hangbrug area and is assisted by JSRA.	



Ward 7				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/29	2019/20 Ward Priorities	Rating 2019/20
	<ul style="list-style-type: none"> Improved learner and pedestrian safety around schools. Traffic Calming measures where needed. 		Ongoing traffic enforcement and awareness sessions are conducted. Any specific schools can be sent via email.	😊
	Priority 5: Upgrading of road infrastructure and mobility facilities		Road resurfacing as needed to be carried out during 2021/22 financial year.	😊
	<ul style="list-style-type: none"> Planned resurfacing of major road in Mostertsdraif as needed. 		Residential road signs currently being assessed.	😊
	<ul style="list-style-type: none"> Residential road signs in Mostertsdraif as needed (speed restriction to 35KM/H). Road signs that restrict vehicles with a weight above 3,5 ton to drive through residential areas (except for municipal and municipal service delivery vehicles). 		Road signs Complete	😊
Ward Priorities 2021/22				
	Priority 1: Jan Marais Park			
	<ul style="list-style-type: none"> The unlocking of the full potential of the park as a community asset, mindful of its special biodiversity value e.g. parking, bicycle plan and tourist considerations. Maintenance and conservation of structures e.g. woodwork, stonework, picnic benches. 			
	Priority 2: Safety and security			
	<ul style="list-style-type: none"> Improve security at the Hangbrug. Implementation of Traffic Calming and safety measure at the intersection of Martinson and Endler to improve the safety for scholars and pedestrians. Implementation of safety measures at Botmaskop as matter of urgency. 			
	Priority 3: Character of the Ward			
	<ul style="list-style-type: none"> Upgrading and maintenance of the neglected open areas. De Jonker Park behind Spar, to be used by elderly residents of Lanverwag and other residents. Addition of various plants and street to contribute to the character of Ward 7. 			
	Priority 4: Natural resources			
	<ul style="list-style-type: none"> To protect and promote the sustainable enjoyment of the high biodiversity and natural assets of the Ward. Rehabilitation of Historical Trees like the oak trees in Jonkershoek way and other areas in the ward where needed. Planting of more trees in streets (filling gaps where needed). More regular irrigation of trees in streets during Summer. 			
	Priority 5: road and infrastructure			
	<ul style="list-style-type: none"> Establishment of various NMT-networks in the ward. Residential road signs for speed restrictions to 35Km/h to be installed. 			

Table 53: Ward Priorities: Ward 8

Ward 8				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/19	Ward Priorities for 2019/20	Rating 2019/20
 Ward 8 Cllr Quinton Smit	Priority 1: Safety and security		Priority 1: Safety and Security Upgrading of existing CCTV cameras. Investigation into future technologies for the purposes of safety and security. Fixed panic-button system (e.g. Model implemented in Toronto, Canada) potentially at the corner of Die Laan, Van Riebeeck and Marais Streets.	
	Priority 2: Recycling		Priority 2: Recycling Recycling bicycle programme similar to the current local development project – purpose: Create awareness and local job opportunities. Change design of existing “wet/dry” recycling bins within wards.	
	Priority 3: Beautification		Priority 3: Beautification Wrap around flower baskets in Victoria Streets, Marais, Merriman, Helderberg and Van Riebeeck. Greening of open spaces.	
	Priority 4: Tourism		Priority 4: Tourism Development Electronic information boards (interactive- digital).	
			Priority 5: Non-motorised transport Bicycle racks. Explore the possibility of a “bike share” initiative. Launch Lab – “yellow cabs “(electric vehicles) to decrease motorised transport in ward.	
	Ward Priorities for 2020/21		Activity	Rating 2020/21
	Priority 1: Safety and Security ⚡ Overall lighting in the ward needs to be improved. Target areas pathway by the Eerste River that runs along Die Laan. Other locations can be discussed further in consultation with Ward Committee and municipality. Investigation into future technologies for the purposes of safety and security. ⚡ Panic Button at the corner of Bosman and Victoria (This can be subject to change depending on University approval alternative can be corner of Bosman and Van Riebeeck). ⚡ Expand CCTV Camera network suggested locations Die Laan / Noordwal-Oos / Neethling / De Vos and Rattery Streets in collaboration with Stellenbosch Trail Fund.		Panic Button at the corner of Bosman and Victoria (This can be subject to change depending on University approval alternative can be corner of Bosman and Van Riebeeck). More detail required via meeting or email.	
			Busy compiling wayleave application and planning of project to improve overall lighting.	
	Priority 2: Environmental Sustainability ⚡ Replace old recycling bins with new bins across ward 8. ⚡ Increase EPWP rotations to improve cleanliness and solve litter problem (Focussed on Die Laan and Van Riebeeck.		The Department has not rolled out recycling bins. Will speak to the relevant Councillor to identify these bins.	
	Priority 3: Ecological Restoration		Trees can only be planted if there are no underlying infrastructure and based on the availability of trees.	



Ward 8			
	 Planting indigenous garden. Potential locations include Die Laan, Noordwal-Oos and Van Riebeeck Street.  Replace invasive plant species with indigenous plants.	The planting of trees will be subjected the wayleave process.	
		Maintenance is done on an ongoing basis, there is currently no funding to procure plants	
		Due lack of resources the department is not in a position to establish gardens on the areas mentioned.	
	Priority 4: Infrastructure Development		
	 Collaborate with other wards to complete the pathway in Suidwal Street.  Replacing Benches in Die Laan, such as those outside of Mon Desir in Die Laan.  Putting up of bollards to prevent parking on pavements, project will be in consultation with the municipality.	Collaboration is work in progress.	
		Project 50% complete.	
		The Department will assess the feasibility of the replacement of benches in Die Laan.	
	Priority 5: Heritage Preservation		
	 Collaborative project with Historical society and the University on signage for more information on the history of Stellenbosch. (Important to consider social inclusion and restorative justice when putting the project together).	Partnership established with Stellenbosch Heritage Foundation in respect of the Stellenbosch Municipality Heritage Inventory.	
	Ward Priorities for 2021/22		
Priority 1: infrastructure development and Parks			
 Improve and extension of walkways / pathways.  Provide independent power station and alternative electricity supply.  Upgrading of existing and / or new parks.  Investigation of new innovative recreational spaces.			
Priority 2: Non-motorised transport (NMT)			
 Investigation of the use of electric modes of transport.  Development of electric modes of transport routes.  Development of safe intersection for NMTs.			
Priority 3: environmental sustainability			
 Establishment of recycling programme.  Planting of indigenous plants along Eersterivier.  Replacement / refurbishment of old bins in the wad.  Water recycling and additional water provision.  Establishment of Water sustainability / water augmentation programme.  Enforcement of environmental by-laws.			
Priority 4: safety and security			
 Increase visible patrols in the Ward.  Improve lighting.  Connect lighting along Eersterivier path.			
Priority 5: universal access			
 Implementation of Universal access policy.  Exploring of implementation of universal access.			

Table 54: Ward Priorities: Ward 9

Ward 9				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/19	Ward Priorities for 2019/20	Rating 2019/20
 Cllr Z Dalling Ward 9 (Stellenbosch Town)	Priority 1: Visible municipal law enforcement	😊	Priority 1: Prominent visible law enforcement.	😊
	Priority 2: Efficient traffic law enforcement (By-Law Implementation)	😊	Priority 2: Traffic flow and efficient traffic by-law implementation including parking – more park and ride facilities.	😊
	Priority 3: Accessible pavement and walkways in line with the municipal by-laws	😊	Priority 3: Universally accessible pavements and walkways in line with the municipal by-laws.	😊
	Priority 4: Better control over vagrants	😊	Priority 4: Sustainable solutions for street people in line with the Street Peoples Policy.	😊
	Priority 5: Parking (Additional parking or Park and Ride)	😊	Priority 5: Maintenance and aesthetic preservation of historic buildings and municipal buildings.	😊
	Ward Priorities for 2020/21		Activity	Rating 2020/21
	Priority 1: Visible Law Enforcement ⚡ Additional / adequate law enforcement (marshals, illegal car guards, Uber Eats parking).	Dedicated LEO in CBD doing enforcement.	😊	
	Priority 2: Universal accessible sidewalks, pavements and walkways. ⚡ Curbs encroachment of tables, chairs and notice boards and advert. ⚡ Even surfaces. ⚡ Adequate lighting.	Councillor confirmed that the residents are happy with the new lighting installations.	😊	
		New Roads By-law compiled to address.	😊	
		Uneven surfaces addressed as required through operational maintenance.	😊	
	Priority 3: Preservation of historic building and properties. ⚡ Transvalia Plein. ⚡ Voorgelegen. ⚡ Die Braak. ⚡ Piet Retief and Bridge.	Current proposals for usage of building and properties being investigated in order to ensure that the building be used for purposes which will ensure the continued preservation and maintenance of the buildings and properties.	😊	
		Council approved the proposal to investigate the use of the Rhenish Complex for economic opportunities. This project is planned for completion end June 2021.	😊	
	Priority 4: Traffic Calming measures. ⚡ Raised pedestrian crossing in front of Utopia or 3-way stop. ⚡ Another raised crossing at crossing of Dorp, Helderberg to Andringa Street.	Pedestrian crossing currently being assessed.	😊	
		Crossing to be completed end May 2021.	😊	
	Priority 5: Public ablution facilities. ⚡ Next to the tourist office.	Council approved the proposal to investigate the use of the Rhenish Complex for economic opportunities. This project is planned for completion end June 2021.	😊	
	Priority 6: Visible street names (on poles) on the sides of buildings and directional signs e.g. Die Braak. ⚡ Visible street names (on poles) on the sides of buildings and directional signs e.g. Die Braak.	Currently being assessed.	😊	
Ward Priorities 2021/22				



Ward 9	
	<p>Priority 1: Safety and security</p> <ul style="list-style-type: none"> Increased visibility of Law Enforcement. Combat vagrancy and loitering by the implementation of the Restorative Justice programme.
	<p>Priority 2: Infrastructure</p> <ul style="list-style-type: none"> Universal accessible sidewalks: constant monitoring and evaluation required. Traffic calming measures through increasing pedestrian crossing in front of Utopia. Visible street names on poles on the side of buildings and directional signs. Improvement of uneven sidewalks caused by installation of fibre. Park and Ride implementation need to be given preference.
	<p>Priority 3: Tourism and general wellbeing of residents</p> <ul style="list-style-type: none"> Preservation of historic buildings and properties. Public toilet facilities require total revamp, daily cleaning, extended open hours and adequate lighting. Clean environment: <ul style="list-style-type: none"> Litter free pavements and streets; Regular cutting of grass on the embankment of the Eersteriver; and Cleaning of bins on a regular basis. Parking solutions: the hours of attendants to be extended.
	<p>Priority 4: Ecological restoration</p> <p>Maintenance and replacement of the historic street trees for risk management and contribution to landscape value for future generations.</p>
	<p>Priority 5: Post Office</p> <p>We accept that post facilities are for the jurisdiction of National Government, however it is our believe that Stellenbosch Municipality always endeavour to deliver.</p>

Table 55: Ward Priorities: Ward 10

Ward 10				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/19	Ward Priorities for 2019/20	Rating 2019/20
 Ward 10 Cllr Rozette du Toit (Stellenbosch Town)	Priority 1: Apprenticeships for youth		Priority 1: Safety Accredited Neighbourhood Watches (NHW) and private companies to assist with patrols.	
	Priority 2: Safety: area unsafe due to criminal activities		Priority 2: Ongoing Learnership (and Mentorship Programmes). Trade skills at the small business level, IT skills and Job shadowing Programmes.	
	Priority 3: Parking (not sufficient parking in Ward 10)		Priority 3: Parking Establishment of Bicycle lanes.	
	Priority 4: Cleaner area (environment)		Priority 3: Parking 2 pieces of land identified on the fringes of town and servicing the main entry and exit.	
	Priority 5: River rehabilitation and maintenance		Priority 4: Overall Cleanliness Ongoing river rehabilitation programme.	
			Priority 4: Overall Cleanliness Setting up of communal vegetable gardens – i.e. principles used at the Lynedoch eco-village, and how waste management ties into, and benefits this.	
			Priority 5: More sustainable, consistent interventions for the overall health and well-being of the aged Liaise with the local university around ongoing stimulating programme that can be facilitated.	
	Ward Priorities for 2020/21		Activity	Rating 2020/21
	Priority 1: Safety ⚡ Implementation of safety measures in high risk areas e.g., Tennantville, La Colline, Municipal flats in ward 10. ⚡ Stelmark Centre: study to be done on high risk areas (Tennantville, La Colline, Municipal flats, Stelmark area) and report back to the Ward Committee.		Regular patrols in place. The dome CCTV camera will be replaced within current financial year.	
			Crime stats resort under SAPS.	
Priority 2: Housing (Municipal flats) ⚡ Repair of water leaks at the Lapland flats. ⚡ Installation of water meters. ⚡ Consumer education on tenant contracts. ⚡ Mosquito problem to be attended to.		Maintenance work are done on an ongoing basis.		
		There is continuous roll out of the housing consumer education programme. Due to COVID-19 this is limited to individual engagements with tenants. The department has also appointed caretakers to assist with dealing with anti-social behaviour especially on weekends and after hours.		
		Housing Administration with the assistance of the Cape Winelands District Municipality is dealing with the issues and is monitoring the situation.		
		"Investigation on-site completed, Scope of works was extended after condition of all services shafts were assessed. Awaiting estimates to replace sewer and water pipe works in services shafts."		



Ward 10			
	Priority 3: Parking Report back to Ward Committee. Stellmark Parking areas (business people complaints).	Report back to Ward Committee is work in progress.	😊
		Business complaints about parking area is work in progress.	😊
	Priority 4: Learnership and Mentorship Programmes Establish learnership projects between unemployed youth and business people	The Jobseekers Database is being developed and will be completed by end June 2021. The database is aimed at connected job seekers with businesses and ensuring that the information of job seekers are correct and verified.	😊
	Priority 5: Sustainable woman empowerment projects Projects throughout the year (financial planning).	Training opportunities for SMME is currently being developed with partners (Stellenbosch Network and Boland College).	😊
Ward Priorities for 2021/22			
Priority 1: Safety and security Install and maintain surveillance camera in Lakay street. Lacolline criminal activities to be investigated. Establishment of SRA. Monitor problems house where criminal activities take place. Non-working cameras to be replaced with new one.			
Priority 2: Housing: municipal flats Geysers are broken and water leaks needs to be replaced. Maintenance people of municipality does not come to do maintenance work. Installation of water meters. Mosquito and cockroach problem to be attended to. Severe aged pipe problem. LAP flats- serious infrastructure problems. Infrastructure pipe is broken (all flats).			
Priority 3: Parking Create more parking areas in the ward.			
Priority 4: Learnership and mentorship programme Establish close relationship between business and schools for mentorship programme. Establish learnership projects between unemployed youth and businesses.			
Priority 5: Sustainable women empowerment project Conduct Financial literacy classes. Educate women about finance and budgeting.			

Table 56: Ward Priorities: Ward 11

Ward 11				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/19	Ward Priorities for 2019/20	Rating 2019/20
 Ward 11 Ald. Johanna Serdyn (Onder-Papegaaiberg)	Priority 1: Safety: safe neighbourhood with the back-up of e.g. security fences and a well-equipped neighbourhood watches	😊	Priority 1: Safety A safe neighbourhood with the back – up of e.g. Security fences and a well-equipped neighbourhood watches, camera on the corner in Tarentaal and Devon valley entrance.	😊
	Priority 2: Infrastructure at intersections in ward needs to be upgraded: Merriman / R44, Alexander / R44, R310 / Devon Valley and Vredenburg Rd / R310	😊	Priority 2: Infrastructure Intersections in ward need to be upgraded: Merriman/ R44, Alexander / R44, R310 / Devon valley and Vredenburg Rd / R310.	😊
	Priority 3: Rehabilitation of the Wetland area in conjunction with Huis Horison and other donors	😊	Priority 2: Infrastructure Dustbins at the following strategic points: Distellweg Road on the corner, at the side of the electrical box by Adam Tasweg, at the cemetery by Distellweg turnoff to Bosmans Crossing and Kent on Adam Tas Road.	😊
	Priority 4: Greening of Ward 11	😊	Priority 2: Infrastructure Lighting from Sanhagen Road turnoff up to Azara on the R310 (Kuilsvier).	😊
	Priority 5: Replacement of trees identified in lower part of Dorp Street	😊	Priority 2: Infrastructure Sidewalks: From cemetery to Distell, from Adam Tas intersection to Devon Valley road in front of the business and tar surfaces where necessary in Onder – Papegaaiberg.	😊
			Priority 3: Greening Rehabilitation of the wetland area in conjunction with Huis Horison and other donors.	😊
			Priority 3: Greening Greening of Ward 11 and conservation of fona and flora in parks with proper signs.	😊
			Priority 3: Greening Replacement of trees identified in lower part of Dorp Street.	😊
			Priority 4: Fencing of cemeteries and nature reserve.	😊
	Ward Priorities for 2020/21		Activity	Rating 2020/21
	Priority 1: A Safe neighbourhood <ul style="list-style-type: none"> Extension of fence around the Papegaaiberg cemetery. Electrification of Papegaaiberg fence. Monitored cameras to protect the set fences. Stasie Street: A gate to be closed at night, at the pedestrian crossing next to Amatoni to secure the area at night. Decision for taxi rank opposite Stellenbosch station need to be revisited. It originates as drop - and - go point. Request for public participation. 		Fencing of Papegaaiberg cemetery Project is completed.	😊
			Electrification of Papegaaiberg fence, Portion to be done in the current financial year.	😊
			Cameras purchased. Waiting on ITC for Network	😊
			Supply point for the electric fence has been installed.	😊
			Plans are being compiled for relocation of the taxi ranks.	😊



Ward 11			
	Priority 2: Infrastructure	Installation of lights project will be initiated with the Longlands project.	😐
	🔧 Intersection Alexander / R44 streets interchange.	Intersection planning and design in progress	😐
	🔧 Turn Harold Street into a one- way from Dorp Street towards Station Street to avoid the abuse of the area as an ad hoc Taxi drop off and better control during peak traffic.	Turn in Harold Street is currently assessing request	😐
	🔧 Reseal of all road surfaces.	Roads will be assessed and resealed as needed during 2021/22 financial year	😐
	🔧 Installation of lights on Vredenburg Road / Asara on R310.	Sidewalk to be constructed once the proposed upgrade of Libertas / Adam Tas intersection is completed.	😐
	🔧 Placing of street bins as identified by ward.	The Department has procured concrete street bins and has rolled these bins in various wards.	😊
	🔧 Sidewalk extension from Liberte to Adam Tas Road.		
	🔧 Sidewalk intersection Adam Tas to Devon Valley Road - in front of businesses.		
	Priority 3: Nature Conservation	Alien clearing are currently underway.	😐
	🔧 Rehabilitation of the wetland area in conjunction with Huis Horison and other donors.		
	Priority 4: Papegaaiberg Reserve.	The department is currently busy investigating a possible friends group model that is within the requirements of the MFMA.	😐
	🔧 Establishment of the Friends of Mountain Group, taking care of the total set environment requirement for a declared reserve.	Collaboration between Law Enforcement and Nature Conservation.	😐
🔧 Health risk and illegal structures needs to be attended too.			
Priority 5: Recreation.	The department is communicating with tenants on what can and cannot be maintained as per the lease agreements signed. Only structural damages are maintained like geysers etc.	😐	
	🔧 Upgrading of Van der Stel Sport Ground.	No funding is available on the current budget for upgrading of van der Stel Sports Grounds	😞
🔧 Resolve lease agreement - maintenance of building.			
Ward Priorities for 2021/22			
Priority 1: Safety and asset protection			
🔧 Papegaaiberg Reserve:			
- The deployment of fence monitoring camera;			
- The deployment of rangers patrolling the reserve;			
- Combat health risk and illegal structures;			
- A better quality of panels to be used to replace vandalised panels;			
- Redeployment of working cameras to Papegaaiberg;			
- Extension of fence around the Papegaaiberg cemetery; and			
- Permits for access to the reserve as Environment Protection Act requires permits based access to all nature reserves.			
🔧 Safety at the Adam Tas bridge is a challenge for pedestrians and cyclist.			
🔧 Land invasions are major and growing threat.			
🔧 Overall lighting of ward will be an ongoing priority.			
Priority 2: Infrastructure			
🔧 Bosman Cross / Adam Tas historical bridge requires rebuilding.			
🔧 Van der Stel Sport Grounds are in dire need of maintenance.			
🔧 Vredenburg Road require a pedestrian walkway for the workers.			
🔧 Kwikstert Street down to Devon Valley Road require extension of tarred pathway for workers.			
🔧 Sidewalk extension from Libertas to Adam Tas road is required.			
🔧 Sidewalk intersection Adam Tas to Devon Valley Road in front of the businesses is required.			
🔧 Reseal of all road surfaces in Onder Papegaaiberg.			
🔧 The request for sideways must make provision for pedestrian and cyclists.			
🔧 Ward strive to confirm with the NMT requirements of Stellenbosch Municipality.			



Ward 11

Priority 3: Development Applications

- Oude Molen:
 - There is a growing concern around the impact on traffic from development;
 - NMT facilities a prerequisite; and
 - Aggressive stance on the side of the developers.

• Adam Tas Corridor:

- The public had no insight into the exact plans; and
- Developers are looking to exploit the needs for rapid growth.

• Woodmill Development:

Further developments to make provision for Non-Motorising Transport.

Priority 4: Recreational and community

- Request for a leash-free dog park in Onder Papegaaienberg.
- Request for the removal of alien species to support the natural granite renosterveld in Papegaaienberg Reserve.
- Rehabilitation of wetlands area in conjunction with Huis Horison.
- Establish and maintain an active group "The Friends of Reserves" Taking care of the total set environmental requirements for a declared reserve.
- The outdated maintenance plan for the reserve to be revived.
- Promote cycle routes for recreational purposes.

Priority 5: Public Transport

- Taxi rank at Stellenbosch Station:
 - Has taken complete control of the parking area;
 - No facilities available; and
 - No input asked from the public.
- Integrated Transport Plan:
 - The ITP of 2017 or its revisions should receive attention for the implementation in collaboration with the Adam Tas Corridor project and affected wards; and
 - Establishment of park and ride facilities as a support to our public transport system.

Table 57: Ward Priorities: Ward 12

Ward 12				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/19	Ward Priorities for 2019/20	Rating 2019/20
 Ward 12 Cllr N Mananga – Gugushe (Kayamandi)	Priority 1: Land for housing	😊	Priority 1: Swimming Pool.	😊
	Priority 2: Swimming pool	😊	Priority 2: Land for housing.	😊
	Priority 3: Electricity for Enkanini	😊	Priority 3: Electricity and Rezoning in Enkanini.	😊
	Priority 4: Safety	😊	Priority 4: Thusong Centre.	😊
	Priority 5: Thusong Centre	😞	Priority 5: Finishing roads in Nkanini / Construction of Nkanini roads.	😊
	Ward Priorities for 2020/21		Activity	Rating 2020/21
	Priority 1: Recreation ✚ Swimming Pool at the Kayamandi Sport field, next to the changing room used by cyclist.		Not enough space to build a Swimming Pool on this site.	😞
	Priority 2: Safety ✚ Crime combat volunteers. ✚ Cetralisation of crime combat. ✚ EPWP Project to hire Law Enforcement. ✚ Training of neighbourhood watch safety patrol. ✚ School bus patrol (walking bus?).		Volunteers can be in the form of Neighbourhood watches. The municipality is looking at reservists for Law Enforcement. support to NHW ongoing - have dedicated NHW officer to assist with registration and training. Training of neighbourhood watch is receiving attention, liaison officer will be trained to train NHW members School bus patrol (walking bus) will be investigated.	😊 😊 😊 😊
	Priority 3: Elderly and disable friendly centre ✚ Training of elderly. ✚ Social Cohesion.		All activities were on hold due to the COVID-19 pandemic and the specific vulnerability of these two groups.	😊
	Priority 4: Wi-Fi Facilities ✚ Extension of Wi-Fi (access to the internet). ✚ Installation of uncapped Wi-Fi in public institutions and facilities.		Public Wi-Fi is available at the Municipal ward office in Kayamandi as also in the following areas: Kayamandi Clinic, Makhuphula Secondary School, Kayamandi Library and Kayamandi Primary. Due to lack of Fibre infrastructure on the ground and around Kayamandi, there is still a huge challenge in providing Public Wi-Fi wall to wall.	😊 😊
	Priority 5 ECD Centres ✚ Accessible childhood education. ✚ Integration of ECDs in a centralised space.		Quarterly ECD Forum Capacity Building Sessions. The department continues to work towards strengthening relationships with grass roots organisations to the benefit of local ECDs. Collaborative approach towards development of the sector will continue.	😊 😊
	Ward Priorities for 2021/2022			
	Priority 1: Recreation Provide swimming pool in Kayamandi stadium next to changing room used by cyclists.			
	Priority 2: Safety and Security ✚ Neighbourhood patrol. ✚ Hire law enforcement officers. ✚ Install CCTV cameras. ✚ Establishment of Crime combat volunteers.			

Ward 12	
	<ul style="list-style-type: none"> Centralisation of crime combat. EPWP Project to hire law enforcement. Training of neighbourhood watch safety patrol. Implementation of School bus patrol (walking bus).
	Priority 3: Elderly and disabled <ul style="list-style-type: none"> A Centre for elderly and disabled to be built. Training of elderly. Social cohesion.
	Priority 4: Wi-Fi Facilities <ul style="list-style-type: none"> Extension of WIFI in order for community to have access to internet. Installation of uncapped Wi-Fi in public facilities.
	Priority 5: ECD Centres <ul style="list-style-type: none"> Accessible childhood education. Integration of ECD's in a centralised space.

Table 58: Ward Priorities: Ward 13

Ward 13				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/19	Ward Priorities for 2019/20	Rating 2019/20
 <p>Ward 13 Cllr Faith Bangani-Menziwa (Kayamandi)</p>	Priority 1: Taxi Rank	😊	Priority 1: Hostels, Shacks and Backyard Dwellers.	😊
	Priority 2: Hostels and shacks and backyard dwellers	😊	Priority 2: Old Age and Youth Recreational Centre.	😞
	Priority 3: Old Age recreational centre	😞	Priority 3: Community Hall.	😊
	Priority 4: Community Hall	😊	Priority 4: Day Hospital.	😊
	Priority 5: Day Hospital	😊	Priority 5: Initiation School Site.	😊
	Ward Priorities for 2020/21		Activity	Rating 2020/21
	Priority 1: Hostels, Shacks and Backyard dwellers <ul style="list-style-type: none"> Town Centre Development: decanting site for TCD. Transfer of bought land for decanting site. Electricity of backyard dwellers. Old red roof houses / old location needs title deeds. Count the number of hostels, shacks and backyard dwellers. Identify the beneficiaries for the Township development. 		Town Centre Development: A funding application has been submitted to PDoHS during June 2020. The planning layout has been approved by Council on 24 August 2020. A service provider is currently in the process of finalising all detailed planning and are in the process of engaging with the Planning Department of the Stellenbosch Municipality and further public participation processes are planned. These planning applications will be submitted to obtain development rights. The municipality is currently awaiting the funding approval from PDoHS.	😊
			The backyard survey of Ward 13 is currently underway. Phase 1 of the survey was completed during February 2021. This phase included the mapping of all backyard structures and the confirmation of the current land use.	😊
			Directive currently allows for more than one service connection in a property. However, funding / payment for such is to be made. The municipality to provide	😊



Ward 13			
		guidance on how services to backyard dwellers would be funded.	
	Priority 2: Old Age and Youth Recreational Centre To be part of the planning of the Town Centre Development which must include Old Age and Youth Recreational Centre.	No funds on budget.	☹️
	Priority 3: Community Hall Identification of land for the building of a proper community hall, especially in the Town Centre Development.	Land can only be identified once the Northern extension is planned.	😊
	Priority 4: Initiation Site A need for an Initiation site to practise traditional custom during June and December due to health and safety.	The municipality is liaising with the respective stakeholders.	😊
	Priority 5: Remembrance Hall in Kayamandi Library Educational wall in Kayamandi Library e.g. history of Kayamandi, and its fallen heroes and Mandela history.	Kayamandi Library's general upgrade is planned for the next financial year.	😊
	Priority 6: Greening and Cleaning Cleaning of corner of Mengo and Bassie Street. Corner of Lamba and Swartbooi and Makupula Street, including Kayamandi Police Station. Employ EPWP residing in this area to monitor these areas each hour and place skip bins. Taxi rank also need cleaning and toilets.	Cleaning of streets is ongoing. Currently, the municipality is in process of provide more EPWP job opportunities, through the registration of additional projects on the business plans.	😊 😊
Ward Priorities for 2021/22			
	Priority 1: Housing – Hostels, Shacks and Backyard Dwellers Town Centre Development: Decanting site for TCD. Transfer of bought land for dedicating site. Electricity of backyard dwellers. Old red roof houses / old location needs tittle deeds. Count the number of hostels, shacks and backyard dwellers. Identify the beneficiaries for township development. Installation of electricity. Tittle deeds to be given to owners.		
	Priority 2: Old Age and Youth Recreational Centre To be part of the planning of the Town Centre Development which must include Old Age and Youth Recreational Centre. Building that will accommodate Old Age and Youth Recreation Centre to be provided.		
	Priority 3: Community Hall Identification of land for the building of a proper community hall, especially in the Town Centre Development.		
	Priority 4: Initiation Site A need for an Initiation site to practise traditional custom during June and December due to health and safety. The initiation site to be provided with water and sanitation.		
	Priority 5: Remembrance Hall in Kayamandi Library Identify land for hall to be build and existing one to be given to Makupula High School. Education Wall in Kayamandi Library e.g. history of Kayamandi and its fallen heroes and Mandela history.		

Table 59: Ward Priorities: Ward 14

Ward 14				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/19	Ward Priorities for 2019/20	Rating 2019/20
 Ward 14 Cllr Phelisa Sitshoti (Kayamandi)	Priority 1: Land for housing.	😊	Priority 1: Swimming Pool.	😊
	Priority 2: Housing.	😊	Priority 2: Water Tanks (for indigent).	😞
	Priority 3: Safety patrols (Neighbourhood watch safety patrols).	😊	Priority 3: Thusong / Multi – Purpose Centre.	😊
	Priority 4: Health (Clinic).	😊	Priority 4: Police Station (fully fledged).	😊
	Priority 5: Employment.	😊	Priority 5: Health (Clinic).	😊
	Ward Priorities for 2020/21		Activity	Rating 2020/21
	Priority 1: Swimming Pool 🔧 Recreation and to prevent children crossing railway line and Main Road for a swimming pool.		No funding available on current budget to construct a swimming pool in ward 14.	😞
	Priority 2: Safety 🔧 Crime combat volunteers 🔧 EPWP Project to hire law enforcement. 🔧 Training for the neighbourhood watch safety patrol. 🔧 EPWP Project to hire EPWP volunteers to control cameras and illegal movement in Kayamandi Police Station.		Volunteers can be in the form of Neighborhood watches. Municipality lookig at reservists for Law Enforcement. Training for the neighbourhood watch safety patrol is receiving attention, liaison officer will be trained to train NHW members.	😊 😊
	Priority 3: Fully fledged police station with extra vans and extra police		Fully fledged police station with extra vans and extra police is not local government function.	😞
	Priority 4: Sanitation 🔧 Installation of new toilets and fixing of all toilets.		Existing toilets in Ward 14 currently being maintained under an existing contract. Watergang informal settlements tender for new toilets at SCM for BEC.	😊
	Priority 5: Elderly and Disable friendly centre 🔧 Care and support of elderly and disabled. 🔧 Social cohesion.		No funds on budget.	😞
	Ward Priorities for 2021/22			
	Priority 1: Land for housing 🔧 Identify land for housing for backyarders, overpopulated areas e.g. Zone O, P, F, and I. 🔧 Prioritise senior citizens and disabled.			
	Priority 2: Infrastructure and housing 🔧 Access roads for emergencies to be built. 🔧 Give plots to non-qualifiers. 🔧 Find the land around Stellenbosch or nearby areas to build houses, negotiate / buy land to build houses.			
	Priority 3: Safety and security 🔧 Establish Neighbourhood watch. 🔧 Formation of CPF. 🔧 More law enforcement patrols. 🔧 Cutting of trees in the ward.			

Ward 14	
	<ul style="list-style-type: none"> Traffic officer need to monitor Luyolo Street from Majola to Kuyasa. Install more CCTV cameras. Employ 100 law enforcement officers and divide them for Stellenbosch areas. Monitor the CCTV camera daily.
	Priority 4: Sanitation <ul style="list-style-type: none"> Employ permanent workers from the ward to clean ward 14. Deliver black bags every month door-to-door. Collect bins regularly and clean the drains and toilets every week.
	Priority 5: Swimming pool <p>Provide swimming pool within ward 14 or nearby, but it must be in Kayamandi.</p>

Table 60: Ward Priorities: Ward 15

Ward 15				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/19	Ward Priorities for 2019/20	Rating 2019/20
 <p>Ward 15 Cllr Nosibulele Sinkinya (Kayamandi)</p>	Priority 1: Housing.	😊	Priority 1: Land for Housing.	😊
	Priority 2: Clinic.	😊	Priority 2: Day Hospital.	😊
	Priority 3: Multipurpose Centre.	😊	Priority 3: Multi-Purpose Centre.	😊
	Priority 4: CCTV Cameras (Mdala Street in Zone K, Bassie Street in Zone M, next to Kayamandi Clinic and Zone O Fire Street).	😊	Priority 4: Artificial Grass (Sport fields).	😊
	Priority 5: Adult Based Education and Training (ABET) classes for community members.	😊	Priority 5: Renovation of Hostels (Madamini C, D, E, F, H etc.).	😊
	Ward Priorities for 2020/21		Activity	Rating 2020/21
	Priority 1: Land for housing Infrastructure Development (proper infrastructure).		"Watergang (Phase 2C): The current cost estimates received from the consultant is much higher than anticipated. The financial impact of COVID-19 on the financial position of the Stellenbosch Municipality does not allow for this project to continue at present. Zone O: The funding application for the implementation of Zone O re-blocking (installation of civil services) was approved by PDoHS on 28 January 2021. The project will now be handed over by the Housing Development Department to the Project Management Unit for implementation."	😊
	Priority 2: Swimming Pool Well-equipped security. Safety and security fencing.		The possibility of a swimming pool was investigated. There is no suitable available land for a swimming pool. No feasibility. Well-equipped security will be implemented.	😞
	Priority 3: Multi-Purpose Centre Skills development. Computer practice.		Provincial government competency.	😞
	Priority 4: Job Creation Project (Job Readiness) Specific skills (computer skills, civic		Training opportunities for SMME is currently being developed with partners (Stellenbosch Network and Boland	😊



Ward 15			
	skills, carpentry, plumbing and painting).	College).	
	Priority 5: Safety ✚ Installation of CCTV cameras. ✚ Monitoring of cameras (control centre).	Installation of the CCTV cameras will be investigated for 2021/22. All cameras are being monitored.	 
Ward Priorities for 2021/22			
	Priority 1: Housing ✚ Houses to be built around Stellenbosch. ✚ Zone O enumeration of numbers (address numbers). ✚ Access roads for emergencies. ✚ Outstanding Zone O structure surveys: - Plots for non-qualifiers; - RDP Houses; and - Clarity on the waiting list for houses 19914-1999.		
	Priority 2: Swimming Pool ✚ Swimming pool for Ward 15 area or at the sports ground to be provided. - Well-equipped security. - Safety and security fencing.		
	Priority 3: Safety ✚ Formation of the neighbourhood watch and CPF. ✚ Installation of the CCTV cameras. ✚ Visibility of the Law Enforcement. ✚ Visibility of the law enforcement officers and police team. ✚ Cutting of trees. ✚ More security patrols. ✚ Equipment for our neighbourhood watch monitoring of cameras (control centre).		
	Priority 4: Electrification of Informal Structures Electricity for the informal structures for Zone O,L,J,K.		
	Priority 5: Installation of Wi-Fi Availability of Wi-Fi by the clinic, forest drive, retreat, vineyard.		

Table 61: Ward Priorities: Ward 16

Ward 16				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/19	Ward Priorities for 2019/20	Rating 2019/20
 <p>Ward 16 Cllr Elsabe Vermeulen (Cloeteville)</p>	Priority 1: Housing and basic services for backyard dwellers.	😊	Priority 1: Housing Land for housing. Basic services to backyard dwellers. The Steps / New Orleans upgrading.	😊
	Priority 2: Maintenance of the Steps and New Housing.	😊	Priority 2: Safety More visible Law Enforcement in the community. Law Enforcement to assist with school patrols.	😊
	Priority 3: 24-hour patrol for more visible law enforcement and better control measures for vagrants.	😊	Priority 3: Unemployment More EPWP projects for youth and disabled persons.	😊
	Priority 4: Better Lighting (Mass Poll lights) in the areas of Curry, Pine, Primrose, Eike Jakaranda, North-End, Silvia and Vredelust Street.	😊	Priority 4: Universal access to Swimming pool. Shopping centre. Disabled sign boards to be erected at the Sport field, Shopping centre and Cloeteville complex.	😊
	Priority 5: Job Creation initiatives for disabled and youth.	😊	Priority 5: Central community play park Complete fencing of park. More play park equipment.	😊
	Ward Priorities for 2020/21		Activity	Rating 2020/21
	Priority 1: Housing Land for housing (Erf 7001, 7181, 668, 7271, 6886, 6300, 6847). Stand-alone plots. Basic services to backyard dwellers. The Steps / Orleans upgrading.		Erf 7001 Cloeteville: Council, during an In-Committee meeting held on 25 February 2021, indicated that the typical conceptual site development layouts as submitted by the bidders, are not acceptable. Council also further indicated that the preferred development accommodates housing typologies that ranges from R500 000 – R1 200 000 to conform to the surrounding neighbourhood. The decision by Council thus necessitated that the latest Call for Proposal be cancelled, as it deviated completely from the tender advertised. New tender specifications are in the process of being drafted.	😊
			The Engineering Services has launched an investigation into the possibilities of providing basic services for backyarders, by taking into account the necessary legislation that prohibits the municipality to work on private owned land.	😊
	Priority 2: Safety More visible law enforcement in the community. Law Enforcement to assist with school patrols. Installation of Mass Pole lights. 2 Speed humps from Vredelust Street and cnr. Crombie and Last Street.		Regular joint operations with SAPS. NHW's supported on regular basis by law enforcement.	😊
			Law enforcement to assist with school patrols this is ongoing. Any specific complaint areas to be sent via email.	😊
			Installation of mass pole lighting project in planning and investigation stage.	😊
			Speedhump to be assessed and implemented in terms of new policy.	😊



Ward 16			
	Priority 3: Unemployment More EPWP Projects for Youth and Disable Persons.	Currently, the municipality is in process of providing more EPWP job opportunities, through the registration of additional projects on the business plans.	😊
	Priority 4: Universal Access Swimming pool. Shoprite Centre in Cloeteville.	Shoprite centre planning and designs in progress, implementation 2021/22 financial year.	😊
	Disabled sign board at the sport field, shopping centre and complex in Cloeteville.	The possibility of a swimming pool was investigated. There is no suitable available land for a swimming pool. No feasibility.	😊
	Priority 5: Central Community Park Fencing. Security.	Provision of security is budget dependent. Proposals to enhance law enforcement is under discussion. Communities to be rallied to join NHW's.	😊
		Play parks are fenced.	😊
	Ward Priorities for 2021/22		
	Priority 1: Housing Land for housing. Stand-alone plots. Basic services for back yard dwellers. Upgrading of Municipal flats in Pine, Primrose, Eike and Jakaranda Streets. Utilising empty plots for GAP housing.		
	Priority 2: Safety More visible Law Enforcement. Law Enforcement to assist with patrols. Cameras in gang areas 24hrs mobile Law Enforcement Units in community.		
	Priority 3: Unemployment More EPWP projects for the youth and disabled.		
	Priority 4: Universal Access for disabled Swimming pool. Cloeteville shopping centre. Sign board for disabled at all public facilities.		
	Priority 5: community parks Fencing for play parks. More gym equipment for parks. Fencing of Noble Park.		

Table 62: Ward Priorities: Ward 17

Ward 17				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/19	Ward Priorities for 2019/20	Rating 2019/20
 <p>Ward 17 Cllr Paul Biscombe (Cloeteville)</p>	Priority 1: Developing a business hub at the open space behind Rietenbosch School using the "shipping container shopping centre" concept for job opportunities.	😊	Priority 1: Developing a business hub at the open space behind Rietenbosch School using the "shipping container shopping centre" concept for job opportunities.	😊
	Priority 2: Creating job opportunities for unemployed youth (create an enabling environment).	😊	Priority 2: Housing. Soekmekaar Erf 7001, open space behind Pieter Langeveld School.	😊
	Priority 3: Beautification of sidewalk and open spaces in Cloeteville.	😊	Priority 3: Beautification of sidewalk and open spaces in Cloeteville.	😊
	Priority 4: Housing. Soekmekaar Erf 7001, open space behind Pieter Langeveld School and the open space in Wilger Street.	😊	Priority 4: Creating job opportunities for unemployed youth (create an enabling environment).	😊
	Priority 5: Multi-purpose centre on the open space behind Rietenbosch School (Cloeteville) Erf 7181 and Erf 6668.	😊	Priority 5: Upgrading of Lang / Rhode Street flats.	😊
	Ward Priorities for 2020/21		Activity	Rating 2020/21
	Priority 1: Upgrading of Rhode Street flats 🚧 Melody Block. 🚧 Monte Christo Block. 🚧 Monteray Block. 🚧 Mountview Block.		Not on three-year budget.	😞
	Priority 2: Housing. Soekmekaar Erf 7001 and open space behind Pieter Langeveld School 🚧 Request for medium cost housing opportunities.		Erf 7001 Cloeteville: Council, during an In-Committee meeting held on 25 February 2021, indicated that the typical conceptual site development layouts as submitted by the bidders, are not acceptable. Council also further indicated that the preferred development accommodates housing typologies that ranges from R500 000 – R1 200 000 to conform to the surrounding neighbourhood. The decision by Council thus necessitated that the latest Call for Proposal be cancelled, as it deviated completely from the tender advertised. New tender specifications are in the process of being drafted.	😊
	Priority 3: Beautification of walks and open spaces in Cloeteville 🚧 Waaierpalm Street to be completed. 🚧 Fontein, Wilger Street. 🚧 Melkhout Street. 🚧 Gabriel Street to be completed.		Waaierpalm Street is completed	😊
			The construction of sidewalks is budget depended. Implementation is scheduled for the 2021/22 financial year.	😊
	Priority 4: Creating job opportunities for unemployed youth (create an enabling environment)		The Department: Economic Development and Tourism is in the process of compiling an Economic Development Strategy for the Stellenbosch Municipality, which will	😊



Ward 17			
	<ul style="list-style-type: none"> Consult with the relevant Provincial Departments for opportunities. Make use of Chrysalis graduates for Job Opportunities. 	be workshopped with Council during April 2021. The draft must be submitted to Council by 30 June 2021.	
	<p>Priority 5: Developing a business hub at the open space behind Rietenbosch School using the "shipping container shopping centre" concept for job opportunities</p> <ul style="list-style-type: none"> Feasibility study to be done. 	The Department: Economic Development and Tourism is in the process of compiling an Economic Development Strategy for the Stellenbosch Municipality, which will be workshopped with Council during April 2021. The draft must be submitted to Council by 30 June 2021.	😊
Ward Priorities for 2021/22			
<p>Priority 1: Upgrading of Rhode Street flats</p> <ul style="list-style-type: none"> Upgrading of Rhode Street flats: <ul style="list-style-type: none"> Melody Block; Monte Christo Block; Monteray Block and Mountview Block. 			
<p>Priority 2: Housing. Soekmekaar Erf 7001 and open space behind Pieter Langeveld School</p> <ul style="list-style-type: none"> Request for medium cost housing opportunities (Very import). Upgrading of water trench causing problems to lower lying residents of Stellita Park. Below Pieter Langeveld School open space. 			
<p>Priority 3: Beautification of walkways and open spaces in Cloeteville</p> <ul style="list-style-type: none"> Waaierpalm Street to be completed. Fontein and Wilger Streets. Melkhout Street. Gabriel Street to be completed. Stellita Park. Upgrading of Lang Street Park. 			
<p>Priority 4: Creating job opportunities for unemployed youth (create an enabling environment)</p> <ul style="list-style-type: none"> Consult with the relevant Provincial Department for opportunities. Make use of Chrysalis graduates for job opportunities. Create job opportunities for unemployed ward residents up to 45 years old in the Security Sector. 			
<p>Priority 5: Develop a business hub at the open space behind Rietenbosch School using the "shipping container shopping centre" concept for job opportunities</p> <p>Feasibility study to be done.</p>			

Table 63: Ward Priorities: Ward 18

Ward 18				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/19	Ward Priorities for 2019/20	Rating 2019/20
 <p>Ward 18 Cllr Emily Fredericks (Klapmuts)</p>	Priority 1: Housing.	😊	Priority 1: Housing	😊
	Priority 2: Grave yard – Property.	😊	Priority 2: Education: Entrepreneurial training.	😞
	Priority 3: Education.	😊	Priority 3: Grave Yard – Property.	😊
	Priority 4: Lighting – Backsberg / Spooky Town, Beyer and Alfred Street.	😊	Priority 4: Lighting – Backsberg / Spooky Town, Beyer, Alfred and Collin Street.	😊
	Priority 5: Central out door park - outdoor, piazza amphitheatre.	😊	Priority 5: Outdoor park at the Veldsman houses and Koelpark.	😊
	Ward Priorities for 2020/21		Activity	Rating 2020/21
	Priority 1: Education ✚ Building of a High School and Primary School.		Will consult with the Department of Education.	😞
	Priority 2: Safety ✚ Satellite Police Station. ✚ Safety Cameras. ✚ Neighbourhood Watches. ✚ Law Enforcement Officers.		Building of satellite Police Station is not Local Government function.	😞
			1 LPR will be completed by 30 June 2021. Dependent on Network from ICT.	😊
			The department had a meeting with CPF Chair and Station Commander of Klapmuts SAPS. Members of community has been identified but has not yet completed the applicable forms due to their unavailability. An effort will be made to get hold of them in order for the forms to be completed.	😊
			Regular patrols and joint operation with SAPS executed.	😊
	Priority 3: Graveyard ✚ Identification of land for a graveyard.		Two regional sites has been identified based on the need identified within the WC024.	😊
	Priority 4: Housing (GAP Housing) ✚ Land for housing.		Housing development has identified possible land for subsidised housing and GAP housing in the Klapmuts area. Feasibility studies were done to determine the possibility of acquiring a suitable land for residential development. A tender was advertised for the subdivision of the La Rochelle portion of land for low-income development. This outcome would be to obtain development rights.	😊
	Priority 5: Streetlights ✚ Municipal area / Eskom.		Stellenbosch Municipality is in the process to take over the street lights function from Eskom.	😊
	Ward Priorities for 2021/22			
	Priority 1: Education ✚ Building of a high school and primary school with (3 language mediums) Afrikaans, English and Xhosa. ✚ Education Institute.			

Ward 18	
	Priority 2: safety and lighting <ul style="list-style-type: none"> Satellite Police Station. More safety Cameras. Neighbourhood watch. Law enforcement officers. Proper lightning.
	Priority 3: Housing / GAP Housing <ul style="list-style-type: none"> Land for housing. Request for backyarders Community not qualifying for low cost housing.
	Priority 4: Small businesses <ul style="list-style-type: none"> Land next to Paradise Park must be utilised for business. Create own source of income through entrepreneurship.
	Priority 5: Graveyard <ul style="list-style-type: none"> Land for graveyard. To have a graveyard closer to home – less travelling expenses.

Table 64: Ward Priorities: Ward 19

Ward 19				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/19	Ward Priorities for 2019/20	Rating 2019/20
 <p>Ward 19 Cllr Jan Karel Hendricks (De Novo, Elsenburg and Kromme Rhee)</p>	Priority 1: Housing for the farm worker community.	😊	Priority 1: Housing for farm worker community.	😊
	Priority 2: Job Creation / Training opportunities for the whole ward including De Novo.	😊	Priority 2: Job creation/ training opportunities and entrepreneurial skills workshops for the whole ward including De Novo.	😊
	Priority 3: Town establishment Elsie'srivier Project - Elsenburg, Vaaldraci, Kromme Rhee and De Novo.	😊	Priority 3: Town establishment Elsie'srivier Project – Elsenburg, Vaaldraci, Kromme Rhee and De Novo.	😊
	Priority 4: Mobile / Satellite Clinic (Health).	😊	Priority 4: Mobile / Satellite Clinic (Health).	😞
	Priority 5: Safety on Farms in ward 19.	😊	Priority 5: Safety on farms in ward 19 (Koelenhof; Vaaldraci; De Novo- Old Paarl Road; Kromme Rhee; Bottelary Road).	😊
	Ward Priorities for 2020/21		Activity	Rating 2020/21
	Priority 1: Housing for farmworkers.		The planning phase for further development of De Novo is ongoing and various studies are being undertaken by the appointed consultants. The houses in De Novo are currently being rectified. This project is managed by the PDoHS.	😊
	Priority 2: Training and job opportunities.		The Department: Economic Development and Tourism is in the process of compiling an Economic Development Strategy for the Stellenbosch Municipality, which will be workshopped with Council during April 2021. The draft must be submitted to Council by 30 June 2021.	😊
	Priority 3: Town establishment.		"During August 2019, a site inspection was done in order to prepare specification to appoint a service provider. The extent of the property in collaboration with Provincial Department of Public Works (PDoPW) is paramount for an accurate feasibility study.	😊



Ward 19			
		The tender was awarded, and the service provider concluded the brief. A feasibility study was submitted to Council and approved. Further discussions with Provincial Department of Public Works will now commence, given the fact that the said area is outside the urban edge with bulk services capacity challenges.	
	Priority 4: Mobile Clinic.	The municipality is in consultation with the Western Cape, Department of Health.	😊
	Priority 5: Safety and security Meeting with SAPS, neighbourhood watches and law enforcement and security companies.	There are two NHWs Weltevrede and Vaaldraci registered. De Novo's forms completed and is currently with Sector Commander of Kraaifontein SAPS to finalise the fingerprints before submission to DOCS.	😊
	Priority 6: Farmworker summit Summit to address the availability of land for farmworker housing.	De Novo: The planning phase for the further development of De Novo is ongoing and various studies are being undertaken by the appointed consultants. The houses in De Novo are currently being rectified. This project is managed by the PDoHS. Vaaldraci, Elsenburg: A service provider was appointed and completed a feasibility study which was approved by Council during April 2020. Stellenbosch Municipality is currently engaging with the National Department of Public Works the challenges with possible township establishment.	😊
	Priority 7: Improved public transport Affordable taxi and public transport (challenge to get to the nearest town, and community members are missing important doctors' appointments).	Currently being investigated.	😊
	Priority 8: Provision of electricity and at Kromme Rhee (from shops and other outlets).	Eskom supply area.	😞
Ward Priorities for 2021/22			
Priority1: Housing and land for housing			
<ul style="list-style-type: none"> Vacant land in Culcatta Bos and Muldersvlei to be utilised for farmworker housing. The municipality must liaise with farm owners and developers to develop land for farmworker housing. The handing of title deeds in Vaaldraci, Elsenburg, Kromme Rhee, Muldersvlei and Helderfontein must be expedited. Elsevier project must also be implemented. The municipality must liaise with all the relevant role-players to commence with this project. To identify open pieces of land to be used for farmworker housing. All relevant stakeholders must be invited to the summit. Basic services must be provided to backyard dwellers. Housing opportunities must be provided to backyard dwellers. 			
Priority 2: Training and job opportunities			
EPWP programme for your residing on farms.			
Priority 3: Mobile Clinic			
<ul style="list-style-type: none"> The Health Department must provide a bigger mobile clinic - short term. Construction of a permanent clinic in the ward- medium term. That the municipality liaise with the Health Department on improved health services in the area. 			
Priority 4: Safety and Security			
<ul style="list-style-type: none"> Regular and increase patrols by SAPS and law enforcement. Support to neighbourhood watches. 			
Priority 5: Improved public transport			
The municipality must investigate how to improve public transport in Koelenhof, Bottelary,			

Ward 19	
	<p>Vaaldraai, Elsenburg and Kromme Rhee.</p> <p>The municipality must convene meetings with the various taxi associations and the community to improve public transport.</p>
	<p>Priority 6: Purchasing of electricity at other outlets</p> <p>The municipality must facilitate how the community can purchase electricity from either the municipality and or ESKOM.</p> <p>Purchasing outlets for electricity in the ward must be freely available.</p>
	<p>Priority 7: Upgrading of sidewalks and streetlights in Weltevrede</p> <p>Upgrading of sidewalks and streetlights in Weltevrede.</p>
	<p>Priority 8: Recreation Centre for Smartietown</p> <p>Recreation Centre for Smartietown.</p>

Table 65: Ward Priorities: Ward 20

Ward 20				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/19	Ward Priorities for 2019/20	Rating 2019/20
 <p>Ward 20 Cllr Ansaaf Crombie (Vlottenburg and Raithby)</p>	Priority 1: Longlands Housing.	😊	Priority 1: Longlands Housing.	😊
	Priority 2: Road entrance for Longlands and Digteby.	😊	Priority 2: Road Entrance for Longlands and Digteby.	😊
	Priority 3: Pedestrian crossing at Railway (Vlottenburg).	😞	Priority 3: Identification of land for a sport facility.	😞
	Priority 4: New reservoir (Polkadraai).	😊	Priority 4: New Polkadraai Reservoir.	😊
	Priority 5: Crime / Safety Neighbourhood Watch.	😊	Priority 5: Crime / Safety Neighbourhood Watch.	😊
	Ward Priorities for 2020/21		Activity	Rating 2020/21
	Priority 1: Housing Longlands Housing.		Internal services have been completed. A funding application for the top structures, with the Provincial Department of Human Settlements (PDoHS), is in its final stage. The PDoHS has indicated that financial provision will be made for the top structures on their 2021/22 financial year budget.	😊
	Priority 2: Bus Stop at Annendale Road.		Request being assessed for submission to Provincial Roads Department.	😞
	Priority 3: Electricity Vlottenburg streetlights needs a timer.		Streetlights maintained by Cape Winelands (Adenco).	😞
	Priority 4: Library Building of a Library for Vlottenburg.		Vlottenburg Primary school is Government run school therefore setting up of a library will have to include discussions with the Provincial Library Services, WECED and the municipality. However, the cuts in Conditional Grant Funding, Provincial Library Services has indicated that they have temporarily suspended all library upgrades as well as the building of new libraries. The municipality does not have the available funds to assist on its own with setting up and staffing a library.	😞
	Priority 5: Sports field Sport field for Vlottenburg (Identification of land).		The Department will liaise with the Ward Cllr on the specifics of the community request.	😊



Ward 20			
	Priority 6: Railway bridge at Vlotenburg Walkway bridge over Vlotenburg station.	Request being assessed for submission to PRASA.	⚠️
Ward Priorities for 2021/22			
Priority 1: Housing <ul style="list-style-type: none"> More land must be identified for further housing assistance / opportunities. Longlands housing public info-session about the infrastructure and planning of the Longlands housing development. 			
Priority 2: infrastructure – Roads and Stormwater <ul style="list-style-type: none"> Bus stop Annandale Road. Walkways Bridge Vlotenburg Station. Vlotenburg Streetlights at Stellenbosch Kloof Road. Vlotenburg Station. Stellenbosch Kloof Road. 			
Priority 3: Safety and Security <ul style="list-style-type: none"> Safety cameras at Vlotenburg Road next to BP Garage. Neighbourhood Watch in Vlotenburg and surrounding farms. Mobile police station Vlotenburg Road. Vlotenburg Road (next to BP garage). Vlotenburg and surrounding farms. Vlotenburg Roads. 			
Priority 4: Fully fledged Clinic in Vlotenburg Vlotenburg Primary School or nearby.			
Priority 5: Sport and Recreation <ul style="list-style-type: none"> Sport ground at Bonfoi farm. Library at Vlotenburg Primary (must get permission from school principal). EPWP programme for youth. Skills development programmes for unemployed youth. 			

Table 66: Ward Priorities: Ward 21

Ward 21				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/19	Ward priorities for 2019/20	Rating 2019/20
 <p>Ward 21 Cllr Rikus Badenhorst (Jamestown and Surrounding Farms)</p>	Priority 1: Affordable housing in Jamestown with integrated public transport system.	😊	Priority 1: Affordable housing in Jamestown with an integrated transport system.	😊
	Priority 2: Local economic development hub.	😊	Priority 2: Local economic development hub.	😊
	Priority 3: Pedestrian walkway / cycling route needs to be completed between Paradyskloof and Jamestown.	😊	Priority 3: Pedestrian walkway / cycling route need to be completed between Paradyskloof and Jamestown.	😊
	Priority 4: Zoning and management of nature areas.	😊	Priority 4: Zoning and management of nature areas in ward 21, including farms 366, 369 and 502	😊
			Priority 5: Upgrading of Parks.	😊
	Ward Priorities for 2020/21		Activity	Rating 2020/21
	Priority 1: Affordable housing in Jamestown with integrated transport system Feedback meetings on a quarterly basis with the community. The development must include parks and ECD centres.		The Housing Development Department is currently finalising Stage 2 of Call for Proposals. A report will serve before Council to select a preferred concept site development plan. The selected preferred concept site development plan will enable the finalisation of Stage 2 of the Call for Proposal.	😊
	Priority 2: Safety and Security Fencing of Jamestown sport club (Preferably beta fencing with microdots / wall). Law Enforcement patrols in Jamestown and Paradyskloof, specifically parks and temporary emergency housing area. Security cameras in Paradyskloof and Jamestown: Skool Street before the gates of Stellenzicht and Weber Gedenk School. It must be situated on municipal land. Behind Stellenbosch Square. The security guard house at Jamestown graveyard must move to the middle of the graveyard. Paradyskloof: Survey of existing cameras must be done and needs to be upgraded.		Architect to be appointed within the 2020/21 financial year (construction of a wall). Regular patrols and joint operation with SAPS executed. Security cameras in Paradyskloof and Jamestown: Skool Street before the gates of Stellenzicht and Weber Gedenk School will be investigated for 2021/22.	😊
	Priority 3: Light industrial park In Techno Park.		Project completed.	😊
	Priority 4: Parks and Open Spaces Pedestrian walkways / cycling route - the pedestrian walkway between Jamestown and Paradyskloof needs to be completed. Pedestrian walkway from the R44 in Paradyskloof Road towards the entrance of Paradyskloof Bush needs to be completed. Parks - the fencing of Montrose Park in		Tender for fencing of park to be submitted to the BAC within the 2020/21 financial year. Pedestrian walkways / cycling project completed.	😊



Ward 21			
	Jamestown needs to be completed.		
	Priority 5: Local Economic Development Hub	The Jamestown LED Hub Project is being aligned with the Jamestown Housing Project, which implementation is planned for the 2022/23 financial year.	😊
	Priority 6: Alternative entrance / exit for Jamestown Stellenrust Road.	Alterations identified and presented to Ward Committee.	😊
Ward Priorities for 2021/22			
Priority 1: Housing			
<ul style="list-style-type: none"> Affordable housing with integrated transport system in Jamestown. Feedback meeting on a quarterly basis with the community. The development must include parks and ECD centres. 			
Priority 2: Safety and security			
<ul style="list-style-type: none"> Fencing of Jamestown sport club, preferably Betta fencing with microdots / wall Security cameras in Ward 21, investigate the possibility of security cameras at strategic hotspot ex Mountain view TRA, entrance and exit near schools. 			
Priority 3: Light industrial park			
<ul style="list-style-type: none"> In Techno Park or other available / suitable location. Operation of light industrial businesses. 			
Priority 4: Road and Stormwater			
<ul style="list-style-type: none"> Pedestrian walkways / cycling Path from Paradyskloof Rd / Wildenbosch circle to Eden Forest to be completed. Upgrading / maintenance of pedestrian walkway / cycling path from Paradyskloof Engen Garage (Ward 21) to van der Rhee de Road (Ward 22). Traffic calming measures: <ul style="list-style-type: none"> Webersvalley road; Paradyskloof road / Houtkapper road stop street; Anesta; Schuilplaats road; Serruria road; and Poor storm water drainage in Cnr Helderberg / Simonsberg road Mountain View. 			
Priority 5: Local Economic Development Hub			
Business Development Centre / Heritage Centre / Ward Office			

Table 67: Ward Priorities: Ward 22

Ward 22				
Ward Cllr	2018/19 Ward Priorities	Rating 2018/19	Ward Priorities for 2019/20	Rating 2019/20
 <p>Ward 22 Cllr Esther Groenewald</p>	Priority 1: The revised SRA By-law should be aligned with relevant legislation and the SID-Initiative should be implemented locally as a matter of urgency within all wards.	😊	Priority 1: Safety, by means of an integrated plan within Stellenbosch will be approved for all communities. This includes the use of a special unit that will focus on safety within residential areas, use of cameras and any other tools that may be needed, as well as the completion of a control room that will be manned by trained staff 24/7 and connected to all emergency services within the Stellenbosch Municipal Area.	😊
	Priority 2: The municipality should budget for and enforce a Communication Policy that will lead to the improvement and dedicated sharing of relevant information with residents on a daily basis via email, SMS and / or WhatsApp.	😊	Priority 2: The establishment of an arboretum / tree park against the mountain slope of Dalsig / Brandwacht which can serve as declared reserve and special green belt for Stellenbosch residents, as well as tourists. Soil tests will be carried out beforehand and trees that are unique to the environment will take precedence over being planted. Focus should be placed on the protection of endangered plant and flower species found only in the area. Young people from Stellenbosch will be trained to work at various levels within the tree park. The arboretum will be laid out with pedestrian paths and it will be accessible to disabled people. Each tree will be marked with a nameplate, which will be done in Afrikaans, English, Xhosa and Braille. SU's participation / input to the layout of the park will be requested by the Mayor Rector Forum. Ward 22 will allocate funds annually to help with this.	😊
	Priority 3: A revision of the Planning Application By-law, aligned with same of Cape Town, in which the role of the Ward Committee in the approval of building plans and rezoning applications be built in. Green areas within Stellenbosch should highlighted and all heritage applications should be treated in a special manner.	😊		
	Priority 4: Ward 22 would like to see a workshop on the interpretation of public participation, as through the eyes and opinions of the public. Dr Francois Theron and a representative from Province should lead this workshop for the Ward Committees of all wards.	😊	Priority 3: Ward 22 strives to remain part of a municipality where policies and regulations will be put in place, approved and implemented. Stability will be maintained by the municipal administration adhering to community requests and needs.	😊
	Priority 5: Quarterly sessions between officials and Ward Councillors regarding the roll out of the transport plan to be held.	😊		
	Priority 6: The declaration of a Nature Reserve is of utmost importance.	😊		



Ward 22			
	Ward Priorities for 2020/21	Activity	Rating 2020/21
	Priority 1: Safety and Security <ul style="list-style-type: none"> The completion of the municipal control room. Skills of staff members working at the control room to be enhanced. Establishment of safety WhatsApp groups per geographical area. Increased visible traffic and law enforcement officers throughout the Town. Law Enforcement to settle the dispute of the school bus stop in / at Libertas Farm. 	Dedicated law enforcement officer in Central Business District doing enforcement.	😊
		Training will be provided.	😊
		Establishment of safety WhatsApp groups will be investigated.	😊
		Law Enforcement to settle the dispute of the school bus stop in / at Libertas farm more details required.	😞
	Priority 2: Communication <ul style="list-style-type: none"> Regular upgrading and updating of the Municipal Website. The green electricity process to be communicated to residents. Council agenda items and minutes to be distributed electronically to Ward Committee members. 	Regular updating and editing of the website take place on a continuous basis. News, municipal notices, reports and other documents are uploaded as and when required and as and when received from user departments. The municipality also launched a new municipal website at the end of 2020 - specifically designed to improve user experience, make navigation easier and highlight the most important information to members of the public.	😊
		Council and MayCo meeting items are published on the municipal website and links to the agendas are shared on social media platforms. The documents are thus readily available electronically and can easily be distributed by Ward Councillors, ward administrators or the Speaker's Office.	😊
		The municipality is in the process to conduct feasibility studies on alternative energy for implementation. Once this has been concluded, it will be communicated.	😊
	Priority 3: Mobility and Transport <ul style="list-style-type: none"> The feasibility of the Eastern Link Road to be communicated to residents. Representation of all Ward Committees on the Mobility Forum. 	The feasibility of the Eastern Link Road will be tabled at future Mobility Forum meetings.	😊
		Representation of all Ward Committees on the Mobility Forum is supported.	😊
	Priority 4: Brandwacht Nature area <ul style="list-style-type: none"> Research and announcement of the establishment of a Fynbos area within the Nature area. Costing and installing of durable fencing for the above mentioned area. Establishment of a permanent green security team, who will guard the mentioned nature area against vagrants as well as illegal harvesting of threatened Fynbos species. Regulation of the existing cycle routes in terms of permits and entry fees at gated entrances. Tax paying residents to be issued with an entry card, securing free cycling, jogging or walk about within the area. 	The broad area (Paradyskloof Nature Area), including the whole of Portion 2 of Farm 368, is being rehabilitated as a fynbos area.	😊
		The fencing of the area will be investigated as per the Paradyskloof Nature Area Environmental Management Plan. Because of the high cost of such fencing municipal nature areas where a dire need, in terms of security, crime and protection of property exist have received priority. Recent fencing projects have shown that the installation of clearview fencing could cost as much as R1 500 per running m (depending on the site / terrain / amount of site preparation required). If a 7000m - 9000m section of	😊



Ward 22			
		Paradyskloof Nature Area is to be fenced (excluding the portions towards Stellenbosch Mountain) such a project would cost in the order of R10milj - R14milj.	
		Given the fact that the Paradyskloof Nature Area is currently not fenced it is a challenge to regulate recreational access. The fencing of strategic areas of Paradyskloof must be investigated to regulate access.	😊
		Access to municipal owned nature areas for the purposes of cycling, jogging or walking in the area is currently free of cost.	😊
		No funding available to appoint the Forest Guard posts that is on the micro structure.	😞
Ward Priorities for 2021/2022			
Priority 1: Safety and Security Safety cameras at entrances to Ward 22 to be provided with stable internet in order for it to be monitored continuously by the control room officials.			
Priority 2: Communication Public participation process launch re the consumer-friendliness of the Stellenbosch Municipal Website and subsequent implementation of practical comments.			
Priority 3: R44 and Schools Precinct Mobility Proposal to Western Cape Government to build a safe pedestrian bridge over the R44 in the most appropriate place near the Saffraan Street / R44 robot intersection.			
Priority 4: Fynbos – Mountain Area 🚧 Fencing the mountain area above Ward 22 to bring more protection to residents. 🚧 Management of the existing cycle routes- spot above Wards 22, 21 8 and 9.			
Priority 5: Recreation Upgrading of play equipment on parks within Ward 22.			

6.5.1 IDP Stakeholder Engagement– April 2021

The subject of stakeholder governance is embedded in the South African Constitution and implicates all the spheres of government. According to the Constitution (Section 151(1)(e)), municipalities need to encourage the involvement of communities as well as community organisations in the planning of Local Government.

The MSA further states that “A municipality must undertake developmentally-orientated planning so as to ensure that it strives to achieve the objects of local government set out in Section 152 of the Constitution, gives effect to its developmental duties as required by Section 153 of the Constitution and together with other organs of state contribute to the progressive realisation of the fundamental rights contained in sections 24, 25, 26, 27 and 29 of the Constitution”.

The 4th Generation IDP in principal deals with the most critical development needs of the municipal area. In doing so, the municipality seeks to develop integration by balancing the economic, ecological and social pillars without compromising the institutional capacity available to the municipality, and thereby coordinating implementation plans across sectors and spheres and government.

The main purpose is to have a strategic engagement with key sectoral partners across the Greater Stellenbosch Area, the benefit from and / or influence municipal areas of service delivery or contribute to the lives of Stellenbosch communities. These partners include industries, businesses, agriculture and



tourism, various institutions, non-governmental organisation, community based organisations, faith-based organisations and sports councils.

To ensure a fruitful engagement, IDP stakeholder engagements will be held in April 2021 on a themed approach, whereby sectors will be allowed to provide verbal and written inputs.

This engagement aimed to encourage integrated planning and ensure that the municipality's strategy is aligned with the strategic outlook of the respective sectors.

The objectives of the stakeholder engagement are to:

-  Create a platform for all stakeholders to consult on the economic growth and development of the Stellenbosch Municipal Area;
-  To consult on the protection of the the bio-diversity and heritage of the area;
-  Foster a culture of social cohesion and inclusivity through the promotion of arts, craft, sport and tourism;
-  Provide access to housing and basic services thereby promoting a dignified living for all residents; and to
-  Promote the interest of vulnerable groups in society.

6.6 Thusong Programme

The aim of the Thusong Programme is to ensure equitable and effective access to government services and information, through strategic partnerships and engagements with the three spheres of government and relevant stakeholders.

The rationale for the Thusong Programme is set within the development-communication paradigm. This paradigm reflects a democratic approach to a public communication and information system. It aims to put the information needs of citizens first in the communication process. Some of the salient features of this approach relate to the expressed need for face-to-face interaction between government and the people.

The primary focus of development communication and information is to empower the poor and disadvantaged. These communities have limited access to information and are the main target of government's socio-economic programmes. The Thusong Programme is viewed as a means to address information and service imbalances at a local level by bringing government closer to the people.

The Thusong Programme has been tailored to ensure that citizens of the Western Cape Province can seamlessly access a wide range of integrated public services irrespective of where they live. Therefore, the Thusong Programme has been expanded in the Western Cape Province to include the following projects: Thusong Mobiles, Thusong Service Centres, Thusong Service Satellite Centres and Thusong Zones.

Through the Mobile Thusong programme, Stellenbosch Municipality is delivering on the values it embraces. Although the focus is currently only on Thusong Mobiles, the idea is to extend the programme in the municipal area.



CHAPTER 7

Legacy Projects and Service Delivery Implementation Plans

7.1 Introduction

The municipality has a number of medium- and longer term sector plans that direct the implementation of the different functional areas. These plans form an integral part of the Integrated Development Plan (IDP).

Although the time-periods for sector plans and the IDP differ (e.g. the *mSDF* has a 20-year horizon, IDP has a 5-year horizon and sector plan can be revised annually), the IDP and sector plans inform each other mutually. Like the IDP, sector plans are subject to periodic review. Alignment between sector plans and the IDP allows for more effective budgeting integration.

Other service delivery implementation processes include:

-  Integrated Zoning Scheme (IZS);
-  Spatial Development Framework;
-  Air Quality Management Plan;
-  Stellenbosch Integrated Human Settlements Plan (Housing Pipeline);
-  Infrastructure Sector Plans include the Comprehensive Integrated Transport Plan (CITP);
-  Integrated Waste Management Plan (IWMP);
-  Electrical Master Plan;
-  Water Services Development Plan (WSDP);
-  Long Term Water Conservation and Water Demand Management Strategy;
-  Safety and Security Strategy;
-  Disaster Management Plan;
-  Local Economic Development Strategy;
-  Community Development Strategy;
-  Human Resources Strategy; and
-  ICT Strategy.

The Municipal Council also embarked on legacy projects to mark for 5-year political term, as initiatives to target specific areas of development. These legacy projects serve as a symbolic representation of visible legacy of work undertaken during this political term.

The overarching financial planning process culminated in the finalisation of the municipal budget which prioritises development and recognises the importance of addressing critical infrastructure backlogs impinging on the objectives for economic development. Well maintained infrastructure is of considerable strategic importance for the municipality to realise the vision for the greater Stellenbosch area to be a place of living, working and learning. The Local Economic Development Strategy also needs to be closely related to the financial planning process. The sections below expand on key sector plans of the Stellenbosch Municipality.



7.2 Smart City

As cities compete for global investment and talent, efficient cities with less red tape barriers, ICT competitiveness comes centre stage. A smart city is adaptable to change and demands that emanate from growth, and in response applies information and communication technologies to enhance performance and urban services in order to respond to demand whilst reducing consumption, waste and costs. Smart cities need to capitalise on digital technology to facilitate speed of information to support more efficient delivery of goods and service and contribute to the greater vibrancy of cities.

A **smart city** is a municipality that uses information and communication technologies to increase operational efficiency, share information with the public and improve both the quality of government services and citizen welfare.

7.2.1 A smart city is a holistic ecosystem

Where people are interconnected and contributing towards a common vision, creation of knowledge and exchange of ideas.

Global best practices recommend three primary categories when determining the benefits and priorities for the design and implementation of the smart city roadmap. The smart city roadmap includes the following:

1. Smart Governance

Transform the institutional systems, processes and organisational structure to one of high performance organisation to effectively deliver basic services.

2. Smart Livelihood

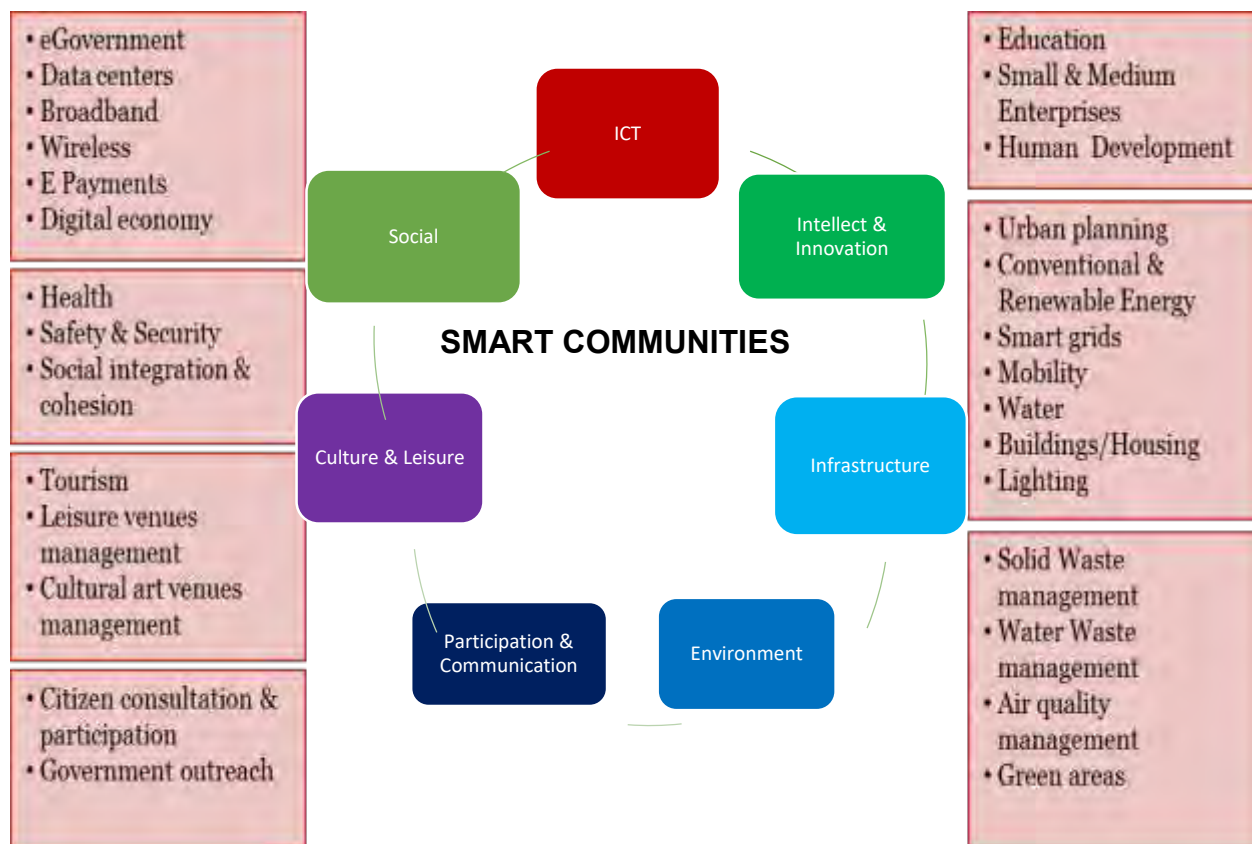
Implementation and integration of innovative digital platforms to enable social upliftment.

3. Smart Economy

Grow and diversify the local economy through the attraction of new investment, skills development and facilitation of an enabling environment for small business growth and job creation.

Stellenbosch Municipality aims to progressively realise the principles of the smart city.

Figure 39: Smart City Principles



These principles are underpinned by the four commandments of a smart city:

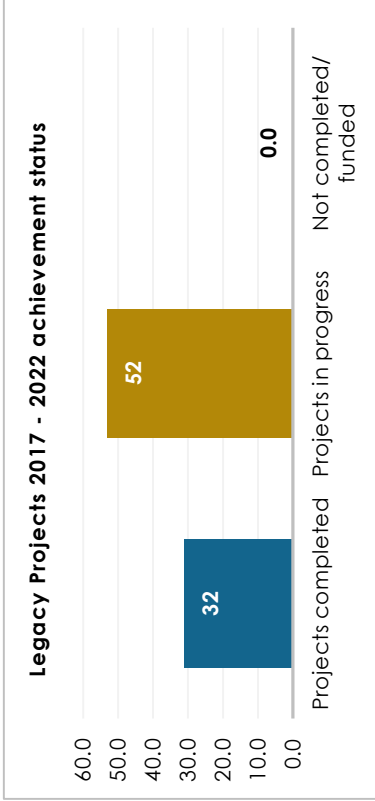
Table 68: Four commandments of a smart city

Commandment	Solution
Environmentally friendly	Open spaces Environmental protection
Mobility and integration	Transport solutions Development linked to transport solutions
Social integration	Basic Services
Current through technology	Develop the municipality's IT platforms Paperless systems development



7.3 Legacy Projects

The following legacy projects was undertaken by the current political leadership, which remains applicable for the duration of the political term under leadership of the respective portfolios of the Mayoral Committee Members.



	Project completed.
	Project in progress.
	Not completed / No budget available / District Function / Provincial Function

Table 69: Legacy Projects

Portfolio	Ref no.	Legacy Project/s	Specific Initiatives	Rating	Progress 2019/20	Progress 2020/21
Planning, Local Economic Development and Tourism (Cllr Esther Groenewald)	LP1	Municipal Spatial Development Framework (mSDF) amendment and review	mSDF Amendments and full review.		mSDF approved on 11 November 2019. mSDF indicated land for development and particularly focus areas for development i.e. the Adam Tas Corridor and Klipmuts Bridge.	The amendment and review process includes developing a strategy for monitoring the performance of the Stellenbosch Municipality's SDF. This process will hopefully commence in the 4 th quarter of the 2020/21 financial year. A service provider has been appointed and commenced with the Compilation of Adam Tas Corridor (ATC) Local Spatial Development Framework (LSDF). The draft LSDF for the ATC is scheduled to be submitted to Council by 31 August 2021 for adoption. The DEA&DP (WCG), Stellenbosch Municipality and Drakenstein Municipality are currently engaging in a process to develop a concept regional plan for the greater Klipmuts Area. This concept plan will provide guidance on evaluating and promoting current and future land use applications / development within the area.
	LP2	Innovative system to streamline and expedite building plan approvals	Implementation of an electronic building plan application solution		Phase 1: Solution Implementation and initial user requirement and configuration – Jan 2019 to June 2019	BPAMS was partially implemented on 1 July 2020 due to delays caused by the COVID-19 pandemic. The implementation of the full BPAMS system was



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Rural Management (Cllr Salie Pieters)					Phase 2: Configuration and Training – July 2019 to 29 Feb 2020 Phase 3: Simultaneous Use and final configuration – 2 March 2020 to 30 June 2020 Phase 4 : Go-Live date – 1 July 2020	effectuated as of 1 January 2021 and has been fully operational since.
	LP3	Finalise land use management backlogs	50% reduction in backlog applications by 2020	😊	Capacity intervention to deal with the backlog is not in place. The backlog is not been addressed at present.	Notwithstanding the fact that no operational (as opposed to management capacity) capacity interventions was ever introduced, the original backlog of 144 land use management applications was progressively reduced during 2020 to only 1 outstanding backlog land use management application at present (12 February 2021).
			Agricultural Land Plan adopted by Council	😊	Policy for the Management of Agricultural land adopted by Council.	A further ten (10) agricultural land parcels are currently being investigated to be advertised and allocated to emerging farmers. The final report on the additional agricultural land parcels is scheduled to be submitted to Council in April 2021.
	LP4	Local Economic Development	LED Hubs identified and constructed	😐	Triangle site and Old Clinic ha has been allocated. Agricultural Hall lease agreement to be signed by March 2020.	Currently building plans are in the process of being approved for the Old Clinic Site in Victoria Street, and the Land Use Management (LUM) Section is in the process of finalising the land use management application for the Triangle Site (Erf 230.) in Franschhoek.
			Informal Trading Sites identified and constructed	😊	Groendal informal trading site to be completed by the end of 2019/20 financial year.	Groendal Informal Trading Site construction completed during February 2021.
			Audit of People on farms and back-yard dwellers	😊	Klapmuts, Ida's Valley and Franschhoek trading sites completed.	Survey of backyard structures in Klapmuts is currently underway. Ida's Valley's survey was completed in the previous financial year.
Rural Management (Cllr Salie Pieters)	LP5	Tourism Strategy	Electronic Tourism Boards (Stellenbosch CBD and Franschhoek)	😐	Development of a Tourism Plan. Service Provider has been appointed. Plan in the process of development.	Appointed service provider completed the draft Tourism Plan, which is currently being finalised by the acting Manager: Local Economic Development and Tourism for inclusion within the Economic Strategic Plan for Stellenbosch Municipality. Completion date 30 June 2021.
	LP6	Adopted Rural Management Plan	Rural Management Plan adopted by Council by 30 June 2020	😊	Adopted by Council during December 2018.	The Rural Management Plan is being drafted and will be included within the Stellenbosch Municipality Economic Development Strategic Plan which will be submitted to Council by 30 June 2021 for adoption.



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Integrated Human Settlements (Deputy Executive Mayor, Cllr Nyaniso Jindela)	LP7 Social housing project implementation		Annual review of the 5 year Housing Pipeline		The review of the Housing Pipeline will be tabled during the March 2020 Council meeting for approval.	The review of the Housing Pipeline is scheduled to be tabled at the May 2021 Council meeting for consideration.
			Jamestown Housing (bulk sewer 408 opportunities)		Bulk sewer upgrading is ongoing. A procurement process has been followed to appoint a service provider to compile a Bill of Quantities. Currently, an evaluation process has been commenced whereby the BAC must appoint service provider. After a latter, Stage 2 of the process will be finalised.	The Housing Development Department is currently finalising Stage 2 of Call for Proposals. A report will serve before Council to select a preferred concept site development plan. The selected preferred concept site development plan will enable the finalisation of Stage 2 of the Call for Proposal.
			Longlands Housing Subsidy implemented		Implementing agent appointed and site establishment took place in November 2019. Expected completion date is during 2020/21 financial year.	Internal services have been completed. A funding application for the top structures, with the Provincial Department of Human Settlements (PDoHS), is in its final stage. The PDoHS has indicated that financial provision will be made for the top structures on their 2021/22 Financial Year budget.
			Zone O re-blocking		Families have successfully been relocated to a decanting site. LUPA application has been submitted to the Land Use Planning department and approved by MPT. After the appeal period has lapsed, a tender process will be followed to appoint a service provider to commence with services and construction. This project will be dealt with in phases.	The funding application for the implementation of Zone O re-blocking (installation of civil services) was approved by PDoHS on 28 January 2021. The project will now be handed over by the Housing Development Department to the Project Management Unit for implementation.
			Ida's Valley housing projects implemented		<p>Erf 11330 (Hillside) Developer has completed a significant amount of Gap houses and has started with the subsidy housing. Estimated date of completion of the BNG by end June 2020.</p> <p>Erf 9445 (Oak Tree Village) Servicing to commence during the latter part of the 2019/20 financial year (April 2020).</p>	<p>Erf 11330 (Hillside) – The developer has completed 87 BNG houses for the low-income category. In terms of the 87 BNG houses, a total number of 86 subsidies has already been approved. 1 further BNG subsidy application has been submitted and awaits approval from PDoHS. 113 GAP houses have been built. All houses have been handed over and the contractor is currently busy with the snags in accordance with the retention period.</p> <p>Erf 9445 (Oak Tree Village) – An amount of 166 GAP housing opportunities will be created on Erf 9445 and PDoHS has indicated that funding to service these sites will be available on the 2021/22 financial year. Implementation will be managed by the municipality's Project Management Unit.</p>
			Langrug upgrade concluded by June 2021		In order to commence with the re-blocking of Langrug, a decanting site on Erf 3229,	Service providers have been appointed to undertake a Geotech study required in order to make application in terms of the relevant



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					<p>Mooiwater needs to be develop (basic services).</p> <p>A service provider has been appointed and has already completed a geotechnical report with a services cost breakdown.</p> <p>An application for the exemption of the provision of LUPA and Stellenbosch Municipality By-law has been prepared and will be submitted to the Land Use Planning department, soonest. The master planning for the Langrug Informal Settlements is a necessity to address all the challenges the settlement currently experiencing. A service provider will be appointed in due course.</p>	<p>legislation for the development of Erf 3229. To date a draft subdivision plan has been developed and will be finalised once the possible environmental impacts on the site have been mitigated.</p>
					<p>Housing Development Agency (HDA) informed the municipality that the land in La Motte has been released by the National Department of Public Works. A consultant has been appointed to acquire the necessary land use rights in order to implement a mixed used development. This project will also be a catalyst to assist the decanting in Langrug informal settlement and thereby creating open spaces for re-blocking.</p>	<p>Stellenbosch Municipality is currently engaged with the Housing Development Agency (HDA) to facilitate the transfer of land in La Motte to the local authority as well as obtaining the applicable land use development rights.</p> <p>An Implementation Protocol (IP) was compiled by HDA to charter the way forward with regards to roles and responsibilities, funding, administration and projects.</p>
					<p>The upgrading of the Mandela City informal settlement is being executed in an incremental manner. The reason for this approach is that the families need to clear a particular area before services can be installed. Currently 187 sites were services and temporary units build. The civil contractor on site has further more services a further 76 sites and the service provider to build the temporary units has been instructed to commence with the process. Public participation is on-going.</p>	<p>Phase 1 (187 units) and Phase 2 (76 units) of the project has been completed. Phase 3 will be undertaken as soon as more funding becomes available.</p>
					<p>A consultant has been appointed to provide enhanced service sites. Given the slope, the platforms need to be redesigned and a tender to appoint a service provider will be completed.</p> <p>The service provider submitted a technical report with an estimated cost. The Directorate: Infrastructure Services is currently evaluating</p>	<p>As previously reported, the current cost estimates received from the consultant is much higher than anticipated. The financial impact of COVID-19 on the financial position of the Stellenbosch Municipality does not allow for this project to continue at present.</p>



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					the technical report. The current estimates received from the consultant is much higher than anticipated.	
			Informal Settlement Strategy developed and implemented		Informal Settlement Strategy was adopted by Council and different aspects of this strategy are being implemented by different Integrated Human Settlements departments. The Informal Settlement Strategy is annually reviewed internally and aligned with the approved Housing Pipeline.	The Informal Settlement Strategy has been reviewed in order to align with development (proposals and projects) as identified through the Municipal IDP and mSDF.
	LP8	Upgrading of the Cloetesville flats	Upgrading of the Steps (Cloetesville)		A contractor has been appointed and the rectification of the units will commence in the current financial year.	The project has commenced, and the contractor is on site. An amount of 22 units has been completed. The transfer of the units will be programmed to coincide with the rectification programme.
	LP9	Soekmeaar development	Low cost housinggousingousing		The first proposal call had to be cancelled due to non-responsiveness of the two bidders from which proposals were received. Taking into consideration the outcome of the first proposal call, the second proposal call, which will be advertised on 15 February 2020, capsulated specific outcomes. The advertisement period will be until the end of March 2020, where after the Supply Chain Management process will follow. Estimated development rights to be obtained in 18 months.	The specifications of Stage 2 for the Call for Proposals served at the BSC on 04 November 2020. An agenda item will serve at Council to select a preferred concept site development layout.
	LP10	Kayamandi CBD upgrade	Upgrading of the Kayamandi Town Centre		The service provider has prepared different development concept plans to be presented to the community. After the public participation process has concluded, the LUPA application will be submitted to the Land Use Planning department for approval. It should be noted that the upgrading of the Town Centre is linked to the decanting site that needs to be established in the Northern Extension. At a public meeting that was held during December 2019, the community in principle accepted the development proposal, but with certain concerns. To address these concerns a site visit has been arranged in order to give representatives a first-hand view of high density development modules.	A funding application has been submitted to PDoHS during June 2020. The planning layout has been approved by Council on 24 August 2020. A service provider is currently in the process to finalise all detailed planning and are in process of engaging with the Planning Section of the Stellenbosch Municipality and proceeding with further public participation processes. These planning applications will be submitted to obtain development rights. The municipality is currently awaiting the funding approval from PDoHS.



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Financial Services (Cllr Patricia Crawley)	LP11	Revenue enhancement	PPP – Feasibility Study concluded		The municipality acquired additional office space in the 2019/20 financial year and therefore no need to continue with the PPP process.	Notwithstanding the ongoing spatial planning initiatives, all land use management applications pertaining to Klapmuts are being duly processed. Stellenbosch Municipality is participating in an inter-governmental workgroup to coordinate and liaise on the development of the greater Klapmuts area.
			Klapmuts Development		mSDF approved on 11 November 2019. mSDF indicated land for development and particularly focus areas for development i.e. the Adam Tas Corridor and Klapmuts Bridge.	Completed - The Revenue enhancement strategy was implemented during the 2020/21 financial year. The municipality established a Debt Review Committee to closely monitor the progress with outstanding debt and deliberating on acceptable and reasonable arrangements for the settlements of arrear debts by all affected municipal debtors.
			Revenue Enhancement Strategy implemented		The Revenue Enhancement Strategy was finalised in the 2019/20 financial year. The implementation of the strategy commenced in the 2019/20 financial year and will continue in the 2020/21 financial year.	At the time of reporting the audit for the 2019/20 financial year was not completed. After finalisation of the 2019/20 Audit, an Audit Action Plan will be compiled to address the audit findings identified during the audit. A service provider is appointed to assist with the review of the annual financial statements and annual performance report.
			Audit Management		The Audit Action Plan for 2019/20 is finalised. The municipality appointed a service provider to assist with the review of the annual financial statements as well as the annual performance report.	
	LP12	Long term financial plan and expenditure framework	Long Term Financial Plan developed and implemented CP3 Model Implemented		The Long Term Financial Plan is completed and forms part of the 10 Capital Expenditure Framework. Three year contract in place.	
Parks, Open Spaces and Environment (Cllr Xoliswa Mdemka)	LP13	Beautification of the towns	Nature Resource Programme implemented		The Department Community Services is in the process of compiling Management Plans for all our Nature reserves and nature areas such as Paradyskloof Nature Area.	The Department Community Services is in the process of compiling Environmental Management Plans (EMPs) for all the municipality's Nature Reserves and Nature Areas. The following EMPs have been completed and approved: <ul style="list-style-type: none"> Paradyskloof Nature Area (Stellenbosch). The following EMPs have been drafted: <ul style="list-style-type: none"> Jan Marais Nature Reserve (Stellenbosch) Mont Rochelle (Franschhoek)



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			Upgrade and maintenance of cemeteries		<p>Fencing repairs, sealing of road.</p> <p>Installation of drainage and gravel pathways for new burial area and phase one of Office block is being addressed. Phase one of Kylemore office block is addressed. Both office blocks at Kylemore and Jamestown are multiyear projects.</p> <p>New Conifers have been planted in Franschoek Cemetery.</p>	<p>The following EMP is up for review:</p> <ul style="list-style-type: none"> Papegaaiberg Nature Reserve (Stellenbosch) <p>The following EMP needs to be drafted:</p> <ul style="list-style-type: none"> Ida's Valley Nature Area (Stellenbosch) <p>Fencing was repaired. Additional pathway was completed in Jamestown Cemetery.</p> <p>Jamestown Cemetery: Specifications served at BAC and was finalised. Project has been postponed due to budget cuts.</p> <p>The Project is moved to the outer years.</p> <p>Kylemore is not zoned for cemeteries. Planning Department did not approve building plans until rezoning is finalised.</p> <p>This project will however not commence in 2020/21 due to the rezoning status.</p> <p>Conifers and trees were planted in Jamestown cemetery.</p>
						<p>Main routes and town entrances are receiving bi-monthly cuts.</p> <p>A Tree Management Policy has been approved by Council in 2020 and has been implemented.</p>
			Revise grass cutting cycle programme		A 6-Week Mowing cycle is in place. Town entrances however receive bi monthly cuts where necessary.	A Tree Management Policy has been approved by Council in 2020 and has been implemented.
			Urban forestry policy implemented		A Tree Management Policy has been compiled and is currently in a draft format. The final policy will be approved during 2020.	A Tree Management Policy has been approved by Council in 2020 and has been implemented.
			Complete the astro-turf, CBD		Due to the fact that there is no available land in Stellenbosch CBD this project has moved to Cloetesville.	Due to the fact that there is no available land in Stellenbosch CBD this project was moved to Cloetesville – no funding is presently allocated for this project.
			Land for Cemeteries identified		Environmental Impact Assessment proceeded on 2 sites, Louw's Bos (Farm 502) and Culcatta Bos (Farm 29). Environmental Authorisation (in terms of the National Environmental Management Act, 1998 (Act No. 107 of 1998) [NEMA]) for the Culcatta Bos site was issued on 20 September 2019 and Louw's Bos 22 January 2020. Expecting a decision on Water Use Licensing by the Department of Water and Sanitation and Land Use in terms of the	Environmental Impact Assessment proceeded on 2 sites, Louw's Bos (Stellenbosch) and Culcatta (Koelenhof). Environmental Authorisation (EA) (in terms of the National Environmental Management Act, 1998 (Act No. 107 of 1998) [NEMA]) has been granted for both. An appeal, however, on the EA issued for Louw's Bos has been upheld by the Minister (DEADP). Expecting a decision on Water Use Licensing by DWS during 2021. Both proposals' Land Use application was approved by the Municipal Planning Tribunal during 2020.



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Youth, Sport and Culture (Vacant)	LP14	Upgrades of parks			Municipal Planning By-Law on both during 2020.	
			Upgrade of parks and open spaces, Cloetesville	😊	Regional Social Economic Programme (RSEP) Park is in process next to Cloetesville library. New integrated park being developed in Last Street	Project has been completed.
			Audit parks and open spaces	😊	This audit has been completed.	
			Re-surface Ida's Valley	😊	Tennis courts 60% completed, to be completed end May 2020.	Tennis courts resurfacing is 90% completed. Contractor currently being monitored for slow performance.
	LP15	Youth, Sport and Culture	Netball courts upgraded	😊	Resurfacing 100% completed.	
			Complete Lanquedoc sport facilities	😊	Work in progress, clubhouse to be completed 30 June 2020.	Project reached Practical Completion, currently attending to snags.
			Complete the Kayamandi Astroturf	😊	Tender bids received and ready to serve at the Bid Evaluation Committee. Project to commence in 2020 and to be completed 2021, if the budget is approved.	Project funds reallocated to address budget shortfall of the swimming pool upgrades and fencing projects. The remainder of the funds reallocated to engineering projects.
			Boreholes for Ida's Valley and Franschhoek sport grounds	😊	Franschhoek Borehole 85% completed. A budget was requested to complete the commissioning of the borehole and pumps. Budget was requested for financial year 2020/21 for the installation of a borehole.	Specifications are completed for the commissioning. Currently no funds available. No budget received for a borehole Ida's Valley.
			Security at sport grounds and facilities	😊	There is a security tender in place.	There is a security tender in place and all security shortcomings matters are reported to Law Enforcement.
			Mayoral youth and skills programme	😊	The Mayoral Youth Skills Development programme included accredited training in: General Building Maintenance; Plumbing; Five Star Table Attendant; Food Service Assistant; and Assistant Chef. Job Readiness in partnership with DSD focuses on CV writing and interviewing skills reaching 79 youth. The DCAS Youth Drama Festival delivered the following results for Stellenbosch Municipality: Best Writer; Best Actress; and Best Production – Runner up.	In the first half of the 2020/21 financial year, The Mayoral Youth Skills Development Programme included accredited training in: • 5 Star Table Attendant Training – 12 youth; and • Plumbing – 12 youth. Recruitment and selection has been completed for the second half of the year to complete accredited training in: • General Building Maintenance – 13 youth; and • Assistant Chef training – 13 youth Job Readiness in partnership with DSD focuses on CV writing and interviewing skills. To date 38 youth has been reached.



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Infrastructure Services (Cllr Quinton Smit)					DSD Youth Camp and recruitment drive for Chrysallis Academy to introduce youth to different opportunities available.	19 Youth were reached through an entrepreneurship training course done in partnership with NYDA. Two unaccredited trainings were completed with youth from Franschhoek in Fire Awareness (23 youth) and life skills (37 youth) The Directorate: Community and Protection Services will focus on the establishment of a youth forum in the latter part of the financial year. For the 2021/22 financial year the municipality will focus on different accredited skills courses, job readiness and forum activities if suitable budget is approved.
	LP16	Non-motorised Transport Plan (Park and Ride)	NMT transport and plan (Park and Ride) implemented	😊	NMT Master Plan and policy currently being updated, to be complete by June 2020.	NMT Master Plan and policy complete.
	LP17	Long term infrastructure plan	Long Term Infrastructure Plan developed	😊	Roads Master Plan – completed. Stormwater Master Plan – completed. Comprehensive Integrated Transport Plan – 2019/20 update to be complete by June 2020.	Stellenbosch Municipality first qualified for the 2019/20 Integrated Urban Development Grant (IUDG) and Intermediate City Municipality (ICM) programme. The business plan for the IUDG is a three-year capital programme aligned with a long-term (10-year) Capital Expenditure Framework (CEF) that incorporates planning for both social and engineering infrastructures. A CEF serves as a performance evaluation mechanism and as a rationale towards capital investment planning that provides business intelligence, data validation, programme and project synchronisation, and prioritisation. Thus far, Stellenbosch Municipality has implemented two iterations of the CEF namely 2019/20 and 2020/21, and both are available on the municipality's website. Roads Master Plan – complete. Stormwater Master Plan – complete. Comprehensive Integrated Transport Plan – complete.
	LP18	Standard paving for sidewalks in Franschhoek and Stellenbosch	Update the Pavement Management Plan	😊	Pavement Management Plan for sidewalks is currently in progress. Pavement Management Plan for roads complete. Maintenance and Construction of standard paving in process.	Maintenance, construction and Implementation of standard paving are in process and on schedule.



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	LP19	Roads	Finalising Skool Street	😊	Planning is complete, draft report submitted for approval.	Designs complete, public participation with affected parties had commenced. construction work scheduled for May 2021.
			Traffic Congestion Management (R44)	😊	Main Road Intersection Upgrade Programme – Phase 2 currently in Planning Stage. Construction to commence in April 2020. Traffic Signalisation programme to be implemented by May 2020.	Techno Park intersection with R44 complete. Modification of median islands at Paradyskloof intersection complete. Traffic Signalisation pilot programme currently in operation.
			Underground Parking	😊	Council Item approved, planning in process.	Planning, design, municipal legislative processes are in progress.
			Safe walkway to the station (lovers lane)	😊	Assessment, planning and designs in process. Construction to commence in October 2020.	NMT network has been assessed, proposals for widening and new sidewalks are being assessed.
			Pavements and sidewalks	😊	Implementation in process.	Various sections complete, implementation of newly identified sections in progress.
			Re-surfacing parking areas	😊	Assessment, planning and designs underway. Construction to commence in October 2020.	Assessment, planning and designs complete. Construction to commence May 2021.
			Signage	😊	Implementation in process.	Implementation in progress and on schedule.
			Street markings	😊	Implementation in process.	Implementation in process and on schedule.
			Taxi Rank upgrade	😊	Planning 80% complete, funding allocations and Supply Chain processes to be finalised. Construction to commence by August 2020 at the Franschhoek, Kayamandi and Klapmuts Taxi Ranks.	Implementation / Construction phases in progress and on schedule.
			Lights / masts Onder-Pappagaalberg	😊	Location and feasibility to be assessed by June 2020.	70 % of the light fittings in Distillery Road has been replaced by LED fittings. The balance will be completed at the end of April 2021. Parks will be done by mid-March 2021.
	LP20	Electricity	Enkanini Electrification	😊	Current Phase being planned for 500 informal units within Enkanini. Estimated 3 500 units, planned to be completed in 5 years up to June 2024.	Tender for the electrification of 1 000 units has been awarded. Site handed over to the contractor. Planning underway which include meetings with all stakeholders (Project manager and ward Councillors etc.).
			Electricity take-over Pniel	😊	Completed.	
			Lighting sidewalks (Klapmuts)	😊	Klapmuts is an Eskom supply area. The municipality is in consultation with Eskom to take over the street lights in Klapmuts.	Klapmuts is an Eskom supply area. The municipality is in consultation with Eskom to take over the streetlights in Klapmuts.



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	LP21	Waste Management	Implementation of Waste Minimisation Projects	😊	This is on-going, with door-to-door household recyclable collections, builder's rubble crushing and green waste shredding at the landfill.	Klapmuts Old Paarl Road and Piet Retief Constanlia Park was completed by the municipality.
			Extension of landfill site	😊	This project is in process. Two consulting firms have been appointed to (1) reposition the overhead power lines and (2) apply for the waste management licence for the landfill extension. The public participation process has commenced for the repositioning of the power line in February 2020.	Door-to-door household recyclable collections and green waste shredding at the landfill in place.
		Water and Sanitation	Waste Water Treatment Works upgraded	😊	Stellenbosch WWTW Phase 2 completed. Klapmuts commencement date 2022. Priel commenced March 2020. Wemmershoek / Franschoek WWTW commencement from July 2020.	The environmental authorisation has been received for the moving of the Eskom power lines. Eskom may proceed with this project which should take up to ±18 months to complete. The Waste Management Licence application is still in progress.
			Catchment pits, Kayamandi	😊	In process of completion June / July 2020.	Stellenbosch WWTW Phase 2 completed. Klapmuts commencement date is in 2022. Priel commenced March 2020. Completions planned for 2021/22. Wemmershoek / Franschoek WWTW commencement from July 2020. The detail design and tender process for phase 1 is completed. Construction is starting in July 2021.
	LP22	Water and Sanitation	Upgrade Sewer System	😊	Continuous projects until 2028.	Modifications are completed. Structures are being fenced off currently.
			Plankenberg River Maintenance	😊	In Process – research in collaboration with stakeholders is an ongoing process.	Continuous projects until 2028. Currently Franschoek / Groendal are in design stage for sewer network upgrades. Contractors to start working before June 2021.
			Pigs and the River, Onder-Poppagaai, Klapmuts	😊	The municipality is looking into possible measures to be implemented.	The municipality is looking into possible measures to be implemented.
			Reposition Law Enforcement and Safety	😊	This is on-going. Policies to increase staff capacity has been submitted and approved (Auxiliary officers and externally funded officers).	Policies to increase staff capacity has been submitted and approved. (Auxiliary officers and externally funded officers) Awaiting approval of implementation plans for these two projects.
	LP23	Repositioning of the protection services	Establishment of a Land Invasion Unit	😊	This function is performed by on duty staff as the Law Enforcement division does not have the capacity currently to establish a unit. The department is busy with a proposal to establish a Tactical Response Unit which will include	This function is performed by on duty staff as the Law Enforcement Division does not have the capacity currently to establish a unit. The municipality is assisted by a service provider. The municipality also submitted a proposal to establish a Tactical Response Unit which will include focus on
Community Development and Protection Services (Clir Rikus Badenhorst)	LP24	Land Invasion Unit				



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					focus on Land invasion and a 24 hour deployment.	Land invasion and a 24-hour deployment. Awaiting approval.
	LP25	Turn around for traffic services	Turn Around Strategy for Traffic Services	😊	This is on-going. Policies to increase staff capacity has been submitted and approved (Auxiliary officers and externally funded officers). Increase Learners classes were implemented as well as Drivers Tests over identified weekends to accommodate students which cannot come during the week.	Proposals to increase staff capacity has been submitted. Increased Learners classes were implemented as well as Drivers Tests over identified weekends to accommodate students which cannot come during the week.
	LP26	Safety and Security	Safety Cameras Stellenbosch CBD	😊	Cameras have been installed in the CBD, with replacements on an ongoing basis. This also forms part of a CCTV Camera Master Plan.	Cameras have been installed in the CBD, with replacements on an ongoing basis. This also forms part of a CCTV Camera Master Plan
			Speed and safety cameras, Franschhoek	😊	On the approval of the tender, there will be 3 CCTV cameras installed in Franschhoek. Speed enforcement is done on a regular basis.	Groendal CCTV has been completed. 1 site in Franschhoek will be finalised in this financial year.
			LPR Cameras (Cloetessville and Ida's Valley)	😊	Cloetessville has 3 LPR cameras installed. Ida's Valley has 2 LPR cameras installed. This forms part of the CCTV Camera Master Plan and on-going roll out plan.	Fir Street LPR will be concluded in the 2020/21 financial year. Lilly Street in Ida's Valley LPR will be finalised by end of the 2020/21 financial year.
	LP27	Area cleaning	Consolidation of Area Cleaning and Solid Waste	😊	Placement process nearly completed – most staff accommodated and about 10 remaining in the "pool".	The process has been completed but all vacancies have not been filled.
	LP28	Cemeteries	Cemetery Extension	😊	Environmental Impact Assessment proceeded on 2 sites, Louw's Bos (Farm 502) and Culcatta Bos (Farm 29). Environmental Authorisation (in terms of the National Environmental Management Act, 1998 (Act No. 107 of 1998) [NEMA]) for the Culcatta Bos site was issued on 20 September 2019 and Louw's Bos 22 January 2020. Expecting a decision on Water Use Licensing by the Department of Water and Sanitation and Land Use in terms of the Municipal Planning By-Law on both during 2020.	Environmental Impact Assessment proceeded on 2 sites, Louw's Bos (Stellenbosch) and Culcatta (Koelenhof). Environmental Authorisation (EA) (in terms of the National Environmental Management Act, 1998 (Act No. 107 of 1998) [NEMA]) have been granted for both. An appeal, however, on the EA issued for Louw's Bos has been upheld by the Minister (DEADP). Expecting a decision on Water Use Licensing by DWS during 2021. Both proposals' Land Use application was approved by the Municipal Planning Tribunal during 2020.
					Stellenbosch Council approved the Street People Policy through which all Homeless People issues are being addressed. The By-Law deals with all issues resulting from deviant behaviour on streets and public places and led to the Social Justice SOP through which persons are dealt with.	Stellenbosch Municipal Council approved the Street People Policy through which all Homeless People issues are being addressed. The By-Law deals with all issues resulting from deviant behaviour on streets and public places and led to the Social Justice SOP through which persons are dealt with.
	LP29	Street People	Street People Policy (Replace with Homeless People Policy) and By-Law SRA By-Law	😊		



Portfolio	Ref no.	Legacy Project/s	Specific Initiatives	Rating	Progress 2019/20	Progress 2020/21
Corporate Services (Cllr Aldridge Frazenburg)	LP30	Customer care initiative to become responsive to community concerns	Operational Call Centre	😊	The draft Customer Care Framework has been submitted and approved by Council. Various engagements were held with the Administration and Political leadership on methods to address customer services in the Stellenbosch Municipal Area. The Directorate Corporate Services established a Steering Committee on the 4th March 2020 to assist with the implementation of a pilot project on customer care and citizen engagement.	The Customer Care Interface implementation actively commenced in July 2020, where the 1st pilot department was consulted. The implementation of the 1st pilot started with the Department Urban Greening. The teething problem with the 1st pilot was resolved in December 2020 which allowed us to continue with other departments. In January 2021 the 2nd phase of the pilot commenced, which included the whole Directorate Infra Structure Services. The Directorate handles the bulk of complaints as they are responsible for most of the core services to residents. The teething problems in this department were much quicker dealt with. In February 2021, an engagement with the remaining Directorates were held which included Financial Services, the Planning and Economic Development and Community and Protections Services. In March 2021 a communication strategy will be implemented to make the public aware of the launch of the new Customer Care Interface deployed by the municipality to address all citizen enquiries or complaints. The municipality envisage the Customer Care Interface to reach full (internal and external customer engagement) implementation in April 2021.
	LP31	Human Resources and Organisational Structure	PABX	😊	The telephone system was upgraded with a switchboard function in the 2018/19 financial year.	
			TV Systems	😊	All TV screens are in the process to be connected on the Municipal ICT network. This project also forms part of the broader customer care initiatives implemented by the municipality.	All TV screens are connected to the network. Additional budget needed to procure central control unit to display content. The latter previous unit was damaged by water leaks. Request for R200 000 will be requested on 2022/23 budget.
			HR Policies Review (Recruitment and Selection, Standby, Smoking, TASK, Essential User Scheme)	😊	The Recruitment and Selection Policy still under review. Standby Policy was replaced with the overtime Policy (approved in 2018). TASK Implementation Policy approved in February 2020.	Recruitment and Selection Policy: New Recruitment and Selection Policy submitted for consultation in the 3rd quarter of 2020. During consultations on the previous draft it became clear that the previous draft was inadequate to deal with



Portfolio	Ref no.	Legacy Project/s	Specific Initiatives	Rating	Progress 2019/20	Progress 2020/21
					Essential Care User Scheme adopted by SALGA for consultations with unions.	progressive recruitment practices. Consultation on new draft currently underway. Essential User Car Scheme Final agreement submitted to SALGA HR Workgroup for adoption by municipalities.
			Organisational Re-Design	😊	Organogram re-designed and implemented.	Organisational structure is a living document and needs constant review to ensure that it stays relevant. Further reviews under discussions with unions. To be completed in 2021.
			Review System of Delegations	😊	System of Delegations reviewed and adopted by Council in August 2018.	Further review in 2020 approved. Delegations change from time-to-time as by-laws and policies are revised. System updated on yearly basis.
			Re-evaluation of staff job descriptions by the Regional TASK Committee	😐	Intensive process to deal with job descriptions from December 2019 and is currently ongoing.	In process. Thus far 323 job descriptions (JDs) have been submitted for evaluation out of a total post complement of 1 998 posts equating. Not all post needs evaluation as a lot of posts are generic and in that situation only one JD will be evaluated covering several posts. The municipality will endeavour to have all outstanding JDs submitted for evaluation by 31 June 2021.
			Property and Facility Management – monitoring lease agreements and creating synergy between finance to ensure follow-up	😊	Addressed currently in the revision of the existing Sport Facilities Management Plan as instructed by Council.	Municipal Manager requested a portfolio register of all Council properties to provide information on decisions of Council land per category. An interdepartmental team will work on the documents to be produced to Council by December 2021.



7.4 Service Delivery Implementation Plans and Strategies

7.4.1 Integrated Zoning Scheme (IZS)

(a) Background

In terms of Chapter 5 of the Spatial Planning and Land Use Management, 2013 (Act No. 16 of 2013) (SPLUMA) each municipality is required to adopt and approve a single land use scheme for the municipal, subsequent to public consultation. Similarly, the Land Use Planning Act require that a municipality regulate the development, adoption, amendment and review of a zoning scheme for the municipal area.

The effect of the new order planning legislation (Spatial Planning and Land Use Management Act, 2013 (SPLUMA) and Western Cape Land Use Planning Act, 2014 (LUPA)) entails that the municipality has full responsibility for land use planning in its area of jurisdiction and must adopt and approve a single zoning scheme for the entire area.

The Integrated Zoning Scheme aims to develop a single integrated zoning scheme for the Council's land development objectives. Land use management is a means of establishing or implementing any statutory measure to manage, restrict or regulate the use / development of land within the municipal area. Land use management systems of the municipality consist of various mechanisms of which the Stellenbosch Municipal Spatial Development Framework (SMSDF), heritage registers and conservation plans, official municipal land use policies and by-laws, as well as integrated Zoning Scheme by-law form the main or core components.

Together with this requirement, a Municipal Land Use Planning By-law was adopted to regulate the land use administrative processes. i.t.o. SPLUMA the land use scheme must:

- (a) include appropriate categories of land use zoning and regulations for the entire municipal area, including areas not previously subject to a land use scheme;
- (b) take cognisance of any environmental management instrument adopted by the relevant environmental management authority, and must comply with environmental legislation;
- (c) include provisions that permit the incremental introduction of land use management and regulation in areas under traditional leadership, rural areas, informal settlements, slums and areas not previously subject to a land use scheme;
- (d) include provisions to promote the inclusion of affordable housing in residential land development;
- (e) include land use and development incentives to promote the effective implementation of the spatial development framework and other development policies;
- (f) include land use and development provisions specifically to promote the effective implementation of national and provincial policies; and
- (g) give effect to municipal spatial development frameworks and integrated development plans.

Section 24 (3) of SPLUMA furthermore provides that a land use scheme may include provisions relating to:

- (a) the use and development of land only with the written consent of the municipality;
- (b) specific requirements regarding any special zones identified to address the development priorities of the municipality; and
- (c) the variation of conditions of a land use scheme other than a variation which may materially alter or affect conditions relating to the use, size and scale of buildings and the intensity or density of land use.

The zoning of a property determines the land use rights for which it can be used, such as residential, business, industrial, open space or recreational purposes. The zoning of a property also prescribes the

restrictions within which the land may be developed for example height of buildings, distances from street, floor area, parking and access. The overarching objective of zoning schemes is to maintain, protect and upgrade the general welfare, public health and safety of all the inhabitants of a defined area.

A Zoning Scheme is a municipal by-law which allocates development rights to properties within the municipal jurisdiction, outlining all of the development rules applicable to the various types of properties. The zoning scheme contains regulations pertaining to restrictions on such rights and how they may be exercised. Components of a Zoning Scheme include the following:

Figure 40: Components of a Zoning Scheme



Firstly, the **Zoning Scheme by-law** describes how land may be used and developed. This provides for the zoning of land and the adoption of new zones. It should therefore provide for the different zones which determine how land may be used (e.g. residential, commercial, industrial, open spaces, etc.). It also contains development parameters which determine how may developed (e.g. building lines, height, coverage, parking, etc.). Secondly, a **zoning register** is kept to record all planning applications approved by the municipality. Finally, **zoning maps** are developed which spatially records the zoning of land (and all re-zoning of land).

The purpose of the Integrated Zoning Scheme is to:

- Describe how land may be used (the land use);
- Describe how land may be developed (form and scale of buildings);
- Allow certain development and land uses in certain locations;
- Prevent certain development and land uses in other locations;
- Allow/enable urban growth and development according to development principles in SPLUMA and LUPA (spatial justice; spatial sustainability; spatial resilience; spatial efficiency; and good governance);
- Address environmental, heritage, economic, health and welfare issues related to property development;
- Manage development in the light of municipal services and infrastructure; and
- Manage development in the light of public and private transport and parking provision.

Table 70: Different use of the Integrated Zoning Scheme

Different Uses of the Integrated Zoning Scheme	
Primary Use rights	Undertaken or constructed without any further approval from the municipality.
Additional Uses	Technical approval and may be conducted to a limited extent subject to conditions and a Site Development Plan.
Consent Uses	Higher impact, depending on the circumstances; may only be undertaken after an application is made and approved and conditions imposed.

Source: Draft Integrated Zoning Scheme

In accordance with SPLUMA the IZS developed a base zone with general guidelines applicable to all



areas within the base zone, and a number of overlay zones. An overlay zone is a regulatory tool that creates special zoning districts, placed over an existing base zone(s), which identifies special provisions in addition to those in the underlying zone.

The Integrated Zoning Scheme (IZS) went through two rounds of public participation. After the comments from interested and affected parties were reviewed, the document was edited, where applicable and the final draft Stellenbosch Zoning Scheme, October 2018 was submitted to Council for consideration and adoption during May 2019 and was subsequently gazetted as required by SPLUMA. The Stellenbosch Zoning Scheme By-law, 2019 was is being implemented in November 2019.

7.4.2 Air Quality Management Plan (AQMP) for Stellenbosch Municipality

The Stellenbosch Local Municipality Air Quality Management Plan (AQMP) has been completed with the input of the DEA&DP.

7.4.2.1 A Vision and Mission

Aligned with the Cape Winelands District Municipality (CWDM) vision for air quality management the vision for the Stellenbosch Municipality, as defined in the AQMP is: Air quality in the Stellenbosch Municipality is clean and healthy.

The mission statement to achieving the stated vision is:

Air quality in the Stellenbosch Municipality is co-operatively managed for the benefit of present and future generations according to the principles of sustainable development to safeguard health and quality of life, promoting economic and social development.

7.4.2.2 Challenges and threats

The AQMP has identified motor vehicle emissions, industrial and manufacturing emissions, agricultural emissions, residential fuel burning and biomass burning emissions and emissions from the landfill and wastewater treatment plants as main sources of air pollution. The brown haze which forms over Cape Town during the winter months, largely attributed to motor vehicle emissions, extends northwards on occasion and affects air quality over the southern parts of the Stellenbosch Municipality. These sources are relatively small and air quality in Stellenbosch is generally good with respect to the typical pollutants. However, agricultural activities, including seasonal burning and the use of pesticides present challenges for air quality management.

7.4.2.3 Goals

The goals to achieve the mission of the AQMP are listed below and their linkages to the Western Cape Provincial AQMP (D: EA&DP, 2010) and the CWDM AQMP (CWDM, 2012) are highlighted. The three goals for the Stellenbosch Municipality AQMP are:



Goal 1: Air quality governance meets requirements to effectively implement the AQMP: This goal addresses the regulatory framework and the institutional capacity required in the Stellenbosch Municipality to carry out the air quality function. This links directly to the goal the AQMP for the Western Cape to 'Ensure effective and consistent air quality management' and the goal in the CWDM AQMP of 'Effective air quality management';



Goal 2: Reduce atmospheric emissions of harmful pollutants: This goal aims to manage activities that impact on air quality to reduce the emissions of harmful pollutants and associated impacts on human health and well-being. This links directly to the Provincial AQMP goal to 'Ensure effective and consistent compliance monitoring and enforcement' and 'To ensure that health-

based air quality standards are attained and continually met'. It also links to the CWDMAQMP goal of 'Effective air quality management' through an 'Emission reduction strategy'; and



Goal 3: Systems and tools are established to effectively implement the AQMP: This goal refers to the systems and tools required for effective AQMP implementation, the cornerstone of which is an Air Quality Management System (AQMS). The development of an AQMS links directly to the Provincial AQMP goal 'To ensure effective and consistent air quality management' through the development of AQM systems. It also links to the CWDMAQMP goal to develop an AQMS. An AQMS is the fundamental unit towards the management of air quality in an area, incorporating the necessary technical elements that provide information on the status of air quality (D: EA&DP, 2010). Included in this goal is the need for stakeholders to actively participate in AQM in the Stellenbosch Municipality, which links to the Provincial AQMP goal 'To continually engage with stakeholders to raise awareness with respect to air quality'. It also links to the CWDMAQMP goal to 'Promote communication in relation to Air Quality Management'.

7.4.2.4 Time frames



The timeframes defined for the Implementation of the AQMP are:



Immediate: First 3 months of AQMP adoption;



Short term: First 12 months of AQMP adoption;



Medium Term: 2 to 3 years; and



Long term: Year 4 and 5.

The following Immediate items were included in the AQMP, all with reference to Goal 1 above:

Table 71: Items in the AQMP

Objective	Activity	Responsibility
Sufficient capacity and competence exist to perform the air quality management function.	Identify capacity and competency needs.	Council
The AQMP is included in the IDP.	Prepare air quality input for inclusion in the IDP. Ensure adequate funding in the IDP for AQMP implementation.	Air Quality Officer, Council
A regulatory framework exists in the municipality for air quality management.	Develop air quality by-law.	Air Quality Officer, Council

Stellenbosch Municipality relies on data from the Province's monitoring station situated at Cape Winelands District Municipality in Stellenbosch town to determine air quality or atmospheric emissions. This data is reported on by the relevant Environmental Health Official from Cape Winelands District Municipality.

7.4.3 Integrated Human Settlement Plan

7.4.3.1 Overview

An Integrated Human Settlement Plan (IHSP) is the road map for the provision of all forms of housing within a Municipal area. This plan is closely linked to the Municipal IDP (Integrated Development Plan) and the Municipal SDF (Spatial Development Framework).

Accordingly, Stellenbosch Municipality developed an IHSP to be aligned with the IDP and the mSDF. Stellenbosch Municipality originally approved a Human Settlements Plan (HSP) in 2008 and a revision of this plan was done in the 2017/18 financial year. The IHSP and the Housing Pipeline has a ten (10) year development horizon. Notwithstanding this, the Housing Pipeline must be reviewed and approved annually by the Municipal Council.



In the absence of an approved Human Settlements Plan, the Pipeline serves as the housing implementation strategy for the municipality.

7.4.3.2 The Housing Pipeline

The Provincial Department of Human Settlements (PDoHS) requires that every municipality must have a housing pipeline. The housing pipeline is premised on a ten-year horizon and serves as planning and budgeting tool for the implementation of Human Settlements initiatives. Each municipality's Housing Pipeline is an integral component of the Department of Human Settlements' Business Plan.

It is required that the Housing Pipeline must be annually reviewed. The latest review of the Housing Pipeline was approved by Council in March 2020. This revision includes the following:

-  A period of 10 financial years (2020/21 - 2028/29). Provides for 12 098 units on a spread of Housing Intervention programmes that comprise of serviced sites, Informal Settlements Upgrade, integrated residential developments (mix-used development), Institutional Housing and Social Housing; and
-  Provides for a comprehensive list of housing projects with quantitative data on the projects Goals.

The objective of the housing pipeline is to provide more emphasis on the following housing types or programmes:

-  Social housing (the National Minister of Human Settlements approved Stellenbosch as a restructuring town and restructuring zones end November 2016);
-  Provision of serviced sites;
-  Access to affordable housing (GAP housing);
-  Upgrading of Informal settlements; and
-  Mixed use housing (formalised home ownership Employer housing - especially farm worker housing).

The estimated cost of this programme will be approximately R9.6 billion over 10 years.

7.4.3.3 Legacy and Priority Projects

Priority projects which were identified in the housing pipeline as approved Council during March 2020 are:

-  Upgrading of informal settlements, (Mandela City, Klapmuts and Langrug, Franschhoek);
-  Access to Basic Services (ABS);
-  Jamestown, Farm 527 (phases 2, 3 and 4);
-  Rezoning of Enkanini, Kayamandi;
-  Longlands Development;
-  Upgrading of Zone O;
-  Ida's Valley - A key aspect of this project was to utilise municipal land provided at reduced cost for formal home-ownership in order to cross-subsidise other housing types;
-  Enumeration of People on Farm and Backyarders;
-  Rectification of Cloeteville subsidy houses (The Steps, Orlean Lounge and Smartie Town)
-  Soekmeaar Project Development (Erf 7001);
-  Upgrade of Kayamandi CBD; and
-  Northern extension.

7.4.3.4 Upgrading of Informal Settlements

The municipality manages and coordinates the upgrading of informal settlements through the following broad objectives:

-  In-situ upgrading of informal settlements;
-  Upgrade informal settlements by the provision of basic services;
-  Develop emergency housing sites geared to accommodate evictees, amongst others;
-  Enumerate / undertake demographic surveys of identified informal settlements;
-  Facilitate tenure security in informal settlements;
-  Assist in short-term job creation through linkages with EPWP and longer term job creation through upgrading programmes;
-  Facilitate capacity-building and training for residents and stakeholders through direct service provision and partnerships with outside agencies; and
-  Manage the provision of services and development programmes to informal settlements.

7.4.3.5 Informal backyard dwellings

The municipality through the Housing Pipeline is actively attempting to address the needs and plight of backyard dwellers within the Municipal area. Currently it is required to be registered on the Housing Demand Database and hopefully this will result in a permanent dwelling in one of Council's housing projects. This process is long and tedious and the chance of actually obtaining a formal house, is very slim. Therefore, Council is actively researching ways in which the service (and basic services) to backyard dwellers can be improved through its various housing programmes.

7.4.3.6 Social Housing

Stellenbosch Municipality was approved as a Restructuring Town in March 2017, by the National Minister of Human Settlements. This approval included the confirmation of the various Restructuring Zones within the municipality and the latter culminated in a Council decision instructing the administration to attract Social Housing Institutions (SHIs) and / or Other Development Agency (ODAs) in order to effect to the municipality's social housing programme.

The aim of this programme is to ensure improved quality of life for communities through a Rental housing programme. This process of integration speaks to the importance of:

-  Economic sustainability: affordability, access to economic opportunities, and promoting job creation via the multiplier effect associated with building medium density housing stock. etc.;
-  Social sustainability: social integration between various income groups, access to educational, recreational and health facilities, etc.; and
-  Ecological sustainability: conservation of scarce resources.

7.4.3.7 Current housing projects

Table 72: Housing projects under construction – 2019 - 2021

#	Project Name	Project Phase	Number of Subsidised Opportunities
1	Stellenbosch Ida's Valley (286 opportunities on erf 11330)	Construction	87
2	Klapmuts (Upgrading of Mandela City - Phase 1) 505 service sites	Construction	76 (completed)
3	Longlands, Vloffenburg (144 Serviced sites)	Construction	144

#	Project Name	Project Phase	Number of Subsidised Opportunities
4	Cloesteville: Rectification of Smartie Town houses	Construction	106
5	Cloesteville: Rectification of The Steps/Orlean Lounge Houses Temporary units with toilets	Appointment of services provider/Construction	166

Table 73: Housing projects in the pipeline - in planning or construction phase 2019 - 2021

#	Project Name	Project Phase	Number of Subsidised Opportunities
1	Stellenbosch Ida's Valley opportunities on erf 9445)	Construction	166 Gap houses
2	Longlands, Vlothenburg (144 Serviced sites)	Construction	144 service sites 106 subsidy houses
3	Cloesteville: Erf 7001	Planning (Call for Development Proposal - closing date 20/03/2020)	360 Gap housing
4	Cloesteville: Rectification of Smartie Town houses	Construction	106
5	Cloesteville: Rectification of The Steps/Orlean Lounge Houses	Construction	161
6	Klapmuts (Upgrading of Mandela City - Phase 2) (505 serviced sites)	Construction	187 (Phase 1)
7	Upgrading of Zone O in Kayamandi (±710 services)	Planning (LUPA application has been approved by the MPT. <i>Construction will be dealt with in phases</i>)	710
8	Stellenbosch Jamestown (Phases 2, 3 and 4)	Planning (Stage 2 of Proposal Call – financial feasibility to be determined)	To be determined during Township establishment
9	Social Housing (affordable rental accommodation) in Stellenbosch Town-CBD	Planning (SHI's and/or ODA's attract)	To be determined from studies

The approved Housing Pipeline is available on request at the Directorate: Planning and Economic Development.

7.4.4 Comprehensive Integrated Transport Plan

The National Land Transport Act, 2009 (Act No. 5 of 2009) (NLTA), requires "Type 1" planning authorities (the country's major cities and towns (including Stellenbosch Municipality), to prepare Comprehensive Integrated Transport Plans (CITP). Generally, a CITP is considered as a mechanism by which planning authorities can plan for, develop, manage, integrate and provide for all modes of transport in their areas of jurisdiction.

CITPs must, inter alia:



Enhance the effective functioning of cities, towns and rural areas through integrated planning of transport infrastructure and facilities, transport operations including freight movement, bulk services and public transport services within the context of IDP and land development objectives;



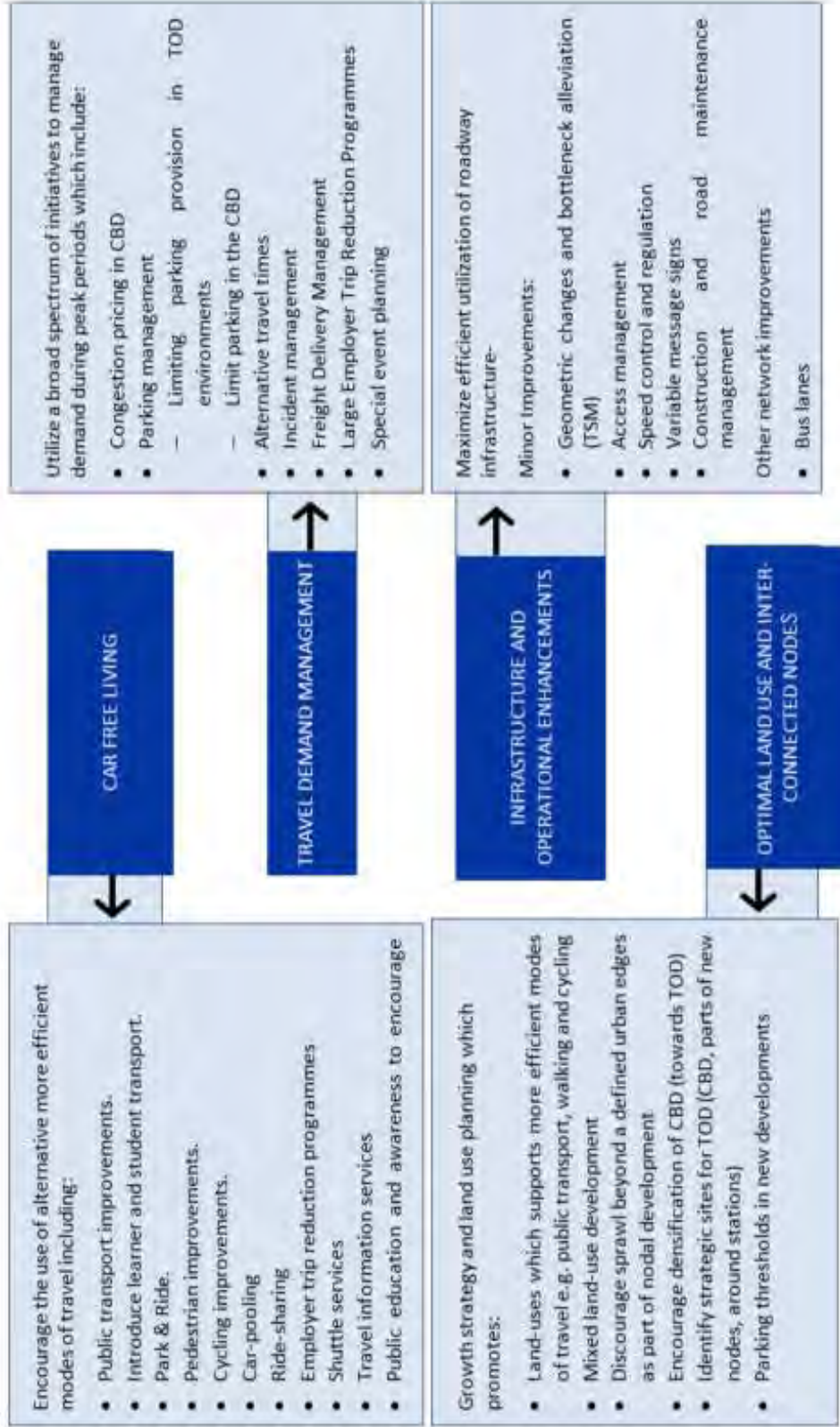
- ✚ Direct employment opportunities and activities, mixed land use and high density residential development into high utilisation public transport corridors interconnected through development nodes (thereby discouraging urban sprawl);
- ✚ Give higher priority to public transport than private transport by ensuring the provision of adequate public transport services and applying travel demand management measures in a manner that provides incentives for sustainable mobility management; Maintain and further develop road infrastructure so as to improve travel by all road-based modes of transport where appropriate;
- ✚ Acknowledge and, where necessary, plan for the role of appropriate non-motorised forms of transport such as walking and cycling. The work was supported through structured public participation with other spheres of government, industry stakeholders and citizens; and
- ✚ The CIP is compiled for a five-year period and the latest completed CIP has been prepared and adopted by Council for the 2016-2020 period. This CIP will also be updated on an annual basis.

7.4.4.1 Strategic Interventions

The following areas of strategic intervention have been highlighted:

- ✚ "Towards Car Free Living" which refers to strategies that encourage more effective modes of travel such as public transport, NMT and other mechanisms to increase the number of passengers per vehicle. The municipality in collaboration with the Provincial Transport Department is investigating strategies that would improve public transport services within and around Stellenbosch.
- ✚ "Travel Demand Management" which refers to strategies that manage overall demand for travel during peak periods such as congestion pricing and parking management.
- ✚ "Infrastructure and Operational Enhancements" which refer to capacity improvements to transport infrastructure but only as part of the overarching transport philosophy in Stellenbosch. The municipality continues to roll out its Infrastructure Enhancement initiatives such as the Gravel Road Upgrading programme, its Main Road Intersection Improvement programme, the Traffic Signal Optimisation programme as well as the implementation of Public Transport Facility upgrades.
- ✚ "Optimal Land-Use and Interconnected nodes" which refers to integrated land use and transport planning which supports and promotes transit orientated development (TOD).

Figure 41: Strategic Interventions reflected in the IDP





7.4.5 Integrated Waste Management Plan (IWMP)

A consultant has been appointed by the Stellenbosch Municipality to review and finalise the third generation Integrated Waste Management Plan (IWMP). This third generation IWMP was developed during 2020 and will now replace the draft third generation IWMP developed by Green Cape in 2017. The development of the IWMP is necessary as it is an integral tool to identify current needs and act as a guide towards sustainable waste management. With regular updates of this document the changing needs as well as progress in the waste management field can be tracked and strategies adapted accordingly.

It also provides a framework for budgeting purposes. The IWMP must be incorporated as part of each Municipality's Integrated Development Plan (IDP) but is submitted as a separate document. The IWMP also shows alignment of its goals with the Western Cape IWMP, the District Municipality IWMP and the National Waste Management Strategy (NWMS). This generation IWMP improved upon the previous generation document in that progress has been made with shortcomings identified in the previous draft plan.

The scope of this local municipal IWMP includes an investigation into the current state of the solid waste management system of the Stellenbosch Local Municipality and provides the overview thereof. This investigation aims to include all the various aspects of the solid waste management system which ranges from legislation, waste types and generation, waste facilities and infrastructure to financing and all other details as listed under the terms of reference above.

The status quo is evaluated in order to determine the gaps and needs of the system. The scope also includes goals and objectives to improve the system where required but is limited to implementation on the local authority level. The implementation items in order to improve the waste management system and to achieve goals are coupled with a monitoring and review programme to ensure that the IWMP is up to date and is implemented.

The Plan takes particular note of importance of local authority waste management planning. This document underlines the following principles of the National Waste Management Strategy:



The prevention of waste generation;

The recovery of waste of which the generation cannot be prevented, and

The safe disposal of waste that cannot be recovered.

The Plan will address all areas of waste management – from waste prevention and minimisation (Waste avoidance), to its collection, storage, transport, treatment, recovery and final disposal. It will not only address the practicalities of waste management in context of this Municipality, but also the issues of public education and changing concepts, as these are vital to a successful management system.

7.4.6 Electrical Master Plan

Because the SDF was finally approved in November 2019, which was almost within the time that the masterplan is due for update, the review was not done. The complete update will be done by September 2020.

The previous Electrical Master Plan was completed in September 2015 and will be updated by September 2020 in line with the requirement that it should be updated every five years. The plan aims to provide the Stellenbosch Municipality with a clear view and long-term plan for the development of electrical infrastructure required to support the envisaged demand growth in Stellenbosch and surrounding areas. The municipality also evaluated the long-term viability of existing infrastructure and expansion and refurbishment requirements thereof, where new infrastructure should be located and which components, either existing or new, will be required.



Apart from spatial changes the Electrical Master Plan is to contain the following main elements:

-  Documented assessments of primary equipment at all 66/11 kV substations and 11 kV switching substations within the municipal area;
-  Site-specific assessments to provide a systematic estimate of the life remaining in substation facilities, and planning to extend the life of facilities to meet future needs;
-  Development of a geographical load forecast based on regional demographic and historical load growth patterns, as informed by the SDF. (The anticipated long-term load forecast was directly used as input to the expansion plan.);
-  Development of network strengthening and expansion options and technical evaluations to ensure that load and performance criteria are met over the short, medium and term (2025);
-  Preparation of cost estimates of the technically viable expansion and strengthening options; and
-  The Electrical Master Plan is updated every five years and is used in medium-term project planning, prioritisation and budgeting.

7.4.7 Water Services Development Plan

As a Water Services Authority (WSA), the Stellenbosch Municipality has a duty in terms of Sections 12 and 13 of the Water Services Act, 1997 (Act No. 108 of 1997) to prepare and maintain a Water Services Development Plan (WSDP). The Municipality prepared comprehensive WSDP's in 2007, 2012 and 2019 that is valid for a period of five years.

Where the Department of Water and Sanitation is the custodian of South Africa's water resources, Stellenbosch Municipality's Water Services sees itself as an extension of this custodianship. Water Services is responsible to act in line with the Water Act as well as the implementation of Municipal By-Laws, policies and procedures.

As part of the WSDP package, the municipality maintains:

-  Water and sewer master plans;
-  Water resources study;
-  Annual water audit;
-  A water safety plan;
-  A drinking water quality sampling programme;
-  Water and sewer pipe replacement prioritization programme;
-  A water demand management (WDM) strategy; and
-  Key findings of the WSDP are outlined below.

The Water Master Plan, Sanitation Master Plan, Bulk Water Resources/Drought Intervention Plan, Asset Register and Pipe Replacement Prioritised Programme were updated in 2019.

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

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

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



Due to the severe drought experiences recently and very low rainfall recorded in recent years, the municipalities in the Western Cape had to enforce water restrictions and still have restrictions in place.

Stellenbosch Municipality supplies water to the consumers in their area of jurisdiction through the following water supply systems:

-  Stellenbosch (Jonkershoek and Theewaterskloof tunnel);
-  Franschhoek;
-  Wemmershoek (treated water imported from City of Cape Town);
-  Blackheath (treated water imported from City of Cape Town);
-  Faure (treated water imported from City of Cape Town); and
-  Other own sources (Boreholes).

The total population supplied with water in the Stellenbosch Municipal area amount to approximately 199 800 people. Water is also supplied to a fairly extensive industrial area.

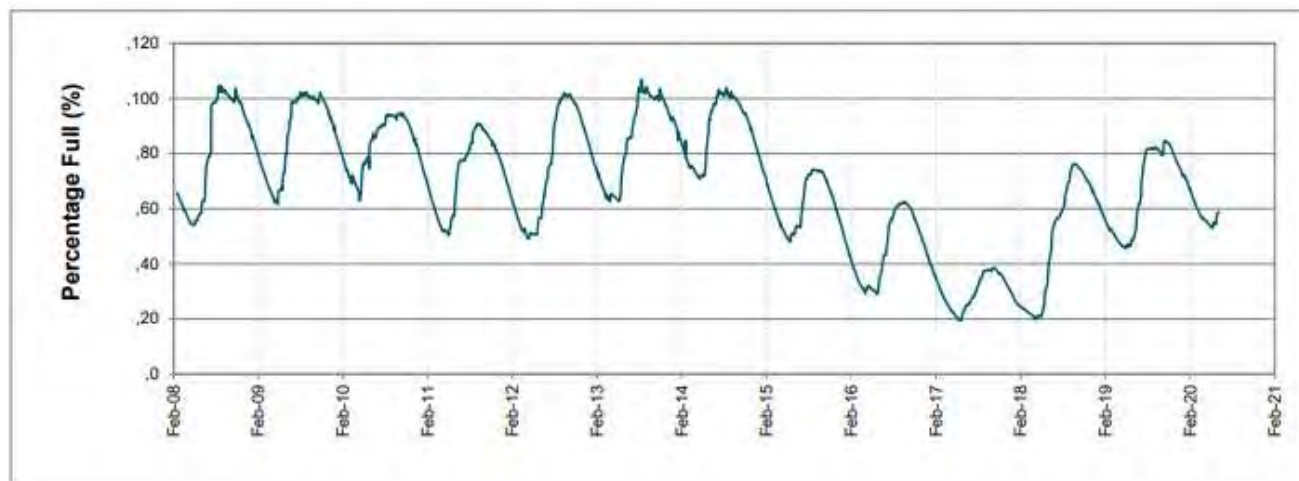
Stellenbosch Local Municipality manages three water treatment works, namely Ida's Valley, Paradyskloof and Franschhoek. The potable water supply from these works amounts to 15.1 MI/d on average and a further 6.8 MI/d was obtained from the City of Cape Town during the financial year, ensuring a supply of approximately 21.9 MI/d to the Municipality's area of responsibility.

Areas supplied from the Wemmershoek water treatment works include half of Franschhoek town, La Motte, Wemmershoek, Pniel, Boschendal, Johannesdal, Kylemore, Lanquedoc, Klapmuts, Koelenhof, Elsenburg, Devon Valley and Muldersvlei. Areas supplied from Blackheath water treatment works include Polkadraai, Spier and Vlottenburg. Areas supplied from Faure water treatment works are Faure, Jamestown, De Zalze, Raithby and Lynedoch. Although these water treatment works fall within the sphere of responsibility of the City of Cape Town, their impact with regard to water quality and quantity needs to be monitored and considered by Stellenbosch Municipality.

Stellenbosch Municipality supplies potable water to the entire municipal area through a network and infrastructure consisting of 56 reservoirs / holding tanks and water towers, 36 water pump stations, 35 pressure reducing valve installations, 667 kilometers of pipeline and 79 water supply zones. The network is fully controlled and operated by a telemetry system.

The bulk water input into the water network for 2019/20 was 8 015 027 MI, with an annual average daily demand of 21.9 kl/day. About 40% of the water supplied is purified from own water sources at the Ida's Valley and Franschhoek water treatment plants. The balance is supplied by the City of Cape Town and the Paradyskloof water treatment plant, where raw water supplied by the Department of Water and Sanitation is purified. Potable water supplied from the City of Cape Town is analysed on a monthly basis by the City of Cape Town.

Figure 42: WCWSS Storage Record (2008 – present)



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

7.4.7.1 Basic services and level of service

- There is no basic water and sanitation services backlog in the urban areas of the municipality. A small number of the households on farms are still without basic water and sanitation services.
- The clinics, hospitals and schools in the municipal area have adequate and safe water supply and sanitation services.
- All indigent households receive free basic water (the first six kilolitres of water) and sanitation services.
- All the formal households in urban areas of the municipality are provided with water connections and waterborne sanitation facilities inside the houses (higher level of service). Communal standpipes and ablution facilities are provided in the informal areas as a temporary emergency service. Communal standpipes represent the weakest part of a network's water supply services. Standpipes are often constructed in ways that cannot withstand excessive use (and abuse) and are often neglected in terms of operation and maintenance, adversely affecting the health of its already vulnerable and poor users.
- A sustainable type of water and sanitation facility needs to be provided to the households on those farms with current services below minimum service level standard. Stellenbosch Municipality is committed to supporting the private landowners as far as possible with regard to addressing the current services backlog on farms, as identified through the Cape Winelands Rural Survey of Service Levels.
- From a water services perspective, the most significant challenges are the augmentation of the existing water sources, the replacement and upgrading of old infrastructure to accommodate development, the provision of sustainable basic services to informal settlements, and to ensure the provision of basic services to rural communities located on private farms.

7.4.7.2 Maintenance of infrastructure

Both water infrastructure and sanitation infrastructure require serious remedial investment. About 38,6% of the water supply infrastructure is in a poor or very poor condition and the condition backlog is in the order of R300 million. The bulk of the backlog is made up of the old Asbestos Cemen (AC) water reticulation pipeline assets. About 43.4% of the sanitation infrastructure is in a poor or very poor



condition and the condition backlog is in the order of R250 million. The bulk of the backlog consists of the old Asbestos Cement (AC) and Pic Fibre sewer reticulation assets in the Stellenbosch area.

Waste Water Treatment Works.

An Infrastructure Asset Register is in place for all water and sanitation infrastructure. It is critical that an Infrastructure Asset Management Plan is developed and implemented, based on the principle of preventative maintenance to ensure that damage to assets is prevented before it occurs. Assets must be rehabilitated and/or replaced before the end of their economic life and the necessary capital funds must be allocated for this purpose. Maintenance activities have been increasingly focused on reactive maintenance as opposed to preventative maintenance.

7.4.7.3 Current infrastructure projects



The upgrading of the Paradyskloof WTW was upgraded from a 17 ML/day to 22 ML/day plant and this was recently completed in July 2019.



During the upgrade the following was done:

- An extra set of four filters were build and the old set totally refurbished;
- The operation of the sand filters was optimised with the installation of upgraded software;
- Remote monitoring and control of pumps were introduced;
- Reuse and recycle opportunities;
- Supernatant water going to sludge dams are being recovered;
- Wash water that otherwise would have been lost;
- With the installation of water meters on the reuse and recycle lines the works are now able to:
 - optimise the usage of water supply to our plant, and
 - optimise the treatment protocol to ensure potable water.
- Stellenbosch WWTWs is currently in the final completion of phases one and two;
- Wemmerhoek WWTW is due for an upgrade due to the amount of new development applications and higher standards required by the department of Water and Sanitation (DWS) for effluent being release into the rivers;
- Pniel is currently on the programme to be refurbished in 2020/22, with a Risk Reduction Action Plan that is being implemented, in order to improve the performance of the existing WWTWs and to ensure that the treated effluent discharged from the WWTWs complies with the legal requirements;
- New reservoirs for the Vlottenburg and Northern Extensions are currently in detail design/tendering stadiums to be implemented during the next few years. A new reservoir for the Jamestown development is also finalised; and
- New and upgraded outfall sewers for Northern Extensions, Dorp Street, Merriman Street is under construction or due to start in near future.

7.4.7.4 Water Demand Management

Although the Municipality has a block step tariff system that discourages wasteful or inefficient use of water, the implementation of comprehensive water demand management interventions has been limited, primarily owing to a lack of human resource capacity to undertake the necessary work, and budget constraints.

The Municipality needs to actively implement the WDM strategy in order to reduce the current percentage of non- revenue water as far as possible and to keep the future water demand as low as possible.



7.4.7.5 Climate Change

In terms of adapting for climate change, water systems will need to be more robust and new or alternative sources of supply may need to be found. Increased skills will be required from water managers and long-term water projections are required. Although an overall decrease in rainfall is not generally forecast, increased variability in the climate and frequency of extreme events, as well as increased temperature and wind could have an impact on water sources, particularly surface waters. It is therefore advisable for the Municipality to maintain a conservative approach to the management of water sources, including the following actions:

-  Establish assurance of supply levels of all water sources;
-  Increase assurance of supply of the water resources by ensuring that there is at least 10% additional capacity (headroom), when considering the maximum 24-hour demand on the peak month of the year;
-  Do not undertake new developments unless a proper investigation of the implication on water sources and sustainability in the long term has been undertaken;
-  Vigorous implementation of WDM measures, especially in terms of increased water efficiency, frequent monitoring of the water supply system from the sources to the consumers, and regular and adequate system maintenance and repairs; and
-  IRIS monitoring system including the Blue Drop Awards system is active in the municipality and in the past with the Blue Crop system, SM was awarded for four of the Municipality's five water supply systems. Three awards were received in conjunction with the City of Cape Town, which supplies water to these systems – from where Stellenbosch manages distribution to end users. A further Blue Drop Award (the fourth consecutive award) recognised the Stellenbosch water supply system for water treated by the Municipality's Ida's Valley and Paradyskloof water treatment plants. The Department of Water Affairs acknowledged this exceptional performance by awarding a silver award to Stellenbosch.

The Municipality did not receive a Blue Drop Award for the Franschhoek water supply system which receives water from its own Franschhoek water treatment works. This was expected because of certain infrastructure challenges in this system. Projects have been initiated to address these issues.

7.4.7.6 Level of Service

In the rural area the responsibility lies with the landowner to manage storm water over his land. In the urban area the responsibility lies with the local Municipality. The objective in storm water management is to be able to accommodate a 1:5-year storm in the residential areas and 1:2 in the urban areas as contemplated in the Guideline for Human Settlements Planning and Design. The Water Act, 1998 (Act No. 36 of 1998) determines that flood lines should be indicated on development plans. Flood line determination has been done in the past but this information is outdated. The Municipality is currently busy compiling a hydrological model to determine the latest flood lines on the rivers in Stellenbosch and Franschhoek for the urban area. It is a development condition for all future developments to do a flood-line determination.

7.4.7.7 Maintenance of Infrastructure

The system is currently maintained on an ad hoc basis during the dry season. A Winter Preparedness plan is rolled out before the onset of winter to clean all storm water infrastructure. Critical areas have been identified and maintenance teams are deployed when high rainfall is predicted. Localised flooding is experienced during high runoff events. The networks in these problem areas are constantly



upgraded to reduce the likelihood of flooding. Priority is given to areas where houses are flooded or likely to be flood.

7.4.7.8 Risk Mitigation

In Stellenbosch erosion of riverbanks is currently a problem and the river maintenance plans and the hydrological model that are currently being determined will give guidance to the interventions that is required to reduce the risk. In some instances, the riverbank erosion will impact on private property. The flood line determination of the La Cotte River in Franschhoek proved that some of the properties along the riverbanks are at risk in the 1:50 and 1: 100 flood events. An environmental process is currently underway to determine the way forward.

7.4.7.9 Risk Mitigation – COVID-19 influence on water services.

Household water supplies may fall victim to the COVID-19 pandemic – if users can no longer pay their bills, and municipalities' revenue streams dry up.

"In the short term there will still be water for people to wash their hands. However, the long term consequences could be devastating if municipalities are not able to fund their ongoing operations while funds for the President's Infrastructure Investment initiative will also be affected," says Mike Muller, Chair of the Technical Subcommittee for the Water Institute of Southern Africa (WISA).

As the lockdown impacts individuals and companies across the spectrum, prompting job losses and reduced working hours, the Water Institute of South Africa (WISA) warns that proactive interventions to address "the elephant in the room" are already overdue.

"If people are faced with the choice of paying their rates or feeding their children, they are going to choose the latter. And this non-payment, in a scenario already under serious financial pressure, could have a devastating effect on the general cash standing of municipalities," Dan Naidoo, WISA non-executive director, cautioned at a WISA Board meeting held online recently.

To clarify the depth of the negative knock-on effect, he points out that local government is the main driver of South Africa's economy.

"Service delivery, including the provision of water, is the cornerstone of all economies. Non-payment affects the entire value chain upstream, and if our five big metros are already reporting tough times, how can we expect the smaller, poorer municipalities to survive?"

*Water is a prime focus usually, and more so now as we battle the COVID-19 pandemic. But water is not free, and the country must be sure that it has the capacity to fund and maintain this critical infrastructure into the future."*⁸

The infrastructure capital implementation is hampered by the pandemic that lower the income from water and wastewater services due to the lockdown. The capital implementation program is thus delayed.

7.4.7.10 Risk Mitigation – Drought Response Plan

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

⁸ WISA, Jun 30, 2020



Due to the thread of re-occurring droughts and very low rainfall recorded in recent years, the municipalities in the Western Cape had to enforce water restrictions. Stellenbosch Municipality implemented water restrictions to lower water consumption.

The success of this initiative is largely dependent on the co-operation of the consumer taking ownership of the new smart meter. The use of the water demand management device (smart meter) has been implemented nationally with huge success and reduction in water losses.

The project is currently underway and has been received with a positive reaction from the community.

The new Water Services By-Laws were also finalised and approved by council and promulgated. This will contribute to increase management and control of water and sanitation related aspects with in the Municipality.

During the last official Blue Drop certification (2012), Stellenbosch Municipality achieved Blue Drop certifications for four of its five water supply systems, with a total Blue Drop score of 95.56%. The Municipality achieved a platinum award for the Stellenbosch Water Supply System for achieving Blue Drop accreditation three times, every year since the programme's inception in 2009.

The following planning documents are continuously updated to include the latest planning: the Water Master Plan, Drought Response Plan, Water Services Audit Report and the Pipe Replacement Study and Model and all projects and daily operations are done in line with the aforementioned studies and guidelines.

7.4.7.11 Backlogs in water and sanitation Services

A municipality as a Water Services Authority (WSA) has a duty to all its customers or potential customers in its area of jurisdiction to progressively ensure efficient, affordable, economical and sustainable access to water and sanitation services to promote sustainable livelihoods and economic development. To ensure this it is important that the backlogs within the water and sanitation infrastructure should be addressed. Backlogs could be defined in three broad categories:

-  Backlogs regarding access to basic water and sanitation services. (Basic water and sanitation services in terms of RDP standards);
-  Conditional backlogs (lack of maintenance); and
-  Capacity backlogs (increase in consumers).

7.4.7.12 Backlogs - Access to basic levels of Services

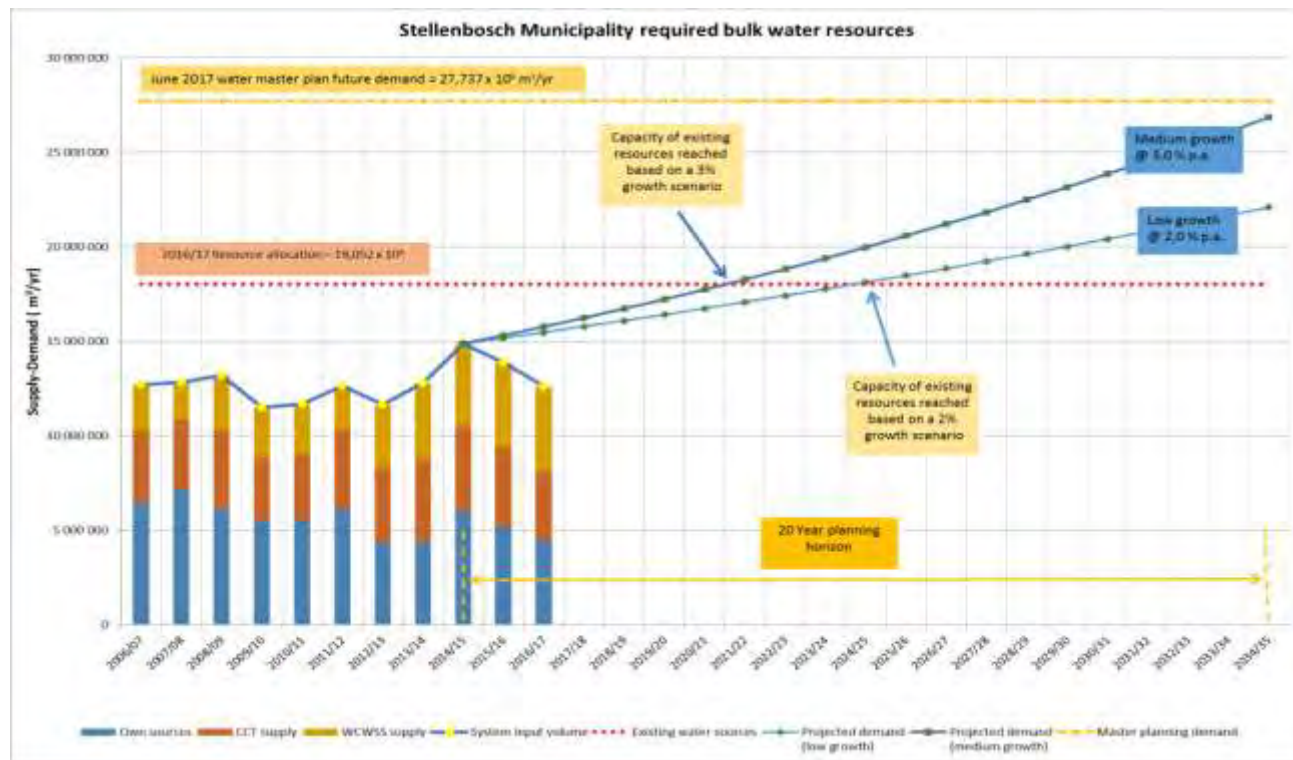
All indigent households receive free basic water (the first ten kilo-liters of water) and sanitation services. All the formal households in urban areas of the Municipality are provided with water connections and waterborne sanitation facilities inside the houses (higher level of service). Communal standpipes and ablution facilities are provided in the informal areas as a temporary emergency service. Communal standpipes represent the weakest part of a network's water supply services. Standpipes are often constructed in ways that cannot withstand excessive use (and abuse) and are often neglected in terms of operation and maintenance, adversely affecting the health of its already vulnerable and poor users.

A sustainable type of water and sanitation facility needs to be provided to the households with current services levels below RDP standard. Stellenbosch Municipality is committed to supporting the private landowners as far as possible with regard to addressing the current services backlog on farms.

7.4.7.13 Conditional and Capacity Backlogs of Infrastructure

Resolving inequality and growing the economy will require access to water and sanitation services for the 20 000 new residential units proposed for Stellenbosch Municipality. This will require a doubling of infrastructural service points over the next 10 years.

Figure 43: Water supply and accommodating growth (Total for WC024)



Updated growth in demand: 20 year planning horizon



Detailed water balance and future water demand projection models were developed as part of the WSDP process, in order to plan adequately for the augmentation of the existing water sources.

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

Based on the municipality's IWA Water Balance sheet for the 2019/20 financial year, the municipality recorded 20.5% for "non-revenue" water which is an increase of 0.3 % from the previous financial year and 6.9% for Real Network Losses.⁹

⁹ Refer to the Municipality's IWA Water Balance Sheet



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

Figure 44: Water Losses July 2019 to June 2020

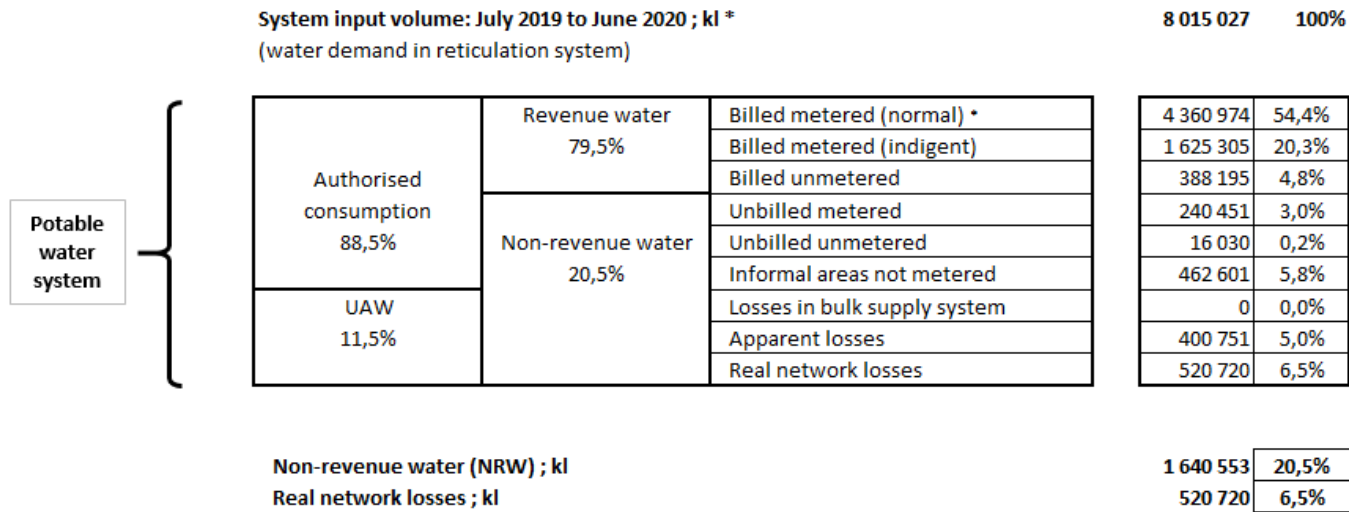
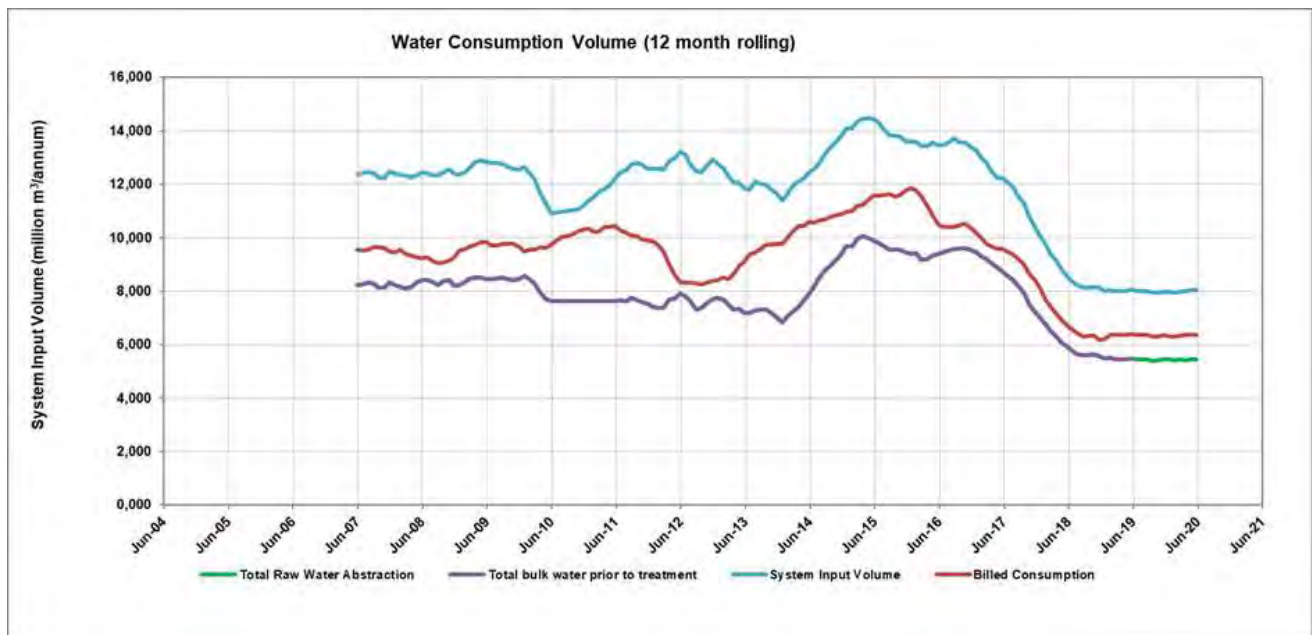


Figure 45: Stellenbosch Bulk Water Consumption



7.4.7.14 Borehole Drilling in WC024

Part of the drought mitigation plan was to manufacture and install water purification plants in the Stellenbosch Municipality water networks at strategic positions. The containerised water purification plants treat water up to SANS 0241 standards before it is included in the water supply networks.

Figure 47: Stellenbosch Containerised WTW being manufactured



Figure 46: Stellenbosch Containerised WTW – Van der Stel



7.4.8 Long Term Water Conservation and Water Demand Strategy

The Long Term Water Conservation and Demand Management Strategy was approved by Council on Tuesday, 25 February 2014. Water Conservation and Demand Management (WC/WDM) is mostly more cost effective and has less environmental impact when compared with developing new sources of supply, provided there is scope for implementing WC/WDM measures. The payback period for the implementation of WC/WDM in this municipality is 3 years which is considerably less than the 20 years that one would expect with major infrastructure projects. A service provider has been appointed for the update of the WCWDS. Updating of the plan was finalised during 2019.

It is therefore an effective way of delaying the development of infrastructure for new water resources and reducing the need to new and upgrade bulk infrastructure.

WC / WDM involves measures which:

- ↓ Reduce real water losses in the water network;
- ↓ Reduce the consumption of the municipality and consumers;
- ↓ Increase the re-use of water by the municipality and consumers;
- ↓ Increase the use of alternatives to potable water by the Municipality and consumers; and
- ↓ Implement and use Management Information Systems to monitor and control water consumption.

The current bulk water input into the water network is about 21,900 kiloliters per day (Kl/d) with a level of unaccounted for water (UAW) of 11.5%.

Figure 48: Stellenbosch Bulk Water Input volumes

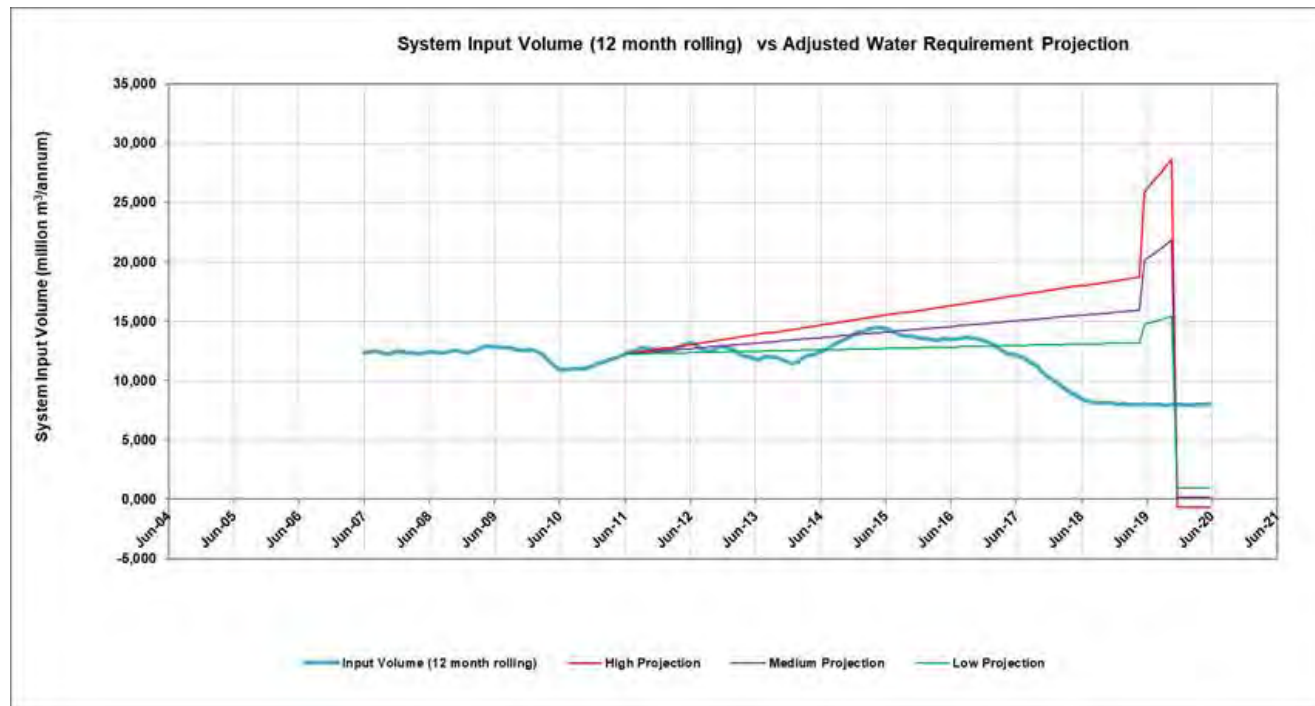


Figure 49: Stellenbosch Bulk Water sales

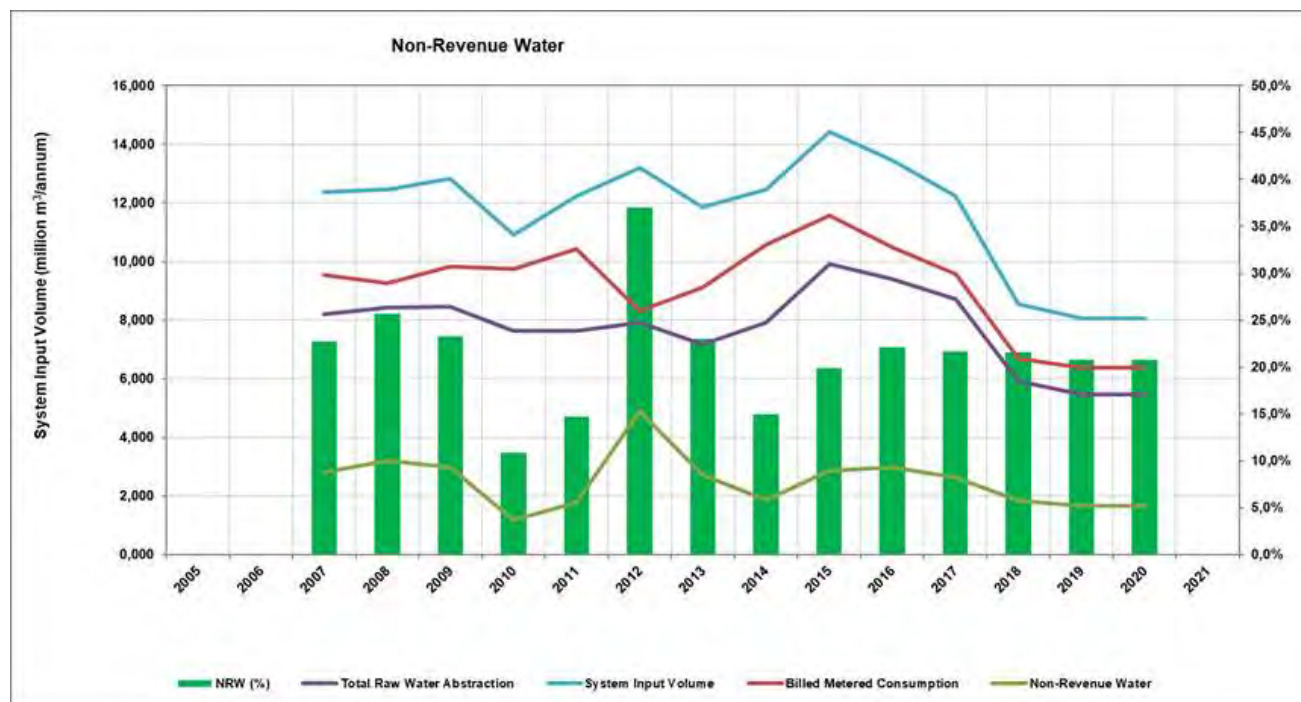
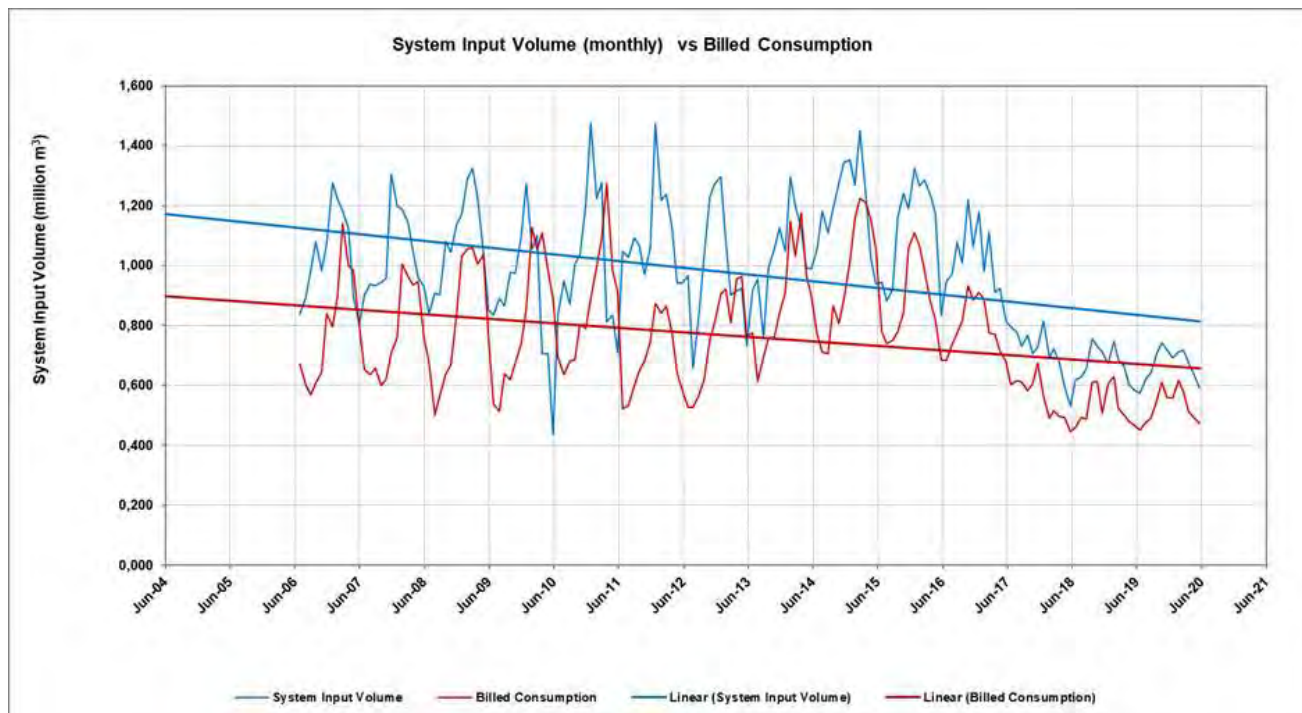


Figure 50: Stellenbosch Bulk Water sales



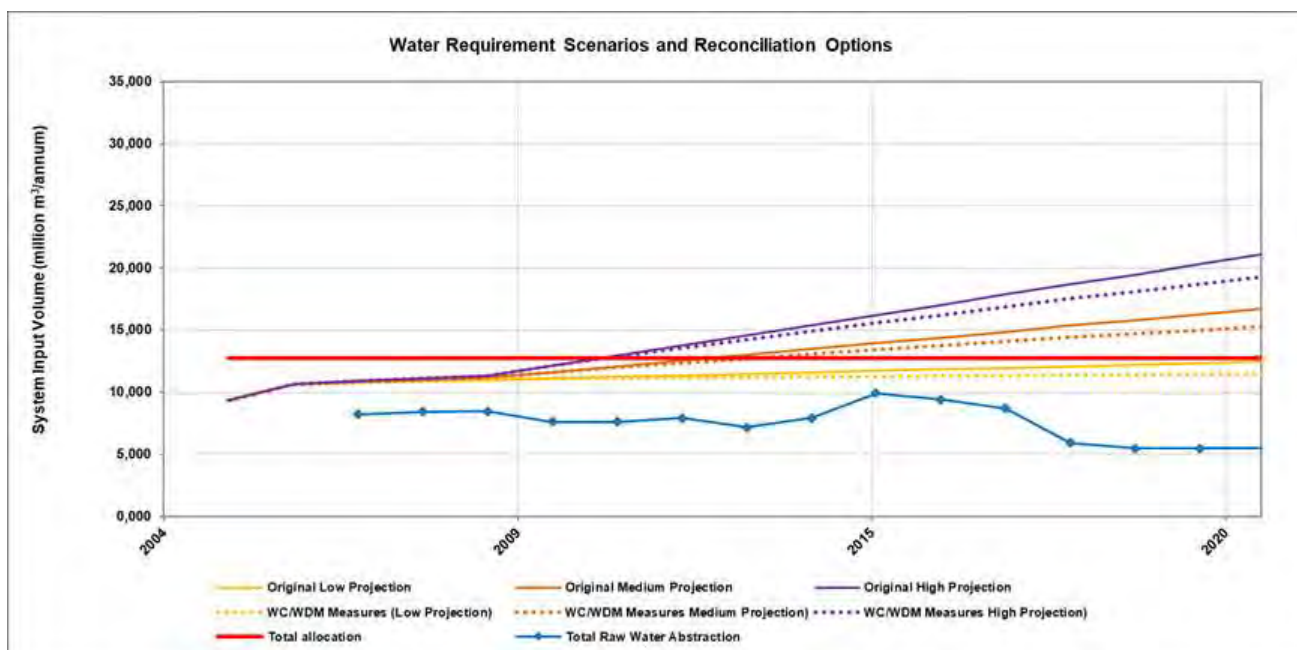
A comprehensive WC / DM strategy which includes a 10-year financial plan has been developed. The strategy has two goals. The municipality will:

-  Prioritise the implementation of Water Conservation (WC) and Water Demand Management (WDM) strategy; and
-  Ensure on-going planning, management, monitoring and enabling environment.

This report recommends that the Municipality adopt WC and WDM as a key service delivery strategy. The WC / WDM Strategy outlines what initiatives need to be taken each year, an estimated budget for each initiative and the water savings that can be expected. The strategy will need to be updated annually incorporating the measures already implemented and those still to be implemented. It is expected that at least a total savings of 7,846 kl/d (26%) can be achieved over the next 10 years.

The unrestricted growth in water demand versus the growth in water demand assuming WC&WDM is implemented as shown in the figure below.

Figure 51: Unrestricted versus WDM growth in demand



Note that each town in the municipality has water supplies independent of each other. When implementing WC/WDM in the municipality it is critical to implement in those towns where the existing supply will become inadequate for the demand the soonest. This will enable the municipality to delay the implementation of expensive infrastructure. The estimated budget required is about R40 million over 10 years.

The municipality embarked on a Drought Intervention Programme that accelerated and expanded some of the WC/WDM plans and programmes.

Figure 52: Updated growth in demand: 20 year planning horizon

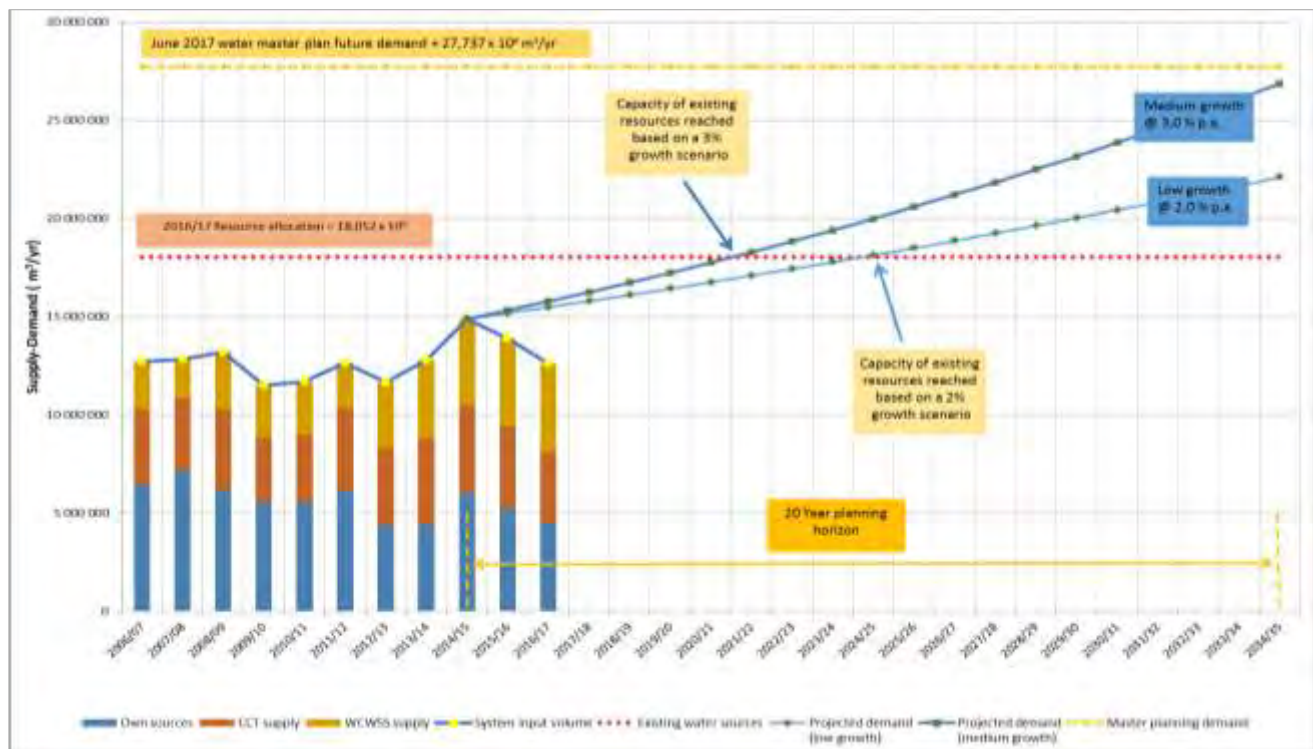


Figure 53: Updated growth in demand: 20 year planning horizon

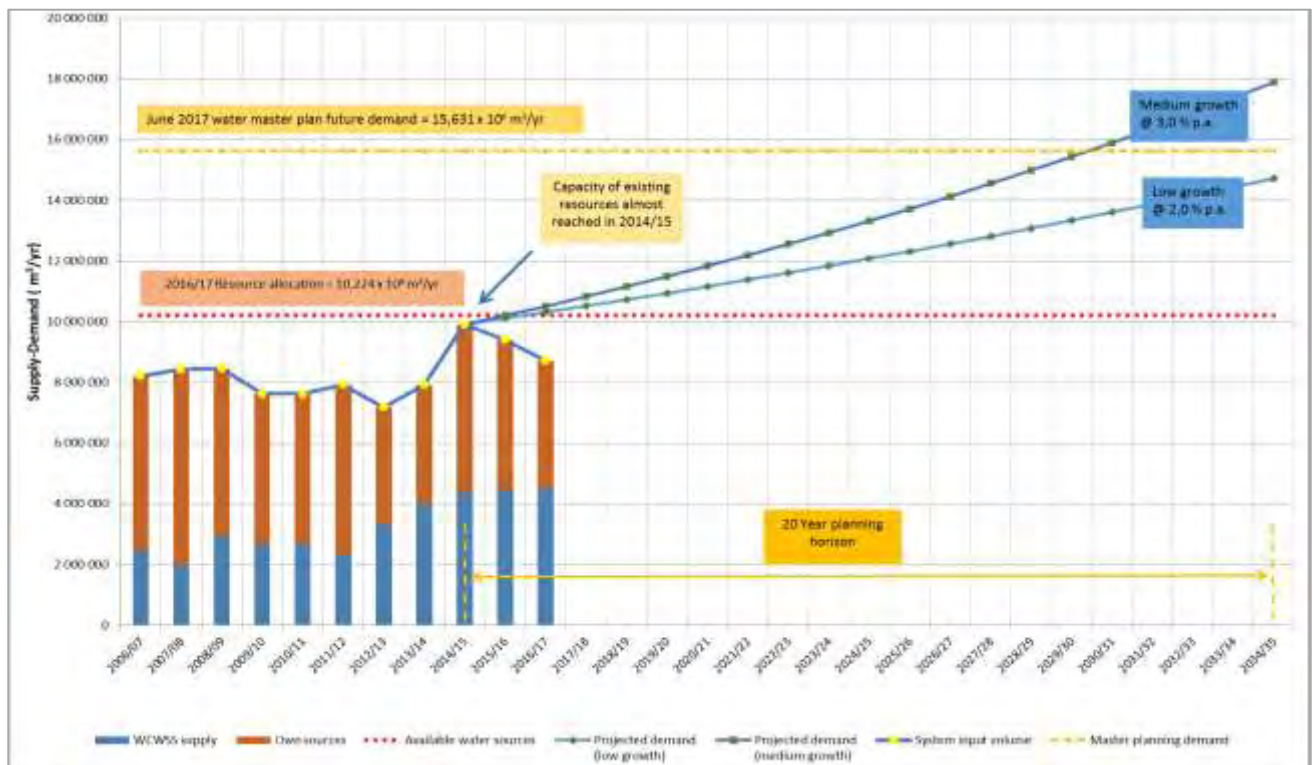
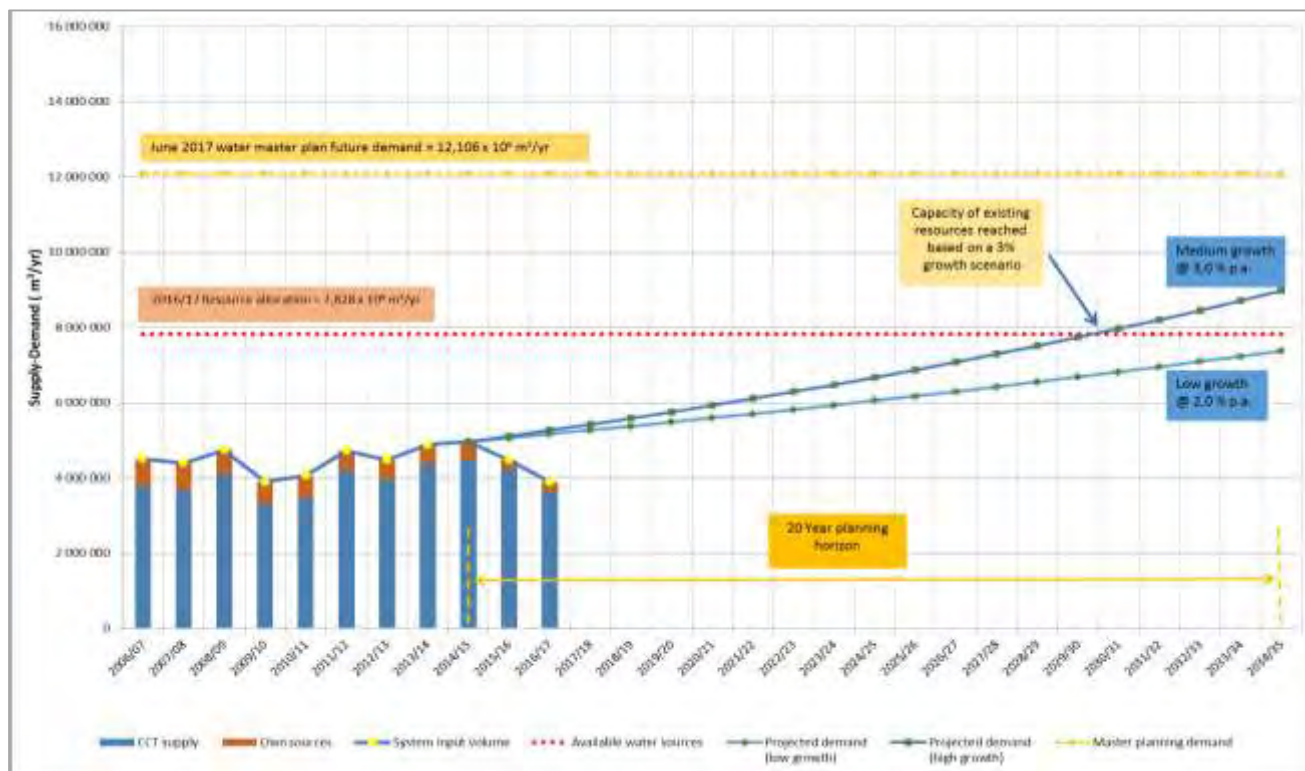


Figure 54: Updated growth in demand: 20 year planning horizon



7.4.9 Safety and Security Strategy

7.4.9.1 Vision

The Safety and Security strategy aims to create and make Stellenbosch Municipality a safer town in the country.

7.4.9.2 Mission

Through multi-disciplinary integrated planning and co-operative governance, maintain a zero tolerance approach towards achieving a safer environment for all residents of/and visitors to the Greater Stellenbosch Municipal area.

7.4.9.3 Objective

Stellenbosch Municipality has identified one of its strategic objectives that have become their focal points namely:

Safest Valley

In order to give effect to this objective, the safety and security strategy, plans to reduce and address crime by jointly taking hands with internal and external role-players. This will promote a safe environment, for all its citizens and visitors to the Greater Stellenbosch area.



7.4.9.4 Background

Stellenbosch Municipality is committed to safety and Security. Safety and security is not just a national, provincial or local government competency but a partnership between formal and informal constituencies and predominantly the community members within its municipal area.

The Constitution upholds the notion that everybody has the right to freedom and security of the person. The safety of persons and property is therefore vitally important to the physical and emotional well-being of people and business. Without the respect of persons and property, it would be impossible for people to live peacefully, without fear of attack and for businesses to flourish. The extent of crime in South Africa does however not only have a significant impact on the livelihood of citizens, but also affects the general economy. Crime hampers growth and discourages investment and capital accumulation. If not addressed with seriousness, it has the potential to derail both social and economic prosperity.

Crime is unwanted in any society because it brings about fear, anger and hatred. As people living in a world of constant change, we tend to strive for innovation and therefore this strategy involves a multi-disciplinary approach by all stakeholders to ensure safety for all communities within the Greater Stellenbosch area including visitors. The purpose of this strategy is thus to reduce crime and increase safety by using an integrated approach to address the community's need for safety and security. To ensure sustainability, the safety and security strategy is a living document that is continuously being revised. Strategies and methods have been improved which led to the implementation and strengthening of a combined strategy between the municipality, SAPS, the University, local communities and all other safety stakeholders.

This Safety and Security Strategy is reviewed on an annual basis and updated to fulfil the on-going demand and challenges for a safer environment to all residents, visitors and tourists.

7.4.9.5 Strategy

Strengthening partnerships and using the platform of the SSI, are the basis of the Stellenbosch Municipalities Safety Strategy. The breakdown of silos is of utmost importance and no strategy from any role-player can succeed unless a multidisciplinary approach is embarked on. With the establishment of the SSI in 2014 only certain role-players joined the SSI and it is now envisaged that the SSI be rolled out to all role-players within every neighbourhood and become part of this initiative.

Extensive stakeholder consultation is part and parcel of the municipality's approach in developing a collective strategy against crime. The municipality's key partners are:

-  South African Police Services;
-  Department of Community Safety (DOCS);
-  Community and Neighbourhood watches;
-  Community Policing Forums (CPFs);
-  Private and Corporate businesses;
-  Private Security companies and Farm watches;
-  Correctional Services;
-  Department of Justice;
-  Campus Control University of Stellenbosch; and
-  Stellenbosch Municipality
 - Law Enforcement
 - Traffic Services



- Fire and Rescue
- Disaster Management.

Building collaborative relationships with our community stakeholders and highlighting Council's commitment to maintain strong partnerships with primary Law Enforcement Agencies, remains the foundation of ensuring safety throughout the Greater Stellenbosch

Communities are being mobilised and supported to establish Neighbourhood watches and formalise their respective neighbourhood watches which will be issued with equipment from DOCS and the municipality to aid in their fight against crime and to be the eyes and ears on the ground. Training will also be provided by the municipality to enhance the training which neighbourhood watches receive from DOCS. Radios will be provided to enable communication with the Municipalities Protection Services control room.

The municipality's control room is envisaged to house role – players from neighbourhood watches, security companies, SAPS, Municipal officers from Protection Services with a link to the University of Stellenbosch control room and cameras which has been established and in place. The SSI is open to any role-player in contributing towards the safety within the municipal boundaries of Stellenbosch. One dedicated emergency number will be provided to residents within the municipal boundaries which will enhance response to emergency services required. The number will be **021 808 8999**. A WhatsApp number to report complaints within the municipal boundaries of Stellenbosch will also be made available for reporting purposes. The number is **079 622 4722**.

Initiatives have and will continue to be launched as it contributes and make communities aware in terms of crime prevention tips and other preventative tips for example fire safety, what to do in case of disasters etc. This will be a joint approach between role-payers and supplemented based on crime patterns and situations experienced. Training will also be provided to enhance safety initiatives for example road safety (crossing of roads) etc.

7.4.9.6 Law Enforcement

With the additional powers of law enforcement officers which were promulgated in the Government Gazette on 19 October 2018 by Declaration 1114 in GG41982, it has given the law enforcement officers more arresting powers in terms of certain offences which was not previously the case. This meant that all law enforcement officers had to undergo appropriate training and be re-issued with competency certificates as peace officers. Stellenbosch Municipality was fortunate that the South African Police Services agreed to provide the basic minimum training which made it possible to have them re-appointed as peace officers.

With the review of the Safety Strategy, the municipality have to adapt to the changing environment of crime in its area and assist the police in every aspect of crime prevention to be able to make an impact. It is common knowledge that criminals become smarter which means that we have to think smarter to always be one step ahead.

The municipality have completed all 3 phases of the action plan as identified during the previous review. This include the installation of License Plate Recognition cameras (LPR) at all the main entrances and exits to Stellenbosch and Franschhoek towns. These LPR cameras are supplemented with additional LPR cameras within residential areas which make it possible to track the direction of suspect vehicles linked to crime picked up by these.

Focus of Law Enforcement:



Effective monitoring and surveillance of CCTV cameras with reaction units to respond immediately;



-  Zero tolerance approach towards petty crime - visible Policing focussing on CBDs;
-  Weekly operational planning with SAPS and Safety Partners;
-  Amendment proposals to the structure of Law Enforcement to accommodate needs;
-  Establishment of a Tactical Response team;
-  Strengthening coordination of communication Strategies between neighbouring municipalities;
-  Social Crime Prevention Strategies in conjunction with Community Development Department in terms of Council's Street People Policy;
-  Liaise with District Municipality in terms of sharing of resources and information flow;
-  Further investigation into technology to improve enforcement strategies;
-  Compiling of camera master plan for WC024 area of Stellenbosch;
-  Enforcement of By-laws;
-  Law Enforcement to form part and execute all actions as planned by the SSI initiative according to crime intelligence and crime analysis, focused on priority crimes;
-  Finalisation of joint control room;
-  Issuing of radios to all neighbourhood watches to be able to communicate with the Stellenbosch Municipality control room/ SSI partners;
-  Extended training interventions to Neighbourhood watches;
-  Supporting Neighbourhood watches with equipment;
-  Implementation of the Rent A Cop / externally funded law enforcement / traffic warden positions; and
-  Implementation of the Reservist policy.

7.4.9.7 Disaster Management

The National Disaster Management Centre (NDMC) provided a set of guidelines; developed in terms of section 19(a) of the Disaster Management Act, 2002 (Act No. 57 of 2002) (DMA) and section 3.6 of the National Disaster Management Framework, 2005 (NDMF) provides a uniform structure and checklist to organs of state to develop a Disaster Management Plan.

This plan confirms the arrangements for managing disaster risks and for preparing for – and responding to disasters within the Greater Stellenbosch Municipality as required by the Disaster Management Act.

As per Section 53 (1) of the Disaster Management Act, 2002 (Act No. 57 of 2002) each municipality must:

-  Prepare a disaster management plan for its area according to the circumstances prevailing in the area;
-  Co-ordinate and align the implementation of its plan with those of other organs of state and institutional role-players; and
-  Regularly review and update its plan; and through appropriate mechanisms, processes and procedures established in terms of Chapter 4 of the Local Government Systems Act, 2000 (Act No. 32 of 2000), consult the local community on the preparation or amendment of its plan.

The purpose

The purpose of Stellenbosch Municipality Disaster Management is to ensure co-ordination of multi-disciplinary and multi-sectorial risk reduction through integrated institutional capacity for Disaster Risk Management, Risk Assessment, Response and Recovery and implementation of measures aimed at:

-  Preventing or reducing the risk of disasters;



-  Mitigating the severity or consequences of disasters;
-  Emergency preparedness;
-  A rapid and effective response to disasters; and
-  Post- disaster recovery and rehabilitation.

Annual review of Plan

Cognisance must be taken that a risk profile changes over time, and it becomes necessary for the comprehensive Disaster Risk Assessment to be reviewed annually, and:

-  anticipate the types of disasters that are likely to occur in its area of jurisdiction and their possible effect;
-  places emphasis on measures that reduce the vulnerability of disaster-prone areas, communities and households at risk;
-  promotes disaster management research;
-  identifies and address weaknesses in capacity to deal with disasters;
-  provides for appropriate prevention and mitigation strategies;
-  Contains contingency plans and emergency procedures in the event of a disaster;
-  facilitates a rapid and effective response to disaster; and
-  Post-disaster recovery and rehabilitation.

Expanded Public Works Programme beneficial for the unit

Disaster Management: EPWP Volunteers participate on a regular basis by assisting in conducting educational campaigns and awareness at crèches, communities and at schools about safety and emergency services. They capacitate the department by doing field work and conducting the required surveys within communities.

A key function attributed to Disaster Management: EPWP Volunteers, is to assist with the incident risk assessments during emergency situations such as fires and floods and the subsequent provision of material and relief aid to the affected. This is all done with the aim to alleviate the effects of a disaster and to restore and rehabilitate the affected, in the shortest possible time.

Volunteers are expected to render administrative support to the superior in the form of feedback-, verification and monthly report, which contributes to skills development. With the onset of the COVID-19 pandemic and it being declared a national disaster, it has become incumbent upon the Disaster Management: EPWP Volunteers to monitor and advise the different communities of the Greater Stellenbosch region, on appropriate actions and behaviour as well as applicable safety measures during such a crisis. These Volunteers also constantly assist the municipal council area's needy communities by providing them with donations collected from various reputable organisations.

The DMA also recognises that disasters know no boundaries and that plans and strategies should be finalised in conjunction with neighbouring municipalities, as well as with higher / lower spheres of government to curb where practical, the onslaught of disaster risk.

Risk assessment throughout WCO24

A comprehensive Disaster Risk Assessment for purposes of identifying all possible hazards that could impact the community and environment of Greater Stellenbosch, was undertaken and completed. Currently hazards identified which poses a risk to the WCO24.

**Table 74: Hazards identified**

No.	Current hazards identified which posed a risk on the WCO24
1.	Aircraft accidents
2.	Alien invasive species
3.	Chemical spills: Hazmat
4.	Chlorine stations
5.	Climate change: (high/strong winds, severe heat/cold)
6.	Communicable disease: (Coronavirus)
7.	Crime
8.	Dam Wall Failure: Ida's Valley
9.	Drought
10.	Environmental pollution: (air, water, ground contamination, pesticides)
11.	Erosion
12.	Explosive storage: (fuel, gas)
13.	Fire – Veld and Runaway Fires
14.	Floods
15.	Gail force winds and thunderstorms
16.	General road accidents
17.	Hazardous material (Hazmat) road accident risk
18.	Infrastructure Decay : No / dysfunctional infrastructure / service delivery (sewerage, toilets, grey water, electricity)
19.	Insufficient hydrants
20.	IT – Failure of system: Access to info
21.	Population density – informal areas
22.	Poverty
23.	Power failure
24.	Rock Falls
25.	Seismic: Earthquakes
26.	Strikes / Social conflict
27.	Structural decay
28.	Substance abuse
29.	Transport incidents (road, railway accidents)

Risk reduction strategies

Provide an advocacy platform for all through the Municipal Advisory Forum	All governments, Disaster Management practitioners, NGOs, civil society groups, businesses, academic and scientific institutions, and other interested groups will be able to demonstrate support, highlight achievements and challenges in so doing with a particular focus on life-saving measures.
Provide innovative thinking to achieve goals	Apply innovative approaches to disaster risk reduction through effective strategies to enable communities to be more resilient, should an occurrence / disaster strike.
Develop community participation programmes	Provide community level awareness raising through education, training and involvement to building a professional level cadre at all levels. Change community norms and values, which are often tied to risk and protective factors and in turn create a wider base of support for changing behaviour.
Develop multi-disciplinary relationships	Engage and reinforce through increased partnership and expanded risk reduction networks.

The key elements of the 2021 programmes include:

- Targeting communities at greatest risk from fire (people with disabilities, elderly etc.);
- developing strong collaborations with individuals and community organisations,
- conducting door-to-door visits (e.g. using a home visitation programmes);



Monitoring and evaluating the programme (site visits, surveys, data collection).



Annual simulation exercises conducted to evaluate and improve on an effective and efficient service delivery system;

The municipality engages at numerous platforms through partnering stakeholders to gain access to new resources, information, expertise and skills to facilitate service delivery.

Project Description		Primary and Secondary Stakeholders	Risk Rating (Very High Risk; High Risk; Low Risk; No Risk)	Risk Reduction – Actions Taken (Prevention/Mitigation/Preparedness)
1.	Safer Communities Project Plan (For implementation throughout the year: Fire Resilient Communities)	Disaster Management and other internal stakeholders	Very High	A preparedness project to prevent unnecessary loss of life or serious injury due to incidents and disasters, e.g. shack fires, drowning, floods, etc. Prevention of malicious ignitions during fire season
2.	COVID-19 is a respiratory illness similar to flu (cough, fever, fatigue and aching body / muscles). More commonly than flu, it can become severe causing viral pneumonia (difficulty breathing). Many people will have a mild illness and recover without treatment. The elderly and those with underlying health conditions have increased risk of severe illness. Cases in children are rare.	Department of Health, Disaster Management and all relevant Stakeholders	Very High Risk	Contain and mitigate.
3.	Flood / Fire Response	Disaster Management	High	Recruit and training groups in vulnerable areas to be on alert and avail themselves to assist DM during an occurrence / disaster / programmes.
4.	Fire Prevention/Safety	Disaster Management	High	Engage with informal trade and shops in combatting fires which could occur at their premises. Distribution of Emergency numbers.
5.	Water Safety Programmes	Disaster Management Santam / NSRI	High	Primary Schools within WCO24.
6.	EPWP – job creation initiative across all departments	EPWP Project-holders	Low	Higher risk projects mitigated.
7.	Risk assessment	Disaster Management	High	Assessments conducted to determine the increase of vulnerability: a. Croydon b. Jamestown c. Lanquedoc d. Langrug e. Kayamandi f. Jonkershoek g. Groot Drakenstein h. Backsberg

7.4.9.8 Traffic Services

Stellenbosch Traffic Services has an obligation in accordance with the Constitution to ensure the safety of all road users within the municipality's area of jurisdiction. Road safety and its high fatality rate has



become a burning issue and rank as one of the most pressing challenges. This is related to Driver behaviour.

The focus of the Traffic Services Section is to deal pro-actively and reactively with the following traffic related matters:

-  To ensure the constant free flow of traffic as far as possible;
-  To perform all duties in terms of the National Road Traffic Act, 1996 (Act No. 93 of 1996);
-  To perform all duties as peace officer in terms of the Criminal Procedure Act, 1977 (Act No. 51 of 1977);
-  Enforcement of the National Land Transportation Act, 2009 (Act No. 5 of 2009);
-  To achieve a measurable improvement in road user behaviour – including skill, safer decisions and better regard for other road users;
-  To reduce the incidence of traffic offences, including speeding, dangerous driving, drunk-driving and driving under the influence of a narcotic substance, dangerous overtaking, moving violations, etc.;
-  To ensure that unfit road users are identified and appropriately removed from traffic;
-  To ensure that un-roadworthy (including overloaded) vehicles are appropriately removed from traffic;
-  To improve the safety level of public transport vehicles and drivers;
-  To improve the risk-taking behaviour of pedestrians;
-  Identify and address key vehicle road user crash sites on a rolling basis;
-  Accident (post-crash) response and information gathering on accident (crash) scenes Ensure that all road safety interventions are intelligence led;
-  Parking enforcement/management (including wheel clamping);
-  Point-duty during morning, midday and evening peak at critical locations as well as school points as far as possible;
-  Special operations focussing on driving under the influence of alcohol or drugs, illegal racing, transportation of illegal substances;
-  To develop educational programmes for vehicle road users to enhance their road safety knowledge;
-  Road safety training and education provided for crèches, nursery, schools, primary / high schools, colleges, university as well as pedestrians, cyclists, farm workers, rehabilitation centres and youth groups. Training also includes learner's licence programmes for youth and scholar patrol and level-crossing awareness;
-  Events (road closures, escort duties);
-  Incident management of national key points including escorting of dangerous substances;
-  Public Transport activities and checking of roadworthy status of governmental appointment of busses;
-  ANPR (Automatic number-plate recognition) focussing on offenders with outstanding fines;
-  Increase in Impoundment facility;
-  Conducting of Driving and learner's license testing;
-  Conducting Driver's license conversions / renewals;
-  Conducting PrDP applications;
-  Conducting Vehicle testing (all class vehicles);
-  Vehicle registration and licensing;



-  Ensure effective court section functioning with the assistance of the appointed external service provider to process all notices; and
-  Sound Financial management of court section.

7.4.9.9 Fire Services

New dawn for fire Services with the introduction of the White Paper on Fire Services.

This reform is fundamental to better position the fire services to respond to the changing and growing needs of society as well as to contribute meaningfully in the achievement of the strategic objectives of the country's National Development Plan.

It seeks to establish fire safety and prevention as core elements of fire services functions in order to prevent fires and ensure that precautionary measures are put in place to reduce the likelihood of fires thereby reducing the loss of lives, injuries, damage to property and the environment as a result of fires.

In this regard, this White Paper amongst others, places an obligation on fire services to constantly engage with the communities they serve with a view to work together to reduce fire risks and ensure that adequate response strategies and systems are put in place to respond to fires and other related incidents rapidly and effectively.

It demonstrates the municipality's commitment to reposition the fire services from response oriented fire services towards a fire risk reduction based approach.

The members of the Stellenbosch Municipal Fire and Rescue Division dedicate their efforts to provide for the safety and welfare of the public through preservation of life, property and the environment.

The role of the Fire and Rescue Services is to deal pro-actively and reactively with the following:

-  The pro-active provision of general fire safety guidance and assistance in respect of the venue and users;
-  The rescue, saving / protection of life and property from a fire / accident or any other threatening danger;
-  Preventing the outbreak or spread of fire;
-  The fighting and extinguishing of fire;
-  Any other duties as stipulated in the Fire Brigade Services Act, 1987 (Act No. 99 of 1987);
-  Through the Department of Planning and Development and building Department, consolidate initial structural damage assessments from other departments, conduct evaluations of structures, support efforts of property owners to address structural issues;
-  Assisting SAPS with inspections at licensed premises to combat illegal activities identified by crime intelligence;
-  Determine slide danger areas of informal settlements, oversee the direction, management and cordoning-off of identified slopes and stabilise;
-  Activate the Disaster Management Unit in case of any life threatening incident, example; flooding, loss of residence due to fire, etc.;
-  Annual evacuations drills are conducted by the Department: Fire Prevention / Disaster; and
-  Management at the above said premises.

Primary Fire Prevention functions focus on public education, fire inspection, Law enforcement, and fire / hazardous material release investigations. The integration of activities in these areas will produce the most effective use of available resources and ultimately, result in achievement of the Division's goal -



preventing fires, saving lives, minimising injuries, educating the public and protecting property and the environment.

It must take care of the vulnerable first	The new Fire Services Act must make adequate provisions for providing fire services to those categories of society most vulnerable to fires.
It must inculcate a culture of fire prevention	Government will encourage both citizens and government structures to take adequate measures to prevent fires thereby protecting lives, properties, livelihoods, and the environment from fires at all times.
It must integrate into development	Fire safety and prevention should be an integral part of development initiatives.
It must have an integrated approach	Fire Services must regularly and systematically consult the users of their services about the services they provide. Consultation will provide essential information about where the priorities of a fire service should lie in improving services.
It must ensure community involvement	Community must know what fire services, fire safety and prevention in particular stand for, what their own responsibilities are, how they prevent fires, how they must handle fires and what they can do to support themselves during fires when necessary.
It must be driven at all spheres of government	All spheres of government have a role in the provision of fire services and must execute such roles and responsibilities effectively and efficiently.
It must be risk based	Fire risk is dynamic and context specific. Strategies to manage fire risk should be informed by the prevailing local risk conditions. Robust and scientific risk assessment should form the premise upon which fire service planning must be based.
It must have legitimacy	Structures tasked with the provision of fire services must be recognised by all key role players in the various government structures, as well as amongst the various community structures with whom liaison is necessary.
It must strive for excellence	In rendering services to communities, fire services must strive for excellence at all times.
It must be based on partnerships	Government cannot meet the development needs of South Africa on its own. Mutual and sustainable partnerships between government and other partners are critical for the effective and efficient delivery of fire services. Business and industry, Non-Governmental Organisations (NGOs), academic institutions and other bodies throughout the community should be encouraged to play a part in supporting fire services.
It must be effective and efficient	The provision of fire services should be outcome driven and cost effective.
It must be needs oriented and prioritised	Fire services must be responsive to the needs of communities and must receive priority including in resource allocation.
It must ensure that the delivery of fire services are based on measurable standards	The delivery of fire services must be measured against clear, attainable, realistic and measurable standards. These standards must not be a 'one size fits all' and must be determined by the respective fire services. A differentiated approach based on risk and capacity of each fire service must form the backbone of these standards.

7.4.9.10 Conclusion

The municipality will focus on its four core mandates as laid out in legislation, and will accordingly conduct operations to focus on these mandates.

Operational outputs will be driven and aimed at achieving our goals as laid out in this Strategy.

The municipality's social awareness / training programmes are aimed at addressing safety as a whole and provide such interventions to all spheres of communities.

The municipality accept that the fight against crime cannot be won by any single entity operating in isolation and therefore place great value and importance in embracing collaborative partnerships with various internal and external role players such as SAPS and many other agencies including the



local community.

In a proactive approach the municipality intends to place more emphasis on the “Broken Windows” approach in crime prevention, and rolling it out by means of training interventions to neighbourhood watches within the municipal boundaries of Stellenbosch Municipality which will be conducted by the municipality's own identified Law Enforcement staff members.

The needs of the community must be taken into account, to enable the rendering of a professional, client-centred service that is sufficient and effective. Safety is thus an integrated and multi-agency approach in sharing responsibility and collectively addresses crime.

Potential criminals must be deterred from committing crimes by the presence of active and visible policing structures and by the knowledge that those who commit crimes will be caught and punished, therefore in line with Section 152 of the Constitution it is imperative that communities and community organisations become actively involved in crime prevention initiatives.

7.4.10 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 economic 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 high, 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.



Give the above Local Economic Development is therefore a multi-stakeholder effort in support of creating economic opportunities to for both the private sector and the local community.

7.4.10.1 Strategic approach

The strategic approach to LED in broad is to create economic opportunities for all citizens residing in the Stellenbosch Local Government area. However, the recent disruptive trends in the economy affected not only Stellenbosch but South Africa as a whole. These shocks included the extended drought we experienced and thereafter COVID-19 pandemic. These events have highlighted the vulnerability of the society, the municipality's systems to deal with it as well the revenue stream of the municipality. The municipality need to think and approach LED differently and as the "new normal" is here to stay, hence, the municipality with all the role players in society must review its strategy going forward to ensure the municipality build better resilience in its economy to deal with future shocks and ensure better livelihoods for all.

Lastly, technology changes especially connectivity is becoming more important for business and government to do business, this was highlighted by the lockdowns we experience that forced us to work remotely.

The following ways of doing business must be seen within the context of the "new normal" that we face:

-  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; and
-  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.

7.4.10.2 Operations

The implementation of the strategic approach is informed by multiple stakeholders, engagements and consists of multiple tactics which are informed by regular engagements with stakeholders. These public participation engagements include sector stakeholder engagements and Integrated Development Plan engagements with all 22 wards within the Stellenbosch Municipal jurisdiction. The strategy is constantly evolving as more relevant information on the local economy and local community becomes available.

To maximise prospects of sustained economic growth, stakeholders must strengthen the systemic competitiveness of the local business environment for key sectors. Investors seek such a competitive place to do business from. Once they invest (new or expansion) the consequence more often than not are new jobs and growth.

Table 75: Strategy 1: Ensure effective local business networking and sector consultation to improve the municipality's responsiveness to local businesses, entrepreneurs and the economic environment

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	Design and maintain institutional arrangement with all dominant sector players to ensure alignment and information sharing.

Table 76: Strategy 2: Establish a networking and mentoring system to ensure SMME development

STRATEGY 2: Establish a networking and mentoring system to ensure SMME development.	
Programme :1	Business Outreach Programme
Description	Regular seminars and workshops for SMME facilitated by the municipality and Private Sector Partners.
Programme: 2	Mentorship Programmes
Description	Annual mentorship programme in collaboration with a Non-Profitable Organisation the University and Industry players in the municipal area.

Table 77: Strategy 3: Proactively identify opportunities for new investment and expansion.

STRATEGY 3: Proactively identify opportunities for new investment and expansion.	
Programme: 1	Red Tape Reduction
Description	Align Economic Development Strategies with the SDF of the municipality and ensure service standards are maintained to fast track land development approvals and authorisations to reduce turnaround time for investors.
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.

Table 78: Strategy 4: Create an enabling environment in the informal economy.

STRATEGY 4: Create an enabling environment in the informal economy.	
Programme 1	Informal Markets
Description	Establish and regulate informal trading markets by creating enabling by- laws to govern access to, community markets and farmers' markets at appropriate venues, with a focus on high-intensity pedestrian and tourism routes and places.
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.
Programme 4	Development of Public Open Spaces

STRATEGY 4: Create an enabling environment in the informal economy.	
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.

Table 79: Strategy 5: Manage and develop tourism as one of the key economic sectors

STRATEGY 5: Manage and develop tourism as one of the key economic sectors	
Programme 1	Tourism Development
Description	Facilitate the development of tourism attractions, as contained in the Local Economic Development Strategy, in all sectors and at all levels of the local economy.
Programme 2	Development of a Tourism Policy
Description	Ensure implementation of strategies in partnership with Local Tourism bodies to ensure the sustainability of the sector and creation of more job opportunities while transforming the tourism sector to become more inclusive.

Table 80: Strategy 6: Facilitate rural development and farmer support

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.
Programme 2	Collaboration
Description	Collaborate with the Departments of Agriculture, Rural Development and Land Affairs around land and farming matters.
Progress	Municipal land has been released for and to be advertised for small holder farmers and the planning of an Agri- Processing Park is underway to provide productive infrastructure for farmers in the Stellenbosch areas. Two areas in the Stellenbosch Municipal area has been identified as possible sites for a proposed Halaal Industrial Park. The feasibility studies on both sides have been completed and intergovernmental engagements are currently taking place to decide on the preferred site.

Table 81: Strategy 7: Facilitate the participation of local and small businesses in the provision of municipal services

STRATEGY 7: Facilitate the participation of local and small businesses in the provision of municipal services	
Programme 1	Implementation of Smart Procurement strategies
Description	Expand capacity building of entrepreneur through partnerships with industry players and the University and ensure access to opportunities for SMME and contractor development through the Supply Chain Management processes of the municipality.

Table 82: Strategy 8: Facilitate income generating opportunities for the unemployed.

STRATEGY 8: Facilitate income generating opportunities for the unemployed.	
Programme 1	Expanded Public Works Programme
Description	The implementation and expansion of the EPWP programme in the municipality by providing income opportunities and skills for the unemployed in Stellenbosch in a fair and transparent manner.

7.4.11 Community Development Strategy

The Department of Community Development must also give effect to the Constitution of South Africa 1996 (Section 152 – the objects of local government) in that it must see to the objects of local government (To promote social and economic development; and to promote a safe and healthy environment).

Moreover, Schedule 4b and 5b also lists functions of local government to include the following which has relevance to Community Development functions:



-  Child care facilities;
-  Building regulations (with reference to SANS 10400S);
-  Municipal Planning (with reference to ECD registration applications and provision to be made for social infrastructure inclusive of education and health services);
-  Municipal public works (accessibility);
-  Local amenities (with reference to the contribution to social development);
-  Local sport fields (with reference to the contribution to social development);
-  Municipal parks and recreation (with reference to the contribution to social development); and
-  Municipal roads (accessibility).

The Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005) (IGRFA) which defines the relationship between the three spheres of government and facilitates co-ordination in the implementation of policy and legislation, includes coherent government, effective provision of services, monitoring implementation of policy and legislation and realisation of national policies. Because these services are primarily provided by national and provincial spheres of government, but significantly affect local communities and residents, this department/function plays a pivotal role.

The MSA further demonstrates in chapter 4 the mandate of the municipality to develop a culture of community participation (16(1)(b)) in order to contribute to building the capacity of— (i) the local community to enable it to participate in the affairs of the municipality (networks and forums) and must do so with specific emphasis on the inclusion of (17(2)) the specific needs of (a) people who cannot read or write; (b) people with disabilities; (c) women; and (d) other disadvantaged groups.

The White Paper on Local Government (1998:23-26) identifies four interrelated characteristics of the role and function of Local Government related to community development:

-  Maximising social development and economic growth: The role and function of Local Government is to promote the development of communities so that basic needs of the poor and vulnerable are met. It involves regulation of service delivery. This means that Local Government is not directly responsible for services, but rather to take steps (i.e. strategies) to encourage good service delivery that addresses the specific needs of the specific community. It could therefore be viewed as a facilitation role. Partnerships between organisations could be encouraged, training opportunities could be provided and facilities could be developed to support existing service providers in the community;
-  Integrating and coordinating: Coordination should include national and provincial departments, trade unions, community groups and private sector institutions. "Developmental Local Government must provide a vision and leadership for all those who have a role to play in achieving local prosperity." An IDP could contribute to proper coordination;
-  Democratising development: Local Government practices should be aimed at the involvement of "...citizens and community groups in the design and delivery of municipal programmes". Coordination should lead to democratic "...leadership, encouragement, practical support and resources for community action". Another key aspect is that democratic development should aim to involve all community groups; and
-  Leading and learning: Community development should lead to networks, partnerships and coalitions. It includes training opportunities and awareness programmes. The ultimate aim is to empower communities and to create opportunities for sustainable change and growth. The emphasis is therefore on capacity building within communities.

The above characteristics are aimed at the improvement of service delivery within the constraints of available resources. As mentioned before, partnerships with businesses and Non-profit Organisation's (NGO's) become a key aspect of this developmental model (White Paper on Local Government,

1998:35). These services are aimed at specific vulnerable groups and social issues, also highlighted in policy documents.

Further to the above the Department gives effect to the strategic goal of Dignified Living in the IDP of Stellenbosch Municipality through:

-  The implementation of critical key performance areas and processes associated with the creation of a conducive environment for community / social development forging relations with international, national, provincial and local stakeholders and the generation of current social data; and
-  The development of six vulnerable groups (youth, gender, children, elderly, people living on the street, people living with disability) within the municipal area through strategy and policy development and monitoring and reporting on the intended goals of the department's key performance areas.

Table 83: Youth related functions and current programmes

The Department's main <u>Youth</u> related functions and current programmes		
Programme	Impact	Budget
Job readiness Programmes and capacity building sessions in partnership with DSD and local NGO's.	Reaching about 120 youth.	R 55 000
Accredited Artisan Youth Skills Development and Learner and Driver License training.	Reaching 50 youth per annum.	R1 400 000
DCAS District Drama Festival in partnership with DCAS.	Currently not in operation due to COVID-19. The Department is of the intention to continue with the programme once safe.	-

Table 84: Gender related functions and current programmes

The Department's main <u>Gender</u> related functions and current programmes		
Programme	Impact	Budget
Widow Empowerment	Reaching 60 widows	R 50 000
Domestic Violence against women and children awareness and wellness	Reaching 337 women	55 000
16 Days of Activism - launch	Reaching 50 representatives	R 10 000
Girl sanitary towel project in partnership local NGO's	Reaching 230 female learners	R 10 000

Table 85: Children related functions and current programmes

The Department's main <u>Children</u> related functions and current programmes	
Programme	
 TEEC.	
 Serving: 150 ECD's within the Stellenbosch Municipal Area with a budget of R100 000 per annum.	
 Capacity building of ECDs through the following training programmes: Nutrition and Hygiene, FAS, Fire Safety, Good Governance, Financial Management and Facility Registration, First Aid Training.	
 Assistance with registration: Internal support with planning processes, fire safety certificates.	
 External – DSD, CWDM – health requirements.	
 Monthly GIS Mapping and updating of ECD facilities.	
 Partnering with organisations such as JAM SA to ensure optimal ECD facility development.	
 Municipal Policy Implementation (Policy has been approved).	
 Child safety programmes – Child Protection Week and Holiday Programmes	
 Financial Training for GiA Applications and DSD subsidy applications.	
 COVID-19 Workplace Readiness training and support.	

Table 86: Elderly and disability programmes

Main Programmes		
Programme	Impact	Budget
Disability Programmes		
International Disability Day and other joint programmes	350 people per annum	R25 000
Elderly Programmes		
Golden Games	Affected by COVID-19 regulations. Will resume services as soon as it is safe.	-
Elderly Club Development	Affected by COVID-19 regulations. Will resume services as soon as it is safe.	-
People living on the street		
Policy Implementation	Awareness Raising of the Give Responsibly Campaign Development of local SOP to deal with mentally ill persons on the street involving SAPS, DoH, Municipal Law Enforcement and Justice Extensive support provided to homeless persons during lockdown period with the provision of a temporary shelter and food to Homeless persons from April 2020 to October 2020. This was followed up by a mask-up campaign.	In excess of R 1 000 000
Grant-in-aid Programmes		
Support of local organisations	100 organisations serving vulnerable groups and needs identified through the IDP process per annum	R 3 000 000 per annum
Social Relief		
Social relief of distress	Ave 6 per month	R 1 500 000 per annum

7.4.11.1 Policy development and alignment

-  The Universal Access Policy was reviewed to ensure alignment with the White Paper on the rights of persons with disabilities.
-  Implementation of a Street People Policy for implementation in partnership with local service providers.

The Department's main **Grant-in-aid** related functions and current programmes include the following:

-  The Grant in Aid programme include three capacity building workshops (financial management (1) and "how to apply" workshops (2), assessment of applications and compliance to MFMA requirements, preparation of budget documentation and contracting with successful applications prior to donations being made. Total time span of process = 7 months per annum); and
-  The annual review of the Grant in Aid policy has led to the inclusion of the development of a community network for services for street people.

The Department's main related functions and current programmes related to Social relief of distress include the following:

-  Hot meals;
-  Food parcels;
-  Dignity items;



-  Blankets and mattresses;
-  Coordination of social services required per incident with DSD and SASSA; and
-  Monitoring and documentation of services rendered per incident.

The Department's main **Transversal issues** related functions and current programmes include the following:

-  Substance Abuse – no specific programmes currently. Department currently working on the development of a referral system for persons with substance abuse issues to gain access to in-patient treatment centres along with local NGO's. The establishment of an LDAC is also currently being investigated.
-  Capacity building of local groups / structures and organisations – see under the different functions listed above;
-  Networking and Coordination;
-  Stellenbosch Civil Advocacy Network (SCAN) with quarterly voicing sessions;
-  Stellenbosch Disability Forum; and
-  ECD Forums in Kayamandi, Franschhoek, Cloetesville, Klappmuts and Ida's Valley.

The Community Development Strategy, developed by the Department of Community Development, was approved by Council in October 2014 and reviewed in August 2017. The review focused on measuring implementation of the strategy rather than suggesting major changes to the strategy document. Apart from the literature review, focus group discussions were held with various stakeholders including DoE, SAPS, Doha and DSD and local NGO's and church groupings. This strategy looks at formal agreements between Stellenbosch Municipality and provincial departments, but also outlines the focus areas of these agreements.

The Strategy is divided into three sections. The first contains the literature review and the Goals of this review. The second section contains the goals of the focus group discussions conducted. The important issue here is to look at how Stellenbosch Municipality (with its available resources) can reach or come as close as possible to addressing the issues identified as part of the literature review and focus group discussions. The strategy thus has the following goals (which is addressed with the above mentioned interventions):

Goal 1: To facilitate transparent communication between Provincial Government Departments, Local Government and the community of Stellenbosch LM (external and internal focus).

Goal 2: To facilitate and coordinate the development and sustainment of networks and partnerships (external focus). A renewed interest in bringing the different service providers within the social sector has led to 1. The development of the Stellenbosch Disability Network. This forum currently provides excellent opportunity for sharing of information, but has also lead to a couple of joint initiatives and 2. A new look at the role and function of SWOKK (Stellenbosch Welfare Organisation Coordinating Committee). Although dormant for the past two years' representatives of different role players in the social sector including the university and the municipality has started to take a critical look at the role and function of a network of this nature. We are hoping that this will lead to a format that will leave space for existing networks to continue with the work they are doing, but to also be able to provide a view of what is happening within Stellenbosch across boundaries that influences human and community development. Developments in this regard has led to the adoption of a new networking structure called the Stellenbosch Civil Advocacy Network (SCAN) which has led to exciting electronic monthly newsletters and quarterly engagements focusing on different issues.

Goal 3: To facilitate and coordinate opportunities to build the capacity of community members and resources (internal and external focus). The municipality has built their Grant in Aid programme to a level where it not only provides financial support to organisations, but also built capacity within the



organisation focusing on financial management and governance. Other initiatives include training of ECD practitioners in partnership with DSD.

Goal 4: Internal mainstreaming of social issues and vulnerable groups (internal focus) The municipality has adopted a Universal Access Policy speaking to the mainstreaming of projects within the municipality that will not only speak to persons with disabilities, but will also address issues experienced by elderly persons and mothers with children. A study on the accessibility of municipal infrastructure and facilities were completed which lead to an implementation plan that not only focus on physical access, but also operational deliverables that will look at process and product related in-accessibility. The department is hoping to have this plan approved by council in the near future.

Goal 5: To facilitate and coordinate resource management to ensure accessibility of service delivery in Stellenbosch LM (internal and external focus).

Goal 6: To evaluate the Goals of the strategy. A further review of the strategy is required.

7.4.12 Human Resources Strategy

7.4.12.1 Introduction

A high quality and responsive Stellenbosch Municipality, with a focus on skills identification, supply, demand, retention, employability and social mobility, is essential if we are to realise our IDP ambitions. As such Stellenbosch Municipality needs to be pre-emptive in terms of its human resource requirements and more responsive to service delivery improvement and best practice. The strategic role of HRM&D 9Human Resource Management and Development is ultimately to facilitate performance improvement through people. The table below provides a clarification of roles and involves the following:

-  Understanding the business environment within which HRM&D operates;
-  Partnering with management in effective people practices;
-  Enabling change and transition;
-  Engaging constructively with internal and external stakeholders' groups; and
-  Delivering on service level commitments.

Table 87: Clarifying the role of HRM&D vis-à-vis Manager and employees

HRM	Line	Employees
<ul style="list-style-type: none"> Develops HRM&D strategies, principles, policies and procedures in line with business requirements. Ensures consistency and standardisation of processes and practices across the municipality. Provides expert advisory services. Ensure application of appropriate best practice HRM&D service. Partners line management in effective people practices Enables change and transition. Facilitates assimilation of culture and values. Build capacity of line managers to effectively manage people. Ensure good corporate governance around HRM&D practices. Delivers on service level agreements. Measures and reports on the effectiveness of HRM&D services within municipality. Interaction and negotiations with trade unions and feedback. 	<ul style="list-style-type: none"> Partners with HRM&D in developing and implementing HRM&D strategies to achieve results. Manage people according HRM&D principles, policies and procedures. Complies with HRM&D legal requirements. Proactively engages and partners with HRM&D around business and people challenges and solutions. Initiate and leads change. Drives the organisational values. Takes responsibility for being informed of HRM&D matters and building own people management skills. Follows fair and procedural HRM&D practices and processes. Ensures high performance through effective performance management and retention practices. Communicates and gives feedback on service level expectations. Tracks and measures the impact of HRM&D strategies in functional areas. Measure and reports on the effectiveness of people management within functional areas. 	<p>Partners with line and HRM&D to:</p> <ul style="list-style-type: none"> Remain relevant to local government by taking responsibility for own performance development and career planning; Taking advantage for appropriate opportunities for development; Remain informed of HRM&D policy and procedure; Discuss expectations; Take personal accountability for and support change initiatives; Live the organisational values; Participate in HRM&D surveys and feedback mechanisms; and Provides feedback to / and liaises with Unions and relevant employee forums.

7.4.12.2 Conclusion

This HRM&D Framework provides Stellenbosch Municipality with the structure to plan, implement, monitor and improve its HRM&D standards. This framework does not operate in isolation and will be central to all activities involving the human resources of Stellenbosch Municipality. It is therefore not a HR document but must be “owned” by Council, management, staff and trade unions. Since the field of HR management is a dynamic discipline, it is envisaged that this framework will change and develop over time to reflect the realities of the municipality's environment.

Table 88: Key Strategies

Strategic Objective	Key strategies	Alignment with HR Standards
Valley of Possibility	Ensuring that infrastructure and services planning and resourcing occurs over the long term in a sustainable manner, and draws on the expertise of other service delivery agencies, the private sector, and the University.	 Strategic HR Management.
A Green and Sustainable Valley	Focusing more strongly on the environmental planning and management function, including appropriate resourcing.	 Strategic HR Management.  Talent Management.  Learning and Development.
A Safe Valley	<p>Securing adequate permanently employed HR, facilities and equipment (specifically fleet) to undertake the specialist functions of traffic management, fire and rescue services, and disaster and event management on a 24/7 basis and to comply with legal standards.</p> <p>Establishing adequate, integrated law enforcement capacity, present in every ward of the municipality.</p>	 Strategic HR Management.  Learning and Development.
Dignified Living	Ensuring the delivery of a comprehensive range of services to vulnerable groups, and the coordinated cooperation of service providers at all levels in the delivery and management of services to these groups	 Learning and Development.
Good Governance and Compliance	<p>Ensuring that functional areas have the capacity and readiness to deliver services in terms of short-, medium- and longer-term objectives and targets.</p> <p>Ensuring that all staff has the opportunity for leadership development within their functional areas, and municipal management generally.</p> <p>Ensuring regular performance management of staff at all levels within the organisation.</p> <p>Undertaking strategic planning for the longer and shorter terms, the municipality as a whole, and local areas</p> <p>Implementing regular auditing of processes.</p> <p>Celebrating excellence in service delivery, external and internal to the municipality.</p> <p>Renewing intergovernmental efforts to establish a municipal court in Stellenbosch.</p>	 Strategic HR Management.  Talent Management.  Learning and Development.  Performance Management/ Reward and Recognition.  Strategic HR Management.  HR Risk Management.  Reward and Recognition.  Talent Management.



7.4.13 ICT Strategy

7.4.13.1 Background

The ICT department committed its time in the 2019/20 financial year to purchasing and replacing computer software and hardware to improve the efficiency of the various municipal business units. The ICT department achieved a total spend of 84.72% of the Capital Budget during the 2019/20 financial year. Spending was hampered by the COVID-19 pandemic which closed down business in level 5 and 4 for most of the second half of the financial year.

7.4.13.2 ICT Challenges Going Forward

- Alignment of the structure to be agile.
ICT structure was changed in 2017 and no further proposal on changes to the structure was submitted for consideration. Any further changes will only be considered based on best practises.
- Lack of system integration.
The municipality is going through a process to determine the systems we will be keeping for the foreseeable future and to ensure that integration takes place between those systems. There was a decision not to follow the proposals in the business case to procure a new ERP system specifically as it is clear that no system incorporates all the requirements of MSCOA to provide full integration in one system better than the current SAMRAS financial system.
- After hours' system maintenance resources to ensure continued service provision, especially after load shedding / power failure.
Service providers are in place to deal with service issues and a team of Technicians are on standby.

7.4.13.3 Regulatory Compliance

Recent statements of direction from National Government implies a strategic approach must be introduced by all local government entities to migrate its existing portfolio of legacy ICT services and systems to a business systems architecture that will enable improved access to data and information, as well as the potential to share certain ICT related services and systems between the various spheres of government.

The approved National Broadband Strategy will provide the legal platform *"to pave the way for service integration and inter-operability"*.

mSCOA Implementation strategy from National Treasury to enable a consolidation of 13x multi-vendor system functionalities across all 278 municipalities' country wide, by, establishing a portfolio of preferred business application systems for all municipalities based on best practice Business Systems Architecture Frameworks.

The eventual success of mSCOA will not only be determined by the alignment between business processes and business systems, but also by a fundamental understanding of the ICT business systems design architectures as well as ICT infrastructure architectures to be deployed at the hosting sites to ensure optimum performance and 24/7 availability. mSCOA also aims to respond to the increased focus of the Auditor General of South Africa (AGSA) to ensure that value for money is achieved at all times when investments are made by the ICT Department for Systems and Services. The MFMA, Section 116(1) and (2) furthermore make reference to very specific compliance requirements when contracting with external Service Providers which must be adhered to at all times.



ICT Governance, Risk and Compliance Management Framework was developed to institutionalise the Corporate Governance of ICT and ICT Risk Management as an integral part of corporate governance within municipalities in a uniform and coordinated manner.

7.4.13.4 Disparate ICT Business Application System

This self-inflicted problem can only be resolved if the ICT department has a broader understanding of all the dynamics that impact on the delivery of quality services to communities and residents. On 30 March 2016, Council took a strategic resolution to extend all ICT contracts for only six (6) months pending research and assessment of alternative ERP solution in compliance with National Treasury requirements.

Zimele Technologies was appointed through the SCM tender process to conduct the research and assessment of an alternative ERP solution and produce a business case for Council approval and all ICT contracts were approved for 6 months from (1 July 2016 – 31 December 2016).

An Enterprise Resource Planning system (ERP) is an application that replaces many standalone systems of individual departments – such as finance, budget, procurement, customer billing, project accounting, grants management, payroll and human resource management. It integrates the functions into a single, automated system that runs off a single database.

Council took note that the new central government regulation e.g. the Municipal Standard Charter of Accounts (mSCOA) that has also recommended that the Stellenbosch Municipality relook the efficiency and effectiveness of the current ICT systems in order to comply with the regulations. Council approved that the Accounting Officer proceed in terms of the process plan to investigate an ERP solution for the municipality and in alignment with provincial and national guidelines. This meant that all the current ICT contracts had to be extended till 30 June 2021.

The municipality has through the last year being going through a process to determine the systems we will be keeping for the foreseeable future and to ensure that integration takes place. There was a decision not to follow the proposals in the business case, referred to above, to procure a new ERP system specifically as it is clear that no system incorporates all the requirements of MSCOA to provide full integration in one system more than what the current SAMRAS does. Other systems dealing with GIS, Human Resources and Infrastructure Systems will have to integrate to the SAMRAS system and all of the programmes to run on one platform. Multiple contracts therefore have to be managed by the ICT unit.

7.4.13.5 Legacy ICT Systems

The portfolio of Business Application Systems currently deployed in the Stellenbosch Municipality, in many instances, have exactly the same functionalities, resulting in ongoing increases in, and payment of annual licensing fees and support fees without receiving any substantive value-added services as part of the existing Agreements. Also, ongoing data integration between disparate business application systems results in increased complexities whilst attempting to maintain data integrity between systems.

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

As part of the process to assess the municipality's current systems the overlapping and duplication of functionalities was determined and systems will be phased out as part of the integration process with SAMRAS and some key other systems.



7.4.13.6 Multiple ICT Vendor Contracts

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

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

As part of the process to assess the municipality's current systems the overlapping and duplication of functionalities was determined and systems will be phased out as part of the integration process with SAMRAS and some key other systems. Multiple contracts therefore have to be managed by the ICT unit

7.4.13.7 ICT Industry Trends

Latest technology trends are the trademark of the ICT Industry and for local government not to exploit the business opportunities to enhance the municipality's service delivery and collaboration with communities and residents, will be a self-inflicted legacy of estrangement between the Municipality and its communities and residents. The most recent and imminent trends in the ICT Industry are the following:

Cloud Computing (Remote hosting) which will bring its own unique challenges to balance systems integration complexities, security measures and potential cost savings.

Convergence of ICT technologies enabling corporate data and information exchange in a seamless processing environment. Also referenced in the industry as Multi-media – Anytime from anywhere.

Social Media – enabling instant collaboration/communication between individuals and between groups. Also referenced in the industry as SMS, Twitter, Blogs, e-mails, photo's, videos and more.

The Internet of Things (IoT) is the network of physical objects devices, vehicles, buildings and other items embedded with electronics, software, sensors, and network connectivity that enables these objects to collect and exchange data.

Although Social-media is not yet fully integrated with the municipal IDP and Departmental SDBIP's, it is of strategic importance that these services and systems remain on the executive agenda as part of the overall organisational growth strategies.

Also, given the natural progression of social media in the communities and the associated empowerment of individuals and peer groups in the communities, the strategic importance of these technologies may no longer be ignored by local government.

Given the current availability of skills and resources in the ICT Department consultative skills will be required to fully exploit the business benefits of these technologies for the Stellenbosch Municipality.

7.4.13.8 ICT Strategy



The Strategic ICT Plan of the Stellenbosch Municipality 2019/20 was also reviewed internally to align ICT goals and objectives to business strategic goals.



Alignment with IDP Goals and Objectives.



Best practice methodologies must be introduced by the ICT Department by investing its time and resources to improve operational efficiencies in service delivery, rather than spending most of its time and resources to establish and maintain correctives measures.



7.4.13.9 Deployment of an ERP Solution

ICT has developed an Enterprise Architecture Framework to show the view of the current ICT environment with regards to High-level business processes, ICT Governance, ICT Processes, Application and Data Architecture, Infrastructure Architecture and ICT Resources and Skill.

Priorities and timelines to establish the required organisational transformation will be dependent on business needs and available funding over the next three years.

The municipality decided not to acquire an ERP system and rather spend its efforts on integrating the systems the municipality currently have as no system in its view can achieve more. It will also prevent any disruptions in implementation of new systems in the organisation.

7.5 The Relationship Between Service Delivery Plans and Strategies

Sector plans need to support and reinforce each other to have meaning and assist in sustainable development of the Municipal area. The table below illustrates how different key sector plans inform and direct each other.

Table 89: Relationship between sector plans

Sector Plan	Spatial Development Framework	Integrated Zoning Scheme	Human Settlements Plan	Integrated Transport Plan	Infrastructure Master Plans
Municipal Spatial Development Framework (mSDF)			<p>Identifies areas for satisfaction of human settlement needs</p> <p>Designates areas for developmental needs</p> <p>Indicates areas desirable for specific nature and form of urban development</p> <p>Indicates areas desirable for conservation</p> <p>Spatially reflects distribution of community facilities</p> <p>Identifies areas to be protected from settlement (e.g. heritage, agriculture and natural)</p> <p>Designates housing priority / restructuring areas</p> <p>Indicates areas desirable for densification / specific land use / integrated networks</p> <p>Spatially reflects Council's approved nature and form of urban development</p>	<p>Identifies areas for satisfaction of human settlement needs</p> <p>Indicates areas desirable for conservation</p> <p>Spatially reflects distribution of community facilities</p> <p>Identifies areas to be protected from settlement (e.g. heritage, agriculture and natural)</p> <p>Designates housing priority / restructuring areas</p> <p>Indicates areas desirable for densification / specific land use / integrated networks</p> <p>Spatially reflects Council's approved nature and form of urban development</p>	<p>Identifies municipal growth direction</p> <p>Identifies areas to be protected from development (e.g. heritage, agriculture and natural)</p> <p>Identifies priority development areas</p> <p>Identifies infrastructure priority areas</p>
	Designates areas for the accommodation of developmental needs	Indicates areas desirable for densification / specific land use / integrated networks			
	Indicates areas desirable for conservation	Indicates areas desirable for conservation			
	Spatially reflects Council's approved nature and form of urban development	Indicates areas desirable for conservation			
	Identifies special areas for application of overlay zones	Indicates areas desirable for conservation			



Sector Plan	Spatial Development Framework	Integrated Zoning Scheme	Human Settlements Plan	Integrated Transport Plan	Infrastructure Master Plans
Integrated Zoning Scheme	<p> Pro-actively provides for implementation of Council's developmental objectives (given sufficient detail in decision-making)</p> <p> Translates nature and form of urban development needed into supportive by-laws</p> <p> Responsive by-law, i.e. means to implement spatial development objectives</p>		<p> Provides for overlay zones meeting the specific requirements of different human settlements</p> <p> Provides land use management system for improved settlement administration</p>	<p> Provides land use management system that supports efficient transport systems</p> <p> Allows for modelling of networks and systems</p>	<p> Provides land use management system that supports efficient infrastructure provision</p> <p> Indicates extent of land use rights requiring services</p> <p> Allows for modelling of networks and systems</p>
Human Settlements Plan	<p> Identifies current settlements and interventions that should be accommodated in future planning</p> <p> Determines settlement needs</p> <p> Quantifies extent of demand for various housing typologies</p>	<p> Identifies nature and form of human settlement development that is affordable</p> <p> Identifies special areas for application of overlay zones</p>		<p> Identifies current settlements and interventions that should be accommodated in future planning</p> <p> Determines settlement needs</p> <p> Quantifies extent of demand for various housing typologies</p>	<p> Identifies current settlements and interventions which should be accommodated in future planning</p> <p> Determines settlement infrastructure needs</p> <p> Quantifies extent of demand for services according to various housing typologies</p>
Integrated Transport Plan	<p> Determines most efficient responses to transport challenges.</p> <p> Identifies transport and traffic priority areas.</p> <p> Shapes future planning according to most</p>	<p> Identifies ideal route / road classification.</p> <p> Determines development parameters, e.g. parking ratios, access and standards.</p>	<p> Identifies transport and roads priority areas.</p> <p> Determines development parameters, e.g. parking ratios, access and standards</p>		<p> Determines most efficient responses to transport challenges.</p> <p> Identifies transport and traffic priority areas.</p> <p> Shapes future planning according to most</p>



Sector Plan	Spatial Development Framework	Integrated Zoning Scheme	Human Settlements Plan	Integrated Transport Plan	Infrastructure Master Plans
	<p>appropriate modal changes and challenges.</p> <p>Identifies need for services not provided by the municipality, e.g. SANRAL, Provincial Roads, PRASA, Transnet.</p>	<p>Identifies special areas for application of overlay zones.</p>	<p>Shapes settlement planning according to most appropriate modal changes and challenges.</p>		<p>appropriate modal changes and challenges.</p>
Infrastructure Master Plans	<p>Identifies existing infrastructure capacity / constraints.</p> <p>Identifies interventions required to support growth / infill.</p> <p>Designates priority infrastructure development areas / corridors.</p> <p>Provides for services not provided by the municipality, e.g. Telkom, Eskom, raw water supply.</p>	<p>Identifies existing infrastructure capacity / constraints</p> <p>Identifies interventions required to support growth / infill.</p> <p>Designates priority infrastructure development areas / corridors.</p>	<p>Identifies existing infrastructure capacity or / constraints.</p> <p>Identifies interventions required to support growth / infill.</p> <p>Provides for services not provided by the municipality, e.g. Telkom, Eskom, raw water supply.</p>	<p>Identifies existing infrastructure capacity or / constraints.</p> <p>Identifies interventions required to support growth / infill.</p> <p>Provides for services not provided by the municipality, e.g. SANRAL, Provincial Roads, PRASA, Transnet.</p>	



CHAPTER 8

Financial Plan

To achieve delivery on the Fourth Generation IDP strategic focus areas and objectives, it is essential to align the municipal budget with the strategy. The sections below expand on aspects of the Stellenbosch Municipality's medium-term financial planning and the extent to which it is possible to align the budget to all the priorities of the wards, given our financial constraints and the need to concentrate on basic service delivery.

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8.1 Introduction

The long-term financial viability of municipalities depends largely on:

-  the extent to which improved and sustainable revenue capacity can be achieved; and
-  the sound **financial management of its resources**.

These imperatives necessitate proper multi-year financial planning. Future impacts of revenue and expenditure streams and the financial implications for the community (i.e. the potential influence on rates, tariffs and service charges) must be identified and assessed to determine the sustainability of planned interventions, programmes, projects and sundry service delivery actions.

8.2 Capital and Operating Budget Estimates

8.2.1 Budget Assumptions

The selected key assumptions relating to this budget are as follows:

-  Government grants for the years 2021/22 to 2023/24 are as per the Division of Revenue Act and Provincial Gazette (capital and operational).
-  The inflation **rate has been estimated at 4.1% for 2021/22**.

8.2.2 Operating Budget estimates

A municipality is a non-profit organisation and it should break even after contributing to the different funds and reserves and meeting normal operating expenses. With the structuring of rates and tariffs both the user-pay principal and full cost recovery principle are applied. It should be noted that the surplus is calculated in terms of the accrual principle and therefore is not 100% cash-backed.



Table 90: Operating Budget estimates

	(Current) 2020/21 Budget	Year 1 2021/22 Budget	Year 2 2022/23 Budget	Year 3 2023/24 Budget
Revenue Sources				
Property Rates	399 239 042	392 239 042	417 735 100	444 888 500
Electricity	674 441 162	707 441 165	760 499 800	817 537 900
Water	148 720 115	168 720 115	181 374 300	194 977 500
Sewerage	108 311 571	118 311 570	126 593 600	135 455 300
Refuse	78 304 939	78 304 940	91 225 400	106 277 700
Rental of facilities	10 592 168	16 292 167	17 270 200	18 306 800
Fines	130 880 961	140 880 961	149 335 400	158 297 300
Licences and Permits	5 502 903	5 502 903	5 833 600	6 184 100
Operational and Capital grants	288 727 970	291 976 000	270 475 000	298 276 000
Sundry Income	83 688 390	93 491 009	94 021 100	93 009 600
	1 928 409 221	2 013 159 873	2 114 363 500	2 273 210 700
Operating Expenditure				
Employee related cost	529 070 021	607 458 296	621 596 969	643 102 409
Remuneration Councillors	21 132 587	21 977 888	22 857 005	23 771 287
Depreciation	200 778 636	211 541 195	215 772 019	220 087 459
Finance Charges	31 648 891	43 842 076	41 193 597	38 953 221
Bulk Purchases	451 195 922	536 028 998	583 428 280	636 024 786
Contracted Services	263 703 391	277 480 691	264 324 303	275 230 935
Other Expenditure	330 074 734	318 661 279	333 888 995	348 819 674
Operating Expenditure	1 827 604 182	2 016 990 423	2 083 061 168	2 185 989 771
Surplus/(Deficit)	100 805 039	125 696 471	111 929 967	131 530 355
Appropriations	-100 805 039	-125 696 471	-111 929 967	-131 530 355
Surplus/(Deficit)-Year				



Table 91: Capital budget estimates

	(Current) 2019/20 Budget	Year 1 2020/21 Budget	Year 2 2021/22 Budget	Year 3 2022/23 Budget
Funding Sources				
Capital Replacement Reserve	249 598 294	148 210 204	147 572 908	155 649 763
Grants Provincial	26 800 416	35 168 000	53 620 000	21 100 000
Grants National	58 065 300	70 385 720	43 267 360	44 744 880
External Loans	120 000 000	144 000 000	140 000 000	160 000 000
Other				
Total Funding Sources	454 464 010	397 763 924	384 460 268	381 494 643
Expenditure				
Municipal Manager	40 000	44 000	49 000	56 000
Planning and Development Services	18 088 078	11 513 800	4 540 000	13 400 000
Infrastructure Services	317 493 027	336 174 754	339 361 268	330 223 643
Community and Protection Services	44 297 748	23 274 370	22 510 000	22 055 000
Corporate Services	73 695 157	26 557 000	17 800 000	15 550 000
Financial Services	850 000	200 000	200 000	210 000
Capital Expenditure	454 464 010	397 763 924	384 460 268	381 494 643

8.3 Financial Management Arrangements

For the effective and efficient financial management of the municipality, all role-players, inclusive of the municipal councillors, must provide an environment conducive to good management. Local government legislation and National Treasury circulars articulate and provide regulatory structure. Council and officials define this environment by developing and accepting policy guidelines to govern financial decision-making and fiscal discipline.

The management arrangements of Stellenbosch Municipality are reflected in the policy documents listed the table below:

Table 92: Management Arrangements

Document	Purpose	Status
Delegation Register	To provide for administrative, managerial and institutional arrangements in respect of the delegation of responsibilities.	In place
Credit Control and Debt Collection Policy	<ul style="list-style-type: none"> To establish consolidated, sound and practically executable credit control measures to be applied in respect of all property owners and consumers. To regulate the actions pertaining to arrear accounts, including extensions granted, written arrangements to pay-off arrears, the monitoring thereof and legal actions associated with unpaid accounts. 	In place
Indigent Policy	To subsidise indigent households with a specified level of income enabling them to pay for a basic package of municipal service.	In place
Irrecoverable Debt Policy	To provide a framework for the writing off of irrecoverable debt, in order to ensure that Council is in a position where it is not carrying debt that has prescribed or which is irrecoverable on its books.	In place
Tariff Policy	To provide a framework to determine rates and tariffs to finance expenditure.	In place
Rates Policy	To ensure that all the stipulation of the Municipal Property Rates Act are effected administratively and also lay-out and stipulate all the requirements for rebates for all qualifying property owners.	In place
Special Rating Areas Policy	To strike an appropriate balance between facilitating self/funded community initiatives that aim to improve and/or upgrade neighborhoods.	In place
Supply Chain Management Policy	To provide a system of procurement that gives effect to the principles of: <ul style="list-style-type: none"> Fairness; Equity; Transparency; Competitiveness; and cost effectiveness. 	In place
Budget Implementation and Monitoring Policy	<ul style="list-style-type: none"> Sets out the budgeting principles which Stellenbosch Municipality will follow in preparing each annual budget. To give effect to the requirements and stipulations of the Municipal Finance Management Act (MFMA) and Municipal Budget and Reporting Framework in terms of the planning, preparation and approval of the annual and adjustments budgets. 	In place
Borrowing, Funding and Reserves Policy	To provide a framework to ensure that the annual budget of Stellenbosch Municipality is fully funded and that all funds and reserves are maintained at the required level to avoid future year non-cash-backed liabilities.	In place
Cash Management and Investment Policy	To regulate and provide directives in respect of the investment of funds and to maximise returns from authorised investments, consistent with the primary objective of minimising risk.	In place
Travel and Subsistence Policy	To set out the basis for the payment of subsistence, travel allowance, hourly rate when applicable for the purpose of official travelling.	In place



Document	Purpose	Status
Accounting Policy	To provide the accounting framework applicable to the finances of the municipality and is informed by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).	In place
Grant-in-aid Policy	To provide the framework for grants-in-aid to NGOs, CBOs or NPOs and bodies that are used by government as an agency to serve the poor, marginalised or otherwise vulnerable as envisaged by Sections 12 and 67 of the MFMA	In place
Development Contributions for Bulk Engineering Services	<ul style="list-style-type: none"> Local government has the discretionary power when granting development approvals to impose conditions in relation to the provision of engineering services and the payment of money that is directly related to requirements resulting from those approvals in respect of the provision of the necessary services to the land to be developed. To provide the framework for the calculation of these contributions. 	In place
Petty Cash Policy	To stipulate clear processes and procedures to ensure that all transactions are processed effectively and efficiently in a bid to ensure prudent financial control. All purchases below R2 000 are regulated by this policy.	In place
Asset Management Policy	The Municipal Manager as Accounting Officer of municipal funds, assets and liabilities is responsible for the effective implementation of the asset management policy which regulates the acquisition, safeguarding, maintenance of all assets and disposal of assets where the assets are no longer used to provide a minimum level of basic service as regulated in terms of section 14 of the MFMA.	In place
Liquidity Policy	The documented policy sets out the minimum risk management measures that Stellenbosch Municipality has to implement and adhere to in order to ensure that its current and future liquidity position is managed in a prudent manner.	In place
Virementation Policy	The policy sets out the virement principles and processes which the Stellenbosch Municipality will follow during a financial year. These virements will represent a flexible mechanism to effect budgetary amendments within a municipal financial year.	In place



8.4 Financial Strategies and Programmes

The optimal use of available resources, the maximum raising of revenue and the sustainable delivery of services are the key elements to a successful financial strategy. The Municipality has developed and implemented various strategies in this regard. The table below summarises the key strategies:

Table 93: Key strategies

Strategy	Currently In Place
Revenue raising strategies	<ul style="list-style-type: none">• Extending of the pre-paid electricity meters programme.• Bringing pre-payment meter vending points within close proximity of all consumers.• Ensuring optimal billing for services rendered and cash collection.• Ensuring effective credit control and debt collection• In the structuring of tariffs, continuing with the user-pay principle and full cost recovery.• Revaluating of all properties as per the Municipal Property Rates Act, at market-related values.• Outsourcing of pay-point facilities.
Asset management strategies	<ul style="list-style-type: none">• Completed process of unbundling all infrastructure assets and compiling a new improved asset register.• Conducting audits on all moveable assets of the organisation.• Improving the over-all management of fixed property
Financial management strategies	<ul style="list-style-type: none">• Continuing cash flow management.• Outsourcing of pay-point facilities.• Implementing of liquidity policy and the relevant monitoring tool.
Capital financing strategies	<ul style="list-style-type: none">• Continuing sustainable use of Own Financial Sources (CRR).• Using of bulk service contributions to fund extensions.• Accessing national and provincial funding through proper requests, business plans and motivations.• Leveraging of private finance.
Operational financing strategies	<ul style="list-style-type: none">• Introducing free basic services within the limits of affordability.• Implementing of proper tariff structures for all the services.• Ensuring that Economic and Trading Services are cost-reflective.
Strategies that would enhance cost-effectiveness	<ul style="list-style-type: none">• Investigating possibilities for utilising new technology to save costs.• Implementing new systems / equipment acquired to address capacity shortages.• Implementing electronic bank reconciliation.

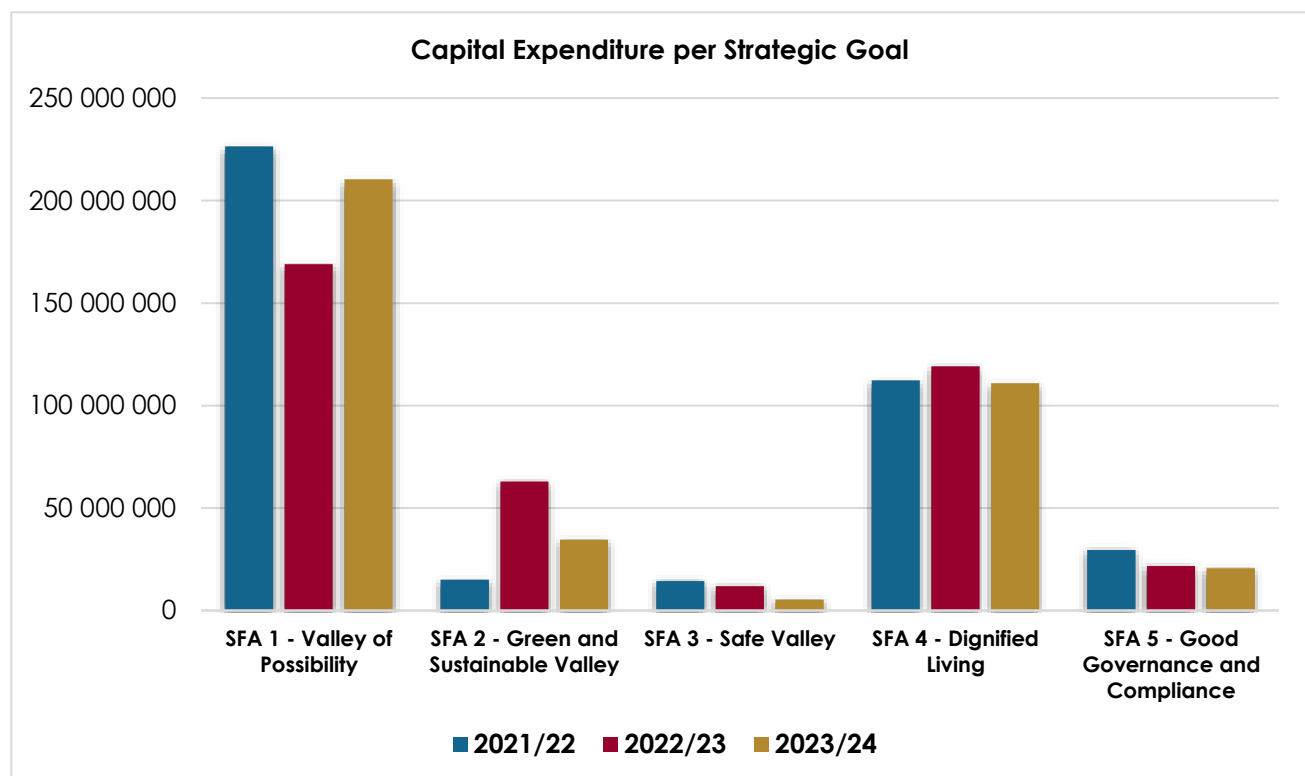
8.5 Medium-Term Capital Expenditure per Strategic Goal

The proposed capital expenditure per strategic focus area over the medium term is illustrated in the table below:

Table 94: Capital Expenditure per Strategic Focus Area

Strategic Goal	2021/22	2022/23	2023/24
SFA 1 - Valley of Possibility	226 455 606	169 063 068	210 428 643
SFA 2 - Green and Sustainable Valley	15 024 347	62 833 200	34 480 000
SFA 3 - Safe Valley	14 395 023	11 830 000	5 200 000
SFA 4 - Dignified Living	112 354 148	119 120 000	110 800 000
SFA 5 - Good Governance and Compliance	29 534 800	21 614 000	20 586 000

Figure 55: Capital Expenditure per Strategic Goal



Source: Draft Capital Budget, 2021/22

The most capital intensive strategic focus area is Valley of Possibility with an allocation of R226,5 million in the upcoming financial year, totaling R605 million over the MTREF. Water projects dominates this strategic objective receiving an investment of R37 million in 2021/22, and it is increasing over the outer years.

The second most capital intensive strategic focus area is Dignified Living, with a total allocation of R342 million for the duration of the MTREF. Project highlights include:

- New Reservoir Rosendal Vlotenburg;
- Northern Extension mixed development;
- Kayamandi Zone O; and



 Alternative energy.

The Green and Sustainable Valley strategic focus area receives the 3rd highest capital investment with the total MTREF budget amounting to R112,3 million. Water Conservation takes centre stage as part of the broader Green and Sustainable Valley Strategy, in order to intensify water demand management whilst the drought persists.

The municipality is also making a concerted effort to improve ICT infrastructure platforms, allocating R14,5 million for this purpose over the multi-year budget period.

8.6 Medium-Term Operational Expenditure

The proposed Operational Expenditure per Strategic Focus Area over the medium term is illustrated in the table below.

Table 95: Operational Expenditure per Strategic Goal

Operational Expenditure	2021/22	2022/23	2023/24
SFA 1 - Valley of Possibility	55 910 166.00	57 162 086.00	65 133 553.44
SFA 2 - Green and Sustainable Valley	8 913 429.00	9 475 441.00	10 045 687.00
SFA 3 - Safe Valley	7 686 016.00	7 956 540.00	8 238 369.00
SFA 4 - Dignified Living	1 385 798 239.00	1 402 437 463.00	1 443 976 107.00
SFA 5 - Good Governance and Compliance	558 682 571.00	606 029 645.00	658 596 055.00

8.7 Medium-Term Operational Revenue per Strategic Goal

The proposed Operational Revenue per Strategic Focus Area over the medium term is illustrated in the table below.

Table 96: Operational Revenue per Strategic Goal

Operational Revenue	2021/22	2022/23	2023/24
SFA 1 - Valley of Possibility	-	-	-
SFA 2 - Green and Sustainable Valley	-	-	-
SFA 3 - Safe Valley	545 875 364	531 590 877	516 862 803
SFA 4 - Dignified Living	1 156 096 667	1 237 779 407	1 317 077 742
SFA 5 - Good Governance and Compliance	423 632 547	449 050 500	475 993 530

**Table 97: Capital Budget 2021/22 – 2022/24 –Municipal Manager**

Department	Project name	Funding	Proposed budget 2021/22	Proposed budget 2022/23	Proposed budget 2023/24
MUNICIPAL MANAGER					
Executive Support: Office of the Municipal Manager	Furniture, Tools and Equipment	CRR (Own funds)	44 000	49 000	56 000
			44 000	49 000	56 000

Table 98: Capital Budget 2021/22 – 2022/24- Planning and Economic Development

Department	Project name	Funding	Proposed budget 2021/22	Proposed budget 2022/23	Proposed budget 2023/24
PLANNING AND ECONOMIC DEVELOPMENT					
Economic Development and Tourism	Local Economic Development Hub Jamestown	CRR (Own funds)	-	-	3 000 000
Economic Development and Tourism	Furniture, Tools and Equipment	CRR (Own funds)	180 000	100 000	150 000
Economic Development and Tourism	Establishment of the Kayamandi Informal Trading Area	CRR (Own funds)	1 500 000	-	-
Economic Development and Tourism	Establishment of the Kayamandi Informal Trading Area	RSEP	1 000 000	-	-
IHS: Housing Development	Kayamandi Town Centre	Human Settlements Grant	3 000 000	3 000 000	6 000 000
IHS: Housing Development	Enkanini Planning and Implementation (Roads and Basic Services)	CRR (Own funds)	-	-	3 000 000
IHS: Housing Development	Enkanini Planning and Implementation	Human Settlements Grant	1 500 000	-	-
IHS: Housing Development	Furniture, Tools and Equipment	CRR (Own funds)	58 800	25 000	50 000
IHS: Housing Development	Jamestown: Housing (Phase 2, 3 and 4)	CRR (Own funds)	500 000	-	-
IHS: Housing Development	Northern Extension: Feasibility	Human Settlements Grant	2 000 000	-	-
IHS: Housing Development	Erf 7001 and other possible sites for mix-used development in Cloetesville	CRR (Own funds)	1 000 000	1 000 000	1 000 000
IHS: Housing Development	Erf 64 Kylemore	CRR (Own funds)	200 000	-	-
Housing Administration	Furniture, Tools and Equipment: Housing Administration	CRR (Own funds)	35 000	40 000	-
Housing Administration	Geysers	CRR (Own funds)	100 000	150 000	-
Spatial Planning: Planning and Development	Furniture, Tools and Equipment	CRR (Own funds)	130 000	-	-



Department	Project name	Funding	Proposed budget 2021/22	Proposed budget 2022/23	Proposed budget 2023/24
PLANNING AND ECONOMIC DEVELOPMENT					
Land Use Management	Furniture, Tools and Equipment	CRR (Own funds)	125 000	125 000	100 000
Building Development Management	Furniture, Tools and Equipment	CRR (Own funds)	185 000	100 000	100 000
			11 513 800	4 540 000	13 400 000

**Table 99: Capital Budget 2021/22 – 2023/24- Community and Protection Services**

Department	Project name	Funding	Proposed budget 2021/22	Proposed budget 2022/23	Proposed budget 2023/24
COMMUNITY AND PROTECTION SERVICES					
Community and Protection Services: General	Enlarge Office Space (Jan Marais Reserve)	CRR (Own funds)	250 000	-	-
Community Development	Furniture Tools and Equipment	CRR (Own funds)	85 000	50 000	55 000
Community Services: Library Services	Priel: Furniture, Tools and Equipment	CRR (Own funds)	-	-	20 000
Community Services: Library Services	Upgrading: Cloetesville Library	CRR (Own funds)	200 000	-	180 000
Community Services: Library Services	Libraries: Small Capital	LS Grant	100 000	-	-
Community Services: Library Services	Library Books	CRR (Own funds)	170 000	180 000	-
Disaster Management	Specialised Vehicles: Incident command vehicle	CRR (Own funds)	-	-	R 1 500 000
Disaster Management	Vehicle Fleet	CRR (Own funds)	600 000	-	-
Environmental Management: Nature Conservation	Hiking Trails in Nature Areas	CRR (Own funds)	-	1 000 000	-
Environmental Management: Nature Conservation	Jan Marais Nature Reserve: Upgrading and maintenance of the reserve	CRR (Own funds)	R 500 000	2 000 000	-
Environmental Management: Nature Conservation	Mont Rochelle Nature Reserve: Upgrade of Facilities.	CRR (Own funds)	1 504 347	-	1 000 000
Environmental Management: Nature Conservation	Papegaalberg Nature Reserve	CRR (Own funds)	R 870 000	-	-
Environmental Management: Nature Conservation	Upgrade office space: Simonsberg Road	CRR (Own funds)	800 000	-	-
Environmental Management: Nature Conservation	Furniture, Tools and Equipment	CRR (Own funds)	100 000	100 000	-
Environmental Management: Nature Conservation	Workshop: Furniture, Tools and Equipment	CRR (Own funds)	100 000	-	-
Environmental Management: Nature Conservation	Workshop: Community Services Tractors	CRR (Own funds)	-	800 000	800 000
Environmental Management: Nature Conservation	Workshop: Specialised equipment	CRR (Own funds)	1 000 000	1 500 000	-
Environmental Management: Urban Greening	Design and implement electronic Urban Forestry management tool	CRR (Own funds)	-	250 000	250 000
Environmental Management: Urban Greening	Irrigation Systems	CRR (Own funds)	-	100 000	-
Environmental Management: Urban Greening	Storage Containers: Fertilisers and Pesticides.	CRR (Own funds)	-	30 000	-
Environmental Management: Urban Greening	Urban Forestry: Furniture, Tools and Equipment	CRR (Own funds)	-	500 000	-
Environmental Management: Urban Greening	Urban Forestry Specialised equipment	CRR (Own funds)	-	1 200 000	-



Department	Project name	Funding	Proposed budget 2021/22	Proposed budget 2022/23	Proposed budget 2023/24
COMMUNITY AND PROTECTION SERVICES					
Environmental Management: Urban Greening	Urban Forestry: Vehicle Fleet	CRR (Own funds)	1 500 000	-	-
Fire and Rescue Services	Furniture Tools and Equipment	CRR (Own funds)	200 000	200 000	200 000
Fire and Rescue Services	Upgrading of Stellenbosch Fire Station	CRR (Own funds)	4 445 023	-	-
Fire and Rescue Services	Rapid Response Vehicle	CRR (Own funds)	-	-	R 2 500 000
Fire and Rescue Services	Rescue equipment	CRR (Own funds)	300 000	300 000	300 000
Law Enforcement and Security	Furniture Tools and Equipment	CRR (Own funds)	R 150 000	R 150 000	R 150 000
Law Enforcement and Security	Install and Upgrade CCTV / LPR Cameras In WC024	CRR (Own funds)	1 000 000	1 000 000	1 000 000
Law Enforcement and Security	Install Computerised Access Security Systems and CCTV Cameras at Municipal Buildings	CRR (Own funds)	500 000	500 000	500 000
Law Enforcement and Security	Law Enforcement Tools and Equipment	CRR (Own funds)	R 750 000	300 000	-
Law Enforcement and Security	Vehicle Fleet	CRR (Own funds)	R 2 000 000	-	-
Law Enforcement and Security	Neighbourhood Watch Safety equipment	CRR (Own funds)	R 300 000	500 000	250 000
Parks and Cemeteries	Artificial grass on parks and gardens	CRR (Own funds)	-	-	300 000
Parks and Cemeteries	Extension of Cemetery Infrastructure	CRR (Own funds)	1 000 000	7 000 000	9 000 000
Parks and Cemeteries	Facilities upgrade- Nursery	CRR (Own funds)	-	50 000	-
Parks and Cemeteries	Fencing on Various Parks and Gardens	CRR (Own funds)	-	-	200 000
Parks and Cemeteries	Pathways on Parks and gardens	CRR (Own funds)	100 000	200 000	-
Parks and Cemeteries	Upgrading of Parks	CRR (Own funds)	1 000 000	1 000 000	-
Parks and Cemeteries	Integrated and Spray Parks	CRR (Own funds)	2 000 000	2 000 000	2 000 000
Parks and Cemeteries	Urban Greening: Beautification: Main Routes and Tourist Routes	CRR (Own funds)	200 000	-	-
Recreation, Sports Grounds and Halls	Upgrading of swimming pool	CRR (Own funds)	50 000	-	-
Recreation, Sports Grounds and Halls	Furniture, Tools and Equipment	CRR (Own funds)	150 000	150 000	-
Recreation, Sports Grounds and Halls	Recreational Equipment Sport	CRR (Own funds)	50 000	50 000	-
Recreation, Sports Grounds and Halls	Re-Surface of Netball / Tennis Courts	CRR (Own funds)	-	550 000	-
Recreation, Sports Grounds and Halls	Sight Screens / Pitch Covers Sports	CRR (Own funds)	R 100 000	R 100 000	-



Department	Project name	Funding	Proposed budget 2021/22	Proposed budget 2022/23	Proposed budget 2023/24
COMMUNITY AND PROTECTION SERVICES					
	Grounds				
Recreation, Sports Grounds and Halls	Cricket / Tennis Nets	CRR (Own funds)	R 150 000	150 000	
Recreation, Sports Grounds and Halls	Sport: Community Services Special Equipment	CRR (Own funds)	R 200 000	300 000	-
Recreation, Sports Grounds and Halls	Upgrade of Irrigation System	CRR (Own funds)	50 000	200 000	-
Recreation, Sports Grounds and Halls	Upgrade of Sport Facilities	DSRF	600 000	-	-
Traffic Services	Furniture, Tools and Equipment	CRR (Own funds)	100 000	100 000	100 000
Traffic Services	Mobile Radios	CRR (Own funds)	R 100 000	-	-
Traffic Services	Towing Vehicles	CRR (Own funds)	-	-	1 750 000
			23 274 370	22 510 000	22 055 000



Table 100: Capital Budget 2021/22 – 2023/24- Corporate Services

Department	Project name	Funding	Proposed budget 2021/22	Proposed budget 2022/23	Proposed budget 2023/24
CORPORATE SERVICES					
Information and Communications Technology (ICT)	Public Wi-Fi Network	CRR (Own funds)	600 000	700 000	700 000
Information and Communications Technology (ICT)	Purchase and Replacement of Computer / software and peripheral devices	CRR (Own funds)	600 000	600 000	800 000
Information and Communications Technology (ICT)	Upgrade and Expansion of IT Infrastructure Platforms	CRR (Own funds)	3 500 000	3 500 000	3 500 000
Properties and Municipal Building Maintenance	Air conditioners	CRR (Own funds)	300 000	300 000	300 000
Properties and Municipal Building Maintenance	Furniture Tools and Equipment: Property Management	CRR (Own funds)	250 000	500 000	250 000
Properties and Municipal Building Maintenance	Kayamandi: Upgrading of Makapula Hall	CRR (Own funds)	2 000 000	-	-
Properties and Municipal Building Maintenance	Purchasing of land	CRR (Own funds)	2 700 000	500 000	-
Properties and Municipal Building Maintenance	Structural Improvement: General	CRR (Own funds)	1 000 000	1 000 000	2 000 000
Properties and Municipal Building Maintenance	Structural improvements at the Van der Stel Sport grounds	CRR (Own funds)	2 600 000	1 000 000	-
Properties and Municipal Building Maintenance	Structural Upgrade: Heritage Building	CRR (Own funds)	1 807 000	3 000 000	2 000 000
Properties and Municipal Building Maintenance	Structural Upgrade: Jamestown Ward Office	CRR (Own funds)	1 000 000	1 000 000	-
Properties and Municipal Building Maintenance	Structural Upgrade: Kayamandi Corridor	CRR (Own funds)	1 000 000	500 000	-
Properties and Municipal Building Maintenance	Upgrading Fencing	CRR (Own funds)	200 000	200 000	1 000 000
Properties and Municipal Building Maintenance	Upgrading of New Office Space: Ryneveld Street	CRR (Own funds)	9 000 000	5 000 000	-
Properties and Municipal Building Maintenance	Upgrading of Traffic Offices: Stellenbosch	CRR (Own funds)	-	-	5 000 000
			26 557 000	17 800 000	15 550 000



Table 101: Capital Budget 2021/22 – 2023/24- Infrastructure Services

Department	Project name	Funding	Proposed budget 2021/22	Proposed budget 2022/23	Proposed budget 2023/24
INFRASTRUCTURE SERVICES					
Executive Support: Engineering Services: General	Furniture, Tools and Equipment	CRR (Own funds)	75 000	75 000	50 000
Electrical Services	Ad-Hoc Provision of Street Lighting and Lighting of Public Spaces	CRR (Own funds)	2 000 000	2 150 000	2 843 375
Electrical Services	Alternative Energy	CRR (Own funds)	15 000 000	1 500 000	1 500 000
Electrical Services	Automatic Meter Reader	CRR (Own funds)	-	400 000	400 000.00
Electrical Services	Bien don 66/11kV substation new (new development and demand)	External Loan	-	1 000 000	35 000 000
Electrical Services	Bien don 66/11kV substation new (new development and demand)	External Loan	1 200 000	-	-
Electrical Services	Buildings and Facilities Electrical Supply - Stellenbosch	CRR (Own funds)	-	412 000	412 000.00
Electrical Services	Cable replacement 66kV oil MN - US - MK	CRR (Own funds)	-	-	480 000
Electrical Services	Cloetesville - University New 66kV cable	CRR (Own funds)	-	-	450 000
Electrical Services	Data Network	CRR (Own funds)	-	-	-
Electrical Services	DSM Geyser Control	CRR (Own funds)	-	100 000	100 000.00
Electrical Services	Electricity Network: Priel	External Loan	3 500 000	3 500 000	3 000 000.00
Electrical Services	Energy Balancing Between Metering and Mini-Substations	CRR (Own funds)	-	250 000	250 000.00
Electrical Services	Energy Efficiency and Demand Side Management	CRR (Own funds)	-	1 000 000	1 000 000.00
Electrical Services	General System Improvements - Franschhoek	External Loan	2 000 000	2 000 000	2 000 000.00
Electrical Services	General Systems Improvements - Stellenbosch	CRR (Own funds)	-	3 542 126	3 600 000.00
Electrical Services	General Systems Improvements - Stellenbosch	External Loan	3 521 000	-	-
Electrical Services	Infrastructure Improvement - Franschhoek	External Loan	1 500 000	1 500 000	500 000.00
Electrical Services	Infrastructure Improvement - Franschhoek	CRR (Own funds)	-	-	1 000 000.00
Electrical Services	Integrated National Electrification Programme	INEP	18 000 000	6 000 000	6 000 000.00



Department	Project name	Funding	Proposed budget 2021/22	Proposed budget 2022/23	Proposed budget 2023/24
INFRASTRUCTURE SERVICES					
Electrical Services	Integrated National Electrification Programme	CRR (Own funds)	-	-	-
Electrical Services	Integrated National Electrification Programme (Enkanini)	CRR (Own funds)	-	-	-
Electrical Services	Jan Marais Upgrade: Remove Existing Tx 1 and 2 and replace with 20MVA units	External Loan	8 000 000	-	500 000.00
Electrical Services	Jan Marais Upgrade: Remove Existing Tx 1 and 2 and replace with 20MVA units	CRR (Own funds)	-	500 000	-
Electrical Services	Kayamandi (Costa grounds) new substation 66/11 kV 2x 20MVA	CRR (Own funds)	-	-	300 000
Electrical Services	Kwarentyn Sub cables: 11kV 3 core 185mmsq PILC (Table 19) copper cabling, 3.8km	CRR (Own funds)	5 700 000	-	-
Electrical Services	Laterra SS	External Loan	8 371 553	267 360	-
Electrical Services	Laterra SS	CRR (Own funds)	-	1 59 926	-
Electrical Services	Main substation - Tx upgrade: Remove Existing Tx 2 and 3 and replace with 10MVA units from Jan Marais	CRR (Own funds)	-	5 571 200	-
Electrical Services	Main substation - Tx upgrade: Remove Existing Tx 2 and 3 and replace with 10MVA units from Jan Marais	External Loan	-	22 000 000	-
Electrical Services	Meter Panels	CRR (Own funds)	-	500 000	400 000.00
Electrical Services	Network Cable Replace 11 Kv	External Loan	-	3 000 000	3 000 000.00
Electrical Services	Replace Ineffective Meters	CRR (Own funds)	250 000	-	-
Electrical Services	Small Capital: Fte Electrical Services	CRR (Own funds)	500 000	500 000	500 000.00
Electrical Services	Substation 66kV equipment, control, VT's, CT's, Isolator links and cable terminals	CRR (Own funds)	-	1 950 000	2 184 000.00
Electrical Services	Substation upgrade US 66 /11kv 20MVA Transformer TRFX #3	CRR (Own funds)	-	-	450 000.00
Electrical Services	Switchgear - Stellenbosch (11kV replace oil type with SF6)	CRR (Own funds)	-	-	14 334 266
Electrical Services	Switchgear 66kV US - MN - Outdoor Breakers (66kV)	CRR (Own funds)	-	-	4 807 000
Electrical Services	System Control Centre and Upgrade Telemetry	CRR (Own funds)	1 166 133	1 568 656	500 000.00



Department	Project name	Funding	Proposed budget 2021/22	Proposed budget 2022/23	Proposed budget 2023/24
INFRASTRUCTURE SERVICES					
Electrical Services	System Control Centre and Upgrade Telemetry	External Loan	393 167	-	-
Electrical Services	Update Electrical Master document	CRR (Own funds)	700 000	-	-
Infrastructure Plan, Dev and Implement	Access to Basic Services	CRR (Own funds)	1 745 900	600 000	2 000 000
Infrastructure Plan, Dev and Implement	Adam Tas Transit Oriented Development (3500)	Human Settlements Grant	-	-	3 500 000
Infrastructure Plan, Dev and Implement	Basic Improvements: Langrug	CRR (Own funds)	2 490 248	-	-
Infrastructure Plan, Dev and Implement	Computer – Hardware/Equipment	CRR (Own funds)	50 000	50 000	50 000
Infrastructure Plan, Dev and Implement	Droe Dyke (1000)	Human Settlements Grant	-	-	2 000 000
Infrastructure Plan, Dev and Implement	Furniture, Tools and Equipment	CRR (Own funds)	20 000	50 000	50 000
Infrastructure Plan, Dev and Implement	Franschhoek Langrug (1900) UISP ERF 3229	Human Settlements Grant	4 500 000	17 880 000	-
Infrastructure Plan, Dev and Implement	Housing Projects	CRR (Own funds)	-	-	500 000
Infrastructure Plan, Dev and Implement	Kayamandi: Zone O (±711 services)	Human Settlements Grant	4 680 000	32 140 000	9 000 000
Infrastructure Plan, Dev and Implement	Kayamandi Watergang Basic Services	Human Settlements Grant	6 500 000	-	-
Infrastructure Plan, Dev and Implement	Stellenbosch Ida's Valley (166) FLISP ERF 9445	Human Settlements Grant	11 288 000	-	-
Infrastructure Plan, Dev and Implement	Upgrading of The Steps / Orlean Lounge	CRR (Own funds)	8 000 000	3 000 000	-
Waste Management: Solid Waste Management	Expansion of the landfill site (New cells)	External Loan	2 000 000	10 000 000	10 000 000
Waste Management: Solid Waste Management	Formalise skip areas in Franschhoek and Kayamandi	CRR (Own funds)	-	500 000	-
Waste Management: Solid Waste Management	Furniture, Tools and Equipment : Solid Waste	CRR (Own funds)	45 000	45 000	45 000
Waste Management: Solid Waste Management	Integrated Waste Management Plan	CRR (Own funds)	-	100 000	-
Waste Management: Solid Waste Management	Landfill Gas To Energy	CRR (Own funds)	2 000 000	8 000 000	6 000 000
Waste Management: Solid Waste Management	Mini Waste drop-off facilities at inf. Settlements	CRR (Own funds)	-	100 000	200 000
Waste Management: Solid Waste Management	Skips (5,5kl)	CRR (Own funds)	200 000	200 000	200 000
Waste Management: Solid Waste Management	Street Refuse Bins	CRR (Own funds)	500 000	500 000	-
Waste Management: Solid Waste Management	Transfer Station: Stellenbosch Planning and Design	External Loan	1 000 000	-	-



Department	Project name	Funding	Proposed budget 2021/22	Proposed budget 2022/23	Proposed budget 2023/24
INFRASTRUCTURE SERVICES					
Waste Management: Solid Waste Management	Transfer Station: Stellenbosch Planning and Design	IUDG	-	3 000 000	3 000 000
Waste Management: Solid Waste Management	Upgrade Refuse disposal site (Existing Cell)- Rehab	CRR (Own funds)	928 753	-	-
Waste Management: Solid Waste Management	Vehicles	CRR (Own funds)	-	2 000 000	3 000 000
Waste Management: Solid Waste Management	Waste Biofuels	CRR (Own funds)	-	300 000	-
Waste Management: Solid Waste Management	Waste Management Software	CRR (Own funds)	-	200 000	-
Waste Management: Solid Waste Management	Waste Minimisation Projects	CRR (Own funds)	500 000	500 000	-
Waste Management: Solid Waste Management	Waste to Energy - Implementation	CRR (Own funds)	500 000	3 000 000	1 000 000
Waste Management: Solid Waste Management	Waste to Energy - Planning	CRR (Own funds)	200 000	300 000	-
Water and Wastewater Services: Water	Bulk water supply Klapmuts	External Loan	15 000 000	5 000 000	-
Water and Wastewater Services: Water	Bulk water Supply Pipe : Cloeteville/ Ida's Valley	CRR (Own funds)	-	1 000 000	1 000 000
Water and Wastewater Services: Water	Bulk water supply pipe and Reservoir: Kayamandi	IUDG	-	-	2 000 000
Water and Wastewater Services: Water	Bulk water Supply Pipe Line and Pumpstations: Franschhoek	External Loan	-	-	10 000 000
Water and Wastewater Services: Water	Bulk Water Supply Pipe: Idas' Valley / Papegaaienberg and Network Upgrades	CRR (Own funds)	-	-	1 000 000
Water and Wastewater Services: Water	Bulk Water Supply Pipeline and Reservoir - Jamestown	External Loan	4 000 000	-	-
Water and Wastewater Services: Water	Bulk Water Supply Pipeline and Reservoir - Jamestown	IUDG	6 000 000	9 000 000	9 000 000
Water and Wastewater Services: Water	Chlorination Installation: Upgrade	CRR (Own funds)	-	500 000	750 000
Water and Wastewater Services: Water	Dwaarsriver Bulk Supply Augmentation and Network Upgrades	External Loan	-	-	7 518 000
Water and Wastewater Services: Water	Furniture, Tools and Equipment : Reticulation	CRR (Own funds)	100 000	150 000	150 000
Water and Wastewater Services: Water	New Developments Bulk Water Supply WC024	CRR (Own funds)	-	1 000 000	3 000 000
Water and Wastewater Services: Water	New Reservoir and Pipeline: Vloffenburg	CRR (Own funds)	-	-	773 120
Water and Wastewater Services: Water	New Reservoir and Pipeline: Vloffenburg	External Loan	40 000 000	34 732 640	15 482 000



Department	Project name	Funding	Proposed budget 2021/22	Proposed budget 2022/23	Proposed budget 2023/24
INFRASTRUCTURE SERVICES					
Water and Wastewater Services: Water	New Reservoir and Pipeline: Vlothenburg	IUDG	-	3 267 360	9 744 880
Water and Wastewater Services: Water	New Reservoir Rosendal	External Loan	-	-	-
Water and Wastewater Services: Water	Northern Extension: Phase 2 Water Infrastructure	IUDG	4 000 000	5 000 000	-
Water and Wastewater Services: Water	Raiihby WWTW	IUDG	-	5 000 000	-
Water and Wastewater Services: Water	Reservoirs and Dam Safety	CRR (Own funds)	-	1 500 000	2 000 000
Water and Wastewater Services: Water	Stellenbosch WWTW	CRR (Own funds)	-	-	6 000 000
Water and Wastewater Services: Water	Update Water Masterplan and IMQS	CRR (Own funds)	1 000 000	1 000 000	1 000 000
Water and Wastewater Services: Water	Upgrade and Replace Water Meters	CRR (Own funds)	2 000 000	2 500 000	2 500 000
Water and Wastewater Services: Water	Upgrading of Koelenhof Water Scheme	CRR (Own funds)	-	500 000	5 000 000
Water and Wastewater Services: Water	Water Conservation and Demand Management	CRR (Own funds)	-	-	3 000 000
Water and Wastewater Services: Water	Water Conservation and Demand Management	External Loan	3 000 000	3 000 000	-
Water and Wastewater Services: Water	Water Telemetry Upgrade	CRR (Own funds)	750 000	1 500 000	1 500 000
Water and Wastewater Services: Water	Water Treatment Works: Ida's Valley	CRR (Own funds)	-	-	4 000 000
Water and Wastewater Services: Water	Water Treatment Works: Ida's Valley	IUDG	-	-	11 000 000
Water and Wastewater Services: Water	Water Treatment Works: Paradyskloof and Associated works	CRR (Own funds)	-	500 000	5 000 000
Water and Wastewater Services: Water	Waterpipe Replacement	External Loan	4 000 000	4 000 000	4 000 000
Water and Wastewater Services: Water	WSDP (tri-annually)	CRR (Own funds)	-	400 000	400 000
Water and Wastewater Services: Sanitation	Bulk Sewer Outfall: Jamestown	IUDG	6 400 000	-	-
Water and Wastewater Services: Sanitation	Bulk Sewer Upgrade: Dwaarsriver Area (Kylemore, Boschendal, Priel)	CRR (Own funds)	-	-	6 000 000
Water and Wastewater Services: Sanitation	Cloetessville Bulk Sewer Upgrade	CRR (Own funds)	-	-	1 000 000
Water and Wastewater Services: Sanitation	Effluent Recycling of Waste Water 10Ml per day	CRR (Own funds)	-	500 000	-
Water and Wastewater Services: Sanitation	Franschhoek Sewer Network Upgrade	External Loan	-	6 000 000	6 000 000
Water and Wastewater Services: Sanitation	Furniture, Tools and Equipment: Sanitation	CRR (Own funds)	200 000	300 000	300 000



Department	Project name	Funding	Proposed budget 2021/22	Proposed budget 2022/23	Proposed budget 2023/24
INFRASTRUCTURE SERVICES					
Water and Wastewater Services: Sanitation	Industrial Effluent Monitoring	CRR (Own funds)	-	1 500 000	1 500 000
Water and Wastewater Services: Sanitation	Kayamandi Bulk Sewer	CRR (Own funds)	-	-	5 000 000
Water and Wastewater Services: Sanitation	Klapmuts Bulk Sewer Upgrade	IUDG	-	1 000 000	4 000 000
Water and Wastewater Services: Sanitation	New Development Bulk Sewer Supply WC024	External Loan	-	-	-
Water and Wastewater Services: Sanitation	Northern Extension: Phase 2 Sanitation Infrastructure	CRR (Own funds)	-	-	2 000 000
Water and Wastewater Services: Sanitation	Sewer Pumpstation and Telemetry Upgrade	CRR (Own funds)	100 000	1 500 000	2 000 000
Water and Wastewater Services: Sanitation	Sewerpipe Replacement	External Loan	-	2 000 000	7 000 000
Water and Wastewater Services: Sanitation	Sewerpipe Replacement	External Loan	-	2 000 000	-
Water and Wastewater Services: Sanitation	Sewerpipe Replacement: Dorp Street	External Loan	-	-	-
Water and Wastewater Services: Sanitation	Sewerpipe Replacement: Dorp Street	External Loan	-	-	20 000 000
Water and Wastewater Services: Sanitation	Update Sewer Masterplan and IMQS	CRR (Own funds)	-	500 000	500 000
Water and Wastewater Services: Sanitation	Upgrade Auto-Samplers	CRR (Own funds)	-	200 000	200 000
Water and Wastewater Services: Sanitation	Upgrade of WWTW Wemmershoek	External Loan	30 000 000	30 000 000	30 000 000
Water and Wastewater Services: Sanitation	Upgrade of WWTW: Klapmuts	External Loan	-	10 000 000	6 000 000
Water and Wastewater Services: Sanitation	Upgrade of WWTW: Priel and Decommissioning Of Franschoek	IUDG	31 485 720	-	-
Water and Wastewater Services: Sanitation	Upgrade of WWTW: Priel and Decommissioning Of Franschoek	External Loan	16 514 280	-	-
Roads and Stormwater	Adhoc Reconstruction Of Roads (WC024)	CRR (Own funds)	2 000 000	-	-
Roads and Stormwater	Adhoc Reconstruction Of Roads (WC024)	IUDG	-	2 000 000	-
Roads and Stormwater	Bridge Construction	CRR (Own funds)	30 000 000	23 500 000	-
Roads and Stormwater	Bridge Construction	IUDG	-	6 500 000	-
Roads and Stormwater	Furniture, Tools and Equipment : Tr&Stw	CRR (Own funds)	250 000	500 000	300 000
Roads and Stormwater	Reseal Roads - Jamestown and	CRR (Own funds)	-	1 100 000	-



Department	Project name	Funding	Proposed budget 2021/22	Proposed budget 2022/23	Proposed budget 2023/24
INFRASTRUCTURE SERVICES					
	Technopark				
Roads and Stormwater	Reseal Roads - Klapmuts, Raithby, Meerlust, wemmershoek, LaMotte, Maasdorp	CRR (Own funds)	-	1 000 000	-
Roads and Stormwater	Reseal Roads - Kylemore and Surrounding	CRR (Own funds)	-	1 000 000	-
Roads and Stormwater	Reseal Roads - Stellenbosch and Surrounding	CRR (Own funds)	2 500 000	2 500 000	-
Roads and Stormwater	Reseal Roads - Franschhoek and Surrounding	CRR (Own funds)	2 000 000	1 000 000	2 000 000
Roads and Stormwater	Technopark Access Road	CRR (Own funds)	1 000 000	1 000 000	-
Transport Planning	Adam Tas Road	CRR (Own funds)	-	750 000	-
Transport Planning	Bicycle Lockup Facilities	CRR (Own funds)	200 000	200 000	-
Transport Planning	Comprehensive Integrated Transport Plan	CRR (Own funds)	600 000	400 000	-
Transport Planning	Comprehensive Integrated Transport Plan	ITP	-	600 000	600 000
Transport Planning	Cycle Plan - Design and Implementation	CRR (Own funds)	500 000	500 000	-
Transport Planning	Freight Strategy for Stellenbosch and Franschhoek	CRR (Own funds)	-	200 000	-
Transport Planning	Jamestown Transport Network	IUDG	3 000 000	-	-
Transport Planning	Non-Motorised Transport Implementation	CRR (Own funds)	1 000 000	1 000 000	1 000 000
Transport Planning	Pedestrian and Cycle paths Design and Phased implementation	CRR (Own funds)	500 000	-	-
Transport Planning	Public Transport Facilities	CRR (Own funds)	-	2 000 000	-
Transport Planning	Public Transport Infrastructure (Public Transport Shelters and Embayment)	CRR (Own funds)	400 000	500 000	-
Transport Planning	Public Transport Service (Inclusive of Disabled)	CRR (Own funds)	500 000	-	
Transport Planning	Re-design of Bergzicht Public Transport Facility	IUDG	1 500 000	2 500 000	
Transport Planning	Stellenbosch NMT: Jamestown - new sidewalks	CRR (Own funds)	1 000 000	-	



Department	Project name	Funding	Proposed budget 2021/22	Proposed budget 2022/23	Proposed budget 2023/24
INFRASTRUCTURE SERVICES					
Transport Planning	Taxi Rank - Franschhoek	CRR (Own funds)	100 000	-	-
Transport Planning	Taxi Rank: Klipmuts	CRR (Own funds)	250 000	250 000	-
Transport Planning	Tour Bus Parking	CRR (Own funds)	-	400 000	-
Transport Planning	Update Roads Master Plan for WC024	CRR (Own funds)	-	1 000 000	-
Traffic Engineering	Furniture tool and equipment	CRR (Own funds)	100 000	100 000	100 000
Traffic Engineering	Main road intersection improvements: Helshoogte Road / La Colline	CRR (Own funds)	-	3 000 000	-
Traffic Engineering	Main road intersection improvements: R44 / Helshoogte	CRR (Own funds)	100 000	100 000	-
Traffic Engineering	Main Road Intersection Improvements: R44 / Meriman Street	CRR (Own funds)	500 000	3 000 000	-
Traffic Engineering	Main Road Intersection Improvements: Strand / Adam Tas / Alexander	CRR (Own funds)	1 000 000	3 000 000	-
Traffic Engineering	Pedestrian Crossing Implementation	CRR (Own funds)	300 000	300 000	300 000
Traffic Engineering	Road Transport Safety Master Plan - WC024	CRR (Own funds)	500 000	-	-
Traffic Engineering	Signalisation implementation	CRR (Own funds)	500 000	500 000	500 000
Traffic Engineering	Traffic Calming Projects: Implementation	CRR (Own funds)	500 000	300 000	300 000
Traffic Engineering	Traffic Management Improvement Programme	CRR (Own funds)	1 000 000	1 000 000	1 000 000
Traffic Engineering	Traffic Signal Control: Installation and Upgrading of Traffic Signals and Associated Components	CRR (Own funds)	500 000	500 000	500 000
Traffic Engineering	Universal Access Implementation	CRR (Own funds)	300 000	200 000	200 000
			336 174 754	339 361 268	330 223 643



Table 102: Capital Budget 2021/22 – 2023/24- Financial Services

Project name	Directorate	Strategic Objectives	Proposed budget 2020/21	Proposed budget 2021/22	Proposed budget 2022/23
FINANCIAL SERVICES					
Financial Services: General	Furniture, Tools and Equipment	CRR (Own funds)	200 000	200 000	210 000
			200,000	200,000	210,000



8.8 National and Provincial Investment

The following tables depict the National and Provincial allocations to the municipality over the MTREF period. It should be noted that the information is subject to change depending on fiscal constraints and the availability of resources.

The table below sets out the allocations by national government for the MTREF period for Stellenbosch Municipality.

As indicated in the table below the total National allocation for Stellenbosch amounts to **R239.625** million for the 2021/22 financial year.

Table 103: National and Provincial Investment

National Allocations / Provincial (R'000)	2021/2022	2022/23	2023/24
Stellenbosch			
Equitable share	157 136	169 730	173 121
Expanded Public Works Programme Integrated Grant for Municipalities	5 998	-	-
Integrated National Electrification Programme (Municipal) Grant	18 000	6 000	6 000
Local Government Financial Management Grant	1 550	1 550	1 550
Integrated Urban Development Grant	56 941	40 508	42 114
Total	239 625	217 788	222 785

The table below sets out the allocations by provincial government for the MTREF period for Stellenbosch Municipality.

As indicated in the table below the total Provincial allocation for Stellenbosch Municipality amounts to **R70 242** million for the 2021/22 financial year.

Table 104: Provincial allocation to the Stellenbosch Municipality

WCG Departments and funding (R'000)	2021/22	2022/23	2023/24
Cultural Affairs and Sport			
Community Library Services Grant	11 244	11 435	11 629
Development of sport and recreational facilities	600		
Environmental Affairs and Development Planning			
RSEP / VPUU municipal projects	1 000		
Department of Local Government			
Community Development Workers Operational Support Grant	38	38	38
Human Settlements			
Human Settlements Development grant (Beneficiaries)	51 408	53 020	20 500
Provincial Treasury			
Capacity Building Grant	252	264	264



WCG Departments and funding (R'000)	2021/22	2022/23	2023/24
Western Cape Financial Management	250		
Transport and Public Works			
Financial assistance to municipalities for maintenance and construction of transport infrastructure	4 950	450	450
Integrated transport planning		600	600
District Municipality			
Safety Initiative Implementation-whole of society (WOSA)	500		
Total	70 242	65 807	33 481

CHAPTER 9

Implementation, Monitoring and Review (5 Years)

The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) mandates South African municipalities to formulate a five-year Integrated Development Plan (IDP) plan to inform the municipal budget and guide all development within the municipal area. The IDP is considered the municipality's principal strategic plan that deals with the most critical development needs of the municipal area as well as the most critical governance needs of the organisation.

As the principal planning instrument that guides and informs the municipal budget, the planning process has to provide a forum for identifying, unpacking and resolving the real issues that face the residents of Stellenbosch. Clearly identifying these issues in consultation with communities, makes it possible for the Municipality to propose realistic and workable solutions that can be budgeted for, implemented and monitored in a controlled environment. These issues may be over-arching issues that affect the whole municipality or may only affect specific communities. It is therefore crucially important that the IDP be developed after the completion of a public participation process in which community stakeholders were thoroughly consulted. The plan is also developed in partnership with the provincial and national government.

At the heart of the IDP lies the improvement in the provision of basic municipal services and expanding livelihood opportunities for the people of the Stellenbosch Municipality. The IDP also focusses on expanding and transforming municipal capacity, enterprise development and crucially, exploring new ways of working and living together. This is especially relevant in an ever changing environment.

9.1 Detailed Service Delivery Plans

Parallel with the completion of the fourth generation IDP revision, work has commenced to prepare the SDBIPs for the 2021/22 budget year for the various functional areas and directorates of the municipality. The SDBIP will unpack the IDP strategic focus areas and predetermined objectives into more detailed programmes, projects, budgets, and performance targets and measurement criteria. Section 1 of the MFMA defines the SDBIP as:

"a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality's delivery of services and the execution of its annual budget and which must include (as part of the top-layer) the following:

(a) projections for each month of-

- (i) revenue to be collected, by source; and*
- (ii) operational and capital expenditure, by vote;*

(b) service delivery targets and performance indicators for each quarter".

The Service Delivery and Budget Implementation Plan (SDBIP) is an implementation plan of the approved Integrated Development Plan (IDP) and Medium Term Revenue and Expenditure Framework. Therefore, only projects that are budgeted for are implemented. The SDBIP serves to address the development objectives as derived from the approved IDP.



The format of the SDBIP is prescribed by MFMA Circular Number 13 issued by National Treasury. In terms of the said Circular Number 13 the SDBIP must provide a picture of service delivery areas, budget allocations and enable monitoring and evaluation. It specifically requires the SDBIP to include, inter alia, the following:

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

9.1.1 MFMA Circular No. 13

The SDBIP serves as a "contract" between the administration, council and community expressing the goals and objectives set by council as quantifiable outcomes that can be implemented by the administration over the next twelve months. The SDBIP provides the vital link between the mayor, council (executive) and the administration and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councillors, municipal manager, senior managers and community.

In accordance with Section 53 of the MFMA, the mayor of a municipality must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget. It also indicates that the annual performance agreements as required in terms of Section 57(1)(b) of the MSA for the municipal manager and all senior managers are linked to the measurable performance objectives approved with the budget and to the service delivery and budget implementation plan.

9.1.2 High Level SDBIP Targets and Indicators

Quarterly projections of service delivery targets and performance indicators for each vote, is one of the five components of the top-layer SDBIP that must be made public as detailed in MFMA Circular 13.

The top level of the SDBIP includes measurable performance objectives in the form of service delivery targets and performance indicators that are provided to the community, that is, what impacts it seeks to achieve. These are drawn from the IDP programmes, services and activities that are relevant to each specific directorate as well as the statutory plans that the Directorate are responsible for. The SDBIPs therefore are the key mechanisms for monitoring the different responsibilities and targets that each Directorate must fulfil in meeting service delivery needs provided to the community.

9.1.3 Reporting on the SDBIP

Various reporting requirements are outlined in the MFMA, both the mayor and the accounting officer have clear roles to play in preparing and presenting these reports. The SDBIP provides an excellent basis for generating the reports required by the MFMA. The report then allows the Council to monitor the implementation of service delivery programmes and initiatives across the municipality's boundaries.

9.1.4 Monthly Reporting

Section 71 of the MFMA stipulates that reporting on actual revenue targets and spending against the budget should occur on a monthly basis. This reporting must be conducted by the accounting officer



of a municipality no later than 10 working days, after the end of each month. Reporting must include the following:

-  Actual revenue, per source;
-  Actual borrowings;
-  Actual expenditure, per vote;
-  Actual capital expenditure, per vote; and
-  The amount of any allocations received.

If necessary, explanation of the following must be included in the monthly reports:

-  Any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
-  Any material variances from the service delivery and budget implementation plan; and
-  Any remedial or corrective steps taken or to be taken to ensure that the projected revenue and expenditure remain with the municipality's approved budget.

9.1.5 Quarterly Reporting

Section 52(d) of the MFMA compels the mayor to submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality within 30 days of the end of each quarter. The quarterly performance projections captured in the SDBIP provides qualitative information to quarterly report.

9.1.6 Mid-year Reporting

 Section 72 of the MFMA determines that by 25 January of each year the accounting officer must assess the performance of the municipality and report to the Council on inter alia its service delivery performance during the first half of the financial year and the service delivery targets and performance indicators set in the service delivery and budget implementation plan; and

 The section 72 report must include the following:

- The monthly statements submitted in terms of section 71 for the first half of the financial year;
- The municipality's service delivery performance, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan; and
- The past year's annual report, and progress on resolving problems identified in the annual report (s72);
- Performance of service providers;
- Make recommendations as to whether an adjustments budget is necessary (s72); and
- Recommend revised projections for revenue and expenditure to the extent that this may be necessary (s72).

9.1.7 Monitoring and the Adjustment Budget Process

The section 71 and 72 budget monitoring reports required under the MFMA should provide a consolidated analysis of the municipality's financial position including year-end projections. The Executive Mayor must consider these reports under s54 of the MFMA and then make a decision as to whether the SDBIP should be amended. The Adjustments Budget concept is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the municipality's finances. In simple terms, funds can be



transferred within a vote but any movements between votes can only be agreed by an adjustments budget.

In accordance with the Stellenbosch Municipality's approved Performance Management Policy, key performance indicators (KPIs) can only be adjusted after the mid-year assessment and / or after the adjustments budget has been approved. KPIs should be adjusted to be aligned with the adjustment estimate and the reason for the change in KPIs should be documented in a report to the Executive Mayor for approval.

Additional KPIs can be added during the year with the approval of the municipal manager. The approval documents should be safeguarded for audit purposes. The Revised SDBIP 2020/21 is informed by a thorough assessment of the Annual Report 2019/20, Auditor General's Report and the 2020/21 Adjustments Budget.

The Revised Performance Management Policy, 2020, is supported by MFMA Circular No. 13: Service Delivery and Budget Implementation Plan which stipulates that being a management and implementation plan (and not a policy proposal), the SDBIP is not required to be approved by the council – it is however tabled before council and made public for information and for purposes of monitoring. The SDBIP should be seen as a dynamic document that may (at lower layers of the plan) be continually revised by the municipal manager and other top managers, as actual performance after each month or quarter is taken into account.

9.1.8 Internal Auditing of Performance Reports

The municipality's internal audit function will need to be continuously involved in auditing the performance reports based on the organisational and directorate / departmental scorecards. As required by Regulation, they will be required to produce an audit report on a quarterly basis, to be submitted to the Municipal Manager and Performance Audit Committee. The MFMA and the Municipal Planning and Performance Management Regulations require that the municipal council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No Councillor may be a member of an audit committee. Council shall also appoint a chairperson who is not an employee.

9.1.9 Annual Performance Reviews

At least annually, the Executive Mayor will be required to report to the full council on the overall municipal performance. It is proposed that this reporting take place using the municipal scorecard in an annual performance report format as per the MSA. The said annual performance report will form part of the municipality's Annual Report as per section 121 of the MFMA.

9.2 Project Prioritisation

In the prioritisation of programmes and projects to be included in the SDBIPs, the following criteria will be applied:

-  The extent to which the programme or project demonstrates measurable support for the strategic goals, focus areas and objectives of the Fourth generation IDP (as aligned to global, national, provincial and district policy directives);
-  The location of the project in relation to previously disadvantaged areas and/or the extent to which such areas will benefit from the project;
-  The clear identification of beneficiary communities and the expected positive impacts on beneficiary communities;



-  The extent to which the project will support other programmes and/or projects of the municipality and its service delivery partners;
-  The extent to which the project supports the EPWP;
-  The extent to which the project is intended to enhance a previous project, extends a previous project, or completes an incomplete project;
-  The extent to which the project is supported by other funding allocations, or supports such allocation to provide for richer, more integrated human settlement outcomes or accelerated delivery;
-  The extent to which future operational resources for the project have been secured (including both human and financial resources);
-  The extent to which prerequisite land planning, and associated statutory land and environmental processes are in place or have been completed; and
-  The extent to which detail project milestone and cash-flow planning, and processes for procuring resources are completed and/or highlighted.



9.3 Five-Year Top Level Service Delivery and Budget Implementation Plan (SDBIP)

The SDBIP gives effect to the Integrated Development Plan (IDP) and is essentially the management and implementation tool setting out the quarterly service delivery targets.

The Top Layer SDBIP has been reviewed to include the main service delivery indicators of the municipality and to take into account the recommendations made by the Auditor General. It should be noted that where indicators were removed from the Top Layer SDBIP, it has been moved to the Departmental SDBIP and will be monitored through the respective Directors' performance scorecards.

The following table reflects the 5 Year Implementation Plan of the Integrated Development Plan:

9.3.1 SFA 1 – Valley of Possibility

SFA 1 – VALLEY OF POSSIBILITY																			
IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Words	5 year target	Actual 2017/18	Actual 2018/19	Actual 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	VIP link	Delivery Indicator
KPI001	MFA 4: New Housing (PMU)	Planning and Economic Development	Number of serviced sites for low cost housing provided	Percentage of even serviced	Programme	All	190 per annum	117	N/A	N/A	N/A	N/A	N/A	NKPA 1	NDP 1	PSO 1	CWDM 1	VIP 1	Output
KPI002	MFA 4: New Housing (PMU)	Planning and Economic Development	Number of temporary housing units constructed in the Temporary Relocation Area by June 2018	Construct 270 temporary units (Temporary Relocation Area – TRA)	Project (Capex)	All	270 per annum	111	N/A	N/A	N/A	N/A	N/A	NKPA 1	NDP 2	PSO 4	CWDM 2	VIP 1	Output
KPI003	MFA 2: Transport, Roads and Stormwater	Planning and Economic Development	Number of bus and taxi shelters constructed	Constructed Bus and Taxi shelters based on completion photos	Project (Capex)	All	2 per annum	7	N/A	N/A	N/A	N/A	N/A	NKPA 1	NDP 2	PSO 4	CWDM 2	VIP 4	Page Output



SFA 1 – VALLEY OF POSSIBILITY

IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Actual 2017/18	Actual 2018/19	Actual 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	VIP link	Delivery Indicator
KPI004	MFA 8: Spatial Planning / Environmental, Heritage and Cultural Management	Planning and Economic Development	Spatial mapping of all current and planned social infrastructure (parks, crèches) as identified by June 2018	Spatial map containing all current and planned social infrastructure (parks, crèches) as updated annually by June 2018	Key Initiative	All	1 per annum	1	N/A	N/A	N/A	N/A	N/A	NKPA 5	NDP 4	PSO 5	CWDM 1	VIP 4	
KPI005	MFA 1: Local Economic Development	Planning and Economic Development	2 informal trading sites developed by June 2018	2 informal trading sites developed	Project (Capex)	All	2 per annum	1	N/A	N/A	N/A	N/A	N/A	NKPA 3	NDP 1	PSO 1	CWDM 1	VIP 3	
KPI006	MFA 2: Transport, Roads and Stormwater	Planning and Economic Development	Number of bus terminals and taxi ranks constructed	Constructed taxi rank by April 2018. Photographs on Ignite	Project (Capex)	All	4 per annum	4	N/A	N/A	N/A	N/A	N/A	NKPA 1	NDP 2	PSO 4	CWDM 2	VIP 4	
KPI007	MFA 1: Local Economic Development	Planning and Economic Development	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	Programme	All	1300 per annum	695	153.10	1 656	1 300	1 300	1 300	NKPA 3	NDP 1	PSO 1	CWDM 1	VIP 3	Outcome
KPI008	MFA 3: Land-Use Management	Planning and Economic Development	Land-use applications considered by the Municipal Planning Tribunal within 120 days from a complete land-use application	Percentage of land-use applications considered by the Municipal Planning Tribunal within 120 days after a complete land-use application	Programme	All	75% per annum	4 reports submitted	40%	0%	75%	75%	80%	NKPA 5	NDP 8	PSO4	CWDM 1	VIP 4	Outcome
KPI009	MFA 1: Local Economic Development	Planning and Economic Development	Training opportunities provided for entrepreneurs and Small, Medium and Micro Enterprises (SMMEs)	Number of quarterly training opportunities provided for entrepreneurs and SMMEs	Programme	All	4 per annum	4	5	4	4	4	4	NKPA 3	NDP 1	PSO 1	CWDM 1	VIP 3	Outcome



SFA 1 – VALLEY OF POSSIBILITY

IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Actual 2017/18	Actual 2018/19	Actual 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	VIP link	Delivery Indicator
KPI010	MFA 8: Spatial Planning / Environmental, Heritage and Cultural Management	Planning and Economic Development	Revised Spatial Development Framework (SDF) submitted to Council	Number of Revised SDFs submitted to Council by 31 May	Programme	All	1 per annum	1	1	N/A	N/A	1	N/A	NKPA 5	NDP 4	PSO 5	CWDM 1	VIP 4	Output
KPI011	MFA 1: Local Economic Development	Planning and Economic Development	Expenditure of the Kayamandi Town Centre capital project measured quarterly in terms of the approved Capital Budget spent	Percentage of the Kayamandi Town Centre Capital Budget actually spent by 30 June	Project (Capex)	All	90% per annum	N/A	90%	N/A	N/A	N/A	N/A	NKPA 5	NDP 1	PSO 1	CWDM 1	VIP 2	Input
KPI012	MFA 4: New Housing (PMU)	Planning and Economic Development	Revised Housing Pipeline (document) submitted to the Mayoral Committee (MayCo)	Number of Revised Housing Pipelines (documents) submitted to the MayCo by 31 May	Programme	All	1 per annum	1	1	1	1	1	1	NKPA 1	NDP 2	PSO 4	CWDM 2	VIP 1	Output
KPI013	MFA 4: New Housing (PMU)	Planning and Economic Development	Human Settlements Plan submitted to Council	Number of Human Settlements Plans submitted to Council by 30 June	Programme	All	1 per annum	N/A	1	N/A	N/A	N/A	N/A	NKPA 1	NDP 2	PSO 4	CWDM 2	VIP 1	Output
KPI014	MFA 3: Land-Use Management	Planning and Economic Development	Urban Development Strategy submitted to Council	Number of Urban Development Strategies submitted to Council by 30 June	Key Initiative	All	1 per annum	N/A	1	N/A	N/A	N/A	N/A	NKPA 5	NDP 4	PSO 5	CWDM 1	VIP 4	Output
KPI080	MFA 1: Local Economic Development	Planning and Economic Development	Submission of Tourism Strategic Plan to the Municipal Manager	Number of Tourism Strategic Plans submitted to the Municipal Manager by 30 June	Key Initiative	All	1 per annum	N/A	N/A	N/A	N/A	1	N/A	NKPA 3	NDP 1	PSO 1	CWDM 1	VIP 3	Output



9.3.2

SFA 2 – Green and Sustainable Valley

SFA 2 - GREEN AND SUSTAINABLE VALLEY																			Page 377	
IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Actual 2017/ 18	Actual 2018/19	Actual 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	PDO link	Delivery Indicator	
KPI015	MFA 9: Community Services	Infrastructure Services	Curtail domestic and industrial water consumption by 45% and agricultural water consumption by 60%, measured in terms of the equivalent average consumption of 5 years	Domestic and industrial water consumption curtailed by 45%, measured in terms of the equivalent average consumption of 5 years from 2010/11 until 2014/15	Key Initiative	All	45% per annum	51.60%	N/A	N/A	N/A	N/A	N/A	NKPA 5	NDP 2	PSO 4	CWDM 2	VIP 3	Outcome	
KPI016	MFA 12: Solid Waste Management	Infrastructure Services	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	Programme	All	1 per annum	2	1	1	1	1	1	NKPA 5	NDP 2	PSO 4	CWDM 1	VIP 5	Output	
KPI073	MFA 12: Solid Waste Management	Infrastructure Services	Implementation of identified waste minimisation projects	Number of identified waste minimisation projects implemented by 30 June	Programme	All	2 per annum	N/A	N/A	1	2	2	2	NKPA 1	NDP 2	PSO 4	CWDM 1	VIP 5	Output	
KPI017	MFA 12: Solid Waste Management	Infrastructure Services	Waste Management By-Law adopted by Council	Number of Waste Management By-Laws adopted by Council by 30 June	Key Initiative	All	1 per annum	0	0	N/A	N/A	N/A	N/A	NKPA 5	NDP 3	PSO 5	CWDM 2	VIP 5	Output	
KPI018	MFA 10: Building Development Control	Planning and Economic Development	Building plan applications processed within 30 days	Percentage of building plan applications of <500sqm processed within 30 days after date of receipt	Programme	All	80% per annum	4 reports submitted	76.29%	72.92%	80%	80%	90%	NKPA 2	NDP 8	PSO4	CWDM 1	PDO 1.1	Outcome	
KPI019	MFA 9: Community Services	Infrastructure Services	Waste water quality managed and measured to the Department of Water and Sanitation's License Conditions for physical and micro parameters	Percentage waste water quality compliance as per analysis certificate, measured quarterly	Programme	All	70% per annum	73%	72.72%	60.70%	70%	70%	80%	NKPA 1	NDP 2	PSO 4	CWDM 2	VIP 4	Outcome	



SFA 2 - GREEN AND SUSTAINABLE VALLEY

IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Actual 2017/ 18	Actual 2018/19	Actual 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	PDO link	Delivery Indicator
KPI078	MFA 10: Building Development Control	Corporate Services	Submission of the Revised Facility Management Plan to the MayCo	Number of Revised Facility Management Plans submitted to the MayCo by 31 May	Programme	All	1 per annum	N/A	N/A	1	1	1	1	NKPA 2	NDP 8	PSO4	CWDM 1	VIP 5	
KPI079	MFA 9: Community Services	Community and Protection Services	Submission of a Tree Management Policy to the MayCo	Number of Tree Management Policies submitted to the MayCo by 31 October	Programme	All	1 per annum	N/A	N/A	1	N/A	N/A	N/A	NKPA 1	NDP 8	PSO4	CWDM 1	VIP 5	
KPI081	MFA 12: Solid Waste Management	Infrastructure Services	Reduce organic waste	Percentage of organic waste reduced by 30 June	Programme	All	20% per annum	N/A	N/A	N/A	20%	20%	20%	NKPA 1	NDP 3	PSO 5	CWDM 2	VIP 5	Outcome
KPI082	MFA 12: Solid Waste Management	Infrastructure Services	Submission of an Integrated Waste Management Plan to the MayCo	Number of Integrated Waste Management Plans submitted to the MayCo by 31 March	Key Initiative	All	1 per annum	N/A	N/A	N/A	N/A	1	N/A	NKPA 1	NDP 3	PSO 5	CWDM 2	VIP 5	
KPI085	MFA 9: Community Services	Community and Protection Services	Submission of a Friends Group Framework for the management of nature areas to the Municipal Manager	Number of Friends Group Frameworks for the management of nature areas to the Municipal Manager by 31 March	Key Initiative	All	1 per annum	N/A	N/A	N/A	N/A	1	1	NKPA 5	NDP 3	PSO 5	CWDM 2	VIP 5	



9.3.3

SFA 3 – Safe Valley

SFA 3 - SAFE VALLEY														
IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Actual 2017/ 18	Actual 2018/19	Actual 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	Deliverability Indicator
KPI020	MFA 14: Law Enforcement, Security Services and Land Invasion	Community and Protection Services	Extend CCTV coverage to all wards	Number of CCTV cameras installed within the WCO24 across various wards	Programme	All	12 per annum	103	N/A	N/A	N/A	N/A	N/A	Output
KPI021	MFA 14: Law Enforcement, Security Services and Land Invasion	Community and Protection Services	Quarterly progress reports to a Committee of Council/ MayCo on Safety Initiatives in the greater Stellenbosch	Number of Stellenbosch Safety Initiative projects undertaken reported to a Committee of Council/ MayCo	Key Initiative	All	4 per annum	4	N/A	N/A	N/A	N/A	N/A	Output
KPI022	MFA 14: Law Enforcement, Security Services and Land Invasion	Community and Protection Services	Safety network database identified and developed by December 2017	Developed database by December 2017	Key Initiative	All	1 per annum	1	N/A	N/A	N/A	N/A	N/A	Output
KPI023	MFA 14: Law Enforcement, Security Services and Land Invasion	Community and Protection Services	Signed MOUs with SAPS to extend municipal law enforcement security cluster by December 2017	Signed MOU by December 2017	Key Initiative	All	1 per annum	1	N/A	N/A	N/A	N/A	N/A	Output
KPI024	MFA 13: Fire and Disaster Management	Community and Protection Services	Ward based risk assessments by June 2018	Completed risk assessment result of all wards by June 2018	Key Initiative	All	1 per annum	1	N/A	N/A	N/A	N/A	N/A	Output
KPI025	MFA 13: Fire and Disaster Management	Community and Protection Services	Revised Disaster Management Plan submitted to the MayCo	Number of Revised Disaster Management Plans submitted to the MayCo by 31 May	Programme	All	1 per annum	1	1	1	1	1	1	Output

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**9.3.4 SFA 4 – Dignified Living**

SFA 4 - DIGNIFIED LIVING																			
IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Actual 2017/ 18	Actual 2018/19	Actual 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	PDO link	Delivery Indicator
KPI028	MFA 22: Water Services	Infrastructure Services	Number of new water connections meeting minimum standards	50 new taps installed by 30 June 2018	Programme	All	50 per annum	50	N/A	N/A	N/A	N/A	N/A	NKPA 1	NDP 2	PSO 4	CWDM 2	VIP 1	
KPI029	MFA 22: Water Services	Financial Services	Provide consumer accounts iro clean piped water to formal residential properties which are connected to the municipal water infrastructure network as at 30 June 2018	Number of consumer accounts iro formal residential properties receiving piped water	Programme	All	24,000 per annum	26,506	N/A	N/A	N/A	N/A	N/A	NKPA 2	NDP 8	PSO 5	CWDM 3	VIP 2	
KPI030	MFA 19: Electrical Services	Financial Services	Provide consumer accounts iro electricity to formal residential properties connected to the municipal electrical infrastructure network for both credit and prepaid electrical metering as at 30 June 2018	Number of consumer accounts iro formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)	Programme	All	24,000 per annum	26,506	N/A	N/A	N/A	N/A	N/A	NKPA 2	NDP 9	PSO 6	CWDM 4	VIP 2	
KPI031	MFA 20: Basic Service Delivery	Financial Services	Provide consumer accounts iro sanitation services to residential properties which are connected to the municipal waste water (sanitation/sewerage) network as at 30 June 2018	Number consumer accounts iro of residential properties which are billed for sewerage in accordance with the SAMRAS financial system	Programme	All	24,000 per annum	26,506	N/A	N/A	N/A	N/A	N/A	NKPA 2	NDP 10	PSO 7	CWDM 5	VIP 2	
KPI032	MFA 20: Basic Service Delivery	Financial Services	Provide consumer accounts iro of refuse removal, refuse dumps and solid waste disposal to all residential account holders once a week until 30 June 2018	Number consumer accounts iro of formal residential properties for which refuse is removed	Programme	All	24,000 per annum	26,506	N/A	N/A	N/A	N/A	N/A	NKPA 2	NDP 11	PSO 8	CWDM 6	VIP 2	



SFA 4 - DIGNIFIED LIVING

IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Actual 2017/ 18	Actual 2018/19	Actual 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	PDO link	Delivery Indicator
KPI033	MFA 20: Basic Service Delivery	Financial Services	Number of households with access to basic services (water, sanitation, refuse removal)	Number of households receiving basic water, sanitation and refuse from the municipal infrastructure network	Programme	All	10 per annum	10	N/A	N/A	N/A	N/A	N/A	NKPA 1	NDP 12	PSO 9	CWDM 7	VIP 3	Output
KPI034	MFA 21: Community Development	Community and Protection Services	Facilitate the registration of early childhood development centres on a quarterly basis	Quarterly ECD forum/Dept of Social Development registration workshops	Programme	All	4 per annum	4	N/A	N/A	N/A	N/A	N/A	NKPA 5	NDP 4	PSO 3	CWDM 1	VIP 1	Output
KPI035	MFA 21: Community Development	Community and Protection Services	Review Grant in aid policy and submit it to Council by June annually	Policy submitted to Council	Programme	All	1 per annum	1	N/A	N/A	N/A	N/A	N/A	NKPA 5	NDP 5	PSO 4	CWDM 2	VIP 1	Output
KPI036	MFA 18: Housing Administration	Planning and Economic Development	Alignment of Municipal and Provincial Government housing waiting lists by December 2017	Aligned Waiting lists submitted to the Director	Programme	All	2 per annum	2	N/A	N/A	N/A	N/A	N/A	NKPA 2	NDP 2	PSO 4	CWDM 2	VIP 1	Output
KPI037	MFA 20: Basic Service Delivery	Infrastructure Services	Provision of waterborne toilet facilities in informal settlements as identified by the Department: Integrated Human Settlements	Number of waterborne toilet facilities provided in informal settlements as identified by the Department: Integrated Human Settlements by 30 June	Programme	All	50 per annum	50	69	51	50	50	40	NKPA 1	NDP 2	PSO 4	CWDM 2	VIP 1	Output
KPI038	MFA 17: Informal Settlements	Planning and Economic Development	Report to MayCo on the identification of land for emergency housing	Number of reports on the identification of land for emergency housing submitted to MayCo by 30 June	Key Initiative	All	1 per annum	N/A	0	N/A	N/A	N/A	N/A	NKPA 5	NDP 8	PSO 4	CWDM 1	VIP 4	Output



SFA 4 - DIGNIFIED LIVING

IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Actual 2017/ 18	Actual 2018/19	Actual 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	PDO link	Indicator
KPI039	MFA 20: Basic Service Delivery	Financial Services	Registered indigent formal households with access to free basic water (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage registered indigent formal households with access to free basic water, measured quarterly	Programme	All	100% per annum	N/A	100%	100%	100%	100%	100%	NKPA 1	NDP 2	PSO 4	CWDM 2	VIP 1	Outcome
KPI040	MFA 19: Electrical Services	Infrastructure Services	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	Programme	All	<9% per annum	5,70%	7,55%	9,36%	<9%	<9%	<9%	NKPA 5	NDP 8	PSO 5	CWDM 3	VIP 5	Outcome
KPI041	MFA 22: Water Services	Infrastructure Services	Water quality managed and measured quarterly to the SANS 241 physical and micro parameters	Percentage water quality level as per analysis certificate measured quarterly	Programme	All	90% per annum	95,80%	99,90%	90,96%	90%	90%	90%	NKPA 1	NDP 2	PSO 4	CWDM 1	VIP 5	Outcome
KPI042	MFA 22: Water Services	Infrastructure Services	Limit unaccounted water to less than 25%	Average percentage water losses measured quarterly	Programme	All	<25% per annum	21,60%	28%	20,50%	<25%	<25%	<25%	NKPA 5	NDP 3	PSO 5	CWDM 2	VIP 5	Outcome
KPI043	MFA 19: Electrical Services	Financial Services	Registered indigent formal households with access to free basic electricity provided by the Municipality (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic electricity provided by the Municipality, measured quarterly	Programme	All	65% per annum	N/A	71%	73,99%	65%	65%	100%	NKPA 1	NDP 2	PSO 4	CWDM 2	VIP 1	Outcome



SFA 4 - DIGNIFIED LIVING

IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Actual 2017/ 18	Actual 2018/19	Actual 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	PDO link	Delivery Indicator
KPI044	MFA 20: Basic Service Delivery	Financial Services	Registered indigent formal households with access to free basic refuse removal (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic refuse removal, measured quarterly	Programme	All	100% per annum	N/A	100%	100%	100%	100%	100%	NKPA 1	NDP 3	PSO 5	CWDM 3	VIP 1	Outcome
KPI045	MFA 20: Basic Service Delivery	Financial Services	Registered indigent formal households with access to free basic sanitation (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic sanitation, measured quarterly	Programme	All	100% per annum	N/A	100%	100%	100%	100%	100%	NKPA 1	NDP 4	PSO 6	CWDM 4	VIP 1	Outcome
KPI074	MFA 20: Basic Service Delivery	Financial Services	Formal households with access to water (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to water, measured quarterly	Programme	All	25 500 per annum	N/A	26 088	26 397	25 500	25 500	25 500	NKPA 1	NDP 4	PSO 6	CWDM 4	VIP 3	Output
KPI075	MFA 20: Basic Service Delivery	Financial Services	Formal households with access to electricity (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to electricity, measured quarterly	Programme	All	24 000 per annum	N/A	26 088	26 397	24 000	24 000	24 000	NKPA 1	NDP 4	PSO 6	CWDM 4	VIP 3	Output
KPI076	MFA 20: Basic Service Delivery	Financial Services	Formal households with access to refuse removal (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to refuse removal, measured quarterly	Programme	All	25 500 per annum	N/A	26 088	26 397	25 500	25 500	25 500	NKPA 1	NDP 4	PSO 6	CWDM 4	VIP 3	Output
KPI077	MFA 20: Basic Service Delivery	Financial Services	Formal households with access to sanitation (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to sanitation, measured quarterly	Programme	All	25 500 per annum	N/A	26 088	26 397	25 500	25 500	25 500	NKPA 1	NDP 4	PSO 6	CWDM 4	VIP 3	Output



9.3.5

SFA 5 – Good Governance and Compliance

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE															
IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Actual 2017/ 18	Actual 2018/19	Actual 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link
KPI046	MFA 33: Expenditure	Financial Services	The percentage of each directorate's capital budget spent on capital projects by 30 June annually	% of the Municipality's capital budget spent by 30 June annually {(Total Actual capital Expenditure/Approved Capital Budget) x 100}	Programme	All	90% per annum	86.6%	N/A	N/A	N/A	N/A	N/A	NKPA 4	NDP 8
KPI047	MFA 23: Human Resources	Corporate Services	Revised organisational structure submitted to Council for approval by December	Reviewed organisational structure submitted to Council	Programme	All	1 per annum	1	N/A	N/A	N/A	N/A	N/A	NKPA 2	NDP 8
KPI048	MFA 30: Supply Chain Management	Financial Services	Update and implement the preferential procurement policy by 30 June annually	Reviewed policy submitted to Council	Programme	All	1 per annum	1	N/A	N/A	N/A	N/A	N/A	NKPA 4	NDP 1
KPI049	MFA 23: Human Resources	Financial Services	Establish an asset management section as part of the organisation structure by 30 June 2018	Establish asset management section	Key Initiative	All	1 per annum	1	N/A	N/A	N/A	N/A	N/A	NKPA 4	NDP 8
KPI050	MFA 31: Budget	Financial Services	Implement the Municipal Standard Chart of Accounts	Quarterly updates on the implementation progress of MSCOA to a Committee of Council/MayCo	Programme	All	4 per annum	4	N/A	N/A	N/A	N/A	N/A	NKPA 4	NDP 8
KPI051	MFA 27: Integrated Development Planning	Office of the Municipal Manager	Develop a public participation policy and submit it to a Committee of Council/ MayCo by June 2018	Public participation policy submitted to a Committee of Council / MayCo	Key Initiative	All	1 per annum	0	N/A	N/A	N/A	N/A	N/A	NKPA 5	NDP 11



SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Actual 2017/ 18	Actual 2018/19	Actual 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	PDO link	Delivery Indicator
KPI052	MFA 23: Human Resources	Corporate Services	Audit of all municipal leased properties (excluding rental stock) by March 2018	Audited outcome on leased properties	Key Initiative	All	1 per annum	0	N/A	N/A	N/A	N/A	N/A	NKPA 2	NDP 8	PSO 5	CWDM 3	VIP 5	Outcome 5
KPI053	MFA 27: Integrated Development Planning	Planning and Economic Development	Develop an Integrated Zoning Scheme and submit it to Committee of Council/ MayCo by 30 June 2018	Developed Integrated Zoning Scheme submitted to a Committee of Council/ MayCo	Key Initiative	All	1 per annum	0	N/A	N/A	N/A	N/A	N/A	NKPA 5	NDP 4	PSO 5	CWDM 1	VIP 4	Output
KPI054	MFA 30: Supply Chain Management	Financial Services	Percentage of bid specifications submitted (Total of draft specifications submitted/ Total of bids listed on the Demand Management Plan *100)	Minutes of the Bid Specification Committee	Programme	All	50% per annum	50%	N/A	N/A	N/A	N/A	N/A	NKPA 4	NDP 1	PSO 1	CWDM 1	VIP 5	Outcome
KPI055	MFA 31: Budget	Financial Services	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)	Programme	All	4 per annum	7.61	4.7	2.43	4	4	4	NKPA 4	NDP 8	PSO 5	CWDM 3	VIP 5	Output
KPI056	MFA 31: Income	Financial Services	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	Programme	All	96% per annum	98.08%	100.24%	89.17%	96%	96%	96%	NKPA 4	NDP 9	PSO 6	CWDM 4	VIP 5	Outcome



SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Actual 2017/ 18	Actual 2018/19	Actual 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	PDO link	Delivery Indicator
KPI057	MFA 31: Budget	Financial Services	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	Programme	All	90% per annum	86.6%	87.82%	70.25%	90%	90%	90%	NKPA 4	NDP 10	PSO 7	CWDM 5	VIP 5	Input
KPI058	MFA 23: Human Resources	Office of the Municipal Manager	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	Programme	All	75% per annum	50%	33%	66.67%	75%	75%	75%	NKPA 2	NDP 8	PSO 5	CWDM 3	VIP 5	Outcome
KPI059	MFA 23: Human Resources	Corporate Services	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	Programme	All	0.58% per annum	0.13%	0.43%	0.13%	0.58%	0.58%	0.58%	NKPA 4	NDP 9	PSO 6	CWDM 4	VIP 5	Input
KPI060	MFA 31: Budget	Financial Services	Financial viability measured in terms of the Municipality's ability to meet its service debt obligations (NKPI Proxy - MSA, Reg. S10(g)(ii))	Debt coverage ratio ((Total operating revenue - operating grants received) / (Debt service payments due within the year)) measured by 30 June	Programme	All	15% per annum	14%	43.3%	59.13%	15%	15%	15%	NKPA 4	NDP 8	PSO 5	CWDM 3	VIP 5	Outcome
KPI061	MFA 31: Budget	Financial Services	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(iii))	Service debtors to revenue ratio – (Total outstanding service debtors / revenue received for services) measured by 30 June	Programme	All	27% per annum	10.9%	20%	12.38%	27%	27%	27%	NKPA 4	NDP 9	PSO 6	CWDM 4	VIP 5	Outcome



SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Actual 2017/ 18	Actual 2018/19	Actual 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDF link	PSO link	CWDM link	PDO link	Delivery Indicator
KPI062	MFA 29: Legal Services, compliance and control environment	Office of the Municipal Manager	Revised Risk-Based Audit Plan (RBAP) submitted to the Audit Committee	Number of Revised RBAPs submitted to the Audit Committee by 30 June	Programme	All	1 per annum	1	1	1	1	1	1	NKPA 5	NDF 8	PSO 5	CWDM 3	VIP 5	Output
KPI063	MFA 29: Legal Services, compliance and control environment	Office of the Municipal Manager	AGSA Audit Action Plan (AAP) submitted to the Audit Committee	Number of AGSA Audit Action Plans submitted to the Audit Committee by 28 February	Programme	All	1 per annum	1	1	1	1	1	1	NKPA 5	NDF 8	PSO 5	CWDM 3	VIP 5	Output
KPI064	MFA 29: Legal Services, compliance and control environment	Office of the Municipal Manager	Revised Strategic Risk Register (SRR) submitted to the Risk Management Committee	Number of Revised Strategic Risk Registers submitted to the Risk Management Committee by 30 June	Programme	All	1 per annum	1	1	1	1	1	1	NKPA 5	NDF 9	PSO 6	CWDM 4	VIP 5	Output
KPI065	MFA 24: Information and Communication Technology	Corporate Services	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	Programme	All	1 per annum	1	1	1	1	1	1	NKPA 2	NDF 8	PSO 5	CWDM 3	VIP 5	Output
KPI066	MFA 24: Information and Communication Technology	Corporate Services	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	Programme	All	1 per annum	1	1	1	1	1	1	NKPA 2	NDF 9	PSO 6	CWDM 4	VIP 5	Output
KPI067	MFA 27: Integrated Development Planning	Office of the Municipal Manager	Draft Integrated Development Plan (IDP) submitted to Council	Number of Draft IDPs submitted to Council by 31 March	Programme	All	1 per annum	1	1	1	1	1	1	NKPA 5	NDF 4	PSO 5	CWDM 1	VIP 5	Output



SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Actual 2017/ 18	Actual 2018/19	Actual 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	PDO link	Delivery Indicator
KPI068	MFA 29: Legal Services, Compliance and Control Environment	Financial Services	Revised Asset Management Policy submitted to Council	Number of Revised Asset Management Policies submitted to Council by 30 June	Programme	All	1 per annum	1	1	1	N/A	1	1	NKPA 4	NDP 8	PSO 5	CWDM 3	VIP 5	Output
KPI069	MFA 28: Performance Management	Corporate Services	Draft Centralised Customer Care Strategy submitted to MayCo	Number of Draft Centralised Customer Care Strategies submitted to MayCo by 28 February	Programme	All	1 per annum	N/A	0	N/A	N/A	N/A	N/A	NKPA 2	NDP 8	PSO 4	CWDM 1	VIP 5	Output
KPI070	MFA 27: Integrated Development Planning	Office of the Municipal Manager	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	Programme	All	1 per annum	1	1	1	1	1	1	NKPA 5	NDP 4	PSO 5	CWDM 1	VIP 5	Output
KPI071	MFA 29: Legal Services, Compliance and Control Environment	Infrastructure Services	Revised Electrical Master Plan submitted to Council	Number of Revised Electrical Master Plans submitted to Council by 30 June	Programme	All	1 per annum	N/A	1	1	1	1	1	NKPA 1	NDP 8	PSO 5	CWDM 3	VIP 5	Output
KPI072	MFA 24: Information and Communication Technology	Corporate Services	Submission of a Draft Smart City Framework to the MayCo	Number of Draft Smart City Frameworks submitted to the MayCo by 31 May	Key Initiative	All	1 per annum	N/A	N/A	0	N/A	N/A	N/A	NKPA 2	NDP 4	PSO 5	CWDM 1	VIP 5	Output
KPI083	MFA 24: Information and Communication Technology	Corporate Services	Submission of a Cyber-attack Mitigation and Resilience Strategy to the Municipal Manager	Number of a Cyber-attack Mitigation and Resilience Strategies submitted to the Municipal Manager by 31 March	Key Initiative	All	1 per annum	N/A	N/A	N/A	N/A	1	N/A	NKPA 2	NDP 4	PSO 5	CWDM 1	VIP 5	Output



SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Actual 2017/ 18	Actual 2018/19	Actual 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	PDO link	Delivery Indicator
KPI084	MFA 29: Legal Services, compliance and control environment	Infrastructure Services	Submission of the Revised Comprehensive Integrated Transport Plan (CTIP) to the MayCo	Number of Revised Comprehensive Integrated Transport Plans (CTIPs) submitted to the MayCo by 30 June	Programme	All	1 per annum	N/A	N/A	N/A	1	1	1	NKPA 1	NDP 8	PSO 5	CWDM 3	VIP 5	Output

Note: The Five-year Municipal Scorecard will be **updated** in accordance with the approved Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) 2021/22. The TL SDBIP 2021/22 must be approved by the Executive Mayor within 28 days after the adoption of the Municipal Budget, to be tabled in Council during May 2021.

CHAPTER 10

Implementation, Monitoring and Review – one year

The Municipal Finance Management Act No 56 of 2003 (MFMA) requires that municipalities prepare a Service Delivery and Budget Implementation Plan (SDBIP) as a strategic financial management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year are aligned with their strategic planning tool, the Integrated Development Plan (IDP). The SDBIP is a contract between Council, administration and the community. It gives effect to the IDP and budget of the municipality.

The municipal budget shall give effect to the Strategic Focus Areas as contained in the IDP. The Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) shall contain details on the execution of the budget and information on programmes and projects. Quarterly, half-yearly and annual performance reports must also be submitted to Council as a means to monitor the implementation of the predetermined objectives as contained in the IDP.

The SDBIP is a one – year detailed implementation plan which gives effect to the IDP and Budget of the municipality. It is a contract between the administration, Council and community expressing the goals and objectives set by Council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis of measuring the performance in service delivery against end year targets and implementing budget.

Indicators developed for the Stellenbosch Municipality addresses the Strategic Focus Areas of the municipality. The municipality utilises the one-year TL SDBIP to ensure that it delivers of its service delivery mandate by indicating clear indicators and targets. These indicators also forms the basis of the performance plans of the Directors, hence, the Directors are being evaluated on the approved TL SDBIP indicators.

The five necessary components are:

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

Note: This Chapter, the one-year Municipal Scorecard, will be updated in accordance with the approved Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) 2021/22 during June 2021, and is subject to change. The TL SDBIP 2021/22 must be approved by the Executive Mayor within 28 days after the adoption of the Municipal Budget to be tabled in Council in May 2021.



10.1 SFA 1 - Valley of Possibility

SFA 1 – Valley of Possibility															
IDP Ref No	TL Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2019/20)	Annual Target 2021/22	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2021/22				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI007	TBC	Planning and Economic Development	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	Programme	All	1 300 per annum	1 656	1 300 job opportunities created through the Municipality's local economic development initiatives including capital projects by 30 June	400 (400)	900 (900)	1 100 (1 100)	1 300 (1 300)	EPWP reporting system	Outcome
KPI008	TBC	Planning and Economic Development	Land-use applications considered by the Municipal Planning Tribunal within 120 days from a complete land-use application	Percentage of land-use applications considered by the Municipal Planning Tribunal within 120 days from a complete land-use application	Programme	All	75% per annum	0%	75% of land-use applications considered by the Municipal Planning Tribunal within 120 days from a complete land-use application	75%	75%	75%	75%	Minutes of the MPT Meeting	Outcome
KPI009	TBC	Planning and Economic Development	Training opportunities provided for entrepreneurs and Small, Medium and Micro Enterprises (SMMEs)	Number of quarterly training opportunities provided for entrepreneurs and SMMEs	Programme	All	4 per annum	4	4 quarterly training opportunities provided for entrepreneurs and SMMEs	1 (1)	1 (2)	1 (3)	1 (4)	Attendance Registers	Output
KPI010	TBC	Planning and Economic Development	Revised Spatial Development Framework (SDF) submitted to Council	Number of Revised SDFs submitted to Council by 31 May	Programme	All	1 per annum	New KPI	1 Revised SDF submitted to Council by 31 May	N/A	N/A	N/A	1	Proof of submission of the Revised SDF to Council	Page 392



SFA 1 – Valley of Possibility															
IDP Ref No	TL Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2019/20)	Annual Target 2021/22	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2021/22				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI012	TBC	Planning and Economic Development	Revised Housing Pipeline (document) submitted to the Mayoral Committee (MayCo)	Number of Revised Housing Pipelines (documents) submitted to the MayCo by 31 May	Programme	All	1 per annum	1	1 Revised Housing Pipeline (document) submitted to the MayCo by 31 May	N/A	N/A	N/A	1	Proof of submission of the Revised Housing Pipeline (document) to the MayCo	Output
KPI080	TBC	Planning and Economic Development	Submission of Tourism Strategic Plan to the Municipal Manager	Number of Tourism Strategic Plans submitted to the Municipal Manager by 30 June	Key Initiative	All	1 per annum	New KPI	1 Tourism Strategic Plan submitted to the Municipal Manager by 30 June	N/A	N/A	N/A	1	Proof of submission of the Tourism Strategic Plan to the Municipal Manager	Output



10.2 SFA 2 - Green and Sustainable Valley

SFA 2 - Green and Sustainable Valley															Page 304
IDP Ref No	TL Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2019/20)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2021/22				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI016	TBC	Infrastructure Services	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	Programme	All	1 per annum	1	1 external audit of the Stellenbosch Municipality Waste Disposal Facilities conducted by 30 June	N/A	N/A	N/A	1	Audit report	Output
KPI073	TBC	Infrastructure Services	Implementation of identified waste minimisation projects	Number of identified waste minimisation projects implemented by 30 June	Key Initiative	All	2 per annum	1	2 identified waste minimisation projects implemented by 30 June	N/A	N/A	N/A	2	Waste minimisation report submitted to the Municipal Manager	Output
KPI018	TBC	Planning and Economic Development	Building plan applications decided on within 30 days	Percentage of building plan applications of <500sqm decided on within 30 days after date of receipt	Programme	All	80% per annum	72.92%	80% of building plan applications of <500sqm decided on within 30 days after date of receipt	80%	80%	80%	80%	Building plan application register	Outcome
KPI019	TBC	Infrastructure Services	Waste water quality managed and measured into the Department of Water and Sanitation's License Conditions for physical and micro parameters	Percentage waste water quality compliance as per analysis certificate, measured quarterly	Programme	All	70% per annum	60.70%	70% waste water quality compliance as per analysis certificate measured by 30 June	70%	70%	70%	70%	Report submitted by the service provider and report from GDS system	Outcome
KPI078	TBC	Corporate Services	Submission of the Revised Facility Management Plan to the MayCo	Number of Revised Facility Management Plans submitted to the MayCo by 31 May	Programme	All	1 per annum	1	1 Revised Facility Management Plan submitted to the MayCo by 31 May	N/A	N/A	N/A	1	Proof of submission of the Revised Facility Management Plan to the MayCo	Outcome



SFA 2 - Green and Sustainable Valley															
IDP Ref No	TL Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2019/20)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2021/22				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI081	TBC	Infrastructure Services	Reduce organic waste	Percentage of organic waste reduced by 30 June	Programme	All	20%	New KPI	20% of organic waste reduced by 30 June	N/A	N/A	N/A	20%	Weightbridge data and monthly progress reports	Outcome
KPI085	TBC	Community and Protection Services	Submission of a Friends Group Framework for the management of the nature areas to the Municipal Manager	Number of Friends Group Frameworks for the management of the nature areas to the Municipal Manager by 31 March	Key Initiative	All	1 per annum	New KPI	1 Friends Group Framework for the management of the nature areas to the Municipal Manager by 31 March	N/A	N/A	1	N/A	Proof of submission of the Friends Group Framework for the management of the nature areas to the Municipal Manager	Output



10.3 SFA 3 - Safe Valley

SFA 3 - Safe Valley															
IDP Ref No	TL Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Words	5 year target	Baseline (Actual result 2019/20)	Annual Target 2021 /22	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2021 /22				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI025	TBC	Community and Protection Services	Revised Disaster Management Plan submitted to the Municipal Manager	Number of Revised Disaster Management Plans submitted to the Municipal Manager by 31 March	Programme	All	1 per annum	1	1 Revised Disaster Management Plan submitted to the Municipal Manager by 31 March	N/A	N/A	1	N/A	Proof of submission of the Disaster Management Plan to the Municipal Manager	Output
KPI026	TBC	Community and Protection Services	Revised Safety and Security Strategy submitted to the Municipal Manager	Number of Revised Safety and Security Strategies submitted to the Municipal Manager by 30 April	Programme	All	1 per annum	1	1 Revised Safety and Security Strategy submitted to the Municipal Manager by 30 April	N/A	N/A	N/A	1	Proof of submission of the Revised Safety and Security Strategy to the Municipal Manager	Output
KPI027	TBC	Community and Protection Services	Revised Traffic Management Plan submitted to the Municipal Manager	Number of Revised Traffic Management Plans submitted to the Municipal Manager by 31 March	Programme	All	1 per annum	1	1 Revised Traffic Management Plan submitted to the Municipal Manager by 31 March	N/A	N/A	1	N/A	Proof of submission of the Revised Traffic Management Plan to the Municipal Manager	Output

**10.4 SFA 4 - Dignified Living**

SFA 4 - Dignified Living															
IDP Ref No	TL Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2019/20)	Annual Target 2021/22	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2021/22				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI037	TBC	Infrastructure Services	Provision of waterborne toilet facilities in informal settlements as identified by the Department: Integrated Human Settlements	Number of waterborne toilet facilities provided in Informal settlements as identified by the Department: Integrated Human Settlements by 30 June	Programme	All	50 per annum	51	50 waterborne toilet facilities provided in informal settlements as identified by the Department: Integrated Human Settlements by 30 June	N/A	20 (20)	N/A	50 (50)	Completion certificates / Formal request by the Department: Integrated Human Settlements (IHS)	
KPI039	TBC	Financial Services	Registered indigent formal households with access to free basic water (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage registered indigent formal households with access to free basic water, measured quarterly	Programme	All	100% per annum	100%	100% of registered indigent formal households with access to free basic water, measured quarterly	100%	100%	100%	100%	Indigent Register	
KPI040	TBC	Infrastructure Services	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	Programme	All	<9% per annum	9,36%	<9% average electricity losses measured by 30 June	N/A	N/A	N/A	<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	
KPI041	TBC	Infrastructure Services	Water quality managed and measured quarterly into the SANS 241 physical and micro parameters	Percentage water quality level as per analysis certificate measured quarterly	Programme	All	90%, per annum	90.96%	90% water quality level as per analysis certificate measured quarterly	90%	90%	90%	90%	Quarterly Supply System Drinking Water Quality Report - DWA Blue Drop System (BDS)	



SFA 4 - Dignified Living

IDP Ref No	TL Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Words	5 year target	Baseline (Actual result 2019/20)	Annual Target 2021/22	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2021/22				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI042	TBC	Infrastructure Services	Limit unaccounted water to less than 25%	Average percentage water losses measured quarterly	Programme	All	<25% per annum	20.50%	<25% average percentage water losses measured by 30 June	<25%	<25%	<25%	<25%	Quarterly water balance sheet and Monthly Consumption Report	Outcome
KPI043	TBC	Financial Services	Registered indigent formal households with access to free basic electricity provided by the Municipality (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic electricity provided by the Municipality, measured quarterly	Programme	All	65% per annum	73.99%	65% of registered indigent formal households with access to free basic electricity provided by the Municipality, measured quarterly	65%	65%	65%	65%	Prepaid Electricity Service Provider Report	Output
KPI044	TBC	Financial Services	Registered indigent formal households with access to free basic refuse removal (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic refuse removal, measured quarterly	Programme	All	100% per annum	100%	100% of registered indigent formal households with access to free basic refuse removal, measured quarterly	100%	100%	100%	100%	Indigent Register	Output
KPI045	TBC	Financial Services	Registered indigent formal households with access to free basic sanitation (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic sanitation, measured quarterly	Programme	All	100% per annum	100%	100% of registered indigent formal households with access to free basic sanitation, measured quarterly	100%	100%	100%	100%	Indigent Register	Output
KPI074	TBC	Financial Services	Formal households with access to water (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to water, measured quarterly	Programme	All	25 500 per annum	26 397	25 500 formal households with access to water, measured quarterly	25 500	25 500	25 500	25 500	ValuProp report	Output
KPI075	TBC	Financial Services	Formal households with access to electricity (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to electricity, measured quarterly	Programme	All	24 000 per annum	26 397	24 000 formal households with access to electricity, measured quarterly	24 000	24 000	24 000	24 000	Itfon management report	Output



SFA 4 - Dignified Living															
IDP Ref No	TL Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Words	5 year target	Baseline (Actual result 2019/20)	Annual Target 2021/22	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2021/22				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI076	TBC	Financial Services	Formal households with access to refuse removal (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to refuse removal, measured quarterly	Programme	All	25 500 per annum	26 397	25 500 formal households with access to refuse removal, measured quarterly	25 500	25 500	25 500	25 500	ValuProp report	Output
KPI077	TBC	Financial Services	Formal households with access to sanitation (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to sanitation, measured quarterly	Programme	All	25 500 per annum	26 397	25 500 formal households with access to sanitation, measured quarterly	25 500	25 500	25 500	25 500	ValuProp report	Output



10.5 SFA 5 - Good Governance and Compliance

SFA 5 - Good Governance and Compliance															
IDP Ref No	TL Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2019/20)	Annual Target 2021/22	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2021/22				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI055	TBC	Financial Services	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)	Programme	All	4 per annum	2.43	4 (months)	N/A	N/A	N/A	4 (months)	Financial Statements	Outcome
KPI056	TBC	Financial Services	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	Programme	All	96% per annum	89.17%	96%	N/A	N/A	N/A	96%	Debtors transaction summary: BS-Q909E extract generated from the Samras Financial System	Outcome
KPI057	TBC	Financial Services	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	Programme	All	90% per annum	70.25%	90% of approved Capital Budget for the Municipality actually spent by 30 June	10%	30%	60%	90%	Report from the financial system	Input



SFA 5 - Good Governance and Compliance

IDP Ref No	TL Ref No	Directorate	Indicator (Activity/Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2019/20)	Annual Target 2021/22	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2021/22				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI058	TBC	Office of the Municipal Manager	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	Programme	All	75% per annum	66.67%	75% of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June	N/A	N/A	N/A	75%	Employment Equity Report	Outcome
KPI059	TBC	Corporate Services	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	Programme	All	0.58% per annum	0.13%	0.58% of Municipality's payroll budget actually spent on implementing its workplace skills plan, measured by 30 June	N/A	N/A	N/A	0.58%	Report from the financial system	Input
KPI060	TBC	Financial Services	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	Programme	All	15% per annum	59.13%	15%	N/A	N/A	N/A	15%	Annual Financial Statements, supported by figures as per the SAMRAS financial system	Outcome
KPI061	TBC	Financial Services	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	Programme	All	27% per annum	12.38%	27%	N/A	N/A	N/A	27%	Annual Financial Statements, supported by figures as per the SAMRAS financial system	Outcome



SFA 5 - Good Governance and Compliance

IDP Ref No	TL Ref No	Directorate	Indicator (Activity/Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2019/20)	Annual Target 2021/22	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2021/22				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI062	TBC	Office of the Municipal Manager	Revised Risk-Based Audit Plan (RBAP) submitted to the Audit Committee	Number of Revised RBAPs submitted to the Audit Committee by 30 June	Programme	All	1 per annum	1	1 Revised RBAP submitted to the Audit Committee by 30 June	N/A	N/A	N/A	1	Proof of submission of the RBAP to the Audit Committee	Output
KPI063	TBC	Office of the Municipal Manager	AGSA Audit Action Plan (AAP) submitted to the Audit Committee	Number of AGSA Audit Action Plans submitted to the Audit Committee by 28 February	Programme	All	1 per annum	1	1 AGSA Audit Action Plan submitted to the Audit Committee by 28 February	N/A	N/A	1	N/A	Proof of submission of the AGSA AAP to the Audit Committee	Output
KPI064	TBC	Office of the Municipal Manager	Revised Strategic Risk Register (SRR) submitted to the Risk Management Committee	Number of Revised Strategic Risk Registers submitted to the Risk Management Committee by 30 June	Programme	All	1 per annum	1	1 Revised Strategic Risk Register submitted to the Risk Management Committee by 30 June	N/A	N/A	N/A	1	Proof of submission of the SRR to the Risk Management Committee	Output
KPI065	TBC	Corporate Services	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	Programme	All	1 per annum	1	1 Revised ICT Backup Disaster Recovery Plan submitted to the ICT Steering Committee by 31 March	N/A	N/A	1	N/A	Proof of submission of the Revised ICT Backup Disaster Recovery Plan to the ICT Steering Committee	Output
KPI066	TBC	Corporate Services	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	Programme	All	1 per annum	1	1 Revised Strategic ICT Plan submitted to the ICT Steering Committee by 31 March	N/A	N/A	1	N/A	Proof of submission of the Revised Strategic ICT Plan to the ICT Steering Committee	Output
KPI067	TBC	Office of the Municipal Manager	Draft Integrated Development Plan (IDP) submitted to Council	Number of Draft IDPs submitted to Council by 31 March	Programme	All	1 per annum	1	1 Draft IDP submitted to Council by 31 March	N/A	N/A	1	N/A	Proof of submission of the Draft IDP to Council	Output



SFA 5 - Good Governance and Compliance

IDP Ref No	TL Ref No	Directorate	Indicator (Activity/Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2019/20)	Annual Target 2021/22	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP) 2021/22				POE	Delivery Indicator
										Q1	Q2	Q3	Q4		
KPI070	TBC	Office of the Municipal Manager	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	Programme	All	1 per annum	1	1 IDP / Budget / SDF time schedule (process plan) submitted to Council by 31 August	1	N/A	N/A	N/A	Proof of submission of the IDP / Budget / SDF time schedule (process plan) to Council	Output
KPI071	TBC	Infrastructure Services	Revised Electrical Master Plan submitted to Council	Number of Revised Electrical Master Plans submitted to Council by 30 June	Programme	All	1 per annum	1	1 Revised Electrical Master Plan submitted to Council by 30 June	N/A	N/A	N/A	1	Proof of submission of the Revised Electrical Master Plan to Council	Output
KPI072	TBC	Corporate Services	Submission of a Draft Smart City Framework to the MayCo	Number of Draft Smart City Frameworks submitted to the MayCo by 31 May	Key Initiative	All	1 per annum	0	1 Draft Smart City Framework submitted to the MayCo by 31 December	N/A	N/A	N/A	1	Proof of submission of the Draft Smart City Framework to the MayCo	Output
KPI083	TBC	Corporate Services	Submission of a Cyber-attack Mitigation and Resilience Strategy to the Municipal Manager	Number of a Cyber-attack Mitigation and Resilience Strategies submitted to the Municipal Manager by 31 March	Key Initiative	All	1 per annum	New KPI	1 Cyber-attack Mitigation and Resilience Strategy submitted to the Municipal Manager by 31 March	N/A	N/A	1	N/A	Proof of submission of the Cyber-attack Mitigation and Resilience Strategy to the Municipal Manager	Output
KPI084	TBC	Infrastructure Services	Submission of the Revised Comprehensive Integrated Transport Plan (CTIP) to the MayCo	Number of Revised Comprehensive Integrated Transport Plans (CTIPs) submitted to the MayCo by 30 June	Programme		1 per annum	New KPI	1 Revised Comprehensive Integrated Transport Plan (CTIPs) submitted to the MayCo by 30 June	N/A	N/A	N/A	1	Proof of submission of the CTIP to the MayCo	Output



ANNEXURE B



ONLINE PUBLIC PARTICIPATION MEETING SCHEDULE: 08 – 21 April 2021

The Stellenbosch Municipality encourages participatory democracy and invites all members of the public, in accordance with the approved Integrated Development Plan (IDP) Process Plan, to participate in the planning process for the review of the Integrated Development Plan for the 2021/22 financial year.

Due to the health and safety concerns of the Covid-19 pandemic, members of the community are requested, where possible, to attend the meetings **online** through one of the links which will be made available on the municipal website and not to attend the physical meeting.

Members of the community and other interested and affected parties are encouraged to attend the **online public participation meeting** for their ward/area, as scheduled below. The links to the online public participation meetings will be made available on the municipality's website and on its social media platforms.

Members of the community who may not have access to data and or a device, to attend the online public participation meeting, are encouraged to attend a venue closest to their place of residence. Unfortunately, due to the Covid-19 regulations, only 50% of the capacity of a hall may be used. Members of the community are therefore required to indicate their interest to attend the meeting at one of the venues (as indicated below) by reserving their place. To reserve a place at a venue, please email the municipality at idp@stellenbosch.gov.za.

ONLINE PUBLIC PARTICIPATION SCHEDULE: APRIL 2021

DATE AND TIME	WARDS	WARD COUNCILLORS	VENUE	Allowable venue capacity	TIMES
Thursday, 08 April 2021	1	Cllr Aldridge Frazenburg	Groendal Community Hall	100 people	18:30 – 20:30
	2	Cllr Wilhelmina Petersen	La Motte Community Hall	100 people	18:30 – 20:30
Monday, 12 April 2021	3	Cllr Charles Manuel	Wemmershoek Community Hall	70 people	18:30 – 20:30
	4	Cllr Malcolm Johnson	Pniel Community Hall	50 people	18:30 – 20:30
			Kylemore Community Hall	90 people	18:30 – 20:30
Tuesday, 13 April 2021	5	Cllr Donovan Joubert	Gratitude Park, Ida's Valley (Kreefgat Park) (Alternative venue, Ida's Valley sport ground)	50 people	18:30 – 20:30
	6	Cllr Nateshia Mcombring	Ida's Valley market (alternative venue, Ida's Valley sports ground)	50 People	18:30 – 20:30
Wednesday, 14 April 2021	7, 8, 9, 10, 11 and 22	Cllr Alwyn Hanekom Cllr Quintin Smit Cllr Zeldia Dalling Cllr Rozette Du Toit Cllr Johannie Serdyn Cllr Esther Groenewald	Stellenbosch Town Hall	100 people	18:30 – 20:30
Thursday, 15 April 2021	12	Cllr Nokuthula Managa-Gugushe	Kayamandi Legacy Hall	90 people	18:00 -20:00
	15	Cllr Nosibulele Sinkinya			
	13	Cllr Faith Bangani-Menziwa	Kayamandi Corridor	40 People Inside 80 people outside	18:00 – 20:00
	14	Cllr Phelisa Sitshoti	Kayamandi Community Hall	50 People	18:00 – 20:00
Monday, 19 April 2021	16	Cllr Elsabe Vermeulen	Eikestad Hall	30 People	18:30 – 20:30
	17	Cllr Paul Biscoombe			
Tuesday, 20 April 2021	18	Cllr Emily Fredericks	Klapmuts Multipurpose Centre	90 People	18:30 – 20:30
	19	Cllr Jan Karel Hendriks	Bottelary Tennis Club	60 People	18:30 – 20:30
Wednesday, 21 April 2021	20	Cllr Ansaaf Crombie	Vlottenburg Methodist Church	50 People	18:30 – 20:30
	21	Cllr Rikus Badenhorst	Jamestown clubhouse	20 People	18:30 – 20:30

Geraldine Mettler
Municipal Manager

8.2	MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2021/2022-2023/2024
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

24 March 2021

1. **SUBJECT: MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2021/2022-2023/2024**

2. **PURPOSE**

The purpose of this report is as follows:

- a) The Executive Mayor to table the Medium Term Revenue and Expenditure Framework (inclusive of property rates charges and taxes, tariffs and service charges), annexures and proposed amendments to the budget related policies and other policies to Council for approval in terms of Section 16(2) of the Municipal Finance Management Act, (Act 56 of 2003).
- b) That Council specifically note and consider the need to take up external loans to fund critically needed refurbishment of infrastructure to the amount of R444 million of which over the MTREF R144 million will be required in year one, R140 million in year two and R160 million in year three (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirms draft approval of same in order for the Chief Financial Officer to attend to the necessary legislative requirements.

3. **DELEGATED AUTHORITY**

FOR APPROVAL BY MUNICIPAL COUNCIL

4. **EXECUTIVE SUMMARY**

BUDGET

Attached as **APPENDIX 1** is an executive summary by the Accounting Officer.

5. **RECOMMENDATIONS**

- (a) that the Draft High Level Budget Summary, as set out in **APPENDIX 1 – PART 1 – SECTION C**; be approved for public release;
- (b) that the Draft Annual Budget Tables as prescribed by the Budgeting and Reporting Regulations, as set out in **APPENDIX 1 – PART 1 – SECTION D**, be approved for public release;
- (c) that the proposed Grants-In-Aid allocations as set out in **APPENDIX 1 – PART 2 – SECTION J**, be approved for public release;
- (d) that the three year Capital Budget for 2021/2022, 2022/2023 and 2023/2024, as set out in **APPENDIX 1 – PART 2 – SECTION N**, be approved for public release;
- (e) that the proposed draft rates on properties in WCO24, tariffs, tariff structures and service charges for water, electricity, refuse, sewerage and other municipal services, as set out in **APPENDIX 3**, be approved for public release;

- (f) that the proposed amendments to existing budget-related policies and other policies as set out in **APPENDICES 4 - 31**, be approved for public release;
- (g) that Council specifically notes and considers the need to take up an external loan, needed for investment in income generating infrastructure to the amount of R370 million of which R130 million will be required in year one, R120 million in year two and R120 million in year three (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirms approval of same;
- (h) that Council specifically takes note of the fact that the proposed electricity charges and tariff structure is subject to NERSA approval that could change materially; and
- (i) that Council takes note of MFMA circulars 107 and 108 that were published to guide the MTREF for 2021/2022 to 2023/2024 as set out in **APPENDICES 32 – 33**.

6. DISCUSSION / CONTENTS

6.1 Background / Legislative Framework

Section 16 of the MFMA states that:

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

Furthermore, section 17 of the MFMA states that:

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

6.2 Discussion

This year has had many challenges, the two main challenges being the COVID -19 pandemic that has claimed many lives and on the other hand the weak economy, that has become weaker as a result of the aforementioned pandemic. This resulted in an increase in unemployment, a high budget deficit and rapidly growing public debt. The pandemic is estimated to have caused a 7.2 per cent reduction in GDP growth during 2020. The projected GDP growth for 2021 is 3.3 per cent reducing to an average of 1.9 per cent in 2022 and 2023. GDP is only expected to recover to pre-pandemic levels in 2023. The outlook remains highly uncertain, and the economic effects of the pandemic have far fetching results. It is important to note that although the growth rates are likely to improve, with removal of restrictions, based on current projections, the output is only expected to return to pre-pandemic levels, hopefully by 2024.

Stats SA figures reflect the impact of the pandemic on our economy on a national level as follows:

- Income generated by the food and beverages industry **decreased** by **36,6%** in November 2020 compared with November 2019.
- Total income for the tourist accommodation industry **decreased** by **65,5%** in November 2020 compared with November 2019.
- Income from accommodation **decreased** by **66,8%** year-on-year in November 2020.
- SA electricity generation **decreased** by **2,4%** year-on-year in November 2020. Whilst, generation only increased by 0,5% in November 2020 compared with October 2020.
- Manufacturing production (including food and beverages), **decreased** by **3,5%** in November 2020 compared with November 2019.
- The real value of recorded building plans **decreased** by **40,8%** year-on-year during January to October 2020. The real value of buildings completed **decreased** by **49,9%** over the same period.

The aforementioned are just some of the national points which reflects directly on our own economy and how it has been affected.

The 2020 Medium Term Budget Policy Statement (MTBPS) sets the course for fiscal consolidation and economic recovery as follows:

- Intend to run primary surpluses on the main budget by 2025/26 by constraining non-interest spending growth;
- shift spending from consumption to investment. Over the MTREF period, the fastest-growing item, other than debt service costs, is spending on capital goods, i.e. investment, which is projected to grow at 7.8 per cent a year; and
- allocate resources for the Economic Reconstruction and Recovery Programme.

However, to achieve a faster recovery, characterised by growing investment in job creation, requires broader structural change. Government's economic reforms aims to remove barriers to growth, lower cost of doing business, and bolster confidence and investment. The economic recovery plan focuses on high impact reforms, namely, speeding up the expansion of electricity generation, creating jobs, rolling out infrastructure aligned with the National Development Plan, amongst others.

Government's recovery plans places emphasis on raising the economy's long-term growth rate; structural reforms that will lower the barriers to faster, inclusive growth by improving access to reliable electricity, water and sanitation services; enabling digital services that are cost-effective; promoting green economy and supporting industries with high employment potential such as agriculture and tourism. As a result of these circumstances, the 2021 Budget strikes a difficult balance between providing immediate support for the economy and shoring up the country's public finances. Medium-term fiscal policy focuses on extending temporary support in response to COVID-19, narrowing the budget deficit, stabilising debt and exercising continued restraint in non-interest expenditure growth, while improving the composition of expenditure.

The 2021 Budget Review supports economic recovery through immediate fiscal support and medium-term fiscal reforms. The government's budget of 2021 meets urgent pandemic-related spending pressures, such as procuring COVID-19 vaccines, expanding the public employment initiative, and continuing social and economic relief measures. Over the next MTREF period municipalities will have to adjust to significant changes in expenditure plans while improving accountability. Transfers that focuses on infrastructure, service delivery and COVID-19 spending are protected in the 2021 Budget. The aforementioned budget also includes funding for initiatives to improve municipal revenue collection and support financially distressed municipalities.

Municipalities must exercise caution when preparing their 2021/2022 MTREF budgets. It is advised that municipalities follow a conservative approach when projecting revenue and to eliminate waste and unnecessary expenditure. It is imperative that municipalities should

ensure the following, namely, that budgets they adopt are realistic and funded, that debts owned are collected and that their creditors are paid within 30 days of receipt of invoice. Legislation governing local planning and budgeting places emphasis on community participation in decision-making. The partnerships between municipalities and its stakeholders relies on the households and businesses recognising the value of, and paying for, municipal services. Therefore, the sustainability of the municipality will heavily depend on how they collect and spent their own revenues.

The 2021 Budget is framed by the two policy objectives set out in the 2020 Medium Term Budget Policy Statement (MTBPS), namely, promoting economic recovery and returning the public finances to a sustainable position. The budget addresses urgent economic needs while targeting long-term structural shortcomings and boosting infrastructure spending. It provides continued support to the economy and public health in the short term without adding to long-term spending pressures. Capital spending is the fastest-growing component of non-interest spending. A series of economic and fiscal measures are outlined in the 2021 budget, that will be implemented to move the economy onto a new trajectory and reduce the long-term risks to South Africa's public finances. The central economic policy goal of the government, is to accelerate inclusive growth and create jobs. The main objective is to ensure sustainable finances by containing the budget deficit and stabilising public debt. The Constitution requires the national budget and related budget processes to promote values such as transparency, accountability, as well as effective management of the economy to these requirements in a difficult environment in which economic growth remains weak, public debt and debt service costs have accelerated, and governance and operational concerns are manifest across the public sector. The 2021 Budget confronts these challenges by addressing the central risks of the economy and its public finances, supporting growth-enhancing reforms and maintaining real growth in expenditure on social and economic priorities.

The President of South Africa, in his State of the Nation Address (SONA), on 11th February 2021 conceded that unemployment remains a national challenge and that job creation remains at the center of the national agenda of 2021. During the SONA the President indicated that as a result of the relief measures that were implemented and the phased reopening of the economy, it is expected that a strong recovery in employment will be seen by the end of the year. The overriding priorities of 2021 are to defeat the COVID-19 pandemic, accelerate economic recovery, implement economic reforms to create sustainable jobs and drive inclusive growth, and fight corruption and strengthen the State.

The following focus areas were also highlighted, amongst others, during the State Of Nation Address:

- Safety and Security;
- Fight against corruption;
- State-owned Enterprises (SOE's);
- Agriculture and related initiatives
- Small Business Development;
- Digital Migration;
- Energy generation, transmission and distribution;
- Water Sector;
- Socio-economic support; and
- Job creation through employment stimulus.

Government's central economic policy priority remains to promote faster, job-creating growth. Various programmes and initiatives will be established and the existing one's improved upon to ensure effective implementation of the strategic priorities.

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

- Full participation in the Expanded Public Works Programme;
- Providing support to small businesses, which will create employment in the medium to long term;
- Establishment of Informal Traders;
- Promoting Internships and in-service training opportunities;
- Filling of critical vacancies within the municipality; and
- Developing partnerships with academic institutions for training opportunities.

The Western Cape Premier in his State of the Province address, on 17th February 2021, reiterated the following sentiments highlighted during the State of the Nation Address, including but not limited to, the challenges that are faced, the recovery plans and initiatives that were implemented to address these challenges with regards to the COVID-19 pandemic, economic growth recovery initiatives, unemployment, especially the youth, education, building of safer communities, sustainable infrastructure development, implementation of related initiatives, provision of housing (dignified living), finding alternative energy sources to assist and reduce the strain on the electrical grid and provision of services to the poor households. The Premier stated that the COVID-19 pandemic will continue to be the biggest challenge because in essence we are not just facing a health crisis. This pandemic has led to job crisis, humanitarian crisis and a dignity crisis and as a result of this government commits to continue fighting for the economy and for job creation.

The Premiers' speech focused, amongst others, on the following areas:

- Health: Comprehensive response plan designed as a result of the COVID-19 pandemic. This is a 5 part plan which will focus on the continuance of prevention behavior, rapidly up scaling testing for identification of COVID-19 cases, retain core field hospital capacity, making additional acute care capacity available in the Western Cape hospitals, and lastly to ensure there is sufficient PPE, staff and oxygen.
- Recovery plan which encapsulates various economic recovery interventions. The Community Economic Recovery Project is one of the successes of this plan.
- Economy: Creation of jobs through the private sector. Government's role is to support the economy and create an environment where the private sector will thrive.
- Infrastructure-led growth: Invest in infrastructure to stimulate economic growth, by building a portfolio of investment projects that can attract private finance where appropriate.
- Reliable and working public transport system.
- "Blue-dot taxi services to ensure safe and efficient taxi network.
- Energy and resilience: Finding alternative means to generate electricity for the province and alleviate the strain on the electrical grid, where the ultimate goal is to beat loadshedding. The province is making progress in achieving this goal through the launching of the Municipal Energy Resilience Project, which will assist municipalities in taking the necessary steps to generate, procure and sell their own electricity. The DEDAT, in partnership with Department of Local Government and Provincial Treasury, has undertaken an assessment process with all the municipalities to determine their readiness for and select those that can be the initial drivers of new energy opportunities. Stellenbosch Municipality has taken the lead in launching the first step of the project.
- Advancement i.t.o Agricultural technology and maintaining a competitive edge in this regard.
- Tourism and recovery of this sector.
- Safety: The province has a safety plan, the biggest in the country, in place with various safety initiatives which focuses on youth development, increasing boots on the ground and reducing violence, to build a safer environment for all.

- Education: Implement initiatives to improve quality of education and access to educational system. Looking at the demands on the education system, the province will continue to embrace innovation and the new, future digital world.
- Housing: Remains a priority for residents to have access to basic services, such as, clean running water, access to sanitation and proper shelter, which is safe and close to economic opportunities.

During his Statement of the Province Address the Premier highlighted the importance of finding ways to manage the pandemic and the impact thereof on the economy, minimise unemployment by creating an environment that encourages job creation, through investment and growth and creating an environment which raises the quality of education and prepares generations for a digital future. The Premier mentioned the successes achieved through the implementation of various initiatives with focus on job creation, improvement of education and creation of an environment which encourages expanding social services through partnership with private partners, building of partnerships to foster safer communities, investments in new initiatives and maintenance of existing transport infrastructure and implementation of various youth development programmes which in return will boost employment opportunities. All of the above focus areas are important; however, the basis of all of this is economic growth and job creation. In essence little else is possible if there is no growth or job opportunities.

Implementation of a revised capacity building initiative, aligned to Back to Basics strategy, where the main focus will be on improving service delivery, accountability and financial management. It is always important that local government be effective and efficient, and this will be measured by its ability to perform the basic mandate of service delivery. The "Back to Basics" programme was launched to promote good governance and effective administration through cutting wastage, spending public funds prudently, hiring competent staff, and ensuring transparency and accountability in local government.

Provincial treasury reiterated most of the challenges and focus areas highlighted in the Premier's State of the Province address, the SONA and the 2021 Budget Review. Provincial Treasury highlighted that recovery efforts will fail unless structural constraints, including energy, infrastructure and competitiveness, are urgently addressed. Electricity remains a binding constraint on economic recovery, with power interruptions expected to continue in 2021. Job creation is one of the top priorities of the economic recovery plan that will guide policy action over the MTREF period, along with new infrastructure investment and large-scale public employment programmes.

National Treasury encourages municipalities to maintain tariff increases and adopt a tariff setting methodology at levels that reflects an appropriate balance between the affordability to poorer households and other customers, while ensuring the financial sustainability of the municipality. Municipalities must ensure that their budgets are funded from realistically anticipated revenues. This means that the municipality must refrain from assuming collection rates that are unrealistic and unattainable. Cost reflective tariff setting is a requirement of Section 74 (2) of the Municipal Systems Act, 2000 (Act No.32 of 2000, wherein it states that tariffs "must reflect the cost reasonably associated with rendering the service". The municipalities must therefore generate sufficient revenue to fully recover their costs, deliver services to customers sustainably and invest in the infrastructure that promises local economic development.

The municipality must first assess the budget, before the tariff setting process, to determine whether it is effective and efficient and must ensure that it is credible for financial sustainability. In sum, the cost considered when setting a cost reflective tariff must include day-to-day operations and maintenance costs, capital financing cost and provision for bad debt, which are collectively referred to as direct costs, and governance and administration costs referred to as indirect costs.

Tariff increases by Eskom and Water Boards is above inflation and should be considered as such while determining cost reflective tariffs. In the instance of bulk tariff increases for electricity, municipalities are encouraged to apply for electricity tariff increases that reflect the total cost of providing the service, to ensure that they are working towards achieving fully cost-reflective tariffs that will assist them to achieve financial sustainability. Municipalities should consider the following facts during the tariff setting process, namely, the costs of bulk purchases and the fluctuation in the seasonal cost thereof; the consumption patterns to enable better demand planning and management; and in the event that municipalities have been under recovering costs, embark on a process to correct their tariff structures over a reasonable time period so that cost reflective tariffs are achieved, which in turn will result in financial sustainability.

Local government confronts tough fiscal choices in the face of financial and institutional problems that result in service-delivery breakdowns and unpaid bills. Municipalities can offset these trends by improving their own revenue collections, working more efficiently and implementing cost-containment measures. In order to maintain a funded budget, municipalities need to not only focus on tariff increases, but also focus on how to eliminate expenditure that is unnecessary. Cost Containment Regulations were issued on 07 June 2019. The implementation of cost containment measures are important as it will assist municipalities to reprioritise expenditure and to free up resources targeted towards service delivery. It will also be used to eliminate wastage of public resources on non-service delivery items. The main object of the regulations is to ensure that the resources of municipalities are used in an effective, efficient and economical manner.

As a result of the COVID-19 pandemic, the economic landscape, weak tariff setting and increases in key cost drivers to provide basic municipal services, municipalities are under pressure to generate additional revenue. Additional revenue need to be generated because the consumer's ability to pay for services received, continues to decline, which in turn leads to limited revenue collection. The effects of slow growth and economic challenges experienced these past years coupled with the COVID pandemic since 2020, continues to place pressure on the finances of the average consumer (levels of disposable income and savings). This typically results in greater difficulty for the municipality with regards to the revenue collection, which have a direct impact on the municipality's ability to provide effective and efficient services, but also to budget accurately for service delivery over the short to medium term. It is as a result of above challenges, alongside continued unemployment and slow growth that a more conservative approach is advised for revenue projections.

Municipalities are required to consider the following during the compilation of the 2021/2022 MTREF budgets:

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

The aforementioned were taking into account during the compilation of the municipality's budget.

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

the Stellenbosch Municipality has taken the theme of “Driving efficiencies- doing more with less”, to heart. The municipality's business and service delivery priorities were reviewed as part of this year's planning, through the Integrated Development Plan (IDP), and the annual budget process.

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

The main challenges experienced during the compilation of the 2021/2022 MTREF can be summarized as follows:

- The on-going difficulties in the national and local economy;
- COVID pandemic and the impact thereof on financial sustainability and the economy;
- Aging infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope;
- The increased cost of bulk water and electricity, which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Attracting economic investment;
- Water Conservation;
- Electricity/ Load shedding;
- Borrowing for multi-year capital projects and refinancing of existing loans;
- Reductions in allocations of some of the National and Provincial grants due to a worsening fiscal outlook;
- Limited resources to deal with all key priorities; and the
- 2021 Local Government Elections (transitional processes and hand-over reports for the newly elected councils);
- Slowdown in new developments;
- Decline in reserves available to fund capital programmes.

Local government elections are scheduled to take place during 2021. Circular 107 of the MFMA highlights the following four risks that should be managed. Firstly, if elections takes place after the start of the new financial year the outgoing council will be responsible to approve tariffs for the 2021/2022 financial year and newly elected council will implement it, secondly the outgoing council must ensure that they comply with the timeframes for the approval of the budget, thirdly the outgoing council should ensure that the budget is funded, and not prepare a “election friendly” budget that with unrealistically low tariffs and over-ambitious capital expenditure programme. Lastly municipalities must ensure that the public and stakeholder consultation processes are adhered to as required by the relevant legislature. The municipality's financial sustainability should be protected at all times in the build-up to the elections. Sound decision-making is of utmost importance to ensure long-term sustainability of municipal finances and service delivery long after the election period is completed.

The following budget principles and guidelines directly informed the compilation of the 2021/2022 MTREF:

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

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

Stellenbosch municipality's revenue strategy was based on the following fundamentals, namely, tariff policies of the municipality, economic outlook and development for Stellenbosch and surrounding areas, National Treasury's guidelines and macroeconomic policy, National, Provincial and Regional fiscal growth rates and electricity tariffs as approved by National Electricity Regulator of South Africa (NERSA).

The financial resources to fund the Operational Budget will and must consist of realistically anticipated revenue generated from property taxes, service charges and other income. The municipality were mindful of the estimated headline inflation for 2021/2022 of between 3% to 6% forming the basis of the extensive income modelling exercise, but also taking into account the principles of economical services that are cost reflective, trading services generating surpluses, the effect of escalating salary costs and bulk purchases. Inflation is forecast to fluctuate around 4.1% over the medium term in line with moderating inflation expectations.

The national budget focuses on fiscal consolidation. This means that we as municipalities must ensure that we do not borrow beyond our ability to repay and we do not spend money we do not have, until we ignite growth and generate revenue, we have to be tough on ourselves.

The total budget quantum for the 2021/2022 year is R2 414 754 347 of which R2 016 990 423 (84%), is allocated to the operating budget and R397 763 924 (16%) to capital investment.

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

DRAFT CAPITAL BUDGET 2021/2022 – 2023/2024

The draft capital budget is infrastructure orientated and addresses the huge backlog and urgent need to upgrade/refurbish Council's infrastructure as addressed by the different master plans. It is directed by the IDP (Integrated Development Plan) and the needs of the community. It's also aligned to the strategic priority in the State of the Nation Address of Infrastructure investment and the "back to basics" approach. Council's attention is however drawn to the fact that not all needs identified by the community can realistically be funded by the municipality. Critical and committed programmes/projects were the focal point for the capital budget.

The main capital projects that the municipality will be investing in, which constitute more than 75% of the capital budget, include:

- Water Pipe Replacement
- Bulk Water Supply Pipeline & Reservoir – Jamestown
- Water Conservation & Demand Management
- Bulk water supply Klapmuts
- New Reservoir Rosendal
- Bulk water supply pipe and Reservoir: Kayamandi
- New Reservoir & Pipeline: Vlottenburg
- Franschhoek Sewer Network Upgrade
- Upgrade of WWTW Wemmershoek
- Bulk Sewer Outfall: Jamestown
- Upgrade of WWTW: Pniel & Decommissioning Of Franschhoek
- Laterra Sub-Station
- Integrated National Electrification Programme (Enkanini)
- Watergang Farm Upgrading
- Upgrading of The Steps/Orlean Lounge
- Kayamandi: Zone O (±711 services)
- Longlands Development
- Bridge Rehabilitation

The detailed draft capital budgets for 2021/2022, 2022/2023 and 2023/2024 are attached as **APPENDIX 1**.

DRAFT OPERATING BUDGET 2021/2022 – 2023/2024

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

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

Taking all of these issues into consideration and to ensure the sustainability of our operations from realistically anticipated income flows, the following tariff and property tax increases are proposed for 2021/2022:

Electricity	14.59%
Sanitation	6%
Refuse removal	12%
Water	5.5%
Rates	-17.17%

Taking cognisance of the plight of the poor and the affordability of basic services, the scale up to 18 kl of water was increased by only 5.5% and usage over 18 kl (18 000 litres) for domestic consumers increases in proportion to consumption.

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

HIGH LEVEL CAPITAL AND OPERATING BUDGET FOR 2021/2022 – 2023/2024

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

TARIFFS

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

BUDGET-RELATED POLICIES & BY-LAWS

A summary of changes to budget-related policies is attached as **APPENDIX 4**

The following budget-related policies are new:

Wayleave Policy (**APPENDIX 5**)

The following budget-related policies and by-laws were revised:

Rates Policy (**APPENDIX 6**)

Indigent Policy (**APPENDIX 7**)

Special Ratings By-law (**APPENDIX 8**)

Rates By-law (**APPENDIX 9**)

Credit Control and Debt Collection Policy (**APPENDIX 10**)

Irrecoverable Debt Policy (**APPENDIX 11**)

Petty Cash Policy (**APPENDIX 12**)

Travel and Subsistency Policy (**APPENDIX 13**)

Cost Containment Policy (**APPENDIX 14**)

Cash Management and Investment Policy (**APPENDIX 15**)

Ward Allocation Policy (**APPENDIX 16**)

Supply Chain Management Policy (**APPENDIX 17**)

Development Charges Policy (**APPENDIX 18**)

Grants-In-Aid Policy (**APPENDIX 19**)

Accounting Policy (**APPENDIX 20**)

Asset Management Policy (**APPENDIX 21**)

Unchanged Policies

Special Ratings Area Policy (**APPENDIX 22**)

Tariff Policy (**APPENDIX 23**)

Tariff By-law (**APPENDIX 24**)

Virementation Policy (**APPENDIX 25**)

Budget Implementation and Monitoring Policy (**APPENDIX 26**)

Borrowing, Funds and Reserves Policy (**APPENDIX 27**)

Financing of External Bodies performing municipal functions Policy (**APPENDIX 28**)

Liquidity Policy (**APPENDIX 29**)

Inventory Management Policy (**APPENDIX 30**)

Preferential Procurement Policy (**APPENDIX 31**)

OTHER SUPPORTING DOCUMENTATION

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

6.2 Financial Implications

Financial impact already discussed above.

6.3 External Loan for 2021/2022

That Council specifically note and consider the need to take up external loans to fund critically needed refurbishment of infrastructure to the amount of R 444 million of which over the MTREF R144 million will be required in year one, R140 million in year two and R160 million in year three (refer to Section G: High Level Budget Overview and Table A1 Budget Summary).

6.4 Legal Implications

The item is compliant with the relevant legislative framework.

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions

6.7 Risk Implications

None

6.8 Comments from Senior Management

6.8.1 Director: Infrastructure Services

Noted

6.8.2 Director: Planning and Development Services

Noted

6.8.3 Director: Community and Protection Services

Noted

6.8.4 Director: Corporate Services

Noted

6.8.5 Chief Financial Officer

Noted

6.8.6 Municipal Manager

Noted

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2021-03-24: ITEM 6.2

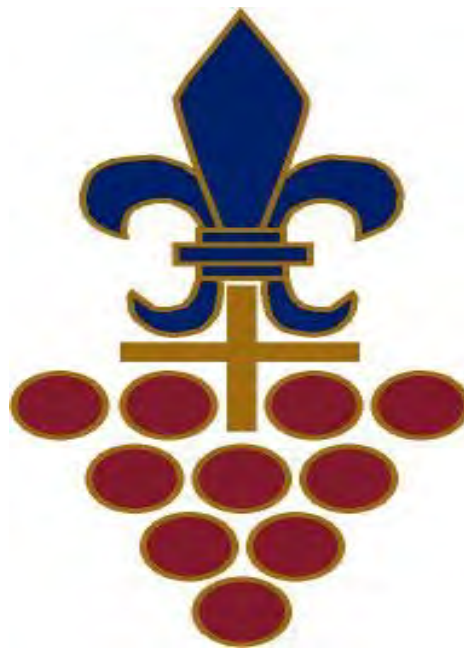
- (a) that the Draft High Level Budget Summary, as set out in APPENDIX 1 – PART 1 – SECTION C; be approved for public release;
- (b) that the Draft Annual Budget Tables as prescribed by the Budgeting and Reporting Regulations, as set out in APPENDIX 1 – PART 1 – SECTION D, be approved for public release;
- (c) that the proposed Grants-In-Aid allocations as set out in APPENDIX 1 – PART 2 – SECTION J, be approved for public release;
- (d) that the three-year Capital Budget for 2021/2022, 2022/2023 and 2023/2024, as set out in APPENDIX 1 – PART 2 – SECTION N, be approved for public release;
- (e) that the proposed draft rates on properties in WCO24, tariffs, tariff structures and service charges for water, electricity, refuse, sewerage and other municipal services, as set out in APPENDIX 3, be approved for public release;
- (f) that the proposed amendments to existing budget-related policies and other policies as set out in APPENDICES 5 - 31, be approved for public release;
- (g) that Council specifically notes and considers the need to take up an external loan, needed for investment in income generating infrastructure to the amount of R444 million of which R144 million will be required in year one, R140 million in year two and R160 million in year three (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirms approval of same;
- (h) that Council specifically takes note of the fact that the proposed electricity charges and tariff structure is subject to NERSA approval that could change materially; and
- (i) that Council takes note of MFMA circulars 107 and 108 that were published to guide the MTREF for 2021/2022 to 2023/2024 as set out in APPENDICES 32 – 33.

FOR FURTHER DETAILS CONTACT:

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REPORT DATE	24& 30 March 2021

APPENDIX 1

STELLENBOSCH MUNICIPALITY



MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIOD 2021/2022 TO 2023/2024

Vision:

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

“Valley of Opportunity and Innovation.”

Mission:

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

Our Values

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

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

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

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

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

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PART A

A: RESOLUTIONS

It is recommended to Council,

- a) that the Draft High Level Budget Summary, as set out in APPENDIX 1 – PART 1 – SECTION C; be approved for public release;
- b) that the Draft Annual Budget Tables as prescribed by the Budgeting and Reporting Regulations, as set out in APPENDIX 1 – PART 1 – SECTION D, be approved for public release;
- c) that the proposed Grants-In-Aid allocations as set out in APPENDIX 1 – PART 2 – SECTION J, be approved for public release;
- d) that the three-year Capital Budget for 2021/2022, 2022/2023 and 2023/2024, as set out in APPENDIX 1 – PART 2 – SECTION N, be approved for public release;
- e) that the proposed draft rates on properties in WCO24, tariffs, tariff structures and service charges for water, electricity, refuse, sewerage and other municipal services, as set out in APPENDIX 3, be approved for public release;
- f) that the proposed amendments to existing budget related policies and other policies as set out in APPENDICES 4 - 31, be approved for public release.
- g) that Council specifically note and consider the need to take up an external loan, needed for investment in income generating infrastructure to the amount of R444 millions of which R144 million will be required in year one, R140 million in year two and R160 million in year three (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirm approval of same;
- h) that Council specifically take note of the fact that the proposed electricity charges and tariff structure is subject to NERSA approval that could change materially; and
- i) that Council takes note of MFMA circulars 107 and 108 that was published to guide the MTREF for 2021/2022 to 2023/2024 as set out in APPENDICES 32 – 33.

B: EXECUTIVE SUMMARY

This year has had many challenges, the two main challenges being the COVID -19 pandemic that has claimed many lives and on the other hand the weak economy, that has become weaker as a result of the aforementioned pandemic. This resulted in an increase in unemployment, a high budget deficit and rapidly growing public debt. The pandemic is estimated to have caused a 7.2 per cent reduction in GDP growth during 2020. The projected GDP growth for 2021 is 3.3 per cent reducing to an average of 1.9 per cent in 2022 and 2023. GDP is only expected to recover to pre-pandemic levels in 2023. The outlook remains highly uncertain, and the economic effects of the pandemic have far fetching results. It is important to note that although the growth rates are likely to improve, with removal of restrictions, based on current projections, the output is only expected to return to pre-pandemic levels, hopefully by 2024.

Stats SA figures reflects the impact of the pandemic on our economy on a national level as follow:

- Income generated by the food and beverages industry **decreased** by **36,6%** in November 2020 compared with November 2019.
- Total income for the tourist accommodation industry **decreased** by **65,5%** in November 2020 compared with November 2019.
- Income from accommodation **decreased** by **66,8%** year-on-year in November 2020.
- SA electricity generation **decreased** by **2,4%** year-on-year in November 2020. Whilst, generation only increased by 0,5% in November 2020 compared with October 2020.
- Manufacturing production (including food and beverages), **decreased** by **3,5%** in November 2020 compared with November 2019.
- The real value of recorded building plans **decreased** by **40,8%** year-on-year during January to October 2020. The real value of buildings completed **decreased** by **49,9%** over the same period.

The aforementioned are just some of the national points which reflects directly on our own economy and how it has been affected.

The 2020 Medium Term Budget Policy Statement (MTBPS) sets the course for fiscal consolidation and economic recovery as follow:

-
- Intend to run primary surpluses on the main budget by 2025/26 by constraining non-interest spending growth;
 - shift spending from consumption to investment. Over the MTREF period, the fastest-growing item, other than debt service costs, is spending on capital goods, i.e. investment, which is projected to grow at 7.8 per cent a year; and
 - allocate resources for the Economic Reconstruction and Recovery Programme.

However, to achieve a faster recovery, characterised by growing investment in job creation, requires broader structural change. Government's economic reforms aims to remove barriers to growth, lower cost of doing business, and bolster confidence and investment. The economic recovery plan focuses on high impact reforms, namely, speeding up the expansion of electricity generation, creating jobs, rolling out infrastructure aligned with the National Development Plan, amongst others.

Government's recovery plans places emphasis on raising the economy's long-term growth rate; structural reforms that will lower the barriers to faster, inclusive growth by improving access to reliable electricity, water and sanitation services; enabling digital services that are cost-effective; promoting green economy and supporting industries with high employment potential such as agriculture and tourism. As a result of these circumstances, the 2021 Budget strikes a difficult balance between providing immediate support for the economy and shoring up the country's public finances. Medium-term fiscal policy focuses on extending temporary support in response to COVID-19, narrowing the budget deficit, stabilising debt and exercising continued restraint in non-interest expenditure growth, while improving the composition of expenditure.

The 2021 Budget Review supports economic recovery through immediate fiscal support and medium-term fiscal reforms. The government's budget of 2021 meets urgent pandemic-related spending pressures, such as procuring COVID-19 vaccines, expanding the public employment initiative, and continuing social and economic relief measures. Over the next MTREF period municipalities will have to adjust to significant changes in expenditure plans while improving accountability. Transfers that focuses on infrastructure, service delivery and COVID-19 spending are protected in the 2021 Budget. The aforementioned budget also includes funding for initiatives to improve municipal revenue collection and support financially distressed municipalities.

Municipalities must exercise caution when preparing their 2021/2022 MTREF budgets. It is advised that municipalities follow a conservative approach when projecting revenue and to

eliminate waste and unnecessary expenditure. It is imperative that municipalities should ensure the following, namely, that budgets they adopt are realistic and funded, that debts owned are collected and that their creditors are paid within 30 days of receipt of invoice. Legislation governing local planning and budgeting places emphasis on community participation in decision-making. The partnerships between municipalities and its stakeholders relies on the households and businesses recognising the value of, and paying for, municipal services. Therefore, the sustainability of the municipality will heavily depend on how they collect and spent their own revenues.

The 2021 Budget is framed by the two policy objectives set out in the 2020 Medium Term Budget Policy Statement (MTBPS), namely, promoting economic recovery and returning the public finances to a sustainable position. The budget addresses urgent economic needs while targeting long-term structural shortcomings and boosting infrastructure spending. It provides continued support to the economy and public health in the short term without adding to long-term spending pressures. Capital spending is the fastest-growing component of non-interest spending. A series of economic and fiscal measures are outlined in the 2021 budget, that will be implemented to move the economy onto a new trajectory and reduce the long-term risks to South Africa's public finances. The central economic policy goal of the government, is to accelerate inclusive growth and create jobs. The main objective is to ensure sustainable finances by containing the budget deficit and stabilising public debt. The Constitution requires the national budget and related budget processes to promote values such as transparency, accountability, as well as effective management of the economy to these requirements in a difficult environment in which economic growth remains weak, public debt and debt service costs have accelerated, and governance and operational concerns are manifest across the public sector. The 2021 Budget confronts these challenges by addressing the central risks of the economy and its public finances, supporting growth-enhancing reforms and maintaining real growth in expenditure on social and economic priorities.

The President of South Africa, in his State of the Nation Address (SONA), on 11th February 2021 conceded that unemployment remains a national challenge and that job creation remains at the centre of the national agenda of 2021. During the SONA the President indicated that as a result of the relief measures that were implemented and the phased reopening of the economy, it is expected that a strong recovery in employment will be seen by the end of the year. The overriding priorities of 2021 are to defeat the COVID-19 pandemic, accelerate economic recovery, implement economic reforms to create sustainable jobs and drive inclusive growth, and fight corruption and strengthen the State.

The following focus areas were also highlighted, amongst others, during the State Of Nation Address:

- Safety and Security;
- Fight against corruption;
- State-owned Enterprises (SOE's);
- Agriculture and related initiatives
- Small Business Development;
- Digital Migration;
- Energy generation, transmission and distribution;
- Water Sector;
- Socio-economic support; and
- Job creation through employment stimulus.

Government's central economic policy priority remains to promote faster, job-creating growth. Various programmes and initiatives will be established and the existing one's improved upon to ensure effective implementation of the strategic priorities.

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

- Full participation in the Expanded Public Works Programme;
- Providing support to small businesses, which will create employment in the medium to long term;
- Establishment of Informal Traders;
- Promoting Internships and in-service training opportunities;
- Filling of critical vacancies within the municipality; and
- Developing partnerships with academic institutions for training opportunities.

The Western Cape Premier in his State of the Province address, on 17th February 2021, reiterated the following sentiments highlighted during the State of the Nation Address, including but not limited to, the challenges that are faced, the recovery plans and initiatives that were implemented to address these challenges with regards to the COVID-19 pandemic, economic growth recovery initiatives, unemployment, especially the youth, education, building of safer communities, sustainable infrastructure development, implementation of related initiatives, provision of housing (dignified living), finding alternative energy sources to assist and reduce the strain on the electrical grid and provision of services to the poor households. The Premier stated that the COVID-19 pandemic will continue to be the biggest challenge because in essence we are not just facing a health crisis. This pandemic has led to job crisis, humanitarian crisis and a dignity crisis and as a result of this government commits to continue fighting for the economy and for job creation.

The Premiers' speech focused, amongst others, on the following areas:

- Health: Comprehensive response plan designed as a result of the COVID-19 pandemic. This is a 5-part plan which will focus on the continuance of prevention behavior, rapidly upscaling testing for identification of COVID-19 cases, retain core field hospital capacity, making additional acute care capacity available in the Western Cape hospitals, and lastly to ensure there is sufficient PPE, staff and oxygen.
- Recovery plan which encapsulates various economic recovery interventions. The Community Economic Recovery Project is one of the successes of this plan.
- Economy: Creation of jobs through the private sector. Government's role is to support the economy and create an environment where the private sector will thrive.
- Infrastructure-led growth: Invest in infrastructure to stimulate economic growth, by building a portfolio of investment projects that can attract private finance where appropriate.
- Reliable and working public transport system.
- "Blue-dot taxi services to ensure safe and efficient taxi network.
- Energy and resilience: Finding alternative means to generate electricity for the province and alleviate the strain on the electrical grid, where the ultimate goal is to beat loadshedding. The province is making progress in achieving this goal through the launching of the Municipal Energy Resilience Project, which will assist municipalities in taking the necessary steps to generate, procure and sell their own

electricity. The DEDAT, in partnership with Department of Local Government and Provincial Treasury, has undertaken an assessment process with all the municipalities to determine their readiness for and select those that can be the initial drivers of new energy opportunities. Stellenbosch Municipality has taken the lead in launching the first step of the project.

- Advancement i.t.o Agricultural technology and maintaining a competitive edge in this regard.
- Tourism and recovery of this sector.
- Safety: The province has a safety plan, the biggest in the country, in place with various safety initiatives which focuses on youth development, increasing boots on the ground and reducing violence, to build a safer environment for all.
- Education: Implement initiatives to improve quality of education and access to educational system. Looking at the demands on the education system, the province will continue to embrace innovation and the new, future digital world.
- Housing: Remains a priority for residents to have access to basic services, such as, clean running water, access to sanitation and proper shelter, which is safe and close to economic opportunities.

During his Statement of the Province Address the Premier highlighted the importance of finding ways to manage the pandemic and the impact thereof on the economy, minimise unemployment by creating an environment that encourages job creation, through investment and growth and creating an environment which raises the quality of education and prepares generations for a digital future. The Premier mentioned the successes achieved through the implementation of various initiatives with focus on job creation, improvement of education and creation of an environment which encourages expanding social services through partnership with private partners, building of partnerships to foster safer communities, investments in new initiatives and maintenance of existing transport infrastructure and implementation of various youth development programmes which in return will boost employment opportunities. All of the above focus areas are important, however, the basis of all of this is economic growth and job creation. In essence little else is possible if there is no growth or job opportunities.

Implementation of a revised capacity building initiative, aligned to Back to Basics strategy, where the main focus will be on improving service delivery, accountability and financial management. It is always important that local government be effective and efficient, and this will

be measured by its ability to perform the basic mandate of service delivery. The “Back to Basics” programme was launched to promote good governance and effective administration through cutting wastage, spending public funds prudently, hiring competent staff, and ensuring transparency and accountability in local government.

Provincial treasury reiterated most of the challenges and focus areas highlighted in the Premier’s State of the Province address, the SONA and the 2021 Budget Review. Provincial Treasury highlighted that recovery efforts will fail unless structural constraints, including energy, infrastructure and competitiveness, are urgently addressed. Electricity remains a binding constraint on economic recovery, with power interruptions expected to continue in 2021. Job creation is one of the top priorities of the economic recovery plan that will guide policy action over the MTREF period, along with new infrastructure investment and large-scale public employment programmes.

National Treasury encourages municipalities to maintain tariff increases and adopt a tariff setting methodology at levels that reflects an appropriate balance between the affordability to poorer households and other customers, while ensuring the financial sustainability of the municipality. Municipalities must ensure that their budgets are funded from realistically anticipated revenues. This means that the municipality must refrain from assuming collection rates that are unrealistic and unattainable. Cost reflective tariff setting is a requirement of Section 74 (2) of the Municipal Systems Act, 2000 (Act No.32 of 2000, wherein it states that tariffs “must reflect the cost reasonably associated with rendering the service”. The municipalities must therefore generate sufficient revenue to fully recover their costs, deliver services to customers sustainably and invest in the infrastructure that promises local economic development.

The municipality must first assess the budget, before the tariff setting process, to determine whether it is effective and efficient and must ensure that it is credible for financial sustainability. In sum, the cost considered when setting a cost reflective tariff must include day-to-day operations and maintenance costs, capital financing cost and provision for bad debt, which are collectively referred to as direct costs, and governance and administration costs referred to as indirect costs.

Tariff increases by Eskom and Water Boards is above inflation and should be considered as such while determining cost reflective tariffs. In the instance of bulk tariff increases for electricity, municipalities are encouraged to apply for electricity tariff increases that reflect the total cost of providing the service, to ensure that they are working towards achieving fully cost-reflective

tariffs that will assist them to achieve financial sustainability. Municipalities should consider the following facts during the tariff setting process, namely, the costs of bulk purchases and the fluctuation in the seasonal cost thereof; the consumption patterns to enable better demand planning and management; and in the event that municipalities have been under recovering costs, embark on a process to correct their tariff structures over a reasonable time period so that cost reflective tariffs are achieved, which in turn will result in financial sustainability.

Local government confronts tough fiscal choices in the face of financial and institutional problems that result in service-delivery breakdowns and unpaid bills. Municipalities can offset these trends by improving their own revenue collections, working more efficiently and implementing cost-containment measures. In order to maintain a funded budget, municipalities need to not only focus on tariff increases, but also focus on how to eliminate expenditure that is unnecessary. Cost Containment Regulations were issued on 07 June 2019. The implementation of cost containment measures is important as it will assist municipalities to reprioritise expenditure and to free up resources targeted towards service delivery. It will also be used to eliminate wastage of public resources on non-service delivery items. The main object of the regulations is to ensure that the resources of municipalities are used in an effective, efficient and economical manner.

As a result of the COVID-19 pandemic, the economic landscape, weak tariff setting and increases in key cost drivers to provide basic municipal services, municipalities are under pressure to generate additional revenue. Additional revenue need to be generated because the consumer's ability to pay for services received, continues to decline, which in turn leads to limited revenue collection. The effects of slow growth and economic challenges experienced these past years coupled with the COVID pandemic since 2020, continues to place pressure on the finances of the average consumer (levels of disposable income and savings). This typically results in greater difficulty for the municipality with regards to the revenue collection, which have a direct impact on the municipality's ability to provide effective and efficient services, but also to budget accurately for service delivery over the short to medium term. It is as a result of above challenges, alongside continued unemployment and slow growth that a more conservative approach is advised for revenue projections.

Municipalities are required to consider the following during the compilation of the 2021/2022 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;

-
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulation read with MFMA Circular No.82;
 - Ensuring value for money through the procurement process;
 - The affordability of providing free basic services to all households;
 - Not taking on unfunded mandates; and
 - Curbing consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

The aforementioned were taken into account during the compilation of the municipality's budget.

The application of sound financial management principles for the compilation of the Stellenbosch's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities. As a result of excellent financial discipline, the Stellenbosch Municipality has taken the theme of "Driving efficiencies- doing more with less", to heart. The municipality's business and service delivery priorities were reviewed as part of this year's planning, through the Integrated Development Plan (IDP), and the annual budget process.

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

The main challenges experienced during the compilation of the 2021/2022 MTREF can be summarized as follows:

- The on-going difficulties in the national and local economy;
- COVID pandemic and the impact thereof on financial sustainability and the economy;
- Aging infrastructure;

-
- The need to reprioritise projects and expenditure within the existing resource envelope;
 - The increased cost of bulk water and electricity, which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
 - Attracting economic investment;
 - Water Conservation;
 - Electricity/ Load shedding;
 - Borrowing for multi-year capital projects and refinancing of existing loans;
 - Reductions in allocations of some of the National and Provincial grants due to a worsening fiscal outlook;
 - Limited resources to deal with all key priorities; and the
 - 2021 Local Government Elections (transitional processes and hand-over reports for the newly elected councils);
 - Slowdown in new developments;
 - Decline in reserves available to fund capital programmes.

Local government elections are scheduled to take place during 2021. Circular 107 of the MFMA highlights the following four risks that should be managed. Firstly, if elections takes place after the start of the new financial year the outgoing council will be responsible to approve tariffs for the 2021/2022 financial year and newly elected council will implement it, secondly the outgoing council must ensure that they comply with the timeframes for the approval of the budget, thirdly the outgoing council should ensure that the budget is funded, and not prepare a “election friendly” budget that with unrealistically low tariffs and over-ambitious capital expenditure programme. Lastly municipalities must ensure that the public and stakeholder consultation processes are adhered to as required by the relevant legislature. The municipality’s financial sustainability should be protected at all times in the build-up to the elections. Sound decision-making is of utmost importance to ensure long-term sustainability of municipal finances and service delivery long after the election period is completed.

The following budget principles and guidelines directly informed the compilation of the 2021/2022 MTREF:

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

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

Stellenbosch municipality's revenue strategy was based on the following fundamentals, namely, tariff policies of the municipality, economic outlook and development for Stellenbosch and surrounding areas, National Treasury's guidelines and macroeconomic policy, National, Provincial and Regional fiscal growth rates and electricity tariffs as approved by National Electricity Regulator of South Africa (NERSA).

The financial resources to fund the Operational Budget will and must consist of realistically anticipated revenue generated from property taxes, service charges and other income. The municipality were mindful of the estimated headline inflation for 2021/2022 of between 3% to 6% forming the basis of the extensive income modelling exercise, but also taking into account the principles of economical services that are cost reflective, trading services generating surpluses, the effect of escalating salary costs and bulk purchases. Inflation is forecast to fluctuate around 4.1% over the medium term in line with moderating inflation expectations.

The national budget focuses on fiscal consolidation. This means that we as municipalities must ensure that we do not borrow beyond our ability to repay and we do not spend money we do not have, until we ignite growth and generate revenue, we have to be tough on ourselves.

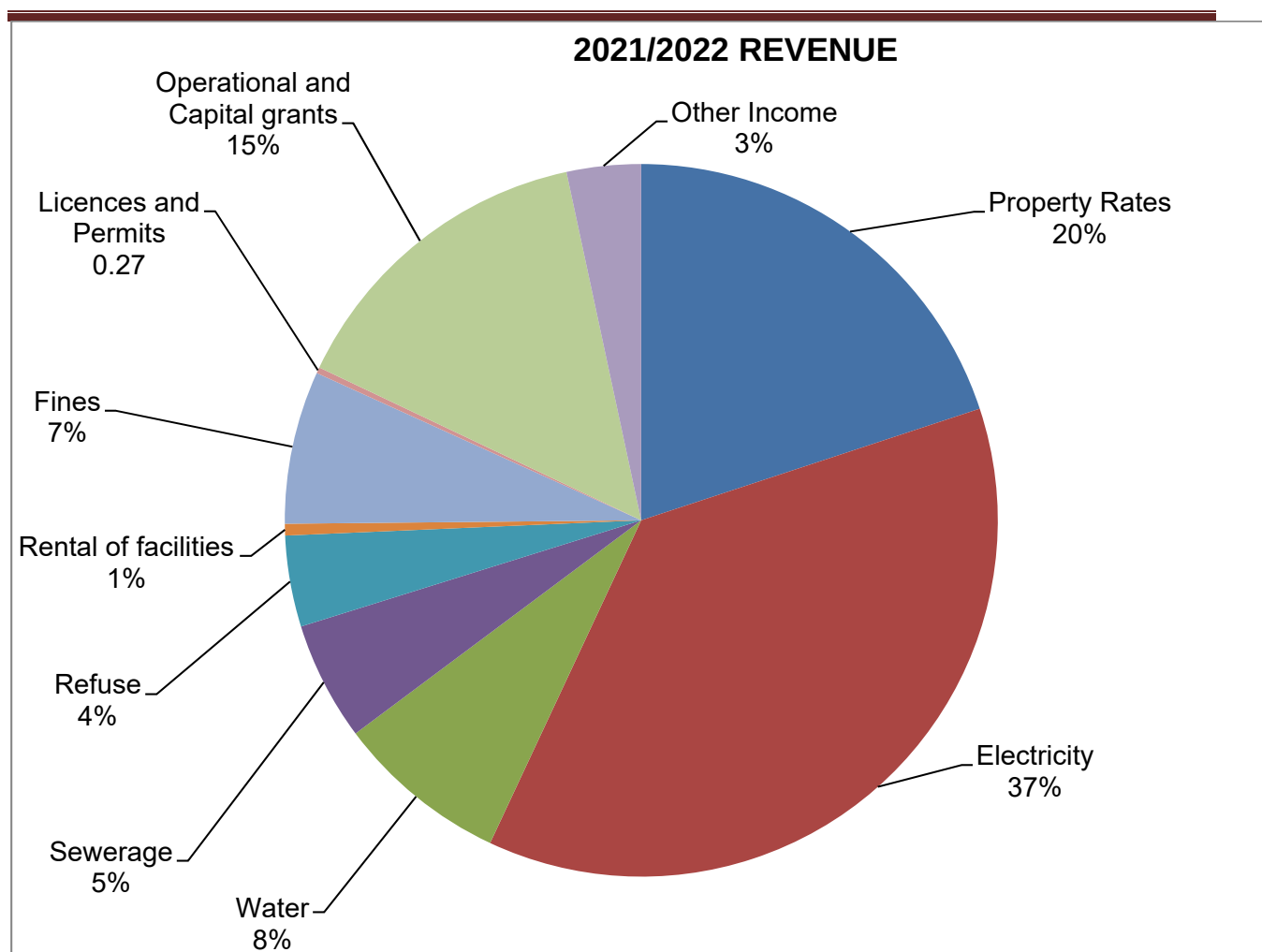
The total budget quantum for the 2021/2022 year is R2 414 754 347 of which R2 016 990 423 (84%), is allocated to the operating budget and R397 763 924 (16%) to capital investment.

OPERATING BUDGET – REVENUE

Overall revenue budget increase was limited to 9.28% resulting in annual operating revenue increasing from R1 928 409 221 in 2020/2021 to R2 125 604 578 in 2021/2022. Taking cognisance of the economic conditions, the resultant low employment levels and levels of disposable income, it was important to keep services affordable by critically looking at the costs associated with providing the service.

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

REVENUE CATEGORIES	2020/2021	2021/2022	% INCR
Property Rates	399,239,042	423,632,547	6.11%
Electricity	674,441,162	787,275,169	16.73%
Water	148,720,115	166,399,721	11.89%
Sewerage	108,311,571	114,485,331	5.70%
Refuse	78,304,939	87,936,446	12.30%
Rental of facilities	10,592,168	11,174,737	5.50%
Fines	130,880,961	147,425,009	12.64%
Licences and Permits	5,502,903	5,778,048	5.00%
Operational + Capital grants	288,727,970	309,867,000	7.32%
Other Income	83,688,390	71,630,569	-14.41%
Operating Revenue	1,928,409,221	2,125,604,578	9.28%



- | | | |
|---------------------------|----------------|---------|
| Average tariff increases: | Property Rates | -17.17% |
| | Electricity | 14.59% |
| | Water | 5.5% |
| | Sanitation | 6.00% |
| | Refuse removal | 12.00% |

Taking cognisance of the plight of the poor and the affordability of basic services, the scale up to 18 kl of water was increased by only 5.5% and usage over 18 kl (18 000 litres) for domestic consumers increases in proportion to consumption.

- The Municipality succeeded in accessing the EPWP Incentive Grant for Municipalities in a bid to give some relief to the poorest of the poor by means of contract employment opportunities over the short term. The allocation for the 2021/22 financial year is R 5 998 000.

Rates

In the 2021/2022 financial year, the Property Rates Tariff paid by owners will decrease with 17.17%, whilst total rates also increased with 6.00%. The increase in total rates is due to interim valuations that were performed. Rates rebates to senior citizens and disabled persons are also available as per the requirements of the amended Rates Policy to qualifying ratepayers with a monthly income of R15 000 or less.

Electricity

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

Council's attention is further drawn to the fact that the proposed electricity tariff is at 14.59% whereas the increase in electricity bulk purchases for the 2021/2022 financial year is 17.8% as approved by NERSA (National Electricity Regulator of South Africa) for implementation by all municipalities. Although the proposed tariffs increase with 14.59%, the municipality is experiencing a decrease in electricity demand as consumers are utilising alternative energy sources.

Municipalities are urged to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service, so that they work towards achieving fully cost-reflective tariffs that will help them achieve financial sustainability.

Water

Taking cognizance of the challenges that the country is currently experiencing due to the severe drought, the plight of the poor and the affordability of basic services, the average tariff increase for the rest of the consumptive water scales is 5.50%. The tariff is designed to cater for current and future capital investment in basic water infrastructure and the need to generate surpluses. **It is however important to note that the proposed revenue as per table A4 (Appendix 1 – Part 1 – Section D) is based on the anticipated actual performance of the income to be derived in 2021/2022 and not based on the approved budget for the same year.**

Sewerage (Sanitation)

The proposed increase in this tariff is 6.00%. Sanitation services is classified as an economical service. This means that the service charges for sanitation must cover the cost of providing the service, i.e. it must at least break even. This tariff increase is necessitated by operational requirements, maintenance of existing aging infrastructure, new infrastructure financing/provision and to ensure that the service is delivered in a sustainable manner. **It is however important to note that the proposed revenue as per table A4 (Appendix 1 – Part 1 – Section D) is based on the anticipated actual performance of the income to be derived in 2021/2022 and not based on the approved budget for the same year.**

Refuse (Solid Waste)

Refuse removal services, like sanitation are also classified as an economical service. This means that the service charges for refuse must cover the cost of providing the service, i.e. it must at least break even. The municipality will implement an above inflation tariff increase as this service does not break even and to provide for the additional expenditure for the transport of the waste from the Stellenbosch Landfill Site. The solid waste tariffs were modelled to give effect to the principle of the service charge being cost reflective as the service cannot be cross-subsidized. It is proposed that the tariff increases by 12.00% as a result of the before mentioned. The very nature of this tariff does not lend it to financing the expansion of the landfill site and therefore the proposed extension by way of constructing the new cell, was funded from council's own reserves.

It is however important to note that the proposed revenue as per table A4 (Appendix 1 – Part 1 – Section D) is based on the anticipated actual performance of the income to be derived in 2021/2022 and not based on the approved budget for the same year.

Debt Management

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

The municipality developed a revenue enhancement strategy. The document focuses on the formulation and implementation of strategies to improve financial management and controls within

the municipality. The objective of any successful revenue enhancement strategy is to build and improve on current payment levels and then to recover arrear debt.

The municipality has also promulgated the Credit Control and Debt Collection By-Law on the 4th of March 2011 to strengthen the internal credit control and debt collection procedures through handing over of all debt over 90 days to the appointed attorneys.

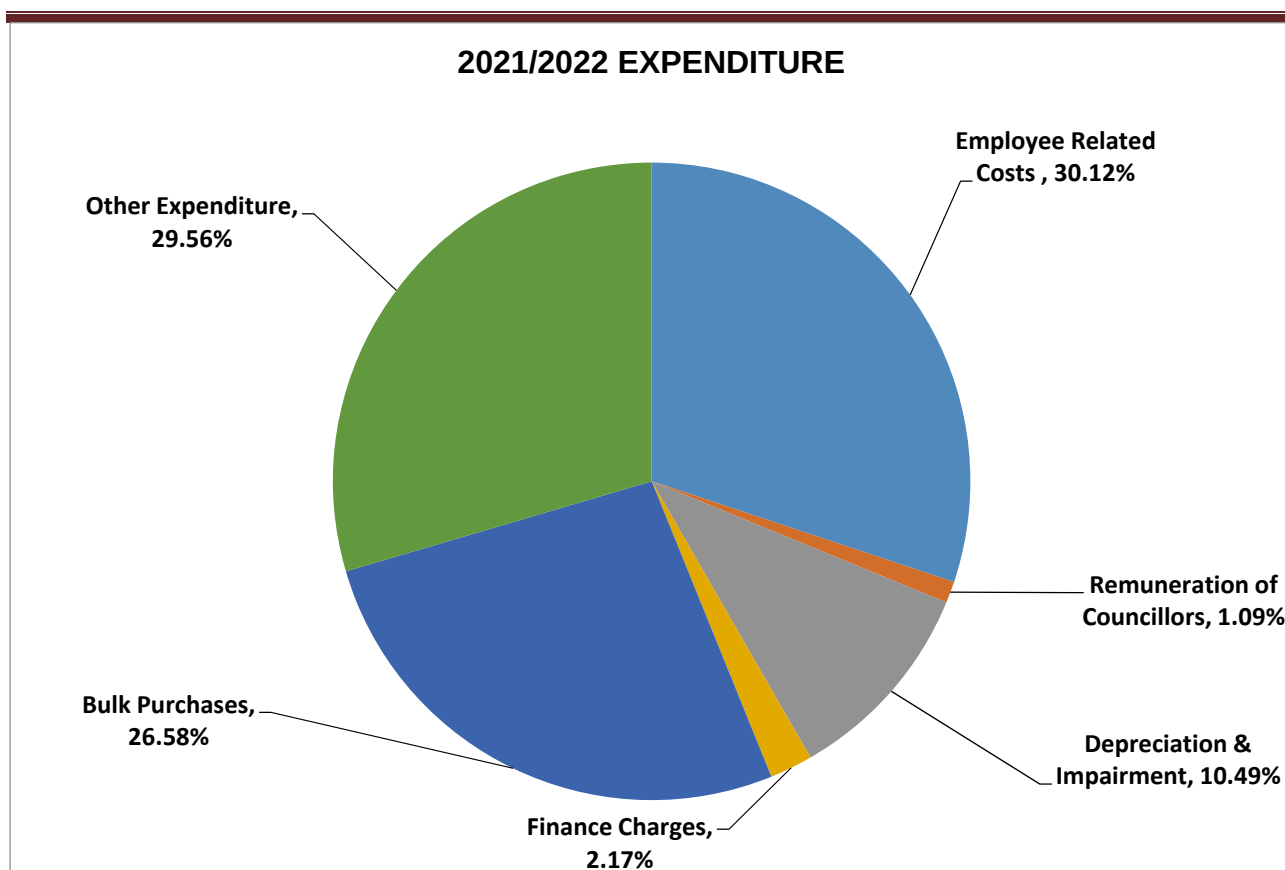
A zero tolerance approach will be followed where consumers are able to pay for services, as this indirectly denies paying consumers the level and standard of service that they are entitled to.

OPERATING BUDGET - EXPENDITURE

The budget sees an increase in annual operating expenditure from R1 827 604 182 in 2020/2021 to R2 016 990 423 in 2021/2022. This 10.36% increase is primarily due to increases in several expenditure categories, examples which are included in the table below:

EXPENDITURE CATEGORIES	2020/2021	2021/2022	% INCR.
Employee Related Costs	529,070,021	607,458,296	14.82%
Remuneration of Councillors	21,132,587	21,977,888	4.00%
Depreciation & Impairment	200,778,636	211,541,195	5.36%
Finance Charges	31,648,891	43,842,076	38.53%
Bulk Purchases	451,195,922	536,028,998	18.80%
Other Expenditure	593,778,125	596,141,970	0.004%
Total Expenditure	1,827,604,182	2,016,990,423	10.36%

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



Explanation of significant expenditure variances:

Finance Charges

The interest payable for the 2021/2022 financial year has been calculated on the maximum amount of possible borrowings drawn down up to the end of the 2021/2022 financial year.

Bulk Purchases

The municipal tariff guideline increase issued by NERSA setting the bulk purchase increase at 17.8%, whilst the increase on water was estimated at 8% as the bulk purchase charges of the City was not available at the time of compilation.

Other expenditure

Budgetary constraints and economic challenges meant that the municipality had to apply a combination of cost-saving interventions. These interventions include amongst other, measures to limited telephone usage and filling of critical vacancies that will result in a decrease in consulting fees.

CAPITAL BUDGET

The capital budget decreased from R 454 464 007 in 2020/2021 to R 397 763 924 in 2021/2022.

DIRECTORATE	2020/2021	2021/2022	% INCR.
Municipal Manager	40,000	44,000	10.00%
Planning and Economic Development	18,088,077	11,513,800	-36.35%
Community and Protection Services	44,297,748	26,557,000	-40.05%
Infrastructure Services	317,493,026	336,174,754	5.88%
Corporate Services	73,695,157	23,274,370	-68.42%
Financial Services	850,000	200,000	-76.47%
Total Expenditure	454,464,007	397,763,924	-12.48%

FUNDING SOURCE	2020/2021	2021/2022	% INCR
Capital Replacement Reserve	249,598,291	148,210,204	-40.62%
External Loan	120,000,000	144,000,000	20.00%
National Government	58,065,300	70,385,720	21.22%
Provincial Government	26,800,416	35,168,000	31.22%
	454,464,007	397,763,924	-12.48%

Major capital expenditure is planned in the following areas during the 2021/2022 financial year:

Water Services

- Water Pipe Replacement
- Bulk Water Supply Pipeline & Reservoir - Jamestown
- Water Conservation & Demand Management
- Bulk water supply Klapmuts
- New Reservoir Rosendal
- Bulk water supply pipe and Reservoir: Kayamandi
- New Reservoir & Pipeline: Vlottenburg

Sanitation

- Franschhoek Sewer Network Upgrade
- Upgrade of WWTW Wemmershoek
- Bulk Sewer Outfall: Jamestown
- Upgrade of WWTW: Pniel & Decommissioning of Franschhoek

Electrical Services

- Laterra Sub Station
- Integrated National Electrification Programme

Infrastructure Plan, Dev and Implement

- Watergang Farm Upgrading
- Upgrading of The Steps/Orlean Lounge
- Kayamandi: Zone O (±711 services)
- Longlands Development
- Bridge Rehabilitation

Property Services

- Upgrading of New Office Space: Ryneveld Street

C: HIGH LEVEL BUDGET SUMMARY

	Operating Income R	Operating Expenditure R	Capital Expenditure R	Total Budget R
Municipal Manager	-	39,988,673	44,000	40,032,673
Planning & Economic Development	30,453,892	100,874,836	11,513,800	112,388,636
Infrastructure Services	1,394,599,407	1,188,821,414	336,174,754	1,524,996,168
Community and Protection Services	190,526,242	373,981,006	23,274,370	397,255,376
Corporate Services	6,339,253	198,282,948	26,557,000	224,839,948
Financial Services	503,685,785	115,041,547	200,000	115,241,547
Total	2,125,604,577	2,016,990,423	397,763,924	2,414,754,347

D: ANNUAL BUDGET TABLES

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

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

The information displayed in the “Adjusted Budget” column for the 2020/2021 financial year includes all changes approved by Council in the Mid – Year Adjustments Budgets during the current financial year.

WC024 Stellenbosch - Table A1 Budget Summary

Description	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousands										
Financial Performance										
Property rates	312 816	336 325	365 675	392 239	399 239	399 239	313 330	423 633	449 051	475 994
Service charges	862 001	817 760	880 126	1 072 778	1 009 778	1 009 778	662 327	1 156 097	1 237 779	1 317 078
Investment revenue	55 110	44 272	40 472	37 870	22 870	22 870	14 714	13 200	13 948	14 739
Transfers recognised - operational	133 557	145 451	160 652	178 547	203 862	203 862	185 019	204 313	186 708	190 421
Other own revenue	170 178	175 464	160 312	218 297	195 097	195 097	90 135	222 808	234 047	245 857
Total Revenue (excluding capital transfers and contributions)	1 533 662	1 519 272	1 607 237	1 899 731	1 830 846	1 830 846	1 265 525	2 020 051	2 121 533	2 244 089
Employee costs	450 091	461 655	495 905	579 439	529 070	529 070	364 237	607 458	621 597	643 102
Remuneration of councillors	17 308	17 538	19 121	21 133	21 133	21 133	12 228	21 978	22 857	23 771
Depreciation & asset impairment	24 333	193 119	191 851	205 628	200 779	200 779	4	211 541	215 772	220 087
Finance charges	18 775	17 036	38 907	39 349	31 649	31 649	14 576	44 260	41 630	39 409
Materials and bulk purchases	366 108	412 264	476 298	523 902	496 030	496 030	286 775	577 332	626 630	681 782
Transfers and grants	6 261	8 990	11 104	10 069	10 313	10 313	10 313	13 600	13 223	13 606
Other expenditure	323 062	390 471	421 449	507 944	537 731	537 731	216 236	540 821	541 352	564 231
Total Expenditure	1 205 938	1 501 073	1 654 635	1 887 463	1 826 704	1 826 704	904 368	2 016 990	2 083 061	2 185 990
Surplus/(Deficit)	327 724	18 198	(47 398)	12 267	4 142	4 142	361 157	3 060	38 472	58 099
Transfers and subsidies - capital (monetary allocations)	76 448	87 782	124 223	113 429	84 866	84 866	27 465	105 554	96 887	65 845
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	230	13 251	10 427	-	11 697	11 697	4 261	-	-	-
Surplus/(Deficit) after capital transfers & contributions	404 402	119 231	87 251	125 696	100 705	100 705	392 883	108 614	135 360	123 944
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	404 402	119 231	87 251	125 696	100 705	100 705	392 883	108 614	135 360	123 944
Capital expenditure & funds sources										
Capital expenditure	433 682	493 304	405 843	375 750	454 464	454 464	195 477	397 764	384 460	381 495
Transfers recognised - capital	80 137	93 849	151 885	145 341	84 866	84 866	47 588	105 554	96 887	65 845
Public contributions & donations	280	-	-	-	-	-	-	-	-	-
Borrowing	-	120 561	-	102 780	120 000	120 000	21 895	144 000	140 000	160 000
Internally generated funds	353 265	278 894	253 959	127 630	249 598	249 598	125 994	148 210	147 573	155 650
Total sources of capital funds	433 682	493 304	405 843	375 750	454 464	454 464	195 477	397 764	384 460	381 495
Financial position										
Total current assets	897 492	852 021	780 320	798 901	797 819	733 012	879 482	827 529	904 523	967 986
Total non current assets	5 191 480	5 501 957	5 907 057	6 353 297	6 231 232	6 231 232	6 231 232	6 417 454	6 586 143	6 747 744
Total current liabilities	422 783	517 416	352 300	340 080	325 806	325 806	326 551	328 304	316 754	261 547
Total non current liabilities	455 436	596 463	743 814	849 515	849 515	849 515	849 515	827 517	948 197	1 053 463
Community wealth/Equity	5 210 753	5 240 099	5 591 263	5 962 603	5 853 730	5 788 923	5 934 648	6 089 162	6 225 715	6 400 720
Cash flows										
Net cash from (used) operating	349 918	387 190	355 914	328 247	164 027	288 503	288 503	275 977	332 319	361 712
Net cash from (used) investing	(362 468)	(383 881)	(107 566)	(590 188)	(454 487)	(454 487)	(454 487)	(397 764)	(384 460)	(381 495)
Net cash from (used) financing	(13 084)	145 498	-	139 117	99 117	99 117	99 117	107 117	87 117	90 117
Cash/cash equivalents at the year end	20 683	169 491	417 839	295 015	226 496	350 972	350 972	336 302	371 278	441 612
Cash backing/surplus reconciliation										
Cash and investments available	528 851	567 702	370 118	361 339	361 339	361 339	361 339	336 302	371 278	441 612
Application of cash and investments	(574 802)	(599 770)	(615 091)	(534 812)	(564 692)	(504 149)	(862 604)	(636 644)	(665 483)	(657 295)
Balance - surplus (shortfall)	1 103 654	1 167 471	985 209	896 151	926 031	865 488	1 223 943	972 945	1 036 760	1 098 907
Asset management										
Asset register summary (WDV)	105 739	290 607	5 698 402	6 349 420	6 227 355	6 227 355		6 413 578	6 582 266	6 743 673
Depreciation	24 333	193 119	191 851	205 628	200 779	200 779		211 541	215 772	220 087
Renewal of Existing Assets	32 347	45 449	10 136	34 100	27 041	27 041		9 950	23 600	39 164
Repairs and Maintenance	44 774	7 400	49 608	90 823	83 602	83 602		86 101	84 217	87 119
Free services										
Cost of Free Basic Services provided	20 060	34 759	44 034	38 706	38 706	38 706	43 344	43 344	47 159	51 185
Revenue cost of free services provided	(146 995)	46 679	49 938	-	-	-	-	-	-	-
Households below minimum service level										
Water:	2	2	1	1	1	1	1	1	1	1
Sanitation/sewerage:	2	1	1	1	1	1	1	1	1	1
Energy:	3	2	2	2	2	2	2	2	2	1
Refuse:	5	5	4	4	4	4	4	4	4	4

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

Functional Classification Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		309 569	(3 627)	4 574 731	495 016	499 478	499 478	513 180	543 776	573 589
Executive and council		(42 203)	(23 932)	(469 822)	706	1 023	1 023	1 061	778	817
Finance and administration		368 184	12 446	4 921 083	494 310	498 455	498 455	512 119	542 998	572 772
Internal audit		(16 411)	7 860	123 469	—	—	—	—	—	—
<i>Community and public safety</i>		29 429	(6 673)	(498 343)	257 793	186 007	186 007	203 081	205 816	221 604
Community and social services		2 946	21 092	(491 722)	16 882	14 046	14 046	15 436	15 135	15 512
Sport and recreation		(30 514)	(40 090)	(36 069)	8 915	3 945	3 945	1 658	778	817
Public safety		33 921	51 520	44 623	166 187	150 918	150 918	171 533	178 682	187 616
Housing		23 076	(39 195)	(15 175)	65 809	17 098	17 098	14 455	11 222	17 659
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		(95 093)	5 174	(709 722)	23 815	62 620	62 620	121 921	103 233	66 863
Planning and development		(32 085)	(25 346)	67 207	11 220	35 558	35 558	115 023	100 506	64 051
Road transport		(48 586)	39 459	(766 483)	12 465	26 931	26 931	5 911	2 059	2 109
Environmental protection		(14 422)	(8 940)	(10 446)	131	131	131	987	669	702
<i>Trading services</i>		1 367 667	1 625 295	(1 625 024)	1 236 429	1 179 199	1 179 199	1 287 310	1 365 477	1 447 753
Energy sources		702 659	1 063 718	103 867	757 248	727 624	727 624	842 934	888 691	940 224
Water management		407 012	237 461	(1 078 039)	191 604	173 079	173 079	172 558	182 058	192 082
Waste water management		155 445	215 767	(700 520)	177 313	165 784	165 784	150 230	159 928	168 040
Waste management		102 551	108 350	49 668	110 265	112 711	112 711	121 589	134 800	147 408
<i>Other</i>	4	(1 232)	136	245	107	107	107	112	119	125
Total Revenue - Functional	2	1 610 340	1 620 305	1 741 887	2 013 160	1 927 409	1 927 409	2 125 605	2 218 421	2 309 934
Expenditure - Functional										
<i>Governance and administration</i>		333 486	749 745	(3 836 859)	329 110	305 856	305 856	344 570	356 413	367 581
Executive and council		101 599	84 476	527 051	56 162	52 122	52 122	55 384	57 501	59 770
Finance and administration		204 993	662 901	(4 251 910)	258 354	239 140	239 140	275 761	285 031	293 484
Internal audit		26 894	2 368	(111 999)	14 595	14 595	14 595	13 425	13 881	14 327
<i>Community and public safety</i>		432 117	476 765	986 869	406 547	402 286	402 286	366 826	380 810	397 262
Community and social services		36 975	28 237	540 539	39 532	39 688	39 688	43 177	44 254	45 740
Sport and recreation		72 432	88 521	82 528	49 049	50 583	50 583	53 696	55 423	57 381
Public safety		280 657	298 878	307 568	281 078	274 280	274 280	235 948	246 008	257 732
Housing		42 053	61 129	56 234	36 888	37 735	37 735	34 003	35 125	36 409
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		227 228	182 746	948 036	215 381	206 562	206 562	236 611	214 248	221 160
Planning and development		98 051	98 993	59 258	89 452	81 004	81 004	105 250	84 169	86 571
Road transport		98 893	57 874	860 798	97 635	98 626	98 626	99 836	97 415	100 591
Environmental protection		30 284	25 879	27 980	28 294	26 932	26 932	31 526	32 665	33 998
<i>Trading services</i>		211 817	92 024	3 556 335	936 301	912 636	912 636	1 068 933	1 131 539	1 199 933
Energy sources		230 984	(56 959)	996 520	537 272	524 796	524 796	610 888	659 020	711 311
Water management		(95 095)	51 623	1 404 443	148 325	127 903	127 903	127 577	132 091	137 925
Waste water management		58 160	46 303	996 674	145 692	141 329	141 329	182 682	186 179	189 975
Waste management		17 769	51 057	158 698	105 013	118 609	118 609	147 785	154 248	160 722
<i>Other</i>	4	1 290	(68)	4	124	124	124	50	52	53
Total Expenditure - Functional	3	1 205 938	1 501 213	1 654 386	1 887 463	1 827 464	1 827 464	2 016 990	2 083 061	2 185 990
Surplus/(Deficit) for the year		404 402	119 092	87 501	125 696	99 945	99 945	108 614	135 360	123 944

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by functional classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
3. Total Expenditure by Functional Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
4. All amounts must be classified under a functional classification. The GFS function 'Other' is only for Abattoirs, Air Transport, Forestry, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification.

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

WC024 Stenerbosch - Table A3 Budgeted Financial Performance (Revenue and expenditure by municipal vote)										
Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
Revenue by Vote	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		360	(9 680)	(10 601)	-	328	328	-	-	-
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		55 781	20 450	23 994	81 766	30 699	30 699	30 454	24 223	31 328
Vote 3 - INFRASTRUCTURE SERVICES		915 843	951 012	1 094 404	1 246 146	1 228 147	1 228 147	1 394 599	1 457 529	1 502 876
Vote 4 - COMMUNITY AND PROTECTION SERVICES		140 132	154 606	144 052	192 985	169 909	169 909	190 526	196 222	205 654
Vote 5 - CORPORATE SERVICES		6 154	(23 843)	(25 049)	4 303	5 592	5 592	6 339	6 074	6 395
Vote 6 - FINANCIAL SERVICES		492 069	527 759	515 086	487 960	490 895	490 895	503 686	534 373	563 682
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 610 340	1 620 305	1 741 887	2 013 160	1 925 570	1 925 570	2 125 605	2 218 421	2 309 934
Expenditure by Vote to be appropriated	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		27 953	29 296	29 595	47 884	44 812	44 812	39 989	41 440	42 823
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		102 909	75 277	69 991	105 954	96 886	96 886	100 875	101 205	104 184
Vote 3 - INFRASTRUCTURE SERVICES		583 884	861 364	993 090	1 082 795	1 056 020	1 056 020	1 188 821	1 227 901	1 299 254
Vote 4 - COMMUNITY AND PROTECTION SERVICES		250 169	339 880	345 781	359 246	357 715	357 715	373 981	388 418	405 262
Vote 5 - CORPORATE SERVICES		152 717	146 984	157 137	181 001	180 172	180 172	198 283	204 737	210 941
Vote 6 - FINANCIAL SERVICES		88 306	48 411	58 748	110 584	91 859	91 859	115 042	119 361	123 270
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 205 938	1 501 213	1 654 343	1 887 463	1 827 464	1 827 464	2 016 990	2 083 061	2 185 734
Surplus/(Deficit) for the year	2	404 402	119 092	87 543	125 696	98 106	98 106	108 614	135 360	124 201

References

1. Insert 'Vote'; e.g. department, if different to functional classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

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

Description		Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source												
Property rates	2		312 816	336 325	365 675	392 239	399 239	399 239	313 330	423 633	449 051	475 994
Service charges - electricity revenue	2		523 068	531 494	562 275	707 441	674 441	674 441	435 814	787 275	842 384	892 927
Service charges - water revenue	2		197 306	147 276	171 632	168 720	148 720	148 720	100 748	166 400	175 552	185 207
Service charges - sanitation revenue	2		91 619	83 862	83 262	118 312	108 312	108 312	68 786	114 485	121 354	128 636
Service charges - refuse revenue	2		50 008	55 128	62 957	78 305	78 305	78 305	56 980	87 936	98 489	110 307
Rental of facilities and equipment			10 556	11 412	10 275	16 292	10 592	10 592	8 773	11 175	11 789	12 438
Interest earned - external investments			55 110	44 272	40 472	37 870	22 870	22 870	14 714	13 200	13 948	14 739
Interest earned - outstanding debtors			9 039	10 365	9 197	13 281	13 281	13 281	7 710	14 034	14 830	15 671
Dividends received			–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits			115 020	118 194	100 025	140 881	130 881	130 881	57 104	147 425	154 796	162 536
Licences and permits			6 710	6 746	5 862	5 503	5 503	5 503	3 462	5 778	6 056	6 348
Agency services			2 365	2 833	2 664	2 931	2 931	2 931	1 826	3 077	3 231	3 393
Transfers and subsidies			133 557	145 451	160 652	178 547	203 862	203 862	185 019	204 313	186 708	190 421
Other revenue	2		26 151	25 691	32 288	39 408	31 908	31 908	11 261	41 319	43 344	45 472
Gains			336	223	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)			1 533 662	1 519 272	1 607 237	1 899 731	1 830 846	1 830 846	1 265 525	2 020 051	2 121 533	2 244 089
Expenditure By Type												
Employee related costs	2		450 091	461 655	495 905	579 439	529 070	529 070	364 237	607 458	621 597	643 102
Remuneration of councillors			17 308	17 538	19 121	21 133	21 133	21 133	12 228	21 978	22 857	23 771
Debt impairment	3		47 971	105 207	123 187	74 007	74 007	74 007	217	103 900	110 134	116 742
Depreciation & asset impairment	2		24 333	193 119	191 851	205 628	200 779	200 779	4	211 541	215 772	220 087
Finance charges			18 775	17 036	38 907	39 349	31 649	31 649	14 576	44 260	41 630	39 409
Bulk purchases	2		329 682	380 671	445 621	482 196	451 196	451 196	266 291	536 029	583 428	636 025
Other materials	8		36 426	31 593	30 677	41 706	44 834	44 834	20 484	41 303	43 202	45 757
Contracted services			126 295	151 818	183 453	245 478	263 050	263 050	138 566	277 481	264 324	275 231
Transfers and subsidies			6 261	8 990	11 104	10 069	10 313	10 313	10 313	13 600	13 223	13 606
Other expenditure	4, 5		146 430	130 867	115 519	188 459	200 673	200 673	77 618	159 440	166 894	172 258
Losses			2 366	2 579	(710)	–	–	–	(164)	–	–	–
Total Expenditure			1 205 938	1 501 073	1 654 635	1 887 463	1 826 704	1 826 704	904 368	2 016 990	2 083 061	2 185 990
Surplus/(Deficit)			327 724	18 198	(47 398)	12 267	4 142	4 142	361 157	3 060	38 472	58 099
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			76 448	87 782	124 223	113 429	84 866	84 866	27 465	105 554	96 887	65 845
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)			–	13 251	10 427	–	11 697	11 697	4 261	–	–	–
Transfers and subsidies - capital (in-kind - all)			230	–	–	–	–	–	–	–	–	–
			404 402	119 231	87 251	125 696	100 705	100 705	392 883	108 614	135 360	123 944
Surplus/(Deficit) after capital transfers & contributions			–	–	–	–	–	–	–	–	–	–
Taxation			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation			404 402	119 231	87 251	125 696	100 705	100 705	392 883	108 614	135 360	123 944
Attributable to minorities			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality			404 402	119 231	87 251	125 696	100 705	100 705	392 883	108 614	135 360	123 944
Share of surplus/ (deficit) of associate			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year			404 402	119 231	87 251	125 696	100 705	100 705	392 883	108 614	135 360	123 944

References

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
7. Equity method (Includes Joint Ventures)
8. All materials not part of 'bulk' e.g. road making materials, pipe, cable etc.

Total Revenue	1 610 340	1 620 305	1 741 887	2 013 160	1 927 409	1 927 409	1 297 251	2 125 605	2 218 421	2 309 934
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WC024 Stellenbosch - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		–	7	5	40	40	40	6	44	49	56
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		4 281	50	1 471	2 000	4 787	4 787	–	10 685	3 100	3 100
Vote 3 - INFRASTRUCTURE SERVICES		24 273	64 808	45 259	60 880	83 016	83 016	218	62 410	80 098	88 048
Vote 4 - COMMUNITY AND PROTECTION SERVICES		335 311	1 226	15 531	11 690	22 998	22 998	118	8 850	10 700	7 050
Vote 5 - CORPORATE SERVICES		4 606	892	–	8 100	9 365	9 365	–	13 900	7 500	6 000
Vote 6 - FINANCIAL SERVICES		–	–	–	–	–	–	(61)	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total		368 471	66 984	62 267	82 710	120 206	120 206	280	95 889	101 447	104 254
Single-year expenditure to be appropriated	2										
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		33	1	–	–	–	–	–	–	–	–
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		1 290	11 546	7 208	10 311	13 301	13 301	3 084	8 829	4 440	10 300
Vote 3 - INFRASTRUCTURE SERVICES		56 423	388 592	261 279	256 380	234 477	234 477	108 837	265 765	256 263	242 176
Vote 4 - COMMUNITY AND PROTECTION SERVICES		2 433	12 492	20 373	15 950	21 299	21 299	84	14 424	11 810	15 005
Vote 5 - CORPORATE SERVICES		2 031	13 406	54 717	9 550	64 330	64 330	462 347	12 657	10 300	9 550
Vote 6 - FINANCIAL SERVICES		3 001	283	–	850	850	850	(16 523)	200	200	210
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		65 211	426 320	343 577	293 040	334 258	334 258	557 830	301 875	283 013	277 241
Total Capital Expenditure - Vote	3,7	433 682	493 304	405 843	375 750	454 464	454 464	558 109	397 764	384 460	381 495

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

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1										
Capital Expenditure - Functional											
<i>Governance and administration</i>		10 770	48 183	40 388	18 540	74 585	74 585	60 911	26 801	18 049	15 816
Executive and council		33	87	5	40	40	40	21	44	49	56
Finance and administration		10 738	48 096	40 383	18 500	74 545	74 545	60 890	26 757	18 000	15 760
Internal audit		—	—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		73 699	91 870	10 487	34 581	50 695	50 695	13 929	25 094	19 145	28 205
Community and social services		17 739	1 422	262	3 190	2 786	2 786	1 725	2 155	7 230	11 055
Sport and recreation		10 967	14 006	5 072	14 330	18 262	18 262	7 626	4 900	4 750	2 200
Public safety		8 638	8 685	4 298	6 700	18 466	18 466	3 763	9 645	2 950	4 900
Housing		36 336	67 757	856	10 361	11 182	11 182	815	8 394	4 215	10 050
Health		—	—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		78 444	87 048	26 350	108 360	110 912	110 912	42 454	101 568	124 025	31 150
Planning and development		4 672	7 608	15 249	52 540	31 415	31 415	14 258	42 394	54 045	20 450
Road transport		72 092	79 441	11 101	54 020	76 433	76 433	26 470	52 800	62 500	8 650
Environmental protection		1 679	—	—	1 800	3 064	3 064	1 725	6 374	7 480	2 050
<i>Trading services</i>		269 391	260 825	328 618	214 270	218 272	218 272	78 183	244 301	223 241	306 324
Energy sources		53 473	66 094	18 622	43 475	44 399	44 399	11 981	71 877	59 446	85 561
Water management		125 642	67 730	287 619	53 380	59 069	59 069	15 479	79 850	79 550	105 818
Waste water management		82 201	119 852	21 171	109 670	102 113	102 113	42 108	84 700	55 500	91 500
Waste management		8 075	7 148	1 206	7 745	12 692	12 692	8 615	7 874	28 745	23 445
Other		1 379	5 378	—	—	—	—	—	—	—	—
Total Capital Expenditure - Functional	3,7	433 682	493 304	405 843	375 750	454 464	454 464	195 477	397 764	384 460	381 495
Funded by:											
National Government		55 942	41 486	36 097	63 690	58 065	58 065	29 772	70 386	43 267	44 745
Provincial Government		24 195	52 363	115 636	49 739	26 800	26 800	10 034	35 168	53 620	21 100
District Municipality		—	—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		—	—	151	31 912	—	—	7 782	—	—	—
Transfers recognised - capital	4	80 137	93 849	151 885	145 341	84 866	84 866	47 588	105 554	96 887	65 845
Public contributions & donations	5	280	—	—	—	—	—	—	—	—	—
Borrowing	6	—	120 561	—	102 780	120 000	120 000	21 895	144 000	140 000	160 000
Internally generated funds		353 265	278 894	253 959	127 630	249 598	249 598	125 994	148 210	147 573	155 650
Total Capital Funding	7	433 682	493 304	405 843	375 750	454 464	454 464	195 477	397 764	384 460	381 495

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
2. Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year
3. Capital expenditure by functional classification must reconcile to the appropriations by vote
4. Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)
5. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17
7. Total Capital Funding must balance with Total Capital Expenditure
8. Include any capitalised interest (MFMA section 46) as part of relevant capital budget

WC024 Stellenbosch - Table A6 Budgeted Financial Position

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand											
ASSETS											
Current assets											
Cash		23 233	169 538	46 864	30 000	30 000	30 000	30 000	28 538	57 724	108 058
Call investment deposits	1	505 618	398 164	323 254	331 339	331 339	331 339	331 339	307 764	313 553	333 553
Consumer debtors	1	184 892	175 342	148 796	176 156	175 074	110 267	256 737	229 821	271 839	251 898
Other debtors		135 159	61 748	204 059	209 059	209 059	209 059	209 059	214 059	219 059	230 012
Current portion of long-term receivables		1 600	1 631	2 511	2 511	2 511	2 511	2 511	2 511	2 511	2 637
Inventory	2	46 991	45 598	54 836	49 836	49 836	49 836	49 836	44 836	39 836	41 827
Total current assets		897 492	852 021	780 320	798 901	797 819	733 012	879 482	827 529	904 523	967 986
Non current assets											
Long-term receivables		2 158	3 025	3 876	3 876	3 876	3 876	3 876	3 876	3 876	4 070
Investments		—	—	—	—	—	—	—	—	—	—
Investment property		423 252	422 881	416 637	453 884	453 412	453 412	453 412	461 852	465 786	473 516
Investment in Associate		—	—	—	—	—	—	—	—	—	—
Property, plant and equipment	3	4 750 606	5 057 061	5 468 573	5 877 209	5 757 823	5 757 823	5 757 823	5 940 498	6 106 832	6 262 332
Agricultural		6 321	6 321	9 938	—	—	—	—	—	—	—
Biological		8 368	11 894	5 414	6 321	6 321	6 321	6 321	6 321	6 321	6 321
Intangible		774	774	2 618	9 388	6 898	6 898	6 898	4 907	3 326	1 505
Other non-current assets		—	—	—	2 618	2 900	2 900	2 900	—	—	—
Total non current assets		5 191 480	5 501 957	5 907 057	6 353 297	6 231 232	6 231 232	6 231 232	6 417 454	6 586 143	6 747 744
TOTAL ASSETS		6 088 972	6 353 978	6 687 377	7 152 198	7 029 051	6 964 244	7 110 714	7 244 983	7 490 665	7 715 729
LIABILITIES											
Current liabilities											
Bank overdraft	1	—	—	—	—	—	—	—	—	—	—
Borrowing	4	14 502	25 870	26 311	31 078	31 078	31 078	31 078	36 078	41 078	46 078
Consumer deposits		15 674	17 078	14 274	14 274	—	—	745	14 274	14 274	14 274
Trade and other payables	4	343 640	417 255	254 131	234 131	234 131	234 131	234 131	214 131	194 131	194 131
Provisions		48 967	57 214	57 584	60 597	60 597	60 597	60 597	63 821	67 270	7 063
Total current liabilities		422 783	517 416	352 300	340 080	325 806	325 806	326 551	328 304	316 754	261 547
Non current liabilities											
Borrowing		158 800	292 930	449 591	521 293	521 293	521 293	521 293	463 087	545 204	630 321
Provisions		296 636	303 532	294 223	328 223	328 223	328 223	328 223	364 430	402 993	423 143
Total non current liabilities		455 436	596 463	743 814	849 515	849 515	849 515	849 515	827 517	948 197	1 053 463
TOTAL LIABILITIES		878 219	1 113 879	1 096 114	1 189 595	1 175 321	1 175 321	1 176 066	1 155 821	1 264 950	1 315 010
NET ASSETS	5	5 210 753	5 240 099	5 591 263	5 962 603	5 853 730	5 788 923	5 934 648	6 089 162	6 225 715	6 400 720
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		5 210 753	5 240 099	5 591 263	5 962 603	5 853 730	5 788 923	5 934 648	6 089 162	6 225 715	6 400 720
Reserves	4	—	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	5	5 210 753	5 240 099	5 591 263	5 962 603	5 853 730	5 788 923	5 934 648	6 089 162	6 225 715	6 400 720

References

1. Detail to be provided in Table SA3
2. Include completed low cost housing to be transferred to beneficiaries within 12 months
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)
4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.
5. Total Assets must balance with Total Liabilities
6. Net Assets must balance with Total Community Wealth/Equity

WC024 Stellenbosch - Table A7 Budgeted Cash Flows

Description		Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates			306 230	330 932	341 877	376 549	607 685	607 685	607 685	406 687	431 088	456 954
Service charges			849 699	789 964	996 403	1 029 867	776 704	776 704	776 704	1 158 390	1 240 832	1 321 206
Other revenue			23 179	87 385	93 620	110 386	114 196	114 196	114 196	158 522	181 133	190 186
Transfers and Subsidies - Operational	1		159 487	147 412	172 339	178 547	54 071	178 547	178 547	165 045	173 009	176 528
Transfers and Subsidies - Capital	1		77 588	122 759	141 088	113 429	113 429	113 429	113 429	70 386	43 867	45 345
Interest			55 110	52 297	54 991	50 621	50 621	50 621	50 621	18 496	19 545	20 653
Dividends				-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees			(1 096 340)	(1 111 360)	(1 394 478)	(1 481 734)	(1 509 956)	(1 509 956)	(1 509 956)	(1 643 689)	(1 702 302)	(1 796 145)
Finance charges			(18 775)	(23 207)	(39 877)	(39 349)	(31 649)	(31 649)	(31 649)	(44 260)	(41 630)	(39 409)
Transfers and Grants	1		(6 261)	(8 990)	(10 049)	(10 069)	(11 073)	(11 073)	(11 073)	(13 600)	(13 223)	(13 606)
NET CASH FROM/(USED) OPERATING ACTIVITIES			349 918	387 190	355 914	328 247	164 027	288 503	288 503	275 977	332 319	361 712
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			1 407	1 968	-	(31 912)	(23)	(23)	(23)	-	-	-
Decrease (increase) in non-current receivables			-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments			69 801	107 454	298 278	-	-	-	-	-	-	-
Payments												
Capital assets			(433 675)	(493 304)	(405 843)	(558 277)	(454 464)	(454 464)	(454 464)	(397 764)	(384 460)	(381 495)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(362 468)	(383 881)	(107 566)	(590 188)	(454 487)	(454 487)	(454 487)	(397 764)	(384 460)	(381 495)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans			-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing			-	160 000	-	160 000	120 000	120 000	120 000	144 000	140 000	160 000
Increase (decrease) in consumer deposits			-	-	-	-	-	-	-	-	-	-
Payments												
Repayment of borrowing			(13 084)	(14 502)	-	(20 883)	(20 883)	(20 883)	(20 883)	(36 883)	(52 883)	(69 883)
NET CASH FROM/(USED) FINANCING ACTIVITIES			(13 084)	145 498	-	139 117	99 117	99 117	99 117	107 117	87 117	90 117
NET INCREASE/ (DECREASE) IN CASH HELD			(25 634)	148 807	248 349	(122 824)	(191 344)	(66 867)	(66 867)	(14 670)	34 976	70 334
Cash/cash equivalents at the year begin:	2		46 317	20 683	169 491	417 839	417 839	417 839	417 839	350 972	336 302	371 278
Cash/cash equivalents at the year end:	2		20 683	169 491	417 839	295 015	226 496	350 972	350 972	336 302	371 278	441 612

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities
2. Cash equivalents includes investments with maturities of 3 months or less
3. The MTREF is populated directly from SA30.

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	20 683	169 491	417 839	295 015	226 496	350 972	350 972	336 302	371 278	441 612
Other current investments > 90 days		508 168	398 211	(47 721)	66 324	134 843	10 367	10 367	–	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		528 851	567 702	370 118	361 339	361 339	361 339	361 339	336 302	371 278	441 612
Application of cash and investments											
Unspent conditional transfers		(100 324)	(148 234)	–	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	(525 855)	(487 272)	(617 406)	(584 735)	(596 615)	(536 072)	(894 527)	(642 280)	(671 436)	(663 288)
Other provisions		51 376	35 736	2 315	49 923	31 923	31 923	31 923	5 637	5 954	5 993
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		(574 802)	(599 770)	(615 091)	(534 812)	(564 692)	(504 149)	(862 604)	(636 644)	(665 483)	(657 295)
Surplus(shortfall)		1 103 654	1 167 471	985 209	896 151	926 031	865 488	1 223 943	972 945	1 036 760	1 098 907

References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

Other working capital requirements											
Debtors		282 539	218 251	363 275	350 604	362 484	301 941	660 396	428 149	477 305	469 157
Creditors due		(243 316)	(269 021)	(254 131)	(234 131)	(234 131)	(234 131)	(234 131)	(214 131)	(194 131)	(194 131)
Total		525 855	487 272	617 406	584 735	596 615	536 072	894 527	642 280	671 436	663 288

Debtors collection assumptions											
Balance outstanding - debtors		322 209	240 115	356 732	389 092	388 010	323 203	469 673	447 757	494 775	485 980
Estimate of debtors collection rate		87.7%	90.9%	101.8%	90.1%	93.4%	93.4%	140.6%	95.6%	96.5%	96.5%

Long term investments committed											
Balance (Insert description; eg sinking fund)											
Bankers Acceptance Certificate		–	–	–	–	–	–	–	–	–	–
Deposit Taking Institutions		–	–	–	–	–	–	–	–	–	–
Bank Repurchase Agreements		–	–	–	–	–	–	–	–	–	–
Derivative Financial Assets		–	–	–	–	–	–	–	–	–	–
Guaranteed Endowment Policies (Sinking)		–	–	–	–	–	–	–	–	–	–
Listed/Unlisted Bonds and Stocks		–	–	–	–	–	–	–	–	–	–
Municipal Bonds		–	–	–	–	–	–	–	–	–	–
National Government Securities		–	–	–	–	–	–	–	–	–	–
Negotiable Certificate of Deposits: Banks		–	–	–	–	–	–	–	–	–	–
Unamortised Debt Expense		–	–	–	–	–	–	–	–	–	–
Unamortised Preference Share Expense		–	–	–	–	–	–	–	–	–	–
Interest Rate Swaps		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–

Reserves to be backed by cash/investments											
Housing Development Fund		–	–	–	–	–	–	–	–	–	–
Capital replacement		–	–	–	–	–	–	–	–	–	–
Self-insurance		–	–	–	–	–	–	–	–	–	–
Other reserves											
Compensation for Occupational Injuries and Diseases		–	–	–	–	–	–	–	–	–	–
Employee Benefit Reserve		–	–	–	–	–	–	–	–	–	–
Non-current Provisions Reserve		–	–	–	–	–	–	–	–	–	–
Valuation Reserve		–	–	–	–	–	–	–	–	–	–
Investment in associate account		–	–	–	–	–	–	–	–	–	–
Capitalisation Reserve		–	–	–	–	–	–	–	–	–	–
Equity		–	–	–	–	–	–	–	–	–	–
Non-Controlling Interest		–	–	–	–	–	–	–	–	–	–
Share Premium		–	–	–	–	–	–	–	–	–	–
Revaluation		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–

WC024 Stellenbosch - Table A9 Asset Management

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	175 701	281 741	269 612	216 345	330 749	330 749	256 549	183 966	191 721
<i>Roads Infrastructure</i>		36 740	78 484	34 038	39 530	50 882	50 882	28 966	41 290	20 700
<i>Storm water Infrastructure</i>		–	835	–	–	–	–	–	–	–
<i>Electrical Infrastructure</i>		5 580	31 774	16 098	30 250	27 380	27 380	53 772	15 827	69 385
<i>Water Supply Infrastructure</i>		48 030	35 223	10 095	34 805	36 094	36 094	72 000	60 000	45 400
<i>Sanitation Infrastructure</i>		33 368	90 551	59 018	32 200	36 403	36 403	17 888	1 800	8 800
<i>Solid Waste Infrastructure</i>		1 559	1 090	21 518	5 500	12 155	12 155	6 700	25 500	20 200
<i>Rail Infrastructure</i>		–	–	–	–	–	–	–	–	–
<i>Coastal Infrastructure</i>		–	–	–	–	–	–	–	–	–
<i>Information and Communication Infrastructure</i>		–	379	630	50	166	166	100	100	–
Infrastructure		125 278	238 336	141 396	142 335	163 081	163 081	179 426	144 517	164 485
<i>Community Facilities</i>		18 905	18 589	6 631	1 500	9 749	9 749	3 800	1 000	200
<i>Sport and Recreation Facilities</i>		82	74	2 878	4 000	3 479	3 479	2 150	2 150	2 000
Community Assets		18 986	18 663	9 509	5 500	13 228	13 228	5 950	3 150	2 200
Heritage Assets		1 337	1 274	100	–	1 019	870	–	–	–
<i>Revenue Generating</i>		–	–	972	800	3 550	3 550	500	–	–
<i>Non-revenue Generating</i>		904	466	1 331	200	1 886	1 886	200	200	3 000
Investment properties		904	466	2 303	1 000	5 436	5 436	700	200	3 000
<i>Operational Buildings</i>		139	182	9 742	42 350	58 984	58 984	48 100	200	3 000
<i>Housing</i>		1 130	389	200	8 759	53 441	53 441	9 700	19 380	4 000
Other Assets		1 269	570	9 942	51 109	112 425	112 425	57 800	19 580	7 000
Biological or Cultivated Assets		120	67	–	–	–	–	–	–	–
<i>Servitudes</i>		–	–	–	–	–	–	–	–	–
<i>Licences and Rights</i>		50	840	–	–	–	–	–	450	250
Intangible Assets		50	840	–	–	–	–	–	450	250
<i>Computer Equipment</i>		2 363	–	66 547	100	400	400	50	50	50
<i>Furniture and Office Equipment</i>		3 614	3 163	2 159	2 967	3 979	3 979	2 428	3 114	1 736
<i>Machinery and Equipment</i>		6 572	3 583	18 136	6 110	14 372	14 372	5 250	6 830	3 400
<i>Transport Assets</i>		14 908	14 779	19 520	7 225	16 809	16 809	4 075	6 075	9 600
<i>Land</i>		299	–	–	–	–	–	–	–	–
<i>Zoo's, Marine and Non-biological Animals</i>		–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	2	32 347	45 449	10 136	34 100	27 041	27 041	9 950	23 600	39 164
<i>Roads Infrastructure</i>		17 117	24 611	12 579	13 400	21 545	21 545	5 100	9 100	2 000
<i>Storm water Infrastructure</i>		–	–	–	–	–	–	–	–	–
<i>Electrical Infrastructure</i>		6 300	17 898	(4 747)	3 600	600	600	250	4 950	5 664
<i>Water Supply Infrastructure</i>		5 349	1 146	473	4 000	3 000	3 000	4 000	4 000	4 000
<i>Sanitation Infrastructure</i>		2 266	1 104	1 831	13 000	1 310	1 310	–	4 000	27 000
<i>Solid Waste Infrastructure</i>		–	–	–	–	–	–	–	500	–
<i>Rail Infrastructure</i>		–	–	–	–	–	–	–	–	–
<i>Coastal Infrastructure</i>		–	–	–	–	–	–	–	–	–
<i>Information and Communication Infrastructure</i>		–	–	–	–	–	–	–	–	–
Infrastructure		31 031	44 759	10 136	34 000	26 456	26 456	9 350	22 550	38 664
<i>Community Facilities</i>		10	–	–	–	–	–	–	–	–
<i>Sport and Recreation Facilities</i>		363	407	–	–	385	385	–	550	–
Community Assets		373	407	–	–	385	385	–	550	–
Heritage Assets		–	–	–	–	–	–	–	–	–
<i>Revenue Generating</i>		–	–	–	–	–	–	–	–	–
<i>Non-revenue Generating</i>		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
<i>Operational Buildings</i>		449	253	–	100	200	200	300	200	200
<i>Housing</i>		–	–	–	–	–	–	–	–	–
Other Assets		449	253	–	100	200	200	300	200	200
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
<i>Servitudes</i>		–	–	–	–	–	–	–	–	–
<i>Licences and Rights</i>		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
<i>Computer Equipment</i>		–	–	–	–	–	–	–	–	–
<i>Furniture and Office Equipment</i>		–	30	–	–	–	–	300	300	300
<i>Machinery and Equipment</i>		493	–	–	–	–	–	–	–	–
<i>Transport Assets</i>		–	–	–	–	–	–	–	–	–
<i>Land</i>		–	–	–	–	–	–	–	–	–
<i>Zoo's, Marine and Non-biological Animals</i>		–	–	–	–	–	–	–	–	–
Total Upgrading of Existing Assets	6	237 784	154 845	128 814	125 305	96 674	96 674	131 265	176 894	150 610
<i>Roads Infrastructure</i>		25 763	12 606	29 797	12 200	8 425	8 425	36 000	43 750	4 000
<i>Storm water Infrastructure</i>		1 233	3 252	835	4 000	2 496	2 496	–	–	–
<i>Electrical Infrastructure</i>		39 710	13 748	23 523	8 000	16 139	16 139	16 221	37 025	9 962
<i>Water Supply Infrastructure</i>		107 701	40 781	20 309	30 500	16 630	16 630	5 750	10 500	50 268
<i>Sanitation Infrastructure</i>		41 867	50 206	31 173	24 155	8 436	8 436	30 100	49 500	62 000
<i>Solid Waste Infrastructure</i>		719	321	370	2 000	292	292	929	–	–
<i>Rail Infrastructure</i>		–	–	–	–	–	–	–	–	–
<i>Coastal Infrastructure</i>		–	–	–	–	–	–	–	–	–
<i>Information and Communication Infrastructure</i>		1 605	847	999	1 550	144	144	1 559	1 569	500
Infrastructure		218 599	121 760	107 005	82 405	52 561	52 561	90 559	142 344	126 730
<i>Community Facilities</i>		4 353	8 091	4 003	7 650	10 731	10 731	7 854	10 700	12 380
<i>Sport and Recreation Facilities</i>		9 203	4 039	1 852	8 050	2 206	2 206	3 350	1 300	300
Community Assets		13 556	12 130	5 855	15 700	12 937	12 937	11 204	12 000	12 680
Heritage Assets		–	–	423	1 000	263	263	1 807	3 000	2 000
<i>Revenue Generating</i>		296	2 132	2 962	3 500	3 912	3 912	–	1 000	–
<i>Non-revenue Generating</i>		–	2 006	808	13 000	8 183	8 183	8 000	3 000	5 000
Investment properties		296	4 138	3 771	16 500	12 095	12 095	8 000	4 000	5 000
<i>Operational Buildings</i>		1 039	2 372	472	1 900	9 365	9 365	15 495	6 050	–
<i>Housing</i>		–	2 420	2 087	3 000	2 353	2 353	–	–	–
Other Assets		1 039	4 792	2 559	4 900	11 718	11 718	15 495	6 050	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
<i>Servitudes</i>		–	–	–	–	–	–	–	–	–
<i>Licences and Rights</i>		–	–	163	–	–	–	–	–	–
Intangible Assets		–	–	163	–	–	–	–	–	–
<i>Computer Equipment</i>		4 295	12 025	8 891	4 600	6 900	6 900	4 100	4 200	4 200
<i>Furniture and Office Equipment</i>		–	–	146	200	200	200	100	300	–
<i>Machinery and Equipment</i>		–	–	–	–	–	–	–	5 000	–
<i>Transport Assets</i>		–	–	–	–	–	–	–	–	–
<i>Land</i>		–	–	–	–	–	–	–	–	–
<i>Zoo's, Marine and Non-biological Animals</i>		–	–	–	–	–	–	–	–	–

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
Total Capital Expenditure	4	445 831	482 034	408 562	375 750	454 464	454 464	397 764	384 460	381 495
Roads Infrastructure		79 620	115 701	76 413	65 130	80 852	80 852	70 066	94 140	26 700
Storm water Infrastructure		1 233	4 086	835	4 000	2 496	2 496	-	-	-
Electrical Infrastructure		51 590	63 419	34 874	41 850	44 120	44 120	70 243	57 803	85 011
Water Supply Infrastructure		161 080	77 150	30 877	69 305	55 724	55 724	81 750	74 500	99 668
Sanitation Infrastructure		77 501	141 861	92 022	69 355	46 149	46 149	47 988	55 300	97 800
Solid Waste Infrastructure		2 278	1 411	21 888	7 500	12 447	12 447	7 629	26 000	20 200
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		1 605	1 226	1 628	1 600	310	310	1 659	1 669	500
Infrastructure		374 908	404 854	258 537	258 740	242 098	242 098	279 335	309 411	329 879
Community Facilities		23 268	26 681	10 634	9 150	20 480	20 480	11 654	11 700	12 580
Sport and Recreation Facilities		9 648	4 520	4 730	12 050	6 071	6 071	5 500	4 000	2 300
Community Assets		32 915	31 201	15 364	21 200	26 551	26 551	17 154	15 700	14 880
Heritage Assets		1 337	1 274	523	1 000	1 282	1 282	2 677	3 000	2 000
Revenue Generating		296	2 132	3 934	4 300	7 462	7 462	500	1 000	-
Non-revenue Generating		904	2 472	2 139	13 200	10 069	10 069	8 200	3 200	8 000
Investment properties		1 200	4 604	6 073	17 500	17 531	17 531	8 700	4 200	8 000
Operational Buildings		1 627	2 806	10 214	44 350	68 549	68 549	63 895	6 450	3 200
Housing		1 130	2 809	2 287	11 759	55 793	55 793	9 700	19 380	4 000
Other Assets		2 757	5 615	12 501	56 109	124 342	124 342	73 595	25 830	7 200
Biological or Cultivated Assets		120	67	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		50	840	163	-	-	-	-	450	250
Intangible Assets		50	840	163	-	-	-	-	450	250
Computer Equipment		6 658	12 025	75 438	4 700	7 300	7 300	4 150	4 250	4 250
Furniture and Office Equipment		3 614	3 193	2 306	3 167	4 179	4 179	2 828	3 714	2 036
Machinery and Equipment		7 065	3 583	18 136	6 110	14 372	14 372	5 250	11 830	3 400
Transport Assets		14 908	14 779	19 520	7 225	16 809	16 809	4 075	6 075	9 600
Land		299	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		445 831	482 034	408 562	375 750	454 464	454 464	397 764	384 460	381 495
ASSET REGISTER SUMMARY - PPE (WDV)	5	105 739	290 607	5 698 402	6 349 420	6 227 355	6 227 355	6 413 578	6 582 266	6 743 673
Roads Infrastructure		(322 714)	30 213	772 227	844 964	795 519	795 519	821 477	870 627	851 436
Storm water Infrastructure		6 396	623	16 675	20 936	17 740	17 740	16 741	15 723	14 684
Electrical Infrastructure		246 378	51 470	947 720	999 111	999 912	999 912	1 036 448	1 059 869	1 109 810
Water Supply Infrastructure		85 294	22 144	1 336 591	1 611 854	1 538 366	1 538 366	1 584 344	1 622 358	1 684 809
Sanitation Infrastructure		68 443	90 912	985 867	1 102 420	1 097 328	1 097 328	1 100 840	1 110 774	1 162 302
Solid Waste Infrastructure		(9 574)	9 323	57 742	65 172	40 652	40 652	39 307	56 154	67 018
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		64 842	634	1 649	12 293	10 888	10 888	12 098	13 309	13 342
Infrastructure		139 066	205 319	4 118 472	4 656 750	4 500 404	4 500 404	4 611 255	4 748 813	4 903 402
Community Assets		(16 659)	9 089	89 267	110 354	96 850	96 850	111 016	123 668	135 439
Heritage Assets		50	-	774	2 618	2 900	2 900	5 577	8 577	10 577
Investment properties		(2 475)	(8 618)	412 752	453 884	453 412	453 412	461 852	465 786	473 516
Other Assets		(47 303)	77 267	429 180	456 504	494 798	494 798	558 688	574 618	571 721
Biological or Cultivated Assets		(2 487)	-	6 321	6 321	6 321	6 321	6 321	6 321	6 321
Intangible Assets		(6 425)	8 947	4 273	9 388	6 898	6 898	4 907	3 326	1 505
Computer Equipment		(5 197)	(503)	24 390	89 071	89 598	89 598	86 362	83 078	79 644
Furniture and Office Equipment		(1 943)	829	14 199	20 493	27 512	27 512	26 758	26 819	25 129
Machinery and Equipment		68 046	(106)	45 396	56 273	61 533	61 533	60 165	65 245	61 760
Transport Assets		741	(1 617)	96 585	91 917	91 281	91 281	84 829	80 166	78 813
Land		(19 675)	-	456 793	395 847	395 847	395 847	395 847	395 847	395 847
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	105 739	290 607	5 698 402	6 349 420	6 227 355	6 227 355	6 413 578	6 582 266	6 743 673
EXPENDITURE OTHER ITEMS	7	24 333	193 119	191 851	205 628	200 779	200 779	211 541	215 772	220 087
Depreciation		44 774	7 400	49 608	90 823	83 602	83 602	86 101	84 217	87 119
Repairs and Maintenance by Asset Class	3	5 510	6 420	8 008	11 218	12 648	12 648	20 920	16 937	17 354
Roads Infrastructure		161	495	6 810	2 253	2 100	2 100	1 300	1 340	1 382
Storm water Infrastructure		7 510	(27 623)	998	107	107	107	100	105	110
Electrical Infrastructure		1 224	6 069	100	10 387	7 322	7 322	7 015	7 229	7 449
Water Supply Infrastructure		6 306	1 302	1 944	9 692	15 794	15 794	8 314	8 609	8 915
Sanitation Infrastructure		767	290	-	1 409	3 199	3 199	3 040	3 154	3 272
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	11 332	10 718	10 718	11 553	11 942	12 345
Infrastructure		21 477	(13 047)	17 859	46 399	51 889	51 889	52 242	49 315	50 826
Community Facilities		48	-	2 686	12 641	11 456	11 456	12 552	12 836	13 326
Sport and Recreation Facilities		-	-	-	1 421	1 257	1 257	1 438	1 500	1 564
Community Assets		48	-	2 686	14 062	12 713	12 713	13 990	14 336	14 891
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		4	3	-	10 577	9 731	9 731	11 746	12 035	12 533
Housing		-	-	-	466	690	690	175	180	185
Other Assets		4	3	-	11 044	10 421	10 421	11 920	12 215	12 719
Biological or Cultivated Assets		22	14	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		151	317	-	-	-	-	-	-	-
Intangible Assets		151	317	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		15 969	10 503	11 027	5 858	3 886	3 886	3 257	3 384	3 521
Machinery and Equipment		-	-	-	9 536	536	536	552	569	586
Transport Assets		7 104	9 610	18 036	3 925	4 156	4 156	4 141	4 399	4 576
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		69 107	200 519	241 459	296 451	284 380	284 380	297 643	299 989	307 206
Renewal and upgrading of Existing Assets as % of total capex		60.6%	41.6%	34.0%	42.4%	27.2%	27.2%	35.5%	52.1%	49.7%
Renewal and upgrading of Existing Assets as % of deprec		1110.2%	103.7%	72.4%	77.5%	61.6%	61.6%	66.8%	92.9%	86.2%
R&M as a % of PPE		0.9%	0.1%	0.9%	1.5%	1.5%	1.5%	1.4%	1.4%	1.4%
Renewal and upgrading and R&M as a % of PPE		298.0%	71.0%	3.0%	4.0%	3.0%	3.0%	4.0%	4.0%	4.0%

References

- Detail of new assets provided in Table SA34a
- Detail of renewal of existing assets provided in Table SA34b
- Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
- Must reconcile to total capital expenditure on Budgeted Capital Expenditure
- Must reconcile to 'Budgeted Financial Position' (written down value)
- Detail of upgrading of existing assets provided in Table SA34e
- Detail of depreciation provided in Table SA34d

WC024 Stellenbosch - Table A10 Basic service delivery measurement

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Household service targets	1									
Water:										
Piped water inside dwelling		36 779	38 618	39 599	39 599	39 599	39 599	40 626	40 676	40 676
Piped water inside yard (but not in dwelling)		3 854	4 047	4 249	4 249	4 249	4 249	4 461	4 561	4 561
Using public tap (at least min.service level)	2	6 828	7 169	4 528	4 528	4 528	4 528	4 778	4 878	4 878
Other water supply (at least min.service level)	4	-	-	1 774	1 774	1 774	1 774	684	834	834
<i>Minimum Service Level and Above sub-total</i>		47 461	49 834	50 150	50 150	50 150	50 150	50 550	50 950	50 950
Using public tap (< min.service level)	3	1 305	1 370	1 270	1 270	1 270	1 270	1 170	1 070	1 070
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		292	307	257	257	257	257	207	157	157
<i>Below Minimum Service Level sub-total</i>		1 597	1 677	1 527	1 527	1 527	1 527	1 377	1 227	1 227
Total number of households	5	49 058	51 511	51 677	51 677	51 677	51 677	51 927	52 177	52 177
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		43 679	45 863	46 206	46 206	46 206	46 206	46 256	46 306	46 306
Flush toilet (with septic tank)		1 873	1 967	2 065	2 065	2 065	2 065	2 165	2 265	2 265
Chemical toilet		352	370	388	388	388	388	407	420	420
Pit toilet (ventilated)		229	240	150	150	150	150	50	-	-
Other toilet provisions (> min.service level)		1 137	1 194	1 468	1 468	1 468	1 468	1 898	2 236	2 236
<i>Minimum Service Level and Above sub-total</i>		47 270	49 634	50 277	50 277	50 277	50 277	50 777	51 227	51 227
Bucket toilet		1 172	1 231	900	550	550	550	800	700	700
Other toilet provisions (< min.service level)		182	191	150	1 899	1 899	1 899	50	-	-
No toilet provisions		434	456	350	45 566	45 566	45 566	300	250	250
<i>Below Minimum Service Level sub-total</i>		1 788	1 877	1 400	48 015	48 015	48 015	1 150	950	950
Total number of households	5	49 058	51 511	51 677	98 292	98 292	98 292	51 927	52 177	52 177
Energy:										
Electricity (at least min.service level)		13 639	14 321	14 571	14 571	14 571	14 571	14 821	15 071	15 071
Electricity - prepaid (min.service level)		32 860	34 503	34 753	34 753	34 753	34 753	35 003	35 253	35 253
<i>Minimum Service Level and Above sub-total</i>		46 499	48 824	49 324	49 324	49 324	49 324	49 824	50 324	50 324
Electricity (< min.service level)		223	234	150	150	150	150	150	150	150
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		2 336	2 453	2 203	2 203	2 203	2 203	1 953	1 703	1 703
<i>Below Minimum Service Level sub-total</i>		2 559	2 687	2 353	2 353	2 353	2 353	2 103	1 853	1 853
Total number of households	5	49 058	51 511	51 677	51 677	51 677	51 677	51 927	52 177	52 177
Refuse:										
Removed at least once a week		43 660	39 475	47 149	47 149	47 149	47 149	47 649	48 149	48 149
<i>Minimum Service Level and Above sub-total</i>		43 660	39 475	47 149	47 149	47 149	47 149	47 649	48 149	48 149
Removed less frequently than once a week		768	-	-	-	-	-	-	-	-
Using communal refuse dump		1 074	1 128	1 078	1 078	1 078	1 078	1 028	978	978
Using own refuse dump		2 256	2 369	2 200	2 200	2 200	2 200	2 100	2 000	2 000
Other rubbish disposal		842	884	900	800	800	800	750	700	700
No rubbish disposal		458	481	450	450	450	450	400	350	350
<i>Below Minimum Service Level sub-total</i>		5 398	4 862	4 528	4 528	4 528	4 528	4 278	4 028	4 028
Total number of households	5	49 058	44 337	51 677	51 677	51 677	51 677	51 927	52 177	52 177
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		9 823 567	6 182	6 482	6 000	6 000	6 000	6 000	6 000	6 000
Sanitation (free minimum level service)		9 400 683	6 182	6 482	6 000	6 000	6 000	6 000	6 000	6 000
Electricity/other energy (50kwh per household per month)		8 688 555	6 182	6 482	6 000	6 000	6 000	6 000	6 000	6 000
Refuse (removed at least once a week)		10 173 067	6 182	6 482	6 000	6 000	6 000	6 000	6 000	6 000
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	10 413	11 038	11 700	11 700	11 700	11 700	12 402	12 402
Sanitation (free sanitation service to indigent households)		-	10 247	11 169	12 174	12 174	12 174	12 174	13 270	13 270
Electricity/other energy (50kwh per indigent household per month)		-	9 557	10 513	11 249	11 249	11 249	11 249	12 037	12 037
Refuse (removed once a week for indigent households)		-	11 190	12 198	13 295	13 295	13 295	13 295	14 492	14 492
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		35 278	44 343	51 890	57 653	57 653	57 653	57 653	65 015	65 015
Total cost of FBS provided		35 278	85 751	96 808	106 072	106 072	106 072	106 072	117 215	117 215
Highest level of free service provided per household										
Property rates (R value threshold)		95 000	200 000	200 000	200 000	200 000	200 000	200 000	200 000	200 000
Water (kilolitres per household per month)		10	10	10	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		94	101	101	112	112	112	122	121	121
Electricity (kwh per household per month)		60	100	100	100	100	100	100	100	100
Refuse (average litres per week)		250	250	250	250	250	250	250	250	250
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		-	39 422	41 669	44 377	44 377	44 377	47 262	47 262	50 334
Water (in excess of 6 kilolitres per indigent household per month)		-	5 089	5 597	5 961	5 961	5 961	6 349	6 349	6 761
Sanitation (in excess of free sanitation service to indigent households)		-	7 654	8 343	8 843	8 843	8 843	9 374	9 374	9 936
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	1 117	1 198	1 363	1 363	1 363	1 472	1 472	1 590
Refuse (in excess of one removal a week for indigent households)		-	7 929	8 642	10 068	10 068	10 068	11 730	11 730	13 665
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	6	10	15	1 323	22 660	22 660	22 660	19 660	19 660	19 660
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided		10	61 225	66 773	92 785	92 785	92 785	94 811	94 811	94 811

References

1. Include services provided by another entity; e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of households in municipal area (informal settlements receiving services must be included)
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free (informal settlements must be included)
8. Must reflect the cost to the municipality of providing the Free Basic Service
9. Reflect the cost to the municipality in terms of 'revenue foregone' of providing free services (note this will not equal 'Revenue Foregone' on SA1)

PART 2

A: OVERVIEW OF STELLENBOSCH MUNICIPALITY

Background

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



STATE OF THE GREATER STELLENBOSCH AREA
3.1 Socio-Economic Perspective**3.1.1 Population Growth**

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

This convergence of environmental resources, scenic quality and business opportunities has two other mutually reinforcing spin-offs: The largest number of JSE-listed companies based in any small South African town have their headquarters in Stellenbosch and the town is home to a disproportionately high number of corporate CEOs and executives, which in turn means that it is able to sustain a comparatively high level of economic activity and consumer services for a town of its size. This results in other benefits throughout the value-add chain and for employment. The municipal area covers approximately 900 km². The municipality's area of jurisdiction includes the towns of Stellenbosch and Franschhoek, as well as a number of rural hamlets such as Wemmershoek, La Motte, De Novo, Kylemore, Pniel, Johannesdal, Languedoc, Groot Drakenstein, Muldersvlei, Klapmuts, Elsenburg, Raithby, Jamestown, Koelenhof and Vloottenburg (most with a population of less than 5 000). Apart from formal settlement areas, the municipal area also includes a number of informal settlements.

Stellenbosch town is the second oldest town in South Africa, dating back to 1679 when an island in the Eerste River was named Stellenbosch by the then Governor of the Cape, Simon van der Stel. The first farming activities in the area were started in 1679. Today, the area has become primarily known for its extraordinary wines and fruits. The towns of Stellenbosch and Franschhoek are renowned for various architectural styles such as Dutch, Georgian and Victorian, which reflect its heritage and traditions, but also divisions of the past.

The area houses excellent educational institutions, including the University of Stellenbosch and a number of prestigious schools. It has a strong business sector, varying from major South African businesses and corporations to smaller enterprises and home industries. The tourism industry alone is responsible for the creation of about 18 000 jobs in the area. Wine farms and cellars

abound and the area is the home of the very first Wine Route in South Africa. A variety of sport facilities are available. Coetzenburg, with its athletics and rugby stadiums, has delivered star performances over many generations. The Municipal area has a number of theatres, which include the Stellenbosch University's HB Thom Theatre, Oude Libertas Amphitheatre (renowned for its summer season of music, theatre and dance), Spier Amphitheatre, as well as Klein Libertas Theatre, Dorpstraat Theatre and Aan de Braak Theatre.

3.2 Wards

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

Table 12: Municipal ward population

WARD	AREAS	Population (2011)
1	Franschhoek Town, Bo-Hoek Farms, Mooiwater	12 389
2	Langrug, La Motte, Dennegeur, Groendal	7 519
3	Wemmershoek, Lanquedoc, Meerlust	8 952
4	Pniel, Kylemore, Johannesburg	8 230
5	The Ridge, Lindida, Ida's Valley (The Hydro in the direction of Ida's Valley and Omega Street to Jonkershoek)	5 656
6	Ida's Valley and farms (Nietvoorbij, Timberlea, Morgenhof, Remhoogte, Muratie, Groenhof, Delheim, Liefvland, Kanonkop, Uitkyk, Glenelly, Emerie, Laundry, Packham, L'Avenir)	5 856
7	Mostertsdraif, Kolonieshof, Karindal, Rozendal, Uniepark, Simonswyk, Universiteitsoord, De Weides	3 873
8	Stellenbosch Central and university areas	5 682
9	Boundaries of the Eerste River, Krige, Herte, Skone Uitsig, Bird, Merriman, Bosman, Victoria, Neethling, Van Riebeeck, Drosty and Helderberg Street	822
10	Tenantville, Lappan street to Lackay street, La Colline-Faure, Dr Malan street to Irene Park, Conde Street, Mount Albert, Taylor, Voorplein to Kromriver, Municipal Flats (Lavanda, Aurora, Phyllaria, Molteno Avenue) to Paul Kruger Street and Banghoek Avenue	5 270
11	Dorp Street to Herte Street, Mark Street, Alexander Street, bottom of Bird Street to the Stellenbosch Train Station, all areas in Onder Papegaaiberg and businesses	6 545
12	Kayamandi: Enkanini, Snake Valley, Watergang, Thubelitsa, New Watergang (106), Zone O (next to Enkanini), Chris Hani Drive, Municipal Flats(10TH and 13TH Street), School Crescent, Ekuphumleni, Siyahlala, Zone A and George Blake	8 009
13	Kayamandi: Old Location from Lamla Street to Luyolo Street, Red Bricks and Old Hostels	2 482
14	Kayamandi: Zone I Setona Street), Zone O (lower part) Mgabadeli Crescent, Monde Crescent , Costa Land, Strong Yard, Zone M (8th Avenue)	5 280

15	Kayamandi: Mjandana Street(Zone L), Mputa Close, Zone K, Ndumela Street(Zone J), Distell Hostels, Vineyard, Zone O Middle part(Fire Street), Municipal Workers Flats, Zone N, and M, Old Corrobricks Hostels, Mdala Street(Old Hostels) Eight(8) Close	10 403
16	Long Street to end of Smarty Town, Eike Street, Curry Street, Primrose Street, Pine (Bo en Onder), North End, Vredelust, Gembok, Daffodil Single, Steps, Sylvia Street, Eiland Street, Last Street (White City), Frikkadel Dorp, September Street, Smarty Town and Weltevrede	8 626
17	Kloof and Longstreet flats, Welgevonden and Weltevreden	7 728
18	Klapmuts and surrounding farms	8 763
19	Elsenburg, De Novo	10 493
20	Vlottenburg, Raithby, Lynedoch to Meerlust, Eikendal, Mooiberge, Faure	9 628
21	Jamestown, Paradyskloof, De Zalze, Techno Park, Blaauwklippen, surrounding farms	8 651
22	Die Boord, Dalsig, Brandwacht, Krigeville, Libertas Farm	4 873
Total		155 733

Source: StatsSA

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

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



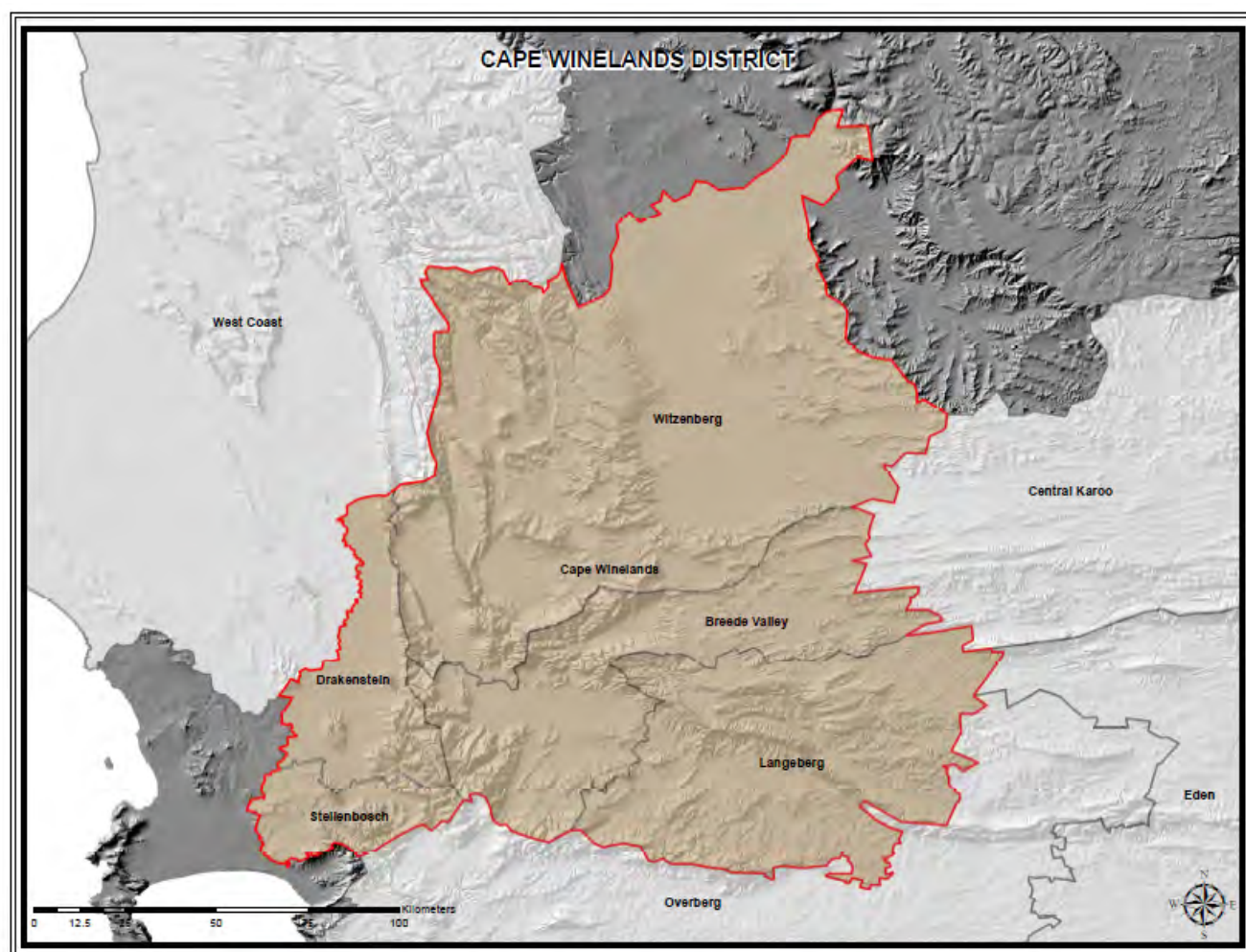
Source: Western Cape Provincial Spatial Development Framework

The Western Cape Province, which makes up 10.6% of the country's land surface and encompasses an area of 129 462 km². The province spatial area includes 1 metropolitan area

(City of Cape Town), 5 district municipal areas (Central Karoo, Eden renamed Garden Route, Overberg, Cape Winelands and West Coast) and 24 local municipalities.

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

Figure 2: Locality map of Stellenbosch Municipality in relation to Cape Winelands District Boundaries



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

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

Figure 3: Locality map of Municipal Boundaries



Stellenbosch Local Municipality is located in the heart of the Cape Winelands and adjacent to City of Cape Town and Drakenstein Municipality. As a local authority Stellenbosch Municipality governs the towns of Stellenbosch, Franschhoek and Pniel, and the surrounding rural areas. The area covers 831 square kilometres and adjoins the City of Cape Town (CoCT) to the west and south and the Breede Valley, Drakenstein and Theewaterskloof Municipalities to the east and north. Functionally, SM forms part of the Greater Cape Town metropolitan area.

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

3.3 State of the Greater Stellenbosch

Stellenbosch is situated about 50 km from Cape Town and is flanked by the N1 and N2 main routes. The municipal area covers roughly 900 km². According to population growth estimates, of the Community Survey the population figures for Stellenbosch for 2020 indicates a number of 192 879 people and 52 374 households.

The municipality's area of jurisdiction includes the town of Stellenbosch and stretches past Jamestown to Raithby in the South, Bottelary, Koelenhof, and Klapmuts to the North, and over the Helshoogte Pass to Pniel, Kylemore, Groendal and Franschhoek in the East.

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

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

A variety of sport facilities are available. Coetzenburg, with its athletics and rugby stadiums, has hosted star performances over many generations while the Danie Craven Stadium is the home of Maties rugby, the largest rugby club in the world. The municipal area has a number of theatres, which include the University's HB Thom Theatre, Spier Amphitheatre, Dorpsstraat Theatre, Aan de Braak Theatre, and Oude Libertas Amphitheatre – well-known for its summer season of music, theatre and dance. The area is known for its quality, award-winning restaurants and is a tourist haven with many boutiques, galleries, and curio shops. There are several museums and art galleries and the area is host to a number of annual cultural, food, wine and sports festivals. A wide array of accommodation is available for visitors to choose from.

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

The following municipalities share their borders with Stellenbosch Municipality:

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

Stellenbosch municipal area is now divided into 22 Wards, with recent amendments to some of the ward boundaries by the Municipal Demarcation Board in 2016.

The wards consist of urban settlements as well as the surrounding rural areas which contain agricultural and natural environments.

The table below describes the urban settlements and rural areas within the different wards and the figure on the next page indicates the ward demarcation for the respective 22 wards within the WCO24 boundary.

3.4 Stellenbosch at a Glance

Table 1: Stellenbosch Municipality: Summarised Statistics

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

Source: DLG 2020 Socio- Economic Profile- Stellenbosch Municipality

3.5 Socio-Economic Context

3.5.1 Population

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

Table 2: Age Cohorts and Dependency Ratio

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

Source: Western Cape, Socio-Economic Profile 2020

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

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

3.5.2 Sex Ratio

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

3.5.3 Age Cohorts

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

3.5.4 Household sizes

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

3.5.5 Population density

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

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

- Stellenbosch 232 people/km²
- Drakenstein 189 people/km²
- Breede Valley 50 people/km²
- Langeberg 26 people/km²
- Witzenberg 14 people/km²

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

3.6 Education

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

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

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Table 3: Early Childhood Development – attendance levels

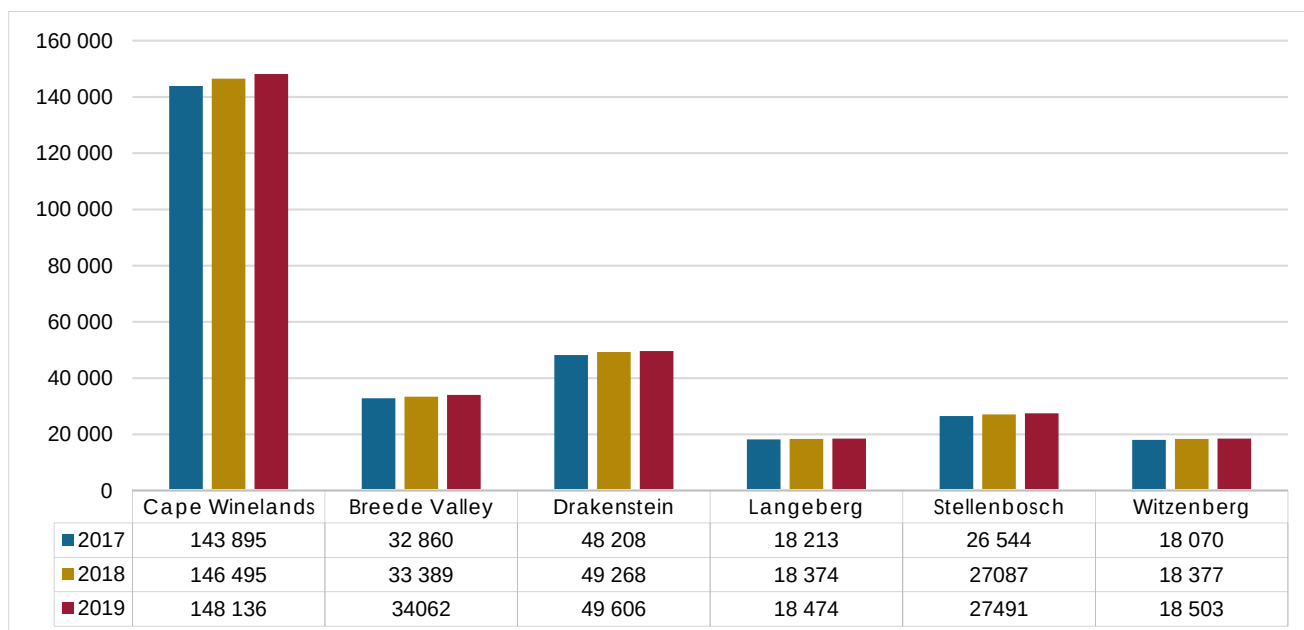
Early Childhood Development (ECD)		
Ages	Stellenbosch Municipality	
1	Attending	26.4%
	Not Attending	73.6%
2	Attending	61.9%
	Not Attending	38.1%
3	Attending	72.9%
	Not Attending	27.1%
4	Attending	71.9%
	Not Attending	28.1%
5	Attending	50.6%
	Not Attending	49.4%

Source: Western Cape, Socio-Economic Profile 2018

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

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

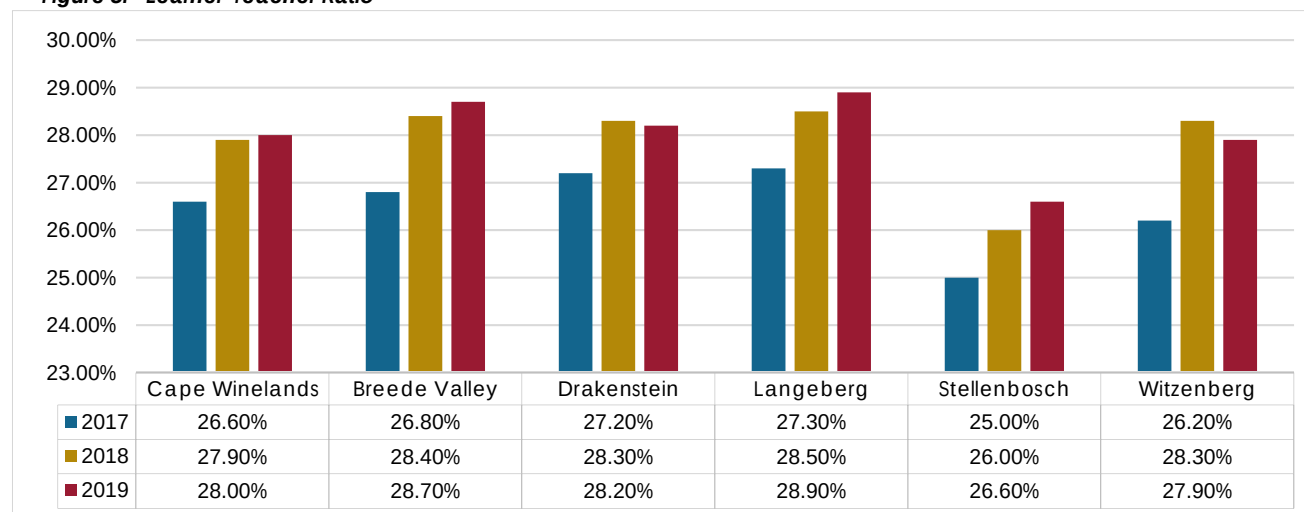
Learner enrolment in Stellenbosch increased from 27 087 enrolments in 2018 to 27 491 in 2019, an increase of 1.5 per cent. The learner-teacher ratio also reflected an increase from 28.5 in 2018 to 28.9 in 2019. The learner retention rate improved from 72.5 per cent in 2018 to 75.5 per cent in 2019. This could be attributed to a number of factors including improvement in the socio-economic context.

Figure 4: Learner enrolment

Source: Western Cape, Socio-Economic Profile 2020

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

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

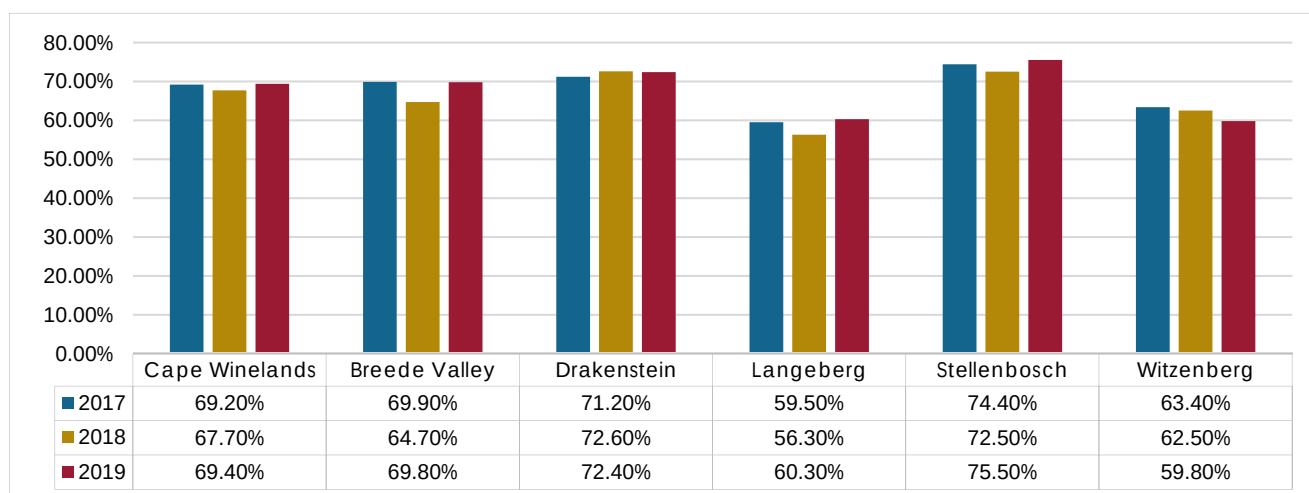
Figure 5: Learner-Teacher Ratio

Source: Western Cape, Socio-Economic Profile 2020

Stellenbosch has the lowest learner-teacher ratio in the District, which bodes well for educational outcomes.

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

Figure 6: Learner retention



Source: Western Cape, Socio-Economic Profile 2020

3.6.2 Number of schools and no-fee schools

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

3.6.3 Schools with libraries and media centres

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

3.6.4 Schools with libraries

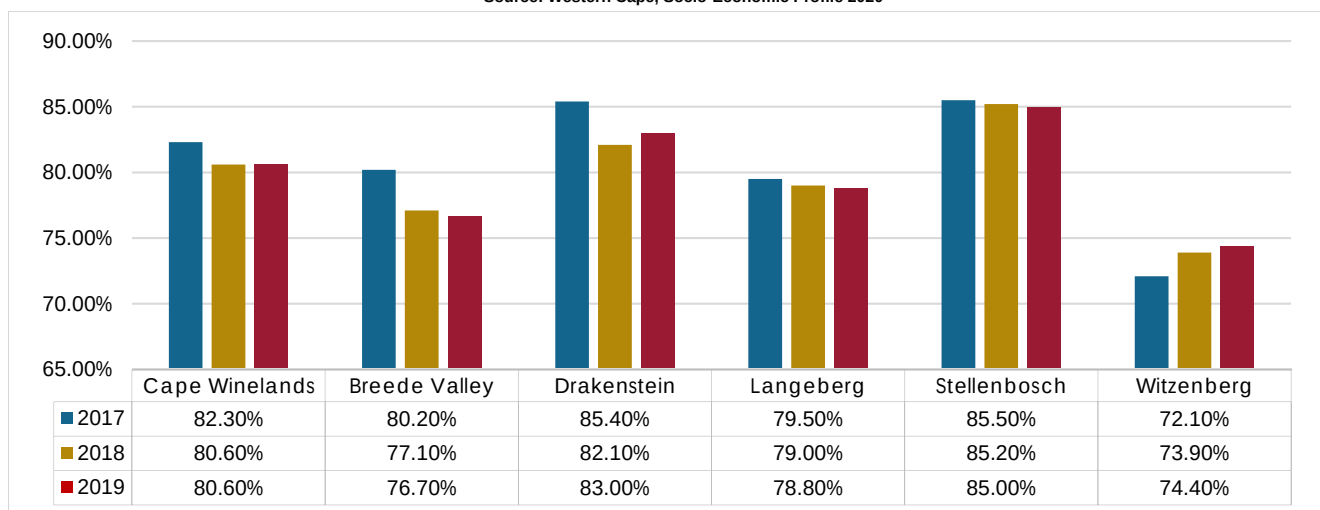
Schools with libraries and media centres has remained at 29 over the reference period, contributing to the overall quality of education in the area. There was no change in the number of schools with libraries in the Stellenbosch area from 2016 to 2020. The availability of library facilities within schools contribute towards narrowing the academic attainment gap by allowing students access to information which in turn directly links to improved education outcomes.

3.6.5 Education Outcomes (Matric Pass Rates)

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

Figure 7: Education Outcomes

Source: Western Cape, Socio-Economic Profile 2020



3.7 Health

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

Table 4: Health care facilities

Area	PHC facilities (Fixed clinics, CHCs and	Community Health Centres ¹	Community Day Centres ²	Hospitals	Treatment Sites
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¹ **Community Health Centre:** A facility that normally provides primary health care services, 24 hour maternity, accident and emergency services and beds where health care users can be observed for a maximum of 48 hours and which normally has a procedure room but not an operating theatre.

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

	CDCs)							
	Fixed	Non-fixed			District	Regional	ART Clinics	TB Clinics
Stellenbosch	7	6	0	1	1	0	8*	15*
Cape Winelands District	39	33	0	6	4	2	49*	100*

*Source: Western Cape, Socio-Economic Profile 2020

3.7.1 Emergency Medical Services

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

3.7.2 HIV / AIDS / TB

Stellenbosch's total registered patients receiving ARTs increased by 896 patients between 2018 and 2019. A total of 32 366 registered patients received antiretroviral treatment in the Cape Winelands District in 2019. Stellenbosch, at 6 960 patients, represent 21.5 per cent of the patients receiving ART in the Cape Winelands District. The number of new antiretroviral patients decreased from 637 to 538 in 2019. Stellenbosch experienced an increase of in tuberculosis (TB) cases in 2019. 1 176 TB patients were registered in 2019 compared to 1 175 in 2018.

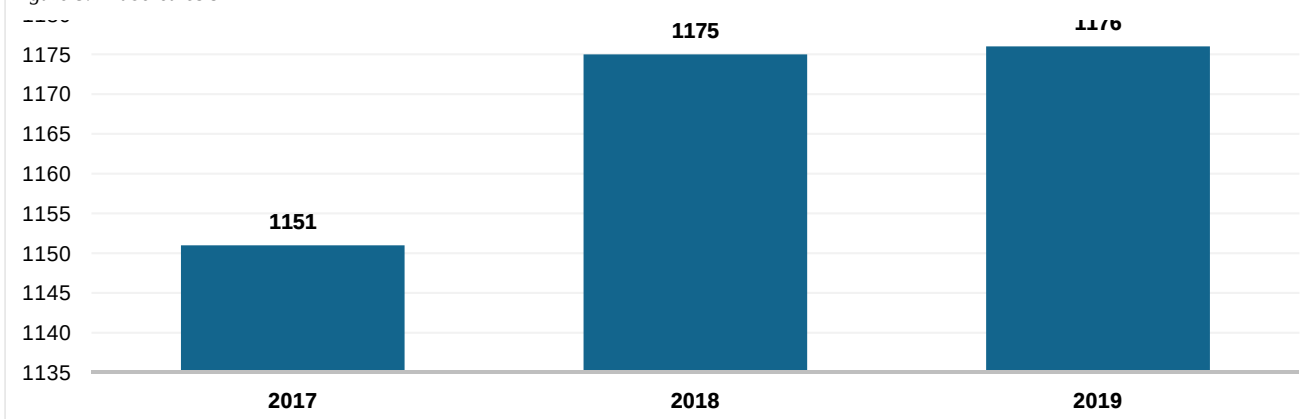
HIV/AIDS management is crucial given its implications for the labour force and the demand for healthcare services.

Table 5: HIV/AIDS Management

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

Source: Western Cape, Socio-Economic Profile 2020

Figure 8: Tuberculosis

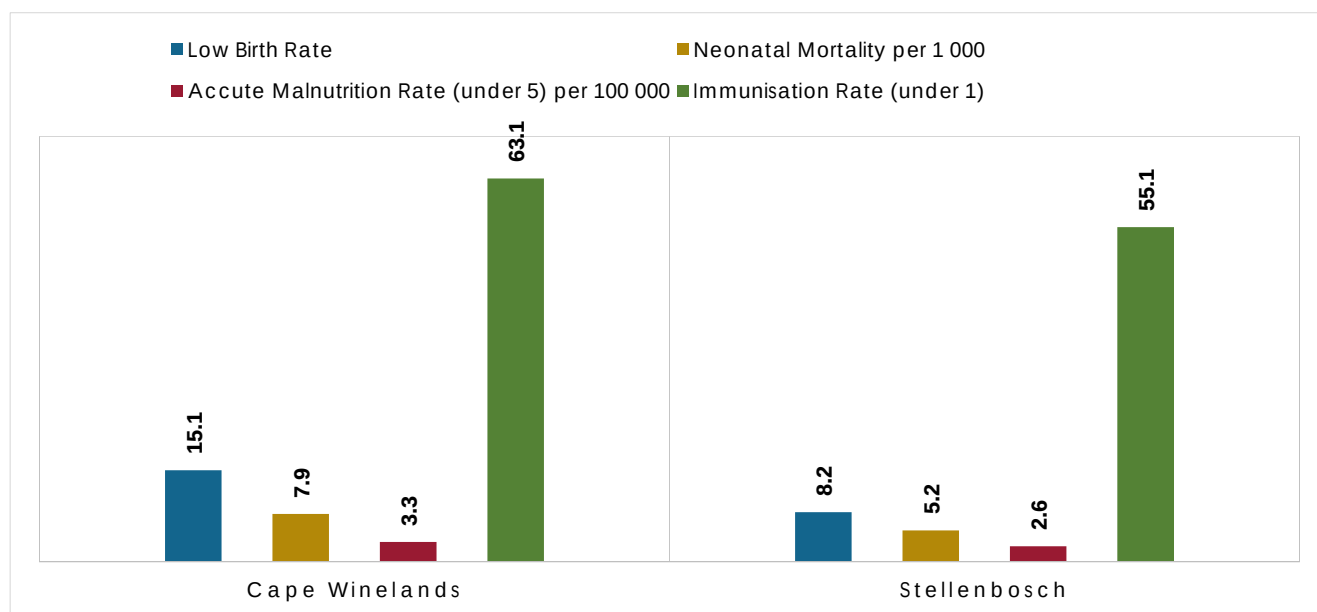


Source: Western Cape, Socio-Economic Profile 2020

3.7.3 Child Health

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

Figure 9: Child Health



Source: Western Cape, Socio-Economic Profile 2020

3.7.4 Maternal Health

The maternal mortality rate in the Stellenbosch area is zero and Cape Winelands District is 42.7 deaths per 100 000 live births in 2019. The delivery rate to women under 20 years in Stellenbosch and Cape Winelands District was recorded at 13.5 and 15.1 in 2019 per cent respectively. The termination of pregnancy rate increased from 0.5 to 0.6 from 2018 to 2019 in the Stellenbosch area.

Table 6: Maternal Health

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

Source: Western Cape, Socio-Economic Profile 2020

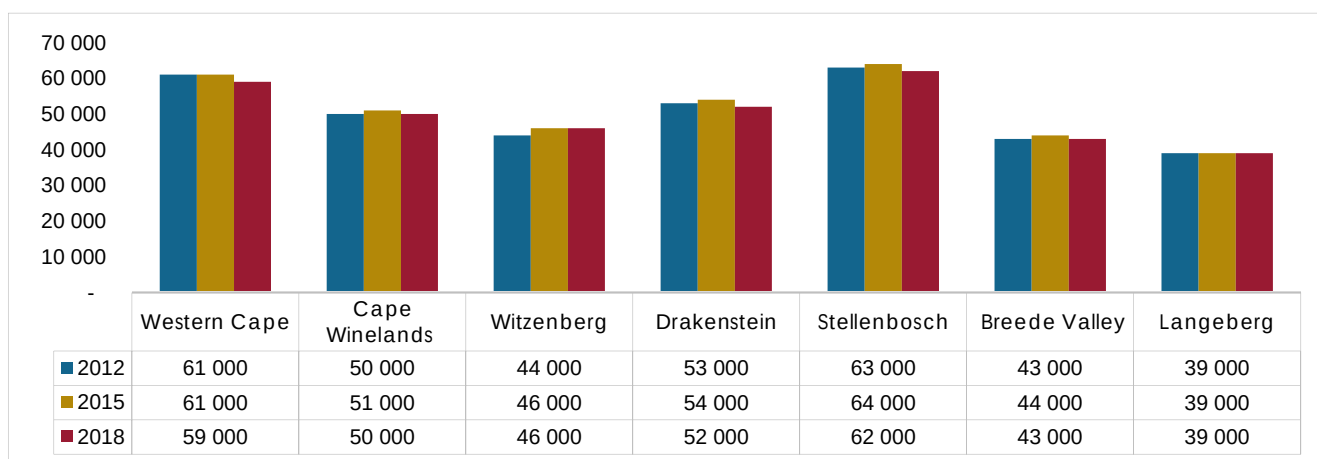
3.8 Poverty

3.8.1 GDP Per Capita

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

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

Figure 10: GDP Per Capita



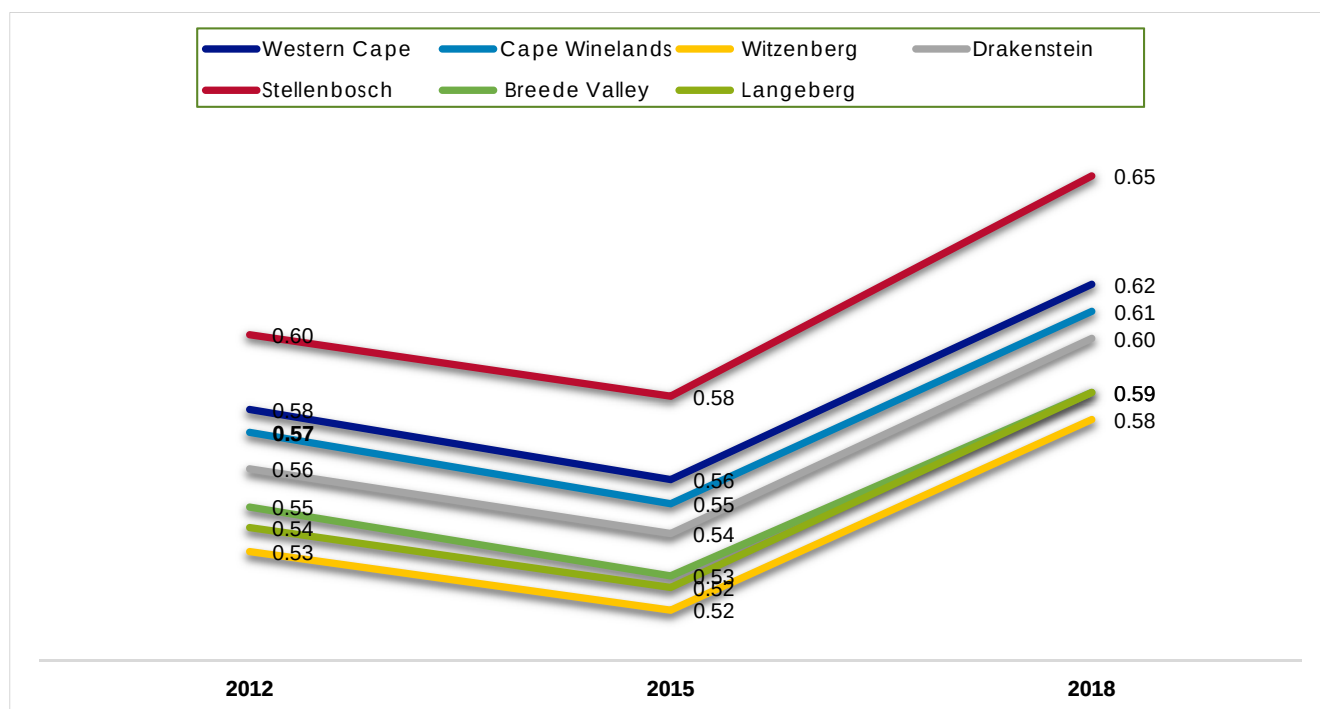
Source: Western Cape, Socio-Economic Profile 2020

3.8.2 Income Inequality

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

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

Figure 11: Income Inequality

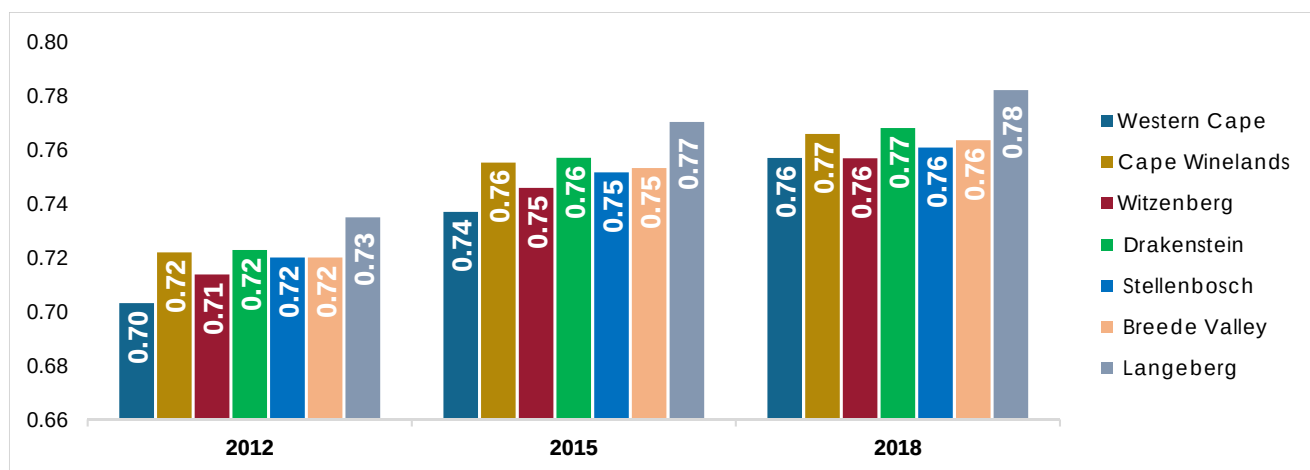


Source: Western Cape, Socio-Economic Profile 2020

3.8.3 Human Development

The United Nations uses the Human Development Index (HDI) to assess the relative level of socio-economic development in countries. Indicators that measure human development are education, housing, access to basic services and health. The HDI is a composite indicator reflecting education levels, health, and income. It is a measure of peoples' ability to live a long and healthy life, to communicate, participate in the community and to have sufficient means to be able to afford a decent living. The HDI is represented by a number between 0 and 1, where 1 indicates a high level of human development and 0 represents no human development.

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

Figure 12: Human Development

Source: Western Cape, Socio-Economic Profile 2020

3.9 Basic Service Delivery

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

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

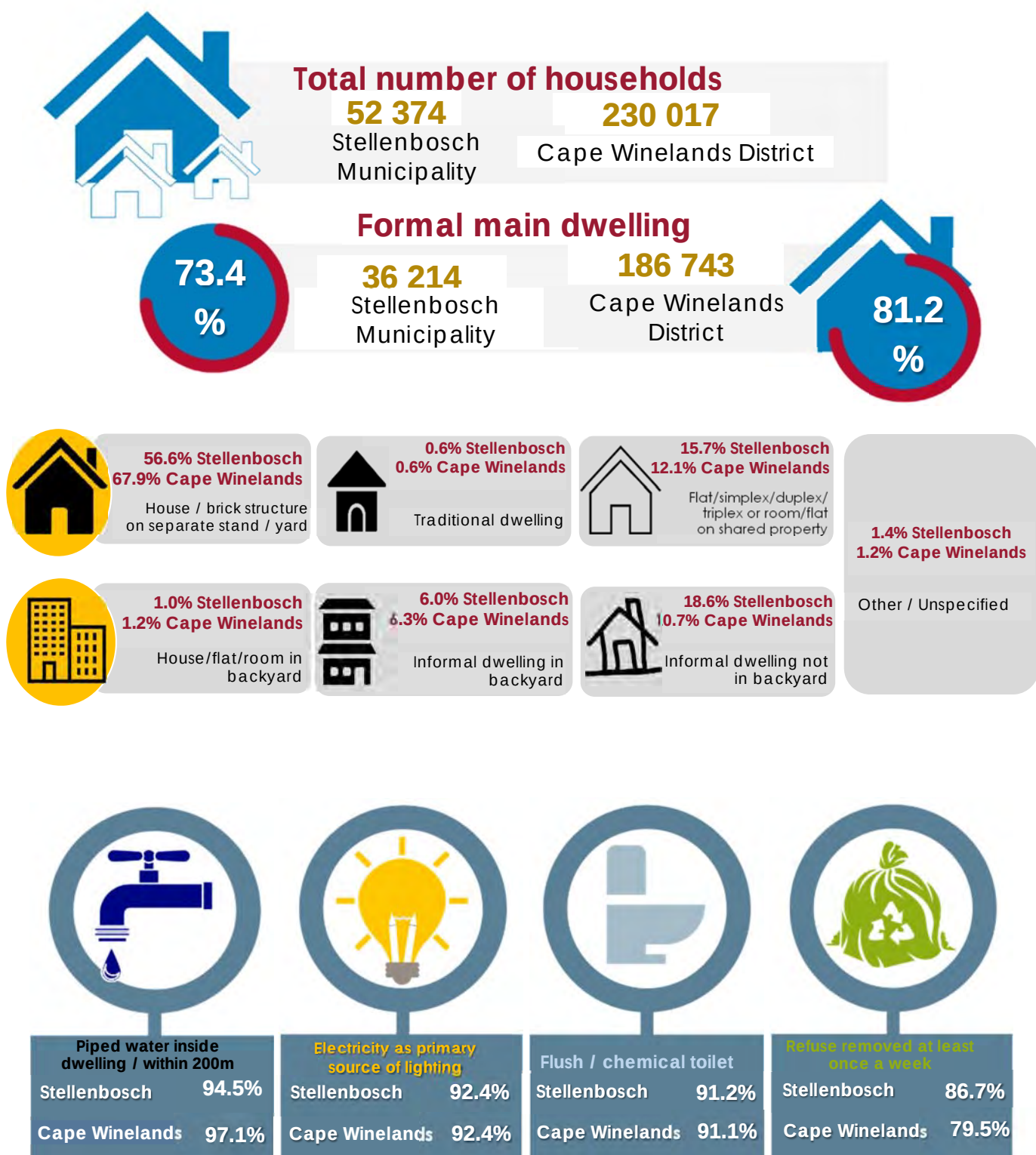
3.9.1 Housing and Household Services

With a total of 49 332 households in the Stellenbosch municipal area, only 73.4 per cent had access to formal housing, the lowest access level when compared to the other municipalities in the Cape Winelands District area; the District average was 81.2 per cent. The area also had highest proportion of informal households in the District, a total of 24.5 per cent compared with the District average of 17.0 per cent. Subsequently, service access levels were high in the area, with access to piped water inside / within 200m of the dwelling at 94.5 per cent, access to a flush or chemical toilet at 91.2 per cent, access to electricity (for lighting) at 92.4 per cent and the removal of refuse at least weekly by local authority at 86.7 per cent of households.

3.9.2 Free Basic Services

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

Figure 13: Total number of households



Source: Western Cape, Socio-Economic Profile 2020

3.10 Safety and Security

3.10.1 Murder

Murder is defined as the unlawful and intentional killing of another person. Within the Stellenbosch area, the actual number of murders increased from 69 in 2019 to 76 in 2020. The murder rate (per 100 000 people) also increased from 37 in 2019 to 39 in 2020. The murder rate for the CWD increased from 39 in 2019 to 42 in 2020 (per 100 000 people).

Table 7: Murder (per 100 000)

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

Source: Western Cape, Socio-Economic Profile 2020

3.10.2 Sexual Offences

Sexual offences include rape (updated to the new definition of rape to provide for the inclusion of male rape), sex work, pornography, public indecency and human trafficking. In 2020, there were 231 reported sexual offences in the Stellenbosch area compared to 204 in 2019. In 2020, there were 966 reported cases in the Cape Winelands District in total compared to 880 in 2019.

Table 8: Sexual Offences (per 100 000)

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

Source: Western Cape, Socio-Economic Profile 2020

3.10.3 Drug-related Offences

Drug-related crimes refer to the situation where the perpetrator is found to be in possession of, under the influence of, or selling illegal drugs. Drug-related incidences within the Stellenbosch area decreased from 2 563 cases in 2019 to 2 166 cases in 2020. The CWD's drug-related offences decreased sharply from 11 225 in 2019 to 7 895 in 2020. When considering the rate per 100 000 people, at 1 172 crimes per 100 000 people in 2020, the Stellenbosch area rate is above that of the District (837).

Table 9: Drug Related Offences (per 100 000)

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

Source: Western Cape, Socio-Economic Profile 2020

3.10.4 Driving under the influence (DUI)

A situation where the driver of a vehicle is found to be over the legal blood alcohol limit. The number of cases of driving under the influence of alcohol or drugs in the Stellenbosch area shows a decrease from 309 in 2019 to 237 in 2020. This translates into a rate of 123 per 100 000 people in 2020, which is above the District's 100 per 100 000 people in 2020.

Table 10: Driving under the influence (per 100 000)

Driving under the influence (per 100 000)		
2017/18	2018/19	2019/20
39	37	39

Source: Western Cape, Socio-Economic Profile 2020

3.10.5 Road user fatalities

The type of road user that died in or during a crash i.e. driver, cyclist, passengers, pedestrians. The number of road user fatalities in the Stellenbosch municipal area decreased from 37 in 2018/19 to 35 in 2019/20. The number of fatal crashes remained constant at 34 across the same reference period.

Table 11: Road user fatalities (actual cases)

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

Source: Western Cape, Socio-Economic Profile 2020

3.10.6 Residential Burglaries

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

The 2019/20 crime statistics released by SAPS and Stats SA indicate that the number of residential burglaries fell by 6.7 per cent in South Africa. Within the Western Cape Province, burglaries at residential areas decreased by 8.5 per cent between 2019 and 2020. Residential burglary cases within the Stellenbosch area also decreased from 1 363 in 2019 to 1 242 in 2020. When considering the rate per 100 000 populations, with 644 cases per 100 000 in 2020, Stellenbosch's rate is above the district rate of 587 per 100 000 in the same reporting year.

Table 12: Residential burglaries (per 100 000)

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

Source: Western Cape, Socio-Economic Profile 2020

3.11 Economy and Labour Market Performance

3.11.1 Sectoral Overview

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

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

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

3.11.2 Formal and Informal Employment

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

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

3.11.3 Unemployment

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

Table 13: Economic Sector Overview

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

Source: Western Cape, Socio-Economic Profile 2020

Table 14: Skill Levels Formal employment

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

Source: Western Cape, Socio-Economic Profile 2020

Table 15: Informal Employment

Informal Employment	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Number of informal jobs	22 703	20 515	20 431	20 545	21 736	22 101	23 474	21 672	22 615	22 100	21 235

% of Total Employment	33,3	31,2	30,6	29,9	30,5	30,6	30,7	28,4	29,0	28,1	27,0
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Source: Western Cape, Socio-Economic Profile 2020

Table 16: Unemployment rates

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

Source: Western Cape, Socio-Economic Profile 2020

3.12 Public Infrastructure Spending

3.12.1 Spending on Social Infrastructure

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

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

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

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

3.12.2 Spending on Economic Infrastructure

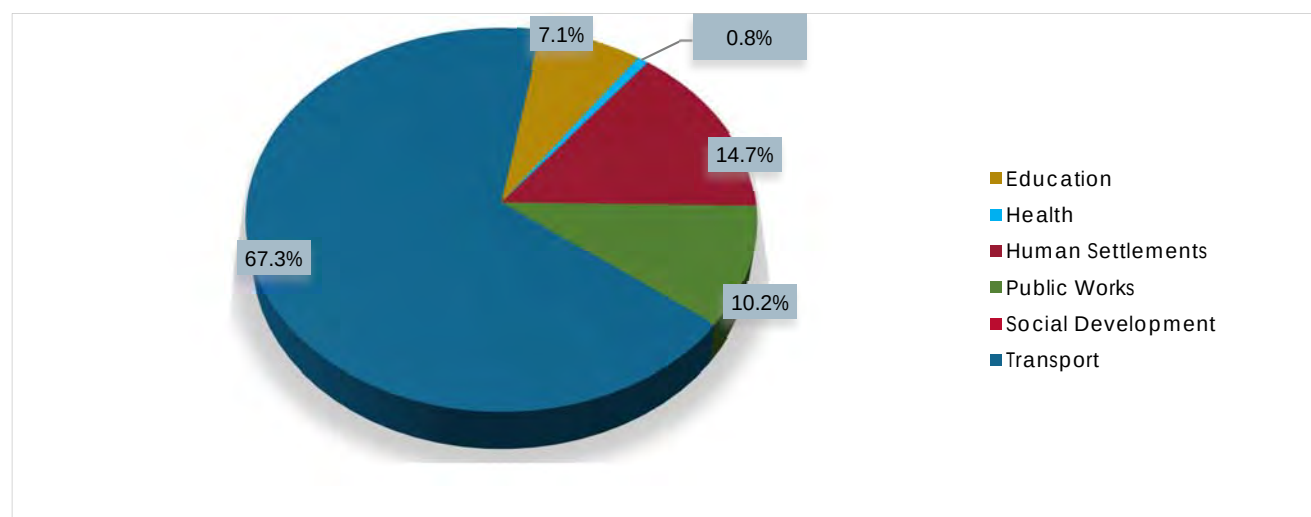
Economic infrastructure is defined as infrastructure that promotes economic activity. Considering the sluggish economic growth throughout the country, spending on economic infrastructure is crucial to stimulating economic activity.

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

3.12.3 Spending on Trading Services

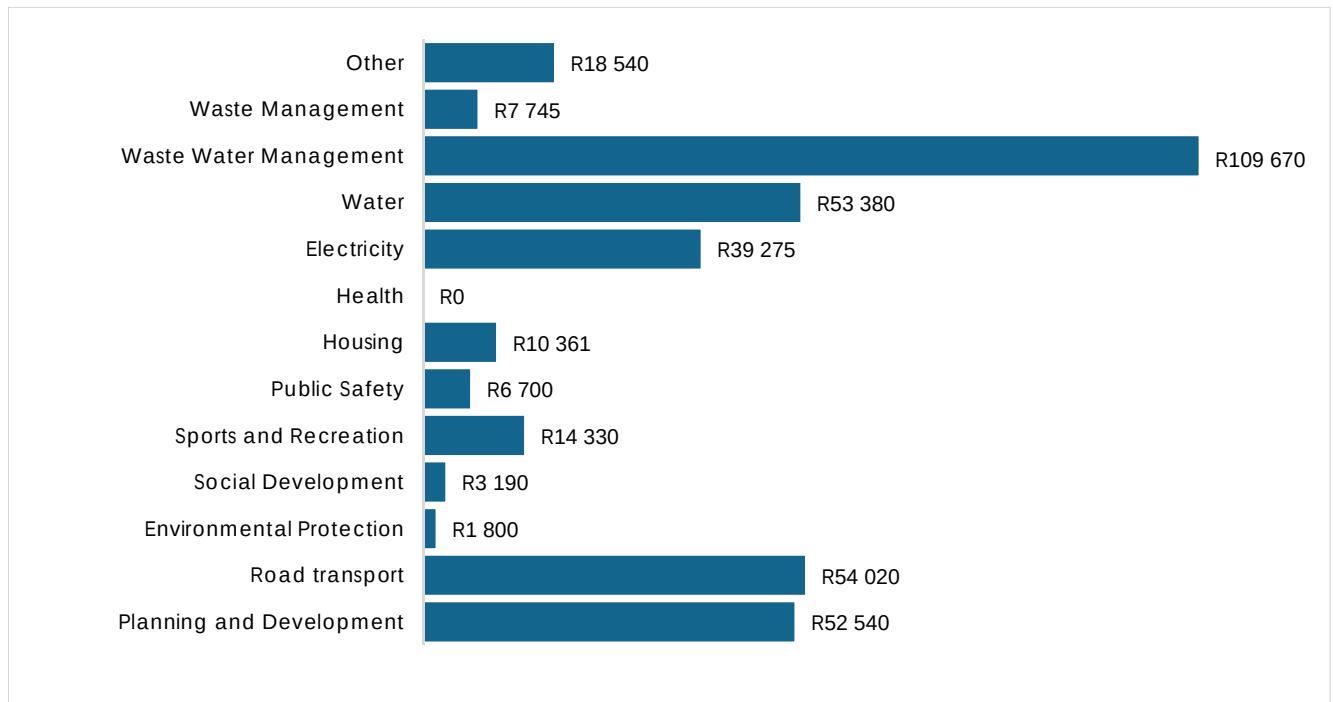
Basic services are crucial to improving the living conditions of citizens within the municipal area and enabling economic activity for businesses via access to water, electricity, sanitation and refuse removal. The majority of the municipality's infrastructure budget is allocated towards the provision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

Figure 14: Provincial Infrastructure Spend



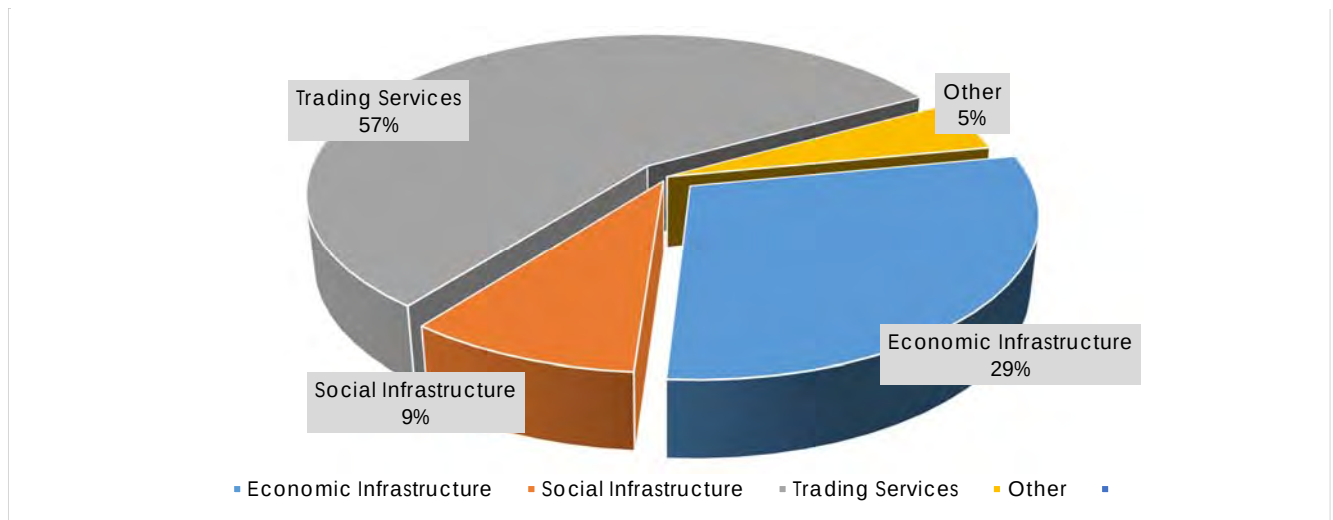
Source: Western Cape, Socio-Economic Profile 2020

Figure 15: Municipal Infrastructure Spend



Source: Western Cape, Socio-Economic Profile 2020

Figure 16: Municipal Infrastructure Spend



Source: Western Cape, Socio-Economic Profile 2020

B: LEGISLATIVE ENVIRONMENT

Legal Requirements

The medium term revenue and expenditure framework for 2020/2021, 2021/2022 and 2022/2023 was compiled in accordance with the requirements the relevant legislation, of which the following are the most important:

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

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

Guidelines issued by National Treasury

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

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

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

Other circulars used during the compilation of the budget:

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

-
- Local Government: Municipal Finance Management Act, 2003-Municipal Cost Containment Regulation (Draft)- 16 February 2018/ Cost Containment regulations issued June 2019
 - MFMA Circular No. 93 Municipal Budget Circular for 2019/2020 MTREF – 7 December 2018
 - MFMA Circular No. 94 Municipal Budget Circular for 2019/2020 MTREF – 7 March 2019
 - Local Government: Municipal Finance Management Act, 2003-Municipal Cost Containment Regulations issued June 2019
 - MFMA Circular No. 98 Municipal Budget Circular for 2020/2021 MTREF – 6 December 2019
 - MFMA Circular No. 99 Municipal Budget Circular for 2020/2021 MTREF – 9 March 2020
 - MFMA Circular No.107 Municipal Budget Circular for 2021/2022 MTREF – 4 December 2020
 - MFMA Circular No.108 Municipal Budget Circular for 2021/2022 MTREF – 8 March 2021

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

- National outcomes/priorities
- Economy and Headline inflation forecasts
- Division of Revenue outlook
- Local Government Conditional Grants & additional allocations and Changes to structure of conditional grant allocations
- Unfunded budgets in Local Government
- Municipal Standard Chart of Accounts (mSCOA)
- Development of Integrated Development Plan (IDP)
- Revising rates, tariffs and other charges
- Eskom Bulk Tariff Increases
- Funding choices and budgeting issues
- Conditional transfers to municipalities
- Unconditional transfers to municipalities
- Borrowing for capital infrastructure
- Revenue Budget
- Cost Containment Measures
- Municipal Budget and Reporting Regulations
- Preparation of Municipal Budgets for 2021/2022 MTREF
- Budget process and submissions for the 2021/22 MTREF
- 2021 Local Government Elections (transitional processes and hand-over reports for the newly elected councils);

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

C: OVERVIEW OF ANNUAL BUDGET PROCESS

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

A time schedule outlining important dates and deadlines as prescribed for the IDP/Budget process was approved on **24 August 2020**. The budget process for the 2021/2022 MTREF period proceeded/will proceed according to the following timeline

Activity	Time frame
Formulation of budget assumptions	September 2020
Detailed programmes and projects to further define budget	November 2020 – March 2021
IDP and Budget considered by Council	31 March 2021
IDP and Budget - public participation	April 2021
Final approval of IDP and the Budget	26 May 2021

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

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

Horizontal Alignment Matrix

Table 17: Horizontal Alignment Matrix

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

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

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

Measurable performance objectives and indicators

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

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

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

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

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

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

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

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

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

In terms of S151 of the Constitution of the Republic of South Africa, 108 of 1996, a municipality has the right to govern on its own initiative, the local government affairs of its community, subject to national and provincial legislation. S156 of the Constitution grants the municipalities the right to administer the local government matters listed in Schedule 5B, which include municipal roads. A municipality may make by-laws for the effective administration of municipal roads. This Policy will be converted into municipal by-laws to give it legal effect. Refer to Appendix 5.

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

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

Indigent Policy

Due to the level of unemployment and subsequent poverty in the municipal area, there are households which are unable to pay for basic municipal services. The provision of free basic services ensures that registered indigent consumers have access to basic services. This policy provides the framework for the administration of free basic services to indigent consumers. Refer to Appendix 7.

Special Ratings Area By-Law

A “special rating area” refers to a special rating area approved by the Council in accordance with the provisions of section 22 of the Property Rates Act. This By-law aims to provide for the establishment of special ratings areas, to provide for additional rates and to provide for matter incidental thereto. Refer to Appendix 8.

Rates By-Law

In terms of Section 3 of the Property Rates Act, a municipal council must adopt a policy consistent with the property rates act on levying of rates on rateable properties in the municipality. Refer to Appendix 9.

Credit Control and Debt Collection Policy

This policy provides a framework to enable Council to proactively manage and collect all money due for services rendered and outstanding property taxes, subject to the provisions of the Municipal

Systems Act of 2000 and any other applicable legislation and internal policies of Council. Refer to Appendix 10.

Irrecoverable Debt Policy

This policy enables Council and the CFO to write off irrecoverable debt of indigent consumers, debt which cannot be recovered due to consumers not being registered as indigent or not traceable or due to prescription of debt. Refer to Appendix 11.

Petty Cash Policy

All purchases below R 2 000 are regulated by this policy. Clear processes and procedures are stipulated to ensure that all transactions are processed effective and efficiently in a bid to ensure prudent financial control. Refer to Appendix 12.

Travel and Subsistence Policy

This policy sets out the basis for the payment of subsistence, travel allowance, hourly rate when applicable for the purpose of official travelling. Refer to Appendix 13.

Cost Containment Policy

The purpose of the policy is to regulate spending and to implement cost containment measures at Stellenbosch Local Municipality. The objectives of this policy are to ensure that the resources of the municipality are used effectively, efficiently and economically and to implement cost containment measures. The cost containment policy will apply to council and all municipal employees. Refer to Appendix 14.

Cash Management and Investment Policy

To regulate and provide directives in respect of the investment of funds and to maximize returns from authorized investments, consistent with the primary objective of minimizing risk. Refer to Appendix 15.

Ward Allocation Policy

The objective of the Ward Allocations Policy is to create opportunities for Councillors to identify ward projects in line with the identified IDP needs, with the support of their Ward Committees, which would improve the quality of living in all wards. These projects would need to fit into the basket of services of the relevant User Department and must comply with the following, namely, Local Government's mandate; council policies; support the pillars and objectives of the IDP and directly benefit the

community. The Policy shall be governed by the underlying principle of ensuring that ward allocation projects meet the requirements of the Integrated Development Plan, including specific reference to, valley of opportunity, green and sustainable valley, safe valley, valley with dignified living and valley of good governance and compliance. Refer to Appendix 16.

Supply Chain Management Policy

Section 111 of the MFMA requires each Municipality and municipal entity to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act. The Preferential Procurement Policy Framework Act, no 5 of 2000 and its accompanying regulations influences and dictates process around the evaluation and awarding of points. In this regard, the Minister of Finance acting in terms of section 5 of the Procurement Policy Framework Act, revised the Regulations accompanying this Act on the 20th January 2017 for implementation by all affected public entities by the 1 April 2017. The Supply Chain Management Policy was therefore amended and adopted at Council during February 2017. Refer to Appendix 17.

Development Charges Policy

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

The intent is aligned with the following:

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

crime and destructive behaviour.

Development has an impact on the demand for social infrastructure as much as it does services infrastructure. The infrastructure is essential to support sustainable social and economic development and to ensure the health and well-being of the residents and property owners of the Municipality. Without this infrastructure, investment in Stellenbosch will be hampered and, as the cost to the Municipality in providing social infrastructure is high, funding to cover the cost must be obtained from development charges. Such contributions are a targeted and an equitable way of ensuring that the new beneficiaries make an appropriate and fair contribution to the cost through the developer. Refer to Appendix 18.

Grant-in-aid Policy

This policy provides the framework for grants-in-aid to non-governmental organisations (NGO's), community-based organisations (CBO's) or non-profit organisations (NPO's) and bodies that are used by government as an agency to serve the poor, marginalised or otherwise vulnerable as envisaged by Sections 12 and 67 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003). Refer Appendix 19.

Accounting Policy

This policy provides the accounting framework applicable to the finances of the municipality and is informed by the Municipal Finance Management Act (Act no 56 of 2003). Refer to Appendix 20.

Asset Management Policy

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

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

- **And whereas** the municipal manager as accounting officer of municipal funds, assets and liabilities is responsible for the effective implementation of the asset management policy which regulates the acquisition, safeguarding, maintenance of all assets and disposal of assets where the assets are no longer used to provide a minimum level of basic service as regulated in terms of section 14 of the MFMA.

-
- **And whereas** these assets must be protected over their useful life and may be used in the production or supply of goods and services or for administrative purposes in meeting the municipality's operational requirements.
 - **Now therefore** the municipal council of the Stellenbosch Municipality adopts this asset management policy. Refer to Appendix 21.

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

Special Ratings Area Policy

The aim of the policy is to provide the framework to strike an appropriate balance between facilitating self-funded community initiatives that aim to improve and/or upgrade neighbourhoods. Refer to Appendix 22.

Tariff Policy

This policy serves as the implementing tool which guides the levying of tariffs for municipal services in accordance with the provisions of the Municipal Systems Act and any other applicable legislation. Tariffs represent the charges levied by Council on consumers for the utilization of services provided by the Municipality and rates on properties. Tariffs will be calculated in various ways, dependent upon the nature of the service being provided. Refer to Appendix 23.

Tariff By-Law

In terms of section 75(1) of the Systems Act, a municipal council must adopt by-laws to give effect to the implementation and enforcement of its tariff policy. In terms of section 75(2) of the Systems Act, by-laws adopted in terms of section 75(1) of the Systems Act may differentiate between different categories of users, debtors, service providers, services, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination. Refer to Appendix 24.

Virementation Policy

The policy sets out the Virement principles and processes which the Stellenbosch Municipality will follow during a financial year. These virements will represent a flexible mechanism to effect budgetary amendments within a municipal financial year. The policy shall give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the Approved budget and it will be applicable to all municipal staff and councillors involved in budget implementation. Refer to Appendix 25.

Budget Implementation and Monitoring Policy

The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the planning, preparation and approval of the annual and adjustments budgets. The framework for virementations is also explained and regulated in this policy as well as monitoring roles and responsibilities. Refer to Appendix 26.

Borrowing, Funds and Reserves

This policy strives to establish a borrowing framework policy for the Municipality and set out the objectives, policies, statutory requirements and guidelines for the borrowing of funds. The policy provides a framework to ensure that the annual budget of Stellenbosch Municipality is fully funded and that all funds and reserves are maintained at the required level to avoid future year non cash backed liabilities. The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework. Refer to Appendix 27.

Financing of External Bodies performing municipal functions Policy

The purpose of this Policy is to provide a framework for financial assistance by Stellenbosch Municipality (“the Municipality”) to external organisations/bodies conducting local government functions to the extent as set out in section 155(6)(a) and (7) of the Constitution as listed in Part B of Schedule 4 and 5. Refer to Appendix 28.

Liquidity Policy

The documented Liquidity Policy sets out the minimum risk management measures that Stellenbosch Municipality has to implement and adhere to in order to ensure that its current and future liquidity position is managed in a prudent manner. This policy will be implemented to provide guidance on the minimum liquidity level that Stellenbosch Municipality has to maintain in order to comply with required legislative and / or National Treasury directives and within the overall financial management objectives as approved/reviewed by the Council from time to time. Refer to Appendix 29.

Inventory Management Policy

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

- (a) be responsible for the effective, efficient, economical and transparent use of the resources of the municipality as per section 62 (1)(a);

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

The policy aims to achieve the following objectives which are to provide guidelines that employees of the Municipality must follow in the management and control of inventory, including safeguarding and disposal of inventory, procure inventory in line with the established procurement principles contained in the Municipality's Supply Chain Management Policy and eliminate any potential misuse of inventory and possible theft. Refer to Appendix 30.

Preferential Procurement Policy

Section 217(1) of the Constitution, 1996 (Act 108 of 1996) provides that when contracting for goods and services, organs of state must do so in accordance with a system that is fair, equitable, transparent, competitive and cost effective. Section 217(2) and (3) of the Constitution allows organs of state to grant preferences when procuring for goods and services within a Framework prescribed by National legislation. The preferential procurement policy is founded on the following principles, namely, value for money, open and effective competition, ethics and fair dealing, accountability and reporting and equity. This policy will be applicable to all active industry sectors within the Stellenbosch Municipal area and must be read with the supply chain management policy of the municipality. Refer to Appendix 31.

F: OVERVIEW OF KEY BUDGET ASSUMPTIONS

Municipalities' long-term financial viability depends largely on the extent to which improved and sustainable revenue capacity on the one hand and sound financial management of its resources on the other hand can be achieved. These imperatives necessitate proper multi-year financial planning. Future impacts of revenue streams, expenditure requirements and the financial implications for the community at large (i.e. the potential influence on rates, tariffs and service charges) must be identified and assessed to determine the sustainability of planned interventions, programs, projects and sundry service delivery actions.

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

	2021/2022	2022/2023	2023/2024
Percentage Increase:			
Water	5.50%	5.50%	5.50%
Electricity	14.59%	7.00%	7.00%
Sanitation	6.00%	6.00%	6.00%
Refuse	12.00%	12.00%	12.00%
Property Rates	-17.17%	6.00%	6.00%
Collection Rates			
Water	96%	96%	96%
Electricity (Post Paid Meters)	96%	96%	96%
Sanitation	96%	96%	96%
Refuse	96%	96%	96%
Rates	96%	96%	96%
Employee Related Costs			
Salaries and Wages and related costs	4.1%	3.5%	3.5%
Notch Increment	2.40%	2.40%	2.40%
Other Assumptions			
Bulk Purchases - Electricity	17.80%	7.00%	7.00%
Bulk Purchases - Water	8.00%	8.00%	8.00%

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

The budget theme of *“Driving Efficiencies; i.e. reprioritization of existing resources / current allocations”*, resulted from the realization that no, or limited, scope for additional externally- or internally-funded revenue growth existed and the challenge that more needed to be done with the existing resource envelope. This was reiterated in **National Treasury Budget Circular 108** where it states that “...municipalities must adopt a conservative approach when projecting their expected revenues and cash receipts. **Municipalities should also pay particular attention to managing all revenue and cash streams effectively and carefully evaluate all spending decisions.**”

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

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

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

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

G: HIGH LEVEL BUDGET OVERVIEW**Capital Budget for 2021/2022, 2022/2023 and 2023/2024**

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

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

The capital budgets as proposed, amounts to:

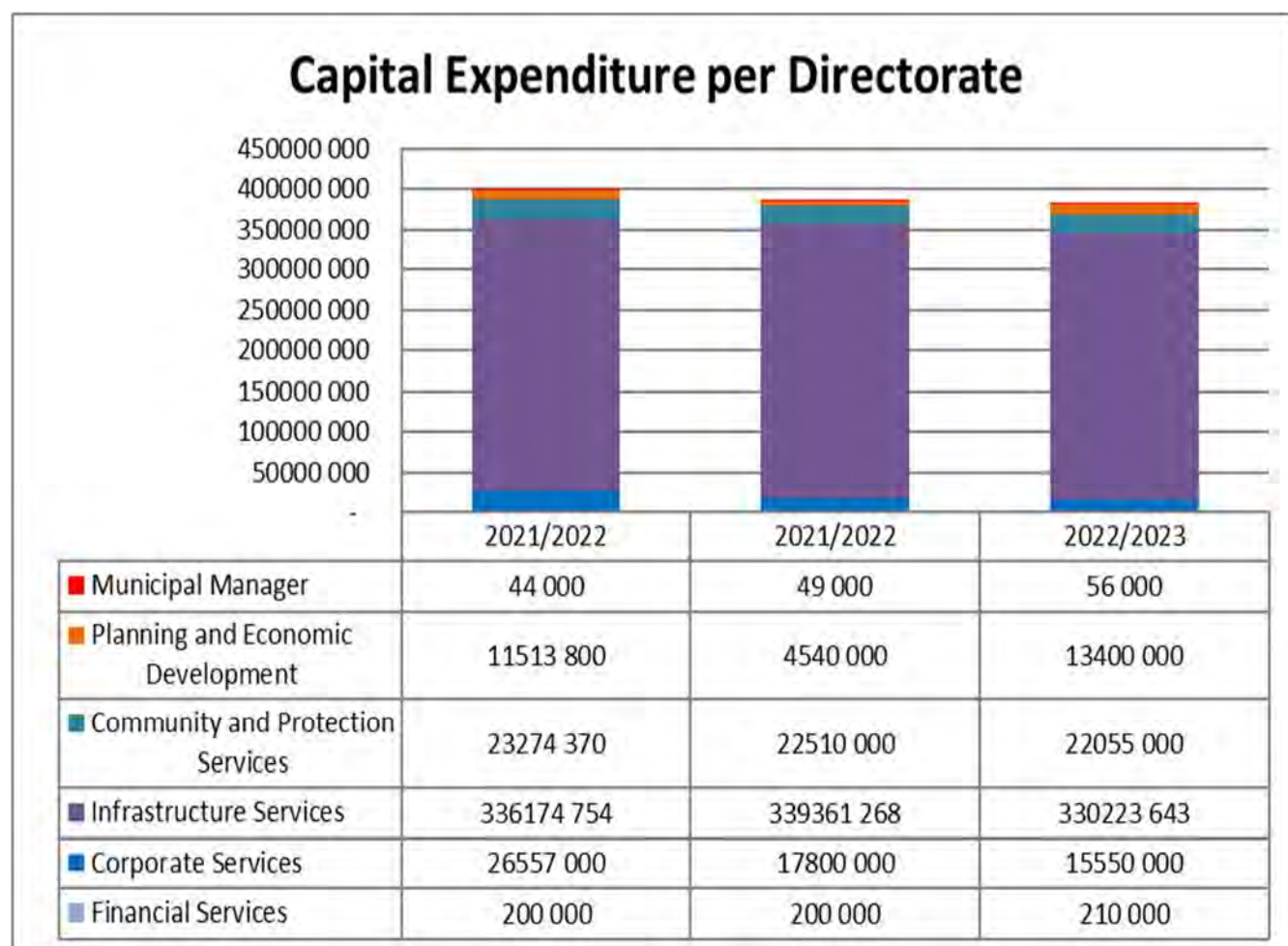
<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
R	R	R
397,763,924	384,460,268	381,494,643

Compilation of the Capital Budget

The capital budgets depicted per Directorate are as follows:

	<u>2021/2022</u>		<u>2022/2023</u>		<u>2023/2024</u>	
	R	%	R	%	R	%
Municipal Manager	44,000	0.01%	49,000	0.01%	56,000	0.01%
Planning and Economic Development	11,513,800	2.89%	4,540,000	1.18%	13,400,000	3.51%
Community and Protection Services	23,274,370	5.85%	22,510,000	5.85%	22,055,000	5.78%
Corporate Services	26,557,000	6.68%	17,800,000	4.63%	15,550,000	4.08%
Infrastructure Services	336,174,754	84.52%	339,361,268	88.27%	330,223,643	86.56%
Financial Services	200,000	0.05%	200,000	0.05%	210,000	0.06%
	397,763,924	100.00%	384,460,268	100.0%	381,494,643	100.0%

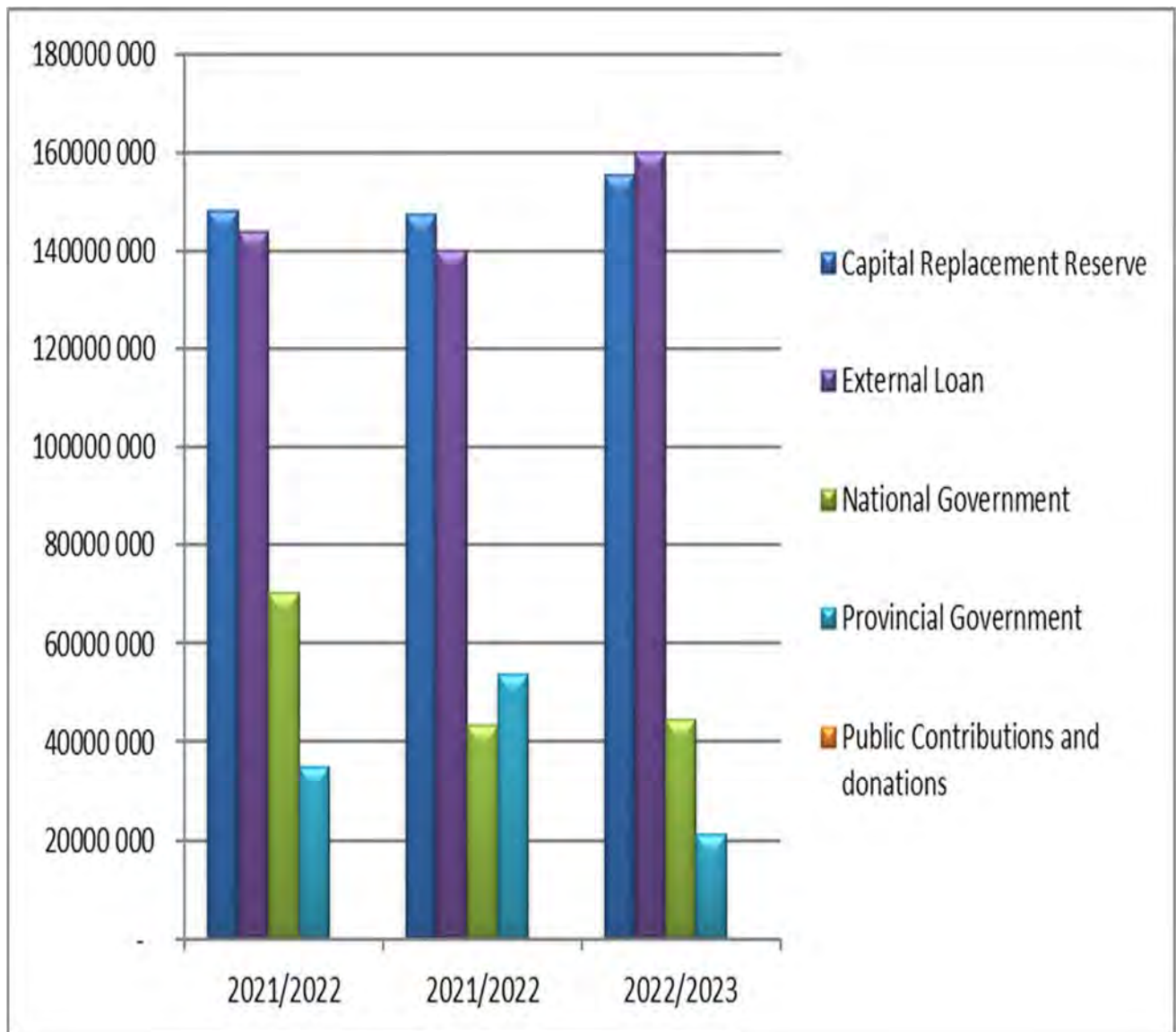
Investment in infrastructure for the next three years' equals:



Financing of the Capital Budget

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

	2021/2022		2022/2023		2023/2024	
	R		R		R	
<u>Own Funding</u>						
Capital Replacement Reserve	148,210,204	37.26%	147,572,908	38.38%	155,649,763	40.80%
<u>External Funding</u>						
Grants National Government	70,385,720	17.70%	43,267,360	11.25%	44,744,880	11.73%
Grants Provincial Government	35,168,000	8.84%	53,620,000	13.95%	21,100,000	5.53%
External Loans	144,000,000	36.20%	140,000,000	36.41%	160,000,000	41.94%
	397,763,924	100.00%	384,460,268	100.00%	381,494,643	100.00%



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

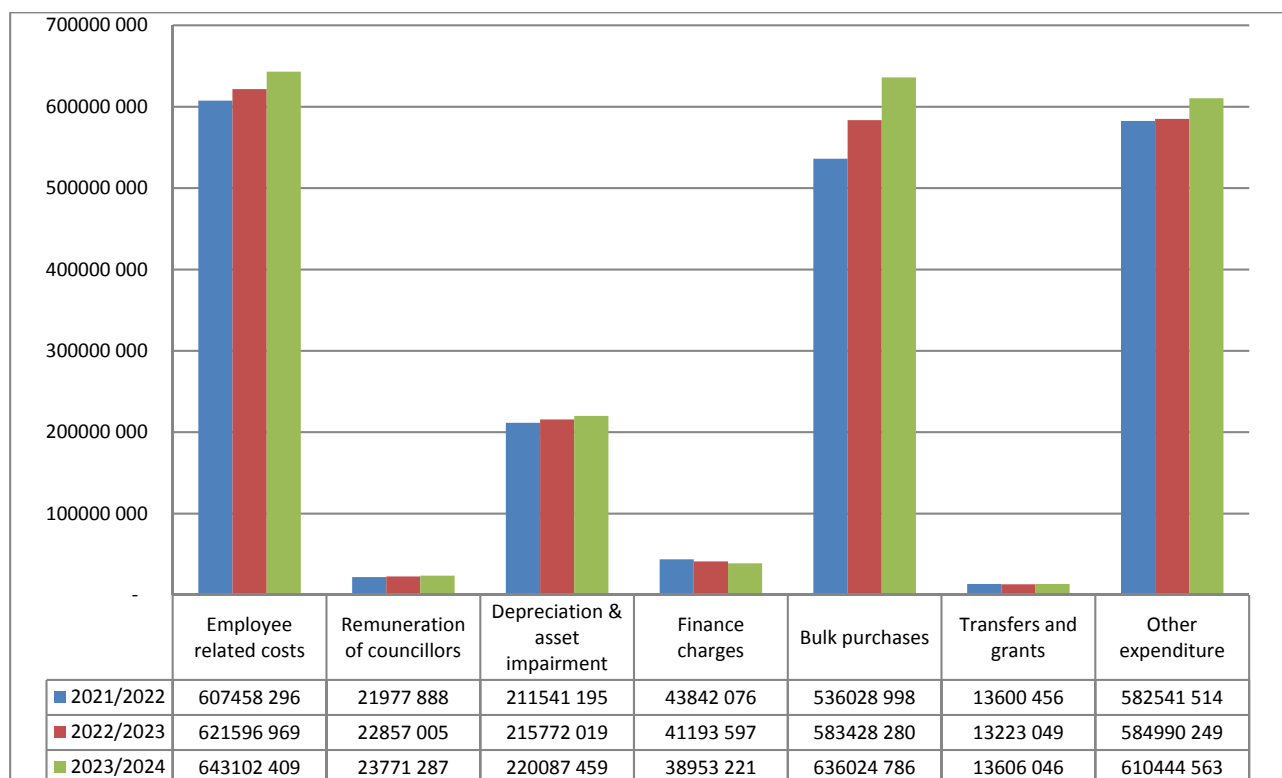
Operating Budget for 2021/2022, 2022/2023 and 2023/2024
Expenditure

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

	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
	R	R	R
Municipal Manager	39,988,673	41,439,540	42,823,424
Planning and Development	100,874,836	101,205,158	104,439,929
Community and Protection Services	373,981,006	388,417,554	405,261,758
Infrastructure Services	1,188 821 414	1,227,901,178	1,299,253,698
Corporate Services	198,282,948	204,736,966	210,940,697
Financial Services	115,041,547	119,360,772	123,270,265
Total Expenditure	2,016,990,423	2,083,061,168	2,185,989,771

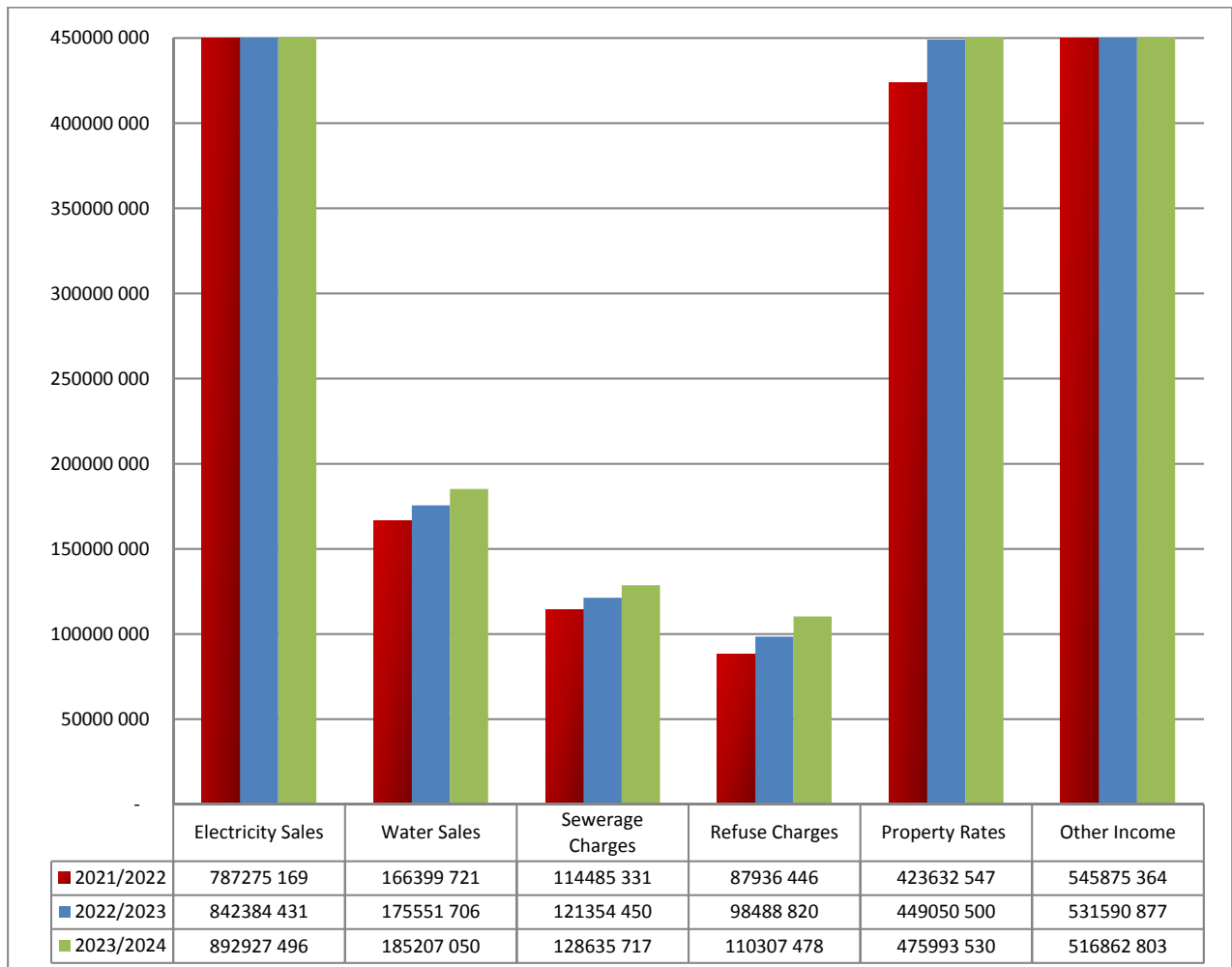
The operating expenditure budget per category is as follows:

	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
	R	R	R
Employee related costs	607,458,296	621,596,969	643,102,409
Remuneration of councillors	21,977,888	22,857,005	23,771,287
Depreciation & asset impairment	211,541,195	215,772,019	220,087,459
Finance charges	43,842,076	41,193,597	38,953,221
Bulk purchases	536,028,998	583,428,280	636,024,786
Transfers and grants	13,600,456	13,223,049	13,606,046
Other expenditure	582,541,514	584,990,249	610,444,563
Total Expenditure	<u>2,016,990,423</u>	<u>2,083,061,168</u>	<u>2,185,989,771</u>



The operational budget will be funded as follows:

	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
	R	R	R
Electricity Sales	787,275,169	842,384,431	892,927,496
Water Sales	166,399,721	175,551,706	185,207,050
Sewerage Charges	114,485,331	121,354,450	128,635,717
Refuse Charges	87,936,446	98,488,820	110,307,478
Property Rates	423,632,547	449,050,500	475,993,530
Other Income	545,875,364	531,590,877	516,862,803
Total Income	2,125,604,578	2,218,420,784	2,309,934,076



H: OVERVIEW OF THE BUDGET FUNDING

Financing of the Capital Budget

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

	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
	R	R	R
Capital Replacement Reserve	148,210,204	147,572,908	155,649,763
Grants National Government	70,385,720	43,267,360	44,744,880
Grants Provincial Government	35,168,000	53,620,000	21,100,000
External Loans	144,000,000	140,000,000	160,000,000
	397,763,924	384,460,268	381,494,643

Grant funding from National Government includes the following:

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

Grant funding from Provincial Government includes the following:

- Human Settlement Development Grant
- Integrated Transport Planning
- Library Services Grant
- Regional Socio-economic project/ violence prevention through urban upgrading (RSEP/VPUU) municipal projects
- Development of Sport and Recreational Facilities

Financing of the Operational Budget

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

- Equitable Share Allocation
- Financial Management Capacity Building Grant
- Local Government Financial Management Grant
- Municipal Accreditation and Capacity Building Grant
- Financial assistance to municipalities for maintenance and Construction of transport infrastructure
- Community Development Workers Operational Support Grant
- Expanded Public Works Program Incentive Grant
- Human Settlement Development Grant

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIOD 2021– 2024

I: EXPENDITURE ON ALLOCATION AND GRANT PROGRAMMES

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/2021			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year 2022/23	Budget Year +2 2023/24
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		117 001	133 808	143 163	156 315	178 568	178 568	169 239	174 521	178 040
Local Government Equitable Share		110 631	124 176	136 177	149 804	170 632	170 632	157 136	169 730	173 121
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		4 820	5 722	5 227	4 961	4 961	4 961	5 998		
Local Government Financial Management Grant [Schedule 5B]		1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550
Municipal Disaster Grant [Schedule 5B]				209						
Integrated Urban Development Grant						1 425	1 425	4 555	3 241	3 369
National Resources Management Grant		–	2 360	–			–			
Provincial Government:		14 446	16 735	14 509	21 791	20 620	20 620	34 574	12 187	12 381
Community Development Workers Operational Support Grant		56	56	56	56	93	93	38	38	38
Financial Management Capacity Building Grant		240	360	380	400	760	760	250		
Human Settlements Development Grant		2 850	1 705	–	7 570	7 570	7 570	17 940		
Libraries, Archives and Museums		11 045	12 210	12 454	13 077	9 595	9 595	11 144	11 435	11 629
Local Government Support Grant				900			–			
WC Financial Management Support Grant		255	255	255			–			
LG Graduate Internship Grant			72	80		74	74			
Maintenance and Construction of Transport Infrastructure		–	371	384	450	450	450	4 950	450	450
Regional Socio-Economic Project/Violence through urban upgrading (RSEP/VPUU)							–			
Municipal Accreditation and Capacity Building Grant			224	–	238	238	238	252	264	264
Spatial Development framework							–			
Title Deeds Restoration Grant			1 481	–		1 840	1 840			
Other transfers/grants [insert description]										
District Municipality:		–	–	2 503	440	440	–	500	–	–
Cape Winelands District Grant				2 503						
Cape Winelands District Grant 2								500		
Safety Initiative Implementation-whole of society approach (WOSA)					440	440				
Other grant providers:		300	163	469	–	2 204	2 204	–	–	–
LG SETA Discretionary grant				63		376	376			
Khaya Lam Free Market Research Foundation			163	102			–			
Taipei COVID 19 donation				132			–			
DBSA				172		1 828	1 828			
Arbor City		300		–			–			
Total Operating Transfers and Grants	5	131 747	150 705	160 644	178 546	201 832	201 392	204 313	186 708	190 421
Capital Transfers and Grants										
National Government:		48 536	43 668	62 526	63 690	58 065	58 065	70 386	43 267	44 745
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		4 000	5 000	15 640	16 200	12 000	12 000	18 000	6 000	6 000
Integrated Urban Development Grant				46 886	47 490	46 065	46 065	52 386	37 267	38 745
Energy Efficiency and Demand Side Management Grant		7 236								
Municipal Infrastructure Grant [Schedule 5B]		36 358	35 107							
Regional Bulk Infrastructure										
Shared Economic infrastructure facility		942	3 561							
Provincial Government:		23 754	77 188	13 149	49 739	26 800	26 800	35 168	53 620	21 100
Human Settlements Development Grant		17 358	73 585	11 049	45 139	22 145	22 145	33 468	53 020	20 500
Integrated Transport Planning		600	600	600	600	600	600	–	600	600
Library Services: Conditional Grant		2 000			–	55	55	100		
Maintenance and Construction of Transport Infrastructure		2 176			–	–	–			
Fire services capacity building grant		800	3 003	–			–			
RSEP/ VPUU				1 500	4 000	4 000	4 000	1 000		
Development of Sport and Recreational Facilities								600		
Public Transport Non-Motorised Infrastructure		820								
District Municipality:		–	–	–	–	–	–	–	–	–
Cape Winelands District Grant										
Other grant providers:		230	–	151	–	–	–	–	–	–
Donated Assets		230		–						
LOTTO			–	151						
Total Capital Transfers and Grants	5	72 520	120 856	75 826	113 429	84 866	84 866	105 554	96 887	65 845
TOTAL RECEIPTS OF TRANSFERS & GRANTS		204 267	271 561	236 470	291 975	286 697	286 257	309 867	283 595	256 266

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand											
Cash Transfers to other municipalities											
Operational	1	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
Operational	2	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
Operational	3	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
Grant-In-Aid: Sundry		1 547	3 816	5 391	3 869	4 113	4 113	4 113	6 803	6 185	6 317
Grant-In-Aid: External Bodies Performing Tourism		3 714	4 124	4 600	5 000	5 000	5 000	5 000	5 561	5 728	5 900
Grant-In-Aid: External Bodies Performing Animal Welfare		1 000	1 050	1 113	1 200	1 200	1 200	1 200	1 236	1 310	1 389
Total Cash Transfers To Organisations		6 261	8 990	11 104	10 069	10 313	10 313	10 313	13 600	13 223	13 606
Cash Transfers to Groups of Individuals											
Operational		-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	6 261	8 990	11 104	10 069	10 313	10 313	10 313	13 600	13 223	13 606
Non-Cash Transfers to other municipalities											
Operational	1	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
Operational	2	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
Operational	3	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
Operational	4	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals											
Operational	5	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	6 261	8 990	11 104	10 069	10 313	10 313	10 313	13 600	13 223	13 606

References

1. Insert description listed by municipal name and demarcation code of recipient
2. Insert description of each entity or external mechanism (an external mechanism may be provided with resources to ensure a minimum level of service)
3. Insert description of each Organ of State (e.g. transfer to electricity provider to compensate for FBS provided)
4. Insert description of each other organisation (e.g. charity)
5. Insert description of each other organisation (e.g. the aged, child-headed households)
6. All descriptions should separate transfers for 'capital purposes' and 'operating purposes'

REPORT RECEIVED FROM COMMUNITY DEVELOPMENT: 2021/2022 GRANT-IN-AID ALLOCATIONS AND DONATIONS

1. SUBJECT

GRANT IN AID APPLICATIONS AND DONATIONS 2021/2022

2. PURPOSE

To obtain Council's approval for Grant-in-Aid (GiA) applications and recommended donations for the financial year 2021-2022.

3. DELEGATED AUTHORITY (FOR DECISION BY MUNICIPAL COUNCIL)

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

4. EXECUTIVE SUMMARY

The application is in terms of the annual GiA donations made to non-governmental organisations (NGOs), community-based organisations (CBOs), non-profit organisations (NPOs) or non-profit companies (NPC) and bodies that are used by government as an agency to serve the poor, marginalised or otherwise vulnerable as envisaged by the Grant in Aid Policy approved at the Council Meeting in May 2020.

5. RECOMMENDATIONS

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

6. DISCUSSION / CONTENTS

6.1. Background

In terms of Council's Grant-in-Aid Policy, proposals were called for by means of advertisement in the press on 1 October 2020 (Eikestad Nuus) and on the municipal website and facebook page.

The advertisement included an invitation to attend one of three compulsory workshops on either 03, 04 or 05 November 2020 to assist and give guidance on the policy and application procedure. One hundred and sixty-two (162) persons attended the workshops.

By the closing date (27 November 2020), 126 applications were received.

6.2 Discussion

The Department Community Development scrutinized and evaluated one hundred and twenty-six (126) applications representing the following categories:

CATEGORY	SUB CATEGORY	APPLICATIONS RECEIVED	APPLICATIONS RECOMMENDED/ CONDITIONALLY RECOMMENDED
Social Development	General	11	4
	ECD	48	32
	Disability	4	2
	Elderly	6	4
	Youth	13	9
	Substance Abuse	2	2
	Gender	2	0
	Food Security	2	1
	People Living on the Street	1	1
	Skills Development	3	3
Health	Physical and Psychological	3	1
Environment		2	1
Sport, Art and Culture	Sport Clubs	22	16
	Art and Culture	7	5
Total		126	81

Table 1: Applications and grant recommendations per category

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

The following wards will benefit from the recommended donations:

SUB CATEGORY	APPLICATIONS RECOMMENDED	WARDS SERVED THROUGH THE ORGANIZATIONS	RECOMMENDED AMOUNT (2021-2022)
General Soc Dev	4	ALL	157 500,00
ECD	32	ALL	1 280 000,00
Disability	2	ALL	80 000,00
Elderly	4	1, 2, 5, 6, 9, 11	152 000,00
Youth	9	1-12, 18, 21	358 500,00
Substance Abuse	2	ALL	80 000,00
Gender	0	-	0,00
Food Security	1	ALL	40 000,00
People living on the street	1	ALL	1 473 230,14
Skills Development	3	ALL	120 000,00
Physical and Psychological Health	1	ALL	40 000,00
Environment	1	12, 13	37 000,00
Sport Clubs	16	ALL	640 000,00
Art and Culture	5	ALL	200 000,00
Total	81		4 658 230,14

Table 2: Ward based recommendations and financial allocations

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

6.3 Financial Implications

This report has the following financial implications:

2021-2022 (Cat A)
3 185 000,00

2021-2022 (Cat B)	2022-2023 (Cat B)	2023-2024 (Cat B)
1 473 230,14	1 547 570,15	1 634 430,49

DRAFT BUDGET TOTAL	4 658 230,14
2021-2022	

6.4 Legal Implications

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

6.5 **Staff Implications**

This report has no staff implications to the Municipality.

6.6 **Previous / Relevant Council Resolutions:**

None

6.7 **Risk Implications**

This report has no risk implications for the Municipality.

6.8 **Comments from Senior Management:**

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

6.8.1 **Chief Financial Officer:**

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

ANNEXURES

Grant in Aid 2021-2022 Register of applications and donation recommendations

FOR FURTHER DETAILS, CONTACT:

NAME	<i>Michelle Aalbers</i>
POSITION	<i>Manager: Community Development</i>
DIRECTORATE	<i>Community and Protection Services</i>
CONTACT NUMBERS	<i>8408</i>
E-MAIL ADDRESS	<i>Michelle.aalbers@ Stellenbosch.gov.za</i>
REPORT DATE	<i>08-01-2021</i>

DIRECTOR: COMMUNITY AND PROTECTION SERVICES

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

2021/22 GRANT-IN-AID APPLICATIONS (Submission for Draft Budget March 2021)

		Category A				Category B				
No	Applicant Name	Funds Proposed	Funds proposed YEAR 1 (2021-2022)	Funds proposed YEAR 2 (2022-2023)	Funds proposed YEAR 3 (2023-2024)	Recommendation	Notes			
SOCIAL DEVELOPMENT										
GENERAL										
1	Amadoda Angomoso Community Project NPC	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FINANCIALS NOT SIGNED. PROPOSAL OUTSIDE MANDATE OF CONSTITUTION. NOT WITHIN WC024			
2	ACVV Stellenbosch Bottelary Heuwels Renosterveld Bewarea	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BANK FORM NOT SIGNED AND NO COMMITMENT TO SUBMIT FEEDBACK REPORT ON PREVIOUS FUNDING.			
3		40 000.00	0.00	0.00	0.00	CONDITIONAL	INTERIM REPORT PROVIDED. FINAL FEEDBACK BY APRIL 2021.			
4	Dare to Care	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO FIN STATEMENTS ONLY INCOME SPANNING SEVERAL YEARS			
5	Evergrow Foundation	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BUSINESS PLAN DOES NOT LINK PROPOSAL TO IDENTIFIED WARDS AND WARD PRIORITIES AS PER CAT B POLICY REQUIREMENT.			

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIOD 2021– 2024

6	Family in Focus Klapmuts	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO APPLICATION FORM. FEEDBACK FOR PERVIOUS FUNDING OUTSTANDING WITH NO COMMITMENT.
7	Kin Culture	40 000.00	0.00	0.00	0.00	0.00	RECOMMENDED	
8	Legacy Community Development	40 000.00	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATI ON	COMMIT TO SUBMIT FINAL FEEDBACK APRIL 2021 (PROOF OF EXP REQUIRED.)
9	Lords Acre Prochorus Community Development	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NOT ALL REQUIRED BOARD MEMBERS LISTED. UNCERTAINTY RE PORTFOLIOS OF BOARD. FINANCIALS NOT SIGNED.
10	Stellenbosch Civil Advocacy Network	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FINANCIALS FOR THE PERIOD ENDING DEC 2018?
11		37 500.00	0.00	0.00	0.00	0.00	RECOMMENDED	
		157 500.00	0.00	0.00	0.00	0.00		
PARTIAL CARE								
12	Acorn Christian Daycare Centre	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED	REGISTRATION EXPIRED. FINANCIALS NOT COMPLYING WITH MIN STANDARDS (PERIOD, NOT SIGNED...)
13	Aitsa	40 000.00	0.00	0.00	0.00	0.00	RECOMMENDED	
14	Azasakhe Daycare	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BANK FORM AND REGISTRATION NOT SUBMITTED
15	Bubble Bee Educare	40 000.00	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDED	COMMITTED TO SUBMIT FINAL FUNDING REPORT BY APRIL 2021
16	Early Education Centre, The	40 000.00	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDED	PARTIAL FEEDBACK. COMMITTED TO

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIOD 2021– 2024

									PROVIDE FINAL BY APRIL 2021
17	Elizayo	40 000.00	0.00	0.00	0.00	0.00	0.00	RECOMMENDED	
18	Excelsior Pre-School and Creche	0.00	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NON ATTENDANCE OF COMPULSORY BRIEFING SESSION. REGISTRATION CERTIFICATE OUTSTANDING
19	Ikwezi Educare Centre	0.00	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NON ATTENDANCE OF COMPULSORY BRIEFING SESSION. FINANCIAL STATEMENTS INCOMPLETE
20	Inam Educare	0.00	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NON ATTENDANCE OF COMPULSORY CLARIFICATION SESSION. FINANCIAL STATEMENTS INCOMPLETE
21	Isibane Sempumelelo	0.00	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED	CONSTITUTION NOT SUBMITTED AND BANK FORM NOT STAMPED
22	Kayamandi ECD Forum	40 000.00	0.00	0.00	0.00	0.00	0.00	RECOMMENDED	
23	Kuyasa Horizon Empowerment	0.00	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NOT LATEST FINANCIALS (End Febr 2019). BUSINESS PLAN INDICATE THAT THEY HAVE SUFFICIENT FUNDS (MORE AVAILABLE THAN WHAT IS REQUESTED). NOT CLEAR WHAT THE FUNDS IS BEING SPEND ON AND WHAT THE PROPOSAL IS TO WHAT, AND HOW MANY PEOPLE THEY WILL REACH. LINK WITH IDP

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIOD 2021– 2024

									IS NOT CLEAR. WHAT IS GOING TO CHANGE?
24	Lethokuhle Educatre	0.00	0.00	0.00	0.00	0.00	0.00	0.00	NON ATTENDANCE OF COMPULSORY CLARIFICATION MEETING
25	Lilies Creche	0.00	0.00	0.00	0.00	0.00	0.00	0.00	FEEDBACK REPORT OUTSTANDING. NOT COMMITMENT TO SUBMIT.
26	Lithalethu Educare Centre	40 000.00	0.00	0.00	0.00	0.00	0.00	0.00	RECOMMENDED
27	Little Blossoms Daycare	0.00	0.00	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED
28	Little Explorers	40 000.00	0.00	0.00	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION
29	Liyakha Creche	0.00	0.00	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED
30	Liyema Creche	40 000.00	0.00	0.00	0.00	0.00	0.00	0.00	RECOMMENDED
31	Lubabalo Creche Centre	40 000.00	0.00	0.00	0.00	0.00	0.00	0.00	RECOMMENDED
32	Luthando Educare	40 000.00	0.00	0.00	0.00	0.00	0.00	0.00	RECOMMENDED
33	Masifunde Creche	40 000.00	0.00	0.00	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION
34	Minkies Educare Centre	40 000.00	0.00	0.00	0.00	0.00	0.00	0.00	RECOMMENDED

50	StellCare	40 000.00	0.00	0.00	0.00	RECOMMENDED	
51	Stellumthombo NPC	40 000.00	0.00	0.00	0.00	RECOMMENDED	
52	Tembalethu Creche	40 000.00	0.00	0.00	0.00	RECOMMENDED	
53	Thanduxolo Daycare	40 000.00	0.00	0.00	0.00	RECOMMENDED	
54	Ukusiza Creche Umtha	40 000.00	0.00	0.00	0.00	RECOMMENDED	
55	Wemfundo Educare	40 000.00	0.00	0.00	0.00	RECOMMENDED	
56	Umthombo Wemfundo Educare	40 000.00	0.00	0.00	0.00	RECOMMENDED	
57	Unakho Day Care for Disable	40 000.00	0.00	0.00	0.00	RECOMMENDED	
58	Yolies Creche	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BANK FORM NOT SUBMITTED
59	Zenzele Educare	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NON ATTENDANCE OF COMPULSORY CLARIFICATION MEETING
		R1 280 000.00	R0.00	R0.00	R0.00		
DISABILITY							
60	Care Career Connection	0.00	0.00	0.00	0.00	NOT RECOMMENDED	CONSTITUTION NOT SUMITTED
61	Change Abilities	40 000.00	0.00	0.00	0.00	RECOMMENDED	
						NOT RECOMMENDED	MUST SUBMIT FINAL FEEDBACK BY APRIL 2021. BANK FORM NOT SIGNED
62	Huis Horison	0.00	0.00	0.00	0.00		

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63	Stellenbosch Work Centre for Adult Persons with Disabilities	40 000.00	0.00	0.00	0.00	RECOMMENDED	
		R80 000.00	R0.00	R0.00	R0.00		
ELDERLY							
64	ACW Franschhoek	40 000.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	FINAL FEEDBACK BY APRIL 2021
65	Geluksoord Nutsmaatskappy	40 000.00	0.00	0.00	0.00	RECOMMENDED	
66	Idas Valley Golden Boys and Girls	32 000.00	0.00	0.00	0.00	RECOMMENDED	
67	Kylemore Survivors Club	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO COMPULSORY DOCUMENTS OR BUSINESS PLAN
68	Raithby Senior Club	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO CONSTITUTION, REGISTRATION OR FINANCIAL DOCUMENTS. APPLICATION NOT DULY SIGNED
69	Utopia	40 000.00	0.00	0.00	0.00	CONDITIONAL	COMMIT TO SUBMIT FINAL FEEDBACK BY JUNE 2021
		R152 000.00	R0.00	R0.00	R0.00		
YOUTH							
70	Anna Foundation	40 000.00	0.00	0.00	0.00	RECOMMENDED	
71	Franschhoek Transformation Charter: Babethane	40 000.00	0.00	0.00	0.00	RECOMMENDED	
72	Help 2 Read	40 000.00	0.00	0.00	0.00	RECOMMENDED	ONLY CAT A APPLICATION RECOMMENDED DUE TO IDP LINK WITH WARD PRIORITIES NOT ESTABLISHED

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIOD 2021– 2024

73	Inspired to Become	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED	PREVIOUS APPLICATION APPROVED FOR SKATE BOARD PARK WITHOUT PARK ERRECTED OR REPORT. REGISTRATION OUTSTANDING
74	Kylemore Secondary	40 000.00	0.00	0.00	0.00	0.00	RECOMMENDED	
75	Living Legends	38 500.00	0.00	0.00	0.00	0.00	RECOMMENDED	
76	Songo.Info Trust	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BANK FORM AND APPLICATION NOT SIGNED
77	Sport for Life	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NON ATTENDANCE OF COMPULSORY CLARRIFICATION MEETING
78	Training 4 Changes	40 000.00	0.00	0.00	0.00	0.00	RECOMMENDED	
79	Ubuntu Hiking	40 000.00	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	FINAL FEEDBACK BY APRIL 2021
80	United Christian Student's Association of SA, The	40 000.00	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	FINAL FEEDBACK BY APRIL 2021
81	Youth Empowerment Action	40 000.00	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	FINAL FEEDBACK BY APRIL 2021
82	Youth Outreach	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FINANCIAL STATEMENTS FOR END MARCH 2019. NOT LATEST. LINK WITH PRIORITY PRIORITIES NOT ESTABLISHED.
		R358 500.00	R0.00	R0.00	R0.00	R0.00		

SUBSTANCE ABUSE									
83	ABBA a project of BADISA Stellenbosch	40 000.00	0.00	0.00	0.00	0.00	RECOMMENDED		
84	Christian Dependency Ministry	40 000.00	0.00	0.00	0.00	0.00	CONDITIONAL	COMMIT TO SUBMIT FINAL FEEDBACK BY APRIL 2021	
		R80 000.00	R0.00	R0.00	R0.00	R0.00			
GENDER									
85	Kayamandi Women and Children Development Project	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO FINANCIAL STATEMENTS SUBMITTED	
86	Safe House La Brie De Dieu	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FEEDBACK REPORT OUTSTANDING NO COMMITMENT TO SUBMIT.	
		R0.00	R0.00	R0.00	R0.00	R0.00			
FOOD SECURITY									
87	Inspiring People Network	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO FIN STATEMENTS OR CONSTITUTION. APPLICATION INCOMPLETE AND NO BOARD MEMBERS LISTED.	
88	Feeding In Action	40 000.00	0.00	0.00	0.00	0.00	RECOMMENDED		
		R40 000.00	R0.00	R0.00	R0.00	R0.00			
PEOPLE LIVING ON THE STREET									
89	Stellenbosch Night Shelter	0.00	1 473 230.14	1 547 570.15	1 634 430.49		RECOMMENDED		
		0.00	R1 473 230.14	1 547 570.15	R1 634 430.49				
SKILLS DEVELOPMENT									
90	Bergzicht Training	40 000.00	0.00	0.00	0.00	0.00	RECOMMENDED		

	Franschhoek Hospitality Academy and Learning Centre	40 000.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATI ON	REQUEST CLARITY ON TRUST REGISTRATION DOCS
91							
92	Stellemplay	40 000.00	0.00	0.00	0.00	RECOMMENDED	
		120 000.00	0.00	0.00	0.00		
SUBTOTAL SOCIAL DEVELOPMENT		R2 268 000.00	R1 473 230.14	R1 547 570.15	R1 634 430.49		

HEALTH							
93	At Heart	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BOARD MEMBER LINKED TO MUNICIPALITY NOT DECLARED. CLARIFY WHAT CONSTITUTE ADDITIONAL BOARD MEMBER TO MIN OF 3.
94	Seasons Pregnancy Centre	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO CONSTITUTION.
95	Stellenbosch Hospice NPC	40 000.00	0.00	0.00	0.00	CONDITIONAL	COMMIT TO PROVIDE FEEDBACK BY APRIL 2021

SUBTOTAL HEALTH		R 40 000.00	R 0.00	R 0.00	R 0.00
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ENVIRONMENT							
96	Kyle Recycling and Waste Pty Ltd	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FOR PROFIT COMPANY, NO FINANCIALS OR CONSTITUTION. APPLICATION NOT SIGNED
97	Siyakathala Community Project	37 000.00	0.00	0.00	0.00	RECOMMENDED	

SUBTOTAL ENVIRONMENT		R 37 000.00	R 0.00	R 0.00	R 0.00
SPORT ARTS AND CULTURE					
SPORT CLUBS					
98	Blue Stars United Football Club	40 000.00	0.00	0.00	RECOMMENDED
99	Cape Winelands Farmworkers Sport & Recreation Ass	40 000.00	0.00	0.00	RECOMMENDED
100	Celtic United FC	40 000.00	0.00	0.00	RECOMMENDED
101	Coronation Cricket Club	40 000.00	0.00	0.00	CONDITIONAL RECOMMENDATION
102	Excelsior RFC	0.00	0.00	0.00	NOT RECOMMENDED
103	Falcons Ladies Football Club	0.00	0.00	0.00	NOT RECOMMENDED
104	Franschhoek RFC	0.00	0.00	0.00	NOT RECOMMENDED
105	Glen Eagles Soccer Club	40 000.00	0.00	0.00	CONDITIONAL RECOMMENDATION
106	Groot Drakenstein Games Club	40 000.00	0.00	0.00	CONDITIONAL RECOMMENDATION
107	Idasvalley Sport Board	0.00	0.00	0.00	PROOF OF REGISTRATION AND BUSINESS PLAN OUTSTANDING
108	Impact through Sport	40 000.00	0.00	0.00	CONDITIONAL RECOMMENDATION
109	Jametown AFC	40 000.00	0.00	0.00	CONDITIONAL RECOMMENDATION
110	Klapmuts Sport Forum	40 000.00	0.00	0.00	RECOMMENDED

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIOD 2021– 2024

111	La Motte Sport Council	40 000.00	0.00	0.00	0.00	0.00	RECOMMENDED	
112	Newtons AFC	40 000.00	0.00	0.00	0.00	0.00	RECOMMENDED	
113	Nietvoorbij United FC	40 000.00	0.00	0.00	0.00	0.00	RECOMMENDED	
114	Stellenbosch and District Cricket Club	40 000.00	0.00	0.00	0.00	0.00	RECOMMENDED	
115	Stellenbosch District Coronation RFC	40 000.00	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	COMMIT TO SUBMIT FINAL FEEDBACK BY APRIL 2021
116	Stellenbosch Homing Union	40 000.00	0.00	0.00	0.00	0.00	RECOMMENDED	
117	Sunday Spurs FC	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FINANCIALS OUTSTANDING, COMMIT TO SUBMIT FINAL FEEDBACK BY MARCH 2021
118	VD Stel Evergreen Club	40 000.00	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	COMMIT TO SUBMIT FINAL FEEDBACK BY APRIL 2021
119	Wemmershoek Cricket Club	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO FINANCIAL STATEMENTS ONLY MONTHLY EXPENDITURE
		R640 000.00	0.00	0.00	0.00	0.00		

ARTS AND CULTURE

120	Bapa Theatre Academy	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED	APPLICATION INCOMPLETE, NO PROPSAL OR BUSINESS PLAN, FINANCIALS NOT SUBMITTED
121	Cape Winelands FM	40 000.00	0.00	0.00	0.00	0.00	RECOMMENDED	
122	Celebration Gospel Choir	40 000.00	0.00	0.00	0.00	0.00	RECOMMENDED	
123	eBosch	0.00	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NON ATTENDANCE COMPULSORY CLARIFICATION MEETING

124	Pniel Heritage and Cultural Trust	40 000.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	COMMIT TO SUBMIT FINAL FEEDBACK BY APRIL 2021
125	Sibonokuhle Art Group	40 000.00	0.00	0.00	0.00	RECOMMENDED	
126	Smart Mission Entertainment	40 000.00	0.00	0.00	0.00	RECOMMENDED	
		R200 000.00	0.00	0.00	0.00		
SUBTOTAL SPORT ARTS AND CULTURE		R840 000.00	0.00	0.00	0.00		
		R 3 185 000.00	R 1 473 230.14	R 1 547 570.15	R 1 634 430.49		
		R4 658 230.14					

K: COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

Summary of Employee and Councillor remuneration	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		11 326	11 322	12 108	13 710	13 710	13 710	14 258	14 828	15 422
Pension and UIF Contributions		342	132	559	848	848	848	882	917	954
Medical Aid Contributions		367	50	215	92	92	92	96	100	104
Motor Vehicle Allowance		4 060	4 139	4 331	4 947	4 947	4 947	5 145	5 351	5 565
Cellphone Allowance		1 058	1 740	1 754	1 339	1 339	1 339	1 392	1 448	1 506
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		155	154	155	197	197	197	205	213	222
Sub Total - Councillors		17 308	17 538	19 121	21 133	21 133	21 133	21 978	22 857	23 771
% increase	4		1.3%	9.0%	10.5%	–	–	4.0%	4.0%	4.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		2 909	3 029	5 410	7 532	7 532	7 532	8 512	8 809	9 118
Pension and UIF Contributions		707	580	179	1 374	1 374	1 374	1 552	1 607	1 663
Medical Aid Contributions		79	72	24	235	235	235	266	275	285
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		323	591	710	300	300	300	339	351	363
Motor Vehicle Allowance	3	867	493	161	1 188	1 188	1 188	1 343	1 390	1 438
Cellphone Allowance	3	138	104	51	132	132	132	149	154	160
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	22	18	0	61	61	61	69	71	73
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	7 488	(4 041)	21 200	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		12 533	846	27 735	10 822	10 822	10 822	12 229	12 657	13 100
% increase	4		(93.2%)	3 176.9%	(61.0%)	–	–	13.0%	3.5%	3.5%
Other Municipal Staff										
Basic Salaries and Wages		288 163	298 384	316 733	331 738	306 703	306 703	349 256	354 267	366 439
Pension and UIF Contributions		43 938	47 154	51 074	59 886	59 886	59 886	67 671	70 040	72 491
Medical Aid Contributions		19 948	21 580	23 313	27 727	27 727	27 727	31 331	32 428	33 563
Overtime		40 713	44 111	52 117	55 059	48 455	48 455	54 754	56 671	58 654
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	9 147	9 026	9 133	14 398	10 436	10 436	11 793	12 205	12 632
Cellphone Allowance	3	806	1 237	1 579	1 011	1 011	1 011	1 143	1 183	1 224
Housing Allowances	3	2 233	2 853	2 916	3 165	3 165	3 165	3 576	3 701	3 831
Other benefits and allowances	3	28 372	31 149	32 923	42 188	38 420	38 420	43 415	44 935	46 507
Payments in lieu of leave		4 240	858	(2)	2 246	2 246	2 246	2 538	2 627	2 719
Long service awards		–	(6)	6	72	72	72	82	85	88
Post-retirement benefit obligations	6	–	4 462	(21 622)	31 126	20 126	20 126	29 669	30 798	31 853
Sub Total - Other Municipal Staff		437 559	460 809	468 170	568 617	518 248	518 248	595 229	608 940	630 002
% increase	4		5.3%	1.6%	21.5%	(8.9%)	–	14.9%	2.3%	3.5%
Total Parent Municipality		467 399	479 193	515 026	600 572	550 203	550 203	629 436	644 454	666 874
			2.5%	7.5%	16.6%	(8.4%)	–	14.4%	2.4%	3.5%

L: MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

MONTHLY CASH FLOWS		Budget Year 2021/22												Medium Term Revenue and Expenditure Framework			
														Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
		July	August	Sept	October	November	December	January	February	March	April	May	June				
Cash Receipts By Source	Property rates	42 178	33 722	33 569	33 734	33 818	33 746	33 742	33 274	36 463	36 463	36 463	19 517	1	406 687	431 088	456 954
	Service charges - electricity revenue	60 470	62 309	64 759	57 016	58 542	59 436	58 593	59 473	81 726	81 726	81 726	49 426		775 203	829 367	879 080
	Service charges - water revenue	10 604	11 365	10 400	7 485	11 021	9 310	10 918	12 225	20 768	20 768	20 768	14 112		159 744	168 530	177 799
	Service charges - sanitation revenue	12 938	6 383	6 412	6 321	6 430	6 275	6 329	6 301	16 995	16 995	16 995	11 981		120 355	127 577	135 231
	Service charges - refuse revenue	14 839	5 203	5 480	5 354	5 260	5 297	5 282	5 289	13 845	13 845	13 845	9 549		103 088	115 359	129 096
	Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–		–	–	–
	Rental of facilities and equipment	755	827	935	825	797	751	755	805	1 181	1 181	1 181	(1 054)		8 940	9 431	9 950
	Interest earned - external investments	0	395	386	383	398	413	426	427	810	810	810	567		5 824	6 155	6 504
	Interest earned - outstanding debtors	282	4 429	2 255	2 111	251	1 517	2 682	1 144	368	368	368	(3 101)		12 672	13 391	14 150
	Dividends received	–	–	–	–	–	–	–	–	–	–	–	–		–	–	–
	Fines, penalties and forfeits	10 821	10 822	10 821	10 828	10 851	10 834	10 827	10 840	10 823	10 823	10 823	(15 164)		103 948	123 837	130 029
	Licences and permits	5	5	469	536	1 337	460	114	437	571	571	571	702		5 778	6 056	6 348
	Agency services	–	–	285	291	756	190	54	155	337	337	337	337		3 077	3 231	3 393
	Transfers and Subsidies - Operational	61 625	586	403	672	543	60 266	403	403	10 036	10 036	10 036	10 036		165 045	173 009	176 528
	Other revenue	2 759	2 736	2 494	2 522	2 349	2 141	2 461	2 467	4 213	4 213	4 213	4 213		36 779	38 577	40 466
	Cash Receipts by Source	217 276	138 782	138 669	128 078	132 354	190 636	132 586	133 238	198 134	198 134	198 134	101 121		1 907 140	2 045 607	2 165 527
	Other Cash Flows by Source																
	Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	4 365	4 365	4 365	4 743	4 365	4 365	4 365	4 445	8 751	8 751	8 751	8 751		70 386	43 867	45 345
	Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental)	–	–	–	–	–	–	–	–	–	–	–	–		–	–	–
	Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educational Institutions	–	–	–	–	–	–	–	–	–	–	–	–		–	–	–
	Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–		–	–	–
	Short term loans	–	–	–	–	–	–	–	–	–	–	–	–		–	–	–
	Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–		–	–	–
	Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–		–	–	–
	Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–		–	–	–
	Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–		–	–	–
	Total Cash Receipts by Source	221 641	143 147	143 034	132 821	136 719	195 001	136 952	137 683	206 885	206 885	206 885	109 872		2 121 526	2 229 475	2 370 872
Cash Payments by Type																	
Employee related costs	38 373	38 407	41 000	39 645	53 747	42 096	42 101	39 839	50 412	50 412	50 412	121 015		607 458	621 597	643 102	
Remuneration of councillors	1 852	1 852	1 837	1 837	1 837	1 837	1 772	1 668	1 864	1 864	1 864	1 895		21 978	22 857	23 771	
Finance charges	–	42	42	42	42	21 963	42	42	42	42	42	21 963		44 260	41 630	39 409	
Bulk purchases - Electricity	–	46 154	46 154	46 154	46 154	46 154	46 154	46 154	46 154	46 154	46 154	46 155		507 699	553 392	603 198	
Bulk purchases - Water & Sewer	–	544	2 493	3 034	4 366	729	4 482	3 201	2 370	2 370	2 370	2 370		28 330	30 036	32 827	
Other materials	730	955	2 222	2 072	1 875	3 020	2 138	3 948	6 086	6 086	6 086	6 087		41 303	43 002	45 757	
Contracted services	1 376	7 346	16 956	23 573	16 578	16 047	23 846	21 868	34 998	35 198	34 998	44 698		277 481	264 324	275 231	
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–		–	–	–	
Transfers and grants - other	559	6 324	647	559	559	559	559	989	559	559	559	1 165		13 600	13 223	13 606	
Other expenditure	3 677	12 521	6 297	14 321	11 155	9 033	8 422	13 204	1 922	35 022	36 066	7 803		159 440	166 894	172 258	
Cash Payments by Type	46 567	114 145	117 648	131 237	136 312	141 438	129 517	130 913	144 407	177 707	178 509	253 150		1 701 549	1 757 155	1 849 160	
Other Cash Flows/Payments by Type																	
Capital assets	26 725	31 286	31 491	35 629	31 656	27 421	31 718	33 633	33 087	37 516	38 527	39 077		397 764	384 460	381 495	
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	36 883		36 883	52 883	69 883	
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–		–	–	–	
Total Cash Payments by Type	73 292	145 431	149 139	166 866	167 968	168 859	161 235	164 546	177 493	215 222	217 036	329 110		2 136 196	2 194 498	2 300 538	
NET INCREASE/(DECREASE) IN CASH HELD	148 349	(2 284)	(6 105)	(34 044)	(31 249)	26 143	(24 283)	(26 862)	29 391	(8 338)	133 849	(219 238)		(14 670)	34 976	70 334	
Cash/cash equivalents at the monthly year begin:	350 972	499 321	497 037	497 933	456 888	425 640	451 782	427 499	400 637	430 028	421 691	555 540		336 302	371 278	371 278	
Cash/cash equivalents at the monthly year end:	499 321	497 037	490 933	456 888	425 640	451 782	427 499	400 637	430 028	421 691	555 540	336 302		336 302	371 278	441 612	

M: CONTRACTS HAVING FUTURE AND BUDGETARY IMPLICATIONS

WC024 Stellenbosch - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework			Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
<u>Revenue Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3														-
Contract 4														-
Contract 5														-
Contract 6														-
Contract 7														-
Contract 8														-
Contract 9														-
Contract 10														-
Contract 11														-
Contract 12														-
Contract 13														-
Contract 14														-
Contract 15														-
Contract 16														-
Contract 17														-
Contract 18														-
Contract 19														-
Contract 20														-
<u>Total Operating Revenue Implication</u>		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2													
HCB Valuers			1 701	425	271	279	279							2 954
FNB			728	761	795	831	868							3 983
Contract 3														-
Contract 4														-
Contract 5														-
Contract 6														-
Contract 7														-
Contract 8														-
Contract 9														-
Contract 10														-
Contract 11														-
Contract 12														-
Contract 13														-
Contract 14														-
Contract 15														-
Contract 16														-
Contract 17														-
Contract 18														-
Contract 19														-
Contract 20														-
<u>Total Operating Expenditure Implication</u>		-	2 429	1 186	1 066	1 109	1 147	-	-	-	-	-	-	6 938

N: DETAIL CAPITAL BUDGET 2021-2024

CAPITAL BUDGET 2021 - 2024
MUNICIPAL MANAGER

Department	Name	2021/2022	2022/2023	2023/2024	MTREF Total
Executive Support: Office of the Municipal Manager	Furniture, Tools and Equipment	44 000	49 000	56 000	149 000
		44 000	49 000	56 000	149 000

CAPITAL BUDGET 2021 - 2024
PLANNING AND DEVELOPMENT SERVICES

Department	Name	2021/2022	2022/2023	2023/2024	MTREF Total
Economic Development and Tourism	Local Economic Development Hub Jamestown	-	-	3 000 000	3 000 000
Economic Development and Tourism	Furniture, Tools & Equipment	180 000	100 000	150 000	430 000
Economic Development and Tourism	Establishment of the Kayamandi Informal Trading Area	2 500 000	-	-	2 500 000
IHS: Housing Development	Kayamandi Town Centre	3 000 000	3 000 000	6 000 000	12 000 000
IHS: Housing Development	Enkanini Planning and Implementation (Roads and Basic Services)	-	-	3 000 000	3 000 000
IHS: Housing Development	Enkanini Planning and Implementation	1 500 000	-	-	1 500 000
IHS: Housing Development	Furniture, Tools and Equipment	58 800	25 000	50 000	133 800
IHS: Housing Development	Jamestown: Housing (Phase 2, 3 & 4)	500 000	-	-	500 000
HIS: Housing Development	Northern Extension: Feasibility	2 000 000	-	-	2 000 000
IHS: Housing Development	Erf 7001 and other possible sites for mix-used development in Cloetesville	1 000 000	1 000 000	1 000 000	3 000 000
IHS: Housing Development	Erf 64 Kylemore	200 000	-	-	200 000
Housing Administration	Furniture, Tools and Equipment: Housing Administration	35 000	40 000	-	75 000
Housing Administration	Geysers	100 000	150 000	-	250 000
Spatial Planning: Planning and Development	Furniture, Tools & Equipment	130 000	-	-	130 000
Land Use Management	Furniture, Tools & Equipment	125 000	125 000	100 000	350 000
Building Development Management	Furniture, Tools & Equipment	185 000	100 000	100 000	385 000
		11 513 800	4 540 000	13 400 000	29 453 800

CAPITAL BUDGET 2021 - 2024
INFRASTRUCTURE SERVICES

Department	Name	2021/2022	2022/2023	2023/2024	MTREF Total
Executive Support: Engineering Services: General	Furniture, Tools & Equipment	75 000	75 000	50 000	200 000
Electrical Services	Ad-Hoc Provision of Street lighting and Lighting of Public Spaces	2 000 000	2 150 000	2 843 375	6 993 375
Electrical Services	Alternative Energy	15 000 000	1 500 000	1 500 000	18 000 000
Electrical Services	Automatic Meter Reader	-	400 000	400 000.00	800 000
Electrical Services	Bien don 66/11kV substation new (new development and demand)	1 200 000	1 000 000	35 000 000	37 200 000
Electrical Services	Buildings & Facilities Electrical Supply - Stellenbosch	-	412 000	412 000.00	824 000
Electrical Services	Cable replacement 66kV oil MN - US - MK	-	-	480 000	480 000
Electrical Services	Cloetesville - University New 66kV cable	-	-	450 000	450 000
Electrical Services	DSM Geyser Control	-	100 000	100 000.00	200 000
Electrical Services	Electricity Network: Pniel	3 500 000	3 500 000	3 000 000.00	10 000 000
Electrical Services	Energy Balancing Between Metering and Mini-Substations	-	250 000	250 000.00	500 000
Electrical Services	Energy Efficiency and Demand Side Management	-	1 000 000	1 000 000.00	2 000 000
Electrical Services	General System Improvements - Franschhoek	2 000 000	2 000 000	2 000 000.00	6 000 000
Electrical Services	General Systems Improvements - Stellenbosch	3 521 000	3 542 126	3 600 000.00	10 663 126
Electrical Services	Infrastructure Improvement - Franschhoek	1 500 000	1 500 000	1 500 000.00	4 500 000
Electrical Services	Integrated National Electrification Programme	18 000 000	6 000 000	6 000 000.00	30 000 000
Electrical Services	Jan Marais Upgrade: Remove Existing Tx 1 and 2 and replace with 20MVA units	8 000 000	500 000	500 000.00	9 000 000

INFRASTRUCTURE SERVICES

Department	Name	2021/2022	2022/2023	2023/2024	MTREF Total
Electrical Services	Kayamandi(Costa grounds)new substation 66/11 kV 2x 20MVA	-	-	300 000	300 000
Electrical Services	Kwarentyn Sub cables: 11kV 3 core 185mmsq PILC(Table19) copper cabling, 3.8km	5 700 000	-	-	5 700 000
Electrical Services	Lattera Substation	8 371 553	427 286	-	8 798 839
Electrical Services	Main substation - Tx upgrade: Remove Existing Tx 2 and 3 and replace with 10MVA units from Jan Marais	-	27 571 200	-	27 571 200
Electrical Services	Meter Panels	-	500 000	400 000.00	900 000
Electrical Services	Network Cable Replace 11 Kv	-	3 000 000	3 000 000.00	6 000 000
Electrical Services	Replace Ineffective Meters	250 000	-	-	250 000
Electrical Services	Small Capital: Fte Electrical Services	500 000	500 000	500 000.00	1 500 000
Electrical Services	Substation 66kV equipment, control, VT's, CT's, Isolator links and cable terminals	-	1 950 000	2 184 000.00	4 134 000
Electrical Services	Substation upgrade US 66 /11kv 20MVA Transformer TRFX #3	-	-	450 000.00	450 000
Electrical Services	Switchgear - Stellenbosch (11kV replace oil type with SF6)	-	-	14 334 268	14 334 268
Electrical Services	Switchgear 66kV US - MN - Outdoor Breakers(66kV)	-	-	4 807 000	4 807 000
Electrical Services	System Control Centre & Upgrade Telemetry	1 559 300	1 568 656	500 000.00	3 627 956
Electrical Services	Update Electrical Master document	700 000	-	-	700 000
Infrastructure Plan, Dev and Implement	Access to Basic Services	1 745 900	600 000	2 000 000	4 345 900
Infrastructure Plan, Dev and Implement	Adam Tas Transit Oriented Development (3500)	-	-	3 500 000	3 500 000
Infrastructure Plan, Dev and Implement	Basic Improvements: Langrug	2 490 248	-	-	2 490 248
Infrastructure Plan, Dev and Implement	Computer – Hardware/Equipment	50 000	50 000	50 000	150 000

INFRASTRUCTURE SERVICES

Department	Name	2021/2022	2022/2023	2023/2024	MTREF Total
Infrastructure Plan, Dev and Implement	Droe Dyke (1000)	-	-	2 000 000	2 000 000
Infrastructure Plan, Dev and Implement	Furniture, Tools and Equipment	20 000	50 000	50 000	120 000
Infrastructure Plan, Dev and Implement	Franschhoek Langrug (1900) UISP ERF 3229	4 500 000	17 880 000	-	22 380 000
Infrastructure Plan, Dev and Implement	Housing Projects	-	-	500 000	500 000
Infrastructure Plan, Dev and Implement	Kayamandi: Zone O (±711 services)	4 680 000	32 140 000	9 000 000	45 820 000
Infrastructure Plan, Dev and Implement	Kayamandi Watergang Basic Services	6 500 000	-	-	6 500 000
Infrastructure Plan, Dev and Implement	Stellenbosch Idas Valley (166) FLISP ERF 9445	11 288 000	-	-	11 288 000
Infrastructure Plan, Dev and Implement	Upgrading of The Steps/Orlean Lounge	8 000 000	3 000 000	-	11 000 000
Waste Management: Solid Waste Management	Expansion of the landfill site (New cells)	2 000 000	10 000 000	10 000 000	22 000 000
Waste Management: Solid Waste Management	Formalize skip areas in Franschhoek and Kayamandi	-	500 000	-	500 000
Waste Management: Solid Waste Management	Furniture, Tools and Equipment : Solid Waste	45 000	45 000	45 000	135 000
Waste Management: Solid Waste Management	Integrated Waste Management Plan	-	100 000	-	100 000
Waste Management: Solid Waste Management	Landfill Gas To Energy	2 000 000	8 000 000	6 000 000	16 000 000
Waste Management: Solid Waste Management	Mini Waste drop-off facilities at inf. Settlements	-	100 000	200 000	300 000
Waste Management: Solid Waste Management	Skips (5,5Kl)	200 000	200 000	200 000	600 000
Waste Management: Solid Waste Management	Street Refuse Bins	500 000	500 000	-	1 000 000
Waste Management: Solid Waste Management	Transfer Station: Stellenbosch Planning and Design	1 000 000	3 000 000	3 000 000	7 000 000
Waste Management: Solid Waste Management	Upgrade Refuse disposal site (Existing Cell)- Rehab	928 753	-	-	928 753

INFRASTRUCTURE SERVICES

Department	Name	2021/2022	2022/2023	2023/2024	MTREF Total
Waste Management: Solid Waste Management	Vehicles	-	2 000 000	3 000 000	5 000 000
Waste Management: Solid Waste Management	Waste Biofuels	-	300 000	-	300 000
Waste Management: Solid Waste Management	Waste Management Software	-	200 000	-	200 000
Waste Management: Solid Waste Management	Waste Minimization Projects	500 000	500 000	-	1 000 000
Waste Management: Solid Waste Management	Waste to Energy - Implementation	500 000	3 000 000	1 000 000	4 500 000
Waste Management: Solid Waste Management	Waste to Energy - Planning	200 000	300 000	-	500 000
Water and Wastewater Services: Water	Bulk water supply Klapmuts	15 000 000	5 000 000	-	20 000 000
Water and Wastewater Services: Water	Bulk water Supply Pipe : Cloetesville/ Idas Valley	-	1 000 000	1 000 000	2 000 000
Water and Wastewater Services: Water	Bulk water supply pipe and Reservoir: Kayamandi	-	-	2 000 000	2 000 000
Water and Wastewater Services: Water	Bulk water Supply Pipe Line & Pumpstations: Franschhoek	-	-	10 000 000	10 000 000
Water and Wastewater Services: Water	Bulk Water Supply Pipe: Idas Valley/Papegaaiberg and Network Upgrades	-	-	1 000 000	1 000 000
Water and Wastewater Services: Water	Bulk Water Supply Pipeline & Reservoir - Jamestown	10 000 000	9 000 000	9 000 000	28 000 000
Water and Wastewater Services: Water	Chlorination Installation: Upgrade	-	500 000	750 000	1 250 000
Water and Wastewater Services: Water	Dwarsriver Bulk Supply Augmentation and Network Upgrades	-	-	7 518 000	7 518 000
Water and Wastewater Services: Water	Furniture, Tools and Equipment : Reticulation	100 000	150 000	150 000	400 000
Water and Wastewater Services: Water	New Developments Bulk Water Supply WC024	-	1 000 000	3 000 000	4 000 000
Water and Wastewater Services: Water	New Reservoir & Pipeline: Vlotenburg	40 000 000	38 000 000	26 000 000	104 000 000
Water and Wastewater Services: Water	Northern Extension: Phase 2 Water Infrastructure	4 000 000	5 000 000	-	9 000 000

INFRASTRUCTURE SERVICES						
Department	Name	2021/2022	2022/2023	2023/2024	MTREF Total	
Water and Wastewater Services: Water	Raithby WWTW	-	5 000 000	-	5 000 000	
Water and Wastewater Services: Water	Reservoirs and Dam Safety	-	1 500 000	2 000 000	3 500 000	
Water and Wastewater Services: Water	Stellenbosch WWTW	-	-	6 000 000	6 000 000	
Water and Wastewater Services: Water	Update Water Masterplan and IMQS	1 000 000	1 000 000	1 000 000	3 000 000	
Water and Wastewater Services: Water	Upgrade and Replace Water Meters	2 000 000	2 500 000	2 500 000	7 000 000	
Water and Wastewater Services: Water	Upgrading of Koelenhof Water Scheme	-	500 000	5 000 000	5 500 000	
Water and Wastewater Services: Water	Water Conservation & Demand Management	3 000 000	3 000 000	3 000 000	9 000 000	
Water and Wastewater Services: Water	Water Telemetry Upgrade	750 000	1 500 000	1 500 000	3 750 000	
Water and Wastewater Services: Water	Water Treatment Works: Idasvalley	-	-	15 000 000	15 000 000	
Water and Wastewater Services: Water	Water Treatment Works: Paradyskloof and Associated works	-	500 000	5 000 000	5 500 000	
Water and Wastewater Services: Water	Waterpipe Replacement	4 000 000	4 000 000	4 000 000	12 000 000	
Water and Wastewater Services: Water	WSDP (tri-annually)	-	400 000	400 000	800 000	
Water and Wastewater Services: Sanitation	Bulk Sewer Outfall: Jamestown	6 400 000	-	-	6 400 000	
Water and Wastewater Services: Sanitation	Bulk Sewer Upgrade: Dwarsriver Area (Kylemore, Boschendal, Pniel)	-	-	6 000 000	6 000 000	
Water and Wastewater Services: Sanitation	Cloetesville Bulk Sewer Upgrade	-	-	1 000 000	1 000 000	
Water and Wastewater Services: Sanitation	Effluent Recycling of Waste Water 10Ml per day	-	500 000	-	500 000	
Water and Wastewater Services: Sanitation	Franschhoek Sewer Network Upgrade	-	6 000 000	6 000 000	12 000 000	
Water and Wastewater Services: Sanitation	Furniture, Tools and Equipment : Sanitation	200 000	300 000	300 000	800 000	

INFRASTRUCTURE SERVICES

Department	Name	2021/2022	2022/2023	2023/2024	MTREF Total
Water and Wastewater Services: Sanitation	Industrial Effluent Monitoring	-	1 500 000	1 500 000	3 000 000
Water and Wastewater Services: Sanitation	Kayamandi Bulk Sewer	-	-	5 000 000	5 000 000
Water and Wastewater Services: Sanitation	Klapmuts Bulk Sewer Upgrade	-	1 000 000	4 000 000	5 000 000
Water and Wastewater Services: Sanitation	Northern Extension: Phase 2 Sanitation Infrastructure	-	-	2 000 000	2 000 000
Water and Wastewater Services: Sanitation	Sewer Pumpstation & Telemetry Upgrade	100 000	1 500 000	2 000 000	3 600 000
Water and Wastewater Services: Sanitation	Sewerpipe Replacement	-	4 000 000	7 000 000	11 000 000
Water and Wastewater Services: Sanitation	Sewerpipe Replacement: Dorp Straat	-	-	20 000 000	20 000 000
Water and Wastewater Services: Sanitation	Update Sewer Masterplan and IMQS	-	500 000	500 000	1 000 000
Water and Wastewater Services: Sanitation	Upgrade Auto-Samplers	-	200 000	200 000	400 000
Water and Wastewater Services: Sanitation	Upgrade of WWTW Wemmershoek	30 000 000	30 000 000	30 000 000	90 000 000
Water and Wastewater Services: Sanitation	Upgrade of WWTW: Klapmuts	-	10 000 000	6 000 000	16 000 000
Water and Wastewater Services: Sanitation	Upgrade of WWTW: Pniel & Decommissioning Of Franschhoek	48 000 000	-	-	48 000 000
Roads and Stormwater	Adhoc Reconstruction Of Roads (WC024)	2 000 000	2 000 000		4 000 000
Roads and Stormwater	Bridge Construction	30 000 000	30 000 000	-	60 000 000
Roads and Stormwater	Furniture, Tools and Equipment : Tr&Stw	250 000	500 000	300 000	1 050 000
Roads and Stormwater	Reseal Roads - Jamestown & Technopark	-	1 100 000	-	1 100 000
Roads and Stormwater	Reseal Roads - Klapmuts, Raithby, Meerlust, wemmershoek, LaMotte, Maasdorp	-	1 000 000	-	1 000 000
Roads and Stormwater	Reseal Roads - Kylemore & Surrounding	-	1 000 000	-	1 000 000

INFRASTRUCTURE SERVICES

Department	Name	2021/2022	2022/2023	2023/2024	MTREF Total
Roads and Stormwater	Reseal Roads - Stellenbosch & Surrrounding	2 500 000	2 500 000	-	5 000 000
Roads and Stormwater	Reseal Roads - Franschhoek & Surrrounding	2 000 000	1 000 000	2 000 000	5 000 000
Roads and Stormwater	Technopark Access Road	1 000 000	1 000 000	-	2 000 000
Transport Planning	Adam Tas Road	-	750 000	-	750 000
Transport Planning	Bicycle Lockup Facilities	200 000	200 000	-	400 000
Transport Planning	Comprehensive Integrated Transport Plan	600 000	1 000 000	600 000	2 200 000
Transport Planning	Cycle Plan - Design & Implementation	500 000	500 000	-	1 000 000
Transport Planning	Freight Strategy for Stellenbosch & Franschhoek	-	200 000	-	200 000
Transport Planning	Jamestown Transport Network	3 000 000	-	-	3 000 000
Transport Planning	Non-Motorised Transport Implementation	1 000 000	1 000 000	1 000 000	3 000 000
Transport Planning	Pedestrian and Cycle paths Design and Phased implementation	500 000	-	-	500 000
Transport Planning	Public Transport Facilities	-	2 000 000	-	2 000 000
Transport Planning	Public Transport Infrastructure (Public Transport Shelters & Embayments)	400 000	500 000	-	900 000
Transport Planning	Public Transport Service (Inclusive of Disabled)	500 000	-	-	500 000
Transport Planning	Re-design of Bergzicht Public Transport Facility	1 500 000	2 500 000	-	4 000 000
Transport Planning	Stellenbosch NMT: Jamestown - new sidewalks	1 000 000	-	-	1 000 000
Transport Planning	Taxi Rank - Franschhoek	100 000	-	-	100 000
Transport Planning	Taxi Rank: Klapmuts	250 000	250 000	-	500 000

INFRASTRUCTURE SERVICES

Department	Name	2021/2022	2022/2023	2023/2024	MTREF Total
Transport Planning	Tour Bus Parking	-	400 000	-	400 000
Transport Planning	Update Roads Master Plan for WC024	-	1 000 000	-	1 000 000
Traffic Engineering	Furniture tool and equipment	100 000	100 000	100 000	300 000
Traffic Engineering	Main road intersection improvements: Helshoogte rd/La Colline	-	3 000 000	-	3 000 000
Traffic Engineering	Main road intersection improvements: R44 / Helshoogte	100 000	100 000	-	200 000
Traffic Engineering	Main Road Intersection Improvements: R44 / Merriman Street	500 000	3 000 000	-	3 500 000
Traffic Engineering	Main Road Intersection Improvements: Strand / Adam Tas / Alexander	1 000 000	3 000 000	-	4 000 000
Traffic Engineering	Pedestrian Crossing Implementation	300 000	300 000	300 000	900 000
Traffic Engineering	Road Transport Safety Master Plan - WC024	500 000	-	-	500 000
Traffic Engineering	Signalisation implementation	500 000	500 000	500 000	1 500 000
Traffic Engineering	Traffic Calming Projects: Implementation	500 000	300 000	300 000	1 100 000
Traffic Engineering	Traffic Management Improvement Programme	1 000 000	1 000 000	1 000 000	3 000 000
Traffic Engineering	Traffic Signal Control: Installation and Upgrading of Traffic Signals and Associated Components	500 000	500 000	500 000	1 500 000
Traffic Engineering	Universal Access Implementation	300 000	200 000	200 000	700 000
		336 174 754	339 361 268	330 223 643	1 005 759 665

CAPITAL BUDGET 2021 - 2024

COMMUNITY AND PROTECTION SERVICES

Department	Name	2021/2022	2022/2023	2023/2024	MTREF Total
Community and Protection Services: General	Enlarge Office Space (Jan Marais Reserve)	250 000	-	-	250 000
Community Development	Furniture Tools and Equipment	85 000	50 000	55 000	190 000
Community Services: Library Services	Pniel: Furniture, Tools and Equipment	-	-	20 000	20 000
Community Services: Library Services	Upgrading: Cloetesville Library	200 000	-	180 000	380 000
Community Services: Library Services	Libraries: Small Capital	100 000	-	-	100 000
Community Services: Library Services	Library Books	170 000	180 000	-	350 000
Disaster Management	Specialized Vehicles: Incident command vehicle	-	-	R 1 500 000	1 500 000
Disaster Management	Vehicle Fleet	600 000	-	-	600 000
Environmental Management: Nature Conservation	Hiking Trails in Nature Areas	-	1 000 000	-	1 000 000
Environmental Management: Nature Conservation	Jan Marais Nature Reserve: Upgrading and maintenance of the reserve	R 500 000	2 000 000	-	2 500 000
Environmental Management: Nature Conservation	Mont Rochelle Nature Reserve: Upgrade of Facilities.	1 504 347	-	1 000 000	2 504 347
Environmental Management: Nature Conservation	Papegaaiberg Nature Reserve	R 870 000	-	-	870 000
Environmental Management: Nature Conservation	Upgrade office space: Simonsberg Road	800 000	-	-	800 000
Environmental Management: Nature Conservation	Furniture, Tools and Equipment	100 000	100 000	-	200 000
Environmental Management: Nature Conservation	Workshop: Furniture, Tools and Equipment	100 000	-	-	100 000
Environmental Management: Nature Conservation	Workshop: Community Services Tractors	-	800 000	800 000	1 600 000
Environmental Management: Nature Conservation	Workshop: Specialized equipment	1 000 000	1 500 000	-	2 500 000
Environmental Management: Urban Greening	Design and implement electronic Urban Forestry management tool	-	250 000	250 000	500 000

COMMUNITY AND PROTECTION SERVICES

Department	Name	2021/2022	2022/2023	2023/2024	MTREF Total
Environmental Management: Urban Greening	Irrigation Systems	-	100 000	-	100 000
Environmental Management: Urban Greening	Storage Containers: Fertilisers & Pesticides.	-	30 000	-	30 000
Environmental Management: Urban Greening	Urban Forestry: Furniture, Tools and Equipment	-	500 000	-	500 000
Environmental Management: Urban Greening	Urban Forestry Specialized equipment	-	1 200 000	-	1 200 000
Environmental Management: Urban Greening	Urban Forestry: Vehicle Fleet	1 500 000	-	-	1 500 000
Fire and Rescue Services	Furniture Tools and Equipment	200 000	200 000	200 000	600 000
Fire and Rescue Services	Upgrading of Stellenbosch Fire Station	4 445 023	-	-	4 445 023
Fire and Rescue Services	Rapid Response Vehicle	-	-	R 2 500 000	2 500 000
Fire and Rescue Services	Rescue equipment	300 000	300 000	300 000	900 000
Law Enforcement and Security	Furniture Tools and Equipment	R 150 000	R 150 000	R 150 000	450 000
Law Enforcement and Security	Install and Upgrade CCTV/ LPR Cameras In WC024	1 000 000	1 000 000	1 000 000	3 000 000
Law Enforcement and Security	Install Computerized Access Security Systems and CCTV Cameras At Municipal Buildings	500 000	500 000	500 000	1 500 000
Law Enforcement and Security	Law Enforcement Tools and Equipment	R 750 000	300 000	-	1 050 000
Law Enforcement and Security	Vehicle Fleet	R 2 000 000	-	-	2 000 000
Law Enforcement and Security	Neighbourhood Watch Safety equipment	R 300 000	500 000	250 000	1 050 000
Parks and Cemeteries	Artificial grass on parks and gardens	-	-	300 000	300 000
Parks and Cemeteries	Extension of Cemetery Infrastructure	1 000 000	7 000 000	9 000 000	17 000 000
Parks and Cemeteries	Facilities upgrade- Nursery	-	50 000	-	50 000

COMMUNITY AND PROTECTION SERVICES

Department	Name	2021/2022	2022/2023	2023/2024	MTREF Total
Parks and Cemeteries	Fencing on Various Parks and Gardens	-	-	200 000	200 000
Parks and Cemeteries	Pathways on Parks & gardens	100 000	200 000	-	300 000
Parks and Cemeteries	Upgrading of Parks	1 000 000	1 000 000	-	2 000 000
Parks and Cemeteries	Integrated and Spray Parks	2 000 000	2 000 000	2 000 000	6 000 000
Parks and Cemeteries	Urban Greening: Beautification: Main Routes and Tourist Routes	200 000	-	-	200 000
Recreation, Sports Grounds & Halls	Upgrading of swimming pool	50 000	-	-	50 000
Recreation, Sports Grounds & Halls	Furniture, Tools & Equipment	150 000	150 000	-	300 000
Recreation, Sports Grounds & Halls	Recreational Equipment Sport	50 000	50 000	-	100 000
Recreation, Sports Grounds & Halls	Re-Surface of Netball/Tennis Courts	-	550 000	-	550 000
Recreation, Sports Grounds & Halls	Sight Screens/Pitch Covers Sports Grounds	R 100 000	R 100 000	-	200 000
Recreation, Sports Grounds & Halls	Cricket/Tennis Nets	R 150 000	150 000		300 000
Recreation, Sports Grounds & Halls	Sport: Community Services Special Equipment	R 200 000	300 000	-	500 000
Recreation, Sports Grounds & Halls	Upgrade of Irrigation System	50 000	200 000	-	250 000
Recreation, Sports Grounds & Halls	Upgrade of Sport Facilities	600 000	-	-	600 000
Traffic Services	Furniture, Tools & Equipment	100 000	100 000	100 000	300 000
Traffic Services	Mobile Radios	R 100 000	-	-	100 000
Traffic Services	Towing Vehicles	-	-	1 750 000	1 750 000
		23 274 370	22 510 000	22 055 000	67 839 370

CAPITAL BUDGET 2021 - 2024
CORPORATE SERVICES

Department	Name	2021/2022	2022/2023	2023/2024	MTREF Total
Information and Communications Technology (ICT)	Public WI-FI Network	600 000	700 000	700 000	2 000 000
Information and Communications Technology (ICT)	Purchase and Replacement of Computer/software and Peripheral devices	600 000	600 000	800 000	2 000 000
Information and Communications Technology (ICT)	Upgrade and Expansion of IT Infrastructure Platforms	3 500 000	3 500 000	3 500 000	10 500 000
Properties and Municipal Building Maintenance	Airconditioners	300 000	300 000	300 000	900 000
Properties and Municipal Building Maintenance	Furniture Tools and Equipment: Property Management	250 000	500 000	250 000	1 000 000
Properties and Municipal Building Maintenance	Kaymandi: Upgrading of Makapula Hall	2 000 000	-	-	2 000 000
Properties and Municipal Building Maintenance	Purchasing of land	2 700 000	500 000	-	3 200 000
Properties and Municipal Building Maintenance	Structural Improvement: General	1 000 000	1 000 000	2 000 000	4 000 000
Properties and Municipal Building Maintenance	Structural improvements at the Van der Stel Sport grounds	2 600 000	1 000 000	-	3 600 000
Properties and Municipal Building Maintenance	Structural Upgrade: Heritage Building	1 807 000	3 000 000	2 000 000	6 807 000
Properties and Municipal Building Maintenance	Structural Upgrade: Jamestown Ward Office	1 000 000	1 000 000	-	2 000 000
Properties and Municipal Building Maintenance	Structural Upgrade: Kayamandi Corridor	1 000 000	500 000	-	1 500 000
Properties and Municipal Building Maintenance	Upgrading Fencing	200 000	200 000	1 000 000	1 400 000
Properties and Municipal Building Maintenance	Upgrading of New Office Space: Ryneveld Street	9 000 000	5 000 000	-	14 000 000
Properties and Municipal Building Maintenance	Upgrading of Traffic Offices: Stellenbosch	-	-	5 000 000	5 000 000
		26 557 000	17 800 000	15 550 000	59 907 000

CAPITAL BUDGET 2021 - 2024
FINANCIAL SERVICES

Department	Name	2021/2022	2022/2023	2023/2024	MTREF Total
Financial Services: General	Furniture, Tools & Equipment	200 000	200 000	210 000	610 000
		200 000	200 000	210 000	610 000

O: LEGISLATION COMPLIANCE

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

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

P: OTHER SUPPORTING DOCUMENTS

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

- SA1 - Supporting detail to Budgeted Financial Performance
- SA2 - Matrix Financial Performance Budget (revenue source/expenditure type and type)
- SA3 - Supporting detail to Budgeted Financial Position
- SA4 - Reconciliation of IDP strategic objectives and budget (revenue)
- SA5 - Reconciliation of IDP strategic objectives and budget (operational expenditure)
- SA6 - Reconciliation of IDP strategic objectives and budget (capital expenditure)
- SA7 - Measurable Performance Objectives
- SA8 - Performance indicators and benchmarks
- SA9 - Social, economic and demographic statistics and assumptions
- SA10 - Funding measurement
- SA11 - Property Rates Summary
- SA12a- Property rates by category (2020/2021)
- SA12b- Property rates by category (2021/2022)
- SA13a Service Tariffs by category
- SA13b Service Tariffs by category-explanatory
- SA14 - Household bills
- SA15 - Investment particulars by type
- SA16 - Investment particulars by maturity
- SA17 - Borrowing
- SA18 - Transfers and grant receipts
- SA19 - Expenditure on transfers and grant programme
- SA20 - Reconciliation of transfers grant receipts and unspent funds
- SA21 - Transfers and grants made by the municipality
- SA22 - Summary councillor and staff benefits
- SA23 - Salaries, allowances & benefits (political office bearers/councilors/senior managers)
- SA24 - Summary of personnel numbers
- SA25 - Consolidated budgeted monthly revenue and expenditure

SA26 -	Budgeted monthly revenue and expenditure (municipal vote)
SA27 -	Budgeted monthly revenue and expenditure (functional classification)
SA28 -	Budgeted monthly capital expenditure (municipal vote)
SA29 -	Budgeted monthly capital expenditure (functional classification)
SA30 -	Budgeted monthly cash flow
SA31 -	Not applicable
SA32 -	List of external mechanism
SA33 -	Contracts having future budgetary implications
SA34a-	Capital expenditure on new asset class
SA34b-	Capital expenditure on the renewal of existing assets by asset class
SA34c-	Repairs and maintenance expenditure by asset class
SA34d-	Depreciation by asset class
SA34e-	Capital expenditure on the upgrading of existing assets by asset class
SA35 -	Future financial implications of the capital budget
SA36 -	Detailed Capital Budget
SA37 -	Projects delayed from previous financial years
SA38 -	Consolidated detailed operational projects

WC024 Stellenbosch - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand											
REVENUE ITEMS:											
Property rates											
Total Property Rates	6	168 938	383 004	415 613	392 239	399 239	399 239	357 263	423 633	449 051	475 994
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		(143 879)	46 679	49 938	—	—	—	43 933	—	—	—
Net Property Rates		312 816	336 325	365 675	392 239	399 239	399 239	313 330	423 633	449 051	475 994
Service charges - electricity revenue											
Total Service charges - electricity revenue	6	523 216	542 033	575 596	719 996	686 996	686 996	445 594	801 930	858 065	909 549
less Revenue Foregone (in excess of 50 kwh per indigent household per month)		—	—	—	—	—	—	—	—	—	—
less Cost of Free Basic Services (50 kwh per indigent household per month)		148	10 538	13 321	12 554	12 554	12 554	9 781	14 655	15 681	16 621
Net Service charges - electricity revenue		523 068	531 494	562 275	707 441	674 441	674 441	435 814	787 275	842 384	892 927
Service charges - water revenue											
Total Service charges - water revenue	6	202 774	162 940	192 738	184 574	164 574	164 574	119 799	184 204	195 492	207 541
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		—	—	—	—	—	—	—	—	—	—
less Cost of Free Basic Services (6 kilolitres per indigent household per month)		5 468	15 664	21 106	15 854	15 854	15 854	19 051	17 804	19 941	22 333
Net Service charges - water revenue		197 306	147 276	171 632	168 720	148 720	148 720	100 748	166 400	175 552	185 207
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		98 628	92 419	92 869	128 609	118 609	118 609	76 663	125 370	132 892	140 866
less Revenue Foregone (in excess of free sanitation service to indigent households)		—	—	—	—	—	—	—	—	—	—
less Cost of Free Basic Services (free sanitation service to indigent households)		7 009	8 557	9 607	10 298	10 298	10 298	7 877	10 885	11 538	12 230
Net Service charges - sanitation revenue		91 619	83 862	83 262	118 312	108 312	108 312	68 786	114 485	121 354	128 636
Service charges - refuse revenue											
Total refuse removal revenue	6	54 532	51 571	60 200	74 479	74 479	74 479	55 218	83 640	93 677	104 918
Total landfill revenue		2 910	3 557	2 757	3 826	3 826	3 826	1 762	4 296	4 812	5 389
less Revenue Foregone (in excess of one removal a week to indigent households)		—	—	—	—	—	—	—	—	—	—
less Cost of Free Basic Services (removed once a week to indigent households)		7 434	—	—	—	—	—	—	—	—	—
Net Service charges - refuse revenue		50 008	55 128	62 957	78 305	78 305	78 305	56 980	87 936	98 489	110 307
Other Revenue by source											
Fuel Levy		—	—	—	—	—	—	—	—	—	—
Other Revenue		—	—	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—	—
Rent on Land		14	—	—	—	—	—	—	—	—	—
Operational Revenue		5 594	5 671	5 412	7 996	7 996	7 996	3 546	8 396	8 816	9 256
Intercompany/Parent-subsidiary Transactions		—	—	—	—	—	—	—	—	—	—
Surcharges and Taxes		—	—	—	—	—	—	—	—	—	—
Sales of Goods and Rendering of Services		20 544	20 020	26 876	31 412	23 912	23 912	7 715	32 923	34 528	36 215
Total 'Other' Revenue	3	26 151	25 691	32 288	39 408	31 908	31 908	11 261	41 319	43 344	45 472
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	292 039	302 433	322 817	340 815	315 780	315 780	223 828	359 513	364 883	377 427
Pension and UIF Contributions		44 645	47 734	51 252	61 260	61 260	61 260	38 342	69 224	71 647	74 154
Medical Aid Contributions		20 027	21 652	23 337	27 962	27 962	27 962	16 576	31 597	32 703	33 848
Overtime		—	—	—	—	—	—	—	—	—	—
Performance Bonus		19 986	21 802	23 789	29 816	26 116	26 116	23 989	29 511	30 544	31 613
Motor Vehicle Allowance		10 014	9 519	9 294	15 586	11 624	11 624	6 103	13 135	13 595	14 071
Cellphone Allowance		944	1 342	1 631	1 143	1 143	1 143	1 199	1 292	1 337	1 384
Housing Allowances		2 233	2 853	2 916	3 165	3 165	3 165	1 834	3 576	3 701	3 831
Other benefits and allowances		48 476	53 047	61 288	66 247	59 576	59 576	44 271	67 321	69 677	72 116
Payments in lieu of leave		4 240	858	(2)	2 246	2 246	2 246	2 019	2 538	2 627	2 719
Long service awards		4 722	4 840	4 109	1 067	1 067	1 067	53	1 206	1 248	1 292
Post-retirement benefit obligations		2 766	(4 425)	(4 526)	30 131	19 131	19 131	6 024	28 545	29 635	30 649
sub-total	5	450 091	461 655	495 905	579 439	529 070	529 070	364 237	607 458	621 597	643 102
Less: Employees costs capitalised to PPE		—	—	—	—	—	—	—	—	—	—
Total Employee related costs	1	450 091	461 655	495 905	579 439	529 070	529 070	364 237	607 458	621 597	643 102
Contributions recognised - capital											
List contributions by contract		—	13 251	10 427	—	11 697	11 697	4 261	—	—	—
Total Contributions recognised - capital		—	13 251	10 427	—	11 697	11 697	4 261	—	—	—
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment	10	16 220	189 565	189 877	203 138	198 289	198 289	4	209 550	213 741	218 016
Lease amortisation		1 715	1 848	1 973	2 490	2 490	2 490	—	1 991	2 031	2 072
Capital asset impairment		6 398	1 706	—	—	—	—	—	—	—	—
Depreciation resulting from revaluation of PPE		—	—	—	—	—	—	—	—	—	—
Total Depreciation & asset impairment	1	24 333	193 119	191 851	205 628	200 779	200 779	4	211 541	215 772	220 087
Bulk purchases											
Electricity Bulk Purchases		313 553	350 008	414 765	455 254	430 254	430 254	247 915	507 699	553 392	603 198
Water Bulk Purchases		16 129	30 662	30 856	26 942	20 942	20 942	18 376	28 330	30 036	32 827
Total bulk purchases	1	329 682	380 671	445 621	482 196	451 196	451 196	266 291	536 029	583 428	636 025
Transfers and grants											
Cash transfers and grants		6 261	8 990	11 104	10 069	10 313	10 313	10 313	13 600	13 223	13 606
Non-cash transfers and grants		—	—	—	—	—	—	—	—	—	—
Total transfers and grants	1	6 261	8 990	11 104	10 069	10 313	10 313	10 313	13 600	13 223	13 606
Contracted services											
Outsourced Services		39 622	55 249	85 777	84 981	103 336	103 336	61 051	108 508	113 774	118 815
Consultants and Professional Services		28 874	30 389	26 910	40 566	44 084	44 084	21 246	49 574	30 513	31 198
Contractors		57 799	66 180	70 766	119 930	115 630	115 630	56 268	119 399	120 037	125 217
sub-total	1	126 295	151 818	183 453	245 478	263 050	263 050	138 566	277 481	264 324	275 231
Allocations to organs of state:											
Electricity		—	—	—	—	—	—	—	—	—	—
Water		—	—	—	—	—	—	—	—	—	—
Sanitation		—	—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—	—
Total contracted services		126 295	151 818	183 453	245 478	263 050	263 050	138 566	277 481	264 324	275 231

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand											
Other Expenditure By Type											
Collection costs	3	1 176	2 455	2 945	3 072	3 072	3 072	1 754	3 500	3 605	3 713
Contributions to 'other' provisions		51 376	35 736	2 315	49 923	31 923	31 923	–	5 637	5 954	5 993
Audit fees		5 409	6 296	6 704	7 831	7 566	7 566	3 673	8 088	8 308	8 535
General expenses											
Operating Leases		8 312	2 667	11 584	17 192	17 741	17 741	10 873	17 967	18 586	19 384
Operational Cost		80 156	83 713	91 971	110 440	140 371	140 371	61 318	124 248	130 442	134 633
Statutory Payments other than Income Taxes		–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total 'Other' Expenditure	1	146 430	130 867	115 519	188 459	200 673	200 673	77 618	159 440	166 894	172 258
by Expenditure Item											
Employee related costs	8	348	(35 034)	564	–	–	–	(2)	–	–	–
Other materials		159	40	2 492	–	814	814	633	617	633	652
Contracted Services		44 267	42 394	46 169	90 738	82 716	82 716	43 869	85 412	83 509	86 390
Other Expenditure		–	–	383	85	72	72	23	73	75	77
Total Repairs and Maintenance Expenditure	9	44 774	7 400	49 608	90 823	83 602	83 602	44 524	86 101	84 217	87 119
Inventory Consumed											
Inventory Consumed - Water		(2 277)	(1 407)	(1 315)	(1 315)	(1 315)	(1 315)	(1 315)	(1 315)	(1 315)	(1 315)
Inventory Consumed - Other		(6 232 503)	(6 670 577)	(7 350 431)	(7 585 787)	(7 663 137)	(7 598 329)	(7 744 799)	(8 106 947)	(8 528 776)	(8 882 078)
Total Inventory Consumed & Other Material		(6 234 780)	(6 671 984)	(7 351 747)	(7 587 102)	(7 664 452)	(7 599 645)	(7 746 115)	(8 108 263)	(8 530 091)	(8 883 394)
check		44 774	7 400	49 608	90 823	83 602	83 602		86 101	84 217	87 119

References

1. Must reconcile with 'Budgeted Financial Performance (Revenue and Expenditure)
2. Must reconcile to supporting documentation on staff salaries
3. Insert other categories where revenue or expenditure is of a material nature (list separate items until 'General expenses' is not > 10% of Total Expenditure)
4. Expenditure to meet any 'unfunded obligations'
- 5 This sub-total must agree with the total on SA22, but excluding councillor and board member items
6. Include a note for each revenue item that is affected by 'revenue foregone'
7. Special consideration may have to be given to including 'goodwill arising' or 'joint venture' budgets where circumstances require this (include separately under relevant notes)
8. Repairs and Maintenance is not a GRAP item. However to facilitate transparency, municipalities must provide a breakdown of the amounts included in the relevant GRAP items that will be spent on Repairs and Maintenance.
9. Must reconcile with Repairs and Maintenance by Asset Class (Total Repairs and Maintenance) on Table SA34c.
10. Only applicable to municipalities that have adopted the 'revaluation method' in GRAP 17. The aim is to prevent overstating 'depreciation and asset impairment'

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

Description	Ref	Vote 1 - OFFICE OF THE MUNICIPAL MANAGER	Vote 2 - PLANNING AND DEVELOPMENT SERVICES	Vote 3 - INFRASTRUCTURE SERVICES	Vote 4 - COMMUNITY AND PROTECTION SERVICES	Vote 5 - CORPORATE SERVICES	Vote 6 - FINANCIAL SERVICES	Vote 7 - [NAME OF VOTE 7]	Vote 8 - [NAME OF VOTE 8]	Vote 9 - [NAME OF VOTE 9]	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates		-	-	-	-	-	422 133	-	-	-	-	-	-	-	-	-	422 133
Service charges - electricity revenue		-	-	787 275	-	-	-	-	-	-	-	-	-	-	-	-	787 275
Service charges - water revenue		-	-	166 400	-	-	-	-	-	-	-	-	-	-	-	-	166 400
Service charges - sanitation revenue		-	-	114 485	-	-	-	-	-	-	-	-	-	-	-	-	114 485
Service charges - refuse revenue		-	-	87 936	-	-	-	-	-	-	-	-	-	-	-	-	87 936
Rental of facilities and equipment		-	10 818	-	73	284	-	-	-	-	-	-	-	-	-	-	11 175
Interest earned - external investments		-	-	-	-	-	13 200	-	-	-	-	-	-	-	-	-	13 200
Interest earned - outstanding debtors		-	-	10 293	-	-	3 741	-	-	-	-	-	-	-	-	-	14 034
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	29	-	147 396	-	0	-	-	-	-	-	-	-	-	-	147 425
Licences and permits		-	18	-	5 471	157	132	-	-	-	-	-	-	-	-	-	5 778
Agency services		-	-	-	3 077	-	-	-	-	-	-	-	-	-	-	-	3 077
Other revenue		-	9 044	5 165	19 933	3 829	3 347	-	-	-	-	-	-	-	-	-	41 319
Transfers and subsidies		-	3 045	125 691	13 875	570	61 133	-	-	-	-	-	-	-	-	-	204 313
Gains		-	-	-	-	1 500	-	-	-	-	-	-	-	-	-	-	1 500
Total Revenue (excluding capital transfers and contributions)		-	22 954	1 297 246	189 826	6 339	503 686	-	-	-	-	-	-	-	-	-	2 020 051
Expenditure By Type																	
Employee related costs		27 815	74 171	187 841	174 530	71 360	71 741	-	-	-	-	-	-	-	-	-	607 458
Remuneration of councillors		-	-	-	-	21 978	-	-	-	-	-	-	-	-	-	-	21 978
Debt impairment		-	2 500	18 400	80 000	-	3 000	-	-	-	-	-	-	-	-	-	103 900
Depreciation & asset impairment		319	2 981	179 458	15 913	12 380	490	-	-	-	-	-	-	-	-	-	211 541
Finance charges		-	-	41 827	-	-	2 015	-	-	-	-	-	-	-	-	-	43 842
Bulk purchases		-	-	536 029	-	-	-	-	-	-	-	-	-	-	-	-	536 029
Other materials		115	1 785	23 903	11 558	2 998	943	-	-	-	-	-	-	-	-	-	41 303
Contracted services		3 394	8 917	160 507	71 958	21 300	11 406	-	-	-	-	-	-	-	-	-	277 481
Transfers and subsidies		-	7 023	-	6 328	250	-	-	-	-	-	-	-	-	-	-	13 600
Other expenditure		8 346	3 499	40 855	13 693	68 018	25 447	-	-	-	-	-	-	-	-	-	159 858
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		39 989	100 875	1 188 821	373 981	198 283	115 042	-	-	-	-	-	-	-	-	-	2 016 990
Surplus/(Deficit)		(39 989)	(77 921)	108 424	(184 155)	(191 944)	388 644	-	-	-	-	-	-	-	-	-	3 060
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	7 500	97 354	700	-	-	-	-	-	-	-	-	-	-	-	105 554
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(39 989)	(70 421)	205 778	(183 455)	(191 944)	388 644	-	-	-	-	-	-	-	-	-	108 614

References

1. Departmental columns to be based on municipal organisation structure

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand											
ASSETS											
Call investment deposits											
Call deposits	2								-	-	-
Other current investments		505 618	398 164	323 254	331 339	331 339	331 339	331 339	307 764	313 553	333 553
Total Call investment deposits		505 618	398 164	323 254	331 339	331 339	331 339	331 339	307 764	313 553	333 553
Consumer debtors											
Consumer debtors	2	312 344	326 093	263 296	330 320	329 239	264 431	256 737	425 435	510 767	536 305
Less: Provision for debt impairment		(127 452)	(150 751)	(114 500)	(154 164)	(154 164)	(154 164)	-	(195 613)	(238 928)	(284 408)
Total Consumer debtors		184 892	175 342	148 796	176 156	175 074	110 267	256 737	229 821	271 839	251 898
Debt impairment provision											
Balance at the beginning of the year		105 867	127 452	75 926	114 500	114 500	114 500	114 500	154 164	195 613	238 928
Contributions to the provision		21 586	23 299	-							
Bad debts written off				38 574	39 664	39 664	39 664	39 664	41 449	43 314	45 480
Balance at end of year		127 452	150 751	114 500	154 164	154 164	154 164	154 164	195 613	238 928	284 408
Inventory											
Water											
Opening Balance	6	-	2 277	1 407	1 315	1 315	1 315	1 315	1 315	1 315	1 315
System Input Volume		2 277	(870)	(92)	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-	-
Bulk Purchases		2 277	(870)	(92)	-	-	-	-	-	-	-
Natural Sources		-	-	-	-	-	-	-	-	-	-
Authorised Consumption		-	-	-	-	-	-	-	-	-	-
Billed Authorised Consumption		-	-	-	-	-	-	-	-	-	-
Billed Metered Consumption		-	-	-	-	-	-	-	-	-	-
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	-	-	-	-	-	-
Billed Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	-	-	-	-	-	-
UnBilled Authorised Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Metered Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Water Losses		-	-	-	-	-	-	-	-	-	-
Apparent losses		-	-	-	-	-	-	-	-	-	-
Unauthorised Consumption		-	-	-	-	-	-	-	-	-	-
Customer Meter Inaccuracies		-	-	-	-	-	-	-	-	-	-
Real losses		-	-	-	-	-	-	-	-	-	-
Leakage on Transmission and Distribution Mains		-	-	-	-	-	-	-	-	-	-
Leakage and Overflows at Storage Tanks/Reservoirs		-	-	-	-	-	-	-	-	-	-
Leakage on Service Connections up to the point of Customer Meter		-	-	-	-	-	-	-	-	-	-
Data Transfer and Management Errors	-	-	-	-	-	-	-	-	-	-	
Unavoidable Annual Real Losses	-	-	-	-	-	-	-	-	-	-	
Non-revenue Water		-	-	-	-	-	-	-	-	-	-
Closing Balance Water		2 277	1 407	1 315	1 315	1 315	1 315	1 315	1 315	1 315	1 315
Agricultural											
Opening Balance	7	-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues		-	-	-	-	-	-	-	-	-	-
Adjustments		-	-	-	-	-	-	-	-	-	-
Write-offs		-	-	-	-	-	-	-	-	-	-
Closing balance - Agricultural		-	-	-	-	-	-	-	-	-	-
Consumables											
Standard Rated											
Opening Balance	7	-	-	4 817	285	285	285	285	285	285	285
Acquisitions		-	12 310	11 749	-	-	-	14 331	-	-	-
Issues		-	(7 493)	(16 281)	-	-	-	(14 958)	-	-	-
Adjustments		-	-	-	-	-	-	-	-	-	-
Write-offs		-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Standard Rated		-	4 817	285	285	285	285	(342)	285	285	285

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand											
Zero Rated											
Opening Balance		-	-	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Acquisitions		-	384	-	-	-	-	-	-	-	-
Issues	7	-	(386)	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Zero Rated		-	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Finished Goods											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Finished Goods		-	-	-	-	-	-	-	-	-	-
Materials and Supplies											
Opening Balance		-	-	8 060	13 016	13 016	13 016	13 016	13 016	13 016	13 016
Acquisitions		-	47 402	-	-	-	-	-	-	-	-
Issues	7	-	(33 674)	4 956	-	-	-	-	-	-	-
Adjustments	8	-	(5 668)	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Materials and Supplies		-	8 060	13 016	13 016	13 016	13 016	13 016	13 016	13 016	13 016
Work-in-progress											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Materials		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Closing balance - Work-in-progress		-	-	-	-	-	-	-	-	-	-
Housing Stock											
Opening Balance		-	-	-	(700)	(700)	(700)	(700)	(700)	(700)	(700)
Acquisitions		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Sales		-	-	(700)	-	-	-	-	-	-	-
Closing Balance - Housing Stock		-	-	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)
Land											
Opening Balance		-	-	23 092	22 976	22 976	22 976	22 976	22 976	22 976	22 976
Acquisitions		-	24 842	-	-	-	-	-	-	-	-
Sales		-	(1 750)	(116)	-	-	-	-	-	-	-
Adjustments		-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Closing Balance - Land		-	23 092	22 976	22 976	22 976	22 976	22 976	22 976	22 976	22 976
Closing Balance - Inventory & Consumables		2 277	37 374	36 890	36 890	36 890	36 890	36 263	36 890	36 890	36 890
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		6 047 611	6 495 235	7 201 635	7 409 631	7 488 062	7 488 062	7 488 062	7 877 126	8 256 936	8 630 181
Leases recognised as PPE	3	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		1 297 006	1 438 174	1 733 062	1 532 422	1 730 239	1 730 239	1 730 239	1 936 628	2 150 104	2 367 849
Total Property, plant and equipment (PPE)	2	4 750 606	5 057 061	5 468 573	5 877 209	5 757 823	5 757 823	5 757 823	5 940 498	6 106 832	6 262 332

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand											
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)									-	-	-
Current portion of long-term liabilities		(14 502)	(25 870)	(26 311)	(31 078)	(31 078)	(31 078)	(31 078)	(36 078)	(41 078)	(46 078)
Total Current liabilities - Borrowing		(14 502)	(25 870)	(26 311)	(31 078)	(31 078)	(31 078)	(31 078)	(36 078)	(41 078)	(46 078)
Trade and other payables											
Trade Payables		(243 316)	(269 021)	(254 131)	(234 131)	(234 131)	(234 131)	(234 131)	(214 131)	(194 131)	(194 131)
Other Creditors		-	-	-	-	-	-	-	-	-	-
Unspent conditional transfers		(100 324)	(148 234)	-	-	-	-	-	-	-	-
VAT		-	-	-	-	-	-	-	-	-	-
Total Trade and other payables	2	(343 640)	(417 255)	(254 131)	(234 131)	(234 131)	(234 131)	(234 131)	(214 131)	(194 131)	(194 131)
Non current liabilities - Borrowing											
Borrowing	4	(158 800)	(292 930)	(449 591)	(521 293)	(521 293)	(521 293)	(521 293)	(463 087)	(545 204)	(630 321)
Finance leases (including PPP asset element)		-	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Borrowing		(158 800)	(292 930)	(449 591)	(521 293)	(521 293)	(521 293)	(521 293)	(463 087)	(545 204)	(630 321)
Provisions - non-current											
Retirement benefits		(217 471)	(201 831)	(247 335)	(274 453)	(274 453)	(274 453)	(274 453)	(303 469)	(334 517)	(351 243)
List other major provision items		-	-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation		(79 165)	(101 702)	(46 888)	(53 770)	(53 770)	(53 770)	(53 770)	(60 961)	(68 476)	(71 900)
Other		-	-	-	-	-	-	-	-	-	-
Total Provisions - non-current		(296 636)	(303 532)	(294 223)	(328 223)	(328 223)	(328 223)	(328 223)	(364 430)	(402 993)	(423 143)
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		5 162 592	5 287 154	5 537 458	5 712 342	5 712 342	5 712 342	5 712 342	5 860 594	5 995 811	6 225 715
GRAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		5 162 592	5 287 154	5 537 458	5 712 342	5 712 342	5 712 342	5 712 342	5 860 594	5 995 811	6 225 715
Surplus/(Deficit)		404 402	119 231	87 251	125 696	100 705	100 705	392 883	108 614	135 360	123 944
Transfers to/from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		(244 888)	(171 617)	(57 682)	22 556	22 556	22 556	22 556	119 954	94 545	51 060
Accumulated Surplus/(Deficit)	1	5 322 106	5 234 768	5 567 027	5 860 594	5 835 603	5 835 603	6 127 781	6 089 162	6 225 715	6 400 720
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Compensation for Occupational Injuries and Diseases											
Employee Benefit Reserve											
Non-current Provisions Reserve											
Valuation Reserve											
Investment in associate account											
Capitalisation Reserve											
Equity											
Non-Controlling Interest											
Share Premium											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	5 322 106	5 234 768	5 567 027	5 860 594	5 835 603	5 835 603	6 127 781	6 089 162	6 225 715	6 400 720
Total capital expenditure includes expenditure on nationally significant priorities:											
Provision of basic services											

References

1. Must reconcile with Table A4 Budgeted Financial Performance (revenue and expenditure)
2. Must reconcile with Table A6 Budgeted Financial Position
3. Leases treated as assets to be depreciated as the same as purchased/constructed assets. Includes PPP asset element accounted for as finance leases
4. Borrowing must reconcile to Table A17
5. Trade Payable should only include Trade Payables from Exchange Transactions ("True Creditors")
6. Inventory Consumed - Water - included under "Inventory Consumed" on Table A4 - Detail to be submitted on Table SA1
7. Inventory Consumed Other - included under "Inventory Consumed" on Table A4 - Detail to be submitted on Table SA1
8. Inventory Transfers/Adjustments (Include under gains/losses on Table A4)
9. Inventory Write-offs (Include under losses on Table A4)

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

Strategic Objective	Goal	Goal Code	Ref	2017/18			2018/19			2019/20			Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand																		
Green and Sustainable Valley	Green and Sustainable Valley			148 521	152 907	124 590	56 240	52 856	52 856	8 913	9 475	10 046						
Valley of Possibility	Valley of Possibility			558 757	681 988	832 004	56 488	176 380	176 380	55 910	57 162	65 134						
Dignified Living	Dignified Living			144 272	152 099	174 137	1 195 754	1 059 158	1 059 158	1 385 798	1 402 437	1 443 976						
Safe Valley	Safe Valley			227 413	226 987	225 159	252 153	240 158	240 158	7 686	7 957	8 238						
Good Governance and Compliance	Good Governance and Compliance			267 371	287 092	298 746	326 827	298 152	298 152	558 683	606 030	658 596						

Strategic Objective	Goal	Goal Code	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework							
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24					
R thousand																	
Allocations to other priorities																	
Total Expenditure				1	1 346 334	1 501 073	1 654 635	1 887 463	1 826 704	1 826 704	2 016 990	2 083 061	2 185 990				

References

1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

2. Balance of allocations not directly linked to an IDP Strategic objective

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

Strategic Objective	Goal	Goal Code	Ref	2017/18		2018/19		2019/20		Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24		
R thousand	Green and Sustainable Valley	A		19 856	25 981	58 660				20 900	22 135	22 135	32 903	38 030	27 950	
	Valley of Possibility	B		128 935	135 095	216 006				147 140	153 789	153 789	197 570	201 583	199 015	
Dignified Living	Dignified Living	C		262 590	320 676	197 023				178 319	225 894	225 894	137 904	120 620	127 500	
Safe Valley	Safe Valley	D		10 586	9 654	42 900				8 850	10 581	10 581	12 595	7 250	12 443	
Good Governance and Compliance	Good Governance and Compliance	E		11 705	1 898	97 908				20 542	42 065	42 065	16 792	16 978	14 586	
Allocations to other priorities			3													
Total Capital Expenditure		1		433 682	493 304	612 498				375 750	454 464	454 464	397 764	384 460	381 495	

References

1. Total capital expenditure must reconcile to Budgeted Capital Expenditure

2. Goal code must be used on Table SA36

3. Balance of allocations not directly linked to an IDP strategic objective

Description	Unit of measurement	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Vote 1 - Municipal Manager										
Function 1 - Budget Performance										
Sub-function 1 - Capital Expenditure		148 801	32 557	285 000	40 000	40 000	40 000	44 000	49 000	56 000
Insert measure/s description										
Sub-function 2 - Operational Expenditure		17 254 619	18 393 857	33 607 414	47 883 653	44 811 506	44 811 506	39 988 673	41 439 540	42 823 424
Insert measure/s description										
Sub-function 3 - Operational Revenue		-	-	360 000	-	327 853	327 853	-	-	-
Insert measure/s description										
Vote 2 - Planning and Development Services										
Function 1 - Budget Performance										
Sub-function 1 - Capital Expenditure		2 860 286	5 570 904	13 517 538	12 310 800	18 088 078	18 088 078	11 513 800	4 540 000	13 400 000
Insert measure/s description										
Sub-function 2 - Operational Expenditure		56 227 204	55 540 580	118 915 222	105 525 499	96 886 122	96 886 122	100 874 836	101 205 158	104 439 929
Insert measure/s description										
Sub-function 3 - Operational Revenue		10 266 502	11 227 770	89 260 819	82 896 473	33 538 469	33 538 469	30 453 892	24 222 668	31 327 668
Insert measure/s description										
Vote 3 - Human Settlements										
Function 1 - Budget Performance										
Sub-function 1 - Capital Expenditure		36 410 428	-	-	-	-	-	-	-	-
Insert measure/s description										
Sub-function 2 - Operational Expenditure		65 441 660	-	-	-	-	-	-	-	-
Insert measure/s description										
Sub-function 3 - Operational Revenue		38 679 360	-	-	-	-	-	-	-	-
Insert measure/s description										
Vote 4 - Community & Protection										
Function 1 - Budget Performance										
Sub-function 1 - Capital Expenditure		19 302 239	337 743 802	45 902 450	27 640 000	44 297 748	44 297 748	23 274 370	22 510 000	22 055 000
Insert measure/s description										
Sub-function 2 - Operational Expenditure		261 992 054	736 873 119	364 119 842	359 246 182	357 735 417	357 735 417	373 981 006	388 417 554	405 261 758
Insert measure/s description										
Sub-function 3 - Operational Revenue		126 660 294	147 486 883	137 269 341	192 984 637	169 908 962	169 908 962	190 526 242	196 222 028	205 653 969
Insert measure/s description										
Vote 5 - Infrastructure services										
Function 1 - Budget Performance										
Sub-function 1 - Capital Expenditure		347 392 959	80 696 265	470 553 955	317 259 511	317 493 027	317 493 027	336 174 754	339 361 268	330 223 643
Insert measure/s description										
Sub-function 2 - Operational Expenditure		727 774 390	61 463 447	912 529 941	1 094 794 771	1 056 140 371	1 056 140 371	1 188 821 414	1 227 901 178	1 299 253 698
Insert measure/s description										
Sub-function 3 - Operational Revenue		968 043 473	36 445 615	1 064 407 034	1 245 015 966	1 228 147 095	1 228 147 095	1 394 599 407	1 457 528 974	1 502 875 656
Insert measure/s description										
Vote 5 - Corporate services										
Function 1 - Budget Performance										
Sub-function 1 - Capital Expenditure		3 934 279	5 950 664	32 391 287	17 650 000	73 695 157	73 695 157	26 557 000	17 800 000	15 550 000
Insert measure/s description										
Sub-function 2 - Operational Expenditure		114 053 416	302 208 434	176 481 880	181 429 497	180 172 266	180 172 266	198 282 948	204 736 966	210 940 697
Insert measure/s description										
Sub-function 3 - Operational Revenue		2 090 375	-	360 000	4 302 674	5 591 627	5 591 627	6 339 253	6 074 134	6 395 236
Insert measure/s description										
Vote 7 - Financial services										
Function 1 - Budget Performance										
Sub-function 1 - Capital Expenditure		154 201	446 150	900 000	850 000	850 000	850 000	200 000	200 000	210 000
Insert measure/s description										
Sub-function 2 - Operational Expenditure		96 539 452	115 809 302	113 450 151	110 583 800	91 858 500	91 858 500	115 041 547	119 360 772	123 270 265
Insert measure/s description										
Sub-function 3 - Operational Revenue		405 271 470	3 809 785	437 435 138	487 960 122	490 895 216	490 895 216	503 685 785	534 372 981	563 681 545
Insert measure/s description										
And so on for the rest of the Votes										

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

2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities

3. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

Description	Unit of measurement	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Entity 1 - (name of entity)										
<i>Insert measure/s description</i>										
Entity 2 - (name of entity)										
<i>Insert measure/s description</i>										
Entity 3 - (name of entity)										
<i>Insert measure/s description</i>										
And so on for the rest of the Entities										

1. Include a measurable performance objective as agreed with the parent municipality (MFMA s87(5)(d))

2. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

WC024 Stellenbosch - Supporting Table SA8 Performance Indicators and benchmarks

Description of financial indicator	Basis of calculation	2017/18		2018/19		2019/20		Current Year 2020/21			Pre-audit outcome	2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome		Audited Outcome		Audited Outcome		Original Budget	Adjusted Budget	Full Year Forecast		Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<u>Borrowing Management</u>														
Credit Rating	Interest & Principal Paid / Operating Expenditure	2.6%		2.1%		2.4%		3.2%	2.9%	2.9%	3.9%	4.0%	4.5%	5.0%
Capital Charges to Operating Expenditure	Finance charges & Repayment of borrowing	2.3%		2.3%		2.7%		3.5%	3.2%	3.2%	3.3%	4.5%	4.9%	5.3%
Capital Charges to Own Revenue	/Own Revenue	0.0%		10.3%		0.0%		69.4%	32.5%	32.5%	23.5%	49.3%	48.7%	50.7%
Borrowed funding of /own capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%		0.0%		0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>														
Gearing	Long Term Borrowing Funds & Reserves	0.0%		0.0%		0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>	Current Ratio	2.1		1.6		2.2		2.3	2.4	2.2	2.7	2.5	2.9	3.7
	Current Ratio adjusted for aged debtors	2.1		1.6		2.2		2.3	2.4	2.2	2.7	2.5	2.9	3.7
Liquidity Ratio	Monetary Assets/Current Liabilities	1.3		1.1		1.1		1.1	1.1	1.1	1.1	1.0	1.2	1.7
<u>Revenue Management</u>														
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing			0.0%		0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		98.4%		97.1%		107.4%		96.0%	98.3%	98.3%	141.9%	99.1%	99.1%	99.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	21.1%		15.9%		22.4%		20.6%	21.3%	17.8%	37.3%	22.3%	23.4%	21.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%		0.0%		0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>														
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))	98.0%		98.0%		98.0%		98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Creditors to Cash and Investments		-1176.4%		-158.7%		-60.8%		-79.4%	-103.4%	-66.7%	-66.7%	-63.7%	-52.3%	-44.0%
<u>Other Indicators</u>														
Electricity Distribution Losses (2)	Total Volume Losses (kW)	37494358		37933123		21176687		383146654.2	383146654.2	383146654.2	383146654.2	386978120.8	390047902	390047902
	Total Cost of Losses (Rand '000)	21 488		28 627		1 525		26 820	26 820	26 820	26 820	27 088	27 359	27 359
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	0		0		0		0	0	0	0	0	0	0
	Total Volume Losses (k4)	8 645		9 051		9 141		9 233	9 233	9 233	9 233	9 325	9 418	9 418
	Total Cost of Losses (Rand '000)	1867632		2535288		2011055		2031166	2031166	2031166	2031166	2051477	2071992	2071992
	% Volume (units purchased and generated less units sold)/units purchased and generated	0		0		0		0	0	0	0	0	0	0
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.3%		30.4%		30.9%		30.5%	28.9%	28.9%	28.8%	30.1%	29.3%	28.7%
	Remuneration	30.5%		31.5%		32.0%		31.6%	30.1%	30.1%	31.2%	30.4%	29.7%	29.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.9%		0.5%		3.1%		4.8%	4.6%	4.6%	4.3%	4.3%	4.0%	3.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	2.8%		13.8%		14.4%		12.9%	12.7%	12.7%	1.2%	12.7%	12.1%	11.6%
	(Total Operating Revenue - Operating Grants)/(Debt service payments due within financial year)	21.0		25.0		20.2		24.1	24.1	24.1	19.5	25.1	21.4	22.7
i. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	27.1%		20.5%		28.8%		26.2%	27.2%	22.7%	47.6%	28.1%	29.0%	26.8%
ii. Cost coverage	(Available cash - investments)/monthly fixed operational expenditure	0.2		1.7		3.6		2.3	1.9	2.9	5.1	2.4	2.6	3.0

References:

- Consumer debtors > 12 months old are excluded from current assets
- Only include if services provided by the municipality

Calculation data

Debtors > 90 days
Monthly fixed operational expenditure
Fixed operational expenditure % assumption
Own cases
Borrowing

88 037	114 648	121 478	121 478	121 478	121 478	121 478	121 478	121 478	121 478	121 478	121 478	121 478	121 478	121 478
40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
(65 069)	761 202	369 598	369 598	369 598	369 598	369 598	369 598	369 598	369 598	369 598	369 598	369 598	369 598	369 598
-	-	160 000	160 000	160 000	160 000	160 000	160 000	160 000	160 000	160 000	160 000	160 000	160 000	160 000

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

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2017/18 Audited Outcome	2018/19 Audited Outcome	2019/20 Audited Outcome	Current Year 2020/21 Original Budget	2021/22 Medium Term Revenue & Expenditure Framework		
										Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Demographics												
Population		Statistics South Africa	200 524	155 718	170 654	184	195	207	207	207	207	207
Females aged 5 - 14		Statistics South Africa	17 965	11 020	12 077	13	14	15	15	15	15	15
Males aged 5 - 14		Statistics South Africa	16 352	11 092	12 157	13	14	15	15	15	15	15
Females aged 15 - 34		Statistics South Africa	38 791	33 191	36 374	40	42	45	45	45	45	45
Males aged 15 - 34		Statistics South Africa	41 919	32 718	35 856	39	42	44	44	44	44	44
Unemployment		Statistics South Africa	16	10	11	12	13	14	14	14	14	14
Monthly household income (no. of households)	1, 12											
No income		Statistics South Africa, regional economic growth	3 557	8 861	9 820	10 731	11 375	12 038	12 269	12 545	12 796	13 052
R1 - R1 600		Statistics South Africa, regional economic growth	245	914	2 065	2 219	2 352	2 543	2 543	2 594	2 646	2 699
R1 601 - R3 200		Statistics South Africa, regional economic growth	1 128	1 517	1 614	1 766	1 872	1 984	2 024	2 055	2 107	2 150
R3 201 - R6 400		Statistics South Africa, regional economic growth	3 728	4 415	4 699	5 140	5 448	5 891	5 891	6 009	6 128	6 251
R6 401 - R12 800		Statistics South Africa, regional economic growth	4 464	7 160	7 620	8 336	8 835	9 360	9 533	9 744	9 939	10 138
R12 801 - R25 600		Statistics South Africa, regional economic growth	6 463	6 742	7 176	7 660	8 321	8 997	9 177	9 361	9 549	9 736
R25 601 - R51 200		Statistics South Africa, regional economic growth	4 144	4 994	5 316	5 815	6 164	6 534	6 665	6 799	6 936	7 076
R52 201 - R102 400		Statistics South Africa, regional economic growth	2 578	3 671	3 907	4 274	4 530	4 802	4 898	4 996	5 096	5 198
R102 401 - R204 800		Statistics South Africa, regional economic growth	1 680	2 874	3 058	3 345	3 546	3 759	3 834	3 911	3 990	4 071
R204 801 - R409 600		Statistics South Africa, regional economic growth	69	1 432	1 523	1 666	1 765	1 872	1 910	1 948	1 987	2 027
R409 601 - R819 200		Statistics South Africa, regional economic growth	242	430	458	501	531	563	575	587	599	611
> R819 200		Statistics South Africa, regional economic growth	245	305	325	355	376	399	407	415	423	431
Poverty profiles (no. of households)												
< R2 050 per household per month	13		8 656	15 807	16 824	18 403.72	19 507.94	20 678.42	21 026.00	21 550.00	22 451.00	23 095.00
	2				<R1600	<R1600	<R1600	<R1600	<R1600	<R1600	<R1600	<R1600
Household demographics (000)												
Number of people in municipal area		Statistics South Africa, regional population growth rate	200 524	155 718	170 654	187	198	210	210	210	210	210
Number of poor people in municipal area		Statistics South Africa, regional population growth rate	36 413	43 417	47 582	52	55	58	58	58	58	58
Number of households in municipal area		Statistics South Africa, regional population growth rate	8 656	13 607	17 323	19	20	21	21	21	21	21
Definition of poor household (R per month)		Statistics South Africa, regional population growth rate			<R1600	<R1600	<R1600	<R1600	<R1600	<R1600	<R1600	<R1600
Housing statistics	3											
Formal			32 918	32 620	35 749	38 068	41 413	43 887	46 531	49 323	52 283	55 421
Informal			3 495	10 796	11 832	12 931	13 707	14 529	15 401	16 325	17 304	18 342
Total number of households			36 413	43 417	47 581	51 999	55 119	58 426	61 932	65 648	69 587	73 763
Dwellings provided by municipality			-	-	-	-	-	-	-	-	-	-
Dwellings provided by private			-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector			-	-	-	-	-	-	-	-	-	-
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic												
Inflation/inflation outlook (CPIX)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property services charges												
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

Detail on the provision of municipal services for A10

Total municipal services	Ref.		2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
			Household service targets (000)									
			Water:									
			38 618	39 599	40 626	40 626	40 626	40 626	40 676	40 726	40 776	
			Piped water inside dwelling									
			Piped water inside yard (but not in dwelling)									
8			4 047	4 249	4 461	4 461	4 461	4 461	4 561	4 664	4 769	
			Using public tap (at least min service level)									
10			7 169	4 528	4 778	4 778	4 778	4 778	4 878	4 980	5 084	
			Other water supply (at least min service level)									
			–	1 174	684	684	684	684	834	1 017	1 240	
			Minimum Service Level and Above subtotal									
			49 634	50 150	50 550	50 550	50 550	50 550	50 950	51 367	51 869	
9			Using public tap (< min service level)									
			1 370	1 270	1 170	1 170	1 170	1 170	1 070	979	886	
10			Other water supply (< min service level)									
			–	267	207	207	207	207	157	119	90	
			No water supply									
			1 677	1 527	1 377	1 377	1 377	1 377	1 227	1 088	986	
			Below Minimum Service Level sub-total									
			51 511	51 677	51 927	51 927	51 927	51 927	52 177	52 465	52 935	
			Total number of households									
			Sanitation/sewage:									
			45 863	46 206	46 256	46 256	46 256	46 256	46 306	46 356	46 406	
			Flush toilet (connected to sewerage)									
			1 967	2 065	2 165	2 165	2 165	2 165	2 265	2 370	2 480	
			Flush toilet (with septic tank)									
			Chemical toilet									
			370	388	407	407	407	407	420	433	446	
			Pit toilet (ventilated)									
			240	150	50	50	50	50	–	–	–	
			Other toilet provisions (> min service level)									
			1 194	1 468	1 898	1 898	1 898	1 898	2 236	2 633	3 101	
			Minimum Service Level and Above subtotal									
			49 634	50 277	50 777	50 777	50 777	50 777	51 727	51 792	52 433	
			Bucket toilet									
			1 231	900	800	800	800	800	700	613	537	
			Other toilet provisions (< min service level)									
			191	150	50	50	50	50	–	–	–	
			No toilet provisions									
			456	350	300	300	300	300	250	208	173	
			Below Minimum Service Level sub-total									
			1 877	1 400	1 150	1 150	1 150	1 150	950	821	710	
			Total number of households									
			51 511	51 677	51 927	51 927	51 927	51 927	52 177	52 613	53 143	
			Energy:									
			14 321	14 571	14 821	14 821	14 821	14 821	15 071	15 325	15 583	
			Electricity (at least min service level)									
			34 503	34 753	35 003	35 003	35 003	35 003	35 253	35 505	35 759	
			Electricity - prepaid (min service level)									
			Minimum Service Level and Above subtotal									
			48 824	48 324	48 824	48 824	48 824	48 824	50 324	50 830	51 342	
			Electricity (< min service level)									
			234	150	150	150	150	150	150	150	150	
			Electricity - prepaid (< min service level)									
			–	–	–	–	–	–	–	–	–	
			Other energy sources									
			2 463	2 203	1 953	1 953	1 953	1 953	1 703	1 485	1 206	
			Below Minimum Service Level sub-total									
			2 687	2 353	2 103	2 103	2 103	2 103	1 853	1 635	1 445	
			Total number of households									
			51 511	51 677	51 927	51 927	51 927	51 927	52 177	52 465	52 787	
			Roads:									
			39 475	47 149	47 649	47 649	47 649	47 649	46 149	48 654	49 164	
			Removed at least once a week									
			Minimum Service Level and Above subtotal									
			39 475	47 149	47 649	47 649	47 649	47 649	46 149	48 654	49 164	
			Removed less frequently than once a week									
			–	–	–	–	–	–	–	–	–	
			Using communal refuse dump									
			1 128	1 078	1 028	1 028	1 028	1 028	978	950	885	
			Using own refuse dump									
			2 369	2 200	2 100	2 100	2 100	2 100	2 000	1 905	1 815	
			Other rubbish disposal									
			884	800	750	750	750	750	700	653	609	
			No rubbish disposal									
			481	450	400	400	400	400	350	306	268	
			Below Minimum Service Level sub-total									
			4 802	4 528	4 278	4 278	4 278	4 278	4 028	3 794	3 576	
			Total number of households									
			44 337	51 677	51 927	51 927	51 927	51 927	52 177	52 448	52 740	

Municipal in-house services	Ref.		2017/18	2018/19	2019/20	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
8 10 9 10		Household service targets (000)								
		Water								
		Piped water inside dwelling	38 618	39 559	40 626	40 626	40 626	40 626	40 726	40 776
		Piped water inside yard (but not in dwelling)	4 047	4 249	4 461	4 461	4 461	4 561	4 664	4 769
		Using public tap (at least min.service level)	7 169	4 528	4 778	4 778	4 778	4 878	4 980	5 084
		Other water supply (at least min.service level)		1 774	684	684	684	834	1 017	1 240
		<i>Minimum Service Level and Above sub-total</i>	49 834	50 150	50 550	50 550	50 550	50 950	51 387	51 869
		Using public tap (< min.service level)	1 370	1 270	1 170	1 170	1 170	1 070	979	896
		Other water supply (< min.service level)	–	–	–	–	–	–	–	–
		No water supply	307	257	207	207	207	157	119	90
		<i>Below Minimum Service Level sub-total</i>	1 677	1 527	1 377	1 377	1 377	1 227	1 098	986
		Total number of households	51 511	51 677	51 927	51 927	51 927	52 177	52 485	52 855
		Sanitation/sewerage								
		Flush toilet (connected to sewerage)	45 863	46 206	46 256	46 256	46 256	46 306	46 356	46 406
		Flush toilet (with septic tank)	1 967	2 065	2 165	2 165	2 165	2 265	2 370	2 480
		Chemical toilet	370	368	407	407	407	420	433	446
		Pit toilet (ventilated)	240	150	50	50	50	–	–	–
		Other toilet provisions (> min.service level)	1 194	1 468	1 898	1 898	1 898	2 236	2 633	3 101
		<i>Minimum Service Level and Above sub-total</i>	49 634	50 277	50 777	50 777	50 777	51 227	51 792	52 433
		Bucket toilet	1 231	900	800	800	800	700	613	537
		Other toilet provisions (< min.service level)	191	150	50	50	50	–	–	–
		No toilet provisions	456	350	300	300	300	250	208	173
		<i>Below Minimum Service Level sub-total</i>	1 877	1 400	1 150	1 150	1 150	950	821	710
		Total number of households	51 511	51 677	51 927	51 927	51 927	52 177	52 613	53 143
		Energy								
		Electricity (at least min.service level)	14 321	14 571	14 821	14 821	14 821	15 071	15 325	15 583
		Electricity - prepaid (min.service level)	34 503	34 753	35 003	35 003	35 003	35 253	35 505	35 759
		<i>Minimum Service Level and Above sub-total</i>	48 824	49 324	49 824	49 824	49 824	50 324	50 830	51 342
		Electricity (< min.service level)	234	150	150	150	150	150	150	150
		Electricity - prepaid (< min.service level)	–	–	–	–	–	–	–	–
		Other energy sources	2 453	2 203	1 953	1 953	1 953	1 703	1 485	1 295
		<i>Below Minimum Service Level sub-total</i>	2 687	2 353	2 103	2 103	2 103	1 853	1 635	1 445
		Total number of households	51 511	51 677	51 927	51 927	51 927	52 177	52 465	52 787
		Refuse								
		Removed at least once a week	39 475	47 149	47 649	47 649	47 649	48 149	48 654	49 164
		<i>Minimum Service Level and Above sub-total</i>	39 475	47 149	47 649	47 649	47 649	48 149	48 654	49 164
		Removed less frequently than once a week	–	–	–	–	–	–	–	–
		Using communal refuse dump	1 128	1 078	1 028	1 028	1 028	978	930	885
		Using own refuse dump	2 369	2 200	2 100	2 100	2 100	2 000	1 905	1 815
		Other rubbish disposal	884	800	750	750	750	700	653	609
		No rubbish disposal	481	450	400	400	400	350	306	268
		<i>Below Minimum Service Level sub-total</i>	4 862	4 528	4 278	4 278	4 278	4 028	3 794	3 576
		Total number of households	44 337	51 677	51 927	51 927	51 927	52 177	52 448	52 740

WC024 Stellenbosch Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	20 683	169 491	417 839	295 015	226 496	350 972	350 972	336 302	371 278	441 612
Cash - investments at the yr end less applications - R'000	18(1)b	2	1 103 654	1 167 471	985 209	896 151	926 031	865 488	1 223 943	972 945	1 036 760	1 098 907
Cash year end/monthly employee/supplier payments	18(1)b	3	0.2	1.7	3.6	2.3	1.9	2.9	5.1	2.4	2.6	3.0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	404 402	119 231	87 251	125 696	100 705	100 705	392 883	108 614	135 360	123 944
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(7.8%)	1.9%	11.6%	(9.8%)	(6.0%)	(36.8%)	6.1%	0.8%	0.3%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	87.7%	90.9%	101.8%	90.1%	93.4%	93.4%	140.6%	95.6%	96.5%	96.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	4.1%	9.1%	9.9%	5.1%	5.3%	5.3%	0.0%	6.6%	6.5%	6.5%
Capital payments % of capital expenditure	18(1);19	8	0.0%	31.6%	44.4%	148.6%	100.0%	100.0%	81.4%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	10.3%	0.0%	69.4%	32.5%	32.5%	23.5%	49.3%	48.7%	50.7%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								101.5%	101.2%	101.3%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(25.8%)	48.9%	9.1%	(0.3%)	(16.8%)	45.5%	15.5%	10.5%	(1.8%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	40.1%	28.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.9%	0.1%	0.9%	1.5%	1.5%	1.5%	1.5%	1.4%	1.4%	1.4%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	2.9%	1.1%	9.1%	6.0%	6.0%	0.0%	2.5%	6.1%	10.3%

References

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substantiation of National/Province allocations included in budget
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

Supporting indicators

% incr total service charges (incl prop rates)	18(1)a		(1.8%)	7.9%	17.6%	(3.8%)	0.0%	(30.8%)	12.1%	6.8%	6.3%
% incr Property Tax	18(1)a		7.5%	8.7%	7.3%	1.8%	0.0%	(21.5%)	6.1%	6.0%	6.0%
% incr Service charges - electricity revenue	18(1)a		1.6%	5.8%	25.8%	(4.7%)	0.0%	(35.4%)	16.7%	7.0%	6.0%
% incr Service charges - water revenue	18(1)a		(25.4%)	16.5%	(1.7%)	(11.9%)	0.0%	(32.3%)	11.9%	5.5%	5.5%
% incr Service charges - sanitation revenue	18(1)a		(8.5%)	(0.7%)	42.1%	(8.5%)	0.0%	(36.5%)	5.7%	6.0%	6.0%
% incr Service charges - refuse revenue	18(1)a		10.2%	14.2%	24.4%	0.0%	0.0%	(27.2%)	12.3%	12.0%	12.0%
% incr in Service charges - other	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a	1 174 818	1 154 085	1 245 801	1 465 017	1 409 017	1 409 017	975 657	1 579 729	1 686 830	1 793 071
Service charges		1 174 818	1 154 085	1 245 801	1 465 017	1 409 017	1 409 017	975 657	1 579 729	1 686 830	1 793 071
Property rates		312 816	336 325	365 675	392 239	399 239	399 239	313 330	423 633	449 051	475 994
Service charges - electricity revenue		523 068	531 494	562 275	707 441	674 441	674 441	435 814	787 275	842 384	892 927
Service charges - water revenue		197 306	147 276	171 632	168 720	148 720	148 720	100 748	166 400	175 552	185 207
Service charges - sanitation revenue		91 619	83 862	83 262	118 312	108 312	108 312	68 786	114 485	121 354	128 636
Service charges - refuse removal		50 008	55 128	62 957	78 305	78 305	78 305	56 980	87 936	98 489	110 307
Service charges - other		—	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment		10 556	11 412	10 275	16 292	10 592	10 592	8 773	11 175	11 789	12 438
Capital expenditure excluding capital grant funding		(65 089)	1 550 313	761 202	230 410	369 598	369 598	510 521	292 210	287 573	315 650
Cash receipts from ratepayers	18(1)a	1 179 109	1 208 281	1 431 900	1 516 802	1 498 584	1 498 584	1 498 584	1 723 599	1 853 053	1 968 346
Ratepayer & Other revenue	18(1)a	1 344 660	1 329 326	1 406 113	1 683 313	1 604 113	1 604 113	1 065 792	1 802 538	1 920 877	2 038 929
Change in consumer debtors (current and non-current)		(34 613)	(82 063)	117 498	32 360	31 278	(33 529)	112 941	58 665	47 018	(8 669)
Operating and Capital Grant Revenue	18(1)a	210 005	233 233	284 875	291 976	288 728	288 728	212 484	309 867	283 595	256 266
Capital expenditure - total	20(1)(vi)	—	1 562 156	913 087	375 750	454 464	454 464	558 109	397 764	384 460	381 495
Capital expenditure - renewal	20(1)(vi)	32 347	45 449	10 136	34 100	27 041	27 041		9 950	23 600	39 164

Supporting benchmarks

Growth guideline maximum		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline		4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY									164 684	171 280	174 671
DoRA capital grants total MFY									70 386	43 267	44 745
Provincial operating grants									34 574	12 187	12 381
Provincial capital grants									35 168	53 620	21 100
District Municipality grants									500	—	—
Total gazetted/advised national, provincial and district grants									305 312	280 354	252 897
Average annual collection rate (arrears inclusive)											

Description	MFMA section	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Trend												
Change in consumer debtors (current and non-current)			(34 613)	(82 063)	117 498	32 360	31 278	(33 529)	112 941	58 665	47 018	(8 669)
Total Operating Revenue												
Total Operating Expenditure			1 205 938	1 501 073	1 654 635	1 887 463	1 826 704	1 826 704	904 368	2 016 990	2 083 061	2 185 990
Operating Performance Surplus/(Deficit)			327 724	18 198	(47 398)	12 267	4 142	4 142	361 157	3 060	38 472	58 099
Cash and Cash Equivalents (30 June 2012)												
Revenue												
% Increase in Total Operating Revenue				(0.9%)	5.8%	18.2%	(3.6%)	0.0%	(30.9%)	10.3%	5.0%	5.8%
% Increase in Property Rates Revenue				7.5%	8.7%	7.3%	1.8%	0.0%	(21.5%)	6.1%	6.0%	6.0%
% Increase in Electricity Revenue				1.6%	5.8%	25.8%	(4.7%)	0.0%	(35.4%)	16.7%	7.0%	6.0%
% Increase in Property Rates & Services Charges				(1.8%)	7.9%	17.6%	(3.8%)	0.0%	(30.8%)	12.1%	6.8%	6.3%
Expenditure												
% Increase in Total Operating Expenditure				24.5%	10.2%	14.1%	(3.2%)	0.0%	(50.5%)	10.4%	3.3%	4.9%
% Increase in Employee Costs				2.6%	7.4%	16.8%	(8.7%)	0.0%	(31.2%)	14.8%	2.3%	3.5%
% Increase in Electricity Bulk Purchases				11.6%	18.5%	9.8%	(5.5%)	0.0%	(42.4%)	18.0%	9.0%	9.0%
Average Cost Per Budgeted Employee Position (Remuneration)					371186.5082	466913.0419				489490.9702		
Average Cost Per Councillor (Remuneration)					444675.304	491455.5116				511113.6744		
R&M % of PPE			0.9%	0.1%	0.9%	1.5%	1.5%	1.5%		1.4%	1.4%	1.4%
Asset Renewal and R&M as a % of PPE			298.0%	71.0%	3.0%	4.0%	3.0%	3.0%		4.0%	4.0%	4.0%
Debt Impairment % of Total Billable Revenue			4.1%	9.1%	9.9%	5.1%	5.3%	5.3%	0.0%	6.6%	6.5%	6.5%
Capital Revenue												
Internally Funded & Other (R'000)			201 163	37 252	30 492	127 630	249 598	249 598	125 994	148 210	147 573	155 650
Borrowing (R'000)			(79 785)	16 097	(66 744)	102 780	120 000	120 000	21 895	144 000	140 000	160 000
Grant Funding and Other (R'000)			65 089	11 843	151 885	145 341	84 866	84 866	47 588	105 554	96 887	65 845
Internally Generated funds % of Non Grant Funding			165.7%	69.8%	(84.1%)	55.4%	67.5%	67.5%	85.2%	50.7%	51.3%	49.3%
Borrowing % of Non Grant Funding			(65.7%)	30.2%	184.1%	44.6%	32.5%	32.5%	14.8%	49.3%	48.7%	50.7%
Grant Funding % of Total Funding			34.9%	18.2%	131.4%	38.7%	18.7%	18.7%	24.3%	26.5%	25.2%	17.3%
Capital Expenditure												
Total Capital Programme (R'000)			188 246	75 399	132 972	375 750	454 464	454 464	195 477	397 764	384 460	381 495
Asset Renewal			32 347	45 449	10 136	34 100	27 041	27 041	-	9 950	23 600	39 164
Asset Renewal % of Total Capital Expenditure			17.3%	69.7%	8.8%	9.1%	6.0%	6.0%	0.0%	2.5%	6.1%	10.3%
Cash												
Cash Receipts % of Rate Payer & Other			87.7%	90.9%	101.8%	90.1%	93.4%	93.4%	140.6%	95.6%	96.5%	96.5%
Cash Coverage Ratio			0	0	0	0	0	0	0	0	0	0
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			2.6%	2.1%	2.4%	3.2%	2.9%	2.9%	3.9%	4.0%	4.5%	5.0%
Borrowing Receipts % of Capital Expenditure			0.0%	10.3%	0.0%	69.4%	32.5%	32.5%	23.5%	49.3%	48.7%	50.7%
Reserves												
Surplus/(Deficit)			1 103 654	1 167 471	985 209	896 151	926 031	865 488	1 223 943	972 945	1 036 760	1 098 907
Free Services												
Free Basic Services as a % of Equitable Share			18.1%	28.0%	32.3%	25.8%	22.7%	22.7%		27.6%	27.8%	29.6%
Free Services as a % of Operating Revenue (excl operational transfers)			(10.5%)	3.4%	3.5%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
High Level Outcome of Funding Compliance												
Total Operating Revenue			1 533 662	1 519 272	1 607 237	1 899 731	1 830 846	1 830 846	1 265 525	2 020 051	2 121 533	2 244 089
Total Operating Expenditure			1 205 938	1 501 073	1 654 635	1 887 463	1 826 704	1 826 704	904 368	2 016 990	2 083 061	2 185 990
Surplus/(Deficit) Budgeted Operating Statement			327 724	18 198	(47 398)	12 267	4 142	4 142	361 157	3 060	38 472	58 099
Surplus/(Deficit) Considering Reserves and Cash Backing			1 103 654	1 167 471	985 209	896 151	926 031	865 488	1 223 943	972 945	1 036 760	1 098 907
MTREF Funded (1) / Unfunded (0)			15	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗			15	✓	✓	✓	✓	✓	✓	✓	✓	✓

References

15. Subject to figures provided in Schedule.

WC024 Stellenbosch - Supporting Table SA11 Property rates summary

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Valuation:	1									
Date of valuation:		02/07/2012	02/07/2012	01/07/2017	02/07/2016					
Financial year valuation used		2015/2016			2019/2020			NEW		
Municipal by-laws s6 in place? (Y/N)	2	Y	Y	Y	Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)		Y	Y	Y	Yes			Yes		
Municipal partnership s38 used? (Y/N)		Y	N	N	N			N		
No. of assistant valuers (FTE)	3	2	2	2	—			—		
No. of data collectors (FTE)	3	8	8	8	5			5		
No. of internal valuers (FTE)	3	—	—	—	—			—		
No. of external valuers (FTE)	3	1	1	1	2			2		
No. of additional valuers (FTE)	4	—	—	—	—			—		
Valuation appeal board established? (Y/N)		Y	Y	Y	Yes			Yes		
Implementation time of new valuation roll (mths)		24	12	12	01/07/2017			01/07/2021		
No. of properties	5	32 363	33 403	34 428	34 925			35 022		
No. of sectional title values	5	7 105	7 617	7 930	8 074			8 066		
No. of unreasonably difficult properties s7(2)		—	—	—	—			—		
No. of supplementary valuations		2	2	2	513			550		
No. of valuation roll amendments		—	—	—	6			—		
No. of objections by rate payers		—	—	—	6			—		
No. of appeals by rate payers		—	—	—	—			—		
No. of successful objections	8	—	—	—	5			—		
No. of successful objections > 10%	8	—	—	—	—			—		
Supplementary valuation		—	—	—	—			—		
Public service infrastructure value (Rm)	5	0	33	69	48			48		
Municipality owned property value (Rm)		0	1 161	1 074	1 017			1 388		
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)		10	33	69	48	—	—	48	50	53
Valuation reductions-nature reserves/park (Rm)		11	—	—	5	—	—	42	43	46
Valuation reductions-mineral rights (Rm)		—	—	—	—	—	—	—	—	—
Valuation reductions-R15,000 threshold (Rm)		365	382	418	403	—	—	406	425	447
Valuation reductions-public worship (Rm)		334	189	370	363	—	—	453	475	500
Valuation reductions-other (Rm)		—	2	2	12	—	—	44	46	49
Total valuation reductions:		721	605	858	831	—	—	992	1 039	1 095
Total value used for rating (Rm)	5	48 963	69 851	70 957	71 426	—	—	92 348	96 964	101 813
Total land value (Rm)	5	20 656	10 583	—	9 897	—	—	85	90	94
Total value of improvements (Rm)	5	28 233	59 873	—	61 517	—	—	92 263	96 876	101 720
Total market value (Rm)	5	48 889	70 456	73 300	71 414	—	—	92 348	96 964	101 813
Rating:										
Residential rate used to determine rate for other categories? (Y/N)		Y	Y	Y	Yes			Yes		
Differential rates used? (Y/N)	5	Y	Y	Y	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)		Y	Y	Y	Yes			Yes		
Special rating area used? (Y/N)		Y	Y	Y	—			—		
Phasing-in properties s21 (number)		—	—	—	—	—	—	—	—	—
Rates policy accompanying budget? (Y/N)		Y	Y	Y	Yes			Yes		
Fixed amount minimum value (R'000)			200	200	—			—		
Non-residential prescribed ratio s19? (%)			25.0%	25.0%	25.0%			25.0%		
Rate revenue:										
Rate revenue budget (R'000)	6	164 300	377 638	410 028	385 856	392 856	392 856	415 359	440 281	466 698
Rate revenue expected to collect (R'000)	6									
Expected cash collection rate (%)										
Special rating areas (R'000)	7	4 638	5 365	5 586	6 383	6 383	6 383	6 773	7 180	7 611
Rebates, exemptions - indigent (R'000)		—	—	—	—	—	—	—	—	—
Rebates, exemptions - pensioners (R'000)		—	3 039	3 008	—	—	—	—	—	—
Rebates, exemptions - bona fide farm. (R'000)		—	—	—	—	—	—	—	—	—
Rebates, exemptions - other (R'000)		(143 879)	43 640	46 930	—	—	—	—	—	—
Phase-in reductions/discounts (R'000)		—	—	—	—	—	—	—	—	—
Total rebates, exemptns, reductns, discs (R'000)		(143 879)	46 679	49 938	—	—	—	—	—	—

References

1. All numbers to be expressed as whole numbers except FTEs and Rates in the Rand
2. To give effect to rates policy
3. Full Time Equivalent (FTE) should be expressed to one decimal place and takes into account full time and part time staff
4. Required to implement new system (FTE)
5. Provide relevant information for historical comparisons. Must reconcile to the total of Table SA12
6. Current and budget year must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
7. Included in rate revenue budget
8. In favour of the rate-payer

Choose name from list - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit Mining Props. organs.
Current Year 2019/20 Valuation:																
No. of properties		29 219	-	3 003	1 956	71	-	675	-	-	-	-	-	-	-	1
No. of sectional title property values		7 057	-	1 017	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations		376	-	59	62	1	-	14	-	-	-	-	-	-	-	1
Supplementary valuation (Rm)		678	-	1 409	381	38	-	-	-	-	-	-	-	-	-	1
No. of valuation roll amendments		2	-	2	2	-	-	-	-	-	-	-	-	-	-	-
No. of objections by rate-payers		2	-	2	2	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	5	1	-	2	2	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Years since last valuation (select)	3															
Frequency of valuation (select)	4															
Method of valuation used (select)																
Base of valuation (select)																
Phasing-in properties s21 (number)		-	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)																
Fiat rate used? (Y/N)																
Is balance rated by uniform rate/variable rate?																
Valuation reductions:																
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	48	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)		-	-	-	5	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)	403		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)	70		-	293	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)	11		-	0	-	-	-	-	-	-	-	-	-	-	-	-
Total valuation reductions:	2															
Total value used for rating (Rm)	6	44 834	-	13 358	12 245	768	-	48	-	-	-	-	-	-	-	-
Total land value (Rm)	6	717	-	522	8 563	83	-	12	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	6	44 116	-	12 982	3 683	685	-	36	-	-	-	-	-	-	-	16
Total market value (Rm)	6	44 833	-	13 504	12 245	768	-	48	-	-	-	-	-	-	-	16
Rating:																
Average rate	3	0.005411	-	0.011770	0.001353	0.011901	-	-	-	-	-	-	-	-	-	0.001354
Rate revenue budget (R '000)		242 601	-	158 879	16 573	9 138	-	-	-	-	-	-	-	-	-	22
Rate revenue expected to collect (R'000)																
Expected cash collection rate (%)	4															
Special rating areas (R'000)		5 090	-	3 009	381	110	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		4 130	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	27	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		22 474	-	12 066	-	-	-	-	-	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total rebates,exemptsn,reductns,discs (R'000)																
References																

1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations

2. Include value of additional reductions is 'free' value greater than MPRA minimum.

3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum

4. Include arrears collections

5. In favour of the rate-payer

6. Provide relevant information for historical comparisons.

WC024 Stellenbosch - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2017/18	2018/19	2019/20	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
							Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Property rates (rate in the Rand)	1								
Residential properties		Rate in rand	0.0045	0.0048	0.0051	0.0054	-0.0063	-0.0067	-0.0071
Residential properties - vacant land		Rate in rand	0.0090	0.0095	0.0102	0.0108	-0.0127	-0.0134	-0.0142
Formal/informal settlements		n/a					-	-	-
Small holdings		n/a					-	-	-
Farm properties - used		Rate in rand	0.0011	0.0012	0.0013	0.0014	-0.0016	-0.0017	-0.0018
Farm properties - not used		Rate in rand	0.0011	0.0012	0.0013	0.0014	-0.0016	-0.0017	-0.0018
Industrial properties		Rate in rand	0.0099	0.0105	0.0112	0.0119	-0.0139	-0.0148	-0.0157
Business and commercial properties		Rate in rand	0.0099	0.0105	0.0112	0.0119	-0.0144	-0.0153	-0.0162
Communal land - residential		n/a	n/a	n/a	n/a		-	-	-
Communal land - small holdings		n/a	n/a	n/a	n/a		-	-	-
Communal land - farm property		n/a	n/a	n/a	n/a		-	-	-
Communal land - business and commercial		n/a	n/a	n/a	n/a		-	-	-
Communal land - other		n/a	n/a	n/a	n/a		-	-	-
State-owned properties		Res or Bus	Res or Bus	Res or Bus	Res or Bus		-	-	-
Municipal properties		Res or Bus	Res or Bus	Res or Bus	Res or Bus		-	-	-
Public service infrastructure		Rate in rand	0.0011	0.0012	0.0013	0.0014	-0.0016	-0.0017	-0.0018
Privately owned towns serviced by the owner		n/a	n/a	n/a	n/a		-	-	-
State trust land		n/a	n/a	n/a	n/a		-	-	-
Restitution and redistribution properties		n/a	n/a	n/a	n/a		-	-	-
Protected areas		Rate in rand	0.0011	0.0012	0.0013	0.0014	-	-	-
National monuments properties		Rate in rand	0.0011	0.0012	0.0118	0.0125	-0.0213	-0.0225	-0.0239
Exemptions, reductions and rebates (Rands)									
Residential properties									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate		Rate in rand	185 000	185 000	185 000	185 000	235 000	235 000	235 000
Indigent rebate or exemption		Rate in rand	185 000	185 000	185 000	185 000	235 000	235 000	235 000
Pensioners/social grants rebate or exemption		depends on	depends on	depends on	depends on	depends on	depends on	depends on	depends on
Temporary relief rebate or exemption		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bona fide farmers rebate or exemption		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other rebates or exemptions	2						-	-	-
Water tariffs									
Domestic									
Basic charge/flat fee (Rands/month)		Rands	57	61	66	70	74	78	82
Service point - vacant land (Rands/month)			-	-	-	-	-	-	-
Water usage - flat rate tariff (c/k)			-	-	-	-	-	-	-
Water usage - life line tariff (describe structure)			-	-	-	-	-	-	-
Water usage - Block 1 (c/k)		0 kilolitres to 6 kilolitres	5	5	6	6	6	7	7
Water usage - Block 2 (c/k)		7 kilolitres to 20 kilolitres	7	8	9	9	10	10	11
Water usage - Block 3 (c/k)		21 kilolitres to 40 kilolitres	12	13	15	16	16	17	18
Water usage - Block 4 (c/k)		41 kilolitres to 60 kilolitres	19	20	25	28	29	31	32
Water usage - Block 4 (c/k)		61 kilolitres and above	26	27	53	61	65	68	72
Other	2								
Waste water tariffs									
Domestic									
Basic charge/flat fee (Rands/month)			-	-	-	-	-	-	-
Service point - vacant land (Rands/month)			-	-	-	-	-	-	-
Waste water - flat rate tariff (c/k)			-	-	-	-	-	-	-
Volumetric charge - Block 1 (c/k)		0 - 250	1 213	1 310	1 428	1 521	1 612	1 709	1 811
Volumetric charge - Block 2 (c/k)		251 - 500	1 556	1 681	1 832	1 951	2 068	2 192	2 324
Volumetric charge - Block 3 (c/k)		501 - 600	1 753	1 893	2 064	2 198	2 330	2 470	2 618
Volumetric charge - Block 4 (c/k)		601 - 700	1 946	2 102	2 291	2 440	2 586	2 741	2 906
Other	2		-	-	-	-	-	-	-
Electricity tariffs									
Domestic									
Basic charge/flat fee (Rands/month)			-	-	-	-	-	-	-
Service point - vacant land (Rands/month)			-	-	-	-	-	-	-
FBE (how is this targeted?)			-	-	-	-	-	-	-
Life-line tariff - meter		0 - 50 kwh (c/kWh)	84	87	-	-	-	-	-
Life-line tariff - prepaid		51 - 350 kwh (c/kWh)	131	108	-	-	-	-	-
Flat rate tariff - meter (c/kwh)		351 - 600 kwh (c/kWh)	169	165	-	-	-	-	-
Flat rate tariff - prepaid (c/kwh)		601 - 9999 kwh (c/kWh)	189	187	-	-	-	-	-
Meter - IBT Block 1 (c/kwh)		0 - 50 kwh (c/kWh)	84	87	-	-	-	-	-
Meter - IBT Block 2 (c/kwh)		51 - 350 kwh (c/kWh)	104	111	-	-	-	-	-
Meter - IBT Block 3 (c/kwh)		351 - 600 kwh (c/kWh)	169	157	-	-	-	-	-
Meter - IBT Block 4 (c/kwh)		601 - 9999 kwh (c/kWh)	191	185	-	-	-	-	-
Meter - IBT Block 5 (c/kwh)			-	-	-	-	-	-	-
Prepaid - IBT Block 1 (c/kwh)		0 - 50 kwh (c/kWh)	84	87	-	-	-	-	-
Prepaid - IBT Block 2 (c/kwh)		51 - 350 kwh (c/kWh)	107	135	-	-	-	-	-
Prepaid - IBT Block 3 (c/kwh)		351 - 600 kwh (c/kWh)	161	165	-	-	-	-	-
Prepaid - IBT Block 4 (c/kwh)		601 - 9999 kwh (c/kWh)	189	185	-	-	-	-	-
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)	-	-	-	-	-	-	-
Other	2		-	-	-	-	-	-	-
Waste management tariffs									
Domestic									
Street cleaning charge			-	-	-	-	-	-	-
Basic charge/flat fee			-	-	-	-	-	-	-
80l bin - once a week			-	-	-	-	-	-	-
250l bin - once a week		Rands	127	135	176	205	230	257	288

References

1. If properties are not rated or zero rated this must be indicated as such

2. Please provide detailed descriptions on Sheet SA13b

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

[illegible]

WC024 Stellenbosch - Supporting Table SA14 Household bills

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22 % incr.	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		188.00	198.75	211.67	225.42	225.42	225.42	(25.5%)	168.04	178.12	188.81
Electricity: Basic levy		119.10	123.22	145.74	185.77	185.77	185.77	14.6%	212.87	227.77	243.71
Electricity: Consumption		1 534.87	1 647.23	1 838.80	1 939.36	1 939.36	1 939.36	14.6%	2 222.27	2 377.83	2 544.28
Water: Basic levy		56.50	64.98	65.58	69.84	69.84	69.84	5.5%	73.69	77.74	82.02
Water: Consumption		246.54	284.86	303.38	545.01	545.01	545.01	5.5%	574.84	606.46	639.81
Sanitation		169.92	185.21	196.33	162.59	162.59	162.59	6.0%	172.34	182.68	193.64
Refuse removal		138.65	151.13	176.06	205.11	205.11	205.11	12.0%	229.71	257.28	288.15
Other					—	—	—	—	—	—	—
sub-total		2 453.58	2 655.38	2 937.55	3 333.10	3 333.10	3 333.10	9.6%	3 653.76	3 907.88	4 180.42
VAT on Services		—	—	—	466.15	466.15	466.15	12.2%	522.86	586.65	658.22
Total large household bill:		2 453.58	2 655.38	2 937.55	3 799.25	3 799.25	3 799.25	9.9%	4 176.62	4 494.53	4 838.64
% increase/-decrease			8.2%	10.6%	29.3%	—	—		9.9%	7.6%	7.7%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		188.00	198.75	211.67	135.25	135.25	135.25	(31.0%)	93.35	98.95	104.89
Electricity: Basic levy		—	—	—	185.77	185.77	185.77	14.6%	212.87	227.77	243.71
Electricity: Consumption		722.27	775.14	865.29	804.55	804.55	804.55	14.6%	921.91	986.44	1 055.49
Water: Basic levy		56.50	64.98	65.58	69.84	69.84	69.84	5.5%	73.69	77.74	82.02
Water: Consumption		187.39	216.16	230.21	353.36	353.36	353.36	5.5%	372.69	393.19	414.81
Sanitation		153.07	166.84	176.86	162.59	162.59	162.59	6.0%	172.34	182.68	193.64
Refuse removal		138.65	151.13	176.06	205.11	205.11	205.11	12.0%	229.71	257.28	288.15
Other					—	—	—	—	—	—	—
sub-total		1 445.87	1 573.00	1 725.67	1 916.47	1 916.47	1 916.47	8.4%	2 076.56	2 224.05	2 382.72
VAT on Services		—	—	—	267.18	267.18	267.18	11.3%	297.48	331.10	368.51
Total small household bill:		1 445.87	1 573.00	1 725.67	2 183.65	2 183.65	2 183.65	8.7%	2 374.04	2 555.15	2 751.23
% increase/-decrease			8.8%	9.7%	26.5%	—	—		8.7%	7.6%	7.7%
Monthly Account for Household - 'Indigent'	3										
Household receiving free basic services											
Rates and services charges:											
Property rates		37.60	39.75	42.33	45.08	45.08	45.08	(58.6%)	18.67	19.79	20.98
Electricity: Basic levy		—	—	—	—	—	—	—	—	—	—
Electricity: Consumption		301.87	323.97	355.16	445.96	445.96	445.96	14.6%	511.03	585.59	671.03
Water: Basic levy		—	—	—	—	—	—	—	—	—	—
Water: Consumption		128.24	147.46	157.04	179.10	179.10	179.10	5.5%	188.90	199.29	210.25
Sanitation		27.75	30.25	32.07	35.87	35.87	35.87	6.0%	38.02	40.30	42.72
Refuse removal		29.00	31.61	36.83	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—	—
sub-total		524.47	573.04	623.43	706.01	706.01	706.01	7.2%	756.62	844.97	944.97
VAT on Services		—	—	—	99.14	99.14	99.14	11.7%	110.69	123.64	138.11
Total small household bill:		524.47	573.04	623.43	805.15	805.15	805.15	7.7%	867.31	968.61	1 083.08
% increase/-decrease			9.3%	8.8%	29.1%	—	—		7.7%	11.7%	11.8%

References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)
4. Note this is for a SINGLE household.

WC024 Stellenbosch - Supporting Table SA15 Investment particulars by type

2021/22 Medium Term Revenue & Expenditure Framework											
Investment type	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
R thousand											
Parent municipality											
Securities - National Government	1	-	-	-	-	-	-	-	-	-	
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-	
Deposits - Bank		505 618	398 164	306 637	331 339	321 339	321 339	307 764	313 553	333 553	
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-	
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-	
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-	
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-	
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-	
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-	
Municipal Bonds		-	-	-	-	-	-	-	-	-	
Municipality sub-total			505 618	398 164	306 637	331 339	321 339	321 339	307 764	313 553	333 553
Entities											
Securities - National Government			-	-	-	-	-	-	-	-	-
Listed Corporate Bonds			-	-	-	-	-	-	-	-	-
Deposits - Bank			-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners	-		-	-	-	-	-	-	-	-	
Deposits - Corporation for Public Deposits	-		-	-	-	-	-	-	-	-	
Bankers Acceptance Certificates	-		-	-	-	-	-	-	-	-	
Negotiable Certificates of Deposit - Banks	-		-	-	-	-	-	-	-	-	
Guaranteed Endowment Policies (sinking)	-		-	-	-	-	-	-	-	-	
Repurchase Agreements - Banks	-		-	-	-	-	-	-	-	-	
Entities sub-total			-	-	-	-	-	-	-	-	-
Consolidated total:		505 618	398 164	306 637	331 339	321 339	321 339	307 764	313 553	333 553	

References

1. Total investments must reconcile to Budgeted Financial Position ('current' call investment deposits plus 'non-current' investments)

WC024 Stellenbosch - Supporting Table SA17 Borrowing

Borrowing - Categorized by type	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
R thousand										
Parent municipality										
Annuity and Bullet Loans		173 302	318 800	292 930				552 370	392 047	392 047
Long-Term Loans (non-annuity)		-	-	-				-	-	-
Local registered stock		-	-	-				-	-	-
Instalment Credit		-	-	-				-	-	-
Financial Leases		-	-	-				-	-	-
PPP liabilities		-	-	-				-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-				-	-	-
Marketable Bonds		-	-	-				-	-	-
Non-Marketable Bonds		-	-	-				-	-	-
Bankers Acceptances		-	-	-				-	-	-
Financial derivatives		-	-	-				-	-	-
Other Securities		-	-	-				-	-	-
Municipality sub-total	1	173 302	318 800	292 930				552 370	392 047	392 047
Entities										
Annuity and Bullet Loans		-	-	-				-	-	-
Long-Term Loans (non-annuity)		-	-	-				-	-	-
Local registered stock		-	-	-				-	-	-
Instalment Credit		-	-	-				-	-	-
Financial Leases		-	-	-				-	-	-
PPP liabilities		-	-	-				-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-				-	-	-
Marketable Bonds		-	-	-				-	-	-
Non-Marketable Bonds		-	-	-				-	-	-
Bankers Acceptances		-	-	-				-	-	-
Financial derivatives		-	-	-				-	-	-
Other Securities		-	-	-				-	-	-
Entities sub-total	1	-	-	-				-	-	-
Total Borrowing	1	173 302	318 800	292 930				552 370	392 047	392 047
								499 164	586 281	676 398

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		117 001	133 808	143 163	156 315	178 568	178 568	169 239	174 521	178 040
Local Government Equitable Share		110 631	124 176	136 177	149 804	170 632	170 632	157 136	169 730	173 121
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		4 820	5 722	5 227	4 961	4 961	4 961	5 998		
Local Government Financial Management Grant [Schedule 5B]		1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550
Municipal Disaster Grant [Schedule 5B]				209						
Integrated Urban Development Grant						1 425	1 425	4 555	3 241	3 369
National Resources Management Grant		–	2 360	–						
Provincial Government:		14 446	16 735	14 509	21 791	20 620	20 620	34 574	12 187	12 381
Community Development Workers Operational Support Grant		56	56	56	56	93	93	38	38	38
Financial Management Capacity Building Grant		240	360	380	400	760	760	250		
Human Settlements Development Grant		2 850	1 705	–	7 570	7 570	7 570	17 940		
Libraries, Archives and Museums		11 045	12 210	12 454	13 077	9 595	9 595	11 144	11 435	11 629
Local Government Support Grant		–	–	900	–	–	–	–	–	–
WC Financial Management Support Grant		255	255	255	–	–	–	–	–	–
LG Graduate Internship Grant		–	72	80	–	74	74	–	–	–
Maintenance and Construction of Transport Infrastructure		–	371	384	450	450	450	4 950	450	450
Regional Socio-Economic Project/violence through urban upgrading (RSEP/VPUU)		–	–	–	–	–	–	–	–	–
Municipal Accreditation and Capacity Building Grant		–	224	–	238	238	238	252	264	264
Spatial Development framework		–	–	–	–	–	–	–	–	–
Title Deeds Restoration Grant		–	1 481	–	–	1 840	1 840	–	–	–
Other transfers/grants [insert description]		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	472	440	2 471	2 031	500	–	–
Cape Winelands District Grant		–	–	472	–	2 031	2 031	–	–	–
Cape Winelands District Grant 2		–	–	–	–	–	–	500	–	–
Safety Initiative Implementation-whole of society approach (WOSA)		–	–	–	440	440	–	–	–	–
Other Grant Providers:		300	163	469	–	2 204	2 204	–	–	–
LG SETA Discretionary grant		–	–	63	–	376	376	–	–	–
Khaya Lam Free Market Research Foundation		–	163	102	–	–	–	–	–	–
Taipei COVID 19 donation		–	–	132	–	–	–	–	–	–
DBSA		–	–	172	–	1 828	1 828	–	–	–
Arbor City		300	–	–	–	–	–	–	–	–
Parent Municipality / Entity		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	131 747	150 705	158 613	178 546	203 862	203 422	204 313	186 708	190 421
Capital Transfers and Grants										
National Government:		48 536	43 668	62 526	63 690	58 065	58 065	70 386	43 267	44 745
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		4 000	5 000	15 640	16 200	12 000	12 000	18 000	6 000	6 000
Integrated Urban Development Grant		–	–	46 886	47 490	46 065	46 065	52 386	37 267	38 745
Energy Efficiency and Demand Side Management Grant		7 236	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant [Schedule 5B]		36 358	35 107	–	–	–	–	–	–	–
Regional Bulk Infrastructure		–	–	–	–	–	–	–	–	–
Shared Economic infrastructure facility		942	3 561	–	–	–	–	–	–	–
Provincial Government:		23 754	77 188	13 149	49 739	27 115	27 115	35 168	53 620	21 100
Human Settlements Development Grant		17 358	73 585	11 049	45 139	22 460	22 460	33 468	53 020	20 500
Library Services: Conditional Grant		2 000	–	–	–	55	55	100	–	–
Integrated Transport Planning		600	600	600	600	600	600	–	600	600
Maintenance and Construction of Transport Infrastructure		2 176	–	–	–	–	–	–	–	–
Fire services capacity building grant		800	3 003	–	–	–	–	–	–	–
RSEP/ VP UU		–	–	1 500	4 000	4 000	4 000	1 000	–	–
Development of Sport and Recreational Facilities		–	–	–	–	–	–	600	–	–
Public Transport Non-Motorised Infrastructure		820	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Safety Initiative Implementation-whole of society approach (WOSA)		–	–	–	–	–	–	–	–	–
Other Grant Providers:		230	–	151	–	–	–	–	–	–
Donated Assets		230	–	–	–	–	–	–	–	–
LOTTO		–	–	151	–	–	–	–	–	–
Total Capital Transfers and Grants	5	72 520	120 856	75 826	113 429	85 181	85 181	105 554	96 887	65 845
TOTAL RECEIPTS OF TRANSFERS & GRANTS		204 267	271 561	234 439	291 975	289 043	288 603	309 867	283 595	256 266

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		117 001	131 719	143 254	156 315	178 568	178 568	169 239	174 521	178 040
Local Government Equitable Share		110 631	124 176	136 177	149 804	170 632	170 632	157 136	169 730	173 121
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		4 820	5 722	5 227	4 961	4 961	4 961	5 998	–	–
Local Government Financial Management Grant [Schedule 5B]		1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550
Municipal Disaster Grant [Schedule 5B]		–	–	209	–	1 425	1 425	4 555	3 241	3 369
Integrated Urban Development Grant		–	–	–	–	–	–	–	–	–
National Resources Management Grant		–	271	91	–	–	–	–	–	–
Provincial Government:		16 300	13 509	16 559	21 791	20 620	20 620	34 574	12 187	12 381
Community Development Workers Operational Support Grant		56	56	19	56	93	93	38	38	38
Financial Management Capacity Building Grant		–	139	380	400	760	760	250	–	–
Human Settlements Development Grant		4 929	–	–	7 570	7 570	7 570	17 940	–	–
Libraries, Archives and Museums		11 045	12 210	12 454	13 077	9 595	9 595	11 144	11 435	11 629
Local Government Support Grant		–	–	900	–	–	–	–	–	–
WC Financial Management Support Grant		255	255	255	–	–	–	–	–	–
LG Graduate Internship Grant		15	12	66	–	74	74	–	–	–
Maintenance and Construction of Transport Infrastructure		–	371	384	450	450	450	4 950	450	450
Regional Socio-Economic Project/violence through urban upgrading (RSEP/VPUU)		–	–	–	–	–	–	–	–	–
Municipal Accreditation and Capacity Building Grant		–	56	168	238	238	238	252	264	264
Spatial Development framework		–	–	–	–	–	–	–	–	–
Title Deeds Restoration Grant		–	410	1 933	–	1 840	1 840	–	–	–
Other transfers/grants [insert description]		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	440	2 471	2 031	500	–	–
Cape Winelands District Grant		–	–	472	–	2 031	2 031	–	–	–
Cape Winelands District Grant 2		–	–	–	–	–	–	500	–	–
Safety Initiative Implementation-whole of society approach (WOSA)		–	–	–	440	440	–	–	–	–
Other Grant Providers:		–	223	367	–	2 204	2 204	–	–	–
LG SETA Discretionary grant		–	–	63	–	376	376	–	–	–
Khaya Lam Free Market Research Foundation		–	223	–	–	–	–	–	–	–
Taipei COVID 19 donation		–	–	132	–	–	–	–	–	–
DBSA		–	–	172	–	1 828	1 828	–	–	–
Arbor City		–	–	–	–	–	–	–	–	–
Parent Municipality / Entity		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		133 301	145 451	160 180	178 546	203 862	203 422	204 313	186 708	190 421
Capital expenditure of Transfers and Grants										
National Government:		48 647	43 668	62 526	63 690	58 065	58 065	70 386	43 267	44 745
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		4 000	5 000	15 640	16 200	12 000	12 000	18 000	6 000	6 000
Integrated Urban Development Grant		–	–	46 886	47 490	46 065	46 065	52 386	37 267	38 745
Energy Efficiency and Demand Side Management Grant		7 236	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant [Schedule 5B]		36 358	35 107	–	–	–	–	–	–	–
Regional Bulk Infrastructure		–	–	–	–	–	–	–	–	–
Shared Economic infrastructure facility		1 053	3 561	–	–	–	–	–	–	–
Provincial Government:		29 544	44 114	61 697	49 739	27 115	27 115	35 168	53 620	21 100
Human Settlements Development Grant		20 588	43 514	56 594	45 139	22 460	22 460	33 468	53 020	20 500
Library Services: Conditional Grant		3 714	–	–	–	55	55	100	–	–
Integrated Transport Planning		1 433	600	600	600	600	600	–	600	600
Maintenance and Construction of Transport Infrastructure		2 176	–	–	–	–	–	–	–	–
Fire services capacity building grant		800	–	3 003	–	–	–	–	–	–
RSEP/ VP UU		–	–	1 500	4 000	4 000	4 000	1 000	–	–
Development of Sport and Recreational Facilities		–	–	–	–	–	–	600	–	–
Public Transport Non-Motorised Infrastructure		833	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Safety Initiative Implementation-whole of society approach (WOSA)		–	–	–	–	–	–	–	–	–
Other Grant Providers:		498	200	151	–	–	–	–	–	–
Donated Assets		230	–	–	–	–	–	–	–	–
LOTTO		269	200	151	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		78 690	87 982	124 374	113 429	85 181	85 181	105 554	96 887	65 845
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		211 991	233 433	284 554	291 975	289 043	288 603	309 867	283 595	256 266

References

1. Expenditure must be separately listed for each transfer or grant received or recognised

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

Description				Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Operating transfers and grants:				1,3									
National Government:													
Balance unspent at beginning of the year					–	–	2 089	–	–	–	–	–	–
Current year receipts					117 001	133 808	143 254	156 315	178 568	178 568	169 239	174 521	178 040
Conditions met - transferred to revenue					117 001	131 719	145 343	156 315	178 568	178 568	169 239	174 521	178 040
Conditions still to be met - transferred to liabilities					–	2 089	0	–	–	–	–	–	–
Provincial Government:													
Balance unspent at beginning of the year					12 276	1 136	4 361	4 341	4 341	–	–	–	–
Current year receipts					14 446	16 735	14 509	21 791	20 620	20 620	34 574	12 187	12 381
Conditions met - transferred to revenue					25 585	13 509	16 559	21 791	20 620	20 620	34 574	12 187	12 381
Conditions still to be met - transferred to liabilities					1 136	4 361	2 311	4 341	4 341	–	–	–	–
District Municipality:													
Balance unspent at beginning of the year					–	–	–	2 031	2 031	–	–	–	–
Current year receipts					–	–	2 503	440	440	–	500	–	–
Conditions met - transferred to revenue					–	–	472	440	2 471	2 471	500	–	–
Conditions still to be met - transferred to liabilities					–	–	2 031	2 031	(0)	(2 471)	–	–	–
Other grant providers:													
Balance unspent at beginning of the year					–	–	288	610	610	–	–	–	–
Current year receipts					300	163	469	–	2 204	2 204	–	–	–
Conditions met - transferred to revenue					300	223	367	–	2 204	2 204	–	–	–
Conditions still to be met - transferred to liabilities					–	(60)	390	610	610	–	–	–	–
Total operating transfers and grants revenue					142 886	145 451	162 741	178 546	203 862	203 862	204 313	186 708	190 421
Total operating transfers and grants - CTBM				2	1 136	6 391	4 732	6 982	4 952	(2 471)	–	–	–
Capital transfers and grants:				1,3									
National Government:													
Balance unspent at beginning of the year					2 915	1 953	–	–	–	–	–	–	–
Current year receipts					48 536	43 668	62 526	63 690	58 065	58 065	70 386	43 267	44 745
Conditions met - transferred to revenue					49 499	45 621	62 526	63 690	58 065	58 065	70 386	43 267	44 745
Conditions still to be met - transferred to liabilities					1 953	–	–	–	–	–	–	–	–
Provincial Government:													
Balance unspent at beginning of the year					21 579	15 789	48 863	315	315	315	–	–	–
Current year receipts					23 754	77 188	13 149	49 739	26 800	26 800	35 168	53 620	21 100
Conditions met - transferred to revenue					29 544	44 114	61 697	49 739	27 115	27 115	35 168	53 620	21 100
Conditions still to be met - transferred to liabilities					15 789	48 863	315	315	–	–	–	–	–
District Municipality:													
Balance unspent at beginning of the year					–	–	–	–	–	–	–	–	–
Current year receipts					–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue					–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities					–	–	–	–	–	–	–	–	–
Other grant providers:													
Balance unspent at beginning of the year					1 216	864	664	375	375	375	–	–	–
Current year receipts					230	–	151	–	–	–	–	–	–
Conditions met - transferred to revenue					581	200	220	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities					864	664	596	375	375	375	–	–	–
Total capital transfers and grants revenue					79 624	89 935	124 443	113 429	85 181	85 181	105 554	96 887	65 845
Total capital transfers and grants - CTBM				2	18 606	49 527	911	690	375	375	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE					222 510	235 386	287 184	291 975	289 043	289 043	309 867	283 595	256 266
TOTAL TRANSFERS AND GRANTS - CTBM					19 742	55 918	5 642	7 673	5 327	(2 095)	–	–	–

References

1. Total capital transfers and grants revenue must reconcile to Budgeted Financial Performance and Financial Position; total recurrent grants revenue must reconcile to Budgeted Financial Performance
2. CTBM = conditions to be met
3. National Treasury database will require this reconciliation for each transfer/grant

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

R thousand	Description	Ref	2017/18		2018/19		2019/20		Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
			Audited Outcome		Audited Outcome		Audited Outcome		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
1	Cash Transfers to other municipalities													
	Operational Capital		-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Municipalities:			-	-	-	-	-	-	-	-	-	-	-	-
2	Cash Transfers to Entities Other External Mechanisms													
	Operational Capital		-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To EntitiesEms'			-	-	-	-	-	-	-	-	-	-	-	-
3	Cash Transfers to other Organs of State													
	Operational Capital		-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Other Organs Of State:			-	-	-	-	-	-	-	-	-	-	-	-
	Cash Transfers to Organisations													
	Operational Capital		1 547	3 816	5 391	3 869	4 113	4 113	4 113	4 113	4 113	6 803	6 185	6 317
			3 714	4 124	4 600	5 000	5 000	5 000	5 000	5 000	5 000	5 561	5 728	5 900
	Total Cash Transfers To Organisations		6 261	8 990	11 104	10 069	10 313	10 313	10 313	10 313	10 313	13 600	13 223	13 606
	Cash Transfers to Groups of Individuals													
	Operational Capital		-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Groups Of Individuals:			-	-	-	-	-	-	-	-	-	-	-	-
6	TOTAL CASH TRANSFERS AND GRANTS		6 261	8 990	11 104	10 069	10 313	10 313	10 313	10 313	10 313	13 600	13 223	13 606

Description	Ref	2017/18		2018/19		2019/20		Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24			
R thousand															
<u>Non-Cash Transfers to other municipalities</u>	1	-	-	-	-	-	-	-	-	-	-	-	-		
<u>Operational Capital</u>		-	-	-	-	-	-	-	-	-	-	-	-		
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-	-	-		
<u>Non-Cash Transfers to Entities/Other External Mechanisms</u>	2	-	-	-	-	-	-	-	-	-	-	-	-		
<u>Operational Capital</u>		-	-	-	-	-	-	-	-	-	-	-	-		
Total Non-Cash Transfers To Entities/Envs'		-	-	-	-	-	-	-	-	-	-	-	-		
<u>Non-Cash Transfers to other Organs of State</u>	3	-	-	-	-	-	-	-	-	-	-	-	-		
<u>Operational Capital</u>		-	-	-	-	-	-	-	-	-	-	-	-		
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-	-	-		
<u>Non-Cash Grants to Organisations</u>	4	-	-	-	-	-	-	-	-	-	-	-	-		
<u>Operational Capital</u>		-	-	-	-	-	-	-	-	-	-	-	-		
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-	-	-		
<u>Non-Cash Transfers to Groups of Individuals</u>	5	-	-	-	-	-	-	-	-	-	-	-	-		
<u>Operational Capital</u>		-	-	-	-	-	-	-	-	-	-	-	-		
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-	-	-		
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-	-	-		
TOTAL TRANSFERS AND GRANTS	6	6 261	8 990	11 104	10 069	10 313	10 313	10 313	10 313	13 600	13 223	13 606			

Referend 235

1. Insert description listed by municipal name and demarcation code of recipient

2. Insert description of each entity or external mechanism (an external mechanism may be provided with resources to ensure a minimum level of service)

3. Insert description of each Organ of State (e.g. transfer to electricity provider to compensate for FBS provided)

4. Insert description of each other organisation (e.g. charity)

5. Insert description of each other organisation (e.g. the aged, child-headed households)

6. All descriptions should separate transfers for 'capital purposes' and 'operating purposes'

WC024 Stellenbosch - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand		A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>	1									
Basic Salaries and Wages		11 326	11 322	12 108	13 710	13 710	13 710	14 258	14 828	15 422
Pension and UIF Contributions		342	132	559	848	848	848	882	917	954
Medical Aid Contributions		367	50	215	92	92	92	96	100	104
Motor Vehicle Allowance		4 060	4 139	4 331	4 947	4 947	4 947	5 145	5 351	5 565
Cellphone Allowance		1 058	1 740	1 754	1 339	1 339	1 339	1 392	1 448	1 506
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		155	154	155	197	197	197	205	213	222
Sub Total - Councillors		17 308	17 538	19 121	21 133	21 133	21 133	21 978	22 857	23 771
% increase	4		1.3%	9.0%	10.5%	-	-	4.0%	4.0%	4.0%
<u>Senior Managers of the Municipality</u>	2									
Basic Salaries and Wages		2 909	3 029	5 410	7 532	7 532	7 532	8 512	8 809	9 118
Pension and UIF Contributions		707	580	179	1 374	1 374	1 374	1 552	1 607	1 663
Medical Aid Contributions		79	72	24	235	235	235	266	275	285
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		323	591	710	300	300	300	339	351	363
Motor Vehicle Allowance	3	867	493	161	1 188	1 188	1 188	1 343	1 390	1 438
Cellphone Allowance	3	138	104	51	132	132	132	149	154	160
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	22	18	0	61	61	61	69	71	73
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	7 488	(4 041)	21 200	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		12 533	846	27 735	10 822	10 822	10 822	12 229	12 657	13 100
% increase	4		(93.2%)	3 176.9%	(61.0%)	-	-	13.0%	3.5%	3.5%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		288 163	298 384	316 733	331 738	306 703	306 703	349 256	354 267	366 439
Pension and UIF Contributions		43 938	47 154	51 074	59 886	59 886	59 886	67 671	70 040	72 491
Medical Aid Contributions		19 948	21 580	23 313	27 727	27 727	27 727	31 331	32 428	33 563
Overtime		40 713	44 111	52 117	55 059	48 455	48 455	54 754	56 671	58 654
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	9 147	9 026	9 133	14 398	10 436	10 436	11 793	12 205	12 632
Cellphone Allowance	3	806	1 237	1 579	1 011	1 011	1 011	1 143	1 183	1 224
Housing Allowances	3	2 233	2 853	2 916	3 165	3 165	3 165	3 576	3 701	3 831
Other benefits and allowances	3	28 372	31 149	32 923	42 188	38 420	38 420	43 415	44 935	46 507
Payments in lieu of leave		4 240	858	(2)	2 246	2 246	2 246	2 538	2 627	2 719
Long service awards		-	(6)	6	72	72	72	82	85	88
Post-retirement benefit obligations	6	-	4 462	(21 622)	31 126	20 126	20 126	29 669	30 798	31 853
Sub Total - Other Municipal Staff		437 559	460 809	468 170	568 617	518 248	518 248	595 229	608 940	630 002
% increase	4		5.3%	1.6%	21.5%	(8.9%)	-	14.9%	2.3%	3.5%
Total Parent Municipality		467 399	479 193	515 026	600 572	550 203	550 203	629 436	644 454	666 874
			2.5%	7.5%	16.6%	(8.4%)	-	14.4%	2.4%	3.5%

Summary of Employee and Councillor remuneration	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<u>Board Members of Entities</u>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-	-
<u>Senior Managers of Entities</u>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-	-
<u>Other Staff of Entities</u>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		467 399	479 193	515 026	600 572	550 203	550 203	629 436	644 454	666 874
% increase	4		2.5%	7.5%	16.6%	(8.4%)	-	14.4%	2.4%	3.5%
TOTAL MANAGERS AND STAFF	5.7	450 091	461 655	495 905	579 439	529 070	529 070	607 458	621 597	643 102

References

1. Include 'Loans and advances' where applicable if any reportable amounts until phased compliance with s164 of MFMA achieved
2. s57 of the Systems Act
3. In kind benefits (e.g. provision of living quarters) must be shown as the cost (full market value) to the municipality, as part of the relevant allowance
4. B/A, C/B, D/C, E/C, F/C, G/D, H/D, I/D
5. Must agree to the sub-total appearing on Table A1 (Employee costs)
6. Includes pension payments and employer contributions to medical aid
7. Correct as at 30 June

Column Definitions:

- A, B and C. Audited actual as per the audited financial statements. If audited amounts are unavailable, unaudited amounts must be provided with a note stating these are unaudited
- D. The original budget approved by council for the budget year.
- E. The budget for the budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- F. An estimate of final actual amounts (pre audit) for the current year at the point in time of preparing the budget for the budget year. This may differ from E.
- G. The amount to be appropriated for the budget year.
- H and I. The indicative projection

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

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors								
Speaker	3	1	601 300	-	-	-	-	601 300
Chief Whip	4	-	-	-	-	-	-	-
Executive Mayor		1	724 068	-	333 792	-	-	1 057 860
Deputy Executive Mayor		1	601 300	107 182	276 430	-	-	984 912
Executive Committee		-	4 249 373	870 355	2 030 917	-	-	7 150 645
Total for all other councillors		-	8 082 101	-	4 101 070	-	-	12 183 171
Total Councillors	8	3	14 258 142	977 537	6 742 209	-	-	21 977 888
Senior Managers of the Municipality								
Municipal Manager (MM)	5	1	1 768 962	699 046	591 767	339 000	-	3 398 775
Chief Finance Officer		1	1 604 393	371 873	218 982	-	-	2 195 248
		1	1 642 139	-	-	-	-	1 642 139
		1	-	327 062	196 510	-	-	523 572
		1	-	148	37 306	-	-	37 454
		1	-	81 220	-	-	-	81 220
<i>List of each official with packages >= senior manager</i>								
		1	199 763	-	37 306	-	-	237 069
		1	-	316 503	-	-	-	316 503
		-	-	-	-	-	-	-
		1	1 642 139	148	216 190	-	-	1 858 477
		1	-	3 524	-	-	-	3 524
		1	-	3 672	-	-	-	3 672
		1	-	-	18 654	-	-	18 654
		1	1 654 182	42 593	-	-	-	1 696 775
		-	-	-	-	-	-	-
		1	-	-	216 190	-	-	216 190
Total Senior Managers of the Municipality	8,10	14	8 511 578	1 845 789	1 532 905	339 000	-	12 229 272

WC024 Stellenbosch - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2019/20			Current Year 2020/21			Budget Year 2021/22		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		43	43	–	43	43	–	43	43	–
Board Members of municipal entities	4	–	–	–	–	–	–	–	–	–
Municipal employees	5									
Municipal Manager and Senior Managers	3	5	5	–	5	5	–	5	5	–
Other Managers	7	11	11	2	11	11	–	11	11	–
Professionals		110	74	6	110	74	6	110	74	6
Finance		27	17	3	27	17	3	27	17	3
Spatial/town planning		10	15	–	10	15	–	10	15	–
Information Technology		7	7	–	7	7	–	7	7	–
Roads		5	2	1	5	2	1	5	2	1
Electricity		2	1	–	2	1	–	2	1	–
Water		3	3	–	3	3	–	3	3	–
Sanitation		1	–	–	1	–	–	1	–	–
Refuse		4	1	–	4	1	–	4	1	–
Other		51	28	2	51	28	2	51	28	2
Technicians		177	163	–	177	163	–	177	163	–
Finance		–	–	–	–	–	–	–	–	–
Spatial/town planning		11	11	–	11	11	–	11	11	–
Information Technology		–	–	–	–	–	–	–	–	–
Roads		23	23	–	23	23	–	23	23	–
Electricity		29	29	–	29	29	–	29	29	–
Water		59	59	–	59	59	–	59	59	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		11	11	–	11	11	–	11	11	–
Other		44	30	–	44	30	–	44	30	–
Clerks (Clerical and administrative)		241	241	85	241	241	85	241	241	85
Service and sales workers		160	160	96	160	160	96	160	160	96
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–	–
Craft and related trades		–	–	–	–	–	–	–	–	–
Plant and Machine Operators		58	58	–	58	58	–	58	58	–
Elementary Occupations		479	423	12	479	423	12	479	423	12
TOTAL PERSONNEL NUMBERS	9	1 284	1 178	201	1 284	1 178	199	1 284	1 178	199
% increase					–	–	(1.0%)	–	–	–
Total municipal employees headcount	6, 10	–	–	–	–	–	–	–	–	–
Finance personnel headcount	8, 10	–	–	–	–	–	–	–	–	–
Human Resources personnel headcount	8, 10	–	–	–	–	–	–	–	–	–

References

1. Positions must be funded and aligned to the municipality's current organisational structure
2. Full Time Equivalent (FTE). E.g. One full time person = 1FTE. A person working half time (say 4 hours out of 8) = 0.5FTE.
3. s57 of the Systems Act
4. Include only in Consolidated Statements
5. Include municipal entity employees in Consolidated Statements
6. Include headcount (number of persons, Not FTE) of managers and staff only (exclude councillors)
7. Managers who provide the direction of a critical technical function
8. Total number of employees working on these functions
9. Correct as at 30 June
10. Must account for all budgeted positions, as per the municipal organogram

WC024 Stellenbosch - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source																
Property rates		42 063	33 597	33 444	33 609	33 693	33 621	33 617	33 149	36 338	36 338	36 338	37 838	423 633	449 051	475 994
Service charges - electricity revenue		59 871	61 001	63 363	55 296	57 177	59 312	56 034	58 146	79 269	79 269	79 269	79 269	787 275	842 384	892 927
Service charges - water revenue		10 604	11 365	10 400	7 485	11 021	9 310	10 918	12 225	20 768	20 768	20 768	20 768	166 400	175 552	185 207
Service charges - sanitation revenue		12 073	5 520	5 542	5 445	5 550	5 392	5 447	5 422	16 024	16 024	16 024	16 024	114 485	121 354	128 636
Service charges - refuse revenue		13 356	3 616	3 892	3 756	3 665	3 684	3 692	3 682	12 144	12 144	12 144	12 144	87 936	98 489	110 307
Rental of facilities and equipment		755	827	935	825	797	751	755	805	1 181	1 181	1 181	1 181	11 175	11 769	12 438
Interest earned - external investments		282	4 429	2 255	2 111	251	1 517	2 882	1 144	(368)	(368)	(368)	(368)	13 200	13 948	14 739
Interest earned - outstanding debtors		441	1 030	1 034	1 031	1 053	1 077	1 108	1 074	1 547	1 547	1 547	1 547	14 034	14 830	15 671
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		10 821	10 822	10 821	10 828	10 851	10 834	10 827	10 840	10 823	10 823	10 823	28 313	147 425	154 796	162 536
Licences and permits		5	5	469	536	1 337	460	114	437	571	571	571	702	5 778	6 056	6 348
Agency services		-	-	285	291	756	190	54	155	337	337	337	3 337	3 077	3 231	3 393
Transfers and subsidies		63 556	3 497	2 334	3 942	3 480	62 198	2 926	3 403	14 744	14 744	14 744	14 744	204 313	186 708	190 421
Other revenue		3 358	2 736	2 549	2 918	2 382	2 156	2 461	2 480	5 070	5 070	5 070	5 070	41 319	43 344	45 472
Gains		125	125	125	125	125	125	125	125	125	125	125	(1 375)	-	-	-
Total Revenue (excluding capital transfers and contributions)		217 299	138 568	137 448	128 200	132 139	190 642	130 751	133 096	198 571	198 571	198 571	216 193	2 020 051	2 121 533	2 244 089
Expenditure By Type																
Employee related costs		38 373	38 407	41 000	39 645	53 747	42 096	42 101	39 839	50 412	50 412	50 412	121 015	607 458	621 597	643 102
Remuneration of councillors		1 852	1 852	1 837	1 837	1 837	1 837	1 772	1 688	1 864	1 864	1 864	1 895	21 978	22 857	23 771
Debt impairment		-	-	1 145	41 010	4	3 006	-	4	-	-	-	58 731	103 900	110 134	116 742
Depreciation & asset impairment		-	-	-	-	-	70 514	-	-	70 514	-	-	70 514	211 541	215 772	220 087
Finance charges		-	42	42	42	42	21 963	42	42	42	42	-	21 963	44 260	41 630	39 409
Bulk purchases		-	46 699	48 648	49 189	50 520	46 883	50 637	49 356	48 524	48 524	48 524	583 029	536 029	583 428	636 025
Other materials		730	955	2 222	2 072	1 875	3 020	2 138	3 948	6 086	6 086	6 086	6 087	41 303	43 202	45 757
Contracted services		1 376	7 346	16 956	23 573	16 578	16 047	23 846	21 868	34 998	35 198	34 998	44 698	277 481	264 324	275 231
Transfers and subsidies		559	6 324	647	559	559	559	559	989	559	559	559	1 165	13 600	13 223	13 606
Other expenditure		3 677	12 521	6 297	14 321	11 155	9 033	8 422	13 204	1 922	35 022	36 066	7 803	159 440	166 894	172 258
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		46 567	114 145	118 792	172 247	136 317	214 958	129 517	130 917	214 921	177 707	178 509	382 395	2 016 990	2 083 061	2 185 990
Surplus/(Deficit)		170 733	24 424	18 656	(44 048)	(4 178)	(24 316)	1 235	2 179	(16 349)	20 865	20 062	(166 202)	3 060	38 472	58 099
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		6 746	6 746	6 746	9 252	11 727	6 746	6 746	6 881	10 991	10 991	10 991	10 991	105 554	96 887	65 845
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		177 479	31 170	25 402	(34 796)	7 549	(17 570)	7 981	9 060	(5 358)	31 856	31 053	(155 211)	108 614	135 360	123 944
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		177 479	31 170	25 402	(34 796)	7 549	(17 570)	7 981	9 060	(5 358)	31 856	31 053	(155 211)	108 614	135 360	123 944
References																
1. Surplus (Deficit) must reconcile with Budgeted Financial Performance																

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

R thousand	Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue by Vote																	
	Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 2 - PLANNING AND DEVELOPMENT SERVICES		1 506	1 699	1 419	3 585	6 244	1 086	1 271	1 255	3 097	3 097	3 097	3 097	30 454	24 223	31 328
	Vote 3 - INFRASTRUCTURE SERVICES		144 354	90 759	92 519	82 021	86 726	124 397	85 410	89 346	149 767	149 767	149 767	149 767	1 394 599	1 457 529	1 502 876
	Vote 4 - COMMUNITY AND PROTECTION SERVICES		12 725	13 649	13 305	14 821	15 715	13 214	13 350	13 916	15 583	15 583	15 583	33 083	190 526	196 222	205 654
	Vote 5 - CORPORATE SERVICES		491	444	532	534	491	509	439	445	614	614	614	614	6 339	6 074	6 395
	Vote 6 - FINANCIAL SERVICES		64 970	38 764	36 419	36 491	34 689	58 182	37 029	35 015	40 501	40 501	40 501	40 623	503 686	534 373	563 692
	Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Revenue by Vote		224 045	145 315	144 195	137 451	143 866	197 388	137 498	139 977	209 562	209 562	209 562	227 184	2 125 605	2 218 421	2 309 934
Expenditure by Vote to be appropriated																	
	Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		1 446	1 571	2 293	1 615	2 151	2 905	2 974	2 953	3 112	5 235	5 193	8 540	39 989	41 440	42 823
	Vote 2 - PLANNING AND DEVELOPMENT SERVICES		4 330	9 101	4 607	5 682	5 024	7 200	4 637	5 492	9 314	8 944	8 532	28 013	100 875	101 205	104 184
	Vote 3 - INFRASTRUCTURE SERVICES		15 287	65 731	74 800	83 863	83 099	152 824	85 591	79 979	148 668	96 021	96 645	206 313	1 188 821	1 227 901	1 299 254
	Vote 4 - COMMUNITY AND PROTECTION SERVICES		11 497	16 449	17 673	57 755	22 033	26 779	17 616	20 539	30 316	28 165	27 569	97 591	373 981	388 418	405 262
	Vote 5 - CORPORATE SERVICES		8 465	14 428	11 464	15 139	14 012	16 327	11 055	13 313	16 021	25 272	26 955	25 831	198 283	204 737	210 941
	Vote 6 - FINANCIAL SERVICES		5 451	6 773	7 864	8 103	9 907	8 832	7 553	8 551	7 398	13 979	13 524	17 107	115 042	119 361	123 270
	Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Expenditure by Vote		46 476	114 054	118 701	172 156	136 226	214 867	129 426	130 826	214 830	177 616	178 418	383 395	2 016 990	2 083 061	2 185 734
	Surplus/(Deficit) before assoc.		177 570	31 261	25 493	(34 705)	7 640	(17 479)	8 072	9 151	(5 267)	31 947	31 144	(156 211)	108 614	135 360	124 201
	Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Surplus/(Deficit)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1			177 570	31 261	25 493	(34 705)	7 640	(17 479)	8 072	9 151	(5 267)	31 947	31 144	(156 211)	108 614	135 360	124 201

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

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

R thousand	Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework					
			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24			
Revenue - Functional																				
Governance and administration																				
65 557	Executive and council		39 374	37 224	37 185	35 314	58 780	37 562	35 602	41 615	41 615	41 615	41 615	41 737	513 180	543 776	573 589			
72			27	118	124	77	78	27	31	127	127	127	127	127	1 061	778	817			
65 485	Finance and administration		39 347	37 106	37 062	35 237	58 702	37 534	35 572	41 488	41 488	41 488	41 488	41 610	512 119	542 998	572 772			
-	Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Community and public safety																				
13 359	Community and social services		14 276	13 932	17 573	21 323	13 727	13 956	14 391	15 761	15 761	15 761	15 761	33 262	203 081	205 816	221 604			
312	Sport and recreation		1 324	313	1 665	1 335	286	917	1 077	2 052	2 052	2 052	2 052	2 052	15 436	15 135	15 512			
84			83	83	84	87	84	83	86	246	246	246	246	246	1 658	778	817			
12 301	Public safety		12 206	12 872	13 033	14 257	12 694	12 293	12 565	12 953	12 953	12 953	12 953	30 453	171 533	178 682	187 616			
663	Housing		663	663	2 791	5 644	663	663	663	511	511	511	511	511	14 455	11 222	17 659			
-	Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Economic and environmental services																				
9 313	Planning and development		9 412	9 027	9 184	9 012	9 000	9 077	9 612	12 071	12 071	12 071	12 071	12 071	121 921	103 233	66 863			
9 283	Road transport		9 376	8 988	9 145	8 975	8 850	9 018	8 974	10 603	10 603	10 603	10 603	10 603	115 023	100 506	64 051			
-			-	2	-	1	118	1	606	1 296	1 296	1 296	1 296	1 296	5 911	2 059	2 109			
29	Environmental protection		36	36	39	36	32	57	32	172	172	172	172	172	987	669	702			
Trading services																				
135 909	Energy sources		82 242	84 003	73 500	78 208	115 873	76 895	80 363	140 105	140 105	140 105	140 105	140 105	1 287 310	1 365 477	1 447 753			
73 205	Water management		61 110	63 542	56 183	57 330	71 588	56 176	53 352	86 362	86 362	86 362	86 362	86 362	842 934	888 691	940 224			
10 609			11 764	10 793	7 873	11 422	9 728	11 344	12 654	21 593	21 593	21 593	21 593	21 593	172 558	182 058	192 082			
25 857	Waste water management		5 649	5 671	5 574	5 679	18 548	5 576	5 551	18 031	18 031	18 031	18 031	18 031	150 230	159 928	168 040			
26 138	Waste management		3 720	3 997	3 870	3 776	16 008	3 769	3 805	14 119	14 119	14 119	14 119	14 119	121 589	134 800	147 408			
9	Other		10	9	9	9	9	9	9	10	10	10	10	10	112	119	125			
224 045	Total Revenue - Functional		145 315	144 195	137 451	143 866	197 388	137 498	139 977	209 562	209 562	209 562	209 562	227 184	2 125 605	2 218 421	2 309 934			
Expenditure - Functional																				
Governance and administration																				
14 998	Executive and council		22 406	20 533	24 430	25 490	28 557	21 004	24 288	26 529	26 529	26 529	26 529	26 529	344 570	356 413	367 581			
3 240	Finance and administration		3 352	3 350	4 649	3 421	4 177	3 495	3 278	4 947	4 933	4 933	4 933	7 369	55 384	57 501	59 770			
11 385	Internal audit		18 667	16 699	19 347	21 355	22 823	16 362	19 501	21 025	21 025	21 025	21 025	39 601	275 761	285 031	293 484			
373	Community and public safety		387	485	435	714	1 557	1 147	1 509	557	557	557	557	1 160	13 425	13 881	14 327			
11 903	Community and social services		16 988	17 985	58 155	22 160	27 559	17 878	20 627	28 928	27 299	26 734	26 734	90 609	366 826	380 810	397 262			
1 769	Sport and recreation		1 853	1 612	2 201	1 940	2 502	1 814	1 972	4 122	4 097	3 863	3 863	15 435	43 177	44 254	45 740			
1 222	Public safety		1 856	1 483	3 372	2 469	5 235	2 508	2 527	7 611	6 030	5 929	5 929	13 455	53 696	55 423	57 381			
7 169	Housing		11 371	13 026	50 604	15 528	16 584	11 748	14 215	14 289	14 237	14 023	14 023	53 154	235 948	246 008	257 732			
1 742	Health		1 909	1 864	1 978	2 223	3 239	1 808	1 913	2 907	2 936	2 919	2 919	8 565	34 003	35 125	36 409			
-			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
6 589	Economic and environmental services		11 329	12 192	14 426	9 167	24 979	7 940	8 958	36 429	21 217	20 745	20 745	62 640	236 611	214 248	221 160			
3 502	Planning and development		8 173	8 275	5 216	4 299	5 199	4 045	4 749	11 858	11 858	11 459	11 459	26 621	105 250	84 169	86 571			
2 193	Road transport		2 253	2 938	8 175	3 555	18 151	2 877	2 863	21 181	6 071	6 071	6 071	23 506	99 836	97 415	100 591			
894	Environmental protection		902	980	1 035	1 313	1 630	1 017	1 347	3 390	3 290	3 215	3 215	12 512	31 526	32 665	33 998			
13 077	Trading services		63 422	68 082	75 236	79 500	133 862	82 695	77 044	123 022	85 683	86 307	86 307	181 003	1 068 933	1 131 539	1 199 933			
2 128	Energy sources		49 255	50 297	51 171	51 987	65 214	50 355	52 508	55 244	55 244	55 164	55 164	62 373	610 888	659 020	711 311			
2 694	Water management		3 151	6 540	7 582	8 602	16 964	7 908	6 679	16 888	8 649	9 357	9 357	32 562	127 577	132 091	137 925			
4 924	Waste water management		5 534	4 924	7 444	10 032	35 165	12 668	7 789	26 692	10 640	10 678	10 678	46 194	182 682	186 179	189 975			
3 330	Waste management		5 482	6 322	9 040	8 878	16 519	11 764	10 068	14 248	11 151	11 109	11 109	39 874	147 785	154 248	160 722			
-	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
46 567	Total Expenditure - Functional		114 145	118 792	172 247	136 317	214 958	129 517	130 917	214 921	177 707	178 509	178 509	382 395	2 016 990	2 083 061	2 185 990			
177 479	Surplus/(Deficit) before assoc.		31 170	25 402	(34 796)	7 549	(17 570)	7 981	9 060	(5 358)	31 856	31 053	31 053	(155 211)	108 614	135 360	123 944			
-	Share of surplus/(deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
177 479	Surplus/(Deficit)	1	31 170	25 402	(34 796)	7 549	(17 570)	7 981	9 060	(5 358)	31 856	31 053	31 053	(155 211)	108 614	135 360	123 944			

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

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

Description			Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework			
R thousand				July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
1	Multi-year expenditure to be appropriated			1															
	Vote 1 - OFFICE OF THE MUNICIPAL MANAGER			4	4	4	4	4	4	4	4	4	4	4	4	4	44	49	56
	Vote 2 - PLANNING AND DEVELOPMENT SERVICES			877	875	875	877	880	875	875	985	912	890	875	875	889	10 685	3 100	3 100
	Vote 3 - INFRASTRUCTURE SERVICES			2 727	5 777	5 777	6 827	5 927	2 939	6 873	5 103	5 517	4 691	6 838	6 838	3 415	62 410	80 098	88 048
	Vote 4 - COMMUNITY AND PROTECTION SERVICES			738	738	738	738	738	738	738	738	738	738	738	738	738	8 850	10 700	7 050
	Vote 5 - CORPORATE SERVICES			1 158	1 158	1 158	1 158	1 158	1 158	1 158	1 158	1 158	1 158	1 158	1 158	1 158	13 900	7 500	6 000
	Vote 6 - FINANCIAL SERVICES			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 7 - [NAME OF VOTE 7]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 8 - [NAME OF VOTE 8]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital multi-year expenditure sub-total				5 503	8 551	8 551	9 603	8 706	5 714	9 648	7 988	8 328	7 480	9 613	6 203	95 889	101 447	104 254	
2	Single-year expenditure to be appropriated			2															
	Vote 1 - OFFICE OF THE MUNICIPAL MANAGER			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 2 - PLANNING AND DEVELOPMENT SERVICES			726	724	744	744	744	749	724	767	724	729	724	724	724	8 829	4 440	10 300
	Vote 3 - INFRASTRUCTURE SERVICES			18 222	19 737	19 922	23 008	19 931	18 684	19 072	22 604	21 761	27 032	25 916	29 875	29 875	265 765	256 263	242 176
	Vote 4 - COMMUNITY AND PROTECTION SERVICES			1 202	1 202	1 202	1 202	1 202	1 202	1 202	1 202	1 202	1 202	1 202	1 202	1 202	14 424	11 810	15 005
	Vote 5 - CORPORATE SERVICES			1 055	1 055	1 055	1 055	1 055	1 055	1 055	1 055	1 055	1 055	1 055	1 055	1 055	12 657	10 300	9 550
	Vote 6 - FINANCIAL SERVICES			17	17	17	17	17	17	17	17	17	17	17	17	17	200	200	210
	Vote 7 - [NAME OF VOTE 7]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 8 - [NAME OF VOTE 8]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital single-year expenditure sub-total				21 222	22 735	22 940	26 026	22 949	21 707	22 070	25 645	24 759	30 035	28 914	32 873	301 875	283 013	277 241	
Total Capital Expenditure				26 725	31 286	31 491	35 629	31 656	27 421	31 718	33 633	33 087	37 516	38 527	39 077	397 764	384 460	381 495	

References
1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

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

R thousand	Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital Expenditure - Functional	Governance and administration	1	2 233	2 233	2 233	2 233	2 233	2 233	2 233	2 233	2 233	2 233	2 233	2 233	26 801	18 049	15 816
	Executive and council	4	4	4	4	4	4	4	4	4	4	4	4	4	44	49	56
	Finance and administration	2 230	2 230	2 230	2 230	2 230	2 230	2 230	2 230	2 230	2 230	2 230	2 230	2 230	26 757	18 000	15 760
	Internal audit	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Community and public safety	2 082	2 080	2 100	2 100	2 100	2 105	2 080	2 123	2 080	2 085	2 080	2 080	2 080	25 094	19 145	28 205
	Community and social services	180	180	180	180	180	180	180	180	180	180	180	180	180	2 155	7 230	11 055
	Sport and recreation	408	408	408	408	408	408	408	408	408	408	408	408	408	4 900	4 750	2 200
	Public safety	804	804	804	804	804	804	804	804	804	804	804	804	804	9 645	2 950	4 900
	Housing	690	688	708	708	708	713	688	731	688	688	693	688	688	8 394	4 215	10 050
	Health	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Economic and environmental services	5 514	8 027	6 512	11 026	7 548	6 414	8 262	8 121	7 394	10 653	10 818	11 279	101 568	124 025	31 150	
	Planning and development	1 662	4 160	2 660	4 972	3 318	2 413	4 360	3 681	2 697	3 718	5 214	3 539	42 394	54 045	20 450	
	Road transport	3 321	3 336	3 321	5 523	3 698	3 470	3 371	3 909	4 166	6 404	5 073	7 209	52 800	62 500	8 650	
	Environmental protection	531	531	531	531	531	531	531	531	531	531	531	531	6 374	7 480	2 050	
	Trading services	16 896	18 946	20 646	20 269	19 774	16 668	19 142	21 155	21 380	22 544	23 395	23 485	244 301	223 241	306 324	
	Energy sources	4 581	5 631	6 631	6 581	6 681	4 681	6 728	6 958	6 971	5 770	5 981	4 681	71 877	59 446	85 561	
	Water management	5 167	6 167	6 767	6 320	5 945	4 832	5 267	6 967	7 231	7 467	9 167	8 555	79 550	79 550	105 818	
	Waste water management	6 533	6 533	6 533	6 553	6 533	6 540	6 533	6 617	6 563	8 593	7 533	9 633	84 700	55 500	91 500	
	Waste management	614	614	714	814	614	614	614	614	614	714	714	614	7 874	28 745	23 445	
Other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Total Capital Expenditure - Functional			2	26 725	31 286	31 491	35 629	31 656	27 421	31 718	33 633	33 087	37 516	38 527	397 764	384 460	381 495
Funded by:	National Government	5 365	6 365	6 365	5 365	5 365	5 673	6 365	6 365	6 365	5 765	5 465	5 558	70 386	43 267	44 745	
	Provincial Government	1 073	3 573	2 073	4 383	2 727	1 826	3 773	2 984	2 073	3 116	4 627	2 938	35 168	53 620	21 100	
	District Municipality	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Other transfers and grants	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Transfers recognised - capital	6 439	9 939	8 439	9 748	8 092	7 499	10 139	9 350	8 439	8 882	10 093	8 496	105 554	96 887	65 845	
	Public contributions & donations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Borrowing	10 733	10 733	11 233	11 233	10 733	9 733	9 980	11 510	11 623	14 521	15 633	16 333	144 000	140 000	160 000	
	Internally generated funds	9 553	10 614	11 819	14 647	12 830	10 188	11 599	12 774	13 025	14 112	12 801	14 248	148 210	147 573	155 650	
Total Capital Funding			26 725	31 286	31 491	35 629	31 656	27 421	31 718	33 633	33 087	37 516	38 527	397 764	384 460	381 495	

References
1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

WC024 Stellenbosch - Supporting Table SA-30 Budgeted monthly cash flow

MONTHLY CASH FLOWS											
R thousand	Budget Year 2021/22										
	July	August	Sept.	October	November	December	January	February	March	April	May
Cash Receipts By Source	42 178	33 722	33 569	33 734	33 818	33 746	33 742	33 274	36 463	36 463	36 463
	60 470	62 309	64 759	57 016	58 542	59 436	58 593	59 473	81 726	81 726	81 726
Service charges - electricity revenue	12 938	12 938	12 938	12 938	12 938	12 938	12 938	12 938	12 938	12 938	12 938
Service charges - water revenue	14 833	14 833	14 833	14 833	14 833	14 833	14 833	14 833	14 833	14 833	14 833
Service charges - sanitation revenue	755	827	935	825	707	751	755	805	1 181	1 181	1 181
Service charges - refuse revenue	386	395	386	383	388	413	426	427	810	810	810
Rental of facilities and equipment	282	4 429	2 255	2 111	251	1 517	2 682	1 144	368	368	368
Interest earned - external investments	10 821	10 822	10 821	10 828	10 851	10 834	10 827	10 840	10 823	10 823	10 823
Fines, penalties and forfeits	5	5	469	536	1 337	460	114	437	571	571	571
Licences and permits	61 625	586	285	291	756	190	54	135	337	337	337
Agency services	2 759	2 736	403	672	543	60 266	2 403	10 036	10 036	10 036	10 036
Transfers and Subsidies - Operational	2 494	2 522	2 494	2 522	2 494	2 522	2 494	2 467	4 213	4 213	4 213
Other revenue	217 276	138 782	138 669	128 078	132 354	180 636	132 586	133 238	198 134	198 134	198 134
Cash Receipts by Source											
Other Cash Flows by Source											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	4 365	4 365	4 365	4 743	4 365	4 365	4 365	4 445	8 751	8 751	8 751
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-
Borrowing (long term/refinancing)	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	221 641	143 147	143 034	132 821	136 719	195 001	136 952	137 683	206 885	206 885	206 885
Cash Payments by Type											
Employee related costs	38 373	38 407	41 000	38 645	53 747	42 086	42 101	38 839	50 412	50 412	50 412
Remuneration of councillors	1 852	1 852	1 837	1 837	1 837	1 837	1 772	1 668	1 864	1 864	1 864
Finance charges	-	42	42	42	42	21 963	42	42	42	42	42
Bulk purchases - Electricity	-	46 154	46 154	46 154	46 154	46 154	46 154	46 154	46 154	46 154	46 154
Bulk purchases - Water & Sewer	-	2 493	2 493	3 034	4 366	729	4 482	3 201	2 370	2 370	2 370
Other materials	730	955	2 222	2 072	1 875	3 020	2 138	3 948	6 086	6 086	6 086
Contracted services	1 376	7 346	16 956	23 573	16 278	16 047	23 846	21 868	34 998	35 198	34 998
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	559	6 324	647	559	559	559	559	989	559	559	559
Other expenditure	3 677	12 521	6 297	14 321	11 155	9 033	8 422	13 204	1 922	35 022	36 066
Cash Payments by Type	46 567	114 145	117 648	131 237	136 312	141 438	129 517	130 913	144 407	177 707	178 509
Other Cash Flows/Payments by Type											
Capital assets	26 725	31 286	31 491	35 629	31 656	27 421	31 718	33 633	33 087	37 516	38 527
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	73 292	145 431	149 139	166 866	167 968	168 859	161 235	164 546	177 493	215 222	217 036
NET INCREASE/(DECREASE) IN CASH HELD	148 349	(2 284)	(6 105)	(34 044)	(31 249)	26 143	(24 283)	(26 862)	29 391	(8 338)	133 849
Cash/cash equivalents at the month/year begin.	350 972	495 321	497 037	495 933	456 888	425 540	451 782	427 459	400 637	430 028	421 691
Cash/cash equivalents at the month/year end:	499 321	497 037	490 933	459 888	425 540	451 782	427 459	400 637	430 028	421 691	555 540

1. Note that this section of Table SA-30 is deliberately not linked to Table A4 because timing differences between the invoicing of clients and receiving the cash means that the cashflow will differ from budgeted revenue, and similarly for budgeted expenditure. However for the MTREF it is now directly linked to A7.

WC024 Stellenbosch - NOT REQUIRED - municipality does not have entities

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R million										
Financial Performance										
Property rates		-	-	-	-	-	-	-	-	-
Service charges		-	-	-	-	-	-	-	-	-
Investment revenue		-	-	-	-	-	-	-	-	-
Transfers recognised - operational		-	-	-	-	-	-	-	-	-
Other own revenue		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	-	-	-
Employee costs		-	-	-	-	-	-	-	-	-
Remuneration of Board Members		-	-	-	-	-	-	-	-	-
Depreciation & asset impairment		-	-	-	-	-	-	-	-	-
Finance charges		-	-	-	-	-	-	-	-	-
Materials and bulk purchases		-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-
Other expenditure		-	-	-	-	-	-	-	-	-
Total Expenditure		-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		-	-	-	-	-	-	-	-	-
Capital expenditure & funds sources										
Capital expenditure										
Transfers recognised - capital		-	-	-	-	-	-	-	-	-
Public contributions & donations		-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-
Total sources		-	-	-	-	-	-	-	-	-
Financial position										
Total current assets		-	-	-	-	-	-	-	-	-
Total non current assets		-	-	-	-	-	-	-	-	-
Total current liabilities		-	-	-	-	-	-	-	-	-
Total non current liabilities		-	-	-	-	-	-	-	-	-
Equity		-	-	-	-	-	-	-	-	-
Cash flows										
Net cash from (used) operating		-	-	-	-	-	-	-	-	-
Net cash from (used) investing		-	-	-	-	-	-	-	-	-
Net cash from (used) financing		-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end		-	-	-	-	-	-	-	-	-

WC024 Stellenbosch - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
DBSA	Yrs	Ongoing	Financial of approved Capital Projects by means of and e	31 December 2020	–
DBSA	Yrs	Ongoing	Financial of approved Capital Projects by means of and e	30 June 2025	13 425
DBSA	Yrs	Ongoing	Financial of approved Capital Projects by means of and e	30 June 2026	40 314
DBSA	Yrs	Ongoing	Financial of approved Capital Projects by means of and e	18 February 2030	73 446
NEDBANK	Yrs	Ongoing	Financial of approved Capital Projects by means of and e	29 June 2029	138 992
PENDING TENDER	Yrs	Ongoing	Financial of approved Capital Projects by means of and e	30 June 2031	120 000
FNB	Yrs	Ongoing	Provisioning of banking services.	30 June 2025	Rates approved

References

1. Total agreement period from commencement until end

2. Annual value

WC024 Stellenbosch - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework			Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Total Contract Value
		Total	Original Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand	1,3													
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3														-
Contract 4														-
Contract 5														-
Contract 6														-
Contract 7														-
Contract 8														-
Contract 9														-
Contract 10														-
Contract 11														-
Contract 12														-
Contract 13														-
Contract 14														-
Contract 15														-
Contract 16														-
Contract 17														-
Contract 18														-
Contract 19														-
Contract 20														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
HCB Valuers			1 701	425	271	279	279							2 954
FNB			728	761	795	831	868							3 983
Contract 3														-
Contract 4														-
Contract 5														-
Contract 6														-
Contract 7														-
Contract 8														-
Contract 9														-
Contract 10														-
Contract 11														-
Contract 12														-
Contract 13														-
Contract 14														-
Contract 15														-
Contract 16														-
Contract 17														-
Contract 18														-
Contract 19														-
Contract 20														-
Total Operating Expenditure Implication		-	2 429	1 186	1 066	1 109	1 147	-	-	-	-	-	-	6 938
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3														-
Contract 4														-
Contract 5														-
Contract 6														-
Contract 7														-
Contract 8														-
Contract 9														-
Contract 10														-
Contract 11														-
Contract 12														-
Contract 13														-
Contract 14														-
Contract 15														-
Contract 16														-
Contract 17														-
Contract 18														-
Contract 19														-
Contract 20														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	2 429	1 186	1 066	1 109	1 147	-	-	-	-	-	-	6 938

Description	Ref	Preceding Years	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework			Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Entities:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3														-
Contract 4														-
Contract 5														-
Contract 6														-
Contract 7														-
Contract 8														-
Contract 9														-
Contract 10														-
Contract 11														-
Contract 12														-
Contract 13														-
Contract 14														-
Contract 15														-
Contract 16														-
Contract 17														-
Contract 18														-
Contract 19														-
Contract 20														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3														-
Contract 4														-
Contract 5														-
Contract 6														-
Contract 7														-
Contract 8														-
Contract 9														-
Contract 10														-
Contract 11														-
Contract 12														-
Contract 13														-
Contract 14														-
Contract 15														-
Contract 16														-
Contract 17														-
Contract 18														-
Contract 19														-
Contract 20														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

Description	Ref	Preceding Years	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework			Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Total Contract Value
		Total	Original Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand	1,3													
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3														-
Contract 4														-
Contract 5														-
Contract 6														-
Contract 7														-
Contract 8														-
Contract 9														-
Contract 10														-
Contract 11														-
Contract 12														-
Contract 13														-
Contract 14														-
Contract 15														-
Contract 16														-
Contract 17														-
Contract 18														-
Contract 19														-
Contract 20														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

References

1. Total implication for all preceding years to be summed and total stated in 'Preceding Years' column
2. List all contracts with future financial obligations beyond the three years covered by the MTREF (MFMA s33)
3. For municipalities with approved total revenue not exceeding R250 m - all contracts with an annual cost greater than R500 000. For municipalities with approved total revenue greater than R250 m - all contracts with an annual cost greater than R1million. For municipalities with approved total revenue greater than R500 m - all contracts with an annual cost greater than R5 million

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		125 278	238 336	141 396	142 335	163 081	163 081	179 426	144 517	164 485
Roads Infrastructure		36 740	78 484	34 038	39 530	50 882	50 882	28 966	41 290	20 700
Roads		20 133	62 757	15 824	24 430	23 553	23 553	24 466	38 490	18 600
Road Structures		15 265	8 923	15 711	13 550	25 631	25 631	2 700	2 000	1 300
Road Furniture		1 342	6 804	2 503	1 550	1 697	1 697	1 800	800	800
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	835	-	-	-	-	-	-	-
Drainage Collection		-	835	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		5 580	31 774	16 098	30 250	27 380	27 380	53 772	15 827	69 385
Power Plants		-	-	8 107	-	-	-	15 000	1 500	1 500
HV Substations		-	2 000	880	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	19 141
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	1 500	1 500	1 500	9 572	1 427	35 000
MV Switching Stations		297	992	-	-	-	-	-	-	-
MV Networks		2 005	11 058	4 428	16 650	17 211	17 211	18 000	6 000	6 450
LV Networks		2 589	17 078	1 886	5 700	5 269	5 269	5 500	6 000	6 193
Capital Spares		689	646	797	6 400	3 400	3 400	5 700	900	1 100
Water Supply Infrastructure		48 030	35 223	10 095	34 805	36 094	36 094	72 000	60 000	45 400
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		19 088	19 583	4 354	12 000	19 710	19 710	42 000	38 000	26 000
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	87	-	400	400	400	-	400	400
Bulk Mains		-	4 095	1 749	2 580	11 751	11 751	15 000	5 000	-
Distribution		28 942	11 459	3 991	19 825	4 233	4 233	15 000	16 500	19 000
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	100	-
Sanitation Infrastructure		33 368	90 551	59 018	32 200	36 403	36 403	17 888	1 800	8 800
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		2 127	21 937	259	1 000	2 200	2 200	11 288	-	2 000
Waste Water Treatment Works		-	-	499	200	200	200	200	1 800	6 800
Outfall Sewers		31 242	68 614	58 260	31 000	34 003	34 003	6 400	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		1 559	1 090	21 518	5 500	12 155	12 155	6 700	25 500	20 200
Landfill Sites		723	344	20 881	2 000	9 888	9 888	2 000	10 000	10 000
Waste Transfer Stations		503	384	182	2 000	1 067	1 067	1 000	3 000	3 000
Waste Processing Facilities		-	-	-	-	-	-	-	100	-
Waste Drop-off Points		-	-	169	500	500	500	500	600	200
Waste Separation Facilities		333	362	87	500	200	200	500	500	-
Electricity Generation Facilities		-	-	199	500	500	500	2 700	11 300	7 000
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	379	630	50	166	166	100	100	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	379	-	-	-	-	-	-	-
Capital Spares		-	-	630	50	166	166	100	100	-

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Community Assets		18 986	18 663	9 509	5 500	13 228	13 228	5 950	3 150	2 200
Community Facilities		18 905	18 589	6 631	1 500	9 749	9 749	3 800	1 000	200
Halls		8 383	684	73	-	254	254	-	-	-
Centres		596	57	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	341	393	-	900	900	-	-	-
Libraries		4 221	472	33	200	447	447	100	-	-
Cemeteries/Crematoria		664	17	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	150	150	150	-	-	-
Public Open Space		1 851	3 525	1 500	1 150	1 872	1 872	1 200	1 000	200
Nature Reserves		-	937	260	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	2 190	130	-	-	-	-	-	-
Stalls		3 158	5 367	3 402	-	6 126	6 126	2 500	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	2 532	-	-	-	-	-	-	-
Capital Spares		32	2 469	840	-	-	-	-	-	-
Sport and Recreation Facilities		82	74	2 878	4 000	3 479	3 479	2 150	2 150	2 000
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		82	74	2 878	4 000	3 479	3 479	2 150	2 150	2 000
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		1 337	1 274	100	-	1 019	1 019	870	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		1 337	1 274	100	-	1 019	1 019	870	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		904	466	2 303	1 000	5 436	5 436	700	200	3 000
Revenue Generating		-	-	972	800	3 550	3 550	500	-	-
Improved Property		-	-	972	800	3 550	3 550	500	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		904	466	1 331	200	1 886	1 886	200	200	3 000
Improved Property		904	466	1 331	200	1 886	1 886	200	200	3 000
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		1 269	570	9 942	51 109	112 425	112 425	57 800	19 580	7 000
Operational Buildings		139	182	9 742	42 350	58 984	58 984	48 100	200	3 000
Municipal Offices		139	49	-	-	-	-	-	-	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	9 742	42 350	58 984	58 984	48 100	200	3 000
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	133	-	-	-	-	-	-	-
Housing		1 130	389	200	8 759	53 441	53 441	9 700	19 380	4 000
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		1 130	389	200	8 759	53 441	53 441	9 700	19 380	4 000
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		120	67	-	-	-	-	-	-	-
Biological or Cultivated Assets		120	67	-	-	-	-	-	-	-
Intangible Assets		50	840	-	-	-	-	-	450	250
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		50	840	-	-	-	-	-	450	250
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		50	295	-	-	-	-	-	450	250
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	545	-	-	-	-	-	-	-

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Computer Equipment		2 363	–	66 547	100	400	400	50	50	50
Computer Equipment		2 363	–	66 547	100	400	400	50	50	50
Furniture and Office Equipment		3 614	3 163	2 159	2 967	3 979	3 979	2 428	3 114	1 736
Furniture and Office Equipment		3 614	3 163	2 159	2 967	3 979	3 979	2 428	3 114	1 736
Machinery and Equipment		6 572	3 583	18 136	6 110	14 372	14 372	5 250	6 830	3 400
Machinery and Equipment		6 572	3 583	18 136	6 110	14 372	14 372	5 250	6 830	3 400
Transport Assets		14 908	14 779	19 520	7 225	16 809	16 809	4 075	6 075	9 600
Transport Assets		14 908	14 779	19 520	7 225	16 809	16 809	4 075	6 075	9 600
Land		299	–	–	–	–	–	–	–	–
Land		299	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	1	175 701	281 741	269 612	216 345	330 749	330 749	256 549	183 966	191 721

References

1. Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) plus Total Capital Expenditure on upgrading of existing assets (SA34e) must reconcile to total capital expenditure.

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		31 031	44 759	10 136	34 000	26 456	26 456	9 350	22 550	38 664
Roads Infrastructure		17 117	24 611	12 579	13 400	21 545	21 545	5 100	9 100	2 000
Roads		17 117	24 611	12 579	8 400	18 443	18 443	5 100	9 100	2 000
Road Structures		-	-	-	5 000	3 102	3 102	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		6 300	17 898	(4 747)	3 600	600	600	250	4 950	5 664
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		361	399	(6 567)	600	600	600	250	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		5 939	19 100	821	3 000	-	-	-	4 950	5 184
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	(1 602)	999	-	-	-	-	-	480
Water Supply Infrastructure		5 349	1 146	473	4 000	3 000	3 000	4 000	4 000	4 000
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		5 349	1 146	473	4 000	3 000	3 000	4 000	4 000	4 000
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		2 266	1 104	1 831	13 000	1 310	1 310	-	4 000	27 000
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	1 826	12 000	-	-	-	-	20 000
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		2 266	652	5	1 000	1 310	1 310	-	4 000	7 000
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	452	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	500	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	500	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Community Assets		373	407	-	-	385	385	-	550	-
Community Facilities		10	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		10	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		363	407	-	-	385	385	-	550	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		363	407	-	-	385	385	-	550	-
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		449	253	-	100	200	200	300	200	200
Operational Buildings		449	253	-	100	200	200	300	200	200
Municipal Offices		449	253	-	100	200	200	300	200	200
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	30	-	-	-	-	300	300	300
Furniture and Office Equipment		-	30	-	-	-	-	300	300	300
Machinery and Equipment		493	-	-	-	-	-	-	-	-
Machinery and Equipment		493	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1	32 347	45 449	10 136	34 100	27 041	27 041	9 950	23 600	39 164
Renewal of Existing Assets as % of total capex		13.6%	9.4%	2.5%	9.1%	6.0%	6.0%	2.5%	6.1%	10.3%
Renewal of Existing Assets as % of depreca		132.9%	23.5%	5.3%	16.6%	13.5%	13.5%	4.7%	10.9%	17.8%

References

1. Total Capital Expenditure on renewal of existing assets (SA34b) plus Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on upgrading of existing assets (SA34e) must reconcile to total capital expenditure.

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

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		21 477	(13 047)	17 859	46 399	51 889	51 889	52 242	49 315	50 826
Roads Infrastructure		5 510	6 420	8 008	11 218	12 648	12 648	20 920	16 937	17 354
Roads		33	509	8 008	10 615	12 465	12 465	20 890	16 906	17 322
Road Structures		4 205	4 658	-	-	-	-	-	-	-
Road Furniture		1 271	1 253	-	603	183	183	30	31	32
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		161	495	6 810	2 253	2 100	2 100	1 300	1 340	1 382
Drainage Collection		8	-	-	-	-	-	-	-	-
Storm water Conveyance		153	495	563	-	-	-	-	-	-
Attenuation		-	-	6 246	2 253	2 100	2 100	1 300	1 340	1 382
Electrical Infrastructure		7 510	(27 623)	998	107	107	107	100	105	110
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	107	107	107	100	105	110
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		7 263	(27 830)	998	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		248	207	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		1 224	6 069	100	10 387	7 322	7 322	7 015	7 229	7 449
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		499	4 182	18	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		25	194	-	5 922	2 912	2 912	2 472	2 550	2 630
Bulk Mains		-	-	-	4 465	4 410	4 410	4 543	4 679	4 819
Distribution		700	1 693	81	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		6 306	1 302	1 944	9 692	15 794	15 794	8 314	8 609	8 915
Pump Station		-	3	-	-	-	-	-	-	-
Reticulation		2 814	297	-	-	-	-	-	-	-
Waste Water Treatment Works		3 492	1 003	-	5 054	11 578	11 578	3 840	3 994	4 155
Outfall Sewers		-	-	1 944	4 638	4 216	4 216	4 474	4 615	4 760
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		767	290	-	1 409	3 199	3 199	3 040	3 154	3 272
Landfill Sites		767	290	-	394	344	344	40	41	42
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	1 015	2 855	2 855	3 000	3 113	3 230
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	11 332	10 718	10 718	11 553	11 942	12 345
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	10 965	10 352	10 352	11 053	11 442	11 845
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	366	366	366	500	500	500

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Community Assets		48	-	2 686	14 062	12 713	12 713	13 990	14 336	14 891
Community Facilities		48	-	2 686	12 641	11 456	11 456	12 552	12 836	13 326
Halls		-	-	-	30	30	30	100	11	112
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		47	-	9	10	13	13	14	14	15
Cemeteries/Crematoria		-	-	-	1 009	759	759	1 039	1 070	1 102
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	3 004	3 116	3 116	3 167	3 263	3 363
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	793	343	343	821	844	871
Public Ablution Facilities		1	-	-	7 795	7 195	7 195	7 411	7 634	7 863
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	2 677	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	1 421	1 257	1 257	1 438	1 500	1 564
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	-	-	1 421	1 257	1 257	1 438	1 500	1 564
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		4	3	-	11 044	10 421	10 421	11 920	12 215	12 719
Operational Buildings		4	3	-	10 577	9 731	9 731	11 746	12 035	12 533
Municipal Offices		4	3	-	10 577	9 731	9 731	11 746	12 035	12 533
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	466	690	690	175	180	185
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	466	690	690	175	180	185
Biological or Cultivated Assets		22	14	-	-	-	-	-	-	-
Biological or Cultivated Assets		22	14	-	-	-	-	-	-	-
Intangible Assets		151	317	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		151	317	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		151	317	-	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		15 969	10 503	11 027	5 858	3 886	3 886	3 257	3 384	3 521
Furniture and Office Equipment		15 969	10 503	11 027	5 858	3 886	3 886	3 257	3 384	3 521
Machinery and Equipment		-	-	-	9 536	536	536	552	569	586
Machinery and Equipment		-	-	-	9 536	536	536	552	569	586
Transport Assets		7 104	9 610	18 036	3 925	4 156	4 156	4 141	4 399	4 576
Transport Assets		7 104	9 610	18 036	3 925	4 156	4 156	4 141	4 399	4 576
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	44 774	7 400	49 608	90 823	83 602	83 602	86 101	84 217	87 119
R&M as a % of PPE		0.9%	0.1%	0.9%	1.5%	1.5%	1.5%	1.5%	1.4%	1.4%
R&M as % Operating Expenditure		3.7%	0.5%	3.0%	4.8%	4.6%	4.6%	9.5%	4.2%	4.2%

References

1. Total Repairs and Maintenance Expenditure by Asset Category must reconcile to total repairs and maintenance expenditure on Table SA1

WC024 Stellenbosch - Supporting Table SA34d Depreciation by asset class

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure										
Roads Infrastructure		–	148 581	148 601	164 513	159 664	159 664	168 484	171 853	175 290
Roads		–	50 607	42 952	64 715	64 715	64 715	44 108	44 990	45 890
Road Structures		–	37 425	35 477	63 634	63 634	63 634	36 450	37 179	37 923
Road Furniture		–	4 213	4 477	7	7	7	4 570	4 661	4 754
Capital Spares		–	8 969	2 998	1 075	1 075	1 075	3 088	3 150	3 213
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	1 193	969	1 692	1 692	1 692	998	1 018	1 039
Storm water Conveyance		–	–	–	1 562	1 562	1 562	998	1 018	1 039
Attenuation		–	–	–	130	130	130	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants		–	27 618	32 762	34 046	29 197	29 197	33 707	34 381	35 069
HV Substations		–	13 847	11 739	1 468	1 468	1 468	12 091	12 333	12 579
HV Switching Station		–	2 995	2 995	32 578	27 729	27 729	3 085	3 147	3 210
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	6 659	6 576	–	–	–	6 773	6 909	7 047
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	3 675	10 947	–	–	–	11 238	11 462	11 692
Water Supply Infrastructure		–	442	506	–	–	–	521	531	542
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	37 881	36 464	45 521	45 521	45 521	35 771	36 487	37 216
Reservoirs		–	82	87	–	–	–	90	92	94
Pump Stations		–	5 465	3 591	26 122	26 122	26 122	3 699	3 773	3 849
Water Treatment Works		–	109	109	7	7	7	113	115	117
Bulk Mains		–	1 022	1 025	19 296	19 296	19 296	12	13	13
Distribution		–	3 962	3 783	–	–	–	3 153	3 216	3 280
Distribution Points		–	27 055	27 868	95	95	95	28 704	29 278	29 864
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station		–	28 472	26 306	15 852	15 852	15 852	44 476	45 365	46 273
Reticulation		–	763	779	–	–	–	803	819	835
Waste Water Treatment Works		–	23 484	21 325	–	–	–	21 965	22 404	22 852
Outfall Sewers		–	1 644	1 660	4 953	4 953	4 953	1 709	1 744	1 778
Toilet Facilities		–	2 530	2 542	10 900	10 900	10 900	19 999	20 399	20 807
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	31	–	–	–	–	–	–	–
Landfill Sites		–	2 547	8 712	2 686	2 686	2 686	8 974	9 153	9 336
Waste Transfer Stations		–	513	–	–	–	–	–	–	–
Waste Processing Facilities		–	572	7 247	16	16	16	7 464	7 613	7 766
Waste Drop-off Points		–	–	–	1 378	1 378	1 378	–	–	–
Waste Separation Facilities		–	1 462	1 466	–	–	–	1 510	1 540	1 571
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	1 291	1 291	1 291	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	264	436	–	–	–	449	458	467
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	264	436	–	–	–	449	458	467
Community Assets		–	–	–	–	–	–	–	–	–
Community Facilities		6	3 182	2 905	10 634	10 634	10 634	2 988	3 048	3 109
Halls		6	1 867	2 118	7 434	7 434	7 434	2 177	2 220	2 265
Centres		–	13	14	220	220	220	14	15	15
Crèches		–	46	46	–	–	–	48	49	50
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	11	11	–	–	–	11	11	11
Testing Stations		–	10	80	131	131	131	83	84	86
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		–	14	14	–	–	–	15	15	15
Cemeteries/Crematoria		6	117	110	15	15	15	114	116	118
Police		–	35	36	564	564	564	37	37	38
Parks		–	–	–	1 762	1 762	1 762	–	–	–
Public Open Space		–	–	–	–	–	–	–	–	–
Nature Reserves		–	438	587	1 720	1 720	1 720	605	617	629
Public Ablution Facilities		–	364	365	196	196	196	376	383	391
Markets		–	716	718	791	791	791	735	749	764
Stalls		–	103	137	–	–	–	141	144	146
Abattoirs		–	–	–	–	–	–	–	–	–
Airports		–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	2 034	2 034	2 034	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Indoor Facilities		–	1 315	788	3 200	3 200	3 200	811	828	844
Outdoor Facilities		–	–	0	–	–	–	0	0	0
Capital Spares		–	1 315	787	3 200	3 200	3 200	811	827	844
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments		–	–	–	–	–	–	–	–	–
Historic Buildings		–	–	–	–	–	–	–	–	–
Works of Art		–	–	–	–	–	–	–	–	–
Conservation Areas		–	–	–	–	–	–	–	–	–
Other Heritage		–	–	–	–	–	–	–	–	–

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Investment properties		–	489	15	472	472	472	260	265	271
Revenue Generating		–	489	15	472	472	472	260	265	271
Improved Property		–	489	15	472	472	472	260	265	271
Unimproved Property		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Other assets		6 398	8 902	9 984	6 684	6 684	6 684	9 705	9 899	10 097
Operational Buildings		6 398	5 010	6 078	3 428	3 428	3 428	6 021	6 141	6 264
Municipal Offices		–	5 010	6 078	3 385	3 385	3 385	6 021	6 141	6 264
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	44	44	44	–	–	–
Yards		–	–	–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		6 398	–	–	–	–	–	–	–	–
Housing		–	3 892	3 906	3 256	3 256	3 256	3 685	3 758	3 834
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	3 892	3 906	–	–	–	3 685	3 758	3 834
Capital Spares		–	–	–	3 256	3 256	3 256	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		1 715	1 848	1 973	2 490	2 490	2 490	1 991	2 031	2 072
Servitudes		–	1 695	1 591	–	–	–	1 638	1 671	1 705
Licences and Rights		1 715	153	383	2 490	2 490	2 490	353	360	367
Water Rights		–	–	–	20	20	20	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		(3)	153	383	2 469	2 469	2 469	353	360	367
Local Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		1 717	–	–	–	–	–	–	–	–
Computer Equipment		4 316	7 318	7 646	3 527	3 527	3 527	7 386	7 534	7 684
Computer Equipment		4 316	7 318	7 646	3 527	3 527	3 527	7 386	7 534	7 684
Furniture and Office Equipment		1 859	4 377	3 864	3 086	3 086	3 086	3 582	3 653	3 726
Furniture and Office Equipment		1 859	4 377	3 864	3 086	3 086	3 086	3 582	3 653	3 726
Machinery and Equipment		2 549	7 709	6 469	5 044	5 044	5 044	6 618	6 750	6 885
Machinery and Equipment		2 549	7 709	6 469	5 044	5 044	5 044	6 618	6 750	6 885
Transport Assets		7 489	10 713	10 392	9 176	9 176	9 176	10 527	10 738	10 953
Transport Assets		7 489	10 713	10 392	9 176	9 176	9 176	10 527	10 738	10 953
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Depreciation	1	24 333	193 119	191 851	205 628	200 779	200 779	211 541	215 772	220 087

References

1. Depreciation based on write down values. Not including Depreciation resulting from revaluation.

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

Description		Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class											
Infrastructure			218 599	121 760	107 005	82 405	52 561	52 561	90 559	142 344	126 730
Roads Infrastructure			25 763	12 606	29 797	12 200	8 425	8 425	36 000	43 750	4 000
Roads			24 364	7 996	29 297	8 200	6 050	6 050	4 000	10 750	3 500
Road Structures			898	–	–	2 500	1 875	1 875	30 000	30 000	–
Road Furniture			501	4 610	500	1 500	500	500	2 000	3 000	500
Capital Spares			–	–	–	–	–	–	–	–	–
Storm water Infrastructure			1 233	3 252	835	4 000	2 496	2 496	–	–	–
Drainage Collection			–	–	–	–	–	–	–	–	–
Storm water Conveyance			1 233	3 252	835	4 000	2 496	2 496	–	–	–
Attenuation			–	–	–	–	–	–	–	–	–
Electrical Infrastructure			39 710	13 748	23 523	8 000	16 139	16 139	16 221	37 025	9 962
Power Plants			–	–	–	–	–	–	–	–	–
HV Substations			–	–	–	–	–	–	–	–	–
HV Switching Station			–	–	–	–	–	–	–	–	–
HV Transmission Conductors			–	–	–	–	–	–	–	–	–
MV Substations			–	–	–	–	–	–	8 000	500	950
MV Switching Stations			–	–	–	–	–	–	–	–	–
MV Networks			27 642	13 438	20 891	6 500	14 790	14 790	7 721	7 042	7 100
LV Networks			8 302	309	2 473	1 500	1 349	1 349	–	28 983	1 412
Capital Spares			3 766	–	160	–	–	–	500	500	500
Water Supply Infrastructure			107 701	40 781	20 309	30 500	16 630	16 630	5 750	10 500	50 268
Dams and Weirs			–	390	–	–	–	–	–	–	–
Boreholes			–	–	–	–	–	–	–	–	–
Reservoirs			–	–	–	–	–	–	–	–	–
Pump Stations			–	–	–	–	–	–	–	–	10 000
Water Treatment Works			20 365	15 759	3 041	4 500	6 319	6 319	750	4 000	24 250
Bulk Mains			19 135	10 377	9 776	19 500	4 500	4 500	–	–	2 000
Distribution			68 201	12 791	4 978	4 000	3 310	3 310	3 000	4 000	11 518
Distribution Points			–	–	–	–	–	–	–	–	–
PRV Stations			–	–	–	–	–	–	–	–	–
Capital Spares			–	1 465	2 514	2 500	2 500	2 500	2 000	2 500	2 500
Sanitation Infrastructure			41 867	50 206	31 173	24 155	8 436	8 436	30 100	49 500	62 000
Pump Station			8	268	144	1 000	–	–	100	1 500	2 000
Reticulation			–	–	–	–	–	–	–	–	–
Waste Water Treatment Works			41 771	49 867	30 960	17 155	7 636	7 636	30 000	41 000	42 500
Outfall Sewers			–	–	–	5 000	–	–	–	7 000	17 000
Toilet Facilities			88	71	69	1 000	800	800	–	–	500
Capital Spares			–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure			719	321	370	2 000	292	292	929	–	–
Landfill Sites			650	321	370	2 000	292	292	929	–	–
Waste Transfer Stations			–	–	–	–	–	–	–	–	–
Waste Processing Facilities			–	–	–	–	–	–	–	–	–
Waste Drop-off Points			69	–	–	–	–	–	–	–	–
Waste Separation Facilities			–	–	–	–	–	–	–	–	–
Electricity Generation Facilities			–	–	–	–	–	–	–	–	–
Capital Spares			–	–	–	–	–	–	–	–	–
Rail Infrastructure			–	–	–	–	–	–	–	–	–
Rail Lines			–	–	–	–	–	–	–	–	–
Rail Structures			–	–	–	–	–	–	–	–	–
Rail Furniture			–	–	–	–	–	–	–	–	–
Drainage Collection			–	–	–	–	–	–	–	–	–
Storm water Conveyance			–	–	–	–	–	–	–	–	–
Attenuation			–	–	–	–	–	–	–	–	–
MV Substations			–	–	–	–	–	–	–	–	–
LV Networks			–	–	–	–	–	–	–	–	–
Capital Spares			–	–	–	–	–	–	–	–	–
Coastal Infrastructure			–	–	–	–	–	–	–	–	–
Sand Pumps			–	–	–	–	–	–	–	–	–
Piers			–	–	–	–	–	–	–	–	–
Revetments			–	–	–	–	–	–	–	–	–
Promenades			–	–	–	–	–	–	–	–	–
Capital Spares			–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure			1 605	847	999	1 550	144	144	1 559	1 569	500
Data Centres			1 605	847	999	1 550	144	144	1 559	1 569	500
Core Layers			–	–	–	–	–	–	–	–	–
Distribution Layers			–	–	–	–	–	–	–	–	–
Capital Spares			–	–	–	–	–	–	–	–	–

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Community Assets		13 556	12 130	5 855	15 700	12 937	12 937	11 204	12 000	12 680
Community Facilities		4 353	8 091	4 003	7 650	10 731	10 731	7 854	10 700	12 380
Halls		1 744	2 904	2 322	5 150	6 103	6 103	3 600	1 200	2 200
Centres		-	-	-	-	-	-	1 000	500	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		1 656	-	35	500	3 465	3 465	50	-	-
Testing Stations		138	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		201	424	-	500	200	200	200	-	180
Cemeteries/Crematoria		614	326	1 002	1 500	843	843	1 000	7 000	9 000
Police		-	3 282	-	-	-	-	-	-	-
Parks		-	85	-	-	-	-	-	-	-
Public Open Space		-	100	-	-	-	-	-	-	-
Nature Reserves		-	823	158	-	50	50	2 004	2 000	1 000
Public Ablution Facilities		-	148	334	-	70	70	-	-	-
Markets		-	-	153	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		9 203	4 039	1 852	8 050	2 206	2 206	3 350	1 300	300
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		9 203	4 039	1 852	8 050	2 206	2 206	3 350	1 300	300
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	423	1 000	263	263	1 807	3 000	2 000
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	423	1 000	263	263	1 807	3 000	2 000
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		296	4 138	3 771	16 500	12 095	12 095	8 000	4 000	5 000
Revenue Generating		296	2 132	2 962	3 500	3 912	3 912	-	1 000	-
Improved Property		296	2 132	2 962	3 500	3 912	3 912	-	1 000	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	2 006	808	13 000	8 183	8 183	8 000	3 000	5 000
Improved Property		-	2 006	808	13 000	8 183	8 183	8 000	3 000	5 000
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		1 039	4 792	2 559	4 900	11 718	11 718	15 495	6 050	-
Operational Buildings		1 039	2 372	472	1 900	9 365	9 365	15 495	6 050	-
Municipal Offices		10	-	-	1 900	4 920	4 920	11 050	6 050	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		138	159	-	-	-	-	-	-	-
Stores		125	284	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		766	1 929	472	-	4 445	4 445	4 445	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	2 420	2 087	3 000	2 353	2 353	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	2 420	2 087	3 000	2 353	2 353	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	163	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	163	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licences		-	-	-	-	-	-	-	-	-
Solid Waste Licences		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	163	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Computer Equipment		4 295	12 025	8 891	4 600	6 900	6 900	4 100	4 200	4 200
Computer Equipment		4 295	12 025	8 891	4 600	6 900	6 900	4 100	4 200	4 200
Furniture and Office Equipment		–	–	146	200	200	200	100	300	–
Furniture and Office Equipment		–	–	146	200	200	200	100	300	–
Machinery and Equipment		–	–	–	–	–	–	–	5 000	–
Machinery and Equipment		–	–	–	–	–	–	–	5 000	–
Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on upgrading of existing assets	1	237 784	154 845	128 814	125 305	96 674	96 674	131 265	176 894	150 610
Upgrading of Existing Assets as % of total capex		0.0%	32.1%	31.5%	33.3%	21.3%	21.3%	33.0%	46.0%	39.5%
Upgrading of Existing Assets as % of depreca		977.2%	80.2%	67.1%	60.9%	48.1%	48.1%	62.1%	82.0%	68.4%

References

1. Total Capital Expenditure on upgrading of existing assets (SA34e) plus Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) must reconcile to total capital expenditure.

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

Vote Description	Ref	2021/22 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Present value
R thousand								
Capital expenditure	1							
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		44	49	56				
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		19 514	7 540	13 400				
Vote 3 - INFRASTRUCTURE SERVICES		328 175	336 361	330 224				
Vote 4 - COMMUNITY AND PROTECTION SERVICES		23 274	22 510	22 055				
Vote 5 - CORPORATE SERVICES		26 557	17 800	15 550				
Vote 6 - FINANCIAL SERVICES		200	200	210				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
List entity summary if applicable								
Total Capital Expenditure		397 764	384 460	381 495	-	-	-	-
Future operational costs by vote	2							
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		39 945	41 391	42 767				
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		81 361	93 665	90 784				
Vote 3 - INFRASTRUCTURE SERVICES		860 647	891 540	969 030				
Vote 4 - COMMUNITY AND PROTECTION SERVICES		350 707	365 908	383 207				
Vote 5 - CORPORATE SERVICES		171 726	186 937	195 391				
Vote 6 - FINANCIAL SERVICES		114 842	119 161	123 060				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
List entity summary if applicable								
Total future operational costs		1 619 226	1 698 601	1 804 239	-	-	-	-
Future revenue by source	3							
Property rates		423 633	449 051	475 994				
Service charges - electricity revenue		787 275	842 384	892 927				
Service charges - water revenue		166 400	175 552	185 207				
Service charges - sanitation revenue		114 485	121 354	128 636				
Service charges - refuse revenue		87 936	98 489	110 307				
Service charges - other		-	-	-				
Rental of facilities and equipment		11 175	11 789	12 438				
Interest earned - external investments		13 200	13 948	14 739				
Interest earned - outstanding debtors		14 034	14 830	15 671				
Dividends received		-	-	-				
Fines, penalties and forfeits		147 425	154 796	162 536				
Licences and permits		5 778	6 056	6 348				
Agency services		3 077	3 231	3 393				
Transfers and subsidies		204 313	186 708	190 421				
Other revenue		41 319	43 344	45 472				
Gains		-	-	-				
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		105 554	96 887	65 845				
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-				
Transfers and subsidies - capital (in-kind - all)		-	-	-				
List entity summary if applicable								
Total future revenue		2 125 605	2 218 421	2 309 934	-	-	-	-
Net Financial Implications		(108 614)	(135 360)	(124 201)	-	-	-	-

References

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

WC024 Stellenbosch - Supporting Table SA36 Detailed capital budget

R thousand				2021/22 Medium Term Revenue & Expenditure Framework		
				Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Function	Project Description	Project Number	Own Strategic Objectives			
Parent municipality: <i>List all capital projects grouped by Function</i>						
Municipal Manager	Furniture, Tools and Equipment	712972186	Good Governance and Compliance	44	49	56
Economic Development and Tourism	Furniture tools and equipment	712973243	Good Governance and Compliance	180	100	150
Economic Development and Tourism	Local Economic Development Hub Jamesto	712976962	Valley of Possibility	–	–	3 000
Economic Development and Tourism	Establishment of the Kayamandi Informal Tr	712973272	Valley of Possibility	2 500	–	–
IHS: Housing Development	Kayamandi Town Centre	712975696	Dignified Living	3 000	3 000	6 000
IHS: Housing Development	Enkanini Planning and Implementation	712973342	Dignified Living	1 500	–	3 000
IHS: Housing Development	Furniture, Tools and Equipment	712972279	Good Governance and Compliance	59	25	50
IHS: Housing Development	Jamestown: Housing (Phase 2, 3 & 4)	712973470	Dignified Living	500	–	–
HIS: Housing Development	Northern Extension: Feasibility	712972277	Dignified Living	2 000	–	–
IHS: Housing Development	Erf 7001 and other possible sites for mix-use	712972276	Dignified Living	1 000	1 000	1 000
IHS: Housing Development	Erf 64 Kylemore	712975579	Dignified Living	200	–	–
Housing Administration	Furniture, Tools and Equipment: Housing Ac	712972272	Good Governance and Compliance	135	190	–
Spatial Planning: Planning and Development	Furniture, Tools & Equipment	712972187	Good Governance and Compliance	130	–	–
Land Use Management	Furniture, Tools & Equipment	712976909	Good Governance and Compliance	125	125	100
Building Development Management	Furniture, Tools & Equipment	New	Good Governance and Compliance	185	100	100
Executive Support: Engineering Services: G	Furniture, Tools & Equipment	712972378	Good Governance and Compliance	75	75	50
Electrical Services	Ad-Hoc Provision of Street lighting and Ligh	712972284	Safe Valley	2 000	2 150	2 843
Electrical Services	Alternative Energy	NEW	Green and Sustainable Valley	15 000	1 500	1 500
Electrical Services	Automatic Meter Reader	712972290	Green and Sustainable Valley	–	400	400
Electrical Services	Bien don 66/11kV substation new (new dev	712980416	Valley of Possibility	1 200	1 000	35 000
Electrical Services	Buildings & Facilities Electrical Supply - Stel	712972282	Valley of Possibility	–	412	412
Electrical Services	Cable replacement 66kV oil MN - US - MK	712980387	Valley of Possibility	–	–	480
Electrical Services	Cloetesville - University New 66kV cable	712973458	Valley of Possibility	–	–	450
Electrical Services	Data Network	712975577	Valley of Possibility	–	–	–
Electrical Services	DSM Geyser Control	712972309	Green and Sustainable Valley	–	100	100
Electrical Services	Electricity Network: Pniel	712972310	Valley of Possibility	3 500	3 500	3 000
Electrical Services	Energy Balancing Between Metering and Mi	712972288	Valley of Possibility	–	250	250
Electrical Services	Energy Efficiency and Demand Side Manag	712972302	Green and Sustainable Valley	–	1 000	1 000
Electrical Services	General System Improvements - Franschho	712972299	Valley of Possibility	2 000	2 000	2 000
Electrical Services	General Systems Improvements - Stellenbo	712972285	Valley of Possibility	3 521	3 542	3 600
Electrical Services	Infrastructure Improvement - Franschhoek	712972297	Valley of Possibility	1 500	1 500	1 500
Electrical Services	Integrated National Electrification Program	712972312	Valley of Possibility	18 000	6 000	6 000
Electrical Services	Jan Marais Upgrade: Remove Existing Tx 1	712973160	Valley of Possibility	8 000	500	500
Electrical Services	Kayamandi(Costa grounds)new substation 6	712973173	Valley of Possibility	–	–	300
Electrical Services	Kwarentyn Sub cables: 11kV 3 core 185mm	712973165	Valley of Possibility	5 700	–	–
Electrical Services	Lattera Sub Station	712980413	Valley of Possibility	8 372	427	–
Electrical Services	Main substation - Tx upgrade: Remove Exis	712973163	Valley of Possibility	–	27 571	–
Electrical Services	Meter Panels	712972289	Green and Sustainable Valley	–	500	400
Electrical Services	Network Cable Replace 11 Kv	712972287	Valley of Possibility	–	3 000	3 000
Electrical Services	Replace Ineffective Meters	712972301	Green and Sustainable Valley	250	–	–
Electrical Services	Small Capital: Fte Electrical Services	712972283	Good Governance and Compliance	500	500	500
Electrical Services	Substation 66kV equipment, control, VT's, C	712972306	Valley of Possibility	–	1 950	2 184
Electrical Services	Substation upgrade US 66 /11kv 20MVA Tra	712980374	Valley of Possibility	–	–	450
Electrical Services	Switchgear - Stellenbosch (11kV replace oil	712975670	Valley of Possibility	–	–	14 334
Electrical Services	Switchgear 66kV US - MN - Outdoor Breake	712980372	Valley of Possibility	–	–	4 807
Electrical Services	System Control Centre & Upgrade Telemetr	712972286	Good Governance and Compliance	1 559	1 569	500
Electrical Services	Update Electrical Master document	NEW	Valley of Possibility	700	–	–
Infrastructure Plan, Dev and Implement	Access to Basic Services	712972568	Dignified Living	1 746	600	2 000
Infrastructure Plan, Dev and Implement	Adam Tas Transit Oriented Development (3	NEW	Dignified Living	–	–	3 500
Infrastructure Plan, Dev and Implement	Basic Improvements: Langrug	712972572	Dignified Living	2 490	–	–
Infrastructure Plan, Dev and Implement	Computer – Hardware/Equipment	712972271	Good Governance and Compliance	50	50	50
Infrastructure Plan, Dev and Implement	Droe Dyke (1000)	NEW	Dignified Living	–	–	2 000

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Infrastructure Plan, Dev and Implement	Furniture, Tools and Equipment	712972569	Good Governance and Compliance	20	50	50
Infrastructure Plan, Dev and Implement	Franschhoek Langrug (1900) UISP ERF 32: NEW		Dignified Living	4 500	17 880	–
Infrastructure Plan, Dev and Implement	Housing Projects	712972278	Dignified Living	–	–	500
Infrastructure Plan, Dev and Implement	Kayamandi: Zone O (±711 services)	712972268	Dignified Living	4 680	32 140	9 000
Infrastructure Plan, Dev and Implement	Kayamandi Watergang Basic Services	NEW	Dignified Living	6 500	–	–
Infrastructure Plan, Dev and Implement	Stellenbosch Idas Valley (166) FLISP ERF 5: NEW		Dignified Living	11 288	–	–
Infrastructure Plan, Dev and Implement	Upgrading of The Steps/Orlean Lounge	712980356	Dignified Living	8 000	3 000	–
Waste Management: Solid Waste Management	Expansion of the landfill site (New cells)	712977010	Green and Sustainable Valley	2 000	10 000	10 000
Waste Management: Solid Waste Management	Formalize skip areas in Franschhoek and K	712972582	Green and Sustainable Valley	–	500	–
Waste Management: Solid Waste Management	Furniture, Tools and Equipment : Solid Was	712972370	Good Governance and Compliance	45	45	45
Waste Management: Solid Waste Management	Integrated Waste Management Plan	712973455	Green and Sustainable Valley	–	100	–
Waste Management: Solid Waste Management	Landfill Gas To Energy	712972377	Green and Sustainable Valley	2 000	8 000	6 000
Waste Management: Solid Waste Management	Mini Waste drop-off facilities at inf. Settleme	712973449	Green and Sustainable Valley	–	100	200
Waste Management: Solid Waste Management	Skips (5,5Kl)	712972369	Green and Sustainable Valley	200	200	200
Waste Management: Solid Waste Management	Street Refuse Bins	712979098	Green and Sustainable Valley	500	500	–
Waste Management: Solid Waste Management	Transfer Station: Stellenbosch Planning and	712973451	Green and Sustainable Valley	1 000	3 000	3 000
Waste Management: Solid Waste Management	Upgrade Refuse disposal site (Existing Cell)	712972579	Green and Sustainable Valley	929	–	–
Waste Management: Solid Waste Management	Vehicles	712972375	Good Governance and Compliance	–	2 000	3 000
Waste Management: Solid Waste Management	Waste Biofuels	712972376	Green and Sustainable Valley	–	300	–
Waste Management: Solid Waste Management	Waste Management Software	712972383	Green and Sustainable Valley	–	200	–
Waste Management: Solid Waste Management	Waste Minimization Projects	712972367	Green and Sustainable Valley	500	500	–
Waste Management: Solid Waste Management	Waste to Energy - Implementation	712973452	Green and Sustainable Valley	500	3 000	1 000
Waste Management: Solid Waste Management	Waste to Energy - Planning	712973453	Green and Sustainable Valley	200	300	–
Water and Wastewater Services: Water	Bulk water supply Klapmuts	712973356	Valley of Possibility	15 000	5 000	–
Water and Wastewater Services: Water	Bulk water Supply Pipe : Cloetesville/ Idas V	712972596	Valley of Possibility	–	1 000	1 000
Water and Wastewater Services: Water	Bulk water supply pipe and Reservoir: Kaya	712972594	Valley of Possibility	–	–	2 000
Water and Wastewater Services: Water	Bulk water Supply Pipe Line & Pumpstations	712972595	Valley of Possibility	–	–	10 000
Water and Wastewater Services: Water	Bulk Water Supply Pipe: Idas Valley/Papega	712972492	Valley of Possibility	–	–	1 000
Water and Wastewater Services: Water	Bulk Water Supply Pipeline & Reservoir - Ja	712972478	Valley of Possibility	10 000	9 000	9 000
Water and Wastewater Services: Water	Chlorination Installation: Upgrade	712972483	Valley of Possibility	–	500	750
Water and Wastewater Services: Water	Dwarsriver Bulk Supply Augmentation and M	712980161	Valley of Possibility	–	–	7 518
Water and Wastewater Services: Water	Furniture, Tools and Equipment : Reticulatio	712972490	Good Governance and Compliance	100	150	150
Water and Wastewater Services: Water	New Developments Bulk Water Supply WCC	712972479	Valley of Possibility	–	1 000	3 000
Water and Wastewater Services: Water	New Reservoir & Pipeline: Vlothenburg	712973442	Valley of Possibility	40 000	38 000	26 000
Water and Wastewater Services: Water	Northern Extension: Phase 2 Water Infrastru	712973486	Valley of Possibility	4 000	5 000	–
Water and Wastewater Services: Water	Raithby WWTW	NEW	Valley of Possibility	–	5 000	–
Water and Wastewater Services: Water	Reservoirs and Dam Safety	712972485	Valley of Possibility	–	1 500	2 000
Water and Wastewater Services: Water	Stellenbosch WWTW	NEW	Valley of Possibility	–	–	6 000
Water and Wastewater Services: Water	Update Water Masterplan and IMQS	712972496	Valley of Possibility	1 000	1 000	1 000
Water and Wastewater Services: Water	Upgrade and Replace Water Meters	712972486	Valley of Possibility	2 000	2 500	2 500
Water and Wastewater Services: Water	Upgrading of Koelenhof Water Scheme	712976905	Valley of Possibility	–	500	5 000
Water and Wastewater Services: Water	Water Conservation & Demand Manageme	712972484	Valley of Possibility	3 000	3 000	3 000
Water and Wastewater Services: Water	Water Telemetry Upgrade	712972476	Valley of Possibility	750	1 500	1 500
Water and Wastewater Services: Water	Water Treatment Works: Idasvalley	712972497	Valley of Possibility	–	–	15 000
Water and Wastewater Services: Water	Water Treatment Works: Paradyskloof and J	712972481	Valley of Possibility	–	500	5 000
Water and Wastewater Services: Water	Waterpipe Replacement	712972477	Valley of Possibility	4 000	4 000	4 000
Water and Wastewater Services: Water	WSDP (tri-annually)	712973530	Valley of Possibility	–	400	400
Water and Wastewater Services: Sanitation	Bulk Sewer Outfall: Jamestown	712972494	Dignified Living	6 400	–	–
Water and Wastewater Services: Sanitation	Bulk Sewer Upgrade: Dwarsriver Area (Kyle	712979157	Dignified Living	–	–	6 000
Water and Wastewater Services: Sanitation	Cloetesville Bulk Sewer Upgrade	712979158	Dignified Living	–	–	1 000
Water and Wastewater Services: Sanitation	Effluent Recycling of Waste Water 10Ml per	712976911	Dignified Living	–	500	–
Water and Wastewater Services: Sanitation	Franschhoek Sewer Network Upgrade	712979159	Dignified Living	–	6 000	6 000
Water and Wastewater Services: Sanitation	Furniture, Tools and Equipment : Sanitation	712973422	Good Governance and Compliance	200	300	300
Water and Wastewater Services: Sanitation	Industrial Effluent Monitoring	712976906	Dignified Living	–	1 500	1 500
Water and Wastewater Services: Sanitation	Kayamandi Bulk Sewer	712979155	Dignified Living	–	–	5 000
Water and Wastewater Services: Sanitation	Klapmuts Bulk Sewer Upgrade	712979156	Dignified Living	–	1 000	4 000

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Water and Wastewater Services: Sanitation	Northern Extension: Phase 2 Sanitation Infra	712973464	Dignified Living	–	–	2 000
Water and Wastewater Services: Sanitation	Sewer Pumpstation & Telemetry Upgrade	712972488	Dignified Living	100	1 500	2 000
Water and Wastewater Services: Sanitation	Sewerpipe Replacement	712972489	Dignified Living	–	4 000	7 000
Water and Wastewater Services: Sanitation	Sewerpipe Replacement: Dorp Straat	712973372	Dignified Living	–	–	20 000
Water and Wastewater Services: Sanitation	Update Sewer Masterplan and IMQS	712973289	Dignified Living	–	500	500
Water and Wastewater Services: Sanitation	Upgrade Auto-Samplers	712972387	Dignified Living	–	200	200
Water and Wastewater Services: Sanitation	Upgrade of WWTW Wemmershoek	712972585	Dignified Living	30 000	30 000	30 000
Water and Wastewater Services: Sanitation	Upgrade of WWTW: Klapmuts	712972389	Dignified Living	–	10 000	6 000
Water and Wastewater Services: Sanitation	Upgrade of WWTW: Pniel & Decommissioni	712972388	Dignified Living	48 000	–	–
Roads and Stormwater	Adhoc Reconstruction Of Roads (WC024)	712972391	Valley of Possibility	2 000	2 000	–
Roads and Stormwater	Bridge Construction	NEW	Valley of Possibility	30 000	30 000	–
Roads and Stormwater	Furniture, Tools and Equipment : Tr&Stw	712972411	Good Governance and Compliance	250	500	300
Roads and Stormwater	Reseal Roads - Jamestown & Technopark	712980462	Valley of Possibility	–	1 100	–
Roads and Stormwater	Reseal Roads - Klapmuts, Raithby, Meerlus	712980460	Valley of Possibility	–	1 000	–
Roads and Stormwater	Reseal Roads - Kylemore & Surrounding	712973393	Valley of Possibility	–	1 000	–
Roads and Stormwater	Reseal Roads - Stellenbosch & Surroundin	712972394	Valley of Possibility	2 500	2 500	–
Roads and Stormwater	Reseal Roads - Franschhoek & Surroundin	712972586	Valley of Possibility	2 000	1 000	2 000
Roads and Stormwater	Technopark Access Road	712980427	Valley of Possibility	1 000	1 000	–
Traffic Engineering	Furniture tool and equipment	NEW	Good Governance and Compliance	100	100	100
Traffic Engineering	Main road intersection improvements: Helsh	712973391	Valley of Possibility	–	3 000	–
Traffic Engineering	Main road intersection improvements: R44 /	712973389	Valley of Possibility	100	100	–
Traffic Engineering	Main Road Intersection Improvements: R44	712972453	Valley of Possibility	500	3 000	–
Traffic Engineering	Main Road Intersection Improvements: Stra	712972452	Valley of Possibility	1 000	3 000	–
Traffic Engineering	Pedestrian Crossing Implementation	712973398	Safe Valley	300	300	300
Traffic Engineering	Road Transport Safety Master Plan - WC02	712972448	Safe Valley	500	–	–
Traffic Engineering	Signalisation implementation	712973397	Good Governance and Compliance	500	500	500
Traffic Engineering	Traffic Calming Projects: Implementation	712972433	Safe Valley	500	300	300
Traffic Engineering	Traffic Management Improvement Program	712972460	Safe Valley	1 000	1 000	1 000
Traffic Engineering	Traffic Signal Control: Installation and Upgra	712972393	Safe Valley	500	500	500
Traffic Engineering	Universal Access Implementation	712973403	Valley of Possibility	300	200	200
Transport Planning	Adam Tas Road	712975689	Valley of Possibility	–	750	–
Transport Planning	Bicycle Lockup Facilities	712972422	Safe Valley	200	200	–
Transport Planning	Comprehensive Integrated Transport Plan	712972412	Green and Sustainable Valley	600	1 000	600
Transport Planning	Cycle Plan - Design & Implementation	712973534	Valley of Possibility	500	500	–
Transport Planning	Freight Strategy for Stellenbosch & Fransch	712979136	Valley of Possibility	–	200	–
Transport Planning	Jamestown Transport Network	712980353	Green and Sustainable Valley	3 000	–	–
Transport Planning	Non-Motorised Transport Implementation	712977014	Good Governance and Compliance	1 000	1 000	1 000
Transport Planning	Pedestrian and Cycle paths Design and Ph	712973411	Valley of Possibility	500	–	–
Transport Planning	Public Transport Facilities	712979137	Valley of Possibility	–	2 000	–
Transport Planning	Public Transport Infrastructure (Public Tran	712972417	Valley of Possibility	400	500	–
Transport Planning	Public Transport Service (Inclusive of Disab	NEW	Valley of Possibility	500	–	–
Transport Planning	Re-design of Bergzicht Public Transport Fac	712980230	Valley of Possibility	1 500	2 500	–
Transport Planning	Stellenbosch NMT: Jamestown - new sidew	712973405	Good Governance and Compliance	1 000	–	–
Transport Planning	Taxi Rank - Franschhoek	712972415	Valley of Possibility	100	–	–
Transport Planning	Taxi Rank: Klapmuts	712980354	Valley of Possibility	250	250	–
Transport Planning	Tour Bus Parking	712972438	Valley of Possibility	–	400	–
Transport Planning	Update Roads Master Plan for WC024	712973412	Valley of Possibility	–	1 000	–
Information and Communications Technolog	Public Wi-Fi Network	712973438	Valley of Possibility	600	700	700
Information and Communications Technolog	Purchase and Replacement of Computer/sc	712975599	Good Governance and Compliance	600	600	800
Information and Communications Technolog	Upgrade and Expansion of IT Infrastructure	712972509	Good Governance and Compliance	3 500	3 500	3 500
Properties and Municipal Building Maintena	Airconditioners	712972196	Dignified Living	300	300	300
Properties and Municipal Building Maintena	Furniture Tools and Equipment: Property M	712973285	Good Governance and Compliance	250	500	250
Properties and Municipal Building Maintena	Kaymandi: Upgrading of Makapula Hall	712980152	Dignified Living	2 000	–	–
Properties and Municipal Building Maintena	Purchasing of land	712975621	Dignified Living	2 700	500	–
Properties and Municipal Building Maintena	Structural Improvement: General	712972195	Valley of Possibility	1 000	1 000	2 000
Properties and Municipal Building Maintena	Structural improvements at the Van der Stel	712976939	Valley of Possibility	2 600	1 000	–

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Properties and Municipal Building Maintenance	Structural Upgrade: Heritage Building	712972357	Valley of Possibility	1 807	3 000	2 000
Properties and Municipal Building Maintenance	Structural Upgrade: Jamestown Ward Office	712980576	Valley of Possibility	1 000	1 000	–
Properties and Municipal Building Maintenance	Structural Upgrade: Kayamandi Corridor	712980406	Valley of Possibility	1 000	500	–
Properties and Municipal Building Maintenance	Upgrading Fencing	712972363	Safe Valley	200	200	1 000
Properties and Municipal Building Maintenance	Upgrading of New Office Space: Ryneveld	712980409	Valley of Possibility	9 000	5 000	–
Properties and Municipal Building Maintenance	Upgrading of Traffic Offices: Stellenbosch	712977017	Valley of Possibility	–	–	5 000
Community and Protection Services: General	Enlarge Office Space (Jan Marais Reserve)	712975733	Valley of Possibility	250	–	–
Community Development	Furniture Tools and Equipment	712972188	Good Governance and Compliance	85	50	55
Community Services: Library Services	Priel: Furniture, Tools and Equipment	712972262	Good Governance and Compliance	–	–	20
Community Services: Library Services	Upgrading: Cloetesville Library	712972259	Valley of Possibility	200	–	180
Community Services: Library Services	Libraries: Small Capital	712972256	Valley of Possibility	100	–	–
Community Services: Library Services	Library Books	712972250	Valley of Possibility	170	180	–
Disaster Management	Specialized Vehicles: Incident command vehicle	712980200	Good Governance and Compliance	–	–	1 500
Disaster Management	Vehicle Fleet	712972324	Good Governance and Compliance	600	–	–
Environmental Management: Nature Conservation	Hiking Trails in Nature Areas	712973508	Green and Sustainable Valley	–	1 000	–
Environmental Management: Nature Conservation	Jan Marais Nature Reserve: Upgrading and	712975733	Green and Sustainable Valley	500	2 000	–
Environmental Management: Nature Conservation	Mont Rochelle Nature Reserve: Upgrade of	712975734	Green and Sustainable Valley	1 504	–	1 000
Environmental Management: Nature Conservation	Papegaaiberg Nature Reserve	712973490	Green and Sustainable Valley	870	–	–
Environmental Management: Nature Conservation	Upgrade office space: Simonsberg Road	712980391	Valley of Possibility	800	–	–
Environmental Management: Nature Conservation	Furniture, Tools and Equipment	712978091	Good Governance and Compliance	100	100	–
Environmental Management: Nature Conservation	Workshop: Furniture, Tools and Equipment	712979091	Good Governance and Compliance	100	–	–
Environmental Management: Nature Conservation	Workshop: Community Services Tractors	712979096	Good Governance and Compliance	–	800	800
Environmental Management: Nature Conservation	Workshop: Specialized equipment	712980385	Good Governance and Compliance	1 000	1 500	–
Environmental Management: Urban Greening	Design and implement electronic Urban For	712980392	Green and Sustainable Valley	–	250	250
Environmental Management: Urban Greening	Irrigation Systems	712973239	Green and Sustainable Valley	–	100	–
Environmental Management: Urban Greening	Storage Containers: Fertilisers & Pesticides	712975725	Green and Sustainable Valley	–	30	–
Environmental Management: Urban Greening	Urban Forestry: Furniture, Tools and Equipm	712980276	Good Governance and Compliance	–	500	–
Environmental Management: Urban Greening	Urban Forestry Specialized equipment	712980393	Good Governance and Compliance	–	1 200	–
Environmental Management: Urban Greening	Urban Forestry: Vehicle Fleet	712980390	Good Governance and Compliance	1 500	–	–
Fire and Rescue Services	Furniture Tools and Equipment	712973297	Good Governance and Compliance	200	200	200
Fire and Rescue Services	Upgrading of Stellenbosch Fire Station	712973306	Safe Valley	4 445	–	–
Fire and Rescue Services	Rapid Response Vehicle	712973298	Safe Valley	–	–	2 500
Fire and Rescue Services	Rescue equipment	712973300	Safe Valley	300	300	300
Law Enforcement and Security	Furniture Tools and Equipment	712972338	Good Governance and Compliance	150	150	150
Law Enforcement and Security	Install and Upgrade CCTV/ LPR Cameras In	712972316	Safe Valley	1 000	1 000	1 000
Law Enforcement and Security	Install Computerized Access Security System	712972335	Safe Valley	500	500	500
Law Enforcement and Security	Law Enforcement Tools and Equipment	712972336	Safe Valley	750	300	–
Law Enforcement and Security	Vehicle Fleet	712972344	Good Governance and Compliance	2 000	–	–
Law Enforcement and Security	Neighbourhood Watch Safety equipment	712980423	Safe Valley	300	500	250
Parks and Cemeteries	Artificial grass on parks and gardens	712980262	Green and Sustainable Valley	–	–	300
Parks and Cemeteries	Extension of Cemetery Infrastructure	712972247	Dignified Living	1 000	7 000	9 000
Parks and Cemeteries	Facilities upgrade- Nursery	712980380	Green and Sustainable Valley	–	50	–
Parks and Cemeteries	Fencing on Various Parks and Gardens	712980253	Safe Valley	–	–	200
Parks and Cemeteries	Pathways on Parks & gardens	712980256	Green and Sustainable Valley	100	200	–
Parks and Cemeteries	Upgrading of Parks	712975618	Green and Sustainable Valley	1 000	1 000	–
Parks and Cemeteries	Integrated and Spray Parks	712978093	Green and Sustainable Valley	2 000	2 000	2 000
Parks and Cemeteries	Urban Greening: Beautification: Main Route	712972217	Green and Sustainable Valley	200	–	–
Recreation, Sports Grounds & Halls	Upgrading of swimming pool	712973304	Valley of Possibility	50	–	–
Recreation, Sports Grounds & Halls	Furniture, Tools & Equipment	712979123	Good Governance and Compliance	150	150	–
Recreation, Sports Grounds & Halls	Recreational Equipment Sport	712972241	Valley of Possibility	50	50	–
Recreation, Sports Grounds & Halls	Re-Surface of Netball/Tennis Courts	712972223	Valley of Possibility	–	550	–
Recreation, Sports Grounds & Halls	Sight Screens/Pitch Covers Sports Grounds	712972224	Valley of Possibility	100	100	–
Recreation, Sports Grounds & Halls	Cricket/Tennis Nets	712980600	Valley of Possibility	150	150	–
Recreation, Sports Grounds & Halls	Sport: Community Services Special Equipm	712972205	Valley of Possibility	200	300	–
Recreation, Sports Grounds & Halls	Upgrade of Irrigation System	712972225	Green and Sustainable Valley	50	200	–
Recreation, Sports Grounds & Halls	Upgrade of Sport Facilities	712972227	Valley of Possibility	600	–	–

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Traffic Services	Furniture, Tools & Equipment	712972325	Good Governance and Compliance	100	100	100

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Traffic Services	Mobile Radios	712972330	Safe Valley	100	–	–
Traffic Services	Towing Vehicles	712980426	Safe Valley	–	–	1 750
Financial Services: General	Furniture, Tools & Equipment	712972505	Good Governance and Compliance	200	200	210
Parent Capital expenditure				397 764	384 460	381 495
Entities: <i>List all capital projects grouped by Entity</i>						
Entity A Water project A						
Entity B Electricity project B						
Entity Capital expenditure				–	–	–
Total Capital expenditure				–	–	–

References*Must reconcile with Budgeted Capital Expenditure*

Projects that fall above the threshold values applicable to the municipality as identified in regulation 13 of the Municipal Budget and Reporting Regulations must be listed individually. Other projects by Fur Asset class as per table A9 and asset sub-class as per table SA34

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

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

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

397 764 384 460 381 495

WC024 Stellenbosch - Supporting Table SA37 Projects delayed from previous financial year/s

R thousand	Current Year 2020/21		Own Strategic Objectives	Project number	Project name	2021/22 Medium Term Revenue & Expenditure Framework					
	Original Budget	Full Year Forecast					Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24		
Parent municipality: List all capital projects grouped by Function											
Waste Management: Solid Waste Management			Green and Sustainable Valley	712972369	Expansion of the landfill site (New cells)	2 000	1 051	2 000	10 000	10 000	
Waste Management: Solid Waste Management			Green and Sustainable Valley	712973453	Upgrade Refuse disposal site (Existing Cell)- Reh	929	-	929	-	-	
Electrical Services			Valley of Possibility	712975668	Kwarentyn Sub cables: 11kV 3 core 185mmsq co	5 500	2 500	5 700	-	-	
Infrastructure Plan, Dev and Implement			Dignified Living	712972572	Basic Improvements: Langrug	1 610	1 430	2 490	-	-	
Infrastructure Plan, Dev and Implement			Dignified Living	712980356	Smartie Town	3 000	2 353	-	-	-	
Infrastructure Plan, Dev and Implement			Dignified Living	712977010	Upgrading of The Steps/ Orlean Lounge	8 000	5 000	8 000	3 000	-	
Water and Wastewater Services: Sanitation			Dignified Living	712972388	Sewerpipe Replacement: Dorp Straat	1 200	-	-	-	20 000	
Water and Wastewater Services: Sanitation			Dignified Living	712973385	Upgrade of WWTW Wemmershoek	15 000	3 000	30 000	30 000	30 000	
Water and Wastewater Services: Sanitation			Dignified Living	712972585	Access to Basic Services	1 465	-	1 746	600	2 000	
Water and Wastewater Services: Sanitation			Dignified Living	712972399	Franschhoek Sewer Network Upgrade	5 000	-	-	6 000	6 000	
Water and Wastewater Services: Sanitation			Dignified Living	712973393	Industrial Effluent Monitoring	750	-	-	1 500	1 500	
Water and Wastewater Services: Sanitation			Valley of Possibility	712976986	New Development Bulk Sewer Supply WC024	1 000	-	-	-	-	
Water and Wastewater Services: Sanitation			Dignified Living	712972394	Sewer Pumpstation & Telemetry Upgrade	1 000	-	100	1 500	2 000	
Water and Wastewater Services: Water			Valley of Possibility	712972594	Bulk water supply pipe and Reservoir: Kayamand	19 500	4 500	-	-	2 000	
Properties and Municipal Building Maintenance			Dignified Living	712980152	Kaymandi: Upgrading of Makapula Hall	1 000	100	2 000	-	-	
Properties and Municipal Building Maintenance			Valley of Possibility	712972357	Structural Upgrade: Heritage Building	1 000	263	1 807	3 000	2 000	
Properties and Municipal Building Maintenance			Valley of Possibility	712976939	Structural improvements at the Van der Stel Spor	800	100	2 600	1 000	-	
Entities:											
List all capital projects grouped by Entity											
Entity Name											
Project name											

References

List all projects with planned completion dates in current year that have been re-budgeted in the MTREF
Asset class as per table A9 and asset sub-class as per table SA34

R thousand Function	Project name	Project number	Own Strategic Objectives	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Original Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24

GPS coordinates correct to seconds. Provide a logical starting point on networked infrastructure.
Project Number consists of MSCOA Project Longcode and seq No (sample PC001002006002_00002)

Q: QUALITY CERTIFICATE

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

Name: Geraldine Mettler

Municipal Manager of Stellenbosch Municipality

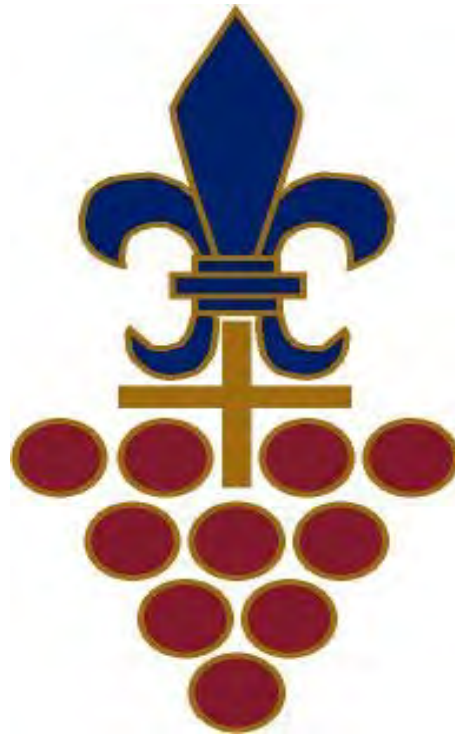
Signature _____



Date _____

26 / 03 / 2021

STELLENBOSCH MUNICIPALITY



**MONTHLY HOUSEHOLD AND BUSINESS
ACCOUNTS SCENARIOS**

2021/2022

MONTHLY HOUSEHOLD AND BUSINESS ACCOUNTS SCENARIOS BY MEANS OF RANDOM SAMPLE

Account numbers use as basis

SMALL HOUSEHOLD (NON- INDIGENT)

600202000	
Stand - sq.m	416
Buildings - sq.m	57
Elec. - Kwh/pm (Dom2)	237
Electricity-Basic	Dom 2** Pre-paid
Water - Kl./pm - 10% RS	12
Water-Basic	Domestic
Valuation	180000/New - 216 000
Free Water	0
Free Elec.	0

Erf 36

Monthly Account

EXCL VAT	
2020/2021	2021/2022
Property Rates	-
Electricity - Units	319.61
Electricity - Basic	-
Water	91.38
Water Basic	69.84
Sewerage	162.59
Refuse Removal	205.11
A/c Excluding VAT	848.53
% Increase	10.58%
Effect on Municipal account	89.80

SMALL HOUSEHOLD (NON- INDIGENT)

600202000	
Stand - sq.m	416
Buildings - sq.m	57
Elec. - Kwh/pm (Dom 4)	237
Electricity-Basic	Dom 4** Credit meter
Water - Kl./pm - 10% RS	18
Water-Basic	Domestic
Valuation	180000/New - 216 000
Free Water	0
Free Elec.	0

Erf 36

Monthly Account

EXCL VAT	
2020/2021	2021/2022
Property Rates	-
Electricity - Units	318.34
Electricity - Basic	185.77
Water	184.44
Water Basic	69.84
Sewerage	162.59
Refuse Removal	205.11
A/c Excluding VAT	1 126.09
% Increase	10.82%
Effect on Municipal account	121.82

MEDIUM HOUSEHOLD

373420016	
Stand - sq.m	626
Buildings - sq.m (Dom 2)	189
Elec. - Kwh/pm	598
Electricity-Basic	Dom 2 - No Basic Fee
Water - Kl./pm - 10% RS	25
Water-Basic	Domestic
Valuation	864000/New-1 105 000
Free Water	0
Free Elec.	0

Erf 7018 Monthly Account

EXCL VAT		
Monthly Account	2020/2021	2021/2022
Property Rates	299.35	319.27
Electricity - Units	1 001.77	1 147.91
Water	353.36	372.69
Water Basic	69.84	73.69
Sewerage	203.32	215.52
Refuse Removal	205.11	229.71
A/c Excluding VAT	2 132.75	2 358.79
% Increase		10.60%
Effect on Municipal account		226.04

LARGE HOUSEHOLD

70270004	
Stand - sq.m	1255
Buildings - sq.m	293
Elec. - Kwh/pm	791
Electricity-Basic	Dom 4** Credit meter
Water - Kl./pm - 10% RS	70
Water-Basic	Domestic
Valuation	5635000/New-7 990 000
Free Water	0
Free Elec.	0

Erf 1480 Monthly Account

EXCL VAT		
Monthly Account		
	2020/2021	2021/2022
Property Rates	2 533.68	2 977.99
Electricity - Basic	185.77	212.87
Electricity - Units	1 450.26	1 661.82
Electricity Demand Levy	-	-
Water	2 765.51	2 917.44
Water Basic	69.84	73.69
Sewerage	289.67	307.05
Refuse Removal	205.11	229.71
A/c Excluding VAT	7 499.84	8 380.57
% Increase		11.74%
Effect on Municipal account		880.73

SMALL BUSINESS

441930003	
Stand - sq.m	500
Buildings - sq.m	411
Elec. - Kwh/pm	783
Electricity-Basic	Regular PP Com 3
Water - Kl./pm - 10% RS	9
Water-Basic	Other
Valuation	1877000/New-2605000
Free Water	0
Free Elec.	0

Erf 8721

Monthly Account

Property Rates	1 861.51	2 042.75
Electricity - Basic	318.77	365.28
Electricity - Units	1 774.04	2 032.90
Electricity Demand Levy	-	-
Water	198.63	209.52
Water Basic	80.00	84.40
Sewerage -500+ADD17-3	735.40	779.52
Refuse Removal	727.78	815.04
A/c Excluding VAT	5 696.13	6 329.41
% Increase		11.12%
Effect on Municipal account		633.28

INDUSTRIAL

341000004/107	
Stand - sq.m	252 740
Buildings - sq.m	76 054
Elec. - Kwh/pm	664319
Electricity-Basic	IND 2 /2581/2581
Water - Kl./pm 10% RS	12453
Water-Basic	Other
Valuation	180821000/New-224654000
Free Water	0
Free Elec.	0

Erf 6284

Monthly Account

Property Rates Electricity - Basic Electricity - Units Electricity Demand Levy	179 329.23	176 166.18
	3 691.84	4 230.48
	680 528.38	779 844.07
	796 754.70	913 002.94
	274 837.71	289 905.84
Water		
Water Basic	80.00	84.40
Sewerage	37 677.32	39 941.38
Refuse Removal	3 638.90	4 075.20
A/c Excluding VAT	1 976 538.08	2 207 250.49
% Increase	11.67%	
Effect on Municipal account	230 712.41	

Time of Use (Medium Voltage)TOU2

341000004/107	
Stand - sq.m	252 740
Buildings - sq.m	76 054
Peak	187842
Standard	502191
Off-Peak	438833
Demand	3001
Access	3500
Electricity-Basic	
Water - Kl./pm 10% RS	12453
Water-Basic	Other
Valuation	180821000/New-224654000
Free Water	0
Free Elec.	0

A2=14241
A17=89
A20=6

Erf 6284

Monthly Account

2020/2021		2021/2022	
Property Rates	179 329.23	176 166.18	-
Electricity Units	296 677.65	339 956.45	
Electricity Units	518 813.52	594 493.71	
Electricity Units	339 788.39	389 376.52	
Electricity Demand Max	151 850.60	173 997.98	
Electricity Demand Access	168 455.00	193 025.00	
Electricity - Basic	6 951.96	7 966.25	
Water	274 837.71	289 905.84	
Water Basic	80.00	84.40	
Sewerage-20+A2,A17,A20	37 677.32	39 941.38	
Refuse Removal	3 638.90	4 075.20	

A/c Excluding VAT

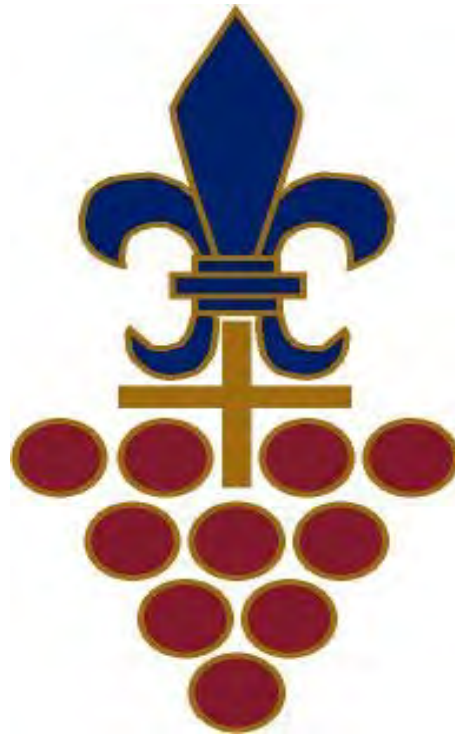
% Increase

Effect on Municipal account

2.55% 11.67%
49 272.25 230 888.63

EXCL VAT

STELLENBOSCH MUNICIPALITY



TARIFFS

2021/2022

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STELLENBOSCH MUNICIPALITY

PROPERTY TAX RATES FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022

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

PROPERTY RATES:

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

Category of Property	Tariff
Residential	R 0.004481
Industrial	R 0.009858
Business and Commercial	R 0.009410
Agricultural	R 0.001120
Mining	R 0.010306
Public Service Purposes	R 0.009410
Public Service Infrastructure	R 0.001120
Public Benefit Organisation	R 0.001120
Heritage	R 0.003585
Vacant Residential	R 0.008962
Vacant Other (not Residential nor Agricultural)	R 0.017924
Multiple Use Purpose (Each Component is categorised and rated as per above)	Multi Tariff

SPECIAL RATING AREAS (SRA):

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

Special Rating Area	Tariff (Incl VAT)
Jonkershoek	R 0.0008192
Technopark	R 0.0014435

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

RELIEF MEASURES:

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

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

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

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

2. Municipal Valuation Threshold

On qualifying residential properties, up to a maximum valuation of R 250 000, which amount includes the R15 000 as per Section 17(1)(h) of the MPRA and the R 235 000 Reduction granted as per paragraph 8.2.1(ii) of the approved Rates Policy.

3. Stellenbosch Special Rebates

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

STELLENBOSCH MUNICIPALITY

ELECTRICITY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022

Applicable to services rendered from 1 July 2021

	Approved 2020/2021	Application 2021/2022
1. Domestic		
Domestic: Life Line PP - 0 to 60amp single phase only (For qualifying indigent customers and receiving the first 100 units free per month) (DOM1)		
Fixed Charge per month	-	-
Domestic PP Lifeline DOM1 (c/kWh) (<= 50 kWh)	109.82	125.84
Domestic PP Lifeline DOM1 (c/kWh) (51 – 300 kWh)	137.42	157.47
Domestic PP Lifeline DOM1 (c/kWh) (300 – 600 kWh)	204.82	234.70
Domestic PP Lifeline DOM1 (c/kWh) (> 600 kWh)	235.86	270.27
Domestic PP Lifeline DOM1 BSST	-	-
Domestic: Regular PP meters- (0 to 60amp single and three phase AND Less than 600kWh per month average consumption during the previous financial year and for generation for own use) (DOM2)		
Fixed Charge per month	-	-
Energy Rate (c/kWh) (<= 50kWh)	110.00	126.05
Energy Rate (c/kWh) (51 - 300kWh)	141.50	162.14
Energy Rate (c/kWh) (301 - 600kWh)	199.00	228.03
Energy Rate (c/kWh) (> 600kWh)	234.00	268.14
Domestic: Regular PP meters- (0 to 60 Amp single and three phase using more than 600 kWh per month average consumption during the previous financial year and for generation for own use) (DOM3)		
Fixed Charge per month	150.60	172.57
Energy Rate (c/kWh) (<= 50kWh)	109.82	125.84
Energy Rate (c/kWh) (51 - 300kWh)	140.87	161.42
Energy Rate (c/kWh) (301 - 600kWh)	198.73	227.72
Energy Rate (c/kWh) (> 600kWh)	234.02	268.16
Domestic: Regular (Using Credit Meters 60 Ampere single and three phase maximum and for generation for own use) (DOM4)		
Fixed Charge per month	185.77	212.87
Energy Rate (c/kWh) (<= 50kWh)	109.82	125.84
Energy Rate (c/kWh) (51 - 300kWh)	140.87	161.42
Energy Rate (c/kWh) (301 - 600kWh)	198.73	227.72
Energy Rate (c/kWh) (> 600kWh)	234.02	268.16
Domestic: Renewable Energy (DOM5) Generation for own use and export		
Reading cost R/pm	84.07	96.34
Basic Charge	185.77	212.87
Import		
Energy Rate (c/kWh) (<= 50kWh)	109.82	125.84
Energy Rate (c/kWh) (51 - 300kWh)	140.87	161.42
Energy Rate (c/kWh) (301 - 600kWh)	198.73	227.72
Energy Rate (c/kWh) (> 600kWh)	234.02	268.16
Reactive Energy Rate (c/kVArh)	21.58	24.73
Export		
Low Season		
Peak c/kWh	104.67	119.94
Standard c/kWh	72.03	82.54
Off Peak c/kWh	45.70	52.37

	Approved 2020/2021	Application 2021/2022
High Season		
Peak c/kWh	320.91	367.73
Standard c/kWh	97.22	111.40
Off Peak c/kWh	52.79	60.49
2. Commercial		
Commercial: Life Line (<20Ampere maximum, Single & three phase Pre Paid Only for micro entrepreneurial businesses) (COM1)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	237.81	272.51
Commercial: Low (40Ampere maximum, Pre Paid single & three phase only and for generation for own use) (COM2)		
Fixed Charge per month	186.16	213.32
Energy Rate (c/kWh)	190.96	218.82
Commercial: Regular PP only (80Ampere, single and three phase and for generation for own use) (COM3)		
Fixed Charge per month	318.77	365.28
Energy Rate (c/kWh)	226.57	259.63
Commercial: Credit meters (80Ampere, single and three phase and for generation for own use) (COM4)		
Fixed Charge per month	345.81	396.26
Energy Rate (c/kWh)	211.14	241.95
Commercial: Renewable Energy (COM 5) Generation for own use and export		
Reading cost R/pm	84.07	96.34
Basic Charge	345.81	396.26
Import		
Energy Rate (c/kWh)	211.14	241.95
Reactive Energy Rate (c/kVArh)	21.58	24.73
Export		
Low Season		
Peak c/kWh	104.67	119.94
Standard c/kWh	72.03	82.54
Off Peak c/kWh	45.70	52.37
High Season		
Peak c/kWh	320.91	367.73
Standard c/kWh	97.22	111.40
Off Peak c/kWh	52.79	60.49
3. Agricultural		
Agricultural: Regular (Prepaid and Credit meters maximum 80Amp 3 phase and for generation for own use) (AGR1)		
Fixed Charge per month	377.73	432.84
Energy Rate (c/kWh)	229.87	263.41
AGRICULTURAL: Renewable Energy (AGRI 1.1) Generation for own use and export		
Tariff similar as AGRI 1		
Reading cost R/pm	84.07	96.34
Fixed Charge per month R/pm	377.73	432.84
Import		
Energy Rate (c/kWh)	229.87	263.41
Reactive Energy Rate (c/kVArh)	21.58	24.73
Export		
Low Season		
Peak c/kWh	104.67	119.94
Standard c/kWh	72.03	82.54
Off Peak c/kWh	45.70	52.37

	Approved 2020/2021	Application 2021/2022
High Season		
Peak c/kWh	320.91	367.73
Standard c/kWh	97.22	111.40
Off Peak c/kWh	52.79	60.49
4. Industrial		
Industrial: Low Voltage > 80 Amp and for generation for own use (IND1)		
Fixed Charge per month	1 947.12	2 231.20
Energy Rate (c/kWh)	103.84	118.99
Notified Demand (R/kVA)	47.52	54.45
Maximum Demand Charge (R/kVA)	263.88	302.38
Industrial (IND 1.1): Low Voltage>80 Amp: Renewable Energy- Generation for own use and export		
Fixed Charge per month	1 947.12	2 231.20
Reading cost R/pm	84.07	96.34
Import		
Energy Rate (c/kWh)	103.84	118.99
Notified Demand (R/kVA)	47.52	54.45
Maximum Demand Charge (R/kVA)	263.88	302.38
Reactive Energy Rate (c/kVArh)	21.58	24.73
Export		
Low Season		
Peak c/kWh	104.67	119.94
Standard c/kWh	72.03	82.54
Off Peak c/kWh	45.70	52.37
High Season		
Peak c/kWh	320.91	367.73
Standard c/kWh	97.22	111.40
Off Peak c/kWh	52.79	60.49
Industrial: Medium Voltage and for generation for own use (IND2)		
Fixed Charge per month	3 691.84	4 230.48
Energy Rate (c/kWh)	102.44	117.39
Notified Demand (R/kVA)	46.77	53.59
Maximum Demand Charge (R/kVA)	261.93	300.15
Industrial Medium Voltage (IND 2.1): Renewable Energy - Generation for own use and export		
Tariff similar as IND2		
Fixed Charge per month	3 691.84	4 230.48
Reading cost R/pm	84.07	96.34
Import		
Energy Rate (c/kWh)	102.44	117.39
Notified Demand (R/kVA)	46.77	53.59
Maximum Demand Charge (R/kVA)	261.93	300.15
Reactive Energy Rate (c/kVArh)	21.58	24.73
Export		
Low Season		
Peak c/kWh	104.67	119.94
Standard c/kWh	72.03	82.54
Off Peak c/kWh	45.70	52.37
High Season		
Peak c/kWh	320.91	367.73
Standard c/kWh	97.22	111.40
Off Peak c/kWh	52.79	60.49
PLEASE NOTE, FOR ALL TARIFFS WHERE THERE IS A MAXIMUM DEMAND CHARGE AS PART OF THE TARIFF: In the event that the access demand is exceeded more than once in a financial year, a 10% additional fee (to be used for Bulk-Levy Contributions) will be levied as from the second month that the demand has exceeded and for each month exceeding thereafter.		

	Approved 2020/2021	Application 2021/2022
5. Municipal		
Municipal: Street and Traffic lights (MUN1)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	237.17	271.77
Municipal: Low Voltage <80 Amp (MUN2)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	215.58	247.03
Municipal: Low Voltage >80 Amp (MUN3)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	98.81	113.23
Maximum Demand Charge (R/kVA)	292.52	335.20
Municipal: Medium Voltage (MUN4)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	-	-
Maximum Demand Charge (R/kVA)	-	-
6. Non Profit Organisations		
Non Profit Organisations : Single Phase 20 Amp Prepaid (NPO1)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	237.81	272.51
Non Profit Organisations : Low Voltage Max 60 Amp Prepaid SARS Approved (NPO2)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	228.15	261.44
7. Sport		
Sport: Low All Consumers (<80A) and Prepaid (SPO1)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	202.13	231.62
Sport: High Consumers (>80A) Maximum Demand (SPO2)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	92.50	106.00
Notified Demand	-	-
Maximum Demand Charge (R/kVA)	291.54	334.08
8. Time-of-Use		
Time of Use (Low Voltage>80Amp and for generation for own use) TOU1		
Fixed Charge per month	3 720.79	4 263.65
SUMMER: Demand Charge (R/kVA)	50.44	57.80
Access Charge (R/kVA)	50.44	57.80
Peak Energy (c/kWh)	165.02	189.10
Standard Energy (c/kWh)	108.74	124.61
Off-peak Energy (c/kWh)	81.55	93.45
Reactive Energy (c/kVArh)	-	-
WINTER: Demand Charge (R/kVA)	50.44	57.80
Access Charge (R/kVA)	50.44	57.80
Peak Energy (c/kWh)	517.48	592.98
Standard Energy (c/kWh)	155.31	177.97
Off-peak Energy (c/kWh)	91.25	104.56
Reactive Energy (c/kVArh)	21.58	24.73
Time of Use Low Voltage (TOU 1.1): Renewable Energy - Generation for own use and export		
Reading Cost R/pm	84.07	96.34
Fixed Charge per month	3 720.79	4 263.65

	Approved 2020/2021	Application 2021/2022
Import		
SUMMER: Demand Charge (R/kVA)	50.44	57.80
Access Charge (R/kVA)	50.44	57.80
Peak Energy (c/kWh)	165.02	189.10
Standard Energy (c/kWh)	108.74	124.61
Off-peak Energy (c/kWh)	81.55	93.45
Reactive Energy (c/kVArh)	21.58	24.73
WINTER: Demand Charge (R/kVA)	50.44	57.80
Access Charge (R/kVA)	50.44	57.80
Peak Energy (c/kWh)	517.48	592.98
Standard Energy (c/kWh)	155.31	177.97
Off-peak Energy (c/kWh)	91.25	104.56
Reactive Energy (c/kVArh)	21.58	24.73
Export		
Low Season		
Peak c/kWh	104.67	119.94
Standard c/kWh	72.03	82.54
Off Peak c/kWh	45.70	52.37
High Season		
Peak c/kWh	320.91	367.73
Standard c/kWh	97.22	111.40
Off Peak c/kWh	52.79	60.49
Time of Use (Medium Voltage and for generation for own use) TOU2		
Fixed Charge per month	6 951.96	7 966.25
SUMMER: Demand Charge (R/kVA)	50.61	57.99
Access Charge (R/kVA)	48.13	55.15
Peak Energy (c/kWh)	157.94	180.98
Standard Energy (c/kWh)	103.31	118.38
Off-peak Energy (c/kWh)	77.43	88.73
Reactive Energy (c/kVArh)	-	-
WINTER: Demand Charge (R/kVA)	50.61	57.99
Access Charge (R/kVA)	48.13	55.15
Peak Energy (c/kWh)	521.72	597.84
Standard Energy (c/kWh)	148.20	169.82
Off-peak Energy (c/kWh)	87.11	99.82
Reactive Energy (c/kVArh)	22.38	25.65
Time of Use Medium Voltage (TOU 2.1): Renewable Energy - Generation for own use and export		
Fixed Charge per month	6 951.96	7 966.25
Reading Cost R/pm	84.07	96.34
Import		
SUMMER: Demand Charge (R/kVA)	50.61	57.99
Access Charge (R/kVA)	48.13	55.15
Peak Energy (c/kWh)	157.94	180.98
Standard Energy (c/kWh)	103.31	118.38
Off-peak Energy (c/kWh)	77.43	88.73
Reactive Energy (c/kVArh)	22.38	25.65
WINTER: Demand Charge (R/kVA)	50.61	57.99
Access Charge (R/kVA)	48.13	55.15
Peak Energy (c/kWh)	521.72	597.84
Standard Energy (c/kWh)	148.20	169.82
Off-peak Energy (c/kWh)	87.11	99.82
Reactive Energy (c/kVArh)	22.38	25.65
Export		
Low Season		
Peak c/kWh	104.67	119.94
Standard c/kWh	72.03	82.54
Off Peak c/kWh	45.70	52.37

	Approved 2020/2021	Application 2021/2022
High Season		
Peak c/kWh	320.91	367.73
Standard c/kWh	97.22	111.40
Off Peak c/kWh	52.79	60.49
PLEASE NOTE, FOR ALL TARIFFS WHERE THERE IS A MAXIMUM DEMAND CHARGE AS PART OF THE TARIFF: In the event that the access demand is exceeded more than once in a financial year, a 10% additional fee (to be used for Bulk-Levy Contributions) will be levied as from the second month that the demand has exceeded and for each month exceeding thereafter.		
9. Co-generation/small scale embedded generation tariff		
Buyback rates for surplus renewable energy that can be sold back to the municipality. Available on DOM4, COM4, AGRI1, IND1, IND2, TOU1 and TOU2 tariffs		
Reading Cost (R/month)	84.07	96.34
Import (low and high season)		
Reactive Energy Rate (c/kVArh) (all except TOU2)	21.58	24.73
Reactive Energy Rate (c/kVArh) (TOU2 only)	22.38	25.65
Export		
Low Season		
Peak (c/kWh)	104.67	119.94
Standard (c/kWh)	72.03	82.54
Off Peak (c/kWh)	45.70	52.37
High Season	-	-
Peak (c/kWh)	320.91	367.73
Standard (c/kWh)	97.22	111.40
Off Peak (c/kWh)	52.79	60.49
10. Pilot Internal Wheeling Tariffs		
Customer received power at low voltage (<400V) in c/kWh	22.65	25.95
Customer received power at medium voltage (>400V) in c/kWh	19.62	22.48
Upon a successful application Stellenbosch Municipality will permit the retail wheeling of electricity through its network by another electricity supplier that is licensed for the trading of electricity in terms of the Electricity Regulation Act to the customers of this electricity supplier.		
11. Generation for Own Use		
Customers that want to connect their own generation system to the municipal electrical grid without being compensated for reverse power flow can remain on their current tariff and continue to use their current meter.		
12. Generation for Own Use and Export		
Customers that want to connect their own generation system to the municipal electrical grid for own use and export and who want to be reimbursed for exported energy will have to do the following: 1 The Municipality shall provide and install the requisite meters at the customer's cost. 2 The customer will stay on the existing purchase tariff. 3 For reimbursement the basic charge will be increased to include the automated meter reading cost 4 The reimbursement will only be for the export energy. 5 Customer not allowed to generate more than his total consumption per financial year.		
13. Availability Fees (Per Annum)		
Availability (R/year)		0.00
14. Time of use periods		
1. Low Demand - Summer September to May Monday to Friday 00:00 - 06:00 Off Peak 06:00 - 07:00 Standard 07:00 - 10:00 Peak 10:00 - 18:00 Standard 18:00 - 20:00 Peak 20:00 - 22:00 Standard 22:00 - 24:00 Off Peak		2. High Demand - Winter June to August Monday to Friday 00:00 - 06:00 Off Peak 06:00 - 09:00 Peak 09:00 - 17:00 Standard 17:00 - 19:00 Peak 19:00 - 22:00 Standard 22:00 - 24:00 Off Peak

	Approved 2020/2021	Application 2021/2022
Saturday 00:00 - 07:00 Off Peak 07:00 - 12:00 Standard 12:00 - 18:00 Off Peak 18:00 - 20:00 Standard 20:00 - 24:00 Off Peak Sunday 00:00 - 24:00 Off Peak		Saturday 00:00 - 07:00 Off Peak 07:00 - 12:00 Standard 12:00 - 18:00 Off Peak 18:00 - 20:00 Standard 20:00 - 24:00 Off Peak Sunday 00:00 - 24:00 Off Peak
All tariffs exclusive of VAT		

STELLENBOSCH MUNICIPALITY																		
WATER TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022 Applicable to services rendered from 1 July 2021																		
Monthly consumption	2020/2021				2021/2022													
	Normal consumption periods		10% Water restriction periods		30% Water restriction periods		40% Water restriction periods		Normal consumption periods		10% Water restriction periods		20% Water restriction periods		30% Water restriction periods		40% Water restriction periods	
	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT
DOMESTIC Includes single residential even as well as single residential even managed by body corporates. 0 kilolitres to 6 kilolitres > 6 kilolitres to 12 kilolitres > 12 kilolitres to 18 kilolitres > 12 kilolitres to 20 kilolitres > 18 kilolitres to 25 kilolitres > 20 kilolitres to 25 kilolitres > 25 kilolitres to 40 kilolitres > 40 kilolitres to 70 kilolitres 70 kilolitres and above	R 6.06	per kl.	R 6.06	per kl.	R 6.06	per kl.	R 6.45	per kl.	R 6.39	per kl.	R 6.39	per kl.	R 6.39	per kl.	R 6.39	per kl.	R 6.81	per kl.
	R 9.17	per kl.	R 10.06	per kl.	R 10.96	per kl.	R 11.85	per kl.	R 9.67	per kl.	R 10.46	per kl.	R 11.56	per kl.	R 11.56	per kl.	R 12.51	per kl.
	R 15.51	per kl.	R 20.88	per kl.	R 25.36	per kl.	R 35.20	per kl.	R 16.36	per kl.	R 19.73	per kl.	R 22.03	per kl.	R 26.75	per kl.	R 37.14	per kl.
	R 27.58	per kl.	R 34.56	per kl.	R 45.72	per kl.	R 63.86	per kl.	R 29.09	per kl.	R 33.72	per kl.	R 36.46	per kl.	R 48.24	per kl.	R 67.37	per kl.
	R 38.33	per kl.	R 44.33	per kl.	R 64.20	per kl.	R 90.05	per kl.	R 40.43	per kl.	R 44.91	per kl.	R 46.77	per kl.	R 67.73	per kl.	R 95.00	per kl.
	R 61.24	per kl.	R 85.73	per kl.	R 132.68	per kl.	R 204.13	per kl.	R 64.61	per kl.	R 79.63	per kl.	R 90.45	per kl.	R 139.97	per kl.	R 215.36	per kl.
	R 95.85	per kl.	R 198.09	per kl.	R 300.33	per kl.	R 402.57	per kl.	R 101.12	per kl.	R 158.34	per kl.	R 208.98	per kl.	R 316.85	per kl.	R 424.71	per kl.
DOMESTIC CLUSTER Refers to a cluster (block of flats) served by a single water connections 0 kilolitres to 6 kilolitres > 6 kilolitres to 12 kilolitres > 12 kilolitres to 18 kilolitres > 18 kilolitres to 25 kilolitres Above 25 kilolitres	R 6.06	per kl.	R 6.06	per kl.	R 6.06	per kl.	R 6.06	per kl.	R 6.39	per kl.	R 6.39	per kl.	R 6.39	per kl.	R 6.39	per kl.	R 6.39	per kl.
	R 9.17	per kl.	R 10.06	per kl.	R 10.96	per kl.	R 11.85	per kl.	R 9.67	per kl.	R 10.46	per kl.	R 11.56	per kl.	R 11.56	per kl.	R 12.51	per kl.
	R 15.51	per kl.	R 20.88	per kl.	R 25.36	per kl.	R 35.20	per kl.	R 16.36	per kl.	R 19.73	per kl.	R 22.03	per kl.	R 26.75	per kl.	R 37.14	per kl.
	R 27.58	per kl.	R 34.56	per kl.	R 45.72	per kl.	R 63.86	per kl.	R 29.09	per kl.	R 33.72	per kl.	R 36.46	per kl.	R 48.24	per kl.	R 67.37	per kl.
	R 38.33	per kl.	R 44.33	per kl.	R 64.20	per kl.	R 90.05	per kl.	R 40.43	per kl.	R 44.91	per kl.	R 46.77	per kl.	R 67.73	per kl.	R 95.00	per kl.
	R 22.07	per kl.	R 35.32	per kl.	R 48.56	per kl.	R 61.81	per kl.	R 23.28	per kl.	R 31.03	per kl.	R 37.26	per kl.	R 51.23	per kl.	R 65.21	per kl.
BUSINESS, COMMERCIAL AND INDUSTRIAL (Include University)																		
MUNICIPAL TARIFF FOR MUNICIPAL BUILDINGS AND ALL LEAKAGES 0 kilolitres to 20 kilolitres > 21 kilolitres to 50 kilolitres Above 50 kilolitres	R 9.69	per kl.	R 12.64	per kl.	R 15.59	per kl.	R 18.54	per kl.	R 10.22	per kl.	R 12.11	per kl.	R 13.33	per kl.	R 16.45	per kl.	R 19.56	per kl.
	R 10.17	per kl.	R 12.96	per kl.	R 15.75	per kl.	R 18.54	per kl.	R 10.73	per kl.	R 12.55	per kl.	R 13.67	per kl.	R 16.62	per kl.	R 19.56	per kl.
	R 11.06	per kl.	R 13.55	per kl.	R 16.05	per kl.	R 18.54	per kl.	R 11.66	per kl.	R 13.36	per kl.	R 14.30	per kl.	R 16.93	per kl.	R 19.56	per kl.
MISCELLANEOUS AND ALL OTHER USERS (Schools, Sportbodies, Churches and Charity Organisations)	R 2																	
BASIC CHARGE Domestic (per even) Domestic cluster (per flat) All other (per even)	R 69.84	per kl.	n/a		n/a		n/a		R 73.69	per kl.	n/a		n/a		n/a		n/a	
	R 8.49	per kl.	n/a		n/a		n/a		R 8.96	per kl.	n/a		n/a		n/a		n/a	
	R 80.00	per kl.	n/a		n/a		n/a		R 84.40	per kl.	n/a		n/a		n/a		n/a	
MASO 0 kilolitres to 24 kilolitres per household 25 kilolitres to 40 kilolitres per household Above 40 kilolitres per household	R 1.37	per kl.	R 4.28	per kl.	R 7.09	per kl.	R 18.54	per kl.	R 1.45	per kl.	R 4.51	per kl.	R 7.48	per kl.	R 13.52	per kl.	R 19.56	per kl.
	R 18.86	per kl.	R 24.58	per kl.	R 29.07	per kl.	R 49.45	per kl.	R 19.91	per kl.	R 23.94	per kl.	R 30.66	per kl.	R 41.42	per kl.	R 52.17	per kl.
	R 20.51	per kl.	R 32.59	per kl.	R 43.34	per kl.	R 66.17	per kl.	R 21.64	per kl.	R 34.39	per kl.	R 45.73	per kl.	R 68.81	per kl.	R 93.90	per kl.
TREATED EFFLUENT WATER Infrastructure provided by Council:																		
Irrigation Commercial / Industrial users / Domestic Schools Departmental	R 0.11	per kl.	n/a		n/a		n/a		R 0.11	per kl.	n/a		n/a		n/a		n/a	
	R 4.52	per kl.	n/a		n/a		n/a		R 4.76	per kl.	n/a		n/a		n/a		n/a	
	R 5.08	per kl.	n/a		n/a		n/a		R 5.36	per kl.	n/a		n/a		n/a		n/a	
	R 4.52	per kl.	n/a		n/a		n/a		R 4.76	per kl.	n/a		n/a		n/a		n/a	

STELLENBOSCH MUNICIPALITY

WATER TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022 Applicable to services rendered from 1 July 2021

Golf Clubs	R 4.52 R 4.52	per kl. per kl.		n/a n/a		n/a n/a		n/a n/a		n/a n/a	R 4.76 R 4.76	per kl. per kl.		n/a n/a		n/a n/a		n/a n/a
Infrastructure provided by User:																		
Irrigation	R 0.05	per kl.		n/a		n/a		n/a		n/a	R 0.06	per kl.		n/a		n/a		n/a
Commercial / Industrial users / Domestic	R 1.24	per kl.		n/a		n/a		n/a		n/a	R 1.31	per kl.		n/a		n/a		n/a
Schools	R 1.69	per kl.		n/a		n/a		n/a		n/a	R 1.79	per kl.		n/a		n/a		n/a
Departmental	R 1.24	per kl.		n/a		n/a		n/a		n/a	R 1.31	per kl.		n/a		n/a		n/a
Golf Clubs	R 1.24	per kl.		n/a		n/a		n/a		n/a	R 1.31	per kl.		n/a		n/a		n/a
	R 1.24	per kl.		n/a		n/a		n/a		n/a	R 1.31	per kl.		n/a		n/a		n/a
Current Agreements:																		
Special Users	As per agreement		As per agreement		As per agreement		As per agreement		As per agreement		As per agreement		As per agreement		As per agreement		As per agreement	
BULK USERS																		
Water consumption for irrigation of sportsgrounds of schools, irrigation of Council property by sports clubs, as well as irrigation of parks and other grounds by Council's Departments. of Parks and Recreation:																		
To 2000 kilolitres	R 11.73	per kl	R 20.46	per kl	R 28.42	per kl	R 45.12	per kl	R 61.52	per kl	R 12.38	per kl	R 21.58	per kl	R 29.99	per kl	R 47.60	per kl
Above 2000 kilolitres	R 15.28	per kl	R 33.83	per kl	R 51.39	per kl	R 87.50	per kl	R 123.03	per kl	R 16.12	per kl	R 35.70	per kl	R 54.22	per kl	R 92.32	per kl
WATER AVAILABILITY FEE	R 1 506.15	per annum									R 1 588.99	per annum						

STELLENBOSCH MUNICIPALITY

WASTE MANAGEMENT TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022
Applicable to services rendered from 1 July 2021

11.99%

	SERVICES RENDERED	UNIT	COMMENTS	Tariff 2020/2021 (VAT Excl.)	Tariff 2021/2022 (VAT Excl.)
Residential Waste Collection (Households, Flats, Hostels, Retirement homes, Churches, Schools, Welfare Organisations, etc.)					
Definition: 1 refuse unit = 240ℓ = 3 standard refuse bags					
Indigent subsidy: A monthly subsidy (to be determined by Council) to be credited to a registered indigent consumer's account					
Black bags (only where wheelie bins have not been introduced and/or stolen or lost)					
	Single residential properties for indigent households.	per month	Account payable by property owner. Max 3 closed bags. No other extras. Service will cancel when 240ℓ bin is issued.	R 205.11	R 229.71
	Basic residential collection based on 3 standard refuse bags once per week - 1st refuse unit - One dwelling on erf	per month	Account payable by property owner. Max 3 closed bags. No other extras. Service will cancel when 240ℓ bin is issued.	R 205.11	R 229.71
	Basic residential collection based on 3 standard refuse bags per dwelling (1 refuse unit) for additional dwellings on same erf	per refuse unit per month	Account payable by property owner. Max 3 additional closed bags. No other extras. Per fixed arrangement - not variable. Service will cancel when 240ℓ bin is issued. At cluster housing, flats, etc. 1 refuse unit to be charged for every living unit (per month)	R 205.11	R 229.71
	Additional collection based on an additional 3 standard refuse bags once per week - 2nd refuse unit or more	per month	Account payable by property owner. Max 3 additional closed bags. No other extras. Per fixed arrangement - not variable. Service will cancel when 240ℓ bin is issued.	R 205.11	R 229.71
Mobile bins (240ℓ Wheelie bin)					
Black Bin (Black lid Black bin)					
	Basic residential collection based on 1 X 240ℓ per week - 1 st bin - one dwelling per erf	per month	Account payable by property owner. No extras beside bin. At cluster housing, flats, etc. (units to be charged per quantity of bins used. Only WC024 bins will be collected)	R 205.11	R 229.71
	Basic residential collection based on 1 X 240ℓ per week for additional dwellings on same erf	per refuse unit per month	Account payable by property owner. No extras beside bin. At cluster housing, flats, etc. Units to be charged per quantity of bins used. Only WC024 bins will be collected.	R 205.11	R 229.71
	Basic residential collection based on 1 X 240ℓ bin per week for additional dwellings	per refuse unit per month	Account payable by property owner. No extras beside bin. At cluster housing, flats, etc. Units to be charged per quantity of bins used. Only WC024 bins will be collected.	R 205.11	R 229.71
Blue Bin (Blue lid Black bin)					
	Three times per week removal with a blue lid 240ℓ refuse bin (sectional title, residential zoned i.e. Hostels, Flats, Old age/retirement villages - NOT HOUSEHOLDS)	Per add 240ℓ bin per month	Account payable by property owner. No extras beside bin. (Sectional title, residential zoned i.e. Hostels, Flats, Old age/retirement villages). (Businesses to be charged per quantity of bins)	R 727.78	R 815.04

	SERVICES RENDERED	UNIT	COMMENTS	Tariff 2020/2021 (VAT Excl.)	Tariff 2021/2022 (VAT Excl.)
Non Residential Waste Collections (Business and Commercial)					
	Definition: 1 refuse unit = 240ℓ = 3 standard refuse bags				
	Black bags (Only where Wheelie bins have not been introduced)				
	Collection based on three (3) standard refuse bags once (x1) per week	per month	Account payable by business owner. Max 3 closed bags. No other extras. `Black BAG Service will cancel when 240ℓ bin is issued.	R 242.59	R 271.68
	Collection based on 3 standard refuse bags 3 x per week - three refuse units per month	per month	Account payable by business owner. Max 3 closed bags. No other extras. Service will cancel when 240ℓ bin is issued.	R 727.78	R 815.04
	Additional collection based on additional refuse bags, once (x1) per week - measured in the number of additional refuse units (3) standard refuse bags) per week	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable. Service will cancel when 240ℓ bin is issued.	R 242.59	R 271.68
	Additional collection based on an additional refuse bags, 3 x per week - measured in the number of additional refuse units (3 standard refuse bags) per week	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable. Service will cancel when 240ℓ bin is issued.	R 727.78	R 815.04
	Mobile bins (240ℓ Wheelie bin)				
	Blue Bin (Blue lid Black bin)				
	Collection based on 1 X 240ℓ once (x1) per week measured as one blue bin.	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 242.59	R 271.68
	Additional 240ℓ removal/s once per week - measured as the number of additional blue bins	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 242.59	R 271.68
	Collection based on 1 X 240ℓ three times per week measured as one blue bin.	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 727.78	R 815.04
	Additional 240ℓ removals three times per week - measured as the number of additional blue bins	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 727.78	R 815.04
	Mobile bins (240ℓ Wheelie bin)				
	Red Bin (Red lid Black Bin)				
	Collection based on 1 X 240ℓ five times per week measured as one red bin.	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 1 212.94	R 1 358.37
	Additional 240ℓ removals five times per week - measured as the number of additional blue bins	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 1 212.94	R 1 358.37
Charges and Levies					
	Solid Waste availability charge	per annum	Vacant erven and to all households, <u>farm dwellings</u> , businesses, flats, developments not making use of municipal collection services	R 1 286.79	R 1 441.08
Collection of garden waste					
	Collection of clean garden waste placed in green refuse bags.	per collection of a maximum of 6 refuse bags	Limited to household properties only	New	R 86.95
Cleaning of private erven					
	Hiring of plant, equipment and staff to clean private erf/ erven	per hour	Residents will be required to pay per hour for the clean-up operation of all general waste including green waste builder's rubble	New	R 1 200.00
	Disposal waste from cleaning operation	per ton	All waste will be transported and disposed of at a licenced waste disposal facility and will be charged per ton.	New	R 1 053.00

STELLENBOSCH MUNICIPALITY

SEWERAGE TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022 Applicable to services rendered from 1 July 2021

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

Size of erf in m²		Sewerage levy (Per annum)	
		2020/21 (Excl VAT)	2021/22 (Excl VAT)
0 -	250	R 1 520.68	R 1 611.92
251 -	500	R 1 951.06	R 2 068.13
501 -	600	R 2 197.92	R 2 329.80
601 -	700	R 2 439.81	R 2 586.20
701 -	800	R 2 684.14	R 2 845.19
801 -	900	R 2 928.26	R 3 103.95
901 -	1 000	R 3 170.48	R 3 360.71
Above -	1 000	R 3 170.48	R 3 360.71
for each additional 500m² or part thereof		R 305.55	R 323.88

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

B. ALL VACANT ERVEN : (Availability Tariff)

Size of erf in m²		Sewerage availability levy (Per annum)	
		2020/21 (Excl VAT)	2021/22 (Excl VAT)
To -	1 000	R 1 901.74	R 2 015.84
Above -	1 000	R 2 460.50	R 2 608.13

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

Size of erf in m²		Sewerage levy (Per annum)	
		2020/21 (Excl VAT)	2021/22 (Excl VAT)
0 -	500	R 1 987.75	R 2 107.01
501 -	1 000	R 2 299.62	R 2 437.60
1 001 -	1 500	R 2 571.77	R 2 726.08
1 501 -	2 000	R 3 154.22	R 3 343.47
2 001 -	3 000	R 4 090.48	R 4 335.91
3 001 -	4 000	R 4 908.06	R 5 202.54
4 001 -	5 000	R 5 493.23	R 5 822.82
5 001 -	7 500	R 6 721.55	R 7 124.84
7 501 -	10 000	R 7 831.04	R 8 300.90
10 001 -	15 000	R 9 639.47	R 10 217.84
15 001 -	20 000	R 11 101.09	R 11 767.16
Above -	20 000	R 12 732.97	R 13 496.95

STELLENBOSCH MUNICIPALITY

SEWERAGE TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022 Applicable to services rendered from 1 July 2021

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

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

DESCRIPTION	AREA	SEWERAGE TARIFFS				REMARKS
			2020/2021	2021/2022		
Use of buildings	Intervals (m ²)	Code	Amount Excl VAT	Amount Excl VAT	UNIT	
a) Offices, Consulting rooms, Power-station, Ambulance station, Fire-station	To - 2 500	ADD02	R 15.89	R 16.85	per m ²	
	2 501 - 5 000		R 15.75	R 16.69	per m ²	
	Above 5 000		R 15.60	R 16.54	per m ²	
b) Halls for the purposes of letting, Cinemas, Theatres, Venues for Meetings	To - 2 500	ADD03	R 15.89	R 16.85	per m ²	
	2 501 - 5 000		R 15.75	R 16.69	per m ²	
	5 001 - 10 000		R 15.60	R 16.54	per m ²	
	Above 10 000		R 15.46	R 16.39	per m ²	
c) Shops not included under (d)		ADD04	R 15.75	R 16.69	per m ²	
d) Fish shops, Greengrocer shops, Butcheries		ADD06	R 40.00	R 42.40	per m ²	Only applicable in absence of industrial effluent agreement.
e) Cafe's, Restaurants		ADD05	R 15.75	R 16.69	per m ²	Only applicable in absence of industrial effluent agreement.
f) Educational & Research buildings,		ADD07	R 15.75	R 16.69	per m ²	
g) Private hostels, Boarding homes, Hostels		ADD08	R 25.86	R 27.41	per m ²	
h) Licenced hotels, Guest-houses		ADD10	R 19.94	R 21.14	per m ²	
i) Hospitals, Prisons, Clinics, Old age and other homes, Hospices, Shelters		ADD09	R 25.86	R 27.41	per m ²	
j) Religious institutions, Sports clubs, Youth organisations, Libraries, Museums, Halls not for letting, Physical fitness centres, Health centres, Messes, Under cover parking		ADD12	R 710.15	R 752.76	per unit	
		ADD11	R 390.11	R 413.52	per unit	Per water closet, or per urinal, or 0.5m of urinal wall or part thereof, whichever is the greatest.
k) Garages, Dry cleaners, Laundries, Workshops,		ADD18	R 1 142.00	R 1 210.52	per unit	Only applicable in absence of industrial effluent agreement.
l) Factories, Warehouses,		ADD17	R 2 279.01	R 2 415.75	per unit	Per water closet, or per urinal, or 0.5m of urinal wall or part thereof, whichever is the greatest. Only applicable in absence of industrial effluent agreement.
m) Dwelling units that are part of buildings described under (a) to (l)		ADD20	R 2 217.23	R 2 350.26	per unit	
n) Rooms used for dwelling purposes, forming part of buildings under (a) to (l)		ADD13	R 390.11	R 413.52	per m ²	

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022

Applicable to services rendered from 1 July 2021

DIREKTORAAT: FINANSIËLE DIENSTE DIRECTORATE: FINANCIAL SERVICES

GENERAL	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
Electronic Rates clearance fee(valuation certificate included) - New	New	R 191.30	R 28.70	R 220.00
Manuel Rates clearance fee(valuation certificate included) - New	New	R 478.26	R 71.74	R 550.00
Not rated clearance (Sectional title units)	R 220.00	R 200.00	R 30.00	R 230.00
Administrasiekoste Onteerde betaling/Admin Fee for dishonoured payment	R 220.00	R 191.30	R 28.70	R 220.00
Spesiale meterlesings per verbruikersrekening (per geleentheid) / occasion	R 145.00	R 130.43	R 19.57	R 150.00
Afsluitingsfooi vir wanbetalings/ Disconnection fee for non-payments: Conventional meters	R 400.00	R 391.30	R 58.70	R 450.00
Afsluitingsfooi vir wanbetalings/ Disconnection fee for non-payments: Pre-paid meters	R 180.00	R 173.91	R 26.09	R 200.00
Afsluitingsfooi vir wanbetalings/ Disconnection fee for non-payments: Bulk meters	R 2 450.00	R 2 608.70	R 391.30	R 3 000.00
Ongeïdentifiseerde/foutiewe deposito's op bankstaat / Unidentified/incorrect deposits on bank statement	R 125.00	R 130.43	R 19.57	R 150.00
Administratiewe fooi vir Aanmanings SMS'e en Kennisgewings / Administration fee for "Reminder" SMS's and Notices	R 22.00	R 21.74	R 3.26	R 25.00
Re-issue Rates clearance certificate : Refer to normal fees	R 90.00	R -	R -	R -
VERSKAFFING VAN INLIGTING/PROVISION OF INFORMATION				
Uitreik van waardasiesertifikaat / Issue of valuation certificate	R 110.00	R 100.00	R 15.00	R 115.00
Uittreksels uit rekeninge - per maandstaat	R 55.00	R 47.83	R 7.17	R 55.00
Extracts from accounts - per monthly statement				
Extracts from records : rate per hour or part thereof	R 160.00	R 143.48	R 21.52	R 165.00
Fotostate / Copies : per A4 - bladsy / page	R 3.00	R 2.61	R 0.39	R 3.00
Fotostate / Copies : per A3 - bladsy / page	R 15.00	R 13.04	R 1.96	R 15.00
Waardasie Inligting / Valuation Information	R 27.00	R -	R -	R -
Waardasie Inligting / Valuation Information - Sea-Info	R 11.00	R 9.57	R 1.43	R 11.00
DEPOSITO'S VIR DIENSTE/DEPOSIT FOR SERVICES				
Water/Water	R 800.00	R -	N/A	R 800.00
Elektrisiteit (huishoudelik) / Electricity (domestic)	R 1 600.00	R -	N/A	R 1 600.00
Elektrisiteit (ander): Grootmaat verbruikers bereken met minimum van/				
Electricity (other): Bulk users calculate with a minimum of	R 9 000.00	R -	N/A	R 10 000.00
Indigent Household/Low cost Housing Deernis Huishouding/Lae Koste Behuising	R 300.00	R -	N/A	R 150.00
Electricity (other) excluding Bulkusers Elektrisiteit (ander) uitgesluit Grootmaatverbruikers	R 5 000.00	R -	N/A	R 5 500.00
Aanpassing van deposito's as gevolg van wanbetaling : Ingevolge Kredietbeheer Beleid				
** When on cut-off list and residential; deposit may be adjusted to 10% of minimum deposit, *** When on cut-off list and not residential, deposit may be adjusted to 25 % of risk.				
Adjustment of deposits due to non-payment : In terms of Credit Control and Debt Collection Policy				
Objection fee (Refer to Section 53(2) of the Municipal Property Rates Act	R 370.00	R 347.83	R 52.17	R 400.00
TENDER DEPOSITO'S / TENDER DEPOSIT (COMPUTER PRINTS BLACK & WHITE)				
Fotostate / Copies : per A4 - bladsy / page	R 3.00	R 2.61	R 0.39	R 3.00
Fotostate / Copies : per A3 - bladsy / page	R 15.00	R 13.04	R 1.96	R 15.00
Fotostate / Copies : per A2 - bladsy / page	R 60.00	R 52.17	R 7.83	R 60.00
Fotostate / Copies : per A1 - bladsy / page	R 80.00	R 69.57	R 10.43	R 80.00
Fotostate / Copies : per A0 - bladsy / page	R 95.00	R 82.61	R 12.39	R 95.00

STELLENBOSCH MUNICIPALITY				
SUNDY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022 Applicable to services rendered from 1 July 2021				
DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES				
	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
Director: Community and Protection Services has the delegation to authorise tariff discounts on any park or public open spaces for events, to the maximum of 30% off the firm tariff after receiving a recommendation from the Manager: Community Services.				
TOEGANGSGELDE / ENTRANCE FEES:				
JONKERSHOEK PIEKNIETERREIN / PICNIC SITE				
Persone / Persons	29.21	26.96	4.04	31.00
Voertuie / Vehicles	23.60	21.74	3.26	25.00
Kinders onder 5 jaar oud/ Children below 5 years of age	Free	Free	Free	Free
Official year end function for Council employees (by prior arrangement only)	Free	Free	Free	Free
Pensioners (It is a person who, in the case of a male, is 65 years of age and older and, in the case of a female, is 60 years of age or older.)	21.35	19.65	2.95	22.60
CLOETESVILLE SWEMBAD / SWIMMING POOL				
Kinders onder die ouderdom van 5 jaar vergesel deur volwassenes. Children under the age of 5 years accompanied by adults.	Gratis/ Free			Gratis/ Free
Kinders 6 tot 17 jaar / Children 6-17 years	6.18	5.65	0.85	6.50
Volwassenes / Adults	11.80	10.87	1.63	12.50
Pensioners (It is a person who, in the case of a male, is 65 years of age and older and, in the case of a female, is 60 years of age or older.)	8.43	7.39	1.11	8.50
Group bookings must be pre-arranged at (021) 808 8295				
30 - 40 persons	404.50	373.04	55.96	429.00
41 - 60 persons	537.08	495.65	74.35	570.00
61 - 80 persons	801.13	739.13	110.87	850.00
81 - maximum 100	1 073.04	991.30	148.70	1 140.00
Group bookings only within official hours.				
Braai facility coupon	43.82	40.43	6.07	46.50
BEGRAAFPLAASDIENSTE / CEMETERY SERVICES: WC024				
Waar 'n familie as behoeftige geregistreer is by die Munisipaliteit, kan die familie (slegs naaste familie) kwalifiseer vir 50% afslag, na goedkeuring van die relevante Direkteur, op die tarief vir 'n grafperseel. Die familie of delegasie moet skriftelik aansoek doen en rig aan die betrokke Direkteur. Hierdie vergunning is slegs van toepassing Maandae tot Saterdag- Vakansiedae uitgesluit. Plaaswerkers: brief ter bevestiging van plaaseienaar.				
When a family has been registered as an indigent beneficiary at the Municipality, the members of the family (not including extended members) qualifies for 50% discount, after approval by the relevant Director, on the tariff of a gravesite. The family or a delegate must apply in writing to the relevant Director. This concession is only applicable Mondays to Saturdays, excluding Public Holidays. Farm workers: must provide written confirmation from the farm owner.				
1. Grafperseel : kinders onder 12 jaar oud / Grave site children under the age of 12 years	775.28	674.16	101.12	775.28
2. Grafperseel : persone 12 jaar en ouer / Grave site persons 12 years and older	955.06	830.49	124.57	955.06
3. Teraardebesteding : kinders onder 12 / Burial : children under 12 years	404.50	351.74	52.76	404.50
4. Teraardebesteding : persone bo 12 jaar en ouer / Burial : Persons 12 years and older	831.46	723.01	108.45	831.46
5. Ekstra grafwydte per 100mm of gedeelte daarvan: tot maks 2.4m (standaardwydte = 550mm onder 12 jaar / 750mm bo 12 jaar) Additional excavation of grave width per 100mm or part thereof: to a max. of 2.4m Standard width = 550mm under 12 years / 750mm over 12 years)	144.94	126.04	18.91	144.94
6. Opgrawings / Disinterments (Exhumation)	1 073.04	933.08	139.96	1 073.04
7. Begrawe van veraste oorblyfsels in bestaande grafte / Burial of ashes in existing grave	132.58	115.29	17.29	132.58
8. Herbevestiging van grafpersele / Reconfirmation of grave site (Papegaaiberg)	214.61	186.62	27.99	214.61
9. Wysiging of oordrag van eienaarskap van grafperseel / Change in ownership of gravesite	69.66	60.58	9.09	69.66
10. Addisionele heffing vir dienste aangevra vir Sondae / Additional levy for services on Sundays:				
10a. Groepe vrygestel deur Munisipale Verordening/Groups exempted by Municipal By-Law		0.00	0.00	
10b. Groepe nie vrygestel deur Munisipale Verordening / Groups not exempted by Municipal By-Law	4 797.77	4 171.98	625.80	4 797.77
11. Addisionele heffing vir dienste aangevra vir Saterdag / Additional levy for services on Saturdays: (weekly tariff to apply if no municipal services are rendered)	1 539.33	1 338.55	200.78	1 539.33
12. Nissel Niches				
12a. Verkoop van losstaande nisse / Sale of free-standing niches	2 741.58	2 383.99	357.60	2 741.58
12b. Ingeboude nisse / Built-in niches	668.54	581.34	87.20	668.54
13. Nuwe Grafsteenpermit (Messelwerk) / New Permit for gravestone (Masonry)	280.90	244.26	36.64	280.90
Admin cost for record enquiries	0.00	0.00	0.00	0.00
BEGRAAFPLAASDIENSTE / CEMETERY SERVICES: OUTSIDE WC024				
Tariewe vir persone wat buite die munisipale grense gewoon het met sterfte datum = 4 maal die tariewe hierbo, behalwe die verkoop van nisse, waarop 'n 50% belading geld. Indien sulke persone reeds 'n graf besit, geld hierdie belading steeds op die maak van grafte. / Tariffs for persons residing outside of the municipal area at the time of death = 4 times the tariffs above, with the exception of the sale of niches, to which a 50% surcharge applies. Should such a person already possess a grave site, the excess still applies to the digging of the grave and other related charges.				

STELLENBOSCH MUNICIPALITY				
SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022 Applicable to services rendered from 1 July 2021				
DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES				
Normale tariewe geld ten opsigte van begrafnisse op Sondae en Openbare Vakansiedae vir geloofsgroepe soos vervat in die Verordening/ Normal tariffs will apply for burials on Sundays and public holidays for certain religious groups as determined by the By-Law.				
TARIFFS FOR ANY PARK OR PUBLIC OPEN SPACE FOR EVENTS:				
<i>Birthday parties, creches & school events, religious events, festivals, markets, cycling events</i>				
<i>Event = one (1) day or if otherwise stated. All applications in writing.</i>				
<i>Lessees are not entitled to exclusive rights of the venue at a time</i>				
TARIFFS FOR THE BRAAK				
Tariff for non-profitable organisations per day.	803.37	740.87	111.13	852.00
Tariff for religious events per day (maximum of 7 days) (Include set up and breakdown per day)	758.43	699.13	104.87	804.00
Tariff for profitable organisations within WC024 per day	3 752.82	3 460.87	519.13	3 980.00
Tariff for profitable organisations outside WC024 per day	8 033.74	7 405.22	1 110.78	8 516.00
TARIFFS FOR ALL OTHER PUBLIC OPEN SPACES/ GARDENS/ NATURE RESERVES/ PLANTATIONS/ DEVELOPED PARKS				
Tariff for non-profitable organisations -religious events per day and maximum 7 days (Include set up and breakdown per day) (PARKS AND PUBLIC OPEN SPACES ONLY)	348.32	321.74	48.26	370.00
Tariff for birthday parties and picnics (PARKS AND PUBLIC OPEN SPACES ONLY)	348.32	321.74	48.26	370.00
Tariff for birthday parties and picnics INSIDE WC024 (JMNR ONLY)	348.32	321.74	48.26	370.00
Tariff for birthday parties and picnics OUTSIDE WC024 (JMNR ONLY)	696.63	643.48	96.52	740.00
Tariff for PHOTOSHOOTS INSIDE WC024 (Excl. Wedding photos)	0.00	826.09	123.91	950.00
Tariff for PHOTOSHOOTS OUTSIDE WC024 (Excl. Wedding photos)	0.00	1 652.17	247.83	1 900.00
Tariff for profitable organisations WITHIN WC024 per day	3 752.82	3 460.87	519.13	3 980.00
Tariff for profitable organisations OUTSIDE WC024 per day	8 023.63	7 395.65	1 109.35	8 505.00
WEDDING CEREMONY ONLY with a maximum of 100 pax INSIDE WC024	1 539.33	1 419.13	212.87	1 632.00
WEDDING CEREMONY ONLY with a maximum of 100 pax OUTSIDE WC024	3 078.66	2 838.26	425.74	3 264.00
WEDDING PHOTOS ONLY with a maximum of 100 pax INSIDE WC024	0.00	826.09	123.91	950.00
WEDDING PHOTOS ONLY with a maximum of 100 pax OUTSIDE WC024	0.00	1 652.17	247.83	1 900.00
Tariff for profitable organisations WITHIN WC024 per day (for example: seminars, workshops, strategic sessions, year-end funtions, parties)	1 144.80	1 055.65	158.35	1 214.00
Tariff for profitable organisations OUTSIDE WC024 per day (for example: seminars, workshops, strategic sessions, year-end funtions, parties)	2 289.60	2 111.30	316.70	2 428.00
Tariff for non profitable organisations WITHIN WC024 per day (seminars, workshops, strategic sessions, year-end funtions, parties, weddings)	228.96	211.30	31.70	243.00
Tariff for non profitable organisations OUTSIDE WC024 per day (seminars, workshops, strategic sessions, year-end funtions, parties, weddings)	457.92	422.61	63.39	486.00
Weddings with a maximum of 100 pax WITHIN WC024 per day (PARADYSKLOOF CLUBHOUSE)	4 618.00	4 257.39	638.61	4 896.00
Weddings a maximum of 100 pax OUTSIDE WC024 per day (PARADYSKLOOF CLUBHOUSE)	9 236.00	8 514.78	1 277.22	9 792.00
Initiations in plantations (tariff as per Council decision) PER CALENDER MONTH	2 139.33	1 972.17	295.83	2 268.00
Rastafarian	2 139.33	1 972.17	295.83	2 268.00
Eco Centre Rental - per day (max 25 people)	757.31	698.26	104.74	803.00
Eco Centre Rental - per day- (max 25 people) per hour R150.00	150.00	138.26	20.74	159.00
REMOVAL OF DEAD AND DANGEROUS TREES				
Removal of trees on private property and land that pose risk to property and possible loss of life. Only applicable to registered indigent households. (WORK WILL BE SUBCONTRACTED)				
STILL/ FILM SHOOTS				
Event= Per day. Includes all parks, public open spaces, sportsgrounds, nature reserves/ plantations and gardens				
Non-commercial shoots	893.26	823.48	123.52	947.00
Commercial	8 029.83	7 401.74	1 110.26	8 512.00
Other				
Admin Fee	224.72	207.83	31.17	239.00
Base camp parking only (when using an area for parking of vehicles but no filming.	3 394.40	3 130.43	469.57	3 600.00
Helipad Parking per day	3 394.40	3 130.43	469.57	3 600.00
Access through Forestry or Conservation Areas for when filming at a nearby farms: plus permit fee (passing through our Nature Reserve)	1 017.98	939.13	140.87	1 080.00
Stellenbosch Municipality ECO OFFICER per hour	1 017.98	939.13	140.87	1 080.00
FORESTRY PRODUCTS				
All wattles/ tonne (per bakkie load)				
Eucalyptus Species/ tonne INSIDE WC024 (per bakkie load)	410.11	378.26	56.74	435.00
Eucalyptus Species/ tonne OUTSIDE WC024 (per bakkie load)	449.44	414.78	62.22	477.00
Fire Wood per tonne Self cut/ tonne INSIDE WC024 (per bakkie load)	337.08	311.30	46.70	358.00
Fire Wood per tonne Self cut/ tonne OUTSIDE WC024 (per bakkie load)	393.26	362.61	54.39	417.00
Fire Wood per tonne cut by municipality/ tonne INSIDE WC024 (per bakkie load)	337.08	311.30	46.70	358.00
Fire Wood per tonne cut by municipality/ tonne OUTSIDE WC024 (per bakkie load)	393.26	362.61	54.39	417.00
Latte for screens/ tonne self-cut INSIDE WC024 (per a bakkie load)	449.44	414.78	62.22	477.00
Latte for screens/ tonne self-cut OUTSIDE WC024 (per a bakkie load)	505.62	466.09	69.91	536.00
Mushrooms per 5 litre container.	59.55	54.78	8.22	63.00
Medicinal herbs or plant material per 5 litre container.	59.55	54.78	8.22	63.00
Protea flowers per head.	12.36	11.30	1.70	13.00
Softwood Sawlogs				
Poplars poles 80mm- 100mm diamtre at thin end/ tonne INSIDE WC024(per bakkie load)	280.90	259.13	38.87	298.00
Poplars poles 80mm- 100mm diamtre at thin end/ tonne OUTSIDE WC024(per bakkie load)	337.08	311.30	46.70	358.00
INDUSTRIAL ROUNDWOOD				
includes all commercial wood in situ small volumes up to R200 000.00 (pine sawlogs, woodchips, and wood residues.)				
Class A= 13,5cm-17cm diametre at thin end/ m3 INSIDE WC024	370.79	342.61	51.39	394.00
Class A= 13,5cm-17cm diametre at thin end/ m3 OUTSIDE WC024	393.26	362.61	54.39	417.00

STELLENBOSCH MUNICIPALITY				
SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022 Applicable to services rendered from 1 July 2021				
DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES				
Class B= 19cm-25cm diametre at thin end/ m3 INSIDE WC024	505.62	466.09	69.91	536.00
Class B= 19cm-25cm diametre at thin end/ m3 OUTSIDE WC024	561.80	518.26	77.74	596.00
Class C= 27cm-33cm diametre at thin end/m3 INSIDE WC024	707.87	653.04	97.96	751.00
Class C= 27cm-33cm diametre at thin end/m3 OUTSIDE WC024	786.52	725.22	108.78	834.00
Class D= 35cm> diametre at thin end/m3 INSIDE WC024	764.05	704.35	105.65	810.00
Class D= 35cm> diametre at thin end/m3 OUTSIDE WC024	842.70	777.39	116.61	894.00

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022
Applicable to services rendered from 1 July 2021

DIREKTORAAT: GEMEENSAPSDIENSTE
DIRECTORATE: COMMUNITY SERVICES

	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
LIBRARY SERVICES				
Printing Services				
Printing fee for a A4 black and white page	1.17	1.13	0.17	1.30
Faxes				
Fee for receiving a fax - per page	2.44	2.61	0.39	2.50
Scan and email				
Scan and email per page	2.44	2.61	0.39	3.00
LIBRARY HALL RENTALS				
CONDITIONS FOR USAGE OF A LIBRARY HALL				
Not available for the following: weddings, birthdays, christening and parties				
Library halls only available during library hours				
No equipment and catering supplies are available at the halls				
Plein Street, Idas Valley & Cloeteville Library Hall				
Rental charged - per session	477.00	439.67	65.95	506.00
Rental charged for a Non Profitable Organisation - per session	477.00	439.67	65.95	506.00
Rental of kitchen facility per session	81.09	74.74	11.21	86.00
Kayamandi Library Hall				
Rental charged - per session	477.00	439.67	65.95	506.00
Rental charged for a Non Profitable Organisation - per session	477.00	439.67	65.95	506.00
Rental of kitchen facility per session	81.09	74.74	11.21	86.00
Groendal Library Hall				
Rental charged - per session	477.00	439.67	65.95	506.00
Rental charged for a Non Profitable Organisation - per session	477.00	439.67	65.95	506.00
Rental of kitchen facility per session	81.09	74.74	11.21	86.00

STELLENBOSCH MUNICIPALITY

SUNDY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022
Applicable to services rendered from 1 July 2021

DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES													
	Full Tariff 2020/2021			Full Tariff 2021/2022			Discounted Tariff 2021/22			Additional levy: consumers outside WC024			
	Deposit	Week	Weekend	Deposit	Week	Weekend	Deposit	Week	Weekend	Week	Weekend	Week	Weekend
Town Halls													
Stellenbosch				Foyer not available on its own									
Hall and Foyer	R 2 936.20	R 4 910.98	R 6 033.52	R 3 112.37	R 5 205.64	R 6 395.53	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Kitchen (including all appliances), Bar	R 1 924.96	R 1 470.22	R 1 966.30	R 2 040.46	R 1 558.43	R 2 084.28	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Kitchen (including all electrical & gas appliances-new installation), Bar	R 1 924.96	R 1 470.22	R 1 966.30	R 2 040.45	R 1 708.40	R 2 234.28	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Franschhoek				Foyer not available on its own									
Hall	R 3 081.42	R 3 282.82	R 4 213.50	R 3 266.31	R 3 479.79	R 4 466.31	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Facilities: Kitchen (including all appliances)	R 964.60	R 1 071.66	R 1 707.66	R 1 022.48	R 1 135.96	R 1 810.12	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Community Hall, Kylemore													
Hall	R 442.02	R 442.02	R 631.76	R 468.54	R 468.54	R 669.67	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Eikestad Hall, Cloetesville													
Hall	R 442.02	R 442.02	R 631.76	R 468.54	R 468.54	R 669.67	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Admin Hall, Kayamandi													
Hall (As per Council Decision)	R 126.14	R 126.14	R 126.14	R 133.71	R 133.71	R 133.71	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Community Hall, Kayamandi													
Hall (As per Council Decision)	R 126.14	R 126.14	R 126.14	R 133.71	R 133.71	R 133.71	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Pniel Banquet Hall													
Hall	R 442.02	R 442.02	R 631.76	R 468.54	R 468.54	R 669.67	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Community Hall, La Motte													
Hall	R 252.81	R 252.81	R 378.63	R 267.98	R 267.98	R 401.35	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Community Hall, Wemmershoek													
Hall	R 253.34	R 253.34	R 378.42	R 268.54	R 268.54	R 401.13	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application

STELLENBOSCH MUNICIPALITY											
SUNDY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022 Applicable to services rendered from 1 July 2021											1.06
DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES											
	Full Tariff 2020/2021			Full Tariff 2021/2022			Discounted Tariff 2021/22			Additional levy: consumers outside WC024	
	Deposit	Week	Weekend	Deposit	Week	Weekend	Deposit	Week	Weekend	Week	Weekend
Community Hall, Groendal	R 442.02	R 442.02	R 481.24	R 468.54	R 468.54	R 510.11	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Klapnoots Multi-purpose centre											
Hall	R 442.02	R 442.02	R 481.24	R 468.54	R 468.54	R 510.11	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Hall kitchen rental	R 124.02	R 124.02	R 124.02	R 131.46	R 131.46	R 131.46	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Outside braai area with kitchen	R 213.06	R 213.06	R 213.06	R 225.84	R 225.84	R 225.84	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Outside braai kitchen rental	R 124.02	R 124.02	R 124.02	R 131.46	R 131.46	R 131.46	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Boardroom	R 213.06	R 213.06	R 213.06	R 225.84	R 225.84	R 225.84	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Kitchen rental	R 124.02	R 124.02	R 124.02	R 131.46	R 131.46	R 131.46	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Pniel Millinium Hall											
Hall	R 442.02	R 442.02	R 631.76	R 468.54	R 468.54	R 669.67	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Other facilities											
Old Age Facility Kayamandi	Free of charge		Free of charge	Free of charge		Free of charge	Free of charge	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Banquet Hall, Cloetesville	R169/per day		R169/per day	R169/per day		R169/per day	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application

The following groups have been identified for the discounted tariffs:

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

- (ix) Free access to municipal halls for youth activities. Provided that prior arrangement is made with the relevant staff.
- (x) Free access to municipal halls for Ward Councillors for functions such as: Meetings, Workshops or any other Ward-related activities. This access will only be granted to a maximum of 2 (two) events per month. This is not transferable for any other festivals, parties, dances, fund raisers, etc.
- (xi) The rebates mentioned in paragraphs i), ii), iv), v), vi) and vii) will only be considered for weekdays. All applications must be in writing and submitted to the Director: Community and Protection Services.
- (xii) The Director: Community and Protection Services may consider motivated applications for discount in line with the abovementioned and approve rebates.

STELLENBOSCH MUNICIPALITY									
SUNDY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022 Applicable to service rendered from 1 July 2021									
DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES									
Sports Fields	2020/21			Rental of Facilities 2021/22			Additional levy: consumers outside WC024; Sports Unions and Private Companies.		
	Deposit	Week	Weekend	Deposit	Week	Weekend	Deposit	Week	Weekend
Category A Van der Stel	Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.			Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.			Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.		
Category B Kylemore, Phiel, Idas Valley, Raithby, Klappmuls, Jamestown and Cloeterville	Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.			Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.			Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.		
Category C Wemmershoek Groendal Kayamandi	Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.			Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.			Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.		
Category D La Motte Jonkershoek Papplaas Lanquedoc	Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.			Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.			Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.		

STELLENBOSCH MUNICIPALITY				
SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 - 30 JUNE 2022 Applicable to service rendered from 1 July 2021				
DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES				
VERKEERSDIENSTE/TRAFFIC SERVICES	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
Verkeersbystanddienste / Traffic Assistance at special occasions/events				
Uitreiking van Permit / Issue of Permit	253.00	233.00	34.95	267.95
Uurtarief : Maandag - Saterdag / Hourly tariff : Monday - Saturday	368.00	339.00	50.85	389.85
Uurtarief: Sondae en openbare vakansiedae/Hourly tariff: Sunday and public holidays	595.70	547.00	82.05	629.05
Spesiale verkeersbystanddienste / Special Traffic Assistance at funeral procession				
Per funeral - per hour, per officer	368.00	338.00	50.70	388.70
Verfilming of video- advertensies / Filming or video- commercials (public roads)				
Uitreiking van Permit / Issue of Permit	246.10	227.00	34.05	261.05
Uitreiking van Permit / Issue of Permit - Stillshoot	1 572.05	1 445.00	216.75	1 661.75
Minimum: Residential / Industrial up to 3 hours	3 370.54	3 106.75	466.01	3 572.76
Maximum: Residential / industrial more than 3 hours	12 615.50	11 629.00	1 744.35	13 373.35
Minimum:Rural up to 3 hours	3 919.20	3 613.00	541.95	4 154.95
Maximum:Rural more than 3 hours	16 798.00	15 483.32	2 322.50	17 805.82
Minimum High Risk Areas (eg, Franschoek Pass + CBD areas) up to 3 hours	17 529.00	16 157.00	2 423.55	18 580.55
Maximum High Risk Areas (eg, Franschoek Pass + CBD areas) more than 3 hours	23 092.00	21 285.00	3 192.75	24 477.75
Die Direkteur: Gemeenskaps en Beskermingsdienste mag gemotiveerde aansoeke vir afslag tot 50% oorweeg vir die verfilming van video-advertensies (publieke paaie). The Director: Community and Protection Services may consider motivated applications for a discount up to 50% for filming or video-commercials (public roads).				
Verwydering van verlate voertuie : Insleepgelde				
Removal of abandoned vehicles : Tow-in charges				
Binne Stellenbosch / In Stellenbosch	1 828.00	1 850.00	277.50	2 127.50
Buite Stellenbosch / Outside Stellenbosch	1 828.00	2 100.00	315.00	2 415.00
Skutgeld per dag / Impoundment fee per day	150.00	145.00	21.75	166.75
Die Direkteur: Gemeenskaps en Beskermingsdienste mag gemotiveerde aansoeke vir die afslag van 50% oorweeg vir skutkoste. The Director Community and Protection Services may consider motivated applications for a discount up to 50% for impoundment costs.				
Wiel vasklem / Wheel clamping				
Vrylatingsfooi / Release fee	235.75	217.39	32.61	250.00
Algemeen / General				
Voertuigongeluk inligting / Vehicle accident information (i.t.o. PN5867/10-5-2002)	165.00	165.00	0.00	165.00
Gestremde parkeer disket/ Disabled Parking Disc	75.00	70.00	10.50	80.50
The Manager Traffic Services in consultation with the Director Community & Protection Services may agree not to charge tariffs and fees in cases where charges have been levied erroneously. Criteria for exemptions/concession: Parties must make written applications to the Director Community & Protection Services, outlining the reasons why charges were levied incorrectly and why exemptions/concessions should be considered.				

STELLENBOSCH MUNICIPALITY				
SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 - 30 JUNE 2022 Applicable to service rendered from 1 July 2021				
DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES				
VERKEERSDIENSTE/TRAFFIC SERVICES	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
Eikestad Parking Area Zone 1(CBD):				
Operating hours: 07:00 - 00:00 (Mon - Sat) ; Sunday/Public Holiday - Free				
0-30min	0.00	0.00	0.00	0.00
31- 59 min	8.00	6.96	1.04	8.00
1-2 hours	16.00	13.91	2.09	16.00
2-3 hours	20.00	17.39	2.61	20.00
3-4 hours	28.00	24.35	3.65	28.00
4-5 hours	36.00	31.30	4.70	36.00
5-6 hours	44.00	38.26	5.74	44.00
6-7 hours	52.00	45.22	6.78	52.00
7-8 hours	64.00	55.65	8.35	64.00
8-9 hours	68.00	59.13	8.87	68.00
9-12 hours	88.00	76.52	11.48	88.00
12-24 hours	120.00	104.35	15.65	120.00
Lost Ticket	120.00	104.35	15.65	120.00
Parking Areas Zone 2 (CBD):				
Borchers Road Parking area(New Parking)				
Operating hours: 07:00-19:00 (Mon - Fri) and 07:00 - 14:00 (Sat.) ; Sunday/Public Holiday - Free				
0-30min	0.00	0.00	0.00	0.00
31- 59 min	8.00	3.48	0.52	4.00
1-2 hours	16.00	6.09	0.91	7.00
2-3 hours	20.00	8.70	1.30	10.00
3-4 hours	28.00	10.43	1.57	12.00
4-5 hours	36.00	13.04	1.96	15.00
5-6 hours	44.00	17.39	2.61	20.00
6-7 hours	52.00	19.13	2.87	22.00
7-8 hours	64.00	21.74	3.26	25.00
8-9 hours	68.00	26.09	3.91	30.00
9-12 hours	88.00	27.83	4.17	32.00
Lost Ticket	120.00	30.43	4.57	35.00
Maandelikse permit / Month permit	800.00	347.83	52.17	400.00
Parking Areas Zone 3 (CBD):				
Stelkor				
Operating hours: 07:00-19:00 (Mon - Fri) and 07:00 - 14:00 (Sat.) ; Sunday/Public Holiday - Free				
0-30min	0.00	0.00	0.00	0.00
31- 59 min	8.00	4.00	0.00	4.00
1-2 hours	16.00	6.96	1.04	8.00
2-3 hours	20.00	8.70	1.30	10.00
3-4 hours	28.00	12.17	1.83	14.00
4-5 hours	36.00	15.65	2.35	18.00
5-6 hours	44.00	19.13	2.87	22.00
6-7 hours	52.00	22.61	3.39	26.00
7-8 hours	64.00	27.83	4.17	32.00
8-9 hours	68.00	29.57	4.43	34.00
9-12 hours	88.00	38.26	5.74	44.00
Lost Ticket	120.00	52.17	7.83	60.00
Maandelikse permit / Month permit	800.00	347.83	52.17	400.00

STELLENBOSCH MUNICIPALITY				
SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 - 30 JUNE 2022 Applicable to service rendered from 1 July 2021				
DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES				
VERKEERSDIENSTE/TRAFFIC SERVICES	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
On Street Parking per hour				
Operating hours: 07:00 - 19:00 (Mon.- Fri.) and 07:00 - 14:00 (Sat.)				
Sunday/Public Holidays - Free				
Kerk Street/Church Street	8.00	6.96	1.04	8.00
Plein Street	8.00	6.96	1.04	8.00
Blom Street	8.00	6.96	1.04	8.00
Bird Street (Dorp/Dennesig)	8.00	6.96	1.04	8.00
Ryneveldt Street	8.00	6.96	1.04	8.00
Andringa Street (Dorp/Banhoek)	8.00	6.96	1.04	8.00
Alexander Dienspad/Service road	8.00	6.96	1.04	8.00
Alexander Street	8.00	6.96	1.04	8.00
Meul Street (Dorp/Plein)	8.00	6.96	1.04	8.00
Dorp Street	8.00	6.96	1.04	8.00
Crozier Street	8.00	6.96	1.04	8.00
Piet Retief street	8.00	6.96	1.04	8.00
Mark Street	8.00	6.96	1.04	8.00
Drostdy Street	8.00	6.96	1.04	8.00
Banghoek Road (Andringa/Bird) PNP entry	8.00	6.96	1.04	8.00
Victoria Street (Between Andringa & Ryneveldt)	8.00	6.96	1.04	8.00
Stelkor on-Street- entry to stelkor parking area	8.00	6.96	1.04	8.00
Du-toit Street & entry to Bergzicht parking area	8.00	6.96	1.04	8.00
Helderberg Street	8.00	6.96	1.04	8.00
Bloemhof Parking Area				
Operating hours: 07:00 - 19:00 (Mon.- Fri.) and 07:00 - 14:00 (Sat.),				
After 19:00 (Mon- Fri)-Free, After 14:00 (Saturdays)-Free				
& Sunday/Public Holidays - Free				
Daaglikse permit / Day permit	45.00	39.13	5.87	45.00
Maandelikse permit / Month permit	530.00	460.87	69.13	530.00
Huur van parkeervakke per dag / Hiring of Parking Bays per day	220.00	200.00	30.00	230.00
Parking Disc - Medical Practitioners per year	210.00	191.30	28.70	220.00
Resident Parking Permit per year	220.00	434.78	65.22	500.00
Temporary Parking Permit per application	165.00	147.83	22.17	170.00
Work Zone Permit per application	220.00	200.00	30.00	230.00
Taxi rank permit (WCO24 area) per jaar/year	385.00	347.83	52.17	400.00

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 - 30 JUNE 2022
Applicable to service rendered from 1 July 2021

DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES

BRANDWEER DIENSTE / FIRE SERVICES	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
Brandweerwaens / Fire Engine				
Per uur of gedeelte daarvan / Per hour or part thereof	980.00	904.35	135.65	1040.00
Hidroliese Platform / Hydraulic Platforms				
Per uur of gedeelte daarvan / Per hour or part thereof	2420.00	2 234.78	335.22	2570.00
Reddingsvoertuig / Emergency Vehicle (excluding Accidents/Rescue)				
Per uur of gedeelte daarvan / Per hour or part thereof	800.00	739.13	110.87	850.00
Diensvoertuie / Service Vehicle				
Per uur of gedeelte daarvan / Per hour or part thereof	600.00	556.52	83.48	640.00
Draagbare Pompe & Kragopwekker / Portable pumps & Generators				
Per uur of gedeelte daarvan / Per hour or part thereof	480.00	443.48	66.52	510.00
Sleepwaens / Trailers				
Per uur of gedeelte daarvan / Per hour or part thereof	700.00	646.09	96.91	743.00
Bergingseile / Storage Covers				
Per uur of gedeelte daarvan / Per hour or part thereof	270.00	249.57	37.43	287.00
Bos , veld , rommel (Boseenhede) / Bush , field , rubble (Bush units)				
Per uur of gedeelte daarvan / Per hour or part thereof	660.00	609.57	91.43	701.00
Personeel / Personnel				
Per uur of gedeelte daarvan / Per hour or part thereof	410.00	378.26	56.74	435.00
Instandhouding en Brandslangherstel / Maintenance & Fire-Hose Repair				
Skrop , toets & droog / Scrub , test & dry	220.00	203.48	30.52	234.00
Herstel / Repair	110.00	101.74	15.26	117.00
Koppelingbinding : Brandslang / Linkage : Fire-Hose	110.00	101.74	15.26	117.00
Koppelingbinding : Suigslang / Linkage : Suction hose	215.00	199.13	29.87	229.00
Koppelingbinding : Hoë druk / Linkage : High Pressure	215.00	199.13	29.87	229.00
Brandvoorkomingsinspeksies / Fire prevention inspection				
Tenkinstallasies -Per tenk / Tank installation	450.00	415.65	62.35	478.00
VP Gas -Per installasie / Per installation	450.00	415.65	62.35	478.00
Sprinklaar ens : per jaar / Sprinkler ect per annum	450.00	415.65	62.35	478.00
Fire prevention inspections relating to events applications	450.00	415.65	62.35	478.00
Patrolliedienste & Ander / Patrol Services & Other				
Nie Operasionele dienste/ Non Operational Services				
Per Brandbestryder / Per Firefighter	410.00	378.26	56.74	435.00
Per Offisier / Per Officer	410.00	378.26	56.74	435.00
Kinder partytjies / Kiddies parties	1600.00	1 476.52	221.48	1698.00
Fire and life safety education programs (Educational visits to and from schools)				
Planne of Ontwikkeling Konsultasiefooie (per uur) /Plans or Development Consultation fee (per hour)	550.00	507.83	76.17	584.00

STELLENBOSCH MUNICIPALITY					
DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES					
BRANDWEERDIENSTE/ FIRE SERVICES					
BY LAW	OFFENCE	FINE 2020/2021	FINE Excl. VAT 2021/2022	No VAT applicable	FINE 2021/2022
Failure to comply with provisions					
6(1) read with 62(1)	Failure to comply with written notice	R1 600.00	-	-	R 1 600.00
Reporting a fire hazard and other threatening danger					
10 read with 62(1)	Failure to report a fire hazard or other threatening danger	R1 600.00	-	-	R 1 600.00
Access for emergency vehicles					
12(1)(a) read with 62(1)	Failure to provide emergency vehicle access where premises are not readily accessible from public roads	R1 100.00	-	-	R 1 100.00
Division and occupancy separating elements					
13 read with 62(1)	Altering a division or occupancy separating element in such a way that it renders less effective or allow to flame, heat or combustion products from penetrating into adjacent compartment or structure	R1 600.00	-	-	R 1 600.00
Fire doors and assemblies					
14(1) read with 62(1)	Failure to maintain a fire door in a manner that it will retain integrity, insulation and stability in the event of a fire	R1 600.00	-	-	R 1 600.00
14(2) read with 62(1)	Keeping a fire door open other than with an automatic releasing hold-open device	R1 600.00	-	-	R 1 600.00
14(3) read with 62(1)	Rendering a fire door an assembly less effective	R1 600.00	-	-	R 1 600.00
Escape Routes					
15(1) read with 62(1)	Obstruction of or rendering component of escape route less effective	R1 600.00	-	-	R 1 600.00
15(2) read with 62(1)	Non approved locking device fitted to access door	R1 600.00	-	-	R 1 600.00
15(3) read with 62(1)	Failure to required signage on an escape route	R1 600.00	-	-	R 1 600.00
Tents					
16(1)(a)	Failure to submit an application for the erection and usage of a tent in terms of the National Building Regulations to the Municipality for approval	R1 600.00	-	-	R 1 600.00
16(1)(b) read with 62(1)	Failure to submit an application for temporary population certificate prior to erection and usage of a tent	R1 100.00	-	-	R 1 100.00
16(1)	Erecting a tent without first obtaining a temporary Population certificate	R1 100.00	-	-	R 1 100.00
16(2)(a) read with 62(1)	Failure to maintain/provide sufficient safety distances between a tent, and any building or boundary	R1 600.00	-	-	R 1 600.00
16(2)(b) read with 62(1)	Failure to erect a tent 4,5m from any combustible material or dangerous goods	R1 600.00	-	-	R 1 600.00
16(2)(d) read with 62(1)	Failure to comply with the National Building Regulations where the population exceeds 25 people, occupied during night time, seating arrangements, aisle widths or fire extinguishers	R1 100.00	-	-	R 1 100.00
16(2)(d) read with 62(1)	Exceeding allowable population density	R1 100.00	-	-	R 1 100.00
16(2)(e) read with 62(1)	Cooking inside a tent occupied by the public	R1 600.00	-	-	R 1 600.00
16(2)(f) read with 62(1)	Allowing an open fire in a tent/failure to obtain permission for flame emitting devices	R1 600.00	-	-	R 1 600.00
16(2)(g) read with 62(1)	Making an open fire within 5 metres of a tent, stake or guideline	R1 600.00	-	-	R 1 600.00
16(2)(c) read with 62(1)	Smoking in a tent/failure to display "No Smoking" sign	R1 600.00	-	-	R 1 600.00
16(2)(i) read with 62(1)	Lighting and wiring not complying with SABS 0142	R1 600.00	-	-	R 1 600.00
16(3) read with 62(1)	Failure to comply with additional requirements as per controlling authority	R1 600.00	-	-	R 1 600.00
Fire Extinguishers					
17(1) read with 62(1)4	Failure to provide and/or install required fire extinguishers	R1 100.00	-	-	R 1 100.00
17(2) read with 62(1)	Failure to maintain fire extinguishers in accordance with requirements	R1 100.00	-	-	R 1 100.00
17(3) read with 62(1)	Filling, recharging, reconditioning, modifying, repairing, inspecting or testing a fire extinguisher without the necessary permit	R1 100.00	-	-	R 1 100.00
17(4) read with 62(1)	Owner or person in charge of premises permitting filling, recharging, reconditioning, modifying, repairing, inspecting or testing a fire extinguisher by a person not in possession of the necessary permit	R1 100.00	-	-	R 1 100.00
17(7) read with 62(1)	Removal of fire extinguisher from premises for filling etc. without replacing it without temporarily replacing it with a similar device in good working order	R1 100.00	-	-	R 1 100.00
17(8) read with 62(1)	Installation, dismantling, recharging, disconnection, servicing, modifying, repair or testing of a fire extinguisher in area where such action would create danger/hazard	R1 100.00	-	-	R 1 100.00
Testing and maintenance of fire protection systems					
18(1) read with 62(1)	Failure to test and maintain fire protection system on a regular basis	R1 100.00	-	-	R 1 100.00
18(1) read with 62(1)	Failure to keep detailed record of test and maintenance of fire protection system	R1 100.00	-	-	R 1 100.00
18(2) read with 62(1)	Failure to notify occupants of premises and/or monitoring parties of the fire protection system test	R1 100.00	-	-	R 1 100.00
18(3) read with 62(1)	Failure to maintain fire protection system	R1 100.00	-	-	R 1 100.00
18(4) read with 62(1)	Installing, dismantling, recharging, disconnecting, servicing, repairing or testing a fire protection system in areas where such an action would create a danger or hazard	R1 100.00	-	-	R 1 100.00
18(5) read with 62(1)	Failure to notify controlling authority where fire protection system or component thereof is inoperable or taken out of service	R1 100.00	-	-	R 1 100.00
18(7) read with 62(1)	Failure by owner/person in charge to take all the steps necessary to provide alternative equipment	R1 100.00	-	-	R 1 100.00
19 read with 62(1)	Render less effective, inoperative, inaccessible, or tamper or interfere with a fire protection system except as necessary in emergency/maintenance/drills or prescribed testing	R1 600.00	-	-	R 1 600.00
Fire alarms and fire hydrants					
20(4) read with 62(1)	Unauthorised person remove, defacing, altering, tampering or damaging a fire alarm, transmission instrument, board, decal, metal plate or painted mark	R1 600.00	-	-	R 1 600.00
20(5) read with 62(1)	Rendering less effective, inoperative, inaccessible, or tampering or interfere with a fire hydrant	R1 600.00	-	-	R 1 600.00

STELLENBOSCH MUNICIPALITY					
DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES					
BRANDWEERDIENSTE/ FIRE SERVICES					
BY LAW	OFFENCE	FINE 2020/2021	FINE Excl. VAT 2021/2022	No VAT applicable	FINE 2021/2022
Prevention and control of overcrowding					
21(1) read with 62(1)	Failure to apply for population certificate prior to usage of premises for entertainment or public assembly (owner/person in charge)	R1 600.00	-	-	R 1 600.00
21(1) read with 62(1)	Utilization of premises for which a population certificate is required and a population certificate has not been issued by the Controlling Authority	R1 600.00	-	-	R 1 600.00
21(3) read with 62(1)	Failure to comply with instruction to apply for temporary/permanent population certificate (owner/person in charge)	R1 600.00	-	-	R 1 600.00
21(7) read with 62(1)	Failure to apply for occupation certificate when change of occupancy or alterations to the premises for which the population certificate exists	R1 600.00	-	-	R 1 600.00
21(8) read with 62(1)	Failure to display population certificate in clearly visible position in or on premises for which it was issued.	R1 600.00	-	-	R 1 600.00
21(9) read with 62(1)	Failure to limit maximum population to that specified on population certificate	R1 600.00	-	-	R 1 600.00
21(10)	Failure to vacate overcrowded premises when instructed to do so by the controlling authority	R1 600.00	-	-	R 1 600.00
Formulation of an emergency evacuation plan					
23(1) read with 62(1)	Failure by owner/person in charge of school/hospital/residential institution/guest house/hotel or similar occupancy with population in excess of 25 persons to formulate emergency evacuation plan	R1 100.00	-	-	R 1 100.00
23(2) read with 62(1)	Failure to comply with an order to formulate an emergency evacuation plan (premises other than listed in 23(1))	R1 100.00	-	-	R 1 100.00
23(3) read with 62(1)	Failure to revise emergency evacuation plan when aspect no longer applicable or building changed	R1 100.00	-	-	R 1 100.00
23(4) read with 62(1)	Failure to test emergency evacuation plan six monthly/upon revisions	R1 100.00	-	-	R 1 100.00
23(6) read with 62(1)	Failure to keep register of testing and emergency evacuation plan available on the premises for inspection	R1 100.00	-	-	R 1 100.00
Displaying of escape route plans					
24(1) read with 62(1)	Failure to display emergency evacuation plan in room designed for sleeping purposes in following hospitals, residential institutions, hotels or similar occupancy designed for use by patients, residents or transient persons (irrespective of population)	R1 600.00	-	-	R 1 600.00
Barricading of vacant buildings					
25 read with 62(1)	Failure by owner/person in charge to of building or portion thereof which is vacant to remove all combustible waste or refuse therefrom and lock/barricade/secure to satisfaction of municipality	R1 600.00	-	-	R 1 600.00
CHAPTER 6: HOUSEKEEPING					
Combustible waste and refuse					
26(1) read with 62(1)	Allowing accumulation of waste or refuse in any area or any manner so as to create a fire hazard or any other threatening danger	R1 600.00	-	-	R 1 600.00
26(2) read with 62(1)	Failure to store combustible waste and refuse in manner determined by controlling authority	R1 600.00	-	-	R 1 600.00
27 read with 62(1)	Allowing accumulation of dust in quantities sufficient to create a fire or threatening danger	R1 600.00	-	-	R 1 600.00
Accumulations in chimneys, flues and ducts					
29 read with 62(1)	Allowing soot or other combustible substance to accumulate in a chimney, flue or duct in quantities/manner as to constitute a fire hazard or threatening danger	R1 600.00	-	-	R 1 600.00
Sources of ignition					
30(1) read with 62(1)	Smoking/carrying of matches/use of flame emitting devices or spark producing equipment in area containing combustible or flammable substances	R1 100.00	-	-	R 1 100.00
30(2) read with 62(1)	Failure to place hot ashes, cinders or smouldering coals in a non-combustible container	R1 100.00	-	-	R 1 100.00
30(3) read with 62(1)	Failure to ensure adequate distance between combustible substances and or flammable substances	R1 100.00	-	-	R 1 100.00
30(4) read with 62(1)	Use of portable heaters where prohibited by the controlling authority	R1 600.00	-	-	R 1 600.00
Smoking					
31(1) read with 62(1)	Failure to display a No Smoking sign/s as directed by the controlling authority	R1 600.00	-	-	R 1 600.00
31(2) read with 62(1))	Removal of a No Smoking sign	R1 600.00	-	-	R 1 600.00
31(3) read with 62(1)	Light of smoke of a cigar, cigarette, pipe, tobacco or other substance or ignite or set fire to hold, possess, throw or deposit any lighted or smouldering substance in any place where expressly prohibited	R1 600.00	-	-	R 1 600.00
31(3A) read with 62(1)	Owner or person in charge allow or permit lighting or smoke a cigar, cigarette, pipe, tobacco or other substance or ignite or set fire to other material in any place where expressly prohibited.	R1 600.00	-	0.00	R 1 600.00
31(4) read with 62(1)	Failure to provide for safe disposal of smoking materials where smoking is allowed.	R1 600.00	-	0.00	R 1 600.00
31(5) read with 62(1)	Throwing/dropping/putting down burning match/cigarette/material/or material capable of spontaneous combustion or self-ignition in a road or other place.	R1 600.00	-	0.00	R 1 600.00
Electrical fittings, equipment and appliances					
32(1) read with 62(1)	Cause or permit an electrical supply outlet to be overloaded.	R1 600.00	-	0.00	R 1 600.00
32(2) read with 62(1)	Cause or permit electrical appliance or extension lead to be used in manner likely to create a fire hazard or other threatening danger	R1 600.00	-	0.00	R 1 600.00
Flame-emitting device					
33 read with 62(1)	Cause or permit flame-emitting device (eg candle/lantern/torch/etc.) to be used in a manner likely to create a fire hazard or other threatening danger	R1 600.00	-	0.00	R 1 600.00

STELLENBOSCH MUNICIPALITY					
DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES					
BRANDWEERDIENSTE/ FIRE SERVICES					
BY LAW	OFFENCE	FINE 2020/2021	FINE Excl. VAT 2021/2022	No VAT applicable	FINE 2021/2022
CHAPTER 7:					
Combustible Material					
34(1) read with 62(1)	Storage/transport/use/display or permission thereof inside or outside any premises of combustible material or flammable substances in quantities or positions or manner likely to cause a fire hazard or other threatening danger.	R1 600.00	-	0.00	R 1 600.00
34(2) read with 62(1)	Permit vegetation to grow/accumulate or other combustible material to accumulate on a premise in a manner likely to cause fire hazard or other threatening danger (owner/person in charge).	R1 600.00	-	0.00	R 1 600.00
Lighting of fires and burning of combustible material					
35(1) read with 62(1)	Lighting of fires/disposal of combustible material by burning.	R1 600.00	-	0.00	R 1 600.00
35(3) read with 62(1)	Failure to ensure that a cooking fire or flame-emitting device is placed in designated areas in places of entertainment/public assembly so as to prevent a fire hazard or other threatening danger by the owner/person in charge	R1 600.00	-	0.00	R 1 600.00
35(4) read with 62(1)	Allowing burning to take place on state land, a farm, a small holding, or land within a proclaimed township that is not utilised for residential purposes, provided that the prior approval is obtained from the controlling authority by the owner/person in charge	R1 600.00	-	0.00	R 1 600.00
35(5) read with 62(1)	Entering a municipal nature reserve area, whilst in possession of any flammable substances, fireworks, lighters or matches	R1 600.00	-	0.00	R 1 600.00
Dealing in Fireworks					
38(1)(a) read with 62(1)	Dealing in fireworks without possessing the required fireworks license and written authority from the South African Police Services and the Chief Fire Officer.	R1 600.00	-	0.00	R 1 600.00
Approval of Fireworks Displays					
40(a) read with 62(1)	Presenting any fireworks display without written authorisation from the Fire Chief	R1 600.00	-	0.00	R 1 600.00
40(c) read with 62(1)	Presenting any fireworks display without supervision and control of person in charge at all times	R1 600.00	-	0.00	R 1 600.00
40(d) read with 62(1)	Presenting any fireworks display without attendance of suitably qualified explosives expert from the South African Police Services during its entire duration	R1 600.00	-	0.00	R 1 600.00
40(e) read with 62(1)	Presenting a fireworks out of a clearly demarcated area of a of at least 50 metres radius for the launching of fireworks, measures been taken to prevent any person not involved in the presentation of the display from entering such launching area and the presence of a pyro technician at all times and is responsible for the discharge of fireworks at such display.	R1 600.00	-	0.00	R 1 600.00
CHAPTER 9: FIRE SUBSTANCES					
Storage and use of a flammable substance					
44(1) read with 62(1)	Failure of the owner or person in charge to submit a building plan in accordance with the National Building Regulations to the municipality, prior to the construction of a new installation/alteration of an existing installation either temporary or permanent for the storage of a flammable substance	R1 600.00	-	0.00	R 1 600.00
44(1A) read with 62(1)	Failure of the owner or person in charge of an installation for the storage of a flammable substance to produce a copy of the municipal approved plan available at the site where the installation is being constructed	R1 600.00	-	0.00	R 1 600.00
44(3) read with 62(1)	Failure to pressure test storage tank/liquid petroleum gas installations/ associated pipework on request from the municipality prior to commissioning (owner/person in charge).	R1 600.00	-	0.00	R 1 600.00
44(5) read with 62(1)	Failure to notify controlling authority of alteration that impacts on fire safety of storage tank installation.	R1 600.00	-	-	R 1 600.00
44(6)(i)	Storage/use of flammable gas in excess of 19kg flammable gas of a danger group without obtaining flammable substance certificate.	R1 600.00	-	-	R 1 600.00
Flammable substance certificate					
45(1) read with 62(1)	Failure to submit application for flammable substance certificate	R1 600.00	-	-	R 1 600.00
45(4) read with 62(1)	Failure to renew flammable substance certificate (annual/quantity or class of substance changed)	R1 600.00	-	-	R 1 600.00
45(7) read with 62(1)	Supply of flammable substance in respect of premises which is not in possession of a valid flammable substance certificate	R1 600.00	-	-	R 1 600.00
45(9) read with 62(1)	Failure to have flammable substance certificate available on premises for inspection.	R1 600.00	-	-	R 1 600.00
Permanent or temporary above ground storage tank for a flammable liquid					
46(2)(a) read with 62(1)	Temporary above ground storage tank in excess of 9000 litres/ on premises for period exceeding 6 months/without submitting necessary written application.	R1 600.00	-	-	R 1 600.00
46(3) read with 62(1)	Failure to submit rational design for above ground storage tank in excess of 9000 litres	R1 600.00	-	0.00	R 1 600.00
46(5) read with 62(1)	Permanent/temporary tank with insufficient ullage to permit expansion by reason of temperature rise during storage.	R1 600.00	-	0.00	R 1 600.00
46(6) read with 62(1)	Erection of permanent/temporary tank less than 3,5 metres from boundaries/buildings/other flammable substances/combustible materials.	R1 600.00	-	0.00	R 1 600.00
46(7) read with 62(1)	Permanent/temporary tank not located on firm ground level/ground not adequate strength to support mass of tank and contents	R1 600.00	-	0.00	R 1 600.00
46(8) read with 62(1)	No bund wall or permanent/temporary tank.	R1 600.00	-	0.00	R 1 600.00
46(9) read with 62(1)	Inadequate precautions to prevent spillage during filling of tank.	R1 600.00	-	0.00	R 1 600.00
46(10) read with 62(1)	Failure to provide sufficient fire extinguishers in weather proof boxes	R1 600.00	-	0.00	R 1 600.00
46(11) read with 62(1)	Failure to provide necessary symbolic safety (above ground tanks)	R1 600.00	-	0.00	R 1 600.00
46(12) read with 62(1)	Failure to clearly identify flammable liquid contents with Hazchem placards (above ground tanks).	R1 600.00	-	0.00	R 1 600.00

STELLENBOSCH MUNICIPALITY					
DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES					
BRANDWEERDIENSTE/ FIRE SERVICES					
BY LAW	OFFENCE	FINE 2020/2021	FINE Excl. VAT 2021/2022	No VAT applicable	FINE 2021/2022
46(13) read with 62(1)	Electrical/internal combustion-driven pump not equipped/positioned to eliminate danger of flammable liquid igniting	R1 600.00	-	0.00	R 1 600.00
46(14) read with 62(1)	Electrical installation associated with the above ground storage tank not complying with SABS 0108 and SABS 089: Part 2.	R1 600.00	-	0.00	R 1 600.00
Underground Storage Tank					
47 read with 62(1)	Installation does not comply with NBR, SABS 089: Part 3, SABS 0131: Part 3.	R1 600.00	-	0.00	R 1 600.00
Bulk storage depot for flammable substances					
48 read with 62(1)	The handling, storage and distribution of flammable substances at bulk depot fails to comply with NBR, SABS 089: Part 1.	R1 600.00	-	0.00	R 1 600.00
Small installations for liquefied petroleum gas					
49 read with 62(1)	Liquefied petroleum gas installations involving gas storage combined capacity not exceeding 3 000 litres per installation not installed in accordance with SABS 087: Part 1.	R1 600.00	-	0.00	R 1 600.00
Liquid petroleum gas installation in mobile units and small non-permanent buildings					
50 read with 62(1)	Liquid petroleum gas installation in mobile unit/small non-permanent building not in accordance with SABS 087: Part 2.	R1 600.00	-	0.00	R 1 600.00
The fuelling of forklift trucks and other LP gas operated vehicles					
51 read with 62(1)	The fuelling of forklift trucks and other LP gas operated vehicles not in accordance with SABS 087: Part 8	R1 600.00	-	0.00	R 1 600.00
The storage and filling of refillable liquid petroleum gas containers					
52 read with 62(1)	Storage and filling site for refillable liquid petroleum gas containers of capacity not exceeding 9kg not in accordance with SABS 10087 Part 8	R1 600.00	-	-	R 1 600.00
Bulk storage vessel for liquid petroleum gas					
53 read with 62(1)	The layout, design and operation of installations for the storage of a bulk liquid petroleum vessel and allied facilities not in accordance with the National Building Regulations (T1), read in conjunction with SABS 087: Part 3.	R1 600.00	-	-	R 1 600.00
Termination of the storage and use of flammable substances					
54(1) read with 62(1)	Failure to take prescribed steps when above ground or underground tank installation, liquid petroleum gas installation or associated pipework no longer required.	R1 600.00	-	-	R 1 600.00
54(2) read with 62(1)	Failure to apply in writing to fill unstable installation with liquid cement slurry.	R1 600.00	-	-	R 1 600.00
Reporting accidents					
55 read with 62(1)	Failure to notify controlling authority of accident involving flammable substance.	R1 600.00	-	-	R 1 600.00
Flammable stores					
56 read with 62(1)	Flammable store not conforming to requirements (specify exactly).	R1 600.00	-	-	R 1 600.00
Container handling and storage					
57(1) read with 62(1)	Failure to keep flammable substance closed when not in use. 1500 1,590 0 1,590	R1 600.00	-	0.00	R 1 600.00
57(2) read with 62(1)	Extracting flammable liquids from container exceeding 20 litre capacity which does not have adequately sealed pump/ tap.	R1 600.00	-	0.00	R 1 600.00
57(3) read with 62(1)	Failure to label flammable liquid containers properly.	R1 600.00	-	0.00	R 1 600.00
57(5) read with 62(1)	Inadequate manufacture/maintenance of flammable substance containers allowing leakage of flammable substances or vapours.	R1 600.00	-	0.00	R 1 600.00
57(6) read with 62(1)	Failure to place empty flammable liquid container in a flammable store. 1500 1,590 0 1,590	R1 600.00	-	0.00	R 1 600.00
57(8) read with 62(1)	Failure to securely close empty flammable liquid container	R1 600.00	-	0.00	R 1 600.00
Spray rooms and booths					
58 read with 62(1)	A spray room, booth or area designated for the application of a flammable liquid not constructed compliance with the General Safety Regulations promulgated in terms of the Occupational Health and Safety Act.	R1 600.00	-	0.00	R 1 600.00
Liquid petroleum gas containers					
59(1) read with 62(1)	Manufacture/maintenance/testing of liquid petroleum gas container not in accordance with SABS 087: Part 1 and SABS 019.	R1 600.00	-	0.00	R 1 600.00
59(2) read with 62(1)	Liquid petroleum gas container used/stored in such a manner that damage or leakage of liquid or vapour is possible.	R1 600.00	-	0.00	R 1 600.00
59(3) read with 62(1)	Filling of liquid petroleum gas container not exceeding 9 kilograms not in accordance with SABS 087: Part 7. 1500	R1 600.00	-	0.00	R 1 600.00
CHAPTER 10: TRANSPORTATION OF DANGEROUS GOODS					
Dangerous goods certificate					
60(1) read with 62(1)	Operation of vehicle designated for the transportation of flammable material without a dangerous goods certificate. 1500 1,590 0 1,590	R1 600.00	-	0.00	R 1 600.00
60(2) read with 62(1)	Failure to submit it application for dangerous goods certificate in prescribed form to controlling authority.	R1 100.00	-	0.00	R 1 100.00
60(5) read with 62(1)	Failure to renew dangerous goods certificate annually/when major maintenance or repairs made on vehicle.	R1 100.00	-	0.00	R 1 100.00
60(10) read with 62(1)	Failure to keep dangerous goods certificate available in vehicle for inspection.	R1 100.00	-	0.00	R 1 100.00

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022
Applicable to services rendered from 1 July 2021

DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES

LAW ENFORCEMENT/ WETSTOEPASSING	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
Skut van goedere gekonfiskeer / Impoundment of goods confiscated	848.00	782.61	117.39	900.00
<u>Provision of CCTV video footage information/ Voorsiening van CCTV video inligting</u>				
Aansoekfooi/ Application Fee	201.40	186.96	28.04	215.00
Beeldmateriaal opsporingsfooi / Video footage tracing fee	265.00	244.35	36.65	281.00
Voorsiening van bewysmateriaal (CCTV video) per CD/ Provision of evidentiary evidence (CCTV video footage) per CD	424.00	391.30	58.70	450.00
<u>Animal Impoundment costs:</u>				
<u>Impoundment of animals</u>				
Horses, cattle and pigs (per head)	265.00	244.78	36.72	281.50
Goats and Sheep (per head)	159.00	147.83	22.17	170.00
<u>Pound Fees (includes sustenance)</u>				
Horses, cattle and pigs (per head per day)	159.00	147.83	22.17	170.00
Goats and Sheep (per head per day)	159.00	147.83	22.17	170.00
<u>Fees for animals to be separately herded</u>				
For every stallion and bull (per head per day)	265.00	244.78	36.72	281.50
For every Sheep ram, goat ram or other separate animal (per head per day)	159.00	147.83	22.17	170.00
<u>Transport costs</u>				
All animals delivered to the pound per km per single trip (No sharing of costs for multiple owners)	22.00	20.43	3.07	23.50
Transport of animals to another municipality's pound per km per single trip (New)	35.00	32.35	4.85	37.20
EVENTS				
<u>Events Application Fee: Non-refundable</u>				
Youth Development	117.00	108.26	16.24	124.50
Schools and educational institutions	117.00	108.26	16.24	124.50
Welfare Organizations	117.00	108.26	16.24	124.50
Churches	117.00	108.26	16.24	124.50
Elderly	117.00	108.26	16.24	124.50
Inter-Governmental departments	117.00	108.26	16.24	124.50
<u>All other applications:</u>	895.00	826.09	123.91	950.00

STELLENBOSCH MUNICIPALITY					
MISCELLANEOUS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022 Applicable to services rendered from 1 July 2021					
DIREKTORAAT: INFRASTRUKTUUR DIENSTE DIRECTORATE: INFRASTRUCTURE SERVICES					
MISCELLANEOUS	Unit	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
Special meter reading Office hours (till 15:00) After Hours (After 15:00) Sunday and Public Holidays	per occasion per occasion per occasion	R 243.58 R 371.96 R 754.88	R 220.50 R 336.70 R 683.33	R 33.07 R 50.51 R 102.50	R 253.57 R 387.21 R 785.83
Disconnection or Reconnection of Low Voltage supply: Office hours (till 15:00) After Hours (After 15:00) Sunday and Public Holidays	per occasion per occasion per occasion	R 243.58 R 371.96 R 754.88	R 220.50 R 336.70 R 683.33	R 33.07 R 50.51 R 102.50	R 253.57 R 387.21 R 785.83
1st Call to fault on consumer's installation : Office hours (till 15:00) After Hours (after 15:00) Sunday's and Public Holidays	per occasion per occasion per occasion	R 384.02 R 673.69 R 779.02	R 347.63 R 609.84 R 705.18	R 52.14 R 91.48 R 105.78	R 399.77 R 701.31 R 810.96
2nd Call to fault on consumer's installation : Office hours (till 15:00) After Hours (after 15:00) Sunday's and Public Holidays	per visit per visit per visit	R 534.35 R 715.39 R 1 080.76	R 483.70 R 647.58 R 978.32	R 72.55 R 97.14 R 146.75	R 556.25 R 744.72 R 1 125.07
Service not ready for connection	per visit	R 719.77	R 651.55	R 97.73	R 749.28
Temporary supply at public venue: Existing kiosk with single phase plug point (where available) Existing kiosk with three phase plug point (where available) Supply temporary kiosk with single/three phase plug points where supply in close vicinity (Plus day tariff)	per day per day per occasion	R 718.68 R 1 010.53 R 3 798.56	R 650.56 R 914.75 R 3 438.52	R 97.58 R 137.21 R 515.78	R 748.14 R 1 051.96 R 3 954.30
Temporary supply at public venue: (Non-profit organisations only) Existing kiosk with single phase plug point (where available) Existing kiosk with three phase plug point (where available) Supply temporary kiosk with single/three phase plug points where supply in close vicinity (Plus day tariff)	per day per day per occasion	R 163.49 R 268.82 R 2 901.04	R 147.99 R 243.34 R 2 626.07	R 22.20 R 36.50 R 393.91	R 170.19 R 279.84 R 3 019.98
MV switching on Council's equipment : Office hours After Hours Sundays & Public Holidays	per occasion per occasion per occasion	R 3 232.39 R 4 538.07 R 6 752.26	R 2 926.01 R 4 107.94 R 6 112.26	R 438.90 R 616.19 R 916.84	R 3 364.92 R 4 724.13 R 7 029.10
Installation of banners	per banner	R 3 452.93	R 3 125.66	R 468.85	R 3 594.50
Load control equipment: Shifting of existing load control equipment(office hours 8:00 till 15:00) Shifting of existing load control equipment(after hours(after 15:00) including weekends)	each each	R 594.00 R 794.00	R 0.00 R 0.00	N/A N/A	R 620.73 R 829.73
NEW SUPPLIES WHERE MUNICIPAL CABLE IS AT ERF BOUNDARY (INCLUDES ENERGY DISPENSER AND EXCLUDE CABLE JOINT ON PROPERTY BOUNDARY) 60 A single phase energy dispenser Three phase energy dispenser User interface Unit (wired) User interface Unit (wireless) Single Phase Connection Informal Settlement (Energy Dispenser + Ready Board + Cable - max distance 30meter) 60 A single phase service connection installed to Non-Serviced Property from overhead line to erf boundary with a 60 A single phase energy dispenser distribution board All other new installations or upgrades as per quotation supplied by the Electrical Engineering Services Directorate	each each each each each each	R 2 867.07 R 4 790.84 R 518.11 R 695.18 R 4 741.65 R 6 946.33 Quotation	R 2 595.32 R 4 336.75 R 469.00 R 629.29 R 4 292.22 R 6 287.94 Quotation	R 389.30 R 650.51 R 70.35 R 94.39 R 643.83 R 943.19 Quotation	R 2 984.62 R 4 987.26 R 539.35 R 723.68 R 4 936.06 R 7 231.13 Quotation

DIREKTORAAT: INFRASTRUKTUUR DIENSTE DIRECTORATE: INFRASTRUCTURE SERVICES					
MISCELLANEOUS	Unit	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
INSTALLATION OF ENERGY DISPENSERS					
Replacement of existing single phase credit meter with single phase energy dispenser	each	No Cost			No Cost
Replacement of existing three phase credit meter with a three phase electricity dispenser	each	No Cost			No Cost
Testing of single phase meter (on site verification)	each	R 793.55	R 718.34	R 107.75	R 826.09
Testing of three phase meters (on site verification)	each	R 1 422.06	R 1 287.27	R 193.09	R 1 480.36
Testing of three phase bulk meters (New Audit)	each	R 2 977.47	R 2 695.26	R 404.29	R 3 099.54
Tariff investigation - based on existing consumption data	each	R 1 841.79	R 1 667.22	R 250.08	R 1 917.30
Tariff or load profile investigation - requiring equipment and personnel/site visit's	each	R 3 566.62	R 3 228.57	R 484.29	R 3 712.85
Quality of supply investigation - requiring equipment and personnel/site visit's	each	R 4 212.61	R 3 813.33	R 572.00	R 4 385.33
Bulk metering (Ct's, Test Block, Fuses Complete and Modem) and site certification	each	R 14 934.94	R 13 246.64	R 1 987.00	R 15 233.64
Single phase AMI meter (including GPRS Modem)	each	R 5 175.00	R 4 590.00	R 688.50	R 5 278.50
Three phase AMI meter Max 120A (Including GPRS Modem)	each	R 7 877.50	R 6 987.00	R 1 048.05	R 8 035.05
Smart Metering Single phase when available max 80A	each	R 4 580.97	R 4 063.12	R 609.47	R 4 672.59
Smart Metering Three phase when available max 80A	each	R 6 174.64	R 5 476.64	R 821.50	R 6 298.13
DEVELOPMENT BULK LEVY CONTRIBUTIONS					
<i>Please Note: Any additional costs to make the supply available to the users are for the developers account</i>					
Developer Provides Minisub					
Cluster housing, Semi-detached townhouses & flats	3 kVA	R 8 382.69	R 0.00	N/A	R 8 726.38
Urban Residential, Freestanding homes or townhouses (LSM 7-10)	4 kVA	R 11 171.56	R 0.00	N/A	R 11 629.60
Luxury Class Homes >250m ² (Airconditioning, underfloor heating, more than one electrical hot water cylinder etc)max 60Amp Single Phase	6 kVA	R 16 757.88	R 0.00	N/A	R 17 444.96
Non Residential	per kVA	R 2 332.10	R 0.00	N/A	R 2 427.72
Residential > 60Amp Single Phase to max 60 Amp Three Phase	per kVA	R 2 332.10	R 0.00	N/A	R 2 427.72
Existing Municipal Minisub or Transformer					
Cluster housing, Semi-detached townhouses & flats	3 kVA	R 10 745.89	R 0.00	N/A	R 11 186.47
Urban Residential, Freestanding homes or townhouses (LSM 7-10)	4 kVA	R 14 336.79	R 0.00	N/A	R 14 924.60
Luxury Class Homes >250m ² (Airconditioning, underfloor heating, more than one electrical hot water cylinder etc)max 60Amp Single Phase	6 kVA	R 21 108.99	R 0.00	N/A	R 21 974.46
Non Residential per kVA	per kVA	R 3 111.61	R 0.00	N/A	R 3 239.19
Residential > 60Amp Single Phase to max 60 Amp Three Phase	per kVA	R 3 111.61	R 0.00	N/A	R 3 239.19

DC per land-use: Stellenbosch Town 2021.22

Usage Codes														Total (excl Vat)		
Land Use	Unit	Water		Sewer		Stormwater		Solid Waste		Roads		Community Facilities		person	Cost	
		kl/day	Cost	kl/day	Cost	ha*C	Cost	t/week	Cost	trips/day	Cost					
		factor	R27 144	factor	R26 033	factor	R102 215	factor	R53 125							
Residential	Single Residential >1000m2									factor	R6 541	factor	R3 355			
	Single Residential >500m2	1.200	R32 573	0.700	R18 223	0.048	R4 906	0.040	R2 125	4.00	R26 163	4.0	R13 418	R	97 408	
	Single Residential >250m2	0.800	R21 715	0.650	R16 922	0.028	R2 862	0.040	R2 125	4.00	R26 163	4.0	R13 418	R	83 205	
	Single Residential <250m2	0.700	R19 001	0.600	R15 620	0.023	R2 351	0.040	R2 125	4.00	R26 163	4.0	R13 418	R	78 678	
	Single Residential <250m2	0.600	R16 286	0.500	R13 017	0.018	R1 840	0.040	R2 125	4.00	R26 163	4.0	R13 418	R	72 849	
	Less Formal Residential >250m2	0.600	R16 286	0.500	R13 017	0.023	R2 351	0.040	R2 125	0.75	R4 906	4.0	R13 418	R	52 103	
	Less Formal Residential <250m2	0.450	R12 215	0.400	R10 413	0.018	R1 840	0.040	R2 125	0.75	R4 906	4.0	R13 418	R	44 917	
	Group Residential >250m2	0.700	R19 001	0.600	R15 620	0.023	R2 351	0.040	R2 125	3.75	R24 528	4.0	R13 418	R	77 043	
	Group Residential <250m2	0.600	R16 286	0.500	R13 017	0.018	R1 840	0.040	R2 125	3.25	R21 257	4.0	R13 418	R	67 943	
	Medium Density Residential >250m2	0.700	R19 001	0.600	R15 620	0.023	R2 351	0.040	R2 125	2.75	R17 987	4.0	R13 418	R	70 502	
	Medium Density Residential <250m2	0.600	R16 286	0.500	R13 017	0.018	R1 840	0.040	R2 125	3.25	R21 257	4.0	R13 418	R	67 943	
	High Density Residential - flats	dwelling unit	0.450	R12 215	0.400	R10 413	0.008	R818	0.040	R2 125	2.75	R17 987	4.0	R13 418	R	56 976
High Density Residential - student rooms	dwelling unit	0.180	R4 886	0.150	R3 905	0.004	R409	0.015	R797	1.25	R8 176	1.0	R3 356	R	21 527	
Commercial										factor	R7 267	factor	R1 491			
	Local Business - office	0.400	R10 858	0.350	R9 112	0.008	R818	0.040	R2 125	9.00	R65 407	1.0	R1 491	R	89 810	
	Local Business - retail	0.400	R10 858	0.350	R9 112	0.008	R818	0.040	R2 125	9.00	R65 407	1.0	R1 491	R	89 810	
	General Business - office	0.400	R10 858	0.350	R9 112	0.008	R818	0.040	R2 125	9.00	R65 407	1.0	R1 491	R	89 810	
General Business - retail	100m2 GLA	0.400	R10 858	0.350	R9 112	0.008	R818	0.040	R2 125	9.00	R65 407	1.0	R1 491	R	89 810	
Community	100m2 GLA	0.400	R10 858	0.350	R9 112	0.008	R818	0.040	R2 125	9.00	R65 407	1.0	R1 491	R	89 810	
Education	100m2 GLA	0.400	R10 858	0.350	R9 112	0.008	R818	0.040	R2 125	9.00	R65 407	1.0	R1 491	R	89 810	
Industrial										factor	R9 448	factor	R1 491			
	Light Industrial	0.400	R10 858	0.350	R9 112	0.015	R1 533	0.040	R2 125	6.00	R56 686	1.0	R1 491	R	81 805	
	General Industrial - light	0.400	R10 858	0.350	R9 112	0.015	R1 533	0.040	R2 125	6.00	R56 686	1.0	R1 491	R	81 805	
	Warehousing	0.400	R10 858	0.350	R9 112	0.015	R1 533	0.040	R2 125	3.00	R28 343	1.0	R1 491	R	53 462	
	General Industrial - heavy	0.400	R10 858	0.350	R9 112	0.015	R1 533	0.040	R2 125	2.00	R18 895	1.0	R1 491	R	44 014	
	Noxious Industrial - heavy	0.400	R10 858	0.350	R9 112	0.015	R1 533	0.040	R2 125	2.00	R18 895	1.0	R1 491	R	44 014	
Other										factor	R7 267	factor	R1 491			
	Resort	0.400	R10 858	0.350	R9 112	0.008	R818	0.040	R2 125	9.00	R65 407	1.0	R1 491	R	89 810	
	Public Open Space		-		R	0.200	R20 443		R0		-		R	-	R	20 443
	Private Open Space		-		R	0.200	R20 443		R0		-		R	-	R	20 443
	Natural Environment		-		R	0.200	R20 443		R0		-		R	-	R	20 443
	Utility Services	0.400	R10 858	0.350	R9 112	0.008	R818	0.040	R2 125	9.00	R65 407	1.0	R1 491	R	89 810	
	Public Roads and Parking		-		R	0.700	R71 551		R0		-		R	-	R	71 551
	Transport Facility		-		R	0.700	R71 551		R0		-		R	-	R	71 551
Limited Use		-		R	-	R0		R0		-		R	-	R	-	
Special																
	To be calculated															
based on equivalent demands																

DC per land-use: Dwars River 2021.22

Usage Codes													
Land Use	Unit	Water		Sewer		Stormwater	Solid Waste		Roads		Community Facilities		Total (excl Vat)
		kl/day	Cost	kl/day	Cost	ha*C	t/week	Cost	trips/day	Cost	person	Cost	
		factor	R21 276	factor	R30 329	factor	R45 946						
Residential	Single Residential >1000m2	1.200	R25 531	0.700	R21 230	0.048	R4 681	R1 838	factor	R3 687	factor	R3 355	
	Single Residential >500m2	0.800	R17 021	0.650	R19 714	0.028	R2 731	R1 838	4.00	R14 748	4.0	R13 418	R 81 447
	Single Residential >250m2	0.700	R14 893	0.600	R18 197	0.023	R2 243	R1 838	4.00	R14 748	4.0	R13 418	R 69 470
	Single Residential <250m2	0.600	R12 766	0.500	R15 165	0.018	R1 756	R1 838	4.00	R14 748	4.0	R13 418	R 65 338
	Less Formal Residential >250m2	0.600	R12 766	0.500	R15 165	0.023	R2 243	R1 838	0.75	R2 765	4.0	R13 418	R 59 690
	Less Formal Residential <250m2	0.450	R9 574	0.400	R12 132	0.018	R1 756	R1 838	0.75	R2 765	4.0	R13 418	R 48 195
	Group Residential >250m2	0.700	R14 893	0.600	R18 197	0.023	R2 243	R1 838	3.75	R13 826	4.0	R13 418	R 41 483
	Group Residential <250m2	0.600	R12 766	0.500	R15 165	0.018	R1 756	R1 838	3.25	R11 983	4.0	R13 418	R 56 924
	Medium Density Residential >250m2	0.700	R14 893	0.600	R18 197	0.023	R2 243	R1 838	2.75	R10 139	4.0	R13 418	R 60 729
	Medium Density Residential <250m2	0.600	R12 766	0.500	R15 165	0.018	R1 756	R1 838	3.25	R11 983	4.0	R13 418	R 56 924
Commercial	High Density Residential - flats	0.450	R9 574	0.400	R12 132	0.008	R780	R1 838	2.75	R10 139	4.0	R13 418	R 47 881
	High Density Residential - student rooms	0.180	R3 830	0.150	R4 549	0.004	R390	R689	1.25	R4 609	1.0	R3 355	R 17 422
									factor	R4 097	factor	R1 491	
	Local Business - office	0.400	R8 510	0.350	R10 615	0.008	R780	R1 838	9.00	R36 870	1.0	R1 491	R 60 104
	Local Business - retail	0.400	R8 510	0.350	R10 615	0.008	R780	R1 838	9.00	R36 870	1.0	R1 491	R 60 104
	General Business - office	0.400	R8 510	0.350	R10 615	0.008	R780	R1 838	9.00	R36 870	1.0	R1 491	R 60 104
	General Business - retail	0.400	R8 510	0.350	R10 615	0.008	R780	R1 838	9.00	R36 870	1.0	R1 491	R 60 104
	Community	0.400	R8 510	0.350	R10 615	0.008	R780	R1 838	9.00	R36 870	1.0	R1 491	R 60 104
	Education	0.400	R8 510	0.350	R10 615	0.008	R780	R1 838	9.00	R36 870	1.0	R1 491	R 60 104
									factor	R5 326	factor	R1 491	
Industrial	Light Industrial	0.400	R8 510	0.350	R10 615	0.015	R1 463	R1 838	6.00	R31 954	1.0	R1 491	R 55 871
	General Industrial - light	0.400	R8 510	0.350	R10 615	0.015	R1 463	R1 838	6.00	R31 954	1.0	R1 491	R 55 871
	Warehousing	0.400	R8 510	0.350	R10 615	0.015	R1 463	R1 838	3.00	R15 977	1.0	R1 491	R 39 894
	General Industrial - heavy	0.400	R8 510	0.350	R10 615	0.015	R1 463	R1 838	2.00	R10 651	1.0	R1 491	R 34 569
	Noxious Industrial - heavy	0.400	R8 510	0.350	R10 615	0.015	R1 463	R1 838	2.00	R10 651	1.0	R1 491	R 34 569
									factor	R4 097	factor	R1 491	
	Resort	0.400	R8 510	0.350	R10 615	0.008	R780	R1 838	9.00	R36 870	1.0	R1 491	R 60 104
	Public Open Space		R		R	0.200	R19 506	R0		R		R	R 19 506
	Private Open Space		R		R	0.200	R19 506	R0		R		R	R 19 506
	Natural Environment		R		R	0.200	R19 506	R0		R		R	R 19 506
Other	Utility Services	0.400	R8 510	0.350	R10 615	0.008	R780	R1 838	9.00	R36 870	1.0	R1 491	R 60 104
	Public Roads and Parking		R		R	0.700	R68 271	R0		R		R	R 68 271
	Transport Facility		R		R	0.700	R68 271	R0		R		R	R 68 271
	Limited Use		R		R		R0	R0		R		R	R -
Special	To be calculated												
	based on equivalent demands												

DC per land-use: Franschhoek 2021.22

Usage Codes															
Land Use	Unit	Water		Sewer		Stormwater		Solid Waste		Roads		Community Facilities		Total (excl Vat)	
		kl/day	Cost	kl/day	Cost	ha*C	Cost	t/week	Cost	trips/day	Cost	person	Cost		
		factor	R25 290	factor	R16 740	factor	R71 994	factor	R57 531						
Residential	Single Residential >1000m2	1.200	R30 348	0.700	R11 718	0.048	R3 456	0.040	R2 301	factor	R6 694	factor	R3 355	R 88 016	
	Single Residential >500m2	0.800	R20 232	0.650	R10 881	0.028	R2 016	0.040	R2 301	4.00	R26 775	4.0	R13 418	R 75 623	
	Single Residential >250m2	0.700	R17 703	0.600	R10 044	0.023	R1 656	0.040	R2 301	4.00	R26 775	4.0	R13 418	R 71 897	
	Single Residential <250m2	0.600	R15 174	0.500	R8 370	0.018	R1 296	0.040	R2 301	4.00	R26 775	4.0	R13 418	R 67 334	
	Less Formal Residential >250m2	0.600	R15 174	0.500	R8 370	0.023	R1 656	0.040	R2 301	0.75	R5 020	4.0	R13 418	R 45 939	
	Less Formal Residential <250m2	0.450	R11 380	0.400	R6 696	0.018	R1 296	0.040	R2 301	0.75	R5 020	4.0	R13 418	R 40 112	
	Group Residential >250m2	0.700	R17 703	0.600	R10 044	0.023	R1 656	0.040	R2 301	3.75	R25 102	4.0	R13 418	R 70 224	
	Group Residential <250m2	0.600	R15 174	0.500	R8 370	0.018	R1 296	0.040	R2 301	3.25	R21 755	4.0	R13 418	R 62 314	
	Medium Density Residential >250m2	0.700	R17 703	0.600	R10 044	0.023	R1 656	0.040	R2 301	2.75	R18 408	4.0	R13 418	R 63 530	
	Medium Density Residential <250m2	0.600	R15 174	0.500	R8 370	0.018	R1 296	0.040	R2 301	3.25	R21 755	4.0	R13 418	R 62 314	
	High Density Residential - flats	0.450	R11 380	0.400	R6 696	0.008	R576	0.040	R2 301	2.75	R18 408	4.0	R13 418	R 52 780	
	High Density Residential - student rooms	0.180	R4 552	0.150	R2 511	0.004	R288	0.015	R863	1.25	R8 367	1.0	R3 355	R 19 936	
Commercial										factor	R7 438	factor	R1 491		
	Local Business - office	0.400	R10 116	0.350	R5 859	0.008	R576	0.040	R2 301	9.00	R66 939	1.0	R1 491	R 87 282	
	Local Business - retail	0.400	R10 116	0.350	R5 859	0.008	R576	0.040	R2 301	9.00	R66 939	1.0	R1 491	R 87 282	
	General Business - office	0.400	R10 116	0.350	R5 859	0.008	R576	0.040	R2 301	9.00	R66 939	1.0	R1 491	R 87 282	
	General Business - retail	0.400	R10 116	0.350	R5 859	0.008	R576	0.040	R2 301	9.00	R66 939	1.0	R1 491	R 87 282	
	Community	0.400	R10 116	0.350	R5 859	0.008	R576	0.040	R2 301	9.00	R66 939	1.0	R1 491	R 87 282	
Industrial	Education	0.400	R10 116	0.350	R5 859	0.008	R576	0.040	R2 301	9.00	R66 939	1.0	R1 491	R 87 282	
										factor	R9 669	factor	R1 491		
	Light Industrial	0.400	R10 116	0.350	R5 859	0.015	R1 080	0.040	R2 301	6.00	R58 014	1.0	R1 491	R 78 860	
	General Industrial - light	0.400	R10 116	0.350	R5 859	0.015	R1 080	0.040	R2 301	6.00	R58 014	1.0	R1 491	R 78 860	
	Warehousing	0.400	R10 116	0.350	R5 859	0.015	R1 080	0.040	R2 301	3.00	R29 007	1.0	R1 491	R 49 854	
	General Industrial - heavy	0.400	R10 116	0.350	R5 859	0.015	R1 080	0.040	R2 301	2.00	R19 338	1.0	R1 491	R 40 185	
Other	Noxious Industrial - heavy	0.400	R10 116	0.350	R5 859	0.015	R1 080	0.040	R2 301	2.00	R19 338	1.0	R1 491	R 40 185	
										factor	R7 438	factor	R1 491		
	Resort	0.400	R10 116	0.350	R5 859	0.008	R576	0.040	R2 301	9.00	R66 939	1.0	R1 491	R 87 282	
	Public Open Space		R		R	0.200	R14 399		R0		-		R	14 399	
	Private Open Space		R		R	0.200	R14 399		R0		-		R	14 399	
	Natural Environment		R		R	0.200	R14 399		R0		-		R	14 399	
Special	Utility Services	0.400	R10 116	0.350	R5 859	0.008	R576	0.040	R2 301	9.00	R66 939	1.0	R1 491	R 87 282	
	Public Roads and Parking		R		R	0.700	R50 396		R0		-		R	50 396	
	Transport Facility		R		R	0.700	R50 396		R0		-		R	50 396	
	Limited Use		R		R	-	R0		R0		-		R	-	
	To be calculated														
Special	based on equivalent demands														

DC per land-use: Klapmuts 2021.22

Usage Codes																	Total (excl Vat)	
Land Use	Unit	Water		Sewer		Stormwater		Solid Waste		Roads		Community Facilities		Total (excl Vat)				
		kl/day	Cost	kl/day	Cost	ha*C	Cost	t/week	Cost	trips/day	Cost	person	Cost					
		factor	R11 105	factor	R22 298	factor	R134 879	factor	R67 752									
Residential	Single Residential >1000m2	dwelling unit	1.200	R13 326		R15 609	0.048	R6 474	0.040	R2 710	factor	R7 723	factor	R3 355	R 82 431			
	Single Residential >500m2	dwelling unit	0.800	R8 884		R14 494	0.028	R3 777	0.040	R2 710	4.00	R30 894	4.0	R13 418	R 74 176			
	Single Residential >250m2	dwelling unit	0.700	R7 774		R13 379	0.023	R3 102	0.040	R2 710	4.00	R30 894	4.0	R13 418	R 71 277			
	Single Residential <250m2	dwelling unit	0.600	R6 663		R11 149	0.018	R2 428	0.040	R2 710	4.00	R30 894	4.0	R13 418	R 67 262			
	Less Formal Residential >250m2	dwelling unit	0.600	R6 663		R11 149	0.023	R3 102	0.040	R2 710	0.75	R5 793	4.0	R13 418	R 42 835			
	Less Formal Residential <250m2	dwelling unit	0.450	R4 997		R8 919	0.018	R2 428	0.040	R2 710	0.75	R5 793	4.0	R13 418	R 38 265			
	Group Residential >250m2	dwelling unit	0.700	R7 774		R13 379	0.023	R3 102	0.040	R2 710	3.75	R28 963	4.0	R13 418	R 69 346			
	Group Residential <250m2	dwelling unit	0.600	R6 663		R11 149	0.018	R2 428	0.040	R2 710	3.25	R25 101	4.0	R13 418	R 61 469			
	Medium Density Residential >250m2	dwelling unit	0.700	R7 774		R13 379	0.023	R3 102	0.040	R2 710	2.75	R21 239	4.0	R13 418	R 61 622			
	Medium Density Residential <250m2	dwelling unit	0.600	R6 663		R11 149	0.018	R2 428	0.040	R2 710	3.25	R25 101	4.0	R13 418	R 61 469			
Residential	High Density Residential - flats	dwelling unit	0.450	R4 997		R8 919	0.008	R1 079	0.040	R2 710	2.75	R21 239	4.0	R13 418	R 52 363			
	High Density Residential - student rooms	dwelling unit	0.180	R1 999		R3 345	0.004	R540	0.015	R1 016	1.25	R9 654	1.0	R3 355	R 19 908			
											factor	R8 582	factor	R1 491				
	Local Business - office	100m2 GLA	0.400	R4 442		R7 804	0.008	R1 079	0.040	R2 710	9.00	R77 234	1.0	R1 491	R 94 760			
Commercial	Local Business - retail	100m2 GLA	0.400	R4 442		R7 804	0.008	R1 079	0.040	R2 710	9.00	R77 234	1.0	R1 491	R 94 760			
	General Business - office	100m2 GLA	0.400	R4 442		R7 804	0.008	R1 079	0.040	R2 710	9.00	R77 234	1.0	R1 491	R 94 760			
	General Business - retail	100m2 GLA	0.400	R4 442		R7 804	0.008	R1 079	0.040	R2 710	9.00	R77 234	1.0	R1 491	R 94 760			
	Community	100m2 GLA	0.400	R4 442		R7 804	0.008	R1 079	0.040	R2 710	9.00	R77 234	1.0	R1 491	R 94 760			
Industrial	Education	100m2 GLA	0.400	R4 442		R7 804	0.008	R1 079	0.040	R2 710	9.00	R77 234	1.0	R1 491	R 94 760			
											factor	R11 156	factor	R1 491				
	Light Industrial	100m2 GLA	0.400	R4 442		R7 804	0.015	R2 023	0.040	R2 710	6.00	R66 936	1.0	R1 491	R 85 407			
	General Industrial - light	100m2 GLA	0.400	R4 442		R7 804	0.015	R2 023	0.040	R2 710	6.00	R66 936	1.0	R1 491	R 85 407			
Other	Warehousing	100m2 GLA	0.400	R4 442		R7 804	0.015	R2 023	0.040	R2 710	3.00	R33 468	1.0	R1 491	R 51 939			
	General Industrial - heavy	100m2 GLA	0.400	R4 442		R7 804	0.015	R2 023	0.040	R2 710	2.00	R22 312	1.0	R1 491	R 40 783			
	Noxious Industrial - heavy	100m2 GLA	0.400	R4 442		R7 804	0.015	R2 023	0.040	R2 710	2.00	R22 312	1.0	R1 491	R 40 783			
											factor	R8 582	factor	R1 491				
	Resort	100m2 GLA	0.400	R4 442		R7 804	0.008	R1 079	0.040	R2 710	9.00	R77 234	1.0	R1 491	R 94 760			
	Public Open Space	ha		R	-	R	0.200	R26 976		R0		R	-	R	26 976			
	Private Open Space	ha		R	-	R	0.200	R26 976		R0		R	-	R	26 976			
	Natural Environment	ha		R	-	R	0.200	R26 976		R0		R	-	R	26 976			
	Utility Services	100m2 GLA	0.400	R4 442		R7 804	0.008	R1 079	0.040	R2 710	9.00	R77 234	1.0	R1 491	R 94 760			
	Public Roads and Parking	ha		R	-	R	0.700	R94 415		R0		R	-	R	94 415			
Other	Transport Facility	ha		R	-	R	0.700	R94 415		R0		R	-	R	94 415			
	Limited Use			R	-	R		R0		R0		R	-	R	-			
Special	To be calculated																	
	based on equivalent demands																	

STELLENBOSCH MUNICIPALITY				
SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022 Applicable to services rendered from 1 July 2021				
DIREKTORAAT: INFRASTRUKTUUR DIENSTE DIRECTORATE: INFRASTRUCTURE SERVICES				
Water Services	Tarief/ Tariff 2020/21 (Incl. VAT)	Tarief/ Tariff Excl. VAT 2021/22	BTW/ VAT 15%	Tarief/ Tariff 2021/22 (Incl. VAT)
DIVERSE DIENSTE / SUNDRY SERVICES				
Water connections complete				
Contractor provided leading				
22 mm Water connections (coupling and meter only)	4 260.65	3 908.69	586.30	4 494.99
Complete connection :				
15mm complete (stopcock + watermeter + box)	6 131.74	5 625.21	843.78	6 468.99
20mm complete (stopcock + watermeter + box)	6 385.18	5 857.71	878.66	6 736.37
25mm complete (stopcock + watermeter + box)	9 226.10	8 463.94	1 269.59	9 733.54
40mm complete (stopcock + watermeter + box)	17 019.21	15 613.27	2 341.99	17 955.27
Complete connection : Including road crossing				
15mm complete (stopcock + watermeter + box)	22 967.59	21 070.27	3 160.54	24 230.81
20mm complete (stopcock + watermeter + box)	23 242.50	21 322.47	3 198.37	24 520.84
25mm complete (stopcock + watermeter + box)	25 779.18	23 649.60	3 547.44	27 197.04
40mm complete (stopcock + watermeter + box)	32 785.85	30 077.45	4 511.62	34 589.07
Inspection fee on all connections done by Private Contractors (excluding water deposit)	2 159.68	1 981.28	297.19	2 278.47
Water Management Device				
22 mm Water connection (stopcock + watermeter + box)	5 324.44	4 884.59	732.69	5 617.28
Water miscellaneous tariffs				
Moving of watermeter sizes up to 25mm diam. Max distance 2m.	1 775.49	1 628.82	244.32	1 873.14
Moving of watermeter size 40mm diam. Max distance 2m.	4 460.70	4 092.21	613.83	4 706.04
(Does not include reinstatement of paved areas - reinstatement of paved areas actual cost)				
Test of all water meters. Actual cost.	Actual cost			Actual cost
Hydrants Standpipes				
15mm-50mm hydrants standpipes rental/month or part of month	1 110.54	1 018.80	152.82	1 171.62
Refundable deposit per hydrant standpipe	12 717.36	11 666.80	1 750.02	13 416.82
Reconnection after disconnection due to non-payment:				
Normal hours	443.78	407.12	61.07	468.18
After hours	681.15	624.88	93.73	718.61
Replacement of damaged water meters:				
20 mm.	4 144.66	3 802.27	570.34	4 372.61
> 20 mm.	Actual cost			
Sewer Connections(Installed by Developer as development requirement)				
Applicant connects to existing connection.				
100mm connection by Developer (first connection)	1 672.29	1 534.14	230.12	1 764.26
150mm connection by Developer (first connection)	2 004.83	1 839.22	275.88	2 115.10
All new sewer connections (due to subdivision/developments)	Actual cost			
Clearing of block sewer:				
Owner responsible to clear private blockage by making use of private contractor				
Blockage teams only responsible for clearing municipal main sewer blockages				
Private blockages only to be cleared if health hazard occurs and clear instruction is given by Management				
Normal hours	706.87	648.47	97.27	745.74
After hours	980.18	899.21	134.88	1 034.09
Deliberate call out to private blockage (call out fee only)	914.06	838.55	125.78	964.33

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022
Applicable to services rendered from 1 July 2021

DIREKTORAAT: INFRASTRUKTUUR DIENSTE DIRECTORATE: INFRASTRUCTURE SERVICES

SERVICES RENDERED	UNIT	COMMENTS	2020/21	2021/22
Waste Management Services			R VAT excl	
Stellenbosch Landfill Site (Devon Valley Site) and Klapmuts Waste Transfer Station (General Waste only - NO Medical or Hazardous Waste)				
Residents and private companies working within WC024				
Disposal of clean garden waste (grass cuttings, leaves etc.) NO OTHER WASTE * contaminated garden waste will be classified as general waste	Per metric ton or part thereof	<u>Vehicles with a carry capacity of up to 1.5 tons.</u> Must show the latest account that reflects WC024 residency or proof of where in WC024 work is being done	Free	Free
Disposal of clean garden waste (grass cuttings, leaves etc.) NO OTHER WASTE * contaminated garden waste will be classified as general waste	Per metric ton or part thereof	<u>Vehicle with a carry capacity exceeding 1.5 tons.</u> Must show proof of where in WC024 work is being done	New	21.73
Disposal of clean builder's rubble * contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	<u>Vehicles with a carrying capacity of 1.5 tons and less.</u> No material other than clean builder's rubble may form part of the load (eg. plastic, iron, wood).	Free	Free
Disposal of clean builder's rubble * contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	<u>Vehicles with a carrying capacity of more than 1.5 tons.</u> No material other than clean builder's rubble may form part of the load (eg. plastic, iron, wood).	17.39	21.73
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 652.18	R 717.40
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per 500 kg or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 326.09	R 358.70
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per 250 kg or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 163.05	R 179.35
Disposal of soil	Per metric ton or part thereof	<u>Vehicles with a carrying capacity of less than 1.5 tons.</u> Only soil from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	NEW	Free
Disposal of soil	Per metric ton or part thereof	<u>Vehicles with a carrying capacity of more than 1.5 tons.</u> Only soil from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	NEW	21.73
Disposal Household Hazardous waste	Car, trailer, LDV	Vehicles with a carrying capacity of 1.5 tons and less. These are limited to items generated on residential properties. Proof of the latest account that reflects payment for refuse removal needs to be shown. Limited to one load per month.	NEW	Free
Interdepartmental Municipal Charges at Stellenbosch Landfill Site (Devon Valley Site) and Klapmuts Waste Transfer Station.				
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	All Departments within Stellenbosch Municipality must pay for the disposal of refuse.	R 626.58	R 717.40
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per 500 kg or part thereof	All Departments within Stellenbosch Municipality must pay for the disposal of refuse.	R 313.29	R 344.61
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per 250 kg or part thereof	All Departments within Stellenbosch Municipality must pay for the disposal of refuse.	R 156.65	R 172.30
Disposal of clean garden waste (grass cuttings, leaves etc.) NO OTHER WASTE * contaminated garden waste will be classified as general waste	Per metric ton or part thereof	<u>Vehicles with a carry capacity of up to 1.5 tons and less.</u> Must show the latest account that reflects WC024 residency or proof of where in WC024 work is being done	Free	Free
Disposal of clean garden waste (grass cuttings, leaves etc.) NO OTHER WASTE * contaminated garden waste will be classified as general waste	Per metric ton or part thereof	<u>Vehicle with a carry capacity more than 1.5 tons.</u> Must show proof of where in WC024 work is being done	New	21.73

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022
Applicable to services rendered from 1 July 2021

DIREKTORAAT: INFRASTRUKTUUR DIENSTE DIRECTORATE: INFRASTRUCTURE SERVICES

SERVICES RENDERED	UNIT	COMMENTS	2020/21	2021/22
Waste Management Services			R VAT excl	
Disposal of clean builder's rubble * contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	<u>Vehicles with a carrying capacity of 1.5 tons and less.</u> No material other than clean builder's rubble may form part of the load (eg. plastic, iron, wood).	Free	Free
Disposal of clean builder's rubble * contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	<u>Vehicles with a carrying capacity of more than 1.5 tons.</u> No material other than clean builder's rubble may form part of the load (eg. plastic, iron, wood).	17.39	21.73
Klapmuts Transfer Station				
Disposal of general waste	Per metric ton or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 652.02	R 717.40
Disposal of general waste	Per 500 kg or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 326.01	R 358.70
Disposal of general waste	Per 250 kg or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 163.01	R 179.35
Disposal of clean garden waste (grass cuttings, leaves etc.) NO OTHER WASTE * contaminated garden waste will be classified as general waste	Per metric ton or part thereof	<u>Vehicles with a carry capacity of up to 1.5 tons or less.</u> Must show the latest account that reflects WC024 residency or proof of where in WC024 work is being done	New	Free
Disposal of clean builder's rubble * contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	<u>Vehicles with a carrying capacity of 1.5 tons and less.</u> No material other than clean builder's rubble may form part of the load (eg. plastic, iron, wood).	New	Free
Franschhoek Drop-off				
Residential properties ONLY				
Disposal of garage waste. * Garage waste is any household waste other than clean garden waste, clean builders' rubble, domestic waste or kitchen waste from residential properties.	Car, trailer, LDV	<u>Vehicles with a carrying capacity of 1.5 tons and less.</u> These are limited to items that cannot fit into a 240l wheelie bin. Proof of the latest account that reflects payment for refuse removal needs to be shown. Limited to one load per month.	New	Free
Disposal of clean garden waste (grass cuttings, leaves etc.) NO OTHER WASTE * contaminated garden waste will be classified as general waste	Per metric ton or part thereof	<u>Vehicles with a carry capacity of up to 1.5 tons or less.</u> Must show the latest account that reflects WC024 residency or proof of where in WC024 work is being done. Limited to one load per day.	New	Free
Disposal of clean builder's rubble * contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	<u>Vehicles with a carrying capacity of 1.5 tons and less.</u> No material other than clean builder's rubble may form part of the load (eg. plastic, iron, wood). Limited to one load per day.	New	Free
ALL VEHICLES WITH A CARRY CAPACITY OF 1.5 TONS OR MORE FOR BUILDER'S RUBBLE AND VEHICLES WITH A CARRY CAPACITY OF 2 TONS OR MORE FOR GARDEN WASTE MUST BE DISPOSED OF AT THE SETTLERBOSCH LANDFILL SITE				
Stellenbosch Waste Material Recovery facility				
Disposal of garage waste. * Garage waste is any household waste other than clean garden waste, clean builders' rubble, domestic waste or kitchen waste from residential properties.	Car, trailer, LDV	<u>Vehicles with a carrying capacity of 1.5 tons and less.</u> These are limited to items that cannot fit into a 240l wheelie bin. Proof of the latest account that reflects payment for refuse removal needs to be shown. Limited to one load per day.	New	Free
Clean recyclable waste material	Per metric ton or part thereof	Must show the latest account that reflects WC024 residency or proof of where in WC024 work is being done	New	Free
Replacement of bin or lid or wheel or axle				
For bin age up to 5 years		For malicious damage where there is negligence on the part of the owner.		

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022
Applicable to services rendered from 1 July 2021

DIREKTORAAT: INFRASTRUKTUUR DIENSTE
DIRECTORATE: INFRASTRUCTURE SERVICES

SERVICES RENDERED	UNIT	COMMENTS	2020/21	2021/22
Waste Management Services			R VAT excl	
For the replacement of a complete bin	Replacement	Applicable to malicious damage Lost or stolen bin must be reported to the nearest Police Station and a case number be presented to Council before replacement commences. The replacement due to theft on refuse removal day will be excluded from this arrangement. Client still to obtain a case number from the SAPS and present it to Council before replacement will take effect. Maximum of twice per year.	Cost + 15% applicable to malicious damage, lost or theft. Must be reported to the SAPS and a case number and payment to be presented to Council before replacement. The replacement due to theft on refuse removal day will be excluded from this arrangement (Maximum two replacement allowed during the financial year, thereafter payment to be presented before replacement). Client still to obtain a case number from the SAPS and present it to Council before replacement will take effect.	Cost + 15% applicable to malicious damage, lost or theft. Must be reported to the SAPS and a case number and payment to be presented to Council before replacement. The replacement due to theft on refuse removal day will be excluded from this arrangement (Maximum two replacement allowed during the financial year, thereafter payment to be presented before replacement). Client still to obtain a case number from the SAPS and present it to Council before replacement will take effect.
Hiring and servicing of 240ℓ bins				
Hiring of 240ℓ wheelie bin	Per bin per day	For the hiring of 240ℓ bins to a third party within WC024 (includes delivery, collection and servicing of the bin). Subject to prior approval and availability.	R 54.52	R 61.06
Servicing of event bins	Per lift	A charge to empty a event bin.	New	R53.05
Hiring of 240ℓ wheelie bins: Basic charge for collection and/or delivery on Saturday	Once-off per event	Compulsory fee to be paid when hiring municipal wheelie bins for events taking place over a weekend in WC024	R 2 758.80	3 034,68
Hiring of 240ℓ wheelie bins: Basic charge for collection and/or delivery on Sunday	Once-off per event	Compulsory fee to be paid when hiring municipal wheelie bins for events taking place over a weekend in WC024	R 3 636.60	4 000,26

STELLENBOSCH MUNICIPALITY

SUNDY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2021
Applicable to services rendered from 1 July 2021

DIREKTORAAT: INFRASTRUKTUUR DIENSTE DIRECTORATE: INFRASTRUCTURE SERVICES

	Tarief/ Tariff 2020/21 (Incl. VAT)	Tarief/ Tariff Excl. VAT 2021/22	BTW/ VAT 15%	Tarief/ Tariff 2021/22 (Incl. VAT)
*Industrial Effluent Treatment Basic Tariff (T): R/kl effluent discharge excluding penalties and contract arrangements.	R 14.28	R 13.10	R 1.97	R 15.07
*Industrial Effluent Conveyancy Basic Tariff (C): R/kl effluent discharge excluding penalties and contract arrangements.	R 6.49	R 5.95	R 0.89	R 6.85
Clearance of septic tanks: per 5 000 litre of part thereof	R 1 812.63	R 1 662.89	R 249.43	R 1 912.32
Waste Water disposal at designated facility per kl	R 114.24	R 104.81	R 15.72	R 120.53
Chemical toilet disposal at designated facility per toilet	R 111.65	R 102.43	R 15.36	R 117.79
* Special agreements when industry do pre-treatment	N/A	N/A	N/A	N/A

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

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

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

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

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

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

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

* Special agreements to be approved by council

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022
Applicable to services rendered from 1 July 2021

DIREKTORAAT: INFRASTRUKTUUR DIENSTE DIRECTORATE: INFRASTRUCTURE SERVICES

SCIENTIFIC SERVICES/WETENSKAPLIKE DIENSTE	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
PARAMETERS				
PHYSICAL ANALYSIS				
Temperature	45.22	47.26	7.09	54.35
Ph @ 25°C	45.22	47.26	7.09	54.35
Electrical conductivity @ 25°Cms ⁻¹	45.22	47.26	7.09	54.35
Turbidity (NTU)	45.22	47.26	7.09	54.35
Total suspended solids (TSS) 105°C mg/1	116.29	121.53	18.23	139.75
Total dissolved solids (TDS-gravimetric) mg/1	116.29	121.53	18.23	139.75
Inorganic dissolved solids (VSS) @600°Cmg/1	180.90	189.04	28.36	217.40
Settle able solids@ 30min in ml	116.29	121.53	18.23	139.75
Volatile organic matter percentage (%)	180.90	189.04	28.36	217.40
CHEMICAL ANALYSIS				
NITRATE (NO ⁻³) mg/1	148.60	155.28	23.29	178.58
NITRITE (NO ⁻²) mg/1	148.60	155.28	23.29	178.58
ORTHO PHOSPHATE (PO ⁻³ 4) mg/1	85.28	89.12	13.37	102.49
TOTAL PHOSPHATE (PO ⁻³ 4) mg/1	335.96	351.07	52.66	403.74
AMMONIA as N (NH3) mg/1	85.28	89.12	13.37	102.49
SULPHIDES (S) mg/1	219.66	229.55	34.43	263.98
SULPHATE (SO ⁻² 4) (total) mg/1	90.45	94.52	14.18	108.70
FREE & TOTAL residual chlorine (CL ⁻²)	64.61	67.51	10.13	77.64
CHLORIDE as Cl mg/1	90.45	94.52	14.18	108.70
PHENOLIS (C6H5OH)	426.41	445.59	66.84	512.43
COD unfiltered mg/1	180.90	189.04	28.36	217.40
COD filtered mg/1	206.74	216.05	32.41	248.45
COD dilution (included in unfiltered) mg/1	180.90	189.04	28.36	217.40
PHENOLIS C6H5OH (total) mg/1	426.41	445.59	66.84	512.43
CHROMATE TEST (CHROMIUM cr6+) as Cr mg/1	515.56	538.76	80.81	619.58
CYANIDE as CN	426.41	445.59	66.84	512.43
SULPHIDES (SO ⁻² 3) mg/1	426.41	445.59	66.84	512.43
MICROBIOLOGICAL & BACTERIOLOGICAL ANALYSIS				
FAECAL COLIFORMS COUNT/100ml	317.87	332.17	49.83	382.00
E.COLI COUNT/100ml	317.87	332.17	49.83	382.00

STELLENBOSCH MUNICIPALITY						
<p align="center">SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022 Applicable to services rendered from 1 July 2021</p>						
DIREKTORAAT: INFRASTRUKTUUR DIENSTE DIRECTORATE: INFRASTRUCTURE SERVICES						
	Tariff 2020/21 (Excl. VAT)	2020/21 VAT 15%	Tariff 2020/21 (Incl. VAT)	Tariff 2021/22 (Excl. VAT)	2021/22 VAT 15%	Tariff 2021/22 (Incl. VAT)
ROADS TRANSPORT & STORMWATER						
Lowering of kerbs	595.05	89.26	684.31	595.05	89.26	684.31
Inspection fee for the construction of facility signs	278.93	41.84	320.77	278.93	41.84	320.77
Construction of facility sign	991.76	148.76	1140.52	991.76	148.76	1140.52
Construction of vehicle access over stormwater/irrigation channels	Actual Cost/Werklike koste + 10%			Actual Cost/Werklike koste + 10%		
Temporary road closures undertaken by the Municipality (12 hours)	Actual cost /plus 10%			7 500.00		8 478.26
Development Charge (DC) - Parking Per parking bay	158 647.41	23 797.11	182 444.52	174 512.15	22 762.45	197 274.60

STELLENBOSCH MUNICIPALITY					
WAYLEAVE TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022 Applicable to services rendered from 1 July 2021					
DIREKTORAAT: INFRASTRUKTUUR DIENSTE DIRECTORATE: INFRASTRUCTURE SERVICES					
ASSET MANAGEMENT AND SYSTEMS SECTION WAYLEAVE ADMINISTRATION TARIFFS	Unit	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
1.1 Administration fee for a miscellaneous wayleave to use the road reserve for a period of one month or less other than to install an underground service PLUS: Inspection Fee (once-off) For the temporary use of the road reserve for less than one month other than for the installation of an underground service, including for: the placement or storage of an item such as a chemical toilet, container, ladder, scaffolding, mobile crane or materials, pumping of concrete, excavation of trial holes. The fee is payable in advance. PLUS: The cost of all inspections during the course of the wayleave from services verification to the site rehabilitation after construction. The fee is payable in advance.	per application per application	R 500.00 R 1 000.00	R 454.35 R 908.70	R 68.15 R 136.30	R 522.50 R 1 045.00
1.2 Administration fee for a wayleave or permit to use the road reserve to install an underground service (total construction duration is less than ten working days) PLUS: Inspection Fee (once-off) For the use of the road reserve to install a pipe, tunnel, cable or duct for water, electricity, communication, or any other service – where the total construction duration is less than ten working days. The fee is payable in advance. PLUS: The cost of all inspections during the course of the wayleave from services verification to the site rehabilitation after construction. The fee is payable in advance.	per application per application	R 1 000.00 R 2 000.00	R 908.70 R 1 817.39	R 136.30 R 272.61	R 1 045.00 R 2 090.00
1.3 Administration fee for a wayleave or permit to use the road reserve to install an underground service PLUS: Inspection Fee (per month, based on the total construction duration) For the use of the road reserve to install a pipe, tunnel, cable or duct for water, electricity, communication, or any other service. The fee is payable in advance. PLUS: The cost of all inspections during the course of the wayleave from services verification to the site rehabilitation after construction. The fee is payable in advance.	per application per month of construction, per application	R 3 000.00 R 2 000.00	R 2 726.09 R 1 817.39	R 408.91 R 272.61	R 3 135.00 R 2 090.00
1.4 Tariff for authorised trenching across a municipal roadway (per metre of trenching) For using an open trench to cross a roadway to install a pipe, cable or duct for water, electricity, communication or any other service. This tariff applies if the municipality grants written authorisation for a roadway trench before digging of the trench commences. The applicant may not begin roadway trenching before paying the roadway open trench fee and the Municipality issues written authorisation. The fee is payable when the written authorisation is issued. The roadway open trench fee is for the increased maintenance and reconstruction costs and inherent degradation of the roadway caused by roadway trenching. It applies even if the trench is reinstated in compliance with the Municipality's requirements and standards.	Per m measured from 0.5m behind the kerb or road edge	R 5 000.00	R 4 543.48	R 681.52	R 5 225.00
1.5 Tariff for unauthorised use of the road reserve for a period of more than one month other than to install an underground service (100% of admin & inspection fee under tariff 1.1) For the use of the road reserve beyond the one month allowed by the miscellaneous wayleave application. This is for holders of an approved miscellaneous wayleave that has expired and has not been renewed.	per month	R 1 500.00	R 1 363.04	R 204.46	R 1 567.50
1.6 Tariff for unauthorised commencement of use of the road reserve For the commencement of use of the road reserve (i.e. encroachment) without an approved wayleave or before Stellenbosch Municipality issues a wayleave.	per month	R 5 000.00	R 4 543.48	R 681.52	R 5 225.00
1.7 Tariff for unauthorised use of the road reserve to install an underground service Where construction period was 10 working days or less (200% of admin & inspection fee under tariff 1.2) Where construction period was more than 10 working days (200% of admin & inspection fee under tariff 1.3) For the commencement of an installation of an underground service without an approved wayleave or before Stellenbosch Municipality issues a wayleave. Includes a 100% surcharge which applies regardless of whether Stellenbosch Municipality issues a wayleave.	per application per application	R 6 000.00 R 10 000.00	R 5 452.17 R 9 086.96	R 817.83 R 1 363.04	R 6 270.00 R 10 450.00

DIREKTORAAT: INFRASTRUKTUUR DIENSTE DIRECTORATE: INFRASTRUCTURE SERVICES					
ASSET MANAGEMENT AND SYSTEMS SECTION WAYLEAVE ADMINISTRATION TARIFFS	Unit	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
1.8 Tariff for unauthorised trenching across a municipal roadway (per metre of trenching) (200% of tariff 1.6) For commencement of a roadway trench without written authorisation or before the Municipality issues written authorisation for the roadway trench. Includes a 100% surcharge. The surcharge applies regardless of whether the Municipality issues a written	Per m measured from 0.5m behind the kerb or road edge	R 10 000.00	R 9 086.96	R 1 363.04	R 10 450.00
1.9 Tariff for unauthorised after-hours use of the road reserve for the installation of an underground service For the commencement of use of the road reserve to install an underground service outside of business hours. Work performed under an approved wayleave can only be performed in regular working hours (Mondays – Thursdays 08:00-17:00 and Fridays 08:00-15h00). Working after hours, on public holidays or the weekend is not permitted.	per occasion	R 5 000.00	R 4 543.48	R 681.52	R 5 225.00
1.10 Tariff for excavations being left open for longer than ten working days On completion of the Work, all trenches and excavations in the public road reserves must be backfilled and reinstated as soon as possible in accordance with the technical specifications. Failure to do so represents an unacceptable safety hazard.	per occasion	R 5 000.00	R 4 543.48	R 681.52	R 5 225.00
1.11 Tariff for unauthorised site abandonment for a period exceeding 14 days The wayleave holder may not leave the site for more than fourteen days without permanently reinstating the site.	per occasion	R 5 000.00	R 4 543.48	R 681.52	R 5 225.00
1.12 Tariff for not cleaning or reinstating the road reserve within 14 days of completion The construction site's cleaning up, and the reinstatement to its previous condition is considered part of the Work. It must be completed within 14 days after the construction work has been completed.	per occasion	R 5 000.00	R 4 543.48	R 681.52	R 5 225.00
WAYLEAVE ADMINISTRATION REFUNDABLE DEPOSITS					
2.1 Services Deposit A services deposit is required where there is a risk of damage to municipal services. It is determined by the service co-ordinator and is based on the replacement value of the services in close proximity to the Works e.g. Cost of cable repairs: LV – R 40 000, MV – R 240,000, HV – R 1,250,000, 66 KV R – R 2,500,000, etc. This deposit is paid into the recoverable cost account of Stellenbosch Municipality. After completion, damages will be assessed, the site will be inspected, and all additional costs will be communicated to the applicant. Stellenbosch Municipality will refund the balance of the deposit once all works are complete, and upon final inspection where the Municipality's engineers are satisfied that the reinstatement meets the Municipality's standard and requirements.	per application	Determined by Service Co-ordinator			
2.2 Bank Guarantee / Appropriate Business Insurance Another acceptable form of partial deposit is a bank guarantee as surety in favour of Stellenbosch Municipality or appropriate business insurance. NB: The first R25,000 of the Services Deposit must be paid into the recoverable cost account of Stellenbosch Municipality. A Bank Guarantee or appropriate business insurance can cover the balance of the required Services Deposit.	per application	Determined by Service Co-ordinator			
WAYLEAVE ADMINISTRATION TARIFF NOTES					
3.1 Unless the context indicates otherwise, 'road reserve' includes a roadway, sidewalk footway and verge. 3.2 Suppose Stellenbosch Municipality incurs any costs resulting from Work in or use of the road reserve including remedying substandard or non-compliant reinstatement repairing damage, 3rd party claims, or cleaning of the site. In that case, the actual costs will be offset against the deposit (plus 10% administration fee, including VAT). The Municipality will refund the balance if any. 3.3 All internal Departments or State Funded Projects (National or Provincial), where Stellenbosch Municipality will take over the infrastructure, will be exempted from paying the Administrative Fee, Refundable Deposits Non-Refundable Payments and/or 3.4 No micro trenching is allowed in the WC024.					

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022
Applicable to services rendered from 1 July 2021

DIREKTORAAT: BEPLANNING EN ONTWIKKELING DIENSTE
DIRECTORATE: PLANNING AND DEVELOPMENT SERVICES

SERVICES RENDERED		TYPE	INTERVAL	R/M2	TOTAL PER MONTH	TOTAL PER DAY	TOTAL PER WEEK	TOTAL PER YEAR	DEPOSIT REQUIRED
			m2						
Rentals : Kayamandi Economic Corridor									
	Formal Kiosks	30% discount for Non-Profitable Organisations. In the case of meritorious cases, the Accounting Officer may grant discounts larger than 30%	10						
			12	R 40	R 400	R 0	R 0	R 0	R 400
			12.5	R 40	R 460	R 0	R 0	R 0	R 460
			12.5	R 40	R 500	R 0	R 0	R 0	R 500
			13	R 40	R 520	R 0	R 0	R 0	R 520
			13.5	R 40	R 540	R 0	R 0	R 0	R 540
			14	R 40	R 560	R 0	R 0	R 0	R 560
			14.5	R 40	R 580	R 0	R 0	R 0	R 580
			15	R 40	R 600	R 0	R 0	R 0	R 600
			15.5	R 40	R 620	R 0	R 0	R 0	R 620
	Internet Café		16	R 40	R 640	R 0	R 0	R 0	R 640
	Restaurant		17.3	R 40	R 692	R 0	R 0	R 0	R 692
			22	R 40	R 880	R 0	R 0	R 0	R 880
	ATM"s	As per negotiated agreement							
	Informal Kiosks		10	R 0	R 0	R 30	R 0	R 0	R 0
	Conference facility	30% discount for Non-Profitable organisations. In the case of meritorious cases, the Accounting Officer may grant discounts larger than 30%	per day	R 0	R 0	R 10 000	R 0	R 0	R 0
	Amphi Threatre	30% discount for Non-Profitable organisations. In the case of meritorious cases, the Accounting Officer may grant discounts larger than 30%	per day	R 0	R 0	R 1 000	R 0	R 0	R 0
Rentals: Local Economic Development Hubs									
	Erf 2235 Homestead	Mooiwater Businee Support Incubator/centre	235						
				R 45	R 10 575	N/A	N/A	R 126 900	R 31 725
	Erven 2751& 6314 Agricultural Hall	Old Incubator and affordable rentals for Arts,crafts and tourism activities	400						
				R 45	R 18 000	R 0	R 0	R 18 000	R 18 000
	Erven 288, Triangle Site	Franschhoek Affordable space rentals for shops and tourism activities	210						
				R 45	R 9 450	R 0	R 0	R 9 450	R 9 450
	Old Clinic building Stellenbosch	Business Development, , incubator and rental space (arts, crafts, shops, offices, tourism activities	293						
				R 45	R 13 185	R 0	R 0	R 13 185	R 13 185
Rentals:Informal Trading sites									
Stellenbosch Town									
	Open Kiosks		per kiosk		R 216	R 30	R 72	R 1 500	R 0
Idas Valley									
	Open Kiosks		per kiosk		R 90	R 15	R 36	R 750	R 0
Cloetesville									
	Open Kiosks		per kiosk		R 90	R 15	R 36	R 750	R 0
Kayamandi									
	Open Kiosks		per kiosk		R 90	R 15	R 36	R 750	R 0
Klapmuts									
	Open Kiosks		per kiosk		R 90	R 15	R 36	R 750	R 0
Franschhoek Town									
	Open Kiosks		per kiosk		R 216	R 30	R 72	R 1 500	R 0
Groendal & Langrug									
	Open Kiosks		per kiosk		R 90	R 15	R 36	R 750	R 0
Foodtrucks									
	Mobile		per mobile		R 0	R 90	R 210	R 1 800	R 0
Use of Infomal Trading Site for Events / Conference Facility	Conference / Events Facility	30% discount for Non-Profitable organisations. In the case of meritorious cases, the Accounting Officer may grant discounts larger than 30%			R 3 500				

SERVICES RENDERED	UNIT	REMARKS	Tariff 2020/21 (Incl. VAT)	Exc. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
LAND USE MANAGEMENT FEES						
REZONING & DETERMINATION OF A ZONING						
Rezoning, inclusive of a determination of a zoning	Per application per property		R 10 000.00	R 8 695.65	R 1 304.35	R 10 000.00
PERMANENT DEPARTURE						
Departure applications including but not limited to building lines, coverage, height, bulk, parking.	Per application per property	Per Property. All indigent residents who are registered as such with the Municipality and with proof submitted together with application will be exempted from applicable fees	R 2 500.00	R 2 173.91	R 326.09	R 2 500.00
TEMPORARY DEPARTURE / OCCASIONAL USE OF LAND / CONSENT USE IN TERMS OF THE ZONING SCHEME / TECHNICAL APPROVAL / PERMISSION IN TERMS OF ZONING SCHEME / PERMISSION REQUIRED IN TERMS OF THE TITLE DEED						
Submitted in urban and rural areas	Per application per property		R 2 500.00	R 2 173.91	R 326.09	R 2 500.00
House shops/Early Childhood Development Centres (ECD's)/ Occasional Use of Land	Per application per property (per use)		R 200.00	R 173.91	R 26.09	R 200.00
SUBDIVISION & CONSOLIDATION (AMENDMENT/CANCELLATION OF SUBDIVISIONAL PLAN/GENERAL PLAN/DIAGRAM)						
Subdivision/Consolidation/amendment/cancellation of an approved subdivision plan (or part thereof), including a general plan or diagram	Per application		R 5 000.00	R 4 347.83	R 652.17	R 5 000.00
EXEMPTION CERTIFICATES (SUBDIVISION/CONSOLIDATION) ADMINISTRATIVE FEE						
Exemption certificates for Subdivision or Consolidation	Per request		R 2 500.00	R 2 173.91	R 326.09	R 2 500.00
REMOVAL, RELAXATION, SUSPENSION OR AMENDMENT OF RESTRICTIVE TITLE DEED CONDITIONS						
Removal, relaxation, suspension or amendment	Per application		R 2 500.00	R 2 173.91	R 326.09	R 2 500.00
AMENDMENT, DELETION OR IMPOSITION OF CONDITIONS IN RESPECT OF AN EXISTING APPROVAL						
Amendment of conditions of approval (by the deletion, imposition or amendment of conditions)	Per application	Per application	R 5 000.00	R 4 347.83	R 652.17	R 5 000.00
EXTENSION OF VALIDITY OF APPROVAL						
Extension of validity period of an approval	Per application	Per application	50% of current application fee inclusive of VAT	50% of current application fee inclusive of VAT		50% of current application fee inclusive of VAT
PERMISSION IN TERMS OF CONDITION OF APPROVAL/ ADMINISTRATIVE PERMISSIONS OR APPROVALS						
All permissions required in terms of a condition of approval or administrative permission or approval inclusive of but not limited to: Site Development Plans; HOA Constitutions; Architectural / Design / Aesthetic Manuals or Guidelines, Landscaping Plans & Phasing Plans.	Per application	Per application. All permissions or approvals that is required and originates from a condition of an approval attached to an land use application granted by the municipality, will be exempted from this tariff. Any subsequent applications for the amendment to such permissions/ approvals on the initiative of the applicant will not be exempted	R 2 500.00	R 2 173.91	R 326.09	R 2 500.00
CLOSURE OF PUBLIC PLACE OR PART THEREOF						
Closure of Public Place / Roads or Part thereof	Per application	Per application	R 5 000.00	R 4 347.83	R 652.17	R 5 000.00
DISESTABLISHMENT OF HOME OWNERS ASSOCIATION						
Disestablishment of HOA	Per application	Per application	R 2 500.00	R 2 173.91	R 326.09	R 2 500.00
RECTIFY A FAILURE OF A HOME OWNERS ASSOCIATION TO MEET ITS OBLIGATIONS						
Rectification	Per application	Per application	R 2 500.00	R 2 173.91	R 326.09	R 2 500.00
PERMISSION FOR RECONSTRUCTION OF EXISTING BUILDING CONSTITUTING A NON-CONFORMING USE						
Permission for reconstruction of existing building constituting a non-conforming use	Per application	A permission required for the reconstruction of an existing building that constitutes a non-conforming use that is destroyed or damaged to the extent that it is necessary to demolish a substantial part of the building	R 5 000.00	R 4 347.83	R 652.17	R 5 000.00
NAMING AND NUMBERING OF STREETS AND PUBLIC PLACES/BUILDINGS						
Naming and numbering of streets, Places and Buildings	Per application	Per application	R 2 500.00	R 2 173.91	R 326.09	R 2 500.00
Renaming of Streets, Places and Buildings	Per application	Per application	R 5 000.00	R 4 347.83	R 652.17	R 5 000.00
ADVERTISING FEES						
Advertisements in the press (All advertisements) Local weekly newspaper (per placement)	Basic per placement	This is a basic advertising fee. Should the actual costs be more, the applicant is liable for such extra costs upon receipt of a quote	R 14 000.00	R 12 608.70	R 1 391.30	R 14 500.00
Advertisements in the press(All other advertisements) Daily newspaper (per placement)	Per Quotation		0.00	per quotation		Per Quotation
Serving of notices	For every 10 letters or part thereof		R 750.00	R 695.65	R 104.35	R 800.00
OTHER						
Deviation from Council Policies & By-laws	Per application per property	Per application per property	R 5 000.00	R 4 347.83	R 652.17	R 5 000.00
Appeals submitted by Applicant	Administration cost per appeal		R 2 500.00	R 2 173.91	R 326.09	R 2 500.00
Appeals submitted by parties other than the applicant.		Refundable if Appeal results in successful review of the decision on the grounds of the Appeal submitted.		R 869.57	R 130.43	R 1 000.00
Intervener Status for all applicants	Per application		R 5 000.00	R 4 347.83	R 652.17	R 5 000.00
Transfer Clearance	Per transferable erf		R 400.00	R 434.78	R 65.22	R 500.00
Zoning Certificate	Per erf		R 400.00	R 434.78	R 65.22	R 500.00
Business Licence	Per application		R 25.00	R 26.09	R 3.91	R 30.00

SERVICES RENDERED	UNIT	REMARKS	Tariff 2020/21 (Incl. VAT)	Exc. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
CONTRAVENTION PENALTY						
Contravention penalty is applied in accordance with a Council Policy, By-law and/or any such enabling planning legislation and associated provisions	Per application (refer to tariff rules 5.1- 5.4.12)	Formula for Contravention Penalty: ((actual area/m² multiply by penalty rate A) + (indirect area /m² multiply by penalty rate B)) x (valuation/m²) = R/m² The area of the construction activity (actual area per square meter x penalty rate A) and/or land area (indirect area per square meter x penalty rate B) that is unlawfully utilised in terms of the relevant zoning of the property) multiplied by (the municipal value per square meter (m²) of the land and/or building as stipulated in the current valuation roll of the municipality as on the date that is indicated on the contravention notice)	((actual area/m² multiply by penalty rate A) + (indirect area /m² multiply by penalty rate B)) x (valuation/m²) = R/m²	(area/m²) x (valuation/m²) = R/m²		((actual area/m² multiply by penalty rate A) + (indirect area /m² multiply by penalty rate B)) x (valuation/m²) = R/m²
PRINTING FEES : PHOTOCOPIES / COMPUTER PRINTS - Mono (back and white)						
A4	per copy		R 5.00	R 4.35	R 0.65	R 5.00
A3	per copy		R 13.00	R 11.30	R 1.70	R 13.00
A2	per copy		R 60.00	R 52.17	R 7.83	R 60.00
A1	per copy		R 80.00	R 69.57	R 10.43	R 80.00
A0	per copy		R 95.00	R 82.61	R 12.39	R 95.00
PRINTING FEES : PHOTOCOPIES / COMPUTER PRINTS - Colour line prints						
A4	per copy		R 8.00	R 6.96	R 1.04	R 8.00
A3	per copy		R 14.00	R 12.17	R 1.83	R 14.00
A2	per copy		R 80.00	R 69.57	R 10.43	R 80.00
A1	per copy		R 100.00	R 86.96	R 13.04	R 100.00
A0	per copy		R 180.00	R 156.52	R 23.48	R 180.00
PRINTING FEES : PHOTOCOPIES / COMPUTER PRINTS - Full colour prints (photo)						
A4	per copy		R 9.00	R 7.83	R 1.17	R 9.00
A3	per copy		R 16.00	R 13.91	R 2.09	R 16.00
A2	per copy		R 180.00	R 156.52	R 23.48	R 180.00
A1	per copy		R 230.00	R 200.00	R 30.00	R 230.00
A0	per copy		R 400.00	R 347.83	R 52.17	R 400.00
Electronic information	per document		R 110.00	R 95.65	R 14.35	R 110.00
HERITAGE RESOURCE MANAGEMENT FEES						
ADVISORY COMMITTEE SCRUTINY FEE						
	Minor alterations to existing buildings and/or demolitions < 500m²	Building plans for buildings older than 60 years or situated in the historical core Per Application	R 1 000.00	R 869.57	R 130.43	R 1 000.00
	Major alterations to existing buildings and or demolitions >500m² and new developments	Building plans for buildings older than 60 years or situated in the historical core Per Application	R 1 500.00	R 1 304.35	R 195.65	R 1 500.00
SPATIAL PLANNING FEES						
COMPLEXITY FEES						
All Impact Assessments		Per study/assessment	R 4 300.00	R 3 739.13	R 560.87	R 4 300.00
APPLICATION FOR SIGNAGE (ALL ADVERTISING SIGNS ARE SUBJECT TO ADVERTISING AND SIGNAGE BY-LAW AS WELL AS FORMAL BUILDING PLAN APPROVAL)						
Signs < 1m² (minimum fee)	per sign		R 430.00	R 373.91	R 56.09	R 430.00
Signs > 1m² minimum fee plus additional fee/additional m²	minimum fee plus an additional fee per additional m²		R 1 100.00	R 956.52	R 143.48	R 1 100.00
Flag (<5 flags) (minimum fee)	Up to 5 Flags	All Advertising signs are subject to Outdoor Advertising Policy	R 1 100.00	R 956.52	R 143.48	R 1 100.00
Flag (>5 Flags)	More than 5 Flags	Minimum flag fee (R1 100.00) plus an additional fee per flag	R 150.00	R 130.43	R 19.57	R 150.00
BUILDING DEVELOPMENT FEES						
ALL BUILDING PLAN FEES	■ Plan valid for 12 months ■ Where covered areas such as carports, patios, entertainment areas etc. are enclosed to create additional floor area the fees are charged as for new floor area. ■ All exemptions on applicable building plan fees as per Building Development Management Traiff Rules					
ALTERNATIVE BUILDING PLAN FEE APPLICABLE TO ALL CATEGORIES OF STANDARD BUILDING PLAN FEES						
Applied to all building plan applications where building works has commenced without prior building plan approval or written provisional authorisations to commence with building works prior to building plan approval.	Per Building Plan Application	Per Building Plan Application: This tariff will be exempted if the current registered owner can demonstrate with documentary proof that he/ she aquired the property with the illegal building works and was consequently not personally responsible for such illegal building works.	4x the applicable standard building plan fee for application			
MINOR BUILDING WORKS (NATIONAL BUILDING REGULATIONS)						
Minor building works - Residential		Exemptions as per relevant Tariff Rules	R 520.00	R 478.26	R 71.74	R 550.00
Minor building works - Other than residential		Exemptions as per relevant Tariff Rules	R 680.00	R 626.09	R 93.91	R 720.00
CATEGORIES						
SINGLE RESIDENTIAL BUILDINGS						
0 - 25m²		Includes Double Dwellings, Second Dwellings and Outbuildings and Additions	R 520.00	R 478.26	R 71.74	R 550.00
> 25m			R 30.00	R 26.09/m²	R 4.17	R 32.00
OTHER RESIDENTIAL						
0 - 25m²	Block of flats, Townhouses, Group housing, Single Title		R 680.00	R 626.09	R 93.91	R 720.00
>25m²	Minimum fee	Calculate the total m² with the appropriate tariff	R 39.00	R 33.04/m²	R 5.09	R 39.00
NON RESIDENTIAL						
NON RESIDENTIAL: COMMERCIAL						
0 - 25m²	Includes shops, offices, service stations, hotels		R 680.00	R 626.09	R 93.91	R 720.00
>25m²	Minimum fee	Calculate the total m² with the appropriate tariff	R 39.00	R 33.04/m²	R 5.48	R 42.00
NON RESIDENTIAL: OTHER						
	Schools, Churches, Place of Education (i.e. Daycares, technikons etc.)					

SERVICES RENDERED	UNIT	REMARKS	Tariff 2020/21 (Incl. VAT)	Exc. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
0 - 25m ²	Minimum fee		R 680.00	R 626.09	R 93.91	R 720.00
>25m ²	R/m ²	tariff	R 30.00	R 25.22/m ²	R 4.17	R 32.00
NON RESIDENTIAL: INDUSTRIAL	Includes Factories, Warehouses, Offices in Industrial Areas					
0 - 25m ²	Minimum fee		R 680.00	R 626.09	R 93.91	R 720.00
>25m ²	R/m ²	Calculate the total m ² with the appropriate tariff	R 30.00	R 25.22/m ²	R 4.17	R 32.00
NON RESIDENTIAL: RURAL BUILDINGS	Limited to bona-fide agriculture structures. All residential or other uses to be rated at the applicable tariff category.					
0 - 75m ²	Minimum fee		R 680.00	R 626.09	R 93.91	R 720.00
> 75m ²	R/m ²	Calculate the total m ² with the appropriate tariff	14.00	R 11.30/m ²	R 2.09	16.00
INTERNAL ALTERATIONS -- ALL CATEGORIES		To be calculated as estimated value of alteration (Qs/Architect Estimate) X 0.008	Estimated value x 0.008	Estimated value x 0.008	Estimated value x 0.008	Estimated value x 0.008
SKETCH PLAN FEE						
Single Residential	Per application	Fee not deductible from final plan fee.	R 680.00	R 626.09	R 93.91	R 720.00
All other categories	Per application	Fee not deductible from final plan fee.	R 680.00	R 626.09	R 93.91	R 720.00
INSTALLATIONS						
MAJOR HAZARD INSTALLATIONS	Per application	As prescribed by Building Development	R 680.00	R 626.09	R 93.91	R 720.00
LPG INSTALLATIONS (ALL INSTALLATIONS)	Per application	As prescribed by Building Development	R 680.00	R 626.09	R 93.91	R 720.00
MASTS						
Greenfield	Per application		R 900.00	R 869.57	R 130.43	R 1 000.00
Roof Top	Per application		R 900.00	R 869.57	R 130.43	R 1 000.00
Sports fields	Per application		R 900.00	R 869.57	R 130.43	R 1 000.00
OTHER						
PROVISIONAL AUTHORISATION	Per application	Application for provisional authorisation to commence work before approval has been granted in terms of Section 7(1) of the Act. Applications to be in writing. Conditions apply. <u>Not Refundable</u>	R 680.00	R 695.65	R 104.35	R 800.00
EXTENSION OF VALIDITY	Per application	For consideration of extending plan validity. Extensions must be applied for prior to lapse date of the plan	R 680.00	R 626.09	R 93.91	R 720.00
REQUEST : OCCUPANCY CERTIFICATE AFTER OCCUPANCY OF COMPLETED BUILDING		Where an application is received for the issuing of an occupancy certificate for an existing building where such certificate was not issued on completion of building work and prior to occupancy. No tariff for occupancy certificate prior to occupancy of the completed building.	R 680.00	R 1 304.35	R 195.65	R 1 500.00
SECTIONAL TITLE PRIOR TO 1964 SCRUTINY FEE	Per unit	For the consideration of plans for existing structures pre 1964 for Sectional Title purposes	R 680.00	R 626.09	R 93.91	R 720.00
SPECIAL EVENTS: TEMPORARY GRANDSTAND,	Per application	One application per event.	R 680.00	R 626.09	R 93.91	R 720.00
DEMOLITIONS (ALL APPLICATIONS)	Per application		R 680.00	R 626.09	R 93.91	R 720.00

TARIFF RULES
BUILDING DEVELOPMENT MANAGEMENT TARIFF STRUCTURE FOR 2021/2022
1. EFFECTIVE DATE

- 1.1 Fees are effective from 1 July 2021.
- 1.1. These tariffs replace all previous tariffs charged by the Building Development Management branch of Council.

2. METHOD OF PAYMENT

- 2.1 Fees can be paid in cash or electronically.

3. TIME OF PAYMENT

- 3.1 Fees are due on submission of the building plan application.
- 3.2 Building plan applications will only be deemed to have been submitted and no processing of applications will commence until receipt of payment of the fee/s is verified by finance.

4. PROOF OF PAYMENT

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

5. REFUNDS

- 5.1 All fees payable are set fees and are not deposits.
- 5.2 Applications are valid for 12 months from date of payment [and building plan fees on lapsed plans are not refundable.](#)

6. SUBJECT TO CHANGE

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

7. EXEMPTIONS

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

- Applications from Orphanages and Homes for the Aged registered under the **National Welfare Act 79 of 1965 (As amended)**, as well as any welfare institutions in the discretion of the Director.

Building plan applications must however still be submitted and approved prior to commencement of any building works.

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

8. OTHER FEES

- 8.1 Requests for information: if information is specifically requested in terms of the “Access of Information Act,” the relevant fees as prescribed in terms of that Act apply.
- 8.2 Printing fees:
- a) Printing fees are charged per page according to size in accordance with the applicable tariffs. Copies will only be made in the sizes that are available at a particular office.

9. APPLICATION OF THE TARIFFS

- 9.1 Minor Building Work: As defined in the Building Regulations:
Each item charged for separately even if part of a full plan submission.
- Aviary
 - Solid fuel store not exceeding 10m² in area and 2 m in height
 - Tool shed not exceeding 10m² in area
 - Child’s playhouse not exceeding 5m² in area
 - Cycle shed not exceeding 5m² in area
 - Greenhouse not exceeding 15m² in area
 - Open sided car, caravan or boat shelter or a carport where such shelter or carport does not exceed 40m² in area
 - Any pergola
 - Private swimming pool
 - Change room, not exceeding 10m² in area, at a private swimming pool
 - Lapas and gazebos (with any type of roof covering) under 40m² in area
 - Any free-standing wall

- Reconstruction of fire and natural disaster damaged buildings at applicable rate as per single/other/non-residential categories
- Any other structure, not being a Minor Building Work as per definition, are charge per meter square of the applicable category

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

- Additions: assessed on the area (square metres) per category
- Alterations: assessed on the QS/Architect estimated value and calculated at 0.008% of the value

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

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

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

TARIFF RULES
LAND USE MANAGEMENT & SPATIAL PLANNING, HERITAGE AND ENVIRONMENT
TARIFF STRUCTURE FOR 2021/2022

1 GENERAL

Period applicable

- 1.1 Fees effective from 1 July 2021.
- 1.2 The fees replace all previous fees charged by Council.

Method of payment

- 1.3 Fees can be paid in cash or electronically.

Time of payment

- 1.5 Applicants must pay the fee/s when an invoice for the submitted application/s is/are presented for payment, except in the case of Impact statements and assessments, which become payable when the need for such an Impact statement / assessment becomes known to Council. The applicant must then be notified in writing of further payments and processing of the application may then only commence once payment is made which must be clearly stipulated in the notification.
- 1.6 An application will only be deemed valid and the processing thereof will only commence once receipt of payment for the application is verified by Finance.
- 1.7 All application fees are payable in the case of multiple applications.

Proof of payment

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

Refunds

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

Subject to change

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

LAND USE MANAGEMENT**2 APPLICATION FEES****Description**

- 2.1 Application fees are the minimum fee payable for submitted applications.
- 2.2 All fees are payable per item applied for (each consent, departure, rezoning, etc, charged separately) per property in line with the Stellenbosch Land Use Planning By-law (2015), where applicable. Unless application is simultaneously made for the consolidation or subdivision of more than one property, which is directly adjacent, cadastrally bounded to each other, owned by the same property owner and submitted as one application for consideration. Only one application fee will be applicable for all erven included in the application.

Rezoning & Determination of a zoning

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

Permanent Departure fee

- 2.4 The departure fee must be charged per application per property (i.e. if a building departs from the street and lateral building lines, coverage as well as from height, then the applicable fee must be charged as a single fee per property). In the case of residential erven 250m² or less for registered indigent owners, as well as subsidised housing schemes, no departure fee at all would be payable.

Temporary Departure, Permission in terms of the Zoning Scheme (Additional Uses/ Consent Uses/ Technical Approvals), Permission in terms of condition in the Title Deed, Occasional Use of Land, Consent in terms of the Zoning Scheme

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

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

- 2.6 Application fee is payable per application submitted.

Exemption Certificates (subdivision/consolidation)

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

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

- 2.8 This fee is payable per application submitted.

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

- 2.9 This fee is payable per application submitted.

Extension of validity period of approval

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

Permission in terms of condition of approval or Administrative permission or approval inclusive of but not limited to: Site Development Plans; HOA Constitutions; Architectural / Design / Aesthetic Manuals or Guidelines, Landscaping Plans & Phasing Plans.

- 2.11 This fee is payable per application submitted. All permissions or approvals that is required and originates from a condition of an approval attached to a land use application granted by the municipality, will be exempted from this tariff. Any subsequent applications for the amendment to such permissions/ approvals on the initiative of the applicant will not be exempted.

Closure of Public Place / Roads or part thereof

- 2.12 This fee is payable per application submitted.

Disestablishment of Home-Owners Association

- 2.13 This fee is payable per application.

Rectify failure of a Home-Owners Association to meet its obligations

- 2.14 This fee is payable per application.

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

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

Naming and numbering of Streets, Places and Buildings

- 2.16 This fee is payable per application submitted.

Renaming of Streets, Places and Buildings

- 2.17 This fee is payable per application submitted.

3 ADVERTISING FEES**Advertising framework**

- 3.1 Advertising: is required in terms of the relevant land use legislation.
- 3.2 Advertising will be done in accordance with the land use legislation and fees will be charged accordingly.

- 3.3 Advertising in the press and advertising which consists of the serving of notices to interested and affected parties are charged independently (with different fees being applicable). No 'serving of notice' fee is applicable when notifying the applicant of the outcome of an application or notifying any objectors of the right of appeal.

Advertising in the press

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

Serving of notices

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

4 OTHER

Deviation from Council Policies and By-laws

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

Appeal

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

Intervener Status

- 4.3 This fee is payable per application submitted.

Transfer clearance

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

Zoning Certificate

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

Business Licence

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

5 CONTRAVENTION PENALTY

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

6 PRINTING FEES

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

SPATIAL PLANNING, HERITAGE AND ENVIRONMENT

7 PLANNING ADVISORY COMMITTEE SCRUTINY FEE

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

8 COMPLEXITY FEES (ADDITIONAL FEES FOR HIGH IMPACT APPLICATIONS) AND AMENDMENT OF URBAN EDGES.

Description

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

9 APPLICATION FOR SIGNAGE

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

10 EXEMPTIONS

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

<p>These business rules must be read in conjunction with the "LAND USE MANAGEMENT & SPATIAL PLANNING, HERITAGE AND ENVIRONMENT TARIFF STRUCTURE FOR 2020/2021".</p>



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

TARIFF STRUCTURE: PROPERTY MANAGEMENT: 2021/2022

	DESCRIPTION	APPLICATION FEE	RENTAL/TARIFF
1.	Encroachment Agreements/Permits		
1.1	For commercial purposes, other than outdoor dining and parking purposes	R2 500.00	To be determined by an independent valuer: on an <i>ad hoc</i> basis
1.2	For commercial parking purposes*	R1 200.00	
	(a) Stellenbosch CBD, Franschhoek CBD and Technopark		R300.00/parking bay/month
	(b) Other Areas		R200.00/parking bay/month
	*Up to 10 parking bays, thereafter 50% of the approved tariff		
1.3	For residential parking purposes*	R600.00	R160.00/parking bay/month
	*Up to 3 parking bays, thereafter 50% of the approved tariff		
1.4	Tertiary Institutions, schools and pre-schools	R1 200.00	R100.00/parking bay/month
1.5	For outdoor dining purposes*	R1 200.00	
	(a) Stellenbosch CBD and Franschhoek CBD		R105.00/m ² /month
	(b) Other areas		R40.00/m ² /month
	*Up to 50m ² , thereafter 50% of the approved tariff		
1.6	For non – commercial purposes (such as garden purposes, gates, ect.)*	R600.00	
	Up to 50m ²		R60.00 per month
	51 m ² to 100 m ²		R80.00 per month
	More than 100 m ²		R150.00 per month

	DESCRIPTION	APPLICATION FEE	RENTAL
1.7	Projections and projecting structures	R2 500. 00	
	(a) Onto street reserves/side walks		Once of payment of:
	Up to 50 m ²		R400.00 per m ²
	51 m ² to 100 m ²		R350.00 per m ²
	More than 100 m ²		R300.00 per m ²
	(b) Onto other council – owned property, where such projection has an impact on development value of council – owned property	R3 000. 00	To be determined by an independent valuer (should the estimated value be more than R100 000.00, then the weighed average of 2 independent valuations must be obtained)
1.9	For temporary use of Council-owned property for construction work		
	(a) Stellenbosch CBD and Franschhoek CBD & Technopark	R3 000.00	
	Up to 20 m ²		R500.00 per month
	20 m ² - 100 m ²		R1 000.00 per month
	101 m ² – 1000 m ²		R5 000.00 per month
	More than 1000 m ²		R10 000.00 per month
	(b) Other areas	R 500.00	
	Up to 20 m ²		R200.00 per month
	20 m ² - 100 m ²		R600.00 per month
	101 m ² – 1000 m ²		R3 000.00 per month
	More than 1000 m ²		R7 000.00 per month
	Deposit:		An amount to be determined by MPM in relation to the potential risk to infrastructure/improvement with a minimum amount of R2 000.00

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

2. Lease Agreements*

2.1	Temporary use of Council-owned property to a maximum of 30 days	R600.00	
	Daily tariff:		
	a) Up to 100m ²		R220.00 per day
	b) Between 100m ² and 1000m ²		R560.00 per day
	c) More than 1000m ²		R2 300.00 per day
	Deposit:		To be determined by MPM, depending on the possible risk associated with the event.
2.2	Short term lease agreements (up to 10 years)		
	(a) monthly rental not exceeding R2 000.00		To be determined by CFO
	(b) monthly rental not exceeding R5 000.00		To be determined by an independent valuer
	(c) monthly rental in excess of R5 000.00		To be determined by two independent valuers (weighed average)
2.3	Long term lease agreements (longer than 10 years)		
	(a) monthly rental not exceeding R2 000.00		To be determined by CFO
	(b) monthly rental not exceeding R10 000.00		To be determined by an independent valuer
	(c) monthly rental in excess of R10 000.00		To be determined by two independent valuers (weighed average)
2.4	Long term lease agreements concluded before 2003 (pre-MFMA)		To be determined by Council from time to time as per individual contract(s).
2.5	Telecommunication structure		
	- Application/Power of Attorney	R2 000.00	
	(a) Antennae only (on existing structure)		R6 000.00/pm
	(b) Site for mast and antennae		
	-up to 100m ²		R7 100.00/month
	-more than 100m ²		R71.00/m ² /month for each m ² in excess of 100m ²
	(c) Mobile antenna		R3150.00/pm
2.6	Temporary use of vacant Council-owned buildings*		
	*Not covered by approved tariff structure		
	To be considered by:	MPM: To a maximum of 1 month D:CS: To a maximum of 3 months MM: To a maximum of 6 months EM: To a maximum of 12 months	
			Per day: R10.00/m ² /day

Tariff :

Per week: R9.00/m²/day
Per month: R8.00/m²/day

NPO's and individuals, for non-commercial purposes

20% of approved tariff

*** Please Note: -**

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

3. Servitudes*

3.1	In urban areas	R2 500.00	Once-off payment of 80% of municipal valuation of land
3.2	In rural areas	R2 500.00	Once-off payment of 60% of municipal land.

*** Please note:**

Where estimated servitude value exceeds R100 000.00, the fair market value is to be determined by an independent valuer.

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

4. Posters

4.1	Political parties		R5 000.00 (deposit)
	Up to 200 posters		R25.00 per poster
	201 to 500 posters		R30.00 per poster
	More than 500 posters		R50.00 per poster
4.2	For Commercial purposes		
	(a) Up to 30 posters		R50.00 per poster
	(b) Between 30 and 60 posters		R60.00 per additional poster
	(c) Between 60 and 100 posters		R80.00 per additional poster
	(d) More than 100 posters		R100.00 per additional poster
4.3	Non-commercial purposes		
	(a) Up to 30 posters		R20.00 per poster
	(b) Between 30 and 60 posters		R30.00 per additional poster
	(c) Between 60 and 100 posters		R40.00 per additional poster
	(d) More than 100 posters		R50.00 per additional poster
4.4	Wordfees: Individual artists		
	(a) Per poster (to a maximum of 20 posters)		R55.00
4.5	Local Theaters		
	(a) Up to 500 posters for a season		R4 000.00
	(b) Up to 1000 posters for a season		R8 000.00
	(c) More than to 1000 posters for a season		R12 000.00

4.6 Newspapers

Local

- | | |
|--------------------------------------|---|
| a) Up to 2400 posters per annum: | R10 000.00 |
| b) Up to 5000 posters per annum: | R25 000.00 |
| c) More than 5000 posters per annum: | An additional amount of
R7.50 per poster |

Other

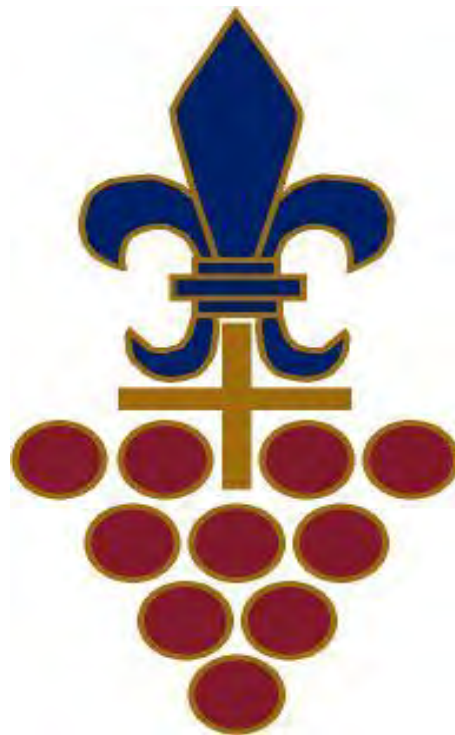
- | | |
|--------------------------------------|---|
| a) Up to 2400 posters per annum: | R12 000.00 |
| b) Up to 5000 posters per annum: | R30 000.00 |
| c) More than 5000 posters per annum: | An additional amount of
R8.00 per poster |

***Note:** The term posters include flags.

Please note:-

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

STELLENBOSCH MUNICIPALITY



SUMMARY OF POLICIES

2021/2022



STELLENBOSCH MUNICIPALITY

SUMMARY OF POLICIES

Policy/ By-law	Summarized Nature of change
Wayleave Policy	New Policy
Rates Policy	<p>Changes were made to the following sections within the policy</p> <p>4. DEFINITIONS</p> <p>Furthermore, specific terms or phrases used, but not defined in the MPRA are defined herein to explain said term or phrase for a specific perspective of the MPRA by the Municipality:</p> <p>“bed & breakfast” in relation to Accommodation Establishment means an enterprise operated on a property of which the residential character is maintained, where the owner or operator permanently resides in the same dwelling, where normally only breakfast is served and sleeping accommodation to transient guests is limited to no more than 3 guest bedrooms and provided further, that the enterprise has not been registered as a Guesthouse. This property will be deemed to be a Residential Category.</p> <p>“household income” means the gross sum of all monthly income from all sources. Income sources may include wages, salaries, profits, dividends, pensions, rentals, board & lodging, interest received, grants or investment income and other forms of financial contributions.</p> <p>“residential purposes” in relation to the use of the property means improved property primarily intended for human habitation and inhabited as such; taking cognisance of paragraph 7.9 of this Policy and provided that:</p> <ul style="list-style-type: none"> the following properties are specifically excluded from this definition: hostels, old age homes, guesthouses, and vacant land; <p>6. CATEGORIES</p> <p>6.1 Categories of Property</p> <p>Property Categories, each of which correlates to a distinct use of a property, have been determined as described below.</p> <p>The codes that have been associated with each property Category are listed in paragraph 18.1 of this Policy. In addition, paragraph 18.1 identifies the attributes and criteria that determines the basis for application.</p> <p>The Municipality will apply the following property Categories:</p> <p>(j) Heritage Refer Section 15(2A)(b) in the MPRA.</p> <p>6.2 Categories for Relief Measures</p> <p>The Municipality will consider relief measures on rates, being Exemptions, Rebates and/or Reductions on properties, according to various criteria as described in this Policy.</p> <p>The codes (referred to as the Rebate Codes), associated with the specific relief measure, are listed in paragraph 18.2 of this Policy.</p> <p>8.RELIEF MEASURES</p> <p>8.2 Residential Property</p>

Policy/ By-law	Summarized Nature of change
	<p>8.2.1 The Municipality will not levy a rate on the initial portion of the valuation of a residential property being the sum of:</p> <p>(i) the first R15 000 exclusion on the basis set out in Section 17 (1) (h) of the MPRA; and</p> <p>(ii) on a further R235 000 reduction, provided it does not exceed the remaining valuation in respect of a residential property, or the primary component of a multiple use property, that is categorised for residential purposes, as per the definition in paragraph 4 of this Policy. This reduction will only apply if the total valuation of said property does not exceed R 5 000 000. All non-primary components of a multiple use property or the adjoining units of a sectional title scheme as per paragraph 7.9 of this policy, do not qualify.</p> <p>8.3 Senior Citizens and Disabled Persons</p> <p>Designated owners being registered owners of properties or allocated beneficiaries as per paragraph 7.6 of this Policy who are senior citizens or who are disabled persons may qualify for a rebate according to their household income.</p> <p>8.3.1 Occupy the property as his/her normal residence; and</p> <p>(b) be in receipt of a monthly household income not exceeding the highest income amount as referenced in the table of paragraph 8.3.4 of this Policy; and</p> <p>8.8 Non-Profit Organizations (NPO)</p> <p>Abovementioned organisations which have a total revenue/income not exceeding one million Rand per annum, will receive a 80% rebate. On the other hand, those organisations having a revenue/income exceeding one million Rand per annum will receive a rebate percentage of 20%.</p> <p>8.8.1 Prescribed not-for-gain organisations</p> <p>(f) WERE REMOVED FROM POLICY</p> <p>8.9 Heritage Properties – HEADING AND PARAGRAPH REMOVED</p> <p>16 CONTACT OF RESPONSIBLE OFFICE</p> <p>The contact details for Property Rates enquiries:</p> <p>E-mail Address: enquiries.navrae@stellenbosch.gov.za</p> <p>Telephone Numbers: See Municipal Account for relevant telephone numbers</p> <p>Postal Address: PO Box 17, Stellenbosch, 7601</p> <p>Any Municipal Office in the jurisdiction of Stellenbosch Municipality</p>

Policy/ By-law	Summarized Nature of change
	<p>18. CATEGORY AND REBATE CODES</p> <p>18.1 Category Codes</p> <p>RESIDENTIAL:</p> <p>RES RESA Adjoining residential; the Policy paragraph 7.9</p> <p>RES RESIF Municipal Owned: Informal settlements, 100% exclusion will apply</p> <p>Heritage: HER HER MPRA Section 15(2A)(b)</p> <p>Vacant Other: VACO: MUNV Vacant Municipal properties</p> <p>18.2 Rebate Codes</p> <p>NPO Non-Profit Organisation (80% rebate) Rates Policy paragraph 8.8</p> <p>EGVI Exceptional General Valuation Rates Increases Rates Policy paragraph 8.10</p>
Indigent Policy	Policy were reviewed ,with No major changes
Special Ratings By-law	<p>Changes were made within the following sections of the policy:</p> <p>18. SHORT TITLE AND EFFECTIVE DATE</p> <p>(1) This By-Law is called the Special Rating Area By-Law of Stellenbosch Municipality and shall take effect on 01 July 2021.</p> <p>(2) No new special rating area determined in terms of this By-Law may implement its implementation plan prior to 01 July 2020.</p>
Rates By-law	<p>Changes were made within the following sections of the policy:</p> <p>1. PREAMBLE</p> <p>(1) Section 229(1) of the Constitution authorizes a municipality to impose rates on property and surcharges on fees for services provided by or on behalf of the municipality.</p> <p>(2) Section 13 of the Systems Act read with Section 162 of the Constitution requires a municipality to promulgate municipal by-laws by publishing them in the gazette of the relevant province,</p> <p>(3) In terms of Section 3 of the Property Rates Act, a municipal council must adopt a policy consistent with the Property Rates Act on the levying of rates on rateable properties in the municipality.</p> <p>(4) In terms of Section 6(1) of the Property Rates Act, a municipality must adopt by laws to give effect to the implementation of its rates policy.</p> <p>(5) In terms of Section 6(2) of the Property Rates Act, by-laws adopted in terms of Section 6(1) may differentiate between different categories of properties; and different categories of owners of properties liable for the payment of rates.</p> <p>(6) To that effect the Council of Stellenbosch Municipality has enacted a Property Rates By law, as follows:</p> <p>2. INTERPRETATIONDEFINITIONS</p> <p>"Rates Policy" means the Municipality's Property Rates Policy adopted by the Council of the Municipality by a resolution for a specific financial year in terms of Section 3(1) of the Property Rates Act and in terms of this By Law.</p> <p>"Rates" means a municipal rate on property as envisaged in section Section 229(1)(a) of the Constitution.</p>

Policy/ By-law	Summarized Nature of change
	<p>3. OBJECTS</p> <p>The object of this By-Law is to give effect to the implementation of the Rates Policy as contemplated in Section 6 of the Property Rates Act.</p> <p>4. ADOPTION AND IMPLEMENTATION OF RATES POLICY</p> <p>(1) The Council shall adopt and implement a Rates Policy as contemplated in terms of the provisions of Section 3(1) and consistent with the Property Rates Act on the levying of Rates on rateable properties within the jurisdiction of the Municipality.</p> <p>(2) The Rates Policy outlines the Municipality's rating practices; therefore, it is not necessary for this By-law to restate and repeat same.</p> <p>(3) The Rates Policy applicable to a financial year is hereby incorporated by reference in this By-law. All amendments to the Rates Policy as the Council may approve/adopt from time to time, shall be deemed to be likewise incorporated.</p> <p>(4) The Municipality shall not be entitled to levy Rates other than in terms of the valid Rates Policy for an applicable financial year and the annually promulgated resolution which reflects the cent amount in the Rand rate for each category of rateable property.</p> <p>(5) The Rates Policy is available at the Municipality's head office, satellite offices, libraries and website.</p> <p>5. CONTENTS OF RATES POLICY</p> <p>The Municipality's Rates Policy shall, inter alia:</p> <p>(1) Apply to all the Rates levied by the Municipality pursuant to the adoption of the Municipality's annual budget.</p> <p>(2) Comply with requirements for;</p> <p>(a) the adoption and contents of a rates Rates Policy specified in Section 3 of the Property Rates Act.</p> <p>(b) the differentiation of categories of properties and categories of owners of properties as provided for in section Sections 6, 8 and 15 of the Property Rates Act.</p> <p>(c) the process of community participation specified in Section 4 of the Property Rates Act.</p> <p>(d) the annual review of a rates Rates Policy specified in terms of Section 5 of the Property Rates Act.</p> <p>(e) the publication of the adopted By-law in the Provincial Gazette as provided by Section 13 of the Systems Act.</p> <p>(3) Specify principles, criteria, and implementation measures for categories of rateable properties in terms of Section 8 and consistent with the Property Rates Act for the levying of Rates which the Council may wish to adopt.</p> <p>(4) Specify principles, criteria, and implementation measures for the judicious granting of relief measures by means of Exclusions, Exemptions, Reductions and/or Rebates consistent with Section 15 of the Property Rates Act which the Council may wish to adopt.</p> <p>(5) Include such further administrative, control and enforcement mechanisms if any that are consistent with the Property Rates Act and the Systems Act, as the Council may wish to impose in addition to those contained in the Credit Control and Debt Collection By-Law and its associated Policy.</p> <p>6. ENFORCEMENT OF RATES POLICY</p> <p>The Municipality's Rates Policy is enforced through the Municipality's Credit Control and Debt Collection By-Law and its associated Policy and any further enforcement mechanisms stipulated in the Property Rates Act and the Municipality's Rates Policy.</p> <p>7. REPEAL</p> <p>The provisions of any By-laws relating to Property Rates by the Municipality are hereby repealed insofar as they relate to matters provided for in this By-Law.</p>

Policy/ By-law	Summarized Nature of change																														
	<p>9. SHORT TITLE and EFFECTIVE DATE/COMMENCEMENT</p> <p>This By-Law is called the Stellenbosch Municipal Property Rates By-Law and shall take effect on 01 July 2021.</p>																														
Credit Control and Debt Collection Policy	<p>Changes were made within the following sections of the policy:</p> <p>3. ARRANGEMENTS</p> <p>(i) Arrears of Councillors and other Municipal Officials must be settled in full or arrangements to pay off such amounts, by means of salary deductions, may be entered into. This includes the seizure of bonuses or any other additional allowances (this paragraph (i) must be read in conjunction with the relevant sections of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)).</p> <p>The Stellenbosch Municipality is entitled to recover all arrears more than ninety days by means of salary deductions and proportionally from increases and/or the official's bonus/performance bonus. In this regard, all temporary contract workers are also regarded as municipal officials.</p> <p>12. PAYMENT OF ACCOUNTS – GENERAL</p> <table><tr><th><i>Facility</i></th><th><i>Hours</i></th><th><i>Payment methods accepted</i></th></tr><tr><td>Cash offices at Stellenbosch, Kayamandi, Franschhoek and Pniel</td><td>Office hours: Monday to Friday</td><td>Cash, , debit cards</td></tr><tr><td>Cash offices at Klapmuts</td><td>Office hours: Wednesdays only</td><td>Cash, debit cards</td></tr><tr><td>Debit orders</td><td>Application during office hours</td><td>Bank transfers</td></tr><tr><td>Third Party Service Providers: Countrywide outlets of Pick 'n Pay, Shoprite/Checkers, Pep Stores, Ackermans and other stores</td><td>Trading hours: 7 days per week</td><td>Cash, , credit cards, debit cards</td></tr><tr><td>Internet payments</td><td>All hours</td><td>Bank transfers</td></tr><tr><td>Direct bank deposits</td><td>Banking hours</td><td>Bank transfers</td></tr><tr><td>Personnel deductions</td><td>Office hours</td><td>Direct deductions from earnings</td></tr><tr><td>24 hour Utility shops at petrol stations</td><td>All hours</td><td>Cash, , credit cards, debit cards</td></tr><tr><td>Approved Pre-Paid Vending Agents</td><td>Trading hours</td><td>Cash,</td></tr></table> <p>13. DISHONOURED PAYMENTS</p> <p>13.1 Receipts issued in respect of dishonoured payments must be written back upon receipt of such notices. Interest on arrears must be raised where applicable and administration costs be debited to debtors account. Debtors must be notified and debt recovery actions be instituted where necessary.</p> <p>13.2 Should payments be dishonoured twice, the debtors system must be encoded not to accept debit order transactions of such a debtor and he/she must be informed thereof in writing.</p>	<i>Facility</i>	<i>Hours</i>	<i>Payment methods accepted</i>	Cash offices at Stellenbosch, Kayamandi, Franschhoek and Pniel	Office hours: Monday to Friday	Cash, , debit cards	Cash offices at Klapmuts	Office hours: Wednesdays only	Cash, debit cards	Debit orders	Application during office hours	Bank transfers	Third Party Service Providers: Countrywide outlets of Pick 'n Pay, Shoprite/Checkers, Pep Stores, Ackermans and other stores	Trading hours: 7 days per week	Cash, , credit cards, debit cards	Internet payments	All hours	Bank transfers	Direct bank deposits	Banking hours	Bank transfers	Personnel deductions	Office hours	Direct deductions from earnings	24 hour Utility shops at petrol stations	All hours	Cash, , credit cards, debit cards	Approved Pre-Paid Vending Agents	Trading hours	Cash,
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Policy/ By-law	Summarized Nature of change
	<p>20 CONTACT OF RESPONSIBLE OFFICE</p> <p>CONTACT OF RESPONSIBLE OFFICE</p> <p>The contact details for Credit Control enquiries:</p> <p>E-mail Address: Creditcontrol.Notices@ Stellenbosch.gov.za</p> <p>Telephone Numbers : See Municipal Account for relevant telephone numbers</p> <p>Postal Address: PO Box 17, Stellenbosch, 7601</p> <p>Any Municipal Office in the jurisdiction of Stellenbosch Municipality</p>
Irrecoverable Debt Policy	<p>Changes were made within the following sections of the policy:</p> <p>PREAMBLE</p> <p>In order to give effect to the foregoing, the Council of Stellenbosch Municipality has adopted a policy relating to the management of irrecoverable debt as set out hereinafter.</p>
Petty Cash Policy	<p>Changes were made within the following sections of the policy:</p> <p>Policy were reviewed and minor formatting and punctuation amendments were made.</p>
Travel and Subsistence Policy	<p>Changes were made within the following sections of the policy:</p> <p>Policy were reviewed and minor formatting and punctuation amendments were made.</p>
Cost Containment Policy	<p>Changes were made within the following sections of the policy:</p> <p>Policy were reviewed and minor formatting and punctuation amendments were made.</p>
Cash Management and Investment Policy	<p>Changes were made within the following sections of the policy:</p> <p>3.2.3.2 Electronic Funds Transfer (EFT)</p> <p>B-Signatories: Chief Accountant: Consumer Accounts and Valuations</p> <p>Senior Accountant: Cash Management and Credit Control</p> <p>Chief Accountant: MFMA Reporting and Compliance</p> <p>Chief Accountant: Financial Statements and Reconciliations</p> <p>Chief Accountant: Asset Management</p> <p>Chief Accountant: SDBIP Monitoring and Budget Control x2</p> <p>Senior Accountant: Creditors and Payroll</p>
Ward Allocation Policy	<p>Changes were made within the following sections of the policy:</p> <p>8. CRITERIA FOR THE SELECTION OF PROJECTS</p>

Policy/ By-law	Summarized Nature of change																														
	<p>In response to the current COVID-19 pandemic and the realignment of the budget for 2021/22, with severe budget cuts and adjustments, the following measures will be in place regarding ward allocations until further notice, and replace the information regarding capital and operational ward projects in this policy:</p> <p>i) The CAPEX for ward allocations is withdrawn from ward allocations for 2021/22;</p> <p>ii) The OPEX ward allocation is reduced to R50 000 per ward for 2021/22;</p> <p>iii) That OPEX be utilised to fund COVID prevention projects; this is in line with the request from Western Cape Government – Department of Local Government that ward allocation projects be aligned to address COVID-19 pandemic;</p> <p>iv) The following list of goods will be circulated for councillors to choose from in order to be utilised for the COVID prevention projects:</p> <table><tr><th colspan="3">GOODS AVAILABLE FOR COVID PREVENTION PROJECTS (2021 -22)</th></tr><tr><th>ITEM</th><th>PRICE</th><th>QUANTITY NEEDED</th></tr><tr><td>Masks for children</td><td></td><td></td></tr><tr><td>Masks for adults</td><td></td><td></td></tr><tr><td>Face cloths</td><td></td><td></td></tr><tr><td>Hand towels</td><td></td><td></td></tr><tr><td>Polar fleece blankets</td><td></td><td></td></tr><tr><td>250 ml refill sanitiser spray bottle</td><td></td><td></td></tr><tr><td>5L bulk sanitiser</td><td></td><td></td></tr><tr><td>Hand soap (per box)</td><td></td><td></td></tr></table> <p>v) Prices for the goods will be communicated as soon as the 2021/22 financial year commences. Current prices of goods will be made available to assist with planning processes.</p> <p>vi) A separate form similar to the table above will be issued that must be completed by ward councillors to register the COVID prevention project.</p> <p>vii) The goods will not be issued with a municipal logo, as the logo is only used for officials and official municipal branding.</p> <p>viii) Ward councillors must be discouraged from requesting nutritional support assistance. Currently, the Special Investigations Unit are investigating numerous municipalities around the country on matters related to food parcel / nutritional support irregularities, distribution and allocation.</p> <p>Projects that are to be implemented under the Ward Allocations Policy must comply with the following criteria:</p> <p>8.1 Be within Local Government mandate as defined in legislation.</p> <p>8.14 Projects from the capital budget will be included in the main budget. No ward allocation will be made available for capital projects. (Removed from policy)</p>	GOODS AVAILABLE FOR COVID PREVENTION PROJECTS (2021 -22)			ITEM	PRICE	QUANTITY NEEDED	Masks for children			Masks for adults			Face cloths			Hand towels			Polar fleece blankets			250 ml refill sanitiser spray bottle			5L bulk sanitiser			Hand soap (per box)		
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Supply Chain Management Policy	<p>Changes were made within the following sections of the policy:</p> <p>DEFINITIONS</p> <p>1.1.5. “Competitive bidding process” means a competitive bidding process referred to in paragraph 12 (b)(i) of this Policy;</p> <p>13. GENERAL PRECONDITIONS FOR CONSIDERATION OF WRITTEN QUOTATIONS OR BIDS</p>																														

Policy/ By-law	Summarized Nature of change
	<p>(b) Has authorised the Stellenbosch Municipality to obtain a tax clearance by means of the Tax Compliance Status Pin from, if applicable from the South African Revenue Services and Central Supplier Database Number (CSD) that the provider's tax matters are in order; and</p> <p>23. PROCEDURE FOR HANDLING, OPENING AND RECORDING OF COMPETITIVE BIDS AND FORMAL WRITTEN PRICE QUOTATIONS IN EXCESS OF R 30,000.</p> <p>(g) Site Inspections / clarification meeting –</p> <p>(ii) If site inspections / clarification meeting are to be held, full details must be included in the bid notice. Service providers that are late for the commencement of the site inspection/clarification meeting will be disqualified.</p> <p>(iii) Minutes of all site inspection/clarification meetings must be kept for record purposes</p> <p>(iv) Any proposed Addendums to the advertised bid document must be tabled at the Bid Specification Committee Meeting for consideration and approval.</p> <p>26. COMMITTEE SYSTEM FOR COMPETITIVE BIDS</p> <p>(2) The Accounting Officer appoints the members of each committee, taking into account section 117 of the Act; and</p> <p>(3) The committee system must be consistent with –</p> <p>(a) Paragraph 27, 28 and 29 of this Policy;</p> <p>(b) Any other applicable legislation; and</p> <p>(c) The Accounting Officer may apply the committee system to formal written price quotations.</p> <p>28. BID EVALUATION COMMITTEES</p> <p>(14) The relevant User Department in consultation with the SCM Unit may, before the bid is considered by the Bid Evaluation Committee, provide a reasonable opportunity to a bidder who made an innocent error and / or omission in their bid document, to correct the innocent error and / or omission, provided that such opportunity will not unduly prejudice any of the other bidders.</p> <p>(15) In an event as described in sub-paragraph 14, bidders shall be afforded a minimum of two (2) working days up to a maximum of five (5) working days (in consultation with the relevant User Department or the Manager: Supply Chain Management) from time of notification to correct such innocent errors and / or omissions. If no response is received from such bidders at the deadline the bid may be deemed to be non-responsive.</p> <p>40. DISPOSAL MANAGEMENT</p> <p>(4) All matters relating to the alienation of movable and immovable assets shall be dealt with in terms of Council's Asset Transfer Policy and the Asset Transfer Regulations, 2008 and Council's adopted Immovable Assets Policy.</p> <p>(7) The Accounting Officer is hereby authorized to dispose of movable capital assets:</p> <p>(8) (a) Up to a value of R 2 000 000.00</p> <p>(7) (b) Up to a value of R1 000 000.00 (CFO and BAC Members)</p> <p>43. PROHIBITION ON AWARDS TO PERSONS WHOSE TAX MATTERS ARE NOT IN ORDER</p>

Policy/ By-law	Summarized Nature of change
	<p>(3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.</p> <p>(4) Where the recommended bidder is not tax compliant on the date of award, the bidder should be notified of the non-compliant status and be requested to submit written proof of tax compliance from SARS within 7 working days from the date of award. The proof of tax compliance submitted by the bidder must be verified by the Municipality. The Municipality will reject a bid submitted by the bidder if such bidder fails to provide proof of tax compliance within the timeframe as set out in this sub-paragraph.</p> <p>53. INCREASE / EXTENSION IN APPROVED CONTRACT SUM / PERIOD</p> <p>57. THE SUSPENSION OF SERVICE PROVIDERS FOR POOR PERFORMANCE AND OTHER BREACHES</p> <p>(3) The municipality must consider imposing following sanctions, subject to sub-clause (2) above:</p> <p>d) All the above will be applicable based on the gravity of the poor performance and will be analysed on a case by case basis co-ordinated by the Contract Management Section.</p> <p>59. GENERAL</p> <p>The Framework for Infrastructure Delivery and Procurement Management (FIDPM) and relevant Circular is attached as Annexures A and B respectively, depending on the ability of Stellenbosch Municipality to implement the content of the Framework, only those parts that are practically implementable will be applied. The proper assessments will be done accordingly.</p>
Development Charges Policy	<p>Changes were made within the following sections of the policy:</p> <p>1. DEFINITIONS</p> <p>1.6 'consumer' means a person who purchases electricity, water or a service relating to the supply of electricity, water or removal of sewerage.</p> <p>1.8 'development charge (DC)' means a charge imposed by the Municipality on a developer or consumer in terms of any applicable law referred to in this policy, or a condition of the approval, payment of which will contribute towards the Municipality's expenditure on capital investment in municipal infrastructure services;</p> <p>1.9 "Engineer" means an eEngineer employed by the "Municipality" or any person appointed by the "Municipality" from time to time and notified as such in writing to the "Developer" to perform the duties envisaged in terms of this Agreement Policy;</p> <p>6. OBLIGATION TO IMPOSE A DEVELOPMENT CHARGE</p> <p>6.2 Development Charges will not apply to the following land use applications, which are deemed to have no significant impact on provision of bulk infrastructure, and which has a social and/or economic benefit to the municipality and/or the community:</p> <p>6.2.1 Home / non-commercial early childhood development centres that serve the surrounding community.</p> <p>6.2.8 Public schools, hospitals, clinics and other public infrastructure projects developed and funded by government which provides a service to especially the poorer communities. These projects will have a social and economic benefit to these communities and the municipality in its whole and in so doing will alleviate some institutional and financial pressure on the Municipality in terms of providing social infrastructure and social development programmes.</p> <p>8. CALCULATION OF DEVELOPMENT CHARGES</p> <p>8.4 The basis upon which development charges unit costs of the civil services and community services will be determined, as envisaged in Paragraph 8.7, shall be consistent with National Treasury's "Policy Framework</p>

for Municipal Development Charges (as amended). The methodology for calculating unit costs can be summarised as follows:

- Choose a planning horizon in the future (say 20 years).
- Use town-planning scenarios and engineering masterplanning to determine what new services are required, such that at that point in the future, the joint capacity of existing and future services matches the number of consumption units that will be in place, being the existing amount plus the future development amount.
- Estimate the costs of the existing and future infrastructure, as though it was all being constructed at the present day, i.e. replacement cost for existing infrastructure or present-day cost for future infrastructure.
- Establish the number of consumption units that the total infrastructure will cater for i.e. existing consumption plus future consumption.
- From the above calculate the cost per unit consumption factor.
- The DC for the development in question is then calculated by multiplying the nett additional consumption needed for that development, by the cost per unit consumption factor.

8.7 Where possible, unit costs for each municipal infrastructure service should be re-calculated every five years to take into account the current and planned capacity for each municipal infrastructure service at the date of re-calculation, and any other relevant factors.

9. ACTUAL COSTS

9.1.4 Where a development is situated outside the urban area and was not taken into account during the determination of the Development Charges tariffs, then the Development Charges of that development will be based on its actual impact, as confirmed by a report by a professionally registered Consultant, appointed by the Developer, and as approved by the Municipality. Examples of such a scenario would be development on farms that supports the primary farming activity, i.e. a cellar on a wine farm. The actual trip generation might be less than what is allowed for in the Development Charges tariff tables and if it can be justified the Development Charges can be based on the actual impact/demand on the bulk infrastructure.

13. SUBSIDIES AND EXEMPTIONS

13.3 Developers will be allowed to apply for exemption for developments that comply with the following criteria:

13.3.1 In the case of registered non-profit organisations/community organisations/charity organisation developing social development projects that is beneficial to the community and where the applicant is able to demonstrate how the proposed development will have a social and/or economic benefit to the municipality. The use of any land or buildings, or any part thereof, shall not be for the private financial benefit of any individual, including as a shareholder in a company or otherwise.

14. OTHER PRINCIPLES TO BE APPLIED

14.2 Development Charges in rural areas/farms: Development Charges will be determined in terms of paragraph 9.1.4 for buildings/development related to the primary farming activities and can be classified

Policy/ By-law	Summarized Nature of change
	<p>as an agricultural building/agricultural industry i.e.: cellar and bottling facilities on a wine farm or a fruit packaging and storage facility on a fruit farm. It can be assumed that in most cases, the people already working or residing on the farm will work in these buildings and not place a significant additional demand on the bulk services. The approved Development Charges tariffs will be applicable for any other development on a farm i.e. a farm stall, function venues, tourist accommodation facilities, conference facilities or other business and commercial activities including wine tasting since these land uses attract people from outside and places an additional demand on the bulk infrastructure.</p> <p>14.8 Handling of properties with historical land use rights: If a property (especially business and industrial zoned property) has an existing zoning right, it does not necessarily mean that DCs have been paid on the full development potential of the property when such zoning was approved. A DC credit can only be granted if a DC for a specific development or building has been paid in the past, or if there are existing permanent, legal buildings (has building plan approval) on the site which service demand has already been absorbed into the bulk service networks. Otherwise there is no justification for granting such a credit. The onus to prove that DCs have been paid is on the Developer/Applicant.</p> <p>14.9 Any increase of the demand of a service, such as electricity, water and sanitation, will trigger the equivalent payment of DCs, whether such property has gone through a town planning development exercise or not. Such DCs will be payable and the increase of services will not be allowed until such DCs have been paid, as provided for in Section 7 of the Norms & Standards for Water Services Authorities as allowed for by the Water Services Act as well as the NRS 069 CODE OF PRACTICE FOR RECOVERY OF CAPITAL COSTS FOR DISTRIBUTION NETWORK ASSETS as allowed for by the Electricity Regulation Act, Section 15</p> <p>14.10 Temporary Departures: No DCs will be charged on a temporary departure application, since the impact will be of a temporary nature. However, any further application to extend such right will trigger a DC. Should any upgrades be required due to the impact, even if of a temporary nature, the Developer will have to construct such upgrade at his own cost.</p>
Grant-in-Aid	<p>Changes were made within the following sections of the policy:</p> <p>6. GENERAL GUIDELINES AND CATEGORIES</p> <p>6.1. General Guidelines</p> <p>P7: 6.1.4: Insert word “applications” after funding at the start of the sentence.</p> <p>P7: 6.1.4 Insert (vii): “Where an applicant did not attend the compulsory clarification session as advertised”</p>

Policy/ By-law	Summarized Nature of change
	<p>6.1.4. Funding applications however will not be considered in the following instances:</p> <ul style="list-style-type: none"> (i) Where a project or organisation is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding; (ii) Where in Council's opinion, an organisation receives sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and a budget for the ensuing financial year; (iii) Where only an individual will benefit; (iv) For political or ratepayers organisations/groupings; (v) Projects outside the boundaries of the Municipality; (vi) Where expenses have already been incurred, (vii) Where an applicant did not attend the compulsory clarification session as advertised, and (viii) Where applications were received after the due date and time for submissions.
Accounting Policy	<p>Changes were made within the following sections of the policy:</p> <p>1. Basis of Preparation</p> <p>In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.</p> <p>The principal accounting policies adopted in the preparation of these annual financial statements are set out below.</p> <p>1.1 Going concern assumption</p> <p>These unaudited annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.</p> <p>1.3 Internal reserves</p> <p>Self-insurance reserve</p> <p>The municipality has a Self-insurance reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term investments. Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.</p> <p>Accumulated surplus</p> <p>The accumulated surplus/deficit represent the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.</p> <p>1.4 Materiality</p> <p>Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or</p>

misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

Sources of estimation uncertainty

Revenue recognition

Accounting Policy 1.16 on Revenue from Exchange Transactions and Accounting Policy 1.17 on Revenue from Nonexchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In concluding judgement, management considered the detailed criteria for recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Impairment of financial assets

Accounting Policy 1.11: Financial Instruments, referring to the paragraph on impairment of financial assets, describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in the applicable notes to the annual financial statements.

Useful lives of property, plant and equipment and intangible assets

As described in Accounting Policy 1.8 and 1.9 the municipality depreciates its property, plant and equipment and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful life, which is determined when the assets are brought into use. The review of useful life and residual values of assets are only reviewed if one of the indicators of potential review is triggered.

Employee benefit obligations

The municipality obtains actuarial valuations of its employee benefit obligations. The employee benefit obligations of the municipality that were identified are post-retirement health benefit obligations and long-service awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the applicable notes to the annual Financial Statements.

Impairment of non-financial assets

The recoverable amounts of cash generating units have been determined based on the higher of value in use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The recoverable amounts of individual assets have been determined based on the higher of value in use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

Impairment of statutory receivables

If there is an indication that a statutory receivable, may be impaired, the municipality measures the impairment loss. The impairment loss is measured as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In estimating the future cash flows, the municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable are revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Measurement

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.

Depreciation

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

1.9 Intangible assets

Item	Useful life
Computer software	3 - 30 years
Internally generated: Capital development	Straight-line 5 - 7 years
Service operating and land rights	Straight-line 5 - 30 years

Derecognition

Financial assets

Cash includes cash on hand and cash with banks. Cash equivalents are short term highly liquid investments that are held with registered banking institutions with a maturity period of between three and twelve months and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried in the balance sheet at amortised cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with bank, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

1.15 Impairment of cash-generating assets

Cash generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- ☐ the period of time over which an asset is expected to be used by the municipality; or
- ☐ the number of production or similar units expected to be obtained from the asset by the municipality.

Management has judged all assets as non cash generating assets.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

1.16 Impairment of non- cash generating assets

Non cash generating assets are assets other than cash generating assets.

Identification

When the carrying amount of a non cash generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non cash generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non cash generating intangible asset with an indefinite useful life or a non cash generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable

service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non cash generating assets is the present value of the non cash generating assets remaining service potential.

The present value of the remaining service potential of a non cash generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non cash generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non cash generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non cash generating asset is adjusted in future periods to allocate the non cash generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non cash generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non cash generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non cash generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non cash generating asset is adjusted in future periods to allocate the non cash generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Multi employer plans

The municipality classifies a multi employer plan and/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the municipality accounts for in the same way as for any other defined contribution plan.

Where a plan is a defined benefit plan, the municipality account for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the municipality account for the plan as if it was a defined contribution plan.

Other long term employee benefits

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

Long term service awards is payable after 10 years of continuous service and after every 5 years thereafter to employees. Additional to this employees shall be entitled to a 14th cheque for continuous employment on their 30th and every 5th year onward. Furthermore a retirement gift is payable on retirement to employees with 10 years or more service. The provision is an estimate of the long service award based on historical staff turnover based on historical staff turnover. No other long service benefits are provided to employees.

1.22 Accounting by principles and agents

2 Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.29 Changes in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

1.30 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

1.31 Value Added Tax

The municipality accounts for Value Added Tax on the cash (receipt) basis.

1.34 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

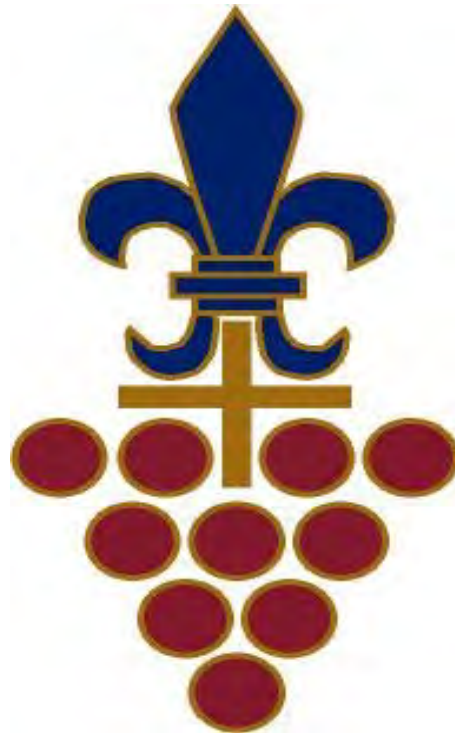
2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2020 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
☐ GRAP 34: Separate Financial Statements	01 April 2020	Unlikely there will be a material impact
☐ GRAP 35: Consolidated Financial Statements	01 April 2020	Unlikely there will be a material impact
☐ GRAP 36: Investments in Associates and Joint Ventures	01 April 2020	Unlikely there will be a material

Policy/ By-law	Summarized Nature of change			
				impact
	☐	GRAP 37: Joint Arrangements	01 April 2020	Unlikely there will be a material impact
	☐	GRAP 38: Disclosure of Interests in Other Entities	01 April 2020	Unlikely there will be a material impact
	☐	GRAP 110 (as amended 2016): Living and Non-living Resources	01 April 2020	Unlikely there will be a material impact
	☐	GRAP 18 (as amended 2016): Segment Reporting	01 April 2020	Not expected to impact results but may result in additional disclosure
Asset Management Policy	Changes were made within the following sections of the policy: Review of residual value and useful life <ul style="list-style-type: none">• The municipality should assess whether there is any indication that the expected useful life of the asset has changed based on whether the condition of the asset has improved or declined. This is based on any condition assessments undertaken by the entity on its assets during the reporting period. Paragraph .60(f) of GRAP 17 should not be read as requiring a condition assessment at each reporting date. Condition assessments will be undertaken by entities on selected or identified assets as part of its on-going asset management. Instead, any information available from any condition assessments undertaken during the reporting period should be used to assess whether the useful life of particular assets should be changed.The residual value and useful life of an asset should be reviewed at least at each reporting date (GRAP 17.61).• All movable assets with a useful life of two years or less will be reviewed on an annual basis to ensure adherence to GRAP 1757 (c) if no other indicators are present or detected during the year under review.• The residual value of an asset may increase to an amount equal to or greater than the asset’s carrying amount. If it does, the asset’s depreciation charge is zero unless and until its residual value subsequently decreases to an amount below the asset’s carrying amount (GRAP 17.654)			

STELLENBOSCH MUNICIPALITY



WAYLEAVE POLICY

2021/2022

NEW

SECTION: ASSET MANAGEMENT & SYSTEMS
 DEPARTMENT: DEVELOPMENT SERVICES, ASSET MANAGEMENT &
 SYSTEMS, PROJECT MANAGEMENT UNIT (PMU)
 DIRECTORATE: INFRASTRUCTURE SERVICES



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SECTION: ASSET MANAGEMENT & SYSTEMS
DEPARTMENT: DEVELOPMENT SERVICES, ASSET MANAGEMENT &
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WAYLEAVE POLICY

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1. INTRODUCTION

1.1 Legal Context

In terms of S151 of the Constitution of the Republic of South Africa, 108 of 1996, a municipality has the right to govern on its own initiative, the local government affairs of its community, subject to national and provincial legislation.

S156 of the Constitution grants the municipalities the right to administer the local government matters listed in Schedule 5B, which include municipal roads. A municipality may make by-laws for the effective administration of municipal roads.

This Policy will be converted into municipal by-laws to give it legal effect.

1.2 Need for Co-ordination

The collective value of services infrastructure contained within the Public Road Reserve and the road itself amounts to a considerable value. This infrastructure needs to be maintained, periodically rehabilitated and replaced from time to time. Such activities can result in considerable delays, inconvenience, danger and additional costs to the road users and Municipality itself if not well planned and coordinated. The potential damages that can be suffered by either party include:

- Damage to roads and other Services;
- Damage to vehicles;
- Injury to vehicle occupants or pedestrians;
- Reduction of the useful life of the road, footway or other Services; and
- Time and social costs caused by delays.

It is apparent that careful control and co-ordination of all Work in the public road reserves is a prerequisite for effective service delivery. This responsibility resides with The Stellenbosch Municipality and its Service Departments to continuously improve their capability to provide such services.

Being the custodian of all municipal Road Reserves, the Infrastructure Services Directorate – Roads, Transportation and Stormwater Sub-Unit within The Stellenbosch Municipality initiated a programme to establish the necessary co-ordination activities and policies regarding Work in the public road reserves. This document is the first deliverable of the programme as implemented by the Asset Management and Wayleaves Sub-Unit. It attempts to provide a basic framework for ensuring proper co-ordination and co-operation between the various departments as well as external parties who conduct Work in the public road reserves.

The document was prepared with the aim to minimise the effect of all Work in the public road reserves to the benefit of all concerned and in particular the ratepayers, road users (motorists and pedestrians), and eventually the coordinating body within The Stellenbosch Municipality. Included in this document are the procedures to apply for, process and approve Wayleaves, procedures to follow for undertaking and completion of Work, as well as a reference to specifications according to which the Work must be done.

This initiative can only succeed if all internal and external parties that work in the public road reserves constructively cooperate by working according to this Code and by providing feedback on how the system can be improved.

1.3 Establishing a Service Co-ordinator

The Infrastructure Services Directorate has identified that this co-ordination function will need to:

- Improve the interdepartmental communication on annual Work plans and the execution of such Work;
- Coordinate and regulate all Work carried out within the public road reserves;
- Minimise the danger and inconvenience to the public;
- Minimise the damage to existing Services;
- Reduce the number of legal claims; and,
- Promote the use of technology, such as Geographical Information Systems (GIS) to locate Services.

In order to effectively implement and sustain such a function a Service Co-ordinator and a Quality Control Engineer (collectively the Asset Management & Wayleaves section) are being established within The Stellenbosch Municipality. The four essential tasks that must be accomplished in the process of establishing the Service Coordinator and the Quality Control Engineer are:

- Establishing the necessary Council Policy in this regard (covered by this document);
- Establishing effective and simplistic procedures (covered by this document);
- Establishing effective Municipal Bylaws (future activity); and,
- Establishing an effective Organisational Structure (future activity).
- Proper record-keeping of each approval and work done on-site (future activity).

The process to develop the Policy included the following activities:

- Identifying and documenting the Stellenbosch Municipality requirements in terms of the Policy and procedures;
- Identifying representatives for both internal and external stakeholders to participate in the policy formulation process;
- Researching existing documentation and other information sources as provided by the Stellenbosch Municipality and representatives;
- Developing of a draft Policy and Procedures;
- Facilitating workshops on the document; and
- Finalising documentation and getting approval from the Stellenbosch Municipality Council.

1.4 Document Structure

This document is organised into three sections. The following is a brief description of each section:

Section 1 – Introduction: This section aims to illustrate the need for coordination and responsibility of the custodian of the public road reserves to coordinate. It continues by explaining the development approach that was followed.

Section 2 – Definitions: This section is a summary of definitions of terms used throughout the document.

Section 3 – Policy: The Wayleave Policy as adopted by Council is explained under a collection of topics, including the Basic Wayleave Procedure. This structure was used in order to simplify the use of the document.

1.5 Supporting Documents

Three supporting documents, which documents are incorporated and form part of this Policy.

- The General Conditions relating to Wayleave Applications. These general conditions may be amended by the Service Co-ordinator depending on the nature of the Work to be carried out.
- Wayleave Work Permit/Approval form.
- Services Verification Meeting Certificate.
- Wayleave Guarantee Checklist.
- Wayleave Tariffs as contained in the Municipal Tariff Book.
- Certificate of Completion.

DRAFT

2. DEFINITIONS

The following words and phrases have the meaning assigned to them in this Code unless the context otherwise indicates:

"Authorised Agent" means an agent who is authorised by the Service Co-ordinator to perform specified Services;

"Backfilling" refers to the replacement of the structural layers in the trench or excavation and includes the base, sub-base, selected subgrade and subgrade, but excludes the surfacing (see Reinstatement);

"Certificate of Completion" means the document issued by the Professional Engineer appointed by the Wayleave Holder as proof that Work in the public road reserves has been completed according to the specifications of this document;

"Code" means the Policy for Work in the Public Road Reserve (PRR) as approved by the Council and as agreed to by the Parties including any appendices attached thereto;

"Council" means the Municipal Council of The Stellenbosch Municipality established by Provincial Notice No. 352 of 2000 dated 19 September 2000, as amended, or its successor in title, and any committee or person to which or whom an instruction has been given or any power, function or duty has been delegated or sub-delegated in terms of, or as contemplated in, section 59 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

"Distance of Excavation" means the shortest horizontal distance between the electrical equipment or electrical structure nearest to the excavation. "Electric structure" means any power line tower, electric pole, switch box, miniature substation fence or building or any other structure used in the distribution of electricity;

"Emergency Work" is defined as any Work that is required to prevent or end a dangerous situation, to prevent or end an unplanned interruption in the supply of a Service, or to avoid any substantial losses. It is important to note that a lack of proper planning of Work to be carried out will not justify Emergency Work and such activities will be stopped by the Service Coordinator;

"Lane Rentals" mean the rentals that are paid to the Service Coordinator by a Service Agency, excluding a Municipal Department, whose Work in the Public Road Reserve (PRR) results in time delay costs (TDC) being incurred by the users of the Public Road Reserve (PRR);

"Municipal Department" means any Department that belongs to or is controlled by the Council;

"Professional Engineer" means a person registered as a Professional Engineer/Technologist in terms of the Engineering Professions Act, 2000, appointed and funded by the Wayleave Holder to ensure compliance with the Conditions of Approval of the Wayleave. Appointment of such a person is required to control the Works wherever any excavation is involved.

"Public Road Reserve" means the full width of a public road, and includes the verge and the roadway;

"Reinstatement" refers to replacing the bituminous surfacing, paving blocks or grass, as applicable, in the case of roads, footways and verges;

"Routine Maintenance Work" is defined as all types of Work involved in maintaining the services in the public road reserves and does not require excavation, traffic control or reinstatement activities;

"Security Deposit" means the refundable deposit required to be paid to the Municipality in respect of each Wayleave approval issued, either a fixed amount per the tariff register (for smaller projects), a percentage of the costs of the works to be undertaken or in an approved and valid form of bank guarantee;

"Service" means any system for supplying a public need that a Service Agency has on/in the Public Road Reserve (PRR);

"Service Agency" means any Municipal Department, Public Agency or utility that has a Service in the Public Road Reserve (PRR);

"Service Coordinator" means the person/official/institutional body established by the Council with the sole responsibility to carry out the administrative functions of receiving and processing applications for wayleaves, obtaining comments from the various internal and external service agencies, and (following the decision by the Strategic Management Committee) conveying this decision in writing to the Applicant, namely to approve with conditions, or reject with reasons, any application, and to provide record-keeping of each application and installation;

"Service-Sharing Installation" means installations of a service which are designed to utilise existing ducting or pipelines without the need for excavations, except minimal excavation/construction at junctions or terminals;

"Quality Control Engineer" means the person/official/institutional body identified by the Stellenbosch Municipality to coordinate and regulate any work undertaken in those sections of the public road reserves that fall within the Municipal area of the Council;

"Wayleave" generally means the formal approval to carry out Work in the Public Road Reserve in specific positions and during a specific period.

"Wayleave Applicant" means the institution or Service Agency who currently owns or would own the future Service, who applies for a Wayleave;

"Wayleave Holder" means the person, institution or Service Agency who is in possession of a Wayleave Approval Document/Work Permit approved by the Service Co-ordinator;

"Wayleave Work Approval Document/ Work Permit" means the signed document/s issued by the Service Coordinator, detailing the Work which has been approved and the period during which the Work shall be carried out, and includes approved drawings/plans and Conditions of Approval;

"Work" in the Public Road Reserve means any activity, including the activities provided for in Section 1 of this Code, carried out within the Public Road Reserve. It includes any project related activities, irrespective of the size of the project.

3. POLICY

3.1 Overview

3.1.1 The coordination of Work in the public road reserves deals with two aspects, namely:

3.1.1.1 Planning the time schedule for future Work in the public road reserves so that the Work can be executed in a logical sequence, e.g. avoiding the placement of a Service in a road that was surfaced during the previous month. This could involve new construction, rehabilitation or Routine Maintenance Work; and

3.1.1.2 The application for and approval of a Wayleave for the execution of any Work in the public road reserves.

3.1.2 The co-ordination of Work schedules described under 3.1.1.1 above may result in specific co-ordination issues where the Service Co-ordinator, in consultation with the Quality Control Engineer, has to ensure that an acceptable solution is defined by the Service Agencies involved.

3.1.3 The role of the Quality Control Engineer is to facilitate coordination between the various Service Agencies. Each Service Agency will have its own project leaders and Professional Engineers. They are responsible for the implementation of their projects together with compliance with the Council's policies, procedures and standards.

3.1.4 The approval of a Wayleave means that:

3.1.4.1 The Wayleave Holder has permission to:

3.1.4.1.1 place a new Service in the Public Road Reserve;

3.1.4.1.2 do excavations in the Public Road Reserve;

3.1.4.1.3 do vehicular and pedestrian control in the Public Road Reserve; and,

3.1.4.1.4 do Reinstatement Work on the road and pavement surfaces where excavations have been made.

3.1.4.2 The Council intends to protect the new Service in its position in the public road reserves against damage by other parties while working in the public road reserves. However, it cannot be held responsible for any damages incurred.

3.1.4.3 The cost associated with relocating the Service when a road is widened or rebuilt remains with the Service Agency that owns the Service.

3.1.4.4 The cost to relocate a Service owned by the Council must be included in the project cost.

3.2 Planning Work Time Schedules

3.2.1 The necessary procedure that must be followed for planning the time schedule of future Work is as follows:

3.2.1.1 Within a designated time period from the approval of this Policy and publication of the by-laws each external Service Agency shall provide to the Council digital records for capture into the Council's GIS, of all of its services within the jurisdiction of Stellenbosch Municipality. This will form the basis for all future planning and updating of new installations.

- 3.2.1.2 By 30 March of each year, the various internal and external Service Agencies shall submit Work Plans, for the next 1-year period to the Service Co-ordinator.
- 3.2.1.3 These Work Plans shall show:
 - a) The nature of the Work, e.g. the placement of new water main, or the replacement of a water/ sewer line.
 - b) The location of the Work in terms of street blocks and the side of the public road reserves where the Work will be executed, with due regard for the Councils typical cross-section for the public road reserves.
 - c) The extent of the Work, i.e. the start and end positions.
 - d) The planned timing of the Work, i.e. from month/year to month/year.
 - e) Reference to the Work in the latest approved Integrated Development Plan of Council if applicable.
- 3.2.1.4 The Service Coordinator, in consultation with the Quality Control Engineer, shall review the Work plans in order to determine possible conflicts in the planned Work.
- 3.2.1.5 Before the end of June each year the Service Coordinator, in consultation with the Quality Control Engineer, shall schedule a Service co-ordination meeting with the internal and external Service Agencies where the identified conflicts will be discussed and resolved.
- 3.2.1.6 A second co-ordination meeting may be held in July/August to resolve any changes that may have resulted out of the budget approval process.

3.3 Basic Wayleave Procedure

- 3.3.1 The basic procedure that is required for Work in the public road reserves is as follows:
 - 3.3.1.1 Permission to work in the public road reserves must be obtained from the Service Coordinator through a formal Wayleave application in the form of a letter describing the Work to be done with details and design drawings/plans.
 - 3.3.1.2 The Wayleave Applicant must firstly obtain Service plans, indicating the positions of existing Services from the Service Agencies identified by the Service Coordinator, where available. The Service plans must indicate the positions and type of Services in the area where Work will be undertaken. It may be necessary for the Applicant to carry out certain preliminary Work in order to determine precise positions and dimensions of any existing services which are not clear from the Service Plans which have been consulted.
 - 3.3.1.3 The Wayleave Applicant shall ensure that the control section on the Wayleave application form is signed by each Service Agency, indicating that in principle there is no objection to the issuing of the Wayleave, alternatively where there is an objection then detailed reasons and motivations for such objection must be given. This approval will be subject to technical compliance with the standards of the Service Agencies involved as well as compliance with the standards of The Stellenbosch Municipality and the Work planned by the Council within the area under consideration.
 - 3.3.1.4 Once the control section has been completed by all the Service Agencies, the application must be made for the issuing of a Wayleave Work Permit in accordance with the procedure set out in this document. No Work in the

- public road reserves may commence before a Wayleave has been approved and a Wayleave Work Permit issued for that Work
- 3.3.1.5 The Service Coordinator, in consultation with the Quality Control Engineer, will review the Wayleave application and prepare a report on the application, with recommendations.
- 3.3.1.6 The Service Co-ordinator shall submit the report to the Manager: Asset Management and Systems detailing the application, the various Service Agencies consulted, their comments received, confirmation of payment of the processing fees and the relevant security deposit, and confirmation of the appointment by the Applicant of a Professional Engineer or Technologist if any excavation is involved in the proposed Works, and after consultation with the Quality Control Engineer, the proposed decision, with conditions to be imposed upon approval, or the reasons for refusal.
- 3.3.1.7 Once approved, the decision to approve with conditions, or to refuse with reasons, shall be forwarded by the Service Co-ordinator to the Applicant. In the case of approval, the documents forwarded to the Applicant will include two copies of each of the letter indicating approval of the application and the conditions under which the approval is given, the signed approved plans, Signed Site Services Verification Certificate and the signed Wayleave Work Permit form. One copy of the letter of approval with Conditions imposed by Council together with the approved plans for a specific project must be signed as accepted by the Applicant and returned for filing.
- 3.3.1.8 The security deposit must be deposited in a Municipal suspense account for the purpose and will be used to correct unsatisfactory Work or reinstatements if need be.
- 3.3.1.9 The Work must be carried out according to this Policy, any other applicable laws and policies, and the procedures and specifications as referred to in the Conditions of Approval.
- 3.3.1.10 The Wayleave Work Permit and the Service plans of the Service Agencies must be kept on-site while the Work is in progress.
- 3.3.1.11 Additional copies of the Work Permit and approval documents may be obtained from the Service Coordinator if the Wayleave is applicable to more than one Work area or Work team.
- 3.3.1.12 Work will be stopped if either the Wayleave Work Permit or the Service plans are not available during inspections on-site or if any of the Wayleave Conditions are not being met. Work will be stopped until the required documents are available on site. Failure to comply with the Wayleave Conditions may impact other applications being made by the same Service Provider.
- 3.3.1.13 On completion of the Work, all trenches and excavations in the public road reserves must be Backfilled and Reinstated according to the specifications of the Quality Control Engineer, referred to by this document.
- 3.3.1.14 On completion of the Work and permanent Reinstatement, a Certificate of Completion signed by the Wayleave Holder's Professional Engineer must be sent to the Service Coordinator by the Wayleave Holder.
- 3.3.1.15 The Quality Control Engineer must review the Completion Certificate as well as carry out an inspection of the site after receiving the Completion Certificate, and sign the certificate confirming that all conditions have been met.
- 3.3.1.16 The applicable guarantee period will be stated in the letter of approval/conditions (usually 12 months).
- 3.3.1.17 Work performed under an approved Wayleave can only be performed in

normal working hours (Mondays – Thursdays 08:00-17:00 and Fridays 08:00-15h00). Working after hours, on public holidays or on the weekend is not permitted. Any work performed outside of business hours will attract a tariff as per the Municipal Tariffs. This tariff will apply before any new applications will be accepted from the Wayleave Applicant or non-Wayleave Holder.

3.3.1.18 Where work in the road reserve has been performed without an approved wayleave, the tariff for unauthorised work as per the Municipal Tariffs will apply. This tariff will apply before any new applications will be accepted from the Wayleave Applicant or non-Wayleave Holder.

3.3.2 This Code applies to all persons that carry out Work in the public road reserves in the Municipal area of the Council, such as internal Municipal Departments, external organisations, Service Agencies and contractors. It does not apply to work in national or provincial Road Reserves within the judicial area of the Council.

3.4 Work in the Public Road Reserve

3.4.1 Work in the public road reserves includes the digging of trenches, tunnelling, erection of signboards, erection of structures, street shaping, planting of trees in the public road reserves and any other Work that may affect motorists, cyclists, pedestrians, the road, footways, kerbing, traffic signs, traffic signals, street lighting, underground or overhead Services or any other structure or Service that is contained within the public road reserves.

3.4.2 The types of Work that require approval from the relevant Service Agencies before a Wayleave is granted are deemed to be a provision of a new Service and will be conducted according to the procedures in Section 3.3 above. In general, such Work refers to the positioning of a new Service, excavation in the public road reserves, traffic control and Reinstatement of the roadway and pavements. Examples include inter alia:

3.4.2.1 Work relating to the installation or maintenance of underground or overhead Services by Council's Service Agencies like Roads and Transportation, Water and Sanitation, Electricity, Land and Environmental Planning and City Planning.

3.4.2.2 Work relating to the installation or maintenance of underground or overhead Services done by non-Council Service Agencies such as telecommunication, data cables, electricity, gas, oil and regional water supply.

3.4.2.3 The erection of structures that require approved building plans in terms of the National Building Regulations and Building Standards Act 103 of 1977;

3.4.2.4 The erection of advertising signs and structures that require approval in terms of the relevant by-laws;

3.4.2.5 Works in the public road reserves, such as the construction of new roads, road widening or accesses to developments, paving, bollards, garden walls, etc. undertaken by developers or private property owners;

3.4.2.6 The installation of new connection points for municipal Services, such as water, sewers, electricity and stormwater drainage from developments.

3.4.3 The types of Work for which prior approval from Service Agencies cannot be obtained due to the nature of the Work is deemed Emergency Work and must be undertaken according to the procedures set out in Section 3.17.

3.4.4 The types of Work that do not include any construction Work are deemed Routine.

- 3.4.5 Maintenance Work and must be executed according to the procedures set out in S
- 3.4.6 An application shall also be made in respect of Works classified as Service-Sharing Installations which involve minimal or no excavation. Only if there is absolutely no excavation involved does it become unnecessary to appoint a Professional Engineer to be in control of the Works.

3.5 Wayleave

- 3.5.1 All Work in the public road reserves is controlled by a Wayleave. A Wayleave is simply permission to work at a specified time in a specified area in the public road reserves according to approved conditions.
- 3.5.2 A Wayleave Application may be submitted for a small or large project that covers Work in any part of the Municipal Area, provided that the position and expected start/end dates of all Work in the public road reserves are adequately described under the description of the Work to be done.
- 3.5.3 General conditions are stated on the Wayleave form and may include, but are not restricted to, the following:
 - 3.5.3.1 Description of Work to be done;
 - 3.5.3.2 Timeframe within which the Work must be done;
 - 3.5.3.3 Location of Work to be done. (Provision can be made for big projects with multiple locations. The scope of big projects must be limited to manageable portions from the Wayleave perspective. The Service Coordinator/Quality Control Engineer will be able to direct project managers in this regard;
- 3.5.4 Additionally, there may be Specific conditions relating to the Wayleave which will be stated on or referred to on the Wayleave. Such conditions may include:
 - 3.5.4.1 Specific working conditions required in terms of the Occupational Health and Safety Act (Act no 85 of 1993);
 - 3.5.4.2 Methods of Work execution in protected roads and precincts; and,
 - 3.5.4.3 Reinstatement requirements.
 - 3.5.4.4 A Wayleave Work Permit must be obtained before any approved Work may be done in the public road reserves.
- 3.5.5 To obtain a Wayleave, a Wayleave application form must be submitted, together with:
 - 3.5.5.1 A traffic control plan showing how vehicular and pedestrian traffic will be accommodated during the execution of the Works in the public road reserves.
 - 3.5.5.2 Two (2) copies of the design drawing/plans showing details of the proposed Work. An additional legible digital copy is also required.
 - 3.5.5.3 Subject to 3.5.7 below, proof of payment of the required processing fee and the applicable deposit or submission of proof of sureties already held by the Council over the Work.
 - 3.5.5.4 Proof of appointment of Professional Engineer or Technologist appointed to monitor the construction and Reinstatement and to provide a Completion Certificate once completed.
 - 3.5.5.5 Proof of appropriate public liability insurance and indemnity insurance.

- 3.5.6 Details required on the design drawing referred to in 3.5.5.2 are:
- 3.5.6.1 A clear depiction of the proposed Work.
 - 3.5.6.2 Indication where Services are to be installed and the depth of the Service below the surface level of the relevant portion of the public road reserves.
 - 3.5.6.3 Distance of the Service from the public road reserves boundary (i.e. the property boundary).
 - 3.5.6.4 Position and extent of all structures, including underground structures such as manholes, chambers and junction boxes.
 - 3.5.6.5 The location of all other Services in the public road reserves in relation to the proposed services to be installed. Services are located by obtaining information from the Service Agencies within the Council and by doing cross-cuts where required. The use of cross cuts, as explained in paragraph 3.14, is strongly recommended.
 - 3.5.6.6 A Wayleave Work Permit will only be issued once all the requirements have been complied with and will be subject to any conditions specified in Section 3.3 and issued in terms of this Policy.
- 3.5.7 When the Wayleave Applicant is an internal Council Department, then the Wayleave Applicant shall provide a written assurance that they will be responsible for obtaining the deposit or proof of sureties (see 3.5.5.3) and the appointment, either internally or externally, of a suitably qualified engineer to supervise the project (see 3.5.5.4) that are required to protect the Council's interests.
- 3.5.8 The application for a Wayleave must be submitted timeously to ensure that the Wayleave can be issued before the Work is programmed to start. **WORK BEING CARRIED OUT IN THE PUBLIC ROAD RESERVE WITHOUT A WAYLEAVE MUST BE REPORTED TO THE SERVICE CO-ORDINATOR AND WILL BE STOPPED BY THE COUNCIL OFFICIAL ON SITE.** A copy of the Wayleave Work Permit and other documents as defined must therefore always be on site when Work is being done in the public road reserves.
- 3.5.9 The Service Coordinator will strive to limit the duration of the application review process to thirty (30) working days.
- 3.5.10 The Wayleave Holder accepts full responsibility for all costs (Refer to Section 3.10) associated with and resulting from the Work carried out in the public road reserves.
- 3.5.11 Only Work described in the Wayleave Work Permit may be executed. If the conditions on-site necessitate a deviation from the planned Work, the Service Coordinator must be informed before any work is done. These deviations may be in relation to the placement of the Service or the timing of the Works. The Service Coordinator may inform the Wayleave Holder of additional approvals that must be obtained from the Service Agencies affected by the deviation as well as further requirements in terms of drawings and specifications. Work will only be allowed to continue once the Service Co-ordinator is satisfied that all the additional requirements have been met.
- 3.5.12 The Wayleave Holder must complete the Work within the time specified on the Wayleave Work Permit or the approved time extension.
- 3.5.13 A Wayleave Holder who fails to complete the Work within the specified time window will be given a two (2) day notice period to either complete the Work or apply for a time extension.
- 3.5.14 If upon expiry of the notice period referred to in 3.5.12 or 3.5.13 the Wayleave Holder is still in default, the Work will be stopped, and the Wayleave Holder will be given a further specific timeframe by the Quality Control Engineer to make the site safe. If the

Wayleave Holder fails to do so the site may be made safe by the Quality Control Engineer, at the expense of the Wayleave Holder.

3.6 Existing Services and Planned Services

- 3.6.1 The Wayleave Applicant must submit Service drawings indicating the position of all Services in the area of Work with the Wayleave application form. This information is obtained from the relevant Service Agencies.
- 3.6.2 Service Agencies may require additional precautions relating to Work in the vicinity of their Services and must specify these in writing to the Wayleave Applicant.
- 3.6.3 As part of the Undertaking/Indemnity on the Wayleave application form, the Applicant has to confirm that the necessary information has been obtained from the Service Agencies and undertakes to adhere to the additional conditions laid down by the various Service Agencies. The control section on the Wayleave application form, signed by the Service Agencies, will serve as proof that the Service Agencies approved that a Wayleave Work Permit may be issued.
- 3.6.4 The Wayleave Applicant will verify with all Service Agencies whether future Work is planned for the area indicated in the Wayleave application. Such planned Work may dictate whether a Wayleave is approved and the conditions under which a Wayleave is approved. The planning horizon will depend on the planned life of the new Service as well as the Council's five year Work plan.

3.7 Road Categories

- 3.7.1 All roads are classified into one of the functional categories described below. The functional category of a road determines the Backfilling and Reinstatement specifications applicable to that road.
- 3.7.2 The following definitions apply for the road categories:

Category	Road Type	Administration
1	National Roads Primary – (inter) provincial Urban Freeway/Motorways	SANRAL PGWC PGWC
2	Primary – (inter) provincial Major (inter) urban arterials	PGWC PGWC
3	(Inter) district connectors Minor (intra) urban arterials	PGWC PGWC
4	Major and minor collectors Inter neighbourhood distributors Intra neighbourhood distributors	PGWC Service Coordinator (STM) Service Coordinator (STM)
5	Residential streets	Service Coordinator (STM)

- 3.7.3 All roads will be categorised into one of the above by the Council. For a specific road, this information can be obtained from the Quality Control Engineer.

- 3.7.4 Work carried out on arterials, major collectors and central business district roads will

be restricted to outside the following periods, namely from 6:30 to 09:00 and 15:30 to 18:00, to ensure the free flow of traffic during peak hours. These times apply seven days a week.

3.8 Restricted Roads

- 3.8.1 Over and above the road categories defined in Section 3.7 of this Code, certain roads are further classified as restricted roads (no-dig roads).
- 3.8.2 Restricted roads are roads across which no digging of trenches is permitted. A road is protected if it has been designated a restricted road by the Council. Roads are designated as restricted when they are of particular strategic importance (Categories 1 to 4 in the new road asset classification) or if they pose special engineering difficulties.
- 3.8.3 Any road that has been newly constructed, overlaid or resurfaced will be restricted for a seven (7) year period. A list of roads that falls in this category is available from the Quality Control Engineer.
- 3.8.4 If a road is restricted, it will be indicated as such on the Wayleave Work Approval/Permit.
- 3.8.5 Restricted roads may only be crossed using trenchless methods. If trenchless methods for some reason cannot be used, special permission to excavate must be obtained from the Quality Control Engineer.
- 3.8.6 For the purpose of planning Work done by Service Agencies, categories 4 and 5 may be regarded as unrestricted unless they have been newly constructed, overlaid or resurfaced and fall within the protected period and provided that the first 20m from an intersection with any other road category is considered to be restricted.

3.9 Protected Precincts

- 3.9.1 Works in protected precincts are subject to special trenching methods and care to ensure minimal damage to specialised and expensive material and furniture. The Quality Control Engineer will inform the Wayleave Applicant of the required methods and might request that a third-party contractor must be used to carry out the Work.
- 3.9.2 A list of protected precincts is available from the Senior Manager: Roads and Transport.

3.10 Costs

3.10.1 Administration & Inspection Fees

- 3.10.1.1 The administration and inspection fees are the tariff amounts that are payable by the Applicant upon submission of a Wayleave application form. These fee amounts will be determined by the Council on the recommendation of the Quality Control Engineer from time to time, and included in the Municipal Tariffs.
- 3.10.1.2 The administration and inspection fees covers the Council's costs for Work done by the Service Co-ordinator to process the Wayleave application.

3.10.2 Security Deposit

- 3.10.2.1 A refundable security deposit will be charged for each Wayleave being issued. Security deposits will not be charged for Work done by Internal Service Agencies (Council Departments) themselves.
- 3.10.2.2 The deposit amount will be based on a percentage of the value of Work to be carried out or the greatest value based on the on-site service verification, as per the Council's tariffs.
- 3.10.2.3 The Council will have the right to use the deposit to cover costs incurred by the Service Coordinator in relation to the Wayleave under consideration. This does not detract from the Municipality's legal remedies in enforcing this Policy or by-laws.
- 3.10.2.4 The responsibility remains with the Wayleave Holder to ensure that any of its contractors or agents engaged in the implementation of the Work is in possession of valid and sufficient public liability insurance. It is an express condition of this approval that the Wayleave Holder indemnifies and holds the Council harmless against any claims, demands or losses incurred as a result of any work performed in terms of the Application Form and under any Wayleave approval.

3.10.3 Reinstatement Cost

- 3.10.3.1 The total cost of the permanent Reinstatement on the site of the installation in terms of the Wayleave Approval/Work Permit will be borne by the Wayleave Holder plus 10% Administration Fee.

3.10.4 Other Costs

- 3.10.4.1 Other costs can result from any of the following:
 - 3.10.4.1.1 Damages to existing Services;
 - 3.10.4.1.2 Relocation of existing Services;
 - 3.10.4.1.3 Testing of Services and Backfills;
 - 3.10.4.1.4 Costs claimed by the Council's Municipal Traffic from external Service Agencies for loss in revenue due to disestablished parking bays;
 - 3.10.4.1.5 Rentals (Lane rentals during construction and perpetual rental after completion of the Works); (See Tariff)
 - 3.10.4.1.6 Services rendered by the Service Coordinator in completing Work or altering Work to conform to Wayleave specifications; and
 - 3.10.4.1.7 Claims that may result from the Work. In this case, it is expressly recorded that the Wayleave Holder shall be responsible for any shortfalls in the Security deposit and insurances in respect of any claim arising from the execution of the Works;
 - 3.10.4.1.8 Any penalties in terms of the Municipal tariffs (See Tariff).
 - 3.10.4.1.9 Loss of income to the Council as a result of disestablished parking bays (See Tariff).
- 3.10.4.2 All such costs will be borne by the Wayleave Holder. An additional 10% Wayleave Administration Fee will also apply.

- 3.10.4.3 A party wishing to dispute the costs charged to him as a result of any of the above reasons will do so at their own cost.

3.11 Traffic Control

- 3.11.1 It is the responsibility of the Wayleave Holder working in the public road reserves to ensure that all laws regarding traffic, safety, traffic signs and barricading are complied with while executing Work.
- 3.11.2 The Wayleave Holder working in the public road reserves shall, therefore, take all necessary measures and provide all necessary facilities to ensure an adequately safe and easy passage for traffic and pedestrians through areas in which Work is in progress, or is incomplete.
- 3.11.3 The Service Coordinator can request that a traffic control plan be submitted Manager: Transport, Roads and Stormwater for approval. Any such Approved Traffic Control Plan shall be kept available on site.
- 3.11.4 Traffic signs and barricading shall be done according to the latest edition of the Southern African Development Community Roads Traffic Signs Manual.
- 3.11.5 The Wayleave Holder must contact the relevant traffic authority to ensure that all requirements have been met for the particular location where the Work is being done and whether points-men will be required.
- 3.11.6 The importance of adequate traffic signs and barricading is emphasised. These measures are intended to ensure the maximum safety for motorists, pedestrians and workers and also the minimum disruption of vehicles and pedestrians. Worksites must be properly barricaded and signed irrespective of how long the Work will last. The safety precautions must be maintained for the full time that risks exist in the public road reserves due to Work being performed in the public road reserves.

3.12 Road Closure

- 3.12.1 The granting of a Wayleave does not give the Wayleave Holder the authority to close the road completely to traffic. Methods of construction and programmes of Work must, therefore, be determined on the basis that no road, or portion of the road, may be completely closed to traffic for any considerable period.
- 3.12.2 In exceptional circumstances, permission may be granted for the closure of a road or portion of the road to traffic. The Wayleave Holder must apply to the Council separately for approval two weeks prior to the road being closed. A road closure will be approved for a specific period only, i.e. from and to a specific time on a specific date and is only valid for that specific period. If the Work is not carried out in that period, an application for a new road closure will have to be made.

3.13 Lane Rental

- 3.13.1 Lane rental refers to the rental of space in the public road reserves for the storage of construction materials, site offices or the closure of lanes for a period exceeding two weeks.
- 3.13.2 Lane rental is managed by the Council's Roads and Transportation Division.

- 3.13.3 The rates for Lane Rentals are to be set by the Council and will be included in the tariffs.

3.14 Preliminary Works and Cross-Cuts

- 3.14.1 In respect of all preliminary Work requested by the Service Agencies and cross-cuts, the specifications from the relevant Service Agencies and in this document must be adhered to before Work will be allowed to start. Such requests include inter alia that:
- 3.14.1.1 The Municipal Traffic Department must always be notified in writing seven (7) working days in advance by the Wayleave Holder.
 - 3.14.1.2 The Service Coordinator and the contact person of each Service Agency involved must be informed 48 hours prior to commencing with the Work by the Wayleave Holder.
 - 3.14.1.3 Alternatively, notice periods specified by the Service Agencies must be adhered to.
 - 3.14.1.4 The Municipal Traffic Department must be requested to remove parking meter heads where Work necessitates the temporary disestablishment of parking bays with the due agreement for compensation in loss of revenue where applicable.
- 3.14.2 The Applicant may be required to do cross cuts in the area where Work is planned. The purpose of cross cuts is to establish and confirm the position of Services in areas where the information on Services are unclear.
- 3.14.3 A cross-cut is done by excavating a trench that runs from the verge of the road up to the property boundary, perpendicular to the normal direction of Services. Excavation must always be done by hand.
- 3.14.4 The minimum depth of the cross-cut trench is 1 meter below the lowest point of the public road reserves.
- 3.14.5 A separate Wayleave Work Permit approval needs to be obtained for prior preliminary or cross-cut Work to be undertaken.
- 3.14.6 A non refundable Roadway Open Trench Fee will apply as well as outlined in the Municipal Tariffs.

3.15 Excavations

The Wayleave Holder shall be responsible for ensuring that:

- 3.15.1 The area that is excavated must always be kept to a minimum. The width of the trench must be uniform in length and depth; in other words, the sides must be parallel and vertical. The top of the trench must be cut with a saw to ensure smooth, uniform edges.
- 3.15.2 All excavations must comply with the statutory requirements for health and safety. The Wayleave Holder must pay specific attention to:
- 3.15.2.1 Excavations must be executed according to the Occupational Health and Safety Act referred to in Section 5.
 - 3.15.2.2 Excavations deeper than 1.5 m must be shored or V-cut according to the Occupational Health and Safety Act.

- 3.15.2.3 Excavations deeper than 1.5 m must be registered with the Department of Labour prior to commencement of the Work. The registration includes the scope of the Work, depth of the trench and the construction method (shoring or V-cut method according to the Occupational Health and Safety Act).
- 3.15.3 The minimum depth that any Service may be placed under a road is 800 mm measured from the level of the surfacing of the road to the top of the Service. The minimum depth at any other place in the public road reserves, e.g. on a verge, is also 800 mm measured from the level of the surfacing of the road and not from natural ground level. Services not subject to being laid at a specific grade such as water pipes and cables should not be placed at depths in excess of the 800 mm as this could interfere with future Services that has to be laid at a specific grade, such as sewers and stormwater pipes.
- 3.15.4 All excavated material and equipment must be placed and demarcated in such a way as to cause the minimum disruption to vehicles and pedestrians.
- 3.15.5 The view of motorists must at all times be kept clear of any obstructions such as excavated material, road signs or hoardings.
- 3.15.6 Safe passage must be kept open for pedestrians at all times.
- 3.15.7 Excavation areas must be clearly demarcated with warning signs that allow ample time for motorists and pedestrians to alter their routes.
- 3.15.8 The Wayleave Holder is held responsible for any damage to existing Services. Services, indicated on the drawings or on-site by representatives from the relevant Service Agencies, must be opened by careful hand excavating. If the Services cannot be found, the relevant organisation must be contacted again for further instructions. Under no circumstances may a Wayleave Holder excavate with mechanical equipment before known Services have been found and marked. When found, Services must be marked and protected or supported as required by the owner. If Services need to be relocated, instructions from the owner must be followed carefully. The Wayleave Holder will be responsible for all relocation costs. If any Service is damaged as a result of the Work, the relevant Service Agency and the Service Coordinator must be contacted immediately.
- 3.15.9 Under no circumstances will the Council be held liable for any incorrect information provided by any external service agency or for any damages, losses and claims resulting from such incorrect information.
- 3.15.10 Adequate preventative measures must be taken to ensure that no water (e.g. due to rain) flows into the open trenches since this will result in the weakening of the structural layers of the road. Any water that is present in the trenches must be pumped out before Backfilling. Water must be pumped into the stormwater system and not into sewer manholes. Any material that has become wet must be removed from the bottom of the trench before Backfilling.
- 3.15.11 The Wayleave Holder must prevent foreign materials from entering the drains and ensure that silting does not occur either from pumping operations or as a result of rain. If any silting or other contamination does occur, the Wayleave Holder must clean the drains or request the Service Coordinator to do it at the cost of the Wayleave Holder.
- 3.15.12 All re-usable materials such as concrete blocks, slabs, kerbs, gutters, channels and stormwater inlets must be removed with care and re-used if possible. Any surplus material must be returned to the Roads and Transportation stores. The address will be available at the Service Coordinator.

- 3.15.13 If any street furniture (e.g. street names, traffic signs, bus shelters, etc.) have to be removed, arrangements must be made with the relevant authority for the removal, storage and re-erection. The cost specified by the relevant authority will be for the Wayleave Holders account.
- 3.15.14 Where excavations are made through entrances to properties, access must be maintained by using steel plates, planks or other temporary bridges of sufficient strength that are adequately secured against movement. The occupants of the properties must be kept informed at all times of how their accesses will be affected.
- 3.15.15 The cleaning up of the construction site and the Reinstatement to its previous condition is considered part of the Work and must be completed within 14 days after Reinstatement of the trench has been done. If the Wayleave Holder fails to do so, action will be taken by the Council as indicated in Sections 3.5.12 – 3.5.14.
- 3.15.16 Where a roadway is crossed, a non refundable Roadway Open Trench Fee will apply as well as outlined in the Municipal Tariffs.
- 3.15.17 Backfilling of road crossings: excavated material CANNOT be used to backfill road crossing trenches. The Wayleave Approval will specify the acceptable backfilling material. All excavated material must be removed from site as soon as possible to avoid reuse.

3.16 Trenchless Methods

- 3.16.1 If trenchless methods are used, disruption of traffic flow and pedestrian movements can be reduced considerably or totally eliminated. However, it is crucial that the Wayleave Holder using such methods must have all the necessary equipment and expertise to complete the Work successfully. The trenchless method can be used for all road categories but shall be used for all roads classified as "Restricted" (Refer to Sections 3.7 & 3.8).
- 3.16.1 The position of existing Services must be located accurately. If any Services are damaged, the Wayleave Holder will be responsible for all costs.
- 3.16.2 The depth to the top of any tunnel that is drilled for the installation of new Services must be at least 800 mm measured from the lowest level of the road surfacing.

3.17 Emergency Work

- 3.17.1 Emergency Work is defined as any Work that is required to prevent or end a dangerous situation, to prevent or end an unplanned interruption in the supply of a Service, or to avoid any substantial losses. It is important to note that a lack of proper planning of Work to be carried out will not justify Emergency Work, and such activities will be stopped by the Service Co-ordinator.
- 3.17.2 A categorised list of Emergency Work will be maintained by the Service Coordinator. It will serve as a guideline for Service Agencies as well as the Service Co-ordinator in determining whether Work is an Emergency.
- 3.17.3 The Service Coordinator will provide an emergency number for the use of Service Agencies that requires information on the position of Services in the area where Emergency Work is to be carried out.
- 3.17.4 The Service Coordinator must be notified in writing within one working day from commencing with Emergency Work. The Emergency notification certificate must be

used for this purpose. If the Service Co-ordinator is not notified within 24 hours from the first working day, the Work will be reinstated by the Service Coordinator, and the cost thereof will be invoiced against the Service Agency. The Emergency notification document can be obtained from the Service Co-ordinator.

- 3.17.5 The emergency notification must always be certified by an Authorised Agent of the Service Agency as an emergency situation that requires their immediate attention.
- 3.17.6 Emergency Work must be done in accordance with all procedures as set out in paragraph 3.15 above and specifications applicable to the type of Work as set out in the Municipality's specifications.
- 3.17.7 Backfilling must be done immediately, and full Reinstatement of the area must be done as soon as possible in accordance with the provisions of paragraph 3.19 below.
- 3.17.8 The responsibility remains with the Service Agency to ensure that their drawing information is updated according to the alterations made during the Emergency Work.

3.18 Routine Maintenance Work

- 3.18.1 Routine Maintenance Work is defined as all types of Work involved with maintaining the Services in the public road reserves and does not require excavation, traffic control or Reinstatement of the public road reserves as part of the Work.
- 3.18.2 A categorised list of Routine Maintenance Work will be maintained by the Service Coordinator. It will serve as a guideline for Service Agencies as well as the Service Coordinator in determining whether Work is Routine Maintenance Work.
- 3.18.3 Such Work can include inter alia:
 - 3.18.3.1 Any Work that relates to maintaining the vegetation in the road reserve through cutting planting, removing or relocating of plants.
 - 3.18.3.2 The placement of advertising material on or within structures pre-erected for that purpose.
 - 3.18.3.3 Temporary diversion of traffic for public events, i.e. sport, mass action, parades.

3.19 Backfilling and Reinstatement

- 3.19.1 Any trenching activity disturbs the structural integrity of a road or footway. Backfilling and Reinstatement must, therefore, be done in such a way as to ensure that the reinstated trench and its immediate surroundings do not fail structurally, thus resulting in road user discomfort and increased costs.
- 3.19.2 Backfilling refers to the replacement of the structural layers in the trench or excavation and includes the base, sub-base, selected subgrade and subgrade, but exclude the surfacing.
- 3.19.3 Reinstatement refers to replacing the bituminous surfacing or paving blocks in the case of roads, or the paving blocks, paving slabs, bituminous surfacing or grass in the case of footways and verges.
- 3.19.4 Backfilling must in all cases be done by the Wayleave Holder in accordance with the

Council's specifications. The Service Agency is responsible for the maintenance of the site in a safe condition until the final Reinstatement has been done.

- 3.19.5 Permanent Reinstatement must be done by all external Service Agencies within five (5) working days. Reinstatement of the public road reserves will be done by the Council's Roads, Transportation and Stormwater Sub-Unit only for internal Council Service Agencies, upon receipt of a notification from the respective Municipal Department that the Work has been completed.
- 3.19.6 The Wayleave Holder must obtain prior written approval from the Council's Roads, Transportation and Stormwater Sub-Unit for the project specification to be used for backfilling public road reserves. The proposed specification shall be submitted to the Council's Roads, Transportation and Stormwater Sub-Unit, who shall provide written comments on the specification, or an alternative specification, within seven working days after the receipt of the request.
- 3.19.7 Permanent Backfilling and Reinstatement done by the Wayleave Holder will be subject to a guarantee period of one year based on the performance specifications described in the specifications document. Please note that no tarring/paving will be allowed without an acceptable Compaction Test Result approved by the Manager: Roads and Stormwater.
- 3.19.8 If the Reinstatement done by the Wayleave Holder fails during the one year guarantee period, the Wayleave Holder will be required to rectify the situation within 14 days of notification. If the Wayleave Holder fails to rectify it, then the Quality Control Engineer will carry out the permanent Reinstatement at the applicable rates defined by the Council and will deduct the costs from the security deposit of the Wayleave Holder.
- 3.19.9 Temporary Reinstatement must be done where the Wayleave Holder leaves the site with the view of returning to complete the Work. The Wayleave Holder must maintain this temporary Reinstatement.
- 3.19.10 The Wayleave Holder may not leave the site for more than fourteen days without permanently reinstating the site.
- 3.19.11 If a Wayleave Holder who leaves the site unattended for more than the period specified in 3.19.10, a tariff fee will be charged. The amount will be determined by the Council.

3.20 Certificate of Completion

- 3.20.1 On completion of the Work, the Professional Engineer appointed by the Wayleave Holder must provide the Completion Certificate to the Service Coordinator within two working days. The Quality Control Engineer will then set up a site meeting with the Wayleave Holder to carry out an inspection and will sign off the Certificate of Completion if all requirements have been met. The 12-month guarantee period for Reinstatements by the Wayleave Holder then commences.
- 3.20.2 Completion of the Work means that all Work has been completed, the Reinstatement has been done by the Wayleave Holder and that all materials, equipment and rubble have been removed and the site is completely cleared and cleaned. Furthermore, it requires that all applicable documentation and as-built drawings as specified on the Wayleave form have been handed to the Service Coordinator for recording.
- 3.20.3 If Work involves more than one street link (street block), then a Completion Notice must be submitted after completion of each phase of the Work.

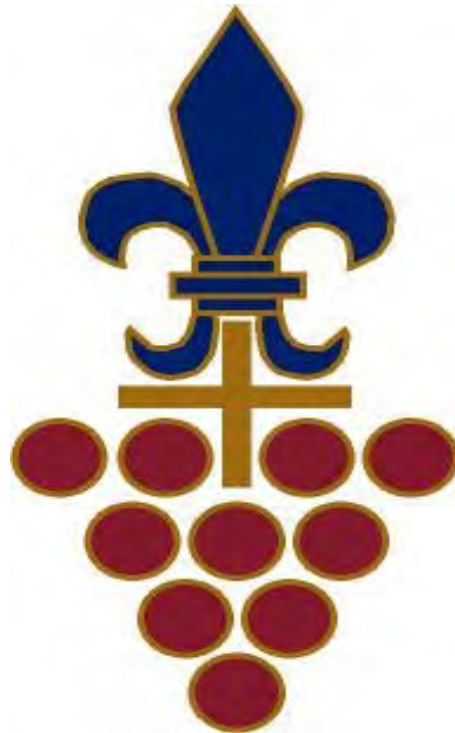
3.21 Policy Enforcement

- 3.21.1 Council reserves its right to exercise its discretion in the implementation and enforcement of this Policy.
- 3.21.2 Notwithstanding any tariff or remedy expressly provided for in this Policy; the Council reserves the right to exercise any other legal remedy it may have in enforcing this Policy.

3.22 Exemption, Appeal and Revoking

- 3.22.1 The Accounting Officer may, upon written motivation by a Wayleave Applicant or Wayleave Holder or the Wayleave Service Co-ordinating Department, and after having considered any comment and advice on such motivation by other interested parties, authorise a deviation from this Policy or revoking of an approved wayleave. Such deviation or revoking shall be subject to such conditions as the Accounting Officer may stipulate in writing.
- 3.22.2 The Accounting Officer may authorise an amendment to any conditions imposed by the Council in respect of a Wayleave Approval, provided that an application for such amendment shall be referred to all interested and affected parties for comment, which comments shall be duly considered by the Accounting Officer.
- 3.22.3 Any person affected by or having an interest in the administration of this Policy shall have a right of appeal as determined in terms of S62 of the Local Government Municipal Systems Act in respect of any decision taken by the Council.

STELLENBOSCH MUNICIPALITY



RATES POLICY

2021/2022

REVISED



STELLENBOSCH MUNICIPALITY

RATES POLICY

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1. BACKGROUND

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

2. LEGISLATIVE CONTEXT

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

3. GUIDING PRINCIPLES

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

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

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

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

4. DEFINITIONS

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

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

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

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

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

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

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

Furthermore, specific terms or phrases used, but not defined in the MPRA are defined herein to [elucidate/explain](#) said term or phrase for a specific perspective of the MPRA by the Municipality:

-

“the Municipality” means Stellenbosch Municipality (WC024).

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

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

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

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

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

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

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

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

"Conservation Area" means:

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

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

"household income" means the gross sum of all monthly income from all sources. Income sources may include wages, salaries, profits, dividends, pensions, rentals, board & lodging, interest received, grants or investment income and other forms of financial contributions.

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

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

"SARS" means the South African Revenue Service.

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

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

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

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

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

5. IMPOSITION OF RATES

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

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

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

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

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

5.6 Building Clause references

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

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

5.7 Period for which rates are levied

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

5.8 Valuation value constraints

(a) For the purposes of valuing a property, no valuation value shall be less than R1 000 unless the valuer determines that said property's valuation value must be zero.

(b) For administrative purposes all valuation values exceeding R1 000 will be rounded to the nearest R1 000 interval. For example, for values with an interval less than R1 500 will be rounded to a R1 000 interval whereas values with an interval not less than R1 500 will be rounded to a R2 000 interval.

6. CATEGORIES

6.1 Categories of Property

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

The codes that have been associated with each property Category are listed in paragraph [4718.1](#) of this Policy. In addition, paragraph [4718.1](#) identifies the attributes and criteria that determines the basis for application.

The Municipality will apply the following property Categories:

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

6.2 Categories for Relief Measures

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

The codes (referred to as the Rebate Codes), associated with the specific relief measure, are listed in paragraph 178.2 of this Policy.

7. APPLICATION OF RATING

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

7.1 Vacant Properties

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

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

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

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

7.2 Multiple use Properties

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

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

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

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

7.3 Public Service Purposes Properties

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

7.4 Public Service Infrastructure properties (PSI)

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

7.5 Rural Properties

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

7.5.1 Agricultural Use

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

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

7.5.2 Alternate Criteria and Use

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

7.6 Municipal Properties

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

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

7.7 Special Rating Area (SRA)

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

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

7.8 Land Reform Beneficiary properties

The Municipality will apply a category for a Land Reform Beneficiary Property that corresponds to the use of said property. The said category will be applied for billing at the appropriate and applicable rate. However, the Municipality will exclude such properties from rates for a period

of 10 years subject to Section 17(1)(g) and phase-in the rates as per Section 21(1)(b) of the MPRA.

7.9 Adjoining properties

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

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

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

8. RELIEF MEASURES

8.1 Applying relief measures on Rates

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

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

8.2 Residential Property

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

- (i) the first R15 000 exclusion on the basis set out in Section 17 (1) (h) of the MPRA; and
- (ii) on a further ~~R485~~ ~~R235~~ 000 reduction, provided it does not exceed the remaining valuation in respect of a residential property, or the primary component of a multiple use property, that is categorised for *residential purposes*, as per the definition in paragraph 4 of this Policy. This reduction will only apply if the total valuation of said property does not exceed R 5 000 000. All non-primary components of a multiple use property or the adjoining units of a sectional title scheme as per paragraph 7.9 of this policy, do not qualify.

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

8.3 Senior Citizens and Disabled Persons

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

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

8.3.1 Occupy the property as his/her normal residence; and

- (a) be at least 60 years of age, or in receipt of a disability grant; and
- (b) be in receipt of a *gross monthly household income from all sources (including financial contributions of all members of the household permanently residing at that property)* not exceeding the highest income amount as referenced in the table of paragraph 8.3.4 of this Policy; and
- (c) when being the designated owner of more than one property, a rebate will be granted only on the occupied property; and
- (d) where the designated owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement; and
- (e) where the occupant of a residential property is a senior citizen or a disabled person and is the usufructuary of the property, he/she may satisfy the occupancy requirement.

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8.3.2 Apply as per paragraph 14.1 of this Policy with proof of income, which may include proof of a SARS assessment or any other relevant document as requested.

8.3.3 If the property in question is alienated by the designated owner, then that owner would be liable for the *pro rata* rates, inclusive of the pension rebate. The new owner will be liable for the full *pro rata* portion of the rates excluding any pension rebates.

8.3.4 The percentage rebate granted to different monthly *household income* levels will be determined according to the schedule below. The income bands and rebates for the effective financial period of this Policy are as follows:

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

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8.4 Conservation Area

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

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

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

8.5 Religious Organisations

In terms of Sections 1 and 17 (1) (i) of the MPRA, the Municipality will not levy a rate on a property used primarily as a place of public worship by a religious community, including the official residence which is occupied by the office bearer of that community who officiates at services at that place of worship.

The Municipality will apply Section 17 (5) of the MPRA if as per Section 17 (5) (a) of the MPRA said property is no longer used or has been disposed by the religious community.

8.6 Stellenbosch Special Rebate

The Municipality may, for the organisations not meeting all the public benefit organisations criteria as described in paragraph 8.7 below, nor the criteria for NPO organisations as described in paragraph 8.8 below, consider a rebate which shall be identified as "Stellenbosch Special Rebate" (SSR). The Municipal Council will annually during the budget processes approve this rebates' discount percentage.

This rebate will only be applicable to said organisations that apply as per paragraph 14.1 of this Policy for such rebate.

8.7 Public Benefit Organizations (PBO)

The Municipality will apply the rate ratio as set out in the MPRA to public benefit organisations.

As per the MPRA the specific public benefit activity listed in Item 1 (Welfare and Humanitarian), Item 2 (Health Care), and Item 4 (Education and Development) of Part I of the Ninth Schedule of the Income Tax Act will be applicable and must be conducted/executed on said property.

All Public Benefit Organisations must annually submit, according to paragraph 14.1 of this Policy proof of their status as per the above criteria.

8.8 Non-Profit Organizations (NPO)

An organisation must be registered as a Non-Profit Organisation (NPO) under the Non-profit Organisations Act, 1997 (Act 71 of 1997) to be considered as a candidate for the relief measures described below.

Organizations listed in paragraph 8.8.1 below that are operated as not-for-gain (declared or registered by law) or organisations that execute activities as per Item 6 (Cultural), item 7 (Conservation, Environment and Animal Welfare) and Item 9 (Sport) of Part 1 of the Ninth Schedule to the Income Tax Act may receive a rebate. All abovementioned organisations being privately controlled must be the owner of said properties.

These rebates are not applicable to any vacant land irrespective of its zoning or intended usage unless stated otherwise in this Policy.

All NPO must annually submit, according to paragraph 14.1 of this Policy proof of their status as per the above criteria.

Abovementioned organisations which have a total revenue/income not exceeding one million Rand per annum, will receive a ~~40080~~ 40% rebate. On the other hand, those organisations having a revenue/income exceeding one million Rand per annum will receive a rebate percentage of 20%.

8.8.1 Prescribed not-for-gain organisations

(a) *Health and welfare institutions*

Privately owned properties used exclusively as a hospital, clinic, mental hospital, orphanage, non-profit retirement village, old age home or benevolent institution, including workshops used by the members or patients, laundry or cafeteria facilities.

(b) *Charitable institutions*

Properties used solely for the performance of charitable work.

(c) *Agricultural societies*

Property owned by agricultural societies used for the purposes of the society.

(d) *Cemeteries and crematoria*

Privately owned properties used as cemeteries and crematoria.

(e) *War veterans*

Property registered in the name of a trustee or organisation in terms of the Social Assistance Act, 2004 (Act 13 of 2004), maintained for the welfare of war veterans and their families.

~~(f) *Heritage properties*~~

~~Open to the public and used as historical monuments, museums, libraries, and art galleries. This provision will apply only until the transition of the new General Valuation to be implemented on 01 July 2021.~~

~~8.9 Heritage Properties~~

~~The Municipality recognises properties as described in Section 15(2A)(b) of the MPRA and as per paragraph 6.1 (j) of this Policy as Heritage properties which will be rated at the applicable rate.~~

~~Owners of heritage properties must annually submit, according to paragraph 14.1 of this Policy proof of their status as per the above criteria.~~

8.109 Properties affected by Disaster or adverse Economic Conditions

The Municipality may consider additional relief measures as envisaged in Section 15(2)(d) of the MPRA and as approved by Council.

8.110 Exceptional General Valuation Rates Increases: Phasing in

The Municipality may consider a relief measure for owners of property adversely affected by exceptional rates increase of a new General Valuation (GV) cycle. This incentive will only be implemented as from the implementation date of a GV and on proviso that:

- (a) for a property to qualify, the Rates for the first financial year of the GV cycle for the property, as result of the property valuation of a GV cycle, must be at least four (4) times more than that of the rates for said property during the financial year preceding the start of the GV cycle.
- (b) the rates for the financial year preceding the start of the GV cycle must be greater than R1 000 per annum;
- (c) the rebate granted would be phased-out over two financial years;
- (d) the rebate for the first financial year will be 50% and during the second year it will be 25% rebate on the rates applicable for that year;
- (e) this incentive will not be cumulative on any other rebate that may be granted to said owner;

- (f) the most beneficial rebate between this incentive and any other rebate which said owner may receive in each financial year will prevail;
- (g) improvements or errors of valuations to said property that could have influenced the GV valuation will be reviewed during the application approval;
- (h) applications will only be considered until the end of the initial 6 months of a GV cycle; and
- (i) owners of such property must apply as per paragraph 14.1 of this Policy.

9. LIABILITY FOR AND PAYMENT OF RATES

9.1 Liability for and payment of rates

Liability for and payment of rates is governed by criteria in this Policy, by the MPRA, the Municipality's Credit Control and Debt Collection Policy, By-Laws and any other applicable legislation. Actions as per the applicable By-Laws and/or Policies shall be taken against defaulters.

There are one of two methods of payment that the owner of the property must agree upon, namely (i) paying the rates on a monthly basis or (ii) paying the rates in one amount every annum.

The paying of rates on a monthly basis will be the preferred method unless the owner has selected the annual method of payment via a written request before 31 May preceding a financial year.

- (i) When paying on a monthly basis the amount due shall be paid not later than the date as specified on the monthly accounts. The cycle of such payments will start on the first day of July (the start of a financial year) and extend to the 30th of June the following year.
- (ii) When paying a once-off amount (the full rates for that financial year), then that amount shall be paid in full not later than the date as specified on the account. Please note that additional annual payments may be triggered during a financial year by a supplementary valuation on said property.

Changes to the preferred method of payment must be exercised by the owner before 31 May of a financial year and once set the method of payment will not be changed during a current financial year.

9.2 Rates in arrears for longer than 90 days

When an owner's rates account is in arrears for longer than 90 (ninety) days, then the Municipality may initiate the proceedings as described in Sections 28 or 29 of the MPRA.

A notice to this effect will be forwarded to the tenant, occupier or agent providing the required legal information regarding their payments to the owner, which are to be redirected to the Municipality so as to cover the arrear rates account.

A notice will be forwarded to the owner in question to indicate the legal proceedings and the actions that the Municipality has initiated.

10. QUANTIFICATION OF COSTS TO MUNICIPALITY AND BENEFITS TO COMMUNITY

The cost to the Municipality and benefit to the local community in terms of exemptions, rebates, reductions and exclusions referred to in the MPRA and rates on properties that must be phased-in in terms of the MPRA will be reflected in the Municipality's budget.

11. OBJECTION AND APPEALS

- (a) Any person may lodge an objection to a valuation subject to Section 50 of the MPRA but within the period stated in the notice referred to in Sections 49(1)(a) and 78(5)(b) of the MPRA.
- (b) An appeal to an appeal board against a decision of a municipal valuer in terms of section 51 of the MPRA may be lodged in the prescribed manner subject to Section 54 of the MPRA. The appeal must be lodged (as a guideline), within a period of 30 days nonetheless, as set out in Section 54(2) of the MPRA.
- (c) The administrative actions or processes as described in the MPRA for the handling of objections or appeals will be the basis that the Municipality will follow.
- (d) The lodging of an objection or appeal: -
 - (i) In terms of Section 50 of the MPRA does not defer liability for the payment of rates in terms of this Policy; or
 - (ii) In terms of Section 54 of the MPRA does not defer liability for the payment of rates in terms of this Policy.

12. CLEARANCE CERTIFICATES

All monies collected by the Municipality, specifically in respect of Special Rating Areas and any estimated amounts in terms of Section 118(1A) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) (the Systems Act), or Section 89 of the Insolvency Act, 1936 (Act 24 of 1936), are for the purpose of Section 118 of the Systems Act, deemed to be due and must be paid in order to facilitate the transfer of immovable property:

- (i) All amounts that are due must be paid in full prior to the issuing of any clearance certificate in terms of Section 118, of the Systems Act; and
- (ii) No interest shall be paid by the Municipality to the registered seller in respect of these payments which are deemed to be due.
- (iii) The Municipality will not be responsible for the apportionment of rates and/or services due or paid in respect of any rates clearances and registrations.
- (iv) The Municipality may issue only one clearance certificate for properties deemed to be in an adjoining state as per paragraph 7.9 of this Policy.

13. ADJUSTMENTS OF RATES PRIOR TO SUPPLEMENTARY VALUATION

13.1 If the owner of a property which has been subdivided or consolidated after the last general valuation wishes to sell the consolidated erf, or one or more of the erven which have been subdivided from the parent erf, as the case may be, applies to the Municipality for a clearance certificate in terms of Section 118 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), and if the Municipality has not yet included such valuation of the relevant property(ies) in a supplementary valuation:-

- (a) the Municipal Valuer shall conduct a valuation of the relevant property(ies) for purposes of a supplementary valuation; and
- (b) the valuation shall be submitted to the CFO for approval of the levying of rates on such property(ies) in accordance with such valuation, with effect from the date on which the relevant subdivision or consolidation (as the case may be) was registered in the Deeds Office

- 13.2 Any valuations performed in terms of paragraph 13 shall be included in the next supplementary valuation process as per the provisions in Sections 78 (1) to (5) of the MPRA.

14. GENERAL

14.1 Applications for Relief Measures

- (a) All applications, required in terms of this Policy for a specific relief measure must be submitted to the Municipality by 30 November of each year, which date precedes the financial year in which the rate is to be levied. If the relief measure applied for is granted, the relief measure will apply for the full financial year. All successful applicants are bound by all the criteria as per paragraph 14.1 of this Policy.
- (b) Any applicant who, during a financial year, for the first time, meets all the criteria other than (a) above, may apply to receive the relief measure initiated from the month following the approval by the Municipality of said application for the remainder of that financial year, thereafter all the criteria as per paragraph (a) above will apply to applications for subsequent financial years.
- (c) Late applications received after 30 November of a given year may be considered by the Municipality, in which case, if the relief measure applied for is granted, a *pro rata* rebate for the remainder of the next (new) financial year may be applicable.
- (d) Persons who have submitted false information and/or false affidavits will have the relief measure withdrawn with effect from the commencement of the financial year in question.
- (e) All applications for relief measures will require the applicant's municipal accounts to have been paid up to date or the conclusion of a suitable arrangement with the Municipality as provided for in the Municipality's Credit Control and Debt Collection By-Law and Policy.
- (f) The Municipality reserves the right to request current and/or previous audited financial statements or to inspect all properties before or after implementing the applicable rate and to revoke or amend any decision made prior to such investigation or financial review.
- (g) The Municipality reserves the right to recover any rates and/or relief measures from owners of properties after the status of said properties have changed.
- (h) The Municipality reserves the right to request any additional information as may be deemed necessary.

14.2 Regular policy review processes

This Policy will be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives and with legislation.

14.3 Language Interpretation

The legal interpretation of the English version of this Policy only shall prevail above all other language translations of this Policy.

14.4 Severance

If any provision of this Policy is struck down as invalid by a court of law, such provision shall be severed from this Policy, and shall not affect the validity of the remaining provisions.

15 BY-LAWS

The principles contained in this Policy will be reflected in the By-Law as promulgated and adjusted by Council from time to time.

16 CONTACT OF RESPONSIBLE OFFICE

The contact details for Property Rates enquiries:

E-mail Address: enquiries.navrae@ Stellenbosch.gov.za

Telephone Numbers : [See Municipal Account for relevant telephone numbers](#)

Postal Address: [PO Box 17, Stellenbosch, 7601](#)

[Any Municipal Office in the jurisdiction of Stellenbosch Municipality](#)

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1617 **SHORT TITLE**

This Policy is the Rates Policy of the Stellenbosch Municipality.

1718. CATEGORY AND REBATE CODES

1718.1 Category Codes

The Formulae Codes (Derived from the Categories listed in paragraph 6.1 of this Policy) as listed below will be used in the Valuation Roll and supporting letters or Notices to reflect by association the applicable Category (as indicated in the "Category (of property)" column).

Council shall on an annual basis during the budget approval cycle set the cent amount in the Rand values (being the Category Tariff) for each of the Categories in the table below.

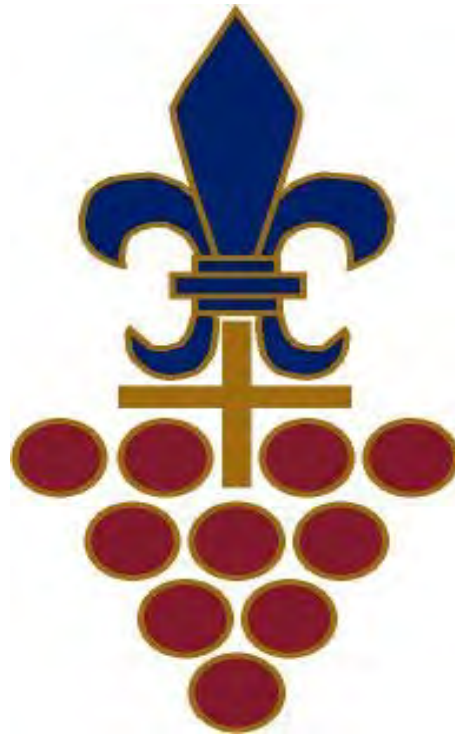
Category (of property)	Category Code	Formulae Code	Supporting references
Residential	RES	RES	MPRA Sections 8(2)(a); 17(1)(h) and the Policy paragraph 8.2.1
	RES	RESA	Adjoining residential; the Policy paragraph 7.69
	RES	RESM	MPRA Section 17(1)(h) i.e. ONLY Policy paragraph 8.2.1 (i)
	RES	RESIF	Municipal Owned ; Informal settlements, 100% exclusion will apply
	RES	RELI1	MPRA Section 17(1)(i) – the official residence; the Policy paragraph 8.5
	RES	MUNRR	Municipal Owned: Rented or Leased property; the Policy paragraph 7.6
	RES	MUNR	Municipal Owned: Section 8(2)(h) and the Policy paragraph 7.6
Industrial	RES	LRBR	Land Reform Beneficiary: MPRA Section 17(1)(g); the Policy paragraph 7.8
Business	IND	IND	MPRA Section 8(2)(b); Policy Definitions for "industrial"
	BUS	BUS	MPRA Section 8(2)(c); Policy Definitions for "business"
	BUS	RELIG	MPRA Section 17(1)(i) – the place of worship; the Policy paragraph 8.5
	BUS	MUNBR	Municipal Owned: Rented or Leased property; the Policy paragraph 7.6
	BUS	MUNB	Municipal Owned: Section 8(2)(h) and the Policy paragraph 7.6
	BUS	POS	Public Open Spaces
Agricultural	BUS	PROS	Private Open Spaces
	AGR	AGR	MPRA Section 8(2)(d); (Not considered to be a vacant property); the Policy paragraph 7.5
	AGR	PROT	Protected Areas: MPRA Section 17(1)(e); the Policy paragraph 8.4
	AGR	MUNAR	Municipal Owned: Rented or Leased property; the Policy paragraph 7.6
	AGR	MUNA	Municipal Owned: MPRA Section 8(2)(h) and the Policy paragraph 7.6
Mining	AGR	LRBA	Land Reform Beneficiary: Section 17(1)(g); the Policy paragraph 7.8
Public Service Purposes	MIN	MIN	MPRA Section 8(2)(e).
Public Service Infrastructure	PSP	PSP	MPRA Section 8(2)(f); the Policy paragraph 7.3
	PSI	PSI	MPRA Sections 8(2)(g); 17(1)(a) and the Policy paragraph 7.4
	PSI	PSIE	MPRA Sections 8(2)(g); 17(1)(a4) and the Policy paragraph 7.4
Public Benefit Organisation	PSI	MUNP	MPRA Sections 7(2)(a)(ii) and 8(2)(h); the Policy paragraph 7.6
	PBO	PBO	MPRA Section 8(2)(h) and the Policy paragraph 8.7
Multiple purposes	Multi tariff	MULTI	MPRA Sections 8(2)(i) and 9 and the Policy paragraph 7.2
Heritage	HER	HER	MPRA Section 15(2A)(b) and the Policy paragraph 7.9
Vacant Residential	VACR	VACR	the Policy paragraph 7.1
Vacant Other	VACO	VACO	NOT agricultural properties; the Policy paragraph 7.1
	VACO	VACMMU NV	Vacant Municipal properties

4718.2 Rebate Codes

The Rebate Codes in the table below serves to indicate the rebate if any that could be applicable to a property.

Rebate Code	Purpose	Supporting references
NONE	No rebate is applicable	
INDP	Indigent and 100% Pension rebate	Rates Policy paragraphs 8.3 and the Indigent Policy
INDIG	Indigent only rebate	Indigent Policy
PENS	100% Pension rebate	Rates Policy paragraph 8.3
PENS1	75% Pension rebate	Rates Policy paragraph 8.3
PENS2	50% Pension rebate	Rates Policy paragraph 8.3
PENS3	25% Pension rebate	Rates Policy paragraph 8.3
NPO	Non-Profit Organisation (100% rebate)	Rates Policy paragraph 8.8
NPO1	Non-Profit Organisation (20% rebate)	Rates Policy paragraph 8.8
SSR	Stellenbosch Special Rebate	Rates Policy paragraph 8.6
EGVI	Exceptional General Valuation Rates Increases	Rates Policy paragraph 8.11

STELLENBOSCH MUNICIPALITY



INDIGENT POLICY

2021/2022

REVISED



STELLENBOSCH MUNICIPALITY

INDIGENT POLICY

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PREAMBLE

The Stellenbosch Municipal Council accepts and acknowledges its Constitutional duties and mandate relating to indigent support in terms of Sections 152 and 153 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) towards the community/consumers within the jurisdiction of Stellenbosch Municipality (WC024).

Council further acknowledges that because of the level of unemployment and consequential poverty in the municipal area, that correlated households are incapable of paying for basic municipal services.

Indigent relief measures are thus a fundamental requirement that is achievable only within sustainable budgets set by Council as well as support and direction via National Government.

Concomitantly, indigent households equally have the responsibility of managing their levels of consumption and that they are responsible for the payment of municipal services that are consumed in excess of the reduced cost or Free Basic Service levels as described in this Policy.

The effective implementation of such a program depends principally on affordability and is supported by the socio-economic analysis of various areas as included in the Council's Integrated Development Planning. The Council's mandate regarding affordability of basic services to poor households is directed by mechanisms in Section 74(2)(c) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and Section 15 of the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004).

In order to give effect to the foregoing, the Council of Stellenbosch Municipality has adopted a policy relating to indigence as set out hereinafter.

1. DEFINITIONS

In this Policy, a word or expression derived from a word or expression as defined, has a corresponding meaning unless the context indicates that another meaning is intended. Implicit definitions as defined in various paragraphs of this Policy are set in addition to the explicit definitions as set below:

“the Municipality” means Stellenbosch Municipality (WC024).

“Basic Services” means that level of services delivered by the Municipality at a reduced cost or at no cost to the Indigent consumer and which the Council has considered reasonable and sustainable within budget constraints.

“Child-headed household” means a household where the main caregiver of said household is not older than 18 years of age and is a child as defined in Section 28(3) of the Constitution.

“Constitution” refers to the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)

“Household” means a family unit comprising a head of the family, being a natural person. The family may include blood related or adopted dependents. This is further described in paragraph 5.2 of this Policy.

“Indigent” means the lack of necessities of life such as sufficient water, basic sanitation, refuse removal, environmental health, basic energy, health care, housing, food and clothing.

“Indigent Income Threshold” means the qualifying monthly income as described in paragraph 5.5 and as set in paragraph 5.5(b) of this Policy.

“Valuation Threshold” means that value of municipal valuation as set for residential properties in paragraph 8.2 of the Municipality’s Rates Policy.

2. POLICY OBJECTIVES

The objectives of this Policy are to:

- (a) Provide a framework within which the Municipality can exercise its executive and legislative authority regarding the identification of indigent households and the implementation of financial aid to such.
- (a) ensure the provision of basic services to indigent households within the jurisdiction of the Municipality in a sustainable manner and within the financial and administrative capacity of the Municipality.
- (b) ensure the establishment of procedures and guidelines for the effective subsidisation of basic services charges to such approved indigent households within budgetary and national grant guidelines.

3. POLICY PRINCIPLES

The following guiding principles for the formulation of this Policy, are to:

- (a) ensure that the portion for free basic services allocated as part of the equitable share received annually, be utilised for the benefit of indigent households.
- (b) promote an integrated approach to subsidised basic service delivery.
- (c) optionally use external services and/or references to verify the information provided by the applicants.
- (d) maintain the relief measures to indigent households for as long as such indigent household remains registered on the municipality's indigent data base or register and the municipality continues to receive equitable share for this purpose.
- (e) review the relief measures by random sampling to ensure *bona fide* indigent support.
- (f) engage the community in the development and implementation of this Policy.

4. LEGISLATIVE CONTEXT

4.1 This policy is implemented within the framework of the following legislation:

All citations to applicable Acts as referenced in this Policy shall include all amendments and regulations to such as promulgated.

- (a) The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), in particular Sections 152 and 153.
- (b) Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).
- (c) Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).
- (d) Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004), in particular Section 15 and/or.
- (e) any other legislation that may be applicable

4.2 This Policy was developed using the following guideline(s):

- (a) National Framework for Municipal Policies.
- (b) National Indigent Policy Assessment tool, 2018 - COGTA

5. QUALIFICATIONS AND SCOPE

The introduction of reduced cost or free basic services will ensure that indigent consumers have access to basic services.

5.1 Subsidy:

Subsidies are granted from external funds, allocated by the National Government as an Equitable Share allocation, to subsidize Indigent households with specified levels of basic services. This is based on a:

- (a) Level of income enabling Indigent households to pay for a basic package of municipal services; and/or

- (b) Municipal property valuation value that sets the level at which indigent support may be granted.
- (c) Subsidy scheme that is promoted through the press and by means of personal referral, but principally via referrals by the credit control and debt recovery section of the Municipality.

5.2 Household:

- (a) The head of the household must be a South African citizen and have permanent residency.
- (b) The head of the household should be:
 - (i) the registered owner or part owner of the property; or
 - (ii) the registered lessee of a Council housing unit; or
 - (iii) the registered lessee of a Government owned housing unit; or
 - (iv) a person, being the head of the household, who is incapable of paying for basic municipal services and who resides in said property/unit.

The head of the child-headed household shall be deemed to meet these criteria.
- (c) To register as an indigent consumer the head of the household must personally complete and sign the registration form.
- (d) Child-headed households will only be approved based on the following criteria:
 - (i) both parents of the household are deceased, or one parent and/or guardian is deceased, and the other is totally alienated from the household;
 - (ii) a minor has assumed the role of caregiver in respect of the other minor(s) in the household;
 - (iii) such minors reside permanently on the property;
 - (iv) such minors, and exclusively only minors occupy the property as their normal residence;
 - (v) such minors are scholars or unemployed and if income is derived, the household earns less than the qualifying income as envisaged by the defined Indigent Income Threshold;
 - (vi) the situation pertaining to the household has been verified by the Municipality; and
 - (vii) the situation pertaining to the household will be reviewed when the caregiver as per (ii) above reaches the age older than 18 years.
- (e) Indigent households living in homes for senior citizens shall be eligible to qualify for assistance and support under this Policy, subject to the following rules and procedures:
 - (i) For the purposes of passing/issuing the free basic electricity units to such indigent household, the onus will be on the unit owner or lessee to apply and submit proof that the electricity connection is in the name of the

Indigent consumer and not in the name of the organization providing the accommodation.

- (ii) In the event of the unit being occupied by a single individual without any dependents as per the definition of a household above, the level of income to qualify shall be equal to or less than 50% (fifty percent) of the defined Indigent Income Threshold per month.

5.3 Basis of Subsidy:

- (a) Only formal or informal housing units utilized for residential purposes will be taken into consideration for the purpose of this subsidy, being the provision of free basic services.
- (b) All informal structures where a prepaid electricity meter has been installed by the Municipality will qualify for this subsidy. In the cases where off-grid electricity is supplied by an authorised service provider appointed in terms of paragraph 5.7.2(b) of this Policy such households will also qualify for a subsidy, which subsidy will be paid directly to the authorised service provider.
- (c) Applications deviating from the above will only be considered after a detailed investigation and evaluation by the Municipality.

5.4 Liability for payment of municipal accounts:

- (a) Subsidies will only be granted to households liable for the payment of municipal service fees.
- (b) Subsidies will only be granted by means of a credit on municipal accounts and free basic electricity vouchers or in the form of subsidy paid directly to the authorised service providers of off-grid electricity as envisaged in paragraph 5.7.2(b) of this Policy. No subsidy will be paid directly to any Indigent consumer or household in the form of cash or any such disbursement.
- (c) Households are liable for the payment of fees, as stated on the monthly account, for any service in any given month that exceeds that service's subsidy.
- (d) Monthly accounts, as well as the instalments arranged in respect of the repayment of debt, must be paid punctually and in full. If required, and after reasonable alternatives have been exhausted, the process to recover debt from indigent consumers will be dealt with in terms of the Credit Control and Debt Collection Policy and procedures of the Municipality.
- (e) Prepaid electricity meters will be installed on all properties of formal households before receiving indigent subsidies to prevent escalation of debt.
- (f) Water management devices may be installed on properties of formal households before receiving indigent subsidies to prevent escalation of debt.

5.5 Qualifying income:

- (a) Gross household income is defined as the earnings of the head of the family, plus any other financial contribution towards the household income by any other dependant or occupant. Government grants as received by dependent minors will be ignored and not be added as a financial contribution towards the household income.

- (b) The maximum qualifying income level defined as the Indigent Income Threshold for a household as described in paragraph 5.2 of this Policy will be equal to or less than R 6 500 per month. Proof must be produced in the form of pay slips, unemployment certificates, income certificates or other acceptable proof of income.
- (c) Should proof of income not be available, income may be declared by means of a sworn statement. Such applications may be verified by means of a full investigation and a socio-economic survey.

5.6 Targeting mechanisms:

The following principles for the granting of free basic services apply:

- (a) Properties in respect of which property tax is levied on a municipal valuation amount will qualify as follows:
 - (i) The municipal valuation of a property being less than or equal to the defined Valuation Threshold will be used as the guiding threshold.
- (b) Indigent subsidies will only be considered by the Municipality upon application on a prescribed form by households which consider themselves as being indigent.

5.7 Basic services :

The Municipality will provide the following basic services at reduced or at no cost to the Indigent consumer:

5.7.1 Formal Households

Free basic services for Formal households will consist of the following:

- (a) 100 kWh electricity per household per month subject to it being supplied via a prepayment metering system as the qualifying criteria for a registered indigent household to be placed on the Lifeline Electricity Tariff. Free electricity units will not be applicable should the Indigent Household choose not to install a pre-paid meter;
- (b) a basic charge for water and a maximum of 6 kl water per household per month;
- (c) a service subsidy not exceeding the cost of one refuse unit in respect of a single residential;
- (d) a service subsidy not exceeding the cost of one sewerage service unit supplied to residential properties with a maximum area of 250m²; and/or
- (e) 50% of the applicable tariff for clearances of septic tanks.

5.7.2 Informal Settlement Households

Free basic services for Informal Settlement Households will consist of the following:

- (a) 100 kWh electricity per household per month; or
- (b) a maintenance and operations subsidy (equivalent in Rand value to 100kWh electricity per household per month) for off-grid solar home systems, operated by a municipal approved service provider or Energy Service Company (ESCO).

(In the case of off-grid electricity subsidies as contemplated above, the Municipality may, subject to a detailed review by the Revenue Section appoint an authorised service provider to provide the maintenance and operations function for a group or groups of indigent recipients of off-grid electricity at a maximum rand equivalence of the value of 100 kWh electricity per household per month.)

- (c) Other services (specifically water, sewerage and refuse removal services) are not billed for.

5.7.3 Indigent households residing in homes for senior citizens

Free basic services for qualifying households residing in homes for senior citizens as per paragraph 5.2(e) of this Policy will consist of 100 kWh electricity per household per month.

5.8 Free bulk services

Free Bulk Services shall be the provision of services (water standpipes, high mast lighting, ablution facilities and refuse removal) to informal settlements.

The cost of the provision of free bulk services is recovered from the Equitable Share Allocation from National Government and processed monthly.

5.9 Other concessions

- (a) Registered indigent consumers limited to the immediate occupants of the household occupying the property excluding any extended family members could qualify for a discount of up to 50% (fifty percent) on the approved fees and tariffs for non-trading services (refer paragraph (d) below) as defined by Council from time to time subject to application to the relevant Director.
- (b) Proof of registration as an indigent consumer must be obtained from the Credit Control Section of Financial Services prior to the application for the discount being made.
- (c) For the purposes of clarity, other categories of consumers (other than registered indigent consumers) such as back yard dwellers, farm workers and lessees of other property earning equal to or below the Indigent Income Threshold per month, may also qualify for the concessions (i.e. a discount of up to 50% (fifty percent) on the approved fees and tariffs, limited to the services envisaged in paragraph (d) below.
- (d) Discounted non-trading Services; refers to:
 - (i) Community hall discounts.
 - (ii) Burial fees in sections of cemeteries without head stones (i.e. crosses or flat stone areas only) and cremations when available. This concession is only applicable for burials on Mondays to Saturdays, excluding Public Holidays. Farm workers must provide written confirmation regarding the burial site from the farm owner.

6. ALLOCATION OF SUBSIDIES

- (a) The subsidy in any given month and service will be an amount not exceeding the amount as reflected in the Council's approved Tariff Schedules for services for Indigent households as per paragraphs 5.7 and 5.9 of this Policy.
- (b) Only one subsidy per service per property may be allocated in any given month.
- (c) Subsidy levels may be adjusted from time to time, depending on the availability of funds.
- (d) Lessees of subsidized housing units already receiving a municipal subsidy for the alleviation of municipal service costs included in rentals will not qualify for an Indigent subsidy. Should the latter subsidy be more advantageous, such a lessee may request that the Indigent subsidy replace the Rental subsidy.

7. APPLICATIONS FOR INDIGENT SUBSIDIES

- (a) Applications (i.e. applications submitted by individuals) will be required by any household which considers themselves to be an indigent household.
- (b) Only applications lodged by means of the prescribed application form will be considered by the Municipality.
- (c) Such households may be visited by employees of the Municipality or approved service providers, where after a written recommendation would be considered.
- (d) The maximum subsidy may be granted to households with no income, even if the corresponding accounts are not paid in full
- (e) Indigent assistance will be applicable for as long as an indigent household remains registered as such on the indigent data base or register and the Municipality continues to receive equitable share for this purpose.
- (f) The Municipality has the right to disclose a list of Indigent households for public inspection, which may include the publication thereof.
- (g) In a case of misrepresentation or any other transgression of the conditions for the provision of subsidies, the subsidy will be withdrawn with immediate effect and not be reconsidered for a period of at least 12 months. Legal actions may be instituted to recover subsidies obtained under false pretences.
- (h) Indigent relief will not apply in respect of property owners with more than one property, whether such property is situated inside or outside the area of jurisdiction of the Municipality.
- (i) Subsidies will not be granted on a pro-rata basis and applications received after the twentieth day of a month will be granted in the following month.
- (j) The onus is on the recipient of indigent subsidy to inform the Municipality immediately of any changes in personal circumstances that may warrant a review of his/her indigent status. For example, the status of any change of employment or to the Gross Household income as per paragraph 5.5 above must be reported to the Municipality.

- (k) The municipality reserves the right to review and/or to conduct home visits on a random basis with the view of assessing whether a household would still qualify for receiving indigent assistance. Upon cancellation of indigent assistance normal credit control procedures will be applicable on arrear accounts of such cancelled applications.

8. PROPERTY TAX REBATES BASED ON MUNICIPAL VALUATION

This Policy only addresses indigent subsidies and any form of rates relief is addressed as provided for in the Rates Policy of the Municipality.

9. INDIGENT REGISTER

- (a) The Municipality shall draw up and maintain a register in respect of properties and households receiving indigent assistance.
- (b) The register will be open for inspection by the public during office hours.
- (c) The Municipality will at regular intervals review the register and apply randomly selected checks as to the status of an application.

10. CONTACT OF RESPONSIBLE OFFICE

The contact details for Indigent enquiries:

E-mail Address: Indigent.office@ Stellenbosch.gov.za

Telephone Numbers : 021 808 8501
 021 808 8579
 021 808 8597
 021 808 8932

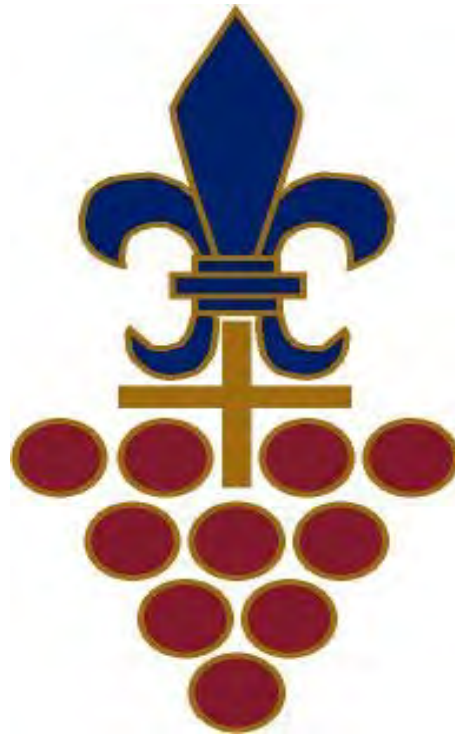
Postal Address: PO Box 17, Stellenbosch, 7601

Any Municipal Office in the jurisdiction of Stellenbosch Municipality

11. SHORT TITLE

This Policy is the Indigent Policy of the Municipality.

STELLENBOSCH MUNICIPALITY



SPECIAL RATING AREA BY-LAW POLICY

2021/2022

REVISED



STELLENBOSCH MUNICIPALITY

SPECIAL RATING AREA BY-LAW

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To provide for the establishment of special rating areas; to provide for additional rates; and to provide for matters incidental thereto.

BE IT ENACTED by Stellenbosch Municipality as follows:-

CHAPTER 1

ESTABLISHMENT OF SPECIAL RATING AREAS

1. DEFINITIONS

In this By-law words or expressions shall bear the meaning assigned to them and, unless context otherwise indicates.

In addition to the definitions contained in the Property Rates Act, the following definitions apply for the purpose of the application of this By-law.

“additional rate” means an additional rate contemplated in sections 19(1)(d) and 22(1)(b) of the Property Rates Act in section 12(2) of this By-Law;

“applicant” means any owner who makes an application for the determination of a special rating area in accordance with provisions of Chapter 1 of this By-Law, or if a management body is established in terms of section 10 of this By-Law any reference to **“the Applicant”** means the management body;

“CFO” means the Chief Financial Officer of Stellenbosch Municipality, or his or her nominee.

“Council” means Council of Stellenbosch Municipality;

“implementation plan” means an Implementation Plan as contemplated in section 6 of this By-Law;

“limited special rating area” means a limited special rating area approved by the Council in terms of section 9 of this By-Law;

“majority” means the majority of properties represented by the members of the local community in the proposed special rating area who will be liable for paying the additional rate;

“management body” means the management body of a special rating area to be established in accordance with the provision of section 10 of this By-Law;

“motivation report” means a motivation report as contemplated in section 6 of this By-Law;

“owner” has the meaning assigned to it in section 1 of the Property Rates Act;

“Policy” means the Policy for the determination of special rating areas named the Special Rating Area Policy of the Stellenbosch Municipality;

“Property Rates Act” means the Local Government: Municipal Property Rates Act, 2004 (Act No.6 of 2004);

“rateable property” has the meaning assigned to it in section 1 of the Property Rates Act;

“special rating area” means a special rating area approved by the Council in accordance with the provisions of section 22 of the Property Rates Act and section 8 of this By-Law.

2. INTERPRETATION

In the event of any conflict with the Afrikaans or isiXhosa texts the English text prevails.

3. DETERMINATION OF SPECIAL RATING AREAS

Stellenbosch Municipality may by resolution of the Council determine special rating areas.

4. APPLICATION

(1) Any owner located within the area of jurisdiction of Stellenbosch Municipality and who owns property within the proposed special rating area, may lodge an application to the Stellenbosch Municipality for the determination of a special rating area.

(2) All costs incurred by the applicant in respect of the establishment of a special rating area shall be for his or her own account, provided that after implementation of the implementation plan the management body may reimburse the applicant for some or all of those costs.

(3) Any application contemplated in subsection (1) above must –

(a) be in writing and be in the form as the CFO may determine;

(b) be submitted not more than nine months after the date on which the public meeting referred to in section 5 of this By-Law is held, or if a second public meeting is held as provided for in section 6(2) of this By-Law, nine months after the date of the second public meeting;

(c) be accompanied by –

(i) a motivation report and an implementation plan;

(ii) the written consent submitted by the members of the local community in the proposed special rating area who will be liable for paying the additional rate. All

owners of each property in the proposed special rating area must sign the consent form. The majority shall be determined by the number of properties in the proposed special rating area for which duly preformed consent forms were received in relation to the number of properties in the proposed special rating area. Under specific conditions, aimed at a more inclusive approval process, the majority may be set at a higher percentage as determined in the Special Rating Area policy. The format of the consent may be determined by the CFO;

- (iii) payment of such fee as the Council may determine.

5. PUBLIC MEETINGS

- (1) An application for the determination of a special rating area must be preceded by the holding of a public meeting.
- (2) The purpose of the public meeting is to enable the applicant to consult with those owners within the proposed special rating area regarding the proposed boundaries of the area and the proposed improvement or upgrading of the area.
- (3) Prior to the holding of the public meeting, the applicant must –
 - (a) give notice in a manner approved by the CFO in terms of this By-law owners of rateable property, who will be liable for payment of the additional rate, of the applicant's intention to apply for the determination of a special rating area
 - (b) in the notice referred to in subsection (3)(a) above, give notice of a public meeting, which notice must –
 - (i) state the purpose of such meeting; and
 - (ii) contain details of the place, date and time when such meeting is to be held.
- (4) The public meeting must be held not less than seven days and not more than 30 days after the date of the notice.
- (5) The public meeting must be held at such place, date and time as stated in the notice, provided that it must be held at a place which is within the boundaries of the proposed special rating area unless the CFO approves another venue in writing before the public meeting is held.
- (6) The public meeting must be chaired by a suitable qualified and experienced person appointed by the CFO.
- (7) Any interested person must, at the public meeting, be –

(a) Furnished with all relevant information relating to the proposed special rating area, including the information to be set out in the motivation report and implementation plan; and

(b) given an opportunity to ask questions, express their views and make representations.

6. MOTIVATION REPORT AND IMPLEMENTATION PLAN

(1) Any application for the establishment of a special rating area must include a motivation report and an implementation plan covering a period commencing on 1 July of a year and ending on 30 June of the fifth year or covering such lesser period as may be determined by the CFO.

(2) If the motivation report or the implementation plan are materially amended, as determined by the CFO, after the public meeting referred to in section 5 of this By-Law, the applicant must call a second public meeting for approval of the special rating area as amended.

(3) The provision of section 5 of this By-Law applies with the necessary changes to the second public meeting.

7. ADVERTISING OF APPLICATION AND OBJECTIONS

(1) The applicant must within 14 days after the application is lodged in accordance with section 4 of this By-Law, or within such further period which the CFO may approve –

(a) Cause a notice of the application to be published in a manner approved by the CFO; and

(b) Either before or up to seven days after the date of publication of the notice, give written notice of the application to all owners within the proposed special rating area, who will be liable for payment of the additional rate. Such notice must be served by pre-paid registered post, hand delivery or in any other manner approved of in writing by the CFO.

(2) Every notice contemplated in terms of subsection (1) above must state that written objections to the determination of a special rating area or the provisions of the motivation report and implementation plan may be lodged with the Stellenbosch Municipality by a date specified in the notice, which shall not be less than 30 days after the date of publication in terms of subsection (1)(a) above, and must state where the documentation specified in subsection (5) below will be available for inspection.

(3) Any owner of rateable property who will be liable for paying the additional rate may submit written objections to the determination of the special rating area, which objections must be

received by the Stellenbosch Municipality not later than the date stipulated in the notice referred to in subsection (1) above.

- (4) Any objector to the application who owns property within the proposed special rating area may make oral representation to the CFO.
- (5) The application, including the motivation report and the implementation plan, and all objections must be available for inspection at the office of Stellenbosch Municipality and at a venue determined by the CFO within the proposed special rating area, for the period referred to in subsection (2) above.

8. DECISION

- (1) After the provision of sections 4 and 7 of this By-Law have been complied with, the Council must, at a meeting of the Council held within 90 days after the last date for the submission of objections in accordance with section 7(2) of this By-Law, consider the application and –
 - (a) determine a special rating area which must be implemented in accordance with the motivation report and implementation plan;
 - (b) determine a special rating area with such amendments or conditions as the Council considers to be in public interest;
 - (c) determine a special rating area in respect of a limited area in terms of section 9 of this By-Law;
 - (d) refuse the application, in which event the Council must, within 30 days, furnish the applicant with written reasons for not approving the determination of a special rating area; or
 - (e) refer the application back to the applicant for amendments in such manner as the Council may direct.
- (2) If an application is refused by the Council in accordance with the provisions of subsection (1)(d) above or referred back to the applicant in accordance with the provisions of subsection (1)(e) above, the applicant may, within six months of the Council's decision, re-apply to the Council for the determination of the special rating area, provided that such re-application has been appropriately amended in the light of the reasons for refusal or referral, as the case may be.
- (3) If the motivation report or implementation plan is amended in any material respect at any time before the determination, the Council may require that the amended application be re-advertised in accordance with the provision of section 7 of this By-law, with the necessary changes.

9. DETERMINATION OF A LIMITED SPECIAL RATING AREA

If an application in terms of section 4 of this By-Law is not accompanied by the majority of the members of the local community in the proposed special rating area required by section 4(3)(c) of this By-Law, but the applicant can demonstrate to the satisfaction of the Council, that –

- (a) there are such confirmations from owners of rateable properties in a limited geographical area within the proposed special rating area that would meet the requirements of section 4(3)(c) of this By-Law if they were to be applied to that area; and
- (b) the level of services to be provided will not be reduced and the budget will be reduced accordingly as a result of the provision of those services in the limited area alone, as compared to the provision of those services in the whole of the proposed special rating area,

then the Council may, subject to the other provisions of this By-Law, determine a limited special rating area.

CHAPTER 2

SPECIAL RATING AREAS – STRUCTURES AND FINANCES

10. COMMENCEMENT OF THE IMPLEMENTATION PLAN

Once the Council has approved the establishment of the special rating area, the implementation plan may only be implemented after the management body has been established in accordance with section 11 of this By-Law.

11. ESTABLISHMENT, COMPOSITION, POWERS AND DUTIES OF MANAGEMENT BODY

- (1) The applicant must establish a management body for the purposes of implementing the provisions of the implementation plan.
- (2) The management body must be a company incorporated in accordance with the provisions of a Non-Profit company (company not for gain) as per the Companies Act, Act 71 of 2008 (as amended or replaced).
- (3) Stellenbosch Municipality shall monitor compliance by the management body with the applicable provisions of this By-Law, any guidelines or policies adopted by Stellenbosch Municipality and any agreements entered into with the management body and Stellenbosch Municipality.

- (4) The Council must nominate the relevant ward councillor and one other person, as representatives to attend and participate, but not vote, at the meetings of the management body.
- (5) Within two months after receipt of the first payment of the additional rate, the management body must begin carrying out the objectives of the implementation plan.
- (6) Within two months of the end of each financial year, the management body must provide the CFO with –
 - (a) Its audited financial statements for the immediately preceding year; and
 - (b) an annual report on its progress in carrying out the objectives of the implementation plan in the preceding year to improve and upgrade the special rating area.
- (7) Within two months after the Annual General Meeting, the management body must provide the Finance Portfolio Committee with –
 - (c) Its audited financial statements for the immediately preceding year; and
 - (d) An annual report on its progress in carrying out the objectives of the implementation plan in the preceding year to improve and upgrade the special rating area.

12. FINANCES

- (1) The financial year of the management body must coincide with the financial year of the Stellenbosch Municipality.
- (2) Where a special rating area has been determined, the Council must levy in accordance with the provisions of the Property Rates Act, a property rate in addition to the rates that it already charges on the owners of rateable property in the special rating area for the purposes of realizing the implementation plan. Provided that the Council may in terms of the Property Rates Act, Stellenbosch Rates Policy, Stellenbosch Credit Control and Debt Collection By-Law and the Stellenbosch Credit Control and Debt Collection Policy, exempt the indigent, senior citizens, disabled persons or any other category of owners from the additional rates.
- (3) When determining the additional rate referred to in subsection (2) above, the Council may consider imposing differential additional rates on one or more of the categories set out in section 8 of the Property Rates Act or any category as set out in the Stellenbosch Rates Policy.
- (4) The additional rate due in terms of this By-Law is a debt due to the Council and is payable and must be collected in the same manner as other property rates imposed by the Council.

- (5) The Council may, for the purpose of carrying out the provisions of the implementation plan of special rating area and subject to section 67 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 200), make payment to the management body of a special rating area.
- (6) The payment contemplated in subsection (5) above is conditional upon the conclusion of a finance agreement to be entered into between the Council and the relevant management body, and such agreement must regulate, among other things –
 - (a) the mechanisms and manner of payment; and
 - (b) terms on which payment to the relevant management body is to be made.
- (7) Subject to the provisions of its memorandum and articles of association, the management body is entitled to raise its own funds through commercial activities, donations or any other lawful means.
- (8) The Council, may determine and impose on the management body an administrative charge.

13. THE ROLE OF THE CFO

In addition to the other responsibilities and obligations of the CFO as set out elsewhere in this By-Law, the CFO must –

- (a) Establish separate ring-fenced budget votes and other record-keeping systems regarding the revenue generated by the additional rate and the improvement and upgrading of the special rating area;
- (b) Monitor compliance with the applicable legislation, including this By-Law and the Policy, by –
 - (i) receiving and considering the audited financial statements and reports regarding the carrying out of duties laid out in the implementation plan;
 - (ii) nominating, if he or she elects to do so, representatives to attend and participate but not vote at meetings of the management body.

CHAPTER 3

AMENDMENT AND EXTENSION OF IMPLEMENTATION PLANS

14. AMENDMENT TO IMPLEMENTATION PLANS

- (1) An implementation plan, including the geographical boundaries of the special rating area, may be amended by the Council on written application by the management body at any time after the formation of the special rating area.
- (2) The council may approve an application for an amendment referred to in subsection (1) above where the Council considers it not likely to materially affect the rights or interests of any owner, provided that the Council may require the management body to cause a notice of the application for such amendments to be published as approved by the CFO.
- (3) The Council may only approve an amendment in terms of subsection (1) above, with the changes required by the context, in accordance with the provisions of Chapter 1 of this By-Law, which the Council considers is likely to –
 - (a) materially affect the rights or interests of any person;
 - (b) affect the approved budget for the special rating area; and
 - (c) change the boundaries of the special rating area.
- (4) The Council may, for good reason, on written application by the management body, exempt the management body from complying with the provisions, or condone any non-compliance with any provisions, of Chapter 1 of this By-Law.

15. EXTENSION OF IMPLEMENTATION PLANS

A management body must, if it elects to extend the term of the implementation plan for a further period, on or before January in the year in which the implementation plan is due to terminate, submit an application to Stellenbosch Municipality for approval of extension of the term of the implementation plan, provided that –

- (a) the extension of the implementation plan may only be approved by the Council in accordance with the provisions of Chapter 1 of this By-Law, with the changes required by the context, and the Council may, for good reason, on written application by the management body, exempt the management body from complying, or condone any non-compliance, with any such provisions;
- (b) the provisions of section 14 of this By-Law shall apply to any amendment of an implementation plan which has been extended in terms of this section.

CHAPTER 4

DISSOLUTION OF A SPECIAL RATING AREA

16. DISSOLUTION

- (1) The Council may terminate the municipality's business relationship (connection and commitment) to a management body of a specific special rating area –
 - (a) Upon written application signed by owners of the majority of properties within the boundaries of the special rating area who are liable for paying the additional rate; or
 - (b) After prior consultation by the CFO with the management body or the community, whereupon for any good cause he or she may cause the necessary steps or processes to terminate the business relationship with the management body.
 - (c) Upon the decision by the CFO to terminate the business relationship to the specific special rating area, notices shall be forwarded to the management body and to all the property owners of the specific special rating area presenting the reasons for the proposed termination and any other pertinent details.
- (2) Upon the approval by Council to terminate the business relationship with the management body the additional rates applicable to said special rating area will no longer be raised and the associated payments to the management body shall cease.

CHAPTER 5

MISCELLANEOUS PROVISIONS

17. REPEAL

The provisions of any By-laws relating to special rating areas by Stellenbosch Municipality are hereby repealed insofar as they relate to matters provided for in this By-law.

18. SHORT TITLE AND EFFECTIVE DATE

- (1) This By-Law is called the Special Rating Area By-Law of Stellenbosch Municipality and shall take effect on 01 July 2021.

- (2) No new special rating area determined in terms of this By-Law may implement its implementation plan prior to 01 July 2020.

G. Mettler

Municipal Manager

Plein Street, PO Box 17, Stellenbosch, 7599

Telephone Number 021 808 8025

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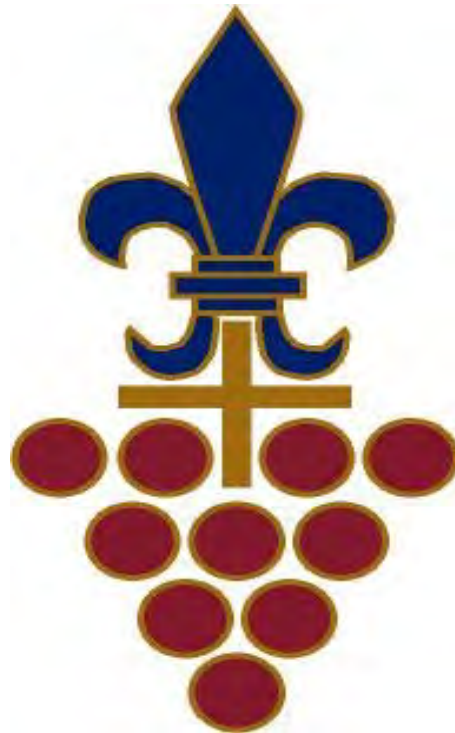
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STELLENBOSCH MUNICIPALITY



RATES BY-LAW POLICY

2021/2022

REVISED



**STELLENBOSCH MUNICIPALITY
RATES BY-LAW**

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1. PREAMBLE

- (1) Section 229(1) of the Constitution authorizes a municipality to impose rates on property and surcharges on fees for services provided by or on behalf of the municipality.
- (2) Section 13 of the Systems Act read with ~~section-Section~~ 162 of the Constitution requires a municipality to promulgate municipal by-laws by publishing them in the gazette of the relevant province.
- (3) In terms of ~~section-Section~~ 3 of the Property Rates Act, a municipal council must adopt a policy consistent with the Property Rates Act on the levying of rates on rateable properties in the municipality.
- (4) In terms of ~~section-Section~~ 6(1) of the Property Rates Act, a municipality must adopt by-laws to give effect to the implementation of its rates policy.
- (5) In terms of ~~section-Section~~ 6(2) of the Property Rates Act, by-laws adopted in terms of ~~section-Section~~ 6(1) may differentiate between different categories of properties; and different categories of owners of properties liable for the payment of rates.
- (6) To that effect the Council of Stellenbosch Municipality has enacted a Property Rates By-law, as follows:

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2. INTERPRETATIONDEFINITIONS

In this By-Law, any word or expression to which a meaning has been assigned in the Local Government: Municipal Property Rates Act, (Act 6 of 2004) shall bear the same meaning unless the context indicates otherwise.

"Municipality" means the Stellenbosch Municipality (WC024).

"Rates Policy" means the Municipality's Property Rates Policy adopted by the Council of the Municipality by a resolution for a specific financial year in terms of Section 3(1) of the Property Rates Act and in terms of this By-Law.

"Constitution" means the Constitution of the Republic of South Africa.

"Council" means the Council of the Municipality.

"Credit Control and Debt Collection Policy" means the Municipality's Credit Control and Debt Collection Policy as stipulated by sections 96(b) and 97 of the Systems Act.

"Systems Act" means the Local Government: Municipal Systems Act, (Act 32 of 2000).

"Property Rates Act" means the Local Government: Municipal Property Rates Act, (Act 6 of 2004) including the amendment Acts and Regulations pertaining to the same.

"Rates" means a municipal rate on property as envisaged in ~~section-Section~~ 229(1)(a) of the Constitution.

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3. OBJECTS

The object of this By-Law is to give effect to the implementation of the Rates Policy as contemplated in ~~section~~Section 6 of the Property Rates Act.

4. ADOPTION AND IMPLEMENTATION OF RATES POLICY

- (1) The Council shall adopt and implement a ~~rates~~Rates policy~~Policy as contemplated in terms of the provisions of Section 3(1) and~~ consistent with the Property Rates Act on the levying of ~~rates~~Rates on rateable properties within the jurisdiction of the Municipality.
- (2) The Rates Policy outlines the Municipality's rating practices; therefore, it is not necessary for this By-law to restate and repeat same.
- (3) The Rates Policy applicable to a financial year is hereby incorporated ??by reference?? in this By-law. All amendments to the Rates Policy as the Council may approve/adopt from time to time, shall be deemed to be likewise incorporated.
- (24) The Municipality Council shall not be entitled to levy ~~rates~~Rates other than in terms of the ~~valid~~Rates Policy for an applicable financial year and the annually promulgated resolution which reflects the cent amount in the Rand rate for each category of rateable property.
- (5) The Rates Policy is available at the Municipality's head office, satellite offices, libraries and website.

5. CONTENTS OF RATES POLICY

The Municipality's Rates Policy shall, inter alia:

- (1) Apply to all the ~~rates~~Rates levied by the Municipality pursuant to the adoption of the Municipality's annual budget.
- (2) Comply with requirements for;
 - (a) the adoption and contents of a ~~rates~~Rates policy~~Policy~~ specified in ~~section~~Section 3 of the Property Rates Act.
 - (b) the differentiation of categories of properties and categories of owners of properties as provided for in ~~section~~Sections 6, 8 and 15 of the Property Rates Act.
 - (c) the process of community participation specified in ~~section~~Section 4 of the Property Rates Act.
 - (d) the annual review of a ~~rates~~Rates policy~~Policy~~ specified in terms of ~~section~~Section 5 of the Property Rates Act.
 - (e) the publication of the adopted By-law in the Provincial Gazette as provided by Section 13 of the Systems Act.
- (3) Specify principles, ~~criteria~~criteria, and implementation measures for categories of rateable properties in terms of Section 8 and consistent with the Property Rates Act for the levying of ~~rates~~Rates which the Council may wish to adopt.

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- (4) Specify principles, ~~criteria~~criteria, and implementation measures for the judicious granting of relief measures by means of Exclusions. Exemptions, Reductions and/or Rebates consistent with Section 15 of the Property Rates Act which the Council may wish to adopt.
- (5) Include such further administrative, control and enforcement mechanisms if any that are consistent with the Property Rates Act and the Systems Act, as the Council may wish to impose in addition to those contained in the Credit Control and Debt Collection By-Law and its associated Policy.

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6. ENFORCEMENT OF RATES POLICY

The Municipality's Rates Policy ~~of the Municipality shall be~~is enforced through the Municipality's Credit Control and Debt Collection By-Law and its associated Policy and any further enforcement mechanisms stipulated in the Property Rates Act and the Municipality's Rates Policy.

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7. REPEAL

The provisions of any ~~by~~By-laws relating to Property Rates by the Municipality are hereby repealed insofar as they relate to matters provided for in this By-Law.

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8. INTERPRETATION

If there is a conflict of interpretation between the English version of this By-Law and a translated version, the English version prevails.

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This By-Law must be read in conjunction with the Rates Policy.

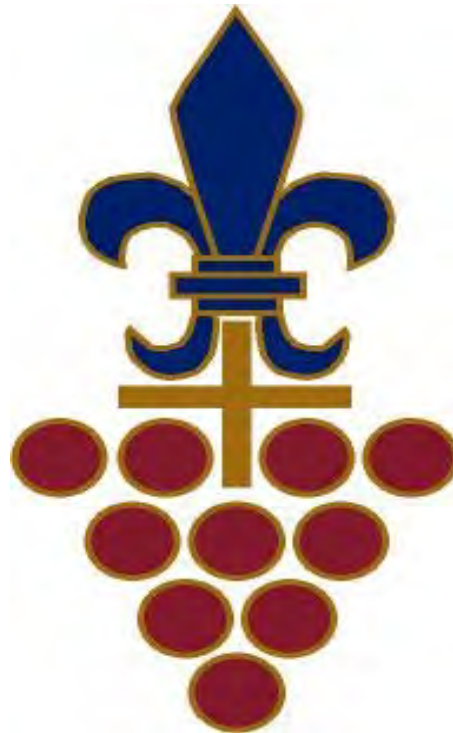
9. SHORT TITLE and ~~EFFECTIVE DATE~~COMMENCEMENT

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This By-Law is called the Stellenbosch Municipal Property Rates By-Law ~~of Stellenbosch Municipality~~ and shall take effect on 01 July 20172021.

STELLENBOSCH MUNICIPALITY



CREDIT CONTROL AND DEBT COLLECTION POLICY

2021/2022

REVISED



STELLENBOSCH MUNICIPALITY

CREDIT CONTROL AND DEBT COLLECTION POLICY

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PREAMBLE

In terms of Section 96 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)

a Municipality shall-

- (a) collect all money due and payable to it, subject to the provisions of said Act and any other applicable legislation and By-laws; and
- (b) for this purpose, implement and maintain a credit control and debt collection system which is not in conflict with its Rates and Tariffs policies and which complies with the provisions of said Act.
- (c) In order to give effect to the afore going provisions of said Act, the Council of the Stellenbosch Municipality (WC024), herein after refer to as the Municipality, has adopted a policy relating to credit control and debt collection as set out hereinafter.

1. PRINCIPLES

This Policy supports the following principles:

- (a) Human dignity must be upheld at all times.
- (b) This Policy must be implemented with equity, fairness and consistency.
- (c) Endeavours shall be focused such that data related to owners/debtors/consumers and accounts are correct at all times.
- (d) The implementation of this Policy shall be based on sound business principles, which may include credit worthiness checks and assessments of the credit risks involved.
- (e) New services will only be provided if supported by the relevant service contract(s) and payment of a consumer deposit alternatively, a bank guarantee in a form acceptable to the Municipality's Chief Financial Officer will be considered.
- (f) Interest on overdue accounts will be charged at the South African Reserve Bank's prime interest rate plus one percent, and will be levied on accounts outstanding after the relevant due dates thereof. For the purposes of calculation, a portion of a month will be deemed to constitute a full month.
- (g) Deposits/Bank guarantees will be utilised to proactively mitigate the potential of unnecessary credit risk exposure to Council.
- (h) An administration fee and/or collection fee will be charged on overdue accounts, according to Council's approved tariffs and the By-laws of Stellenbosch Municipality (WC024). Such fees will not apply to the accounts of unemployed registered indigent consumers.
- (i) The rates components on overdue accounts may be processed in terms of Sections 28 and 29 of the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA) and as described in the Rates Policy of Stellenbosch Municipality.

2. MUNICIPAL ACCOUNTS and ADDITIONAL MECHANISMS

2.1 Notices and Demands

The Owner's/Debtor's/Consumer's attention is drawn to the note on the municipal account, which states that the supply of services will be discontinued/restricted without further notice if the accounts are not settled in full. This serves as a warning to a defaulting owner/debtor/consumer that services will be discontinued/restricted upon defaulting on payments.

Notices, e-mails, cell phone text messages (SMS) or any available informative actions will however be issued to account holders as a first attempt (first notice) after the due date as a means to recover debt and to remind consumers/debtors/owners of their obligation to pay for services.

The aim of such reminders is to urge co-operation to settle accounts without the necessity to employ more drastic steps and to offer the opportunity to make arrangements to pay off such debt where the financial position of a consumer is such that relief is possible as per criteria in the Municipality's Rates or Indigent Policies.

Failure to respond to the aforesaid first notice will result in the disconnection and/or restriction of services and a final demand being issued where applicable.

Failure to respond to a final demand and in the event of arrears not being settled within the period stipulated in the final demand, or an arrangement not being concluded, legal action may be instituted (with the Municipality's rights reserved, notwithstanding the fact that services were disconnected/restricted or not) to recover the full outstanding debt.

In this regard the Municipality may consolidate any separate accounts of a debtor, credit a payment by a debtor against any account of that debtor and implement any of the measures provided for in this policy or the Credit Control and Debt Collection By-law in relation to any arrears of any of the accounts of such a debtor.

In the case of housing rental contracts, the Municipality may consider procedures for eviction or right sizing.

2.2 Additional Mechanisms

2.2.1 Electricity Services:

In the event of an owner/debtor/consumer other than a registered unemployed Indigent consumer regulated by Stellenbosch Municipality's Indigent Policy, failing to pay for electrical services due and payable, and in the event of such consumer having been placed on the disconnection list 3 times within a twelve (12) month period prior to such event, then Stellenbosch Municipality will have the right to install pre-paid electricity meters in a bid to limit credit risk. The Municipality may also consider upward adjustment of the relevant consumer deposit/bank guarantee.

2.2.2 Water Services:

The Stellenbosch Municipality may in the event of an owner/debtor/consumer exhibiting a trend of non-payment of accounts during a twelve (12) month period prior to a non-payment event (i.e. 3 times or more non-payment events) consider the installation of water demand management devices with pre-paid functionality in a bid to limit credit risk. The Municipality may also consider upward adjustment of the relevant consumer deposit/bank guarantee.

2.2.3 Rental Services:

Actions against defaulters are regulated to a degree by the contracts involved.

All contracts must at minimum and where appropriate, include the following criteria/requirements:

- (i) Due date for payments.
- (ii) Applicable procedures upon the defaulting of payments.
- (iii) Handover procedures.
- (iv) Eviction or right sizing actions.

3. ARRANGEMENTS

Should owners/debtors/consumers wish to make arrangements to pay off accounts in arrears, the following guidelines shall apply:

- (a) The main aim of arrangements should be to ensure that current accounts (which may include penalties/interest and/or any admin fees) are at least paid in full, before entering into acceptable arrangements to pay off arrears.
- (b) The Municipality may enter into an arrangement with a tenant or occupier of a property which is linked to an account in arrears, on proviso that:
 - (i) a written affidavit is received which certifies that the registered owner of said property, at which such tenant or occupier resides; is:
 - untraceable;
 - not contactable;
 - of unknown whereabouts; or
 - not co-operating with said tenant or occupier.
 - (ii) such tenant or occupier has substantiated the ability to pay and the right to occupation stating the rental due and the time period of such occupation and providing the last known address of the registered owner;
 - (iii) such tenant or occupier undertakes to advise the registered owner, at the first reasonable opportunity, of the current situation and further agrees to obtain the consent of the registered owner to condone the process as described in this paragraph 3 (b); and
 - (iv) where applicable, such tenant or occupier provides comprehensive details of the non-co-operation of the registered owner.
- (c) Care must be taken to ensure that all reasonable financial and social assistance, as provided for in various Municipality's Policies, is rendered to assist owners/debtors/consumers before drastic action is taken to recover debt e.g. subsidies for Free Basic Services and relief measures on property tax.
- (d) All arrangements must be concluded in writing and the debtor must be provided with a copy thereof. Arrangements will be invalid unless signed by the debtor and one or more delegated representative(s) of the municipality.
- (e) Arrangements must be entered into that are both affordable to the consumer and protect the Municipality's interest by ensuring the most cost-effective debt recovery.
- (f) Arrangements must be final and debtors will not be allowed to re-arrange debt repayments. The Municipality may for a meritorious case, upon presentation of proof of current difficulties, consider delaying the receipt of the arranged instalment. This delay may not exceed 3 months.
- (g) It is of vital importance to ensure that the settlement of current accounts (which may include penalties/interest and/or any admin fees), together with the debt repayment instalment, is seen as the minimum requirement for any agreement.
- (h) Arrangements must be compiled in a format that facilitates legal action, upon breach of contract. Written arrangements must as far as possible be in the form

of agreements in terms of Section 57 of the Magistrate's Courts Act, 1944 (Act 32 of 1944) and as amended by the Jurisdiction of Regional Courts Amendment Act, 2008 (Act 32 of 2008) (hereinafter referred to the Section 57 Agreements).

All debt repayment arrangements will be logged on the financial system to ensure maximum accessibility and to enable the effective administration of such repayments.

- (i) Arrears of Councillors and other Municipal Officials must be settled in full or arrangements to pay off such amounts, by means of salary deductions, may be entered into. This includes the seizure of bonuses or any other additional allowances (this paragraph (i) must be read in conjunction with the relevant sections of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)).

The Stellenbosch Municipality is entitled to recover all arrears more than ninety days by means of salary deductions and proportionally from increases and/or the official's ~~thirteenth cheque~~ bonus/performance bonus. In this regard, all temporary contract workers are also regarded as municipal officials.

- (j) No interest will be levied on outstanding amounts for which arranged agreements have been entered into.
- (k) It is a preferable that a water demand management device and/or a prepaid electricity meter be installed when any arrangement is entered into.
- (l) Arrangements may only be concluded upon submission of the following documentation:
 - (i) Proof of identification;
 - (ii) Proof of Income;
 - (iii) Supporting documentation relating to expenses;
 - (iv) Three-month bank statements and/or payslips; and/or
 - (v) Any other relevant documentation as may be requested by the Credit Control Section.

4. ADJUSTMENT OF DEPOSITS/BANK GUARANTEES

Deposits/Bank guarantees may be increased to cover the additional risk as regulated in terms of the Municipality's By-Laws. Increases in deposits/bank guarantees shall be utilised to cover the additional risk resulting from default payments. The latter deposits will be utilised only after closing of account by debtor or transfer of property. Should the account remain unpaid, such deposit will be utilised for the unpaid portion. Any credits will be refunded to the consumer.

The Stellenbosch Municipality will not pay any interest on any deposits.

5. FURTHER ACTIONS

- (a) Should arrangements not be made, or not be accepted or not be adhered to, services are discontinued or restricted; or pre-paid services are restricted, provided that a fair and equitable procedure, including reasonable notice of the intention to discontinue or limit is followed. Where legislation does not allow for the complete termination of services, the Credit Control Section will determine the appropriate minimum level of service provision, where after, all amounts owing become due and must be paid in full before services are restored to full capacity.
- (b) Should amounts owed not be settled by the final date, i.e. after the date for payment set out in a final demand, such accounts and the relevant Agreements, where applicable, will be handed over to the Municipality's Collection Attorneys for recovery and/or to consider instituting further legal action.
- (c) The Municipality shall at its own discretion in compliance to the measures provided for in the Municipality's By-Laws, be entitled to withhold or limit the supply of services until the total costs, penalties, other fees, tariffs and rates due and owing to the Municipality have been paid in full. This will include the restriction of supply of water or electricity to a debtor who is found guilty by the Municipality or any Court of Law:
 - (i) of fraud or theft of water and electricity,
 - (ii) any another criminal activity relating to the supply or unauthorised consumption of water and electricity, or
 - (iii) if it is evident that fraud, theft or any other criminal activity has occurred relating to such supply or consumption.
- (d) Stellenbosch Municipality may consider an auxiliary levy of up to 50% on the purchase of pre-paid electricity to recover arrear debt.
- (e) Stellenbosch Municipality may consider black-listing consumers in cases where the consumer was handed over to institute legal proceedings.
- (f) The Municipality may attach the rental income in whole or in part from a tenant or occupier of a property which is left unpaid by the owner thereof, provided that Section 115 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) is adhered to.
- (g) Once the Municipality has exhausted all reasonable and practicable debt recovery measures and, in an effort to recover outstanding debt, the Municipal Manager will have sole discretion to approve the litigation process for the disposal of the movable and/or immovable assets of defaulting owners/debtors/consumers by means of a Sale in Execution order.

6. NEW APPLICATIONS FOR SERVICES

- 6.1 No transfer of services from an owner to a tenant (Municipal property excluded) will be allowed. The status quo of contracts signed before 01 July 2011 will be maintained, provided that the tenant does not default on payments.

- 6.2 The owner or his/her proxy applying for a service to be rendered must be positively identified by means of a generally acceptable means of identification as used by financial institutions. A copy of the identification details (such as a copy of the person's ID and proof of residence (for business users)) must be kept for reference purposes.
- 6.3 The payment of a service deposit/bank guarantee will be based on tariffs as determined by the Council.
- 6.4 Adjustments to deposits/bank guarantees will be determined by the debtor's payment record of municipal accounts and consumption levels.
- 6.5 The provision of all services not regulated by acts and by-laws will be subject to the signing and acceptance of the conditions of supply contained in a service contract.
- 6.6 Where the consumer is not the owner of a property, the owner must, on his/her request, regularly be served with a copy of a statement of the amount due.
- 6.7 The Municipality may subscribe to the services of a credit bureau in order to enhance the effectiveness of credit checks.

7. THE RENDERING OF ACCOUNTS

- 7.1 Accounts must be rendered regularly and timeously to all property owners and consumers utilising municipal services.
- 7.2 Accounts must be consumer friendly and must clearly reflect the following minimum information:
 - (a) the name, address and contact numbers of Stellenbosch Municipality;
 - (b) the name and postal address of the account holder;
 - (c) details of the property in respect of which the account is issued;
 - (d) the contents of the account will be reflected in at least one of the three official languages of the Western Cape province;
 - (e) the balance brought forward from the previous account, as well as a summary of transactions for the present period;
 - (f) all services for which the account is rendered, as well as amounts billed for such services;
 - (g) the final amount payable;
 - (h) the final date for payment;
 - (i) soft reminders in respect of interest levies and discontinuation of services; and
 - (j) the situation of payment facilities, and modes of payment accepted and office hours for payment.

8. ACCOUNT QUERIES

- 8.1 Consumers have the right to query accounts. In order to ensure the correctness of accounts and the satisfaction of consumers, all queries must be attended to swiftly and effectively.

8.2 Claims of not having received an account do not constitute a valid reason for non-payment of accounts. Queries regarding such non-receipt must be followed up with the Revenue Section in order for same to be addressed. A consumer liable for any services rendered by, or rates due to the Municipality must furnish the Municipality with an address where correspondence can be directed to. Consumers should be encouraged to provide the Municipality with e-mail addresses where accounts could be sent to, rather than traditional postal addresses.

8.3 Duplicate accounts shall be available upon request at a prescribed fee.

8.4 Accounts in Dispute

8.4.1 Should an account in respect of water or electricity consumption be disputed, the concerned consumer must at minimum pay the average amount of the previous 12 (twelve) month's accounts. This shall be applicable only for the month in which the dispute was raised. Subsequent accounts issued in months thereafter (barring any new dispute raised) shall be considered unrelated to the dispute in question.

All other Municipal services or rates disputed will be dealt with at the discretion of the Municipality.

8.4.2 The dispute in question shall be considered to be resolved after all actions have been taken by the Municipality; including but not limited to the following:

- (i) determining the correctness of the account;
- (ii) relevant procedures were taken to adjust the account accordingly; and
- (iii) a written notice or a telephonic confirmation to such effect has been given to the concerned consumer.

8.4.3 In the event that a consumer declaring a dispute does not adhere to paragraph 8.4.1 above the disputed account will be subject to the normal Credit Control and Debt collection procedures.

8.5 Errors or Omissions

8.5.1 The Municipality strives to ensure the accuracy of consumer accounts. The onus of the consumer is however to verify that the services as stipulated on the account statement has been delivered and is correct. Upon detection of any errors or omissions the consumer should raise the dispute and notify the Municipality soonest and preferably in writing.

8.5.2 Accounts will only be rectified as from the date such errors or omissions was brought under the Municipality's attention. The adjustment (if applicable) to the account will be

processed as per paragraph 8.4 above and applied after the date of inspection or confirmation by the specific Services Department.

- 8.5.3 Upon the sole discretion of Council serious nonconformities of an account may be adjusted as from the start of the current financial year.

9. DUE DATES OF ACCOUNTS

Accounts are payable by the 7th day of each month or the first working day thereafter, should the 7th day fall on a weekend or public holiday.

10. ALLOW SUFFICIENT TIME TO SETTLE ACCOUNTS

In order to allow sufficient time to settle accounts, the account should, where possible, be ready for delivery at least two weeks before the due date.

This necessitates proper scheduling of all processes leading to the issuing of accounts to meet the Municipality's commitment to its consumers.

11. CONSOLIDATION OF ACCOUNTS

In order to reduce cost and to enhance credit control and debt collection measures, separate accounts for services rendered in respect of a property or separate accounts of a debtor will be consolidated as far as possible. This will not be limited to consumer accounts only but may be extended to any other amount payable arising from any liability or obligation due to the Municipality.

12. PAYMENT OF ACCOUNTS – GENERAL

- 12.1 In order to promote the payment of accounts, payment facilities and hours for payment must be convenient to consumers, but the establishment of such facilities should still be subject to normal business principles and the economy of the provision of such services.

- 12.2 The following facilities are presently available – with the office hours and modes of payment indicated. Facilities are extended on an on-going basis.

<i>Facility</i>	<i>Hours</i>	<i>Payment methods accepted</i>
Cash offices at Stellenbosch, Kayamandi, Franschoek and Pniel	Office hours: Monday to Friday	Cash, bank-guaranteed cheques , debit cards
Cash offices at Klappmuts	Office hours: Wednesdays only	Cash, bank-guaranteed cheques , debit cards
Debit orders	Application during office hours	Bank transfers
EasyPay and Pay@Third Party Service Providers: Countrywide outlets of Pick 'n Pay, Shoprite/Checkers, Pep Stores, Ackermans and other stores	Trading hours: 7 days per week	Cash, cheques , credit cards, debit cards
Internet payments	All hours	Bank transfers
Direct bank deposits	Banking hours	Bank transfers

Personnel deductions	Office hours	Direct deductions from earnings
24 hour Utility shops at petrol stations	All hours	Cash, cheques , credit cards, debit cards
Approved Pre-Paid Vending Agents	Trading hours	Cash, cheques

- 12.3 The use of correct account references for electronic payments and/or direct deposits is a requirement to ensure correct allocation of payment and to avoid any penalties and administration costs. It is the responsibility of the consumer making the payment to ensure that the correct reference number is made known to the Municipality.
- 12.4 All payments by means of Electronic Funds Transfer (EFT) or payments via the facilities as approved must be made in time so as to reflect in the Municipality's bank account before close of business on the due date.
- 12.5 Payment prioritisation of payments received will be allocated in the following order:
- (i) Penalties.
 - (ii) Municipal Rates.
 - (iii) Special Rating Area Levies.
 - (iv) Sewerage.
 - (v) Refuse.
 - (vi) Rentals.
 - (vii) Sundries.
 - (viii) Water.
 - (ix) Electricity.

13. DISHONoured PAYMENTS

- 13.1 Receipts issued in respect of dishonoured [cheques and ACB deductions](#) must be written back upon receipt of such notices. Interest on arrears must be raised where applicable and administration costs be debited to debtors account. Debtors must be notified and debt recovery actions be instituted where necessary.
- 13.2 Should payments be dishonoured twice, the debtors system must be encoded not to accept [cheques or](#) debit order transactions of such a debtor and he/she must be informed thereof in writing.
- 13.3 If payments are dishonoured twice in a financial year, consumer deposits/bank guarantees may be adjusted to mitigate increased financial risk.

14. PENDING LEGAL ACTIONS AGAINST CONSUMERS

Legal actions, such as notices of intended sales in execution, press releases regarding pending insolvency's, etc. may be followed up to evaluate the credit rating of such debtors in order to take steps to minimize the risk of financial loss for the Municipality.

15. INTEREST

- 15.1 Interest will be raised monthly, on a reasonable time after due date, to allow finalization of EFT payments, journal processing, system updates, etc. The latter interest raising will be on all arrear balances of all services (excluding housing services), property rates or arrangements as per paragraph 3 of this Policy, remaining unpaid.
- 15.2 A portion of a month is deemed to be a full month for the purposes of calculation of interest payable.
- 15.3 Interest on outstanding arrear accounts will be calculated and charged at the South African Reserve Bank's prime interest rate plus one percent.

16. GENERAL AND OTHER SERVICES

16.1 Monthly Consumer accounts:

- 16.1.1 Debtor's records must be coded correctly and timeously to ensure the rendering of accurate accounts to consumers.
- 16.1.2 The supply of water and electricity must conform to the conditions of supply set out in the By-Laws for Stellenbosch Municipality, as promulgated in the *Provincial Gazette*.
- 16.1.3 Due to the inclined block tariffs employed for these services, care must be taken to ensure meter readings are taken accurately and at intervals as close as possible to 30 days. Should this not be possible, consumption may be estimated as set out in the Municipality's By-Laws. As a general rule it is accepted that deviations in consumption periods exceeding 10% should be guarded against.

16.2 Sundry Services:

- 16.2.1 Accounts for recovery of cost encountered by the Municipality in respect of sundry services rendered are issued if and when such services are rendered to consumers.
- 16.2.2 As these services are usually not based on formal service contracts, it is essential that it be billed as soon as possible, and the recovery of such debt must receive priority, as the risk of loss to the Municipality is more eminent than in the case of other services.
- 16.2.3 Care should be taken to obtain full and accurate information of such debtors and to obtain prepayment for such services where possible.
- 16.2.4 Actions applied to follow up unpaid accounts will be determined by the nature and extent of the debt and the cost effectiveness of such actions.

17. CONDITIONS RELATING TO RENTAL AND PURCHASING OF MUNICIPAL PROPERTY

- 17.1 Municipal property may only be leased or sold after approval of such transactions and the signing of a rental or purchase agreement. Such approvals may be by way of specific Council resolutions or in the form of delegations.
- 17.2 The conditions for payment of instalments and deposits are regulated by the contents of the rental and purchase agreements and the Municipality explicitly reserves its rights to

discontinue services for non-payment not only limited to the leased property but any other property of the lessee within the jurisdiction of Stellenbosch Municipality (WC024).

- 17.3 Other specific rental and purchase agreements are tailored to the specific nature and requirements of such transactions.
- 17.4 Full details of remedies for defaulting lessees and purchasers and procedures to address such defaults must be contained in the relevant contracts, but must not have the effect of limiting the Municipality in terms of this or any other Policy regulating arrears.
- 17.5 These remedies usually commence with written reminders, leading to the cancellation of the contracts and the institution of further legal action where necessary.
- 17.6 Rental and purchase agreements represent formalised individual contracts that form the basis of all actions by the parties involved. Both parties are bound to such conditions, failing which may lead to the cancellation of such contracts by the parties involved and claims for damages.
- 17.7 Lessees whom may qualify for rental subsidies must be referred to the housing office to apply for such subsidies in an effort to make rentals more affordable.

18. RENTALS IN RESPECT OF MUNICIPAL EMPLOYEES

Apart from the general conditions applicable to general rental the following conditions will also be applied:

- (a) Rent will be based on the principle of market related rentals as required by Municipal Supply Chain Management (SCM) Regulation 40.
- (b) Rent, and optionally rates and service charges, where applicable, may only be paid by means of salary deductions. A specific clause to this effect must form part of the contract.
- (c) The relevant Director, or his/her delegated official, must co-sign rental agreements of employees to ensure that financial conditions are met.

19. INDIGENT CONSUMERS

- 19.1 The Stellenbosch Municipality supports the principle of providing support to indigent consumers by way of providing Free Basic Services in accordance with the provisions of the Municipality's Indigent Policy. All effort must be made to limit the re-occurrence or accumulation of indigent debt of such consumers.

20 CONTACT OF RESPONSIBLE OFFICE

The contact details for Credit Control enquiries:

E-mail Address: Creditcontrol.Notices@stellenbosch.gov.za

Telephone Numbers : See Municipal Account for relevant telephone numbers

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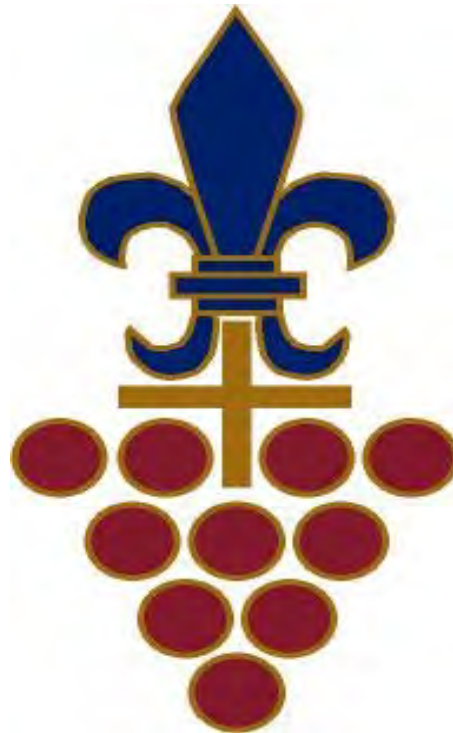
[Postal Address: PO Box 17, Stellenbosch, 7601](#)

[Any Municipal Office in the jurisdiction of Stellenbosch Municipality](#)

219. SHORT TITLE

This Policy is the Credit Control and Debt Collection Policy of the Stellenbosch Municipality.

STELLENBOSCH MUNICIPALITY



IRRECOVERABLE DEBT POLICY

2021/2022

REVISED



STELLENBOSCH MUNICIPALITY

IRRECOVERABLE DEBT POLICY

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PREAMBLE

The Stellenbosch Municipal Council accepts and acknowledges its Constitutional duties and mandate towards the community/consumers of Stellenbosch Municipality (WC024).

Council further acknowledges that in order to deliver services in a sustainable manner, that same be managed in terms of Council's Credit Control and Debt Collection Policy having due regard of its limited financial resources and the need to manage cash flows.

Council therefore is aware of its duty to prepare financial statements that gives a true reflection of the financial position for a given period.

[In order to give effect to the foregoing, the Council of Stellenbosch Municipality has adopted a policy relating to the management of irrecoverable debt as set out hereinafter.](#)

1. Requirements before writing-off debt

All applicable actions as contained in the approved Credit Control and Debt Collection Policy of Stellenbosch Municipality must have been executed/implemented before any debt, owed to the Municipality for any reason whatsoever will be considered for writing-off. However, in special cases where the requirements in terms of the Municipality's Credit Control and Debt Collection Policy were impossible/impractical to implement, the administration must motivate such write-off.

2. Bad Debt Recovered

Bad debt recovered after having been written-off will be treated in terms of the Municipality's Accounting Policy.

The approval of Council for the write-off of any debt does not mean that actions to recover the debt will be terminated. Conditionally, further actions may be instituted, depending on the costs involved. Should the debt be recovered, it will accordingly be recorded in the financial records of Council.

3. Thresholds for writing-off of debt

3.1 The writing-off of debt per individual case may be considered as follows:

- (i) Above twenty thousand rand (R20 000) will be effected after Council approval.
- (ii) Amounting to twenty thousand rand (R20 000) and below may be effected after motivation to and approval by the Chief Financial Officer (CFO) or his/her delegate.
- (iii) Amounting to ten thousand rand (R10 000) and below may be effected after motivation to and approval by the Senior Manager: Revenue and Expenditure.
- (iv) Amounting to five thousand rand (R5 000) and below may be effected after motivation to and approval by the Manager Revenue.

3.2 The writing-off of any interest (or part thereof) component of debt, providing that the debt excluding the interest component, is paid in full, may be considered as follows:

- (i) Above one hundred thousand rand (R100 000) will be effected after Council approval.
- (ii) Amounting to one hundred thousand rand (R100 000) and below may be effected after motivation to and approval by the Chief Financial Officer (CFO).
- (iii) Amounting to five thousand rand (R5 000) and below may be effected after motivation to and approval by the Senior Manager Revenue and Expenditure or Manager Revenue.

4. Provision for irrecoverable debt

Provision for bad/irrecoverable debt will be dealt with in terms of the Municipality's Accounting Policy.

5. Rescission of Judgments

Stellenbosch Municipality will consider applications for the consent to rescission of judgments, obtained by the Stellenbosch Municipality for the recovering of debt, provided that the following conditions are applicable:

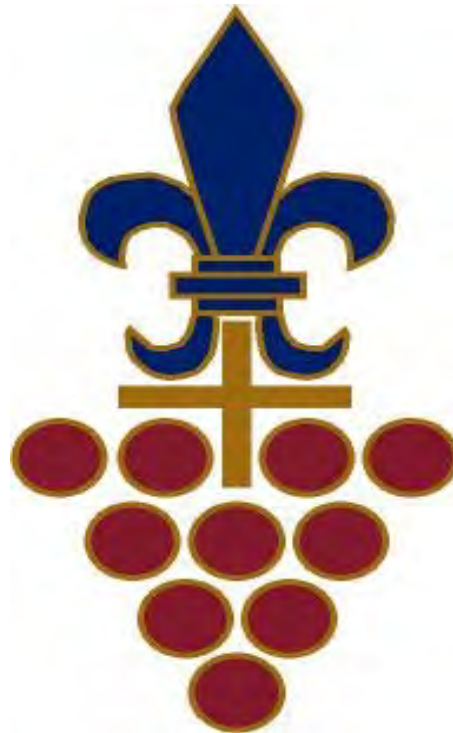
5.1 All outstanding debt accrued on all accounts of the said property have been settled in full, and

- 5.2 A period of at least five years has lapsed since the date of the applicable judgment, in the case where the Stellenbosch Municipality has written off any debt.

6. Short Title

This Policy is the Irrecoverable Debt Policy of the Stellenbosch Municipality.

STELLENBOSCH MUNICIPALITY



PETTY CASH POLICY

2021/2022

REVISED



STELLENBOSCH MUNICIPALITY
PETTY CASH POLICY

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1. INTRODUCTION

The accounting officer of a municipality is responsible for the management of the expenditure of the municipality in an effective and controlled manner. Therefore the Stellenbosch Municipality adopts the following petty cash policy.

2. REGULATORY FRAMEWORK

- a) The Municipal Finance Management Act (56 of 2003);
- b) Section 15 of the Municipal Supply Chain Regulations;
- c) Treasury regulations in terms of Section 13(1) of the Act;
- d) MFMA Circular 897 (Cost Containment Measures);
- e) Cost Containment Policy;
- f) Municipal Cost Containment Regulations, 2019; and
- g) Any subsequent MFMA Circulars relevant to Petty Cash or Cost Containment in general that may be issued By National Treasury from time to time.

3. OBJECTIVES

Compliance with the regulatory framework in terms of the relevant legislation is required.

4. RESPONSIBILITY AND ACCOUNTABILITY

The key responsibilities in terms of the MFMA (Section 65) are:

Accounting Officer (Municipal Manager)-

- (1) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality.
- (2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure—
 - (a) That the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;
 - (b) That the municipality has and maintains a management, accounting and information system which—

- (i) recognises expenditure when it is incurred;
 - (ii) accounts for creditors of the municipality; and
 - (iii) accounts for payments made by the municipality;
- (c) that the municipality has and maintains a system of internal control in respect of creditors and payments;
- (d) that payments by the municipality are made—
- (i) directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed; and
 - (ii) either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit;

The Municipal Manager delegates authority to the Chief Financial Officer to ensure compliance and adherence to the principles established by this policy.

5. PETTY CASH FRAMEWORK

5.1 General Policy

- a. The use of petty cash floats is strictly confined to individual cash purchases of:
- i) up to a maximum of R500, where the petty cash floats in other departments are used to make purchases,
 - ii) up to a maximum of R2 000, when claimed from the Financial Services Petty Cash Float.

All Petty Cash expenditure must be in compliance with this Policy, the Municipal Cost Containment Regulations 2019, Cost Containment Policy and MFMA Circular 97 (Cost Containment Measures).

- i) The municipality may not incur catering expenses for meetings that are only attended by persons in the employ of the municipality, unless prior written approval is obtained from the accounting officer.
- ii) Catering expenses may be incurred by the accounting officer for the following, provided they exceed five (5) hours in duration:
 - Hosting of meetings
 - Conferences

- Workshops
 - Courses
 - Forums
 - Recruitment interviews
 - Council proceedings
- iii) Expenses may not be incurred on alcoholic beverages.
- iv) The accounting officer must ensure that expenses are not incurred on social events. This provision is not intended to impede the constitutional obligation of the municipality, therefore the following events are excluded:
- Economic development events
 - Cultural festivals
 - Local tourism festivals
 - Youth, aged, disabled and other vulnerable persons development events
 - Civic honours events
 - Staff recognition or achievement awards and functions
 - Town centennial or other significant municipal commemorating events
 - Opening of facilities and buildings
 - Strategic planning sessions
 - Non-recreational team building events
 - Non-recreational staff wellness functions.
- v) Expenditure may not be incurred on corporate branded items like clotting or goods for personal use by officials, other than uniforms, office supplies and tools of trade, unless the costs thereto are recovered from the affected officials or is an integral part of the business model of a specific project or drive.
- vi) The accounting officer must ensure that any sporting events, and expenditure directly related to sporting events such as travel and accommodation cost, sporting gear and sporting regalia are not financed from the budget of the municipality or by suppliers or sponsors. This provision does not apply to sporting events that are held in terms of the municipality's constitutional function.
- The accounting officer may incur expenditure not exceeding the limits of this Policy for one transaction usage, to host farewell functions in recognition of officials who retire after serving the municipality for ten or more years or retire due to ill health.

Under no circumstances may Petty Cash be abused for purposes of avoiding Supply Chain Management procedures. It is not acceptable for one receipt or a number of receipts, in respect of the same event, which have been obtained by the same person, to be split over multiple cash purchase claims.

- d. The Directorate making use of Petty Cash for smaller purchases is responsible for ensuring that sufficient budget is available on the relevant votes.
- e. A petty cash float is not to be used for any of the following:
 - i) the cashing of cheques;
 - ii) loans to any person whatsoever;
 - iii) payment of personal remuneration to any employee whatsoever, whether for fees, salaries, wages, travel allowance as part of remuneration, honorarium or other reason; or
 - iv) Purchase of capital items.
 - v) Any item or service that does not fall within the ambit of the Cost Containment Policy and –Regulations.
- f. Examples of permissible Petty Cash Expenditure may include, but is not limited to:
 - i) Toll Fees
 - ii) Parking Fees
 - iii) Postage
 - iv) PDP and Licence fees
 - v) Keys
 - vi) Car Wash
 - vii) Fire Arm Licencing
- g. Should there be any uncertainty, the relevant Director may exercise discretion and approve a requisition for Petty Cash, or in the case of an own Petty Cash Float, approve such expenditure provided that all such approvals remain within the confines of the Cost Containment Policy and –Regulations..

Other cash floats may also be established for the purpose of providing change, for a cash register, or any other purpose approved by the Chief Financial Officer. Use of such floats is restricted to the purpose for which they were established.
- i. The Chief Financial Officer may approve the use of petty cash for specific use, based on practical reasons or cost-benefit reasons. Such an authority will be done on a case by case basis for the purposes of considering merit.
- j. The CFO may determine and approve the maximum amount to be held in any individual petty cash float.

5.2 Purchases through Petty Cash Float – Supply Chain Management Office

- a. Purchases from SCM database suppliers shall be allowed in the following instance, provided that a monthly submission are made to the CFO of all purchases and the respective director confirming the enforcement of rotation of suppliers:
 - i) When the amount of the individual purchase / event is less than R250.00, irrespective of it being an emergency or not.
- b. Purchases from SCM database suppliers are NOT allowed for capital items or fuel.
- c. Petty claims will be dealt with on a first come, first serve basis and it is subject to the monetary limit of the petty cash.

5.3 Establishing and Operating a Petty Cash Float

- a. To establish a new petty cash float or increase an existing advance, a written application is to be made to the Chief Financial Officer by the relevant Department, motivating the need for such petty cash float.
- b. The total value of the advance requested will be an amount which would normally necessitate reimbursement approximately once a fortnight. This level of advances keeps to a minimum the overall cash in the buildings on municipal property and ensures regular inclusion of information regarding expenditure in financial reports and for budget control purposes.
- c. A request for the establishment of an advance will indicate the name and status of senior administrative or clerical staff to be held responsible for the operation of the petty cash float. The staff member's specimen signature must also be submitted by the Department to the Chief Financial Officer, together with the application documentation.
- d. The application will indicate the security arrangement in place to ensure safe custody of funds in the office. The minimal security arrangement that will be acceptable is that the float will be kept in a locked box which will be kept in a locked filing cabinet or safe.
If an advance is approved, the Assistant Accountant: Creditors will advise the Department accordingly and request that the responsible staff member collect the advance. This establishing advance will be charged to a "Petty Cash Advances - ...Name/Dept..." in the General Ledger and not against any expenditure votes. A register of advances is thus maintained per Ledger Account for the purpose of accounting for all petty cash floats.

5.4 Security of Petty Cash Floats

- a. The cash on hand and used petty cash vouchers are to be kept in a locked box for which there should be two keys. One key is to be retained by the officer (on their person) normally responsible for the petty cash and the other to be kept in a sealed envelope in the office safe or other secure place, to be used only in an emergency.
- b. The locked petty cash box must be kept in a secure place when not in use and should be removed and returned by the responsible staff member only. At no stage should staff other than the responsible administrative/clerical staff member have access to the storage place of the petty cash box.
- c. Under no circumstance are keys to be left in the lock to the petty cash box, cabinet or safe.
- d. If the responsible officer is either going on leave or is leaving the Municipality's employment, the petty cash float is to be reconciled and signed by the departing- as well as replacement staff members, to indicate their agreement as to its balance. The replacement staff specimen signature must also be submitted to the Chief Financial Officer.

5.5 Completing a Cash Purchase Claim Form

- a. Petty cash stationery is available from the Expenditure Section (Financial Services). The form consists of two parts:
 - (i) Cash Purchase Claim page
 - (ii) Cash Purchase Record page
 - (iii) Receipt for cash advance (Only when appropriate, refer paragraph on Advances).
- b. All details entered on the Cash Purchase Claim appear on the Cash Purchase record page.
- c. The Cash Purchase Claim must be completed as follows:
 - (i) description and cost of the goods/services purchased
 - (ii) purchaser's signature
 - (iii) vote number to be charged
 - (iv) Signature of the Officer in Charge of Petty Cash.

- d. Original receipts or other valid documentation as required must be attached as proof of payment, with the signature of an appropriate financial delegate on this documentation. A financial delegate cannot authorise a cash purchase claim where she or he is the purchaser.

5.6 Sub-Advances to staff members

- a. If it is necessary to make an initial sub-advance to a staff member for various needs, a receipt for cash advance must be completed. The receipt for Cash Advance Form must be completed as follows:
 - (i) description and *estimated* cost of the goods/services purchased
 - (ii) purchaser's signature
 - (iii) vote number to be charged
 - (iv) Signature of the Officer in Charge of Petty Cash.
- b. On completion of the purchase, the recording-, documentation- and authorization requirements will be as stated in the above paragraph: Completing a Cash Purchase Claim Form.

All such sub-advances will be accounted for within 24 hours, by submitting original receipts and other applicable documentation required, attached as proof of payment (with the approval signature on the documentation). Where this cannot be achieved, the buyer will be liable to pay back the advance without any delay or the money will be deducted on his/her next salary irrespective of consent being given or noted. Not more than one advance will be made to any one person at a time.

5.7 Out-of-Pocket Payments

- a. Where a staff member has made purchases from their own funds and now seeks reimbursement from the petty cash, supporting documentation must be provided to substantiate the claim.
- b. The supporting documentation is to be attached to the Claim.
- c. The recording-, documentation- and authorization requirements will be as stated in the above paragraph (**Completing a Cash Purchase Claim Form**).

5.8 Reimbursement of Petty Cash Floats

- a. A petty cash float is operated on the basis that expenditure from the float is periodically reimbursed. Such reimbursement-
 - (i) returns the cash level of the petty cash float to its original level and
 - (ii) Charges the expenditure which has been made, to the correct expenditure vote.
- b. Accordingly, at any point of time, the sum of the cash on hand, i.e. remaining unspent, plus the cash advances for un-finalised purchases, plus the completed cash purchase claim forms, will equal the level of the petty cash advanced to the Department.
- c. Completed Cash Purchase Claim forms, with attached cash register slips, etc., must be taken by the officer in charge of the Petty Cash in a Directorate/Department, to the Assistant Accountant: Accounts Payable for reimbursement, after the Summary Claim Cover Page and attached documentation have been authorised by a financial delegate at least once in 14 days. Reimbursement of claims where supporting documentation is missing will not be entertained.
- d. The prescribed Summary Cash Purchase Claim form as well as other relevant forms attached to it must be completed in full.
- e. The most recently completed Cash Purchase Claim form must record the reconciliation of the petty cash float. The Assistant Accountant: Accounts Payable will refuse reimbursement of claims where this is not supplied.
- f. A petty cash float must never be reimbursed with funds derived from any other source whatsoever.

5.9 Shortages

- a. Any shortages in respect of a petty cash float must be paid in immediately.
- b. Where a petty cash float is stolen the incident must be reported promptly to the Chief Financial Officer in the required format, after which same needs to be reported to the South African Police Services and a case number provided to the Assistant Accountant: Accounts Payable.

5.10 Procedure applicable when a Petty Cash Float is repaid/cancelled

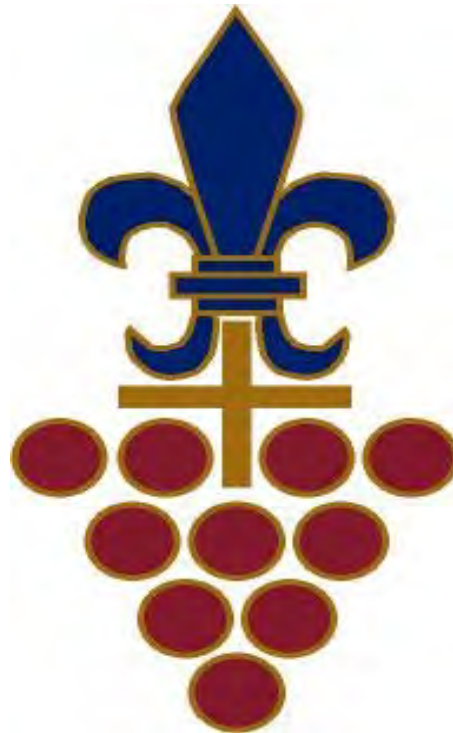
When an advance is no longer required, a statement in a form of a memorandum is to be completed and signed by the Head of the relevant Department and submitted to the Assistant Accountant: Accounts Payable, with the balance of cash on hand and completed and authorized Cash Purchase Claim forms. The most recently completed Cash Purchase Claim form will record the reconciliation of the petty cash float, where after a cheque will be issued to the relevant person to effect completion of the transaction..

The Cashier will issue a receipt to the affected department.

5.11 Financial year-end procedures

Reconciled petty cash registers (cash slips attached), accompanied with the cash balance must be returned to the Senior Accountant: Expenditure a week before the financial year end.

STELLENBOSCH MUNICIPALITY



TRAVEL AND SUBSISTENCY POLICY

2021/2022

REVISED



STELLENBOSCH MUNICIPALITY

TRAVEL AND SUBSISTENCE POLICY

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1. OBJECTIVE

It is essential that representatives of this municipality from time to time travel in order to establish and maintain links and relationships with other municipalities, government bodies, and other parties, institutions and organizations operating in the sphere of local government. It should also be read together with paragraph 2 of MFMA Circular 82 of 30 March 2016 as well as the Cost Containment Regulations as far as it is applicable to travel and subsistence issues.

This policy sets out the basis for the payment of a subsistence travel allowance, hourly rate when applicable and for the purpose of such official traveling.

In the event of any conflict between a provision of this policy and the Cost Containment Policy, the latter policy shall apply.

2. TRAVEL

2.1 *Responsibilities of Representatives who travel on Business of the Municipality*

- a) Every representative who travels on the business of the municipality must comply with this policy in letter and in spirit.
- b) Representatives who travel on the business of the municipality must take note that their actions, conduct and statements must be in the best interest of the municipality, and they must comply with any specific mandates they have been given.

2.2 Air Travel

- a) **The Accounting Officer in respect of all officials or political office bearers and the Executive Mayor in respect of the Accounting Officer only approve the purchase of economy class tickets for air travel.**
- b) All flights by representatives of the municipality shall be in economy class, unless another class of travel is specifically authorized by-
 - (i) the executive committee, with regard to Holders of Public Office and the Municipal Manager, or
 - (ii) The Municipal Manager, with regard to officials and applicants for interviews

2.3 International Travel

- a) International travel for any official or political office bearer can only be approved by the municipal council in a meeting open to the public with a supporting vote of the majority of the members of the municipal council present.
- b) The report to council for approval of international travel must include:
 - (i) A motivation why the international travel is seen as critical and fully setting out the anticipated benefit that the municipality will derive from attending the event, meeting or function;
 - (ii) If international travel to the destination or event was previously undertaken, state what benefits if any derived from the previous attendance;
 - (iii) The full cost of the international travel including travel allowances and visas if applicable to be paid; and
 - (iv) The proposed officials and political office bearers, not exceeding three, to travel and why they have been identified.
- c) The following events will not be considered critical to justify international travel whether the full cost of the travel is paid by another institution or not:
 - (i) Attendance of international sporting events;
 - (ii) Attendance of international social events;
 - (iii) Attendance of international party-political events;
 - (iv) The opening of another country's parliament or any other country's government's celebration events.
- d) The accounting officer or delegated official must ensure that requirements for international travel by officials or political office bearers are not inserted into bid documents, whether it is for inspection of products at source of construction/assembly or for any other reason.

2.4 Car Rental, Travel Costs and rates

- a) Only "A" or "B" category vehicles may be rented, unless it is more cost-effective to hire any other category (for example, when the number of representatives involved could justify the hire of a micro-bus).
- b) Car rental must be approved as part of the travel package before the trip is embarked on. A representative who rents a vehicle whilst traveling on the business of the municipality without having received prior authorization will only be reimbursed for the cost of the vehicle rental if proof of expenditure can be produced and the representative can demonstrate that vehicle rental was reasonably but unexpectedly necessitated by the circumstances.
- c) Parking and toll fee – actual cost will be reimbursed via Petty Cash after the submission of proof of expenditure.
- d) If a representative has to utilize his or her personal motor vehicle, he or she will be reimbursed at the tariffs listed below. The distance to which the reimbursement applies, must be the shortest distance via tarred road between the municipality's offices and the location where the official business is to be transacted.
 - o Councillors:
Will be reimbursed in terms of the Private Column of Department Transport monthly circulars pertaining to Tariffs for the Use of Motor Transport to a maximum of R4.50 per kilometer.
 - o Officials with vehicle/car allowance:
Will be reimbursed at a flat rate of R4.50 per kilometer where motor vehicles are used and R2.00 per kilometer where motor cycles are used. Where it is possible to fly to a destination, but the official prefers to drive with his own vehicle, the lower value between kilometer claim and a flight ticket will be used as basis for reimbursement.
 - o Officials who are in receipt of an Essential User Transportation Allowance:
Will be reimbursed according to the official Cost Tables contained in the "Essential User Scheme: Transport Allowance" circulars of the South African Local Government Bargaining Council – Western Cape Division applicable.

Commented [A1]: Also in line with Upper Limits Gazette

- o Officials without a car allowance and Members of a Committee: established in terms of applicable legislation, as per the Rate per kilometer fixed by the Minister of Finance under section 8(1) (b) (ii) and (iii) of the Income Tax Act, 1962. . If the total number of kilometers for which such reimbursement is received exceeds 8 000 in any tax year, reimbursement for the excess kilometers over 8 000 must be taxed for PAYE purposes. If the cost of any one trip exceeds that of an air ticket, the lesser amount will be paid.

The number of employees travelling to conferences or meetings on official duty for the same matter is limited to three (3) employees, unless otherwise approved in advance by the relevant Director, or Accounting Officer in the case of Directors travelling.

- e) Similar to the above, the number of employees travelling by air to other centers to attend an official engagement on the same matter is also limited to three (3) employees, unless otherwise approved in advance by the relevant Director or Accounting Officer in the case of Directors travelling.
- f) For the purpose of this policy, domestic travel shall mean travel within South Africa, and international travel shall mean travel to any country other than South Africa.
- g) The Accounting Officer will when appropriate determine an hourly rate for the different committees serving Council.
- h) Notwithstanding the above provisions, all employees must make use of shuttle services if the cost of such services is below the cost of hiring a vehicle.

3. SUBSISTENCE

3.1 Subsistence Allowance

- a) A representative may claim a daily subsistence allowance as provided in this policy with the understanding that all authorized personal expenses are covered by the subsistence allowance. No further expenses, with the exception of certain business expenses (see below), may be claimed.
- b) In line with SARS guidelines on Subsistence Allowances and Advances, A daily subsistence allowance will only be applicable where-
 - (i) The representative is obliged to spend at least one night away from his or her usual place of residence on business; R416 per day, or

- (ii) The representative will be on official business for a period exceeding 12 consecutive hours per day, without having to spend a night away from his or her usual place of residence; R128 per day.
 - c) A representative of the municipality must claim his or her subsistence allowance, as provided in this policy before embarking on any official trip, with the exception where such claim reaches the creditors section at least three days before the trip; in which case such claim must be submitted after the event. Such a claim must be accompanied by details of the conference or workshop or emailed/faxed invitation.
 - d) No subsistence allowance will be paid, and no representative will be entitled to a subsistence allowance, if the trip or travel is not related to the official business of the municipality. All travel on business of the municipality must be approved as such before a representative is entitled to a subsistence allowance.
 - e) For the purpose of a subsistence allowance, a representative shall mean-
 - (i) mayor or executive mayor, as the case may be
 - (ii) deputy-mayor
 - (iii) speaker
 - (iv) members of the executive committee or mayoral committee, as the case may be
 - (v) other councillors specifically authorized to represent the municipality on a particular occasion
 - (vi) municipal manager
 - (vii) directors
 - (viii) any other official/representative specifically authorized to represent the municipality on a particular occasion
 - (ix) any official or councilor who is a member of a recognized professional institution and is granted permission to attend meetings and conferences of such institution.
 - f) The subsistence allowance of international travel will be the lesser of:
 - (i) an amount equivalent to the rates as determined by SARS, at the beginning of 1 July every year.
- Or**
- (ii) US\$190 per day where the exchange rate of ZAR is more than 5:1 in relation to the currency of the destination country; and

- (iii) US\$100 per day where the exchange rate of ZAR is less than, or equal to 5:1 in relation to the currency of the destination country;

4. ACCOMMODATION

4.1 Accommodation Costs

- a) Overnight accommodation may only be booked where the return trip exceeds 500 kilometres.
- b) Notwithstanding the provision in paragraph 4.1(a) overnight accommodation where the return trip is 500 kilometres or less, may be booked where in the view of the Accounting Officer or delegated official the limitation may be impractical and any of the following instances are present:
 - (i) The road or any other conditions could jeopardise the safety, health and security of officials or political office bearers;
 - (ii) The trips are to be undertaken over a number of consecutive days provided that a return trip is in excess of 200 kilometres;
 - (iii) The starting time of the meeting or event would require the official or councillor to leave his/her place of residence before 05h00 in order to be punctual.
 - (iv) Should the circumstances as stated in paragraph 4.1 (b)(i) – (iii) not be applicable, but an official still prefers to sleep over and not travel every day, the relevant director may approve travelling and accommodation expenses to be paid in the following manner:
 - The cost of one return trip at the applicable rates stated in this policy to be claimed and reimbursed to the official, plus
 - The Daily Allowance referred to in paragraph 3.1 (b) (ii) of this policy for every night the official spends away from the work place to be claimed and paid to the official and
 - Accommodation paid directly to the relevant establishment equal to the monetary value of R4.50 per kilometer, the potential travel claim for every night that officials sleep over instead of travelling. In cases where more than one official was to travel together, the travel claim will be equally divided between the accommodation costs of the respective officials. Any excess accommodation costs must be borne by the official concerned.
- c) Any request for overnight accommodation and/or travel must be motivated on a prescribed form and approved by the municipal manager or delegated official prior to the arrangement for overnight stay or travel.

- d) The actual cost of accommodation will be borne by the municipality, subject to a maximum of 3- to 4-star rating for the accommodation itself in respect of domestic travel. Where such accommodation is available, the rate for a single room will be payable.
- e) If no such accommodation is available, higher rating accommodation can be used subject to the prior approval of the Municipal Manager.
- f) If a representative stays with a relative or friend, no accommodation allowance may be claimed, but the representative may claim a subsistence allowance of R416.00 per day.
- g) The recoverable cost of accommodation for international travel may not exceed US\$350 per day.
- h) The municipality will at all times firstly consider accommodation where the National Treasury has negotiated discounts for rates as per MFMA circular 97. In the absence of such accommodation or failure to secure space, only then will the municipality consider accommodation outside the "NT negotiated accommodation".
- i) Notwithstanding the provisions of 4 (1) (c), the procurement of all accommodation services will be subjected to the municipality's SCM policy and preferential procurement policy. The written approval in terms of paragraph 4.1(c) must be filed with the relevant supply chain documents for the accommodation booking.

5 CONFERENCES, MEETINGS AND STUDY TOURS

5.1 Applications for conferences, meetings and conferences, both within or outside South African borders, must be done on the prescribed form. Applications for conferences, study tours and similar events must be accompanied by a motivation that takes the under mentioned aspects into account:

- a) The official's or political office bearer's roles and responsibilities and the anticipated benefits of the conference or event;
- b) Whether the conference or event addresses relevant concerns of the institution;
- c) The appropriate number of officials or political office bearers, not exceeding three, attending the conference or event;
- d) The availability of funds to meet expenses related to the conference or event.

5.2 The accounting officer may consider appropriate benchmark costs with other professional bodies or regulatory bodies prior to granting approval for an official to attend a conference or event within and without the borders of South Africa.

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- a) Such benchmark costs may not exceed an amount as determined from time to time by the National Treasury through a notice.
- b) The costs exclude costs related to travel, accommodation and related expenses, but include conference or event registration expenses and any other expenses in relation to the conference or event.
- c) When considering costs for conferences or events these may not include items such as laptops, tablets or other similar tokens that are built into the price of such conferences or events.
- d) The accounting officer must grant the approval for officials and in the case of political office bearers and the accounting officer, the mayor for attendance of conferences and events.

5.3 The accounting officer must ensure that meetings and planning sessions that entail the use of municipal funds are, as far as may be practically possible, held in-house.

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- a) Municipal or provincial office facilities must be unitized for conference, meeting, strategic planning sessions, *inter alia* where an appropriate venue exists within the municipal jurisdiction.

5.4 The municipality must, where applicable, take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

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6. TRAVEL AND SUBSISTANCE ALLOWANCES FOR APPLICANTS INVITED FOR INTERVIEWS

- (a) If an invited for an interview has to utilize his or her personal motor vehicle he or she will be reimbursed at the same rates as stipulated in paragraph 2.4 (d) of this policy. The actual cost of air travel will be reimbursed subject to the prior approval of the Municipal Manager or the Director Corporate Services.
- (b) Candidates residing outside the boundaries of Stellenbosch municipality will be reimbursed for reasonable costs of travelling as provided for in this policy. Where the distance to travel and interview circumstances is such that a candidate requires accommodation, suitable accommodation may be pre-authorized by the relevant director and the candidate may be reimbursed.
- (c) If a candidate is made an offer of appointment and declines the offer, no reimbursement of costs will be made.
- (d) Where necessary the User Department in consultation with Human Resources will make suitable travelling and accommodation arrangements and provide budget for the costs.

7. AUTHORISATION

7.1 For purposes of implementing this policy

- a) Only the Municipal Manager may authorize any travel to be undertaken by Directors, but provided the expenses to be incurred are on the approved budget of the relevant department. Claims by other officials to be authorized by directors concerned.
- b) Only the Director Strategic and Corporate Services or the Municipal Manager may authorize payments to be made for persons invited for interviews, but provided that the expenses to be incurred are on the approved budget.
- c) Only the Executive Mayor together with the relevant director may authorize any travel to be undertaken by Holders of Public Office, or the municipal manager, but provided the expenses to be incurred are on the approved budget of the municipality.
- d) Only Directors may authorize any travel to be undertaken by employees in the respective Directorate, but provided the expenses to be incurred are on the approved budget of the municipality.
- e) As far as is practically possible, authorization for the above must be obtained prior to the occasion by any representative who travels on the business of the municipality.

An invitation to attend a workshop, meeting or related event is not an automatic authorization to attend such workshop or event. The required authorization must still be obtained from the municipal manager or executive mayor, executive committee or director as the case may be.

8. COUNCIL DELEGATES

Council delegates or representatives to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event. If any representative fails to do so, the executive mayor or executive committee, the municipal manager or director as the case may be, may recover all allowances and disbursements paid to enable such delegate or representative to attend such event, provided that such delegate or representative is afforded the opportunity to submit reasons for not being able to be present from the commencement to conclusion of such event.

9. COMMITTEES ESTABLISHED AS A RESULT OF PRESCRIBED LEGISLATION

Any committee established as a result of prescriptions in relevant legislation, will for the purposes of application of this policy, qualify for an allowance equal to that paid to Holders of Public Office.

10. AUTHORITY

Any deviation from this policy for whatsoever reason must be authorized by the Municipal Manager and in the case of the Municipal Manager, the Executive Mayor will authorize.

In any instance where a delegate did not attend business as approved in accordance with this policy, any expenditure incurred by the council should be refunded by the representative. All deviations in this regard must be approved by council.

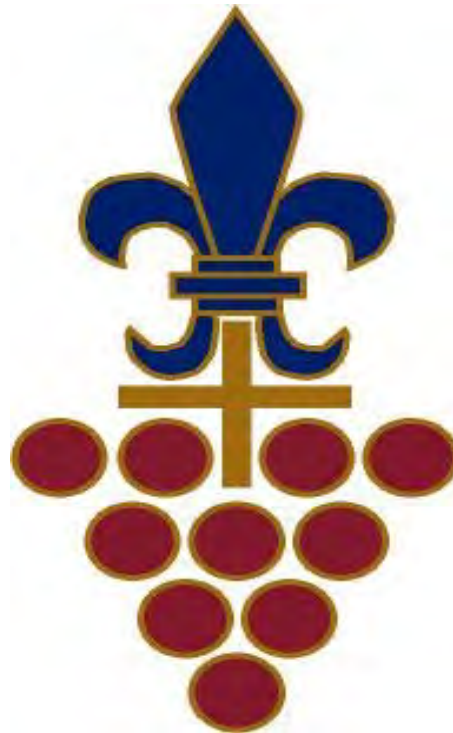
11. TRAVEL AND SUBSISTENCE ALLOWANCE CLAIM FORM

The official Travel and Subsistence Allowance claim form, as prescribed by Chief Financial Officer must be used with regard to Travel and Subsistence Allowance applications. The approved form should reach the creditors office 3 days before the intended day of departure in order for allowances to be paid to the representative timeously.

12. SHORT TITLE

This Policy will be known as the Travel and Subsistence Policy.

STELLENBOSCH MUNICIPALITY



COST CONTAINMENT POLICY

2021/2022

REVISED



STELLENBOSCH MUNICIPALITY

COST CONTAINMENT POLICY

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1. **DEFINITIONS**

“*Act*” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“*Consultant*” means a professional person, individual partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist the municipality to achieve its objectives of local government in terms of section 152 of the Constitution;

“*Cost containment*” means the measures implemented to curtail spending in terms of this policy;

“*Credit Card*” means a card issued by a financial services provider, which creates a revolving account and grants a line of credit to the cardholder;

“*Debit Card*” means a card issued by a financial services provider allowing the cardholder to transfer money electronically from any bank account held by the Municipality when making a purchase;

“*Municipality*” means Stellenbosch Local Municipality;

“*Persons in the employ of the municipality*” means any employee of the municipality whether employed on a permanent or temporary basis and any public office bearer serving on the Council;

“*Procurement Documentation*” means any documentation used for the procurement of consultants, whether it is documentation used for tenders or formal quotations;

2. **PURPOSE**

The purpose of the policy is to regulate spending and to implement cost containment measures at Stellenbosch Local Municipality.

3. **OBJECTIVES OF THE POLICY**

3.1 The objectives of this policy are to:

3.1.1 To ensure that the resources of the municipality are used effectively, efficiently and economically;

3.1.2 To implement cost containment measures.

4. **SCOPE OF THE POLICY**

4.1 This policy will apply to all:

4.1.1 Councillors'; and

4.1.2 Municipal employees.

4.2 In the event of any conflict between a provision of this policy and any other policy of council, the provision of this policy shall apply.

5. **LEGISLATIVE FRAMEWORK**

5.1 This policy must be read in conjunction with the -

5.1.1 The Municipal Finance Management Act,

5.1.2 MFMA Circular 97, published on 31 July 2019;

5.1.3 Municipal Cost Containment Regulations, 2019; and

5.1.4 Travelling and subsistence policy.

6. **POLICY PRINCIPLES**

6.1 This policy will apply to the procurement of the following goods and/or services:

- 6.1.1 Use of consultants
- 6.1.2 Vehicles used for political office-bearers
- 6.1.3 Travel and subsistence
- 6.1.4 Domestic accommodation
- 6.1.5 Credit cards
- 6.1.6 Sponsorships, events and catering
- 6.1.7 Communication
- 6.1.8 Conferences, meetings and study tours
- 6.1.9 Any other related expenditure items

7 **USE OF CONSULTANTS**

7.1 Consultants may only be appointed after an assessment of the needs and requirements has been conducted to support the requirement of the use of consultants.

7.2 The assessment referred to in 7.1 must confirm that the municipality does not have requisite skills or resources in its full time employ to perform the function that the consultant will carry out.

7.3 Procurement documentation for the appointment of consultants must include a clause that remuneration rates will be subject to negotiation and will not exceed the applicable rates stated below:

- 7.3.1 Rates determined in the “Guideline on fees for audits undertaken on behalf of the Auditor-General of South Africa” issued by the South African Institute of Chartered Accountants;
- 7.3.2 Rates set out in the “Guide on Hourly Fee Rates for Consultants” issued by the Department of Public Service and Administration;
- 7.3.3 Rates prescribed by the body regulating the profession of the consultant.

- 7.4 When negotiating cost effective rates for international consultants, the Accounting officer may take into account the relevant international and market determined rates.
- 7.5 When consultants are appointed the following should be included in the Service Level Agreements:
- 7.5.1 Consultants should be appointed on a time and cost basis that has specific start and end dates;
 - 7.5.2 Consultants should [be](#) appointed on an output-specific basis, with specified deliverables and the associated remuneration;
 - 7.5.3 Ensure that cost ceilings are included to specify the contract price as well travel and subsistence disbursements and whether the contract price is inclusive or exclusive of travel and subsistence;
 - 7.5.4 A clause ensuring that skills transfer is done by the consultant to the relevant Municipal officials. This requirement must also be specified in Procurement Documentation.
 - 7.5.5 All engagements with consultants should be undertaken in accordance with the municipality's supply chain management policy and Supply Chain Regulations.
- 7.6 The travel and subsistence costs of consultants must be in accordance with the national travel policy issued by the National Department of Transport as updated periodically.
- 7.7 Consultancy reduction plans should be developed to reduce the reliance on consultants.
- 7.8 All contracts with consultants must include a retention fee or a penalty clause for poor performance.
- 7.9 The specifications and performance of the service provider must be used as a monitoring tool for the work that is to be undertaken and performance must be appropriately recorded and monitored.

8. **VEHICLES USED FOR POLITICAL OFFICE-BEARERS**

- 8.1 Should the approved capital budget of the municipality include the purchase of vehicles for official use by political office bearers, the threshold limit for such vehicle purchases may not exceed seven hundred thousand rand (R700 000) or 70% (VAT inclusive) of the total annual remuneration package for the different grades, whichever is greater.
- 8.2 The procurement of vehicles must be undertaken using the national government transversal mechanism unless it can be procured at a lower cost through other procurement mechanisms.
- 8.3 Before deciding on the procurement of a vehicle as contemplated in 8.2, the chief financial officer must provide the council with information relating to the following criteria which must be considered:
 - 8.3.1 Status of current vehicles;
 - 8.3.2 Affordability, including options of purchasing vs. renting;
 - 8.3.3 Extent of service delivery backlogs;
 - 8.3.4 Terrain for effective usage of vehicle; and
 - 8.3.5 Any other policy of council.
- 8.4 If the rental option is preferred, the Accounting officer must review the costs incurred on a quarterly basis to ensure that value for money is obtained.
- 8.5 Regardless of their usage, vehicles for official use by public office bearers may only be replaced after completion of 120 000 kilometres.
- 8.6 Notwithstanding 8.5, a municipality may replace vehicles for official use by public office bearers before the completion of 120 000 kilometres only in instances where the vehicle experiences serious mechanical problems and is in a poor condition, and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.

9 TRAVEL, SUBSISTENCE AND ACCOMMODATION

Air Travel

- 9.1 The Accounting officer in respect of all officials or political office bearers and the Executive mayor in respect of the Accounting officer may only approve the purchase of economy class tickets for air travel.

International Travel

- 9.2 International travel for any official or political office bearer can only be approved by the municipal council in a council meeting open to the public with a supporting vote of the majority of the members of the municipal council present.

- 9.3 The report to council for approval of international travel must include:

9.3.1 A motivation why the international travel is seen as critical and fully setting out the anticipated benefit that the municipality will derive from attending the event, meeting or function;

9.3.2 If international travel to the destination or event was previously undertaken, state what benefits if any derived from the previous attendance;

9.3.3 The full cost of the international travel including travel allowances to be paid; and

9.3.4 The proposed officials and political office bearers, not exceeding three, to travel and why they have been identified.

- 9.4 The following events will not be considered critical to justify international travel whether the full cost of the travel is paid by another institution or not:

9.4.1 Attendance of international sporting events;

9.4.2 Attendance of international social events;

9.4.3 Attendance of international party-political events;

9.4.4 The opening of another country's parliament or any other country's government's celebration events.

- 9.5 The accounting officer or delegated official must ensure that requirements for international travel by officials or political office bearers are not inserted into bid documents, whether it is for inspection of products at source of construction/assembly or for any other reason.

Domestic Accommodation

- 9.6 Overnight accommodation may only be booked where the return trip exceeds 500 kilometres.
- 9.7 Notwithstanding the provision in paragraph 9.6 overnight accommodation, where the return trip is 500 kilometres or less, may be booked where in the view of the accounting officer or delegated official the limitation may be impractical and any of the following instances are present:
- 9.7.1 The road or any other conditions could jeopardise the safety, health and security of officials or political office bearers;
 - 9.7.2 The trips are to be undertaken over a number of consecutive days provided that a return trip is in excess of 200 kilometres;
 - 9.7.3 The starting time of the meeting or event would require the official or councillor to leave his/her place of residence before 05:00 in order to be punctual; and
 - 9.7.4 Overnight accommodation is cheaper than the travelling expenses payable under council policy on travel and subsistence.
- 9.8 Any request for overnight accommodation in compliance with paragraph 9.6 or 9.7 must be motivated on a prescribed form and approved by the municipal manager or delegated official prior to the arrangement for overnight stay;
- 9.9 The written approval in terms of paragraph 9.8 must be filed with the relevant supply chain documents for the accommodation booking; and
- 9.10 A copy of such written approval in terms of paragraph 9.8 must also accompany the request for travel and subsistence.

10. **CREDIT CARDS**

- 10.1 The accounting officer must ensure that no credit card or debit card linked to a bank account of the municipality is issued to any official or public office-bearer.
- 10.2 Where officials or public office bearers must incur expenditure in relation to approved official municipal activities, such officials and public office bearers may use their personal bank cards or cash, and may request reimbursement from the municipality in accordance with approved policies and processes.

11 **SPONSORSHIPS, EVENTS & CATERING**

- 11.1 The municipality may not incur catering expenses for meetings that are only attended by persons in the employ of the municipality, unless prior written approval is obtained from the accounting officer.
- 11.2 Catering expenses may be incurred by the accounting officer for the following, if they exceed five (5) hours:
 - 11.2.1 Hosting of meetings;
 - 11.2.2 Conferences;
 - 11.2.3 Workshops;
 - 11.2.4 Courses;
 - 11.2.5 Forums;
 - 11.2.6 Recruitment interviews; and
 - 11.2.7 Council proceedings
- 11.3 Entertainment allowances of officials may not exceed two thousand rand (R2 000.00) per person per financial year, unless otherwise approved by the accounting officer.
- 11.4 Expenses may not be incurred on alcoholic beverages.

11.5 The regulations require *inter alia* that the accounting officer must ensure that social events are not financed from the municipality's budget however, this provision is not intended to impede on the constitutional obligation of the municipality as particularly set out in section 152, 153, 195(1)(h) and Schedule 4 Part B of the Constitution to promote and cultivate social development, economic development, good human-resource management and local tourism.

~

11.6 Social events exclude the following events linked to the strategic objectives of the municipality:

11.6.1 Economic development events;

11.6.2 Cultural festivals;

11.6.3 Local tourism festivals;

11.6.4 Youth, aged, disable and other vulnerable persons developmental events;

11.6.5 Civic honours events;

11.6.6 Staff recognition or achievement awards and functions;

11.6.7 Town centennial or other significant municipal commemorating events;

11.6.8 Opening of facilities and buildings;

11.6.9 Strategic planning sessions;

11.6.10 Non-recreational team building events; and

11.6.11 Non-recreational staff wellness functions.

11.7 Expenditure may not be incurred on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade, unless the costs thereto are recovered from the affected officials or is an integral part of the business model of a specific project or drive.

11.8 The accounting officer must ensure that any sporting events, and expenditure directly or indirectly related to sporting events such as travel and accommodation cost, sporting gear and sporting regalia are not financed from the budget of the municipality or by any suppliers or sponsors. This provision does not prohibit the municipality to incur

expenditure on municipal sport facilities as per its constitutional function.

- 11.9 The accounting officer or delegated official may incur expenditure not exceeding the limits for petty cash as per the municipal Petty Cash Policy for one transaction usage, to host farewell functions in recognition of officials who retire after serving the municipality for ten or more years or retire on grounds of ill health.

12 **COMMUNICATION**

- 12.1 Stellenbosch Municipality may, if matters are not required to be notified through the media to the local community in terms of section 21 of the Municipal Systems Act or any other applicable legislation, advertise municipal related events on its website instead of advertising in magazines or newspapers.
- 12.2 The accounting officer must ensure that allowances to officials for private calls and data costs are limited to the amounts as determined in Council's Cellular Telephone Policy or any other applicable policy that regulates cellular calls and data cost.
- 12.3 Newspaper and other related publications for the use of officials and political office bearers must be discontinued on expiry of existing contracts; unless, authorised by the accounting officer for officials and by the executive mayor for political office bearers that it is required for professional purposes.
- 12.4 Stellenbosch Municipality may participate in the transversal term contract arranged by the National Treasury for the acquisition of mobile communication services provided that the municipality cannot procure it at cheaper rates.

13 **CONFERENCES, MEETINGS & STUDY TOURS**

- 13.1 Cost containment measures with regards to conferences, meetings and study tours are dealt with in the approved Travel and Subsistence Policy.

14 **OTHER RELATED EXPENDITURE ITEMS**

- 14.1 All commodities, services and products covered by a transversal contract by the National Treasury must be procured through that transversal contract before approaching the market, in order to benefit from savings and lower prices or rates that have already been negotiated.
- 14.2 Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing and other inducements as part of, or during the election periods.
- 14.3 Procurement of elaborate and expensive office furniture must be avoided.
- 14.4 If considered a requirement, only the services of the South African Police Service may be used to conduct security threat assessments of political office bearers and key officials. A report must be submitted to the Office of the Speaker.

15 **ENFORCEMENT PROCEDURES**

- 15.1 Failure to implement or comply with this policy may result in any official of the municipality or political office bearer that has authorized or incurred any expenditure contrary to those stipulated herein being held liable for financial misconduct or a financial offence in the case of political office bearers as defined in Chapter 15 of the Act read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014.

16 **DISCLOSURES OF COST CONTAINMENT MEASURES**

- 16.1 Cost containment measures applied by the municipality must be included in the municipal in-year budget report and annual cost savings must be disclosed in the annual report.

16.2 The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritization of cost savings, on the implementation of the cost containment measures must be submitted to the municipal council for review and resolution. The municipal council can refer such reports to an appropriate council committee for further recommendations and actions.

16.3 Such reports must be copied to the National Treasury and relevant provincial treasuries within seven calendar days after the report is submitted to municipal council.

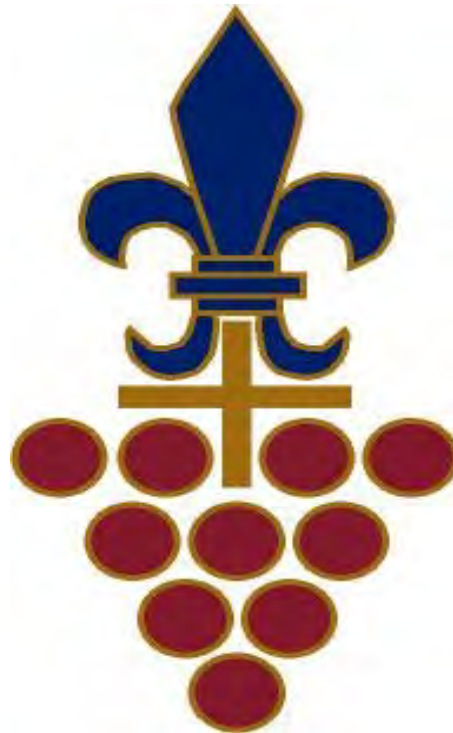
17 **REVIEW PROCESS**

17.1 This policy is a budget related policy and will be reviewed at least annually or when required by way of a council resolution, or when an update is issued by National Treasury.

18 **SHORT TITLE AND IMPLEMENTATION**

19.1 This policy is called the Cost Containment Policy and takes effect on 1 October 2019.

STELLENBOSCH MUNICIPALITY



CASH MANAGEMENT AND INVESTMENT POLICY

2021/2022

REVISED



STELLENBOSCH MUNICIPALITY

CASH MANAGEMENT AND INVESTMENTS POLICY

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PREAMBLE

Whereas Section 13 of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) (the Act) determines that a municipality must introduce an appropriate and effective cash management and investment arrangement;

and whereas a bank, in accordance with the provisions of Section 13 of the Act, has to disclose details regarding a municipalities' investments;

and whereas councillors and officials, as trustees of public funds have an obligation to ensure that cash resources are managed as effectively, efficiently, and economically as possible;

now therefore the Stellenbosch Municipality adopted the Cash and Investment Management Policy set out in this document.

1. LEGAL FRAMEWORK

- a) Legislation – Local Government: Municipal Finance Management Act 56 of 2003 (As amended).
- b) Treasury regulations in terms of Section 13(1) of the Act (As amended).

In this Policy, the terms “*the Act*” or “*MFMA*” refers to the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003).

2. OBJECTIVES

- a) To maximize returns from authorized investments, consistent with the secondary objective of minimizing risk.
- b) To ensure compliance with all legislation governing the investment of funds.
- c) To maintain adequate liquidity to meet cash flow needs.
- d) To undertake the investment of funds not immediately required for operational purposes in a prudent financial manner.
- e) To ensure diversification of permitted investment.

3. CASH MANAGEMENT

3.1 Guiding Principles

It is recognised that from time to time, Council has cash flow surpluses and borrowing requirements due to daily receipts and payments.

Council maintains a daily cash position summary and a yearly cash flow projection is prepared during the annual planning process and is updated monthly. This determines Council’s borrowing requirements and surpluses for investment. Cash invested “outside” the bank account is covered by paragraph 5 of this Policy.

3.2 Bank Accounts

Council operates one primary bank account for its day to day operational activity requirements and two secondary accounts specifically for service charges and revenue derived from fines.

All monies due to Council and due by Council emanating from Council activities must pass through this primary account, therefore secondary accounts are swept daily, and all balances are transferred to the primary bank account.

3.2.1 Revenue Management

Revenue Management Section 64 of the Act clearly states that all moneys received must be promptly deposited in the Municipality's primary and other bank accounts, therefore:

- all revenue received by the Municipality, including revenue received by any collecting agent on its behalf, is recorded at least on a weekly basis.
- all monies collected by the Municipality on behalf of another organ of state must be transferred to that organ of state at least on a weekly basis.

3.2.2 Cheque Management

Cheques are printed in batch format. To prevent the removing of cheques, cheques are delivered in sealed boxes where strict control is exercised over the numerical sequence of cheques on the expenditure system by means of a cheque register.

3.2.3 Delegation/Rights

The incumbents of the following posts are authorized to sign cheques on behalf of Council:

3.2.3.1 Cheques

A-Signatories:	Chief Financial Officer
	SNR Manager: Financial Management Services
	SNR Manager: Revenue and Expenditure
	Manager: Expenditure Management
	Manager: Revenue
	SNR Manager: Supply Chain Management
	Manager: Budget and Costing
B-Signatories:	Manager: Financial Statements, Compliance and Reporting
	Chief Accountant: Consumer Accounts and Valuations
	Senior Accountant: Cash Management and Credit Control
	Chief Accountant: MFMA Reporting and Compliance
	Chief Accountant: Financial Statements and Reconciliations
	Chief Accountant: Asset Management
	Senior Accountant: Creditors and Payroll

Each cheque needs to be signed by at least two A-Signatories, or one A-Signatory and one B-Signatory.

3.2.3.2 Electronic Funds Transfer (EFT)

A-Signatories:	Chief Financial Officer
	SNR Manager: Financial Management Services
	SNR Manager: Revenue and Expenditure
	Manager: Expenditure
	Manager: Revenue
	SNR Manager: Supply Chain Management
	Manager: Budget and Costing
	Manager: Financial Statements, Compliance and Reporting
B-Signatories:	Chief Accountant: Consumer Accounts and Valuations
	Senior Accountant: Cash Management and Credit Control
	Chief Accountant: MFMA Reporting and Compliance
	Chief Accountant: Financial Statements and Reconciliations
	Chief Accountant: Asset Management
	Chief Accountant: SDBIP Monitoring and Budget Control x2
	Senior Accountant: Creditors and Payroll

Each electronic payment needs to be authorized by at least two A-Signatories, or one A-Signatory and one B-Signatory.

3.3 Bank Overdraft

- 3.3.1 Council made the decision to not request an overdraft facility with its primary banker. as the general policy is to avoid going into overdraft.

In the instance that short-term debt is incurred based on expected income it must be repaid within the same financial year. (Section 45 of the MFMA)

- 3.3.2 Any overdrawn bank account at any date must be reported without avail to Council supported by reasons therefore.
- 3.3.3 Any short-term facility that requires review must first be approved by the Accounting Officer.

4. CASH MANAGEMENT PROCEDURES

4.1 Internal Controls

The supervisor and/or Accountant do a monthly audit on the cashier floats, manual receipt books and the compilation of daily cash-up and banking documents.

4.2 Issuing of Receipts

The cashier will only issue an official enumerated receipt when a client pays his/her municipal account in full or partially.

4.3 Cancellation of Receipts

An official enumerated receipt will only be cancelled whilst the client is still at the cash office and only for the following reasons;

- a) cashier made an error.
- b) client made an error.

The cashier will re-issue a correct receipt and the cancelled receipt will be signed by the incumbent and the supervisor. In cases where the client wants his money back a prescribed official document must be completed and signed by the Client, Cashier and the Supervisor stating the reason(s) for cancelation.

4.4 Cash Balancing

After the end of each shift, the cashier will count the monies received, and do a daily end of day cashier procedure. The supervisor will then re-count the money to ensure that the cashier's daily takings balances with the supervisor's end-of-day totals. The cashier will do a final end-of-day procedure when he/she balances, and the supervisor will do a receipting end of day shut-down procedure.

4.4.1 Cashier surplus and shortage

If the cashier is short, he/she will then pay the monies in immediately. If there is a surplus the cashier will receipt the surplus on the same day. Management discretion can be used should there be substantial evidence and motivation that it was out of the control of a cashier to avoid a shortage the Manager can exonerate the cashier from paying the shortfall and in such an instance the shortage should be allocated to an expense line item.

4.4.2 Cashier resources

The Cashier will be supplied with the necessary tools and equipment to perform a proper cashier function. (E.g. Ultra violet lights, etc.)

4.5 Deposit Books

Each cashier has an enumerated deposit book, as each pay point has a number. The Senior Clerk: Cashier orders books from the bank when needed.

4.6 Other payment methods

4.6.1 Direct Deposits and ACB

Direct deposits can be made into Municipal bank account via the Internet or by deposit slip via their bank, using the applicable Municipal account number as reference. This information is extracted and uploaded on a daily basis from the bank and is then credited against the client's accounts. Accounts are also paid by means of a debit order (ACB) payment.

4.6.2 3rd Party

Payments can be made at any EasyPay and Pay@ pay points. This information is extracted and uploaded on a daily basis from EasyPay and Pay@ and credited against the client's accounts.

4.6.3 Cheque Deposit (Only bank guaranteed cheques will be accepted)

The cashier will issue an official enumerated receipt when a client pays his/her Municipal account with a bank guaranteed cheque. Bank guaranteed cheques that are dropped into the cheque deposit box at the Municipal office are taken out of the box on a daily basis, receipted by the cashier and the receipt is posted to client on request.

4.6.4 Mailed Bank Guaranteed Cheques

Bank guaranteed cheques attached to the Municipal account are collected from the post office on a daily basis and is recorded in a register at the Records department. It is then collected by the Supervisor: Cashiers who will write all the bank guaranteed cheques up in a register. The supervisor will hand it to the cashier to be receipted and the receipt details will be entered in the register.

4.6.5 Returned Cheques and Debit Orders

If cheques and debit orders are returned and marked as "Refer to Drawer", the full balance will immediately become payable.

4.6.5.1 The cost that is payable by the consumer must be equal to the prescribed fee that has been approved by Council in all cases where a cheque bears the status of "Refer to Drawer".

4.6.5.2 Bank charges in this regard will be payable by the consumer. In the event of a customer having tendered a "refer to drawer cheque" for the second time, no further cheques will be accepted from him/her, excluding bank guarantee cheques.

4.6.5.3 A cashier must not accept a cheque that was issued by a Consumer in the event the cheque bears the status as a post-dated cheque, altered and/or an unsigned cheque. In the event this occurs and notwithstanding the aforementioned provisions, all bank charges that would arise and be incurred by Stellenbosch Municipality will then be

recovered from the said cashier. The cashier will be required to pay back the bank costs as approved by Council within 24 hours for recovery of the said amount.

4.6.6 Private Money

No Municipal employee is allowed to:

- Use Council's cash funds at any stage to be replaced at a later stage.
- Use his/her own money as cashier float.
- Change a Municipal official's cheque for cash.
- Safeguard private money amongst Council's cash (e.g. Cashier drawers, petty cash boxes, safes etc.)

5. INVESTMENTS

5.1 Guiding Principles

Generally, Council will invest surplus funds with deposit taking institutions registered in terms of the Bank's Act, 1990 (Act 94 of 1990) for terms not exceeding one year in anticipation of cash flow expectations. From time to time, with prior Executive Mayoral Committee approval, investments can exceed 1 [one] year and be made at other institutions/instruments as approved in the National Treasury regulations from time to time.

5.2 Permitted Investments

The Account Officer must ensure that only the following investment types are utilized in terms of Section 6 of the Municipal Investment Regulations (No. R. 308) dated 1 April 2005:

- a) Securities issued by national government.
- b) Listed corporate bonds with an investment grade rating from a recognized credit rating agency.
- c) Deposits with banks registered in terms of the Banks Act (Act 45 of 1984).
- d) Deposits with the Public Investment Commissioners.
- e) Deposits with the Corporation for Public Deposits.
- f) Banker's acceptance certificate or negotiable certificates of deposits of registered banks.
- g) Guaranteed endowment policies with the intention of establishing a sinking fund.
- h) Repurchase agreements with registered banks.
- i) Municipal bonds issued by a municipality.
- j) Any other investment type as identified by the Minister of Finance in consultation with the Financial Services Board.

5.3 Diversification

Council will only make investments, as prescribed by Section 6 of the Municipal Investment Regulations, with approved institutions which have a rating as defined per Appendix A. Excluding investments made per Executive Mayoral Committee resolution not more than 50% of available funds will be placed with a single institution. The discretion of management should be used when investing funds into the institution quoting the highest rate versus diversification of investment portfolio. Should the difference between the investment quotes be minimal, a decision can be made to invest in the lower quote for the diversification of investment portfolios.

5.4 Investment Managers

5.4.1 In the event of the appointment of an external Investment Managers

Where the above means a natural person or legal entity that is a portfolio manager registered in terms of the Financial Markets Control Act, 1989 (Act 55 of 1989), and Stock Exchanges Control Act, 1985 (Act 1 of 1985), contracted by a municipality or municipal entity to-

- a) advise it on investments;
- b) manage investments on its behalf; or
- c) advise it on investments and manage investments on its behalf.

The External Investment Manager will be appointed in terms of Supply Chain Management Policy and a service level agreement will govern the functions and responsibility of the service provider. All investments made by the External Investment Manager on behalf of the Council of Stellenbosch Municipality must be made within the ambit of this Policy and with National Treasury's investment regulations.

5.5 Internal Controls Over Investments

5.5.1 Delegations

5.5.1.1 In terms of Section 60(2) of the Local Government: Municipal Systems Act, (Act 32 of 2000) (the MSA), the Council may only delegate to the Municipal Manager (MM) the power to make decisions on investments on behalf of the Municipality.

5.5.1.2 In terms of section 79 of the Act, the Accounting Officer has delegated to the Chief Financial Officer (CFO), in writing, his duty under section 65(2) (h) to manage the Council's available working capital effectively and economically in terms of the prescribed cash management and investment framework.

5.5.2 Obtaining quotations and concluding deals

Request are emailed to all approved institutions the day before, or the morning thereof a cut-off is requested to ensure timeous processing of transactions. Quotes are captured on the decision report rates are compared and chosen in terms of the policy. Writing mandates, signed by the CFO and MM, shall be issued to all investees with whom the Council of Stellenbosch Municipality invests funds setting out the following:

- 5.5.2.1 Authorised dealers: name and particulars of the Council's officials who are authorised to transact investments deals with the investees;
- 5.5.2.2 Authorised signatories: name and particulars of the Council's officials who are authorised to sign written confirmations or any other correspondence in respect of investments transactions.
- 5.5.2.3 A dealing sheet, signed by an authorised dealer, shall be prepared in all instances for each individual investment, detailing the quotations received and the recommended investee. The CFO shall advice the MM to approve the transaction.

A written confirmation of the terms of each investment transaction shall be prepared, and signed off by the CFO and MM.

5.5.3 A monthly investment register should be kept of all investments made. The following information must be recorded:-

- name of institution;
- capital invested;
- date invested;
- interest rate;
- maturation date;
- interest received;
- Investment balance;
- total withdrawal amount;
- total interest earned.

5.5.3.1 The investment register and accounting records must be reconciled on a monthly basis.

6. OWNERSHIP

All investments must be made in the name of the Council of Stellenbosch Municipality.

Written proof of investments made must be obtained from the institution where the investment is made and must be kept on file.

7. DUE CARE

In dealing with financial institutions, the following ethical principles must be observed:

- 7.1 The Chief Financial Officer and all staff in his/her directorate shall not accede to any influence by or interference from Councillors, investment agents, institutions, or any other outsiders;
- 7.2 Under no circumstances may inducements to invest be accepted;
- 7.3 Interest rates quoted by one institution must not be disclosed to another institution; and
- 7.4 The business ethics of any controlling body of which the relevant financial institution is a member must be observed by such institution or body at all times.

8. PERFORMANCE MEASUREMENT

Measuring the effectiveness of Council's treasury activities is achieved through a mixture of subjective measures. The predominant subjective measure is the overall quality of treasury management information. The Chief Financial Officer has primary responsibility for determining this overall quality.

Objective measures include: -

- (a) Adherence to policy.
- (b) Timely receipt of interest income.

9. REPORTING**9.1 Reports**

The following reports are produced:

REPORT NAME	FREQUENCY	PREPARED BY	RECIPIENT
Bank Balance report	Daily	Senior Clerk: Electronic Payments	Chief Finance Officer
Investments	Monthly	Chief Accountant: Financial Statements and Reconciliations	Manager: Financial Statements and Reporting

10. ANNUAL REVIEW OF POLICY

This Policy will be reviewed annually or earlier if so required by legislation.

Any changes to this Policy must be adopted by Council and be consistent with the applicable Acts and any National Treasury Regulations.

11. EFFECTIVE DATE

The effective date of this Policy is 1 July 2020 and will be reviewed on an annual basis to ensure that it is in line with the Municipality's strategic objectives and with legislation.

12. SHORT TITLE

This Policy is the Cash Management and Investments Policy of the Stellenbosch Municipality.

APPENDIX A**LONG-TERM RATINGS - FITCH**

AAA - Obligations which have the highest rating assigned by Fitch IBCA on its national rating scale for that country. This rating is automatically assigned to all obligations issued or guaranteed by the sovereign state. Capacity for timely repayment of principal and interest is extremely strong, relative to other obligors in the same country.

AA - Obligations for which capacity for timely repayment of principal and interest is very strong relative to other obligors in the same country. The risk attached to these obligations differs only slightly from the country's highest rated debt.

A - Obligations for which capacity for timely repayment of principal and interest is strong relative to other obligors in the same country. However, adverse changes in business economic or financial conditions are more likely to affect the capacity for timely repayment than for obligations in higher rated categories.

SHORT-TERM RATINGS - FITCH

F1 – Obligations assigned this rating have the highest capacity for timely repayment under Fitch Ratings Ltd national rating scale for that country, relative to other obligations in the same country. This rating is automatically assigned to all obligations issued or guaranteed by the sovereign state. Where issues possess a particularly strong credit feature, a “+” is added to the assigned rating.

F2 – Obligations supported by a strong capacity for timely repayment relative to other obligors in the same country. However, the relative degree of risk is slightly higher than for issues classified as ‘A1’ and capacity for timely repayment may be susceptible to adverse changes in business, economic or financial conditions.

F3 – Obligations supported by an adequate capacity for timely repayment relative to other obligors in the same country. Such capacity is more susceptible to adverse changes in business, economic, or financial conditions than for obligations in higher categories.

LONG-TERM RATINGS – MOODY’S

AAA – Obligations rated “AAA” have the highest rating assigned by Moody’s -Ratings. The capacity of the issuer to pay interest and repay capital is extremely strong, relative to other South African obligors.

AA – Indicates very strong capacity of the issuer to pay interest and repay capital relative to other South African obligors.

A – Indicates strong capacity of the issuer to pay interest and repay capital, relative to other South African obligors, although it is slightly more susceptible to adverse changes in economic conditions and circumstances than debt in categories rated higher.

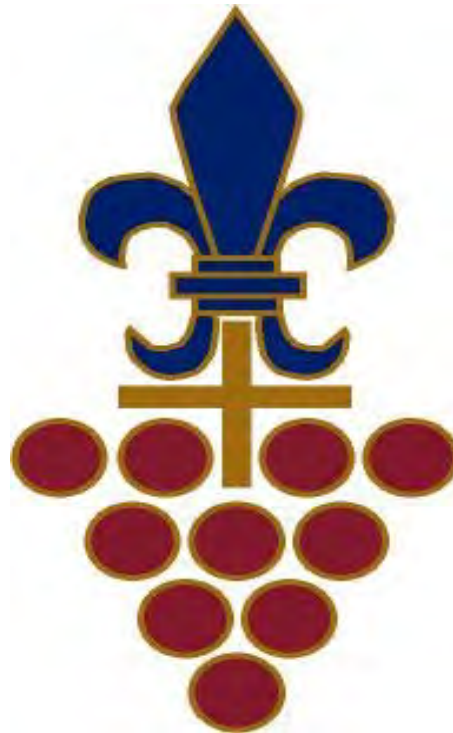
SHORT-TERM RATINGS – MOODY'S

A-1 – Indicates that the degree of safety regarding timely payment is either overwhelming or very strong, relative to other South African obligors. Issues determined to possess overwhelming safety characteristics are denoted with a plus (+) sign designation.

A-2 – Indicates that capacity for timely payment on issues with this designation is strong, relative to other South African obligors.

A-3 – Indicates satisfactory capacity for timely payment, relative to other South African obligors. They are, however, somewhat more vulnerable to the adverse effects of changes in circumstances than obligations carrying the higher designations.

STELLENBOSCH MUNICIPALITY



WARD ALLOCATION POLICY

2021/2022

REVISED



STELLENBOSCH MUNICIPALITY

WARD ALLOCATION POLICY

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1. INTERPRETATION

1.1. Acronyms

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

1.2. Definitions

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

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

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

"Council" means the municipal Council of Stellenbosch Municipality;

"Councillor" means a member of the Council of the Stellenbosch Municipality;

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

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

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

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

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

"Veriment" refers to the administrative process required to request and approve the transfer of funds from one cost centre to another. Apart from

re-allocation of funds through the adjustment budget, transfer of funds can only be done between cost centres within a directorate.

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

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

2. INTRODUCTION

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

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

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

3. POLICY OBJECTIVE

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

- 3.1.1. Local Government’s mandate;

- 3.1.2. Council policies;
- 3.1.3. Support the pillars and objectives of the IDP;
- 3.1.4. Directly benefit the community.
- 3.2. Ward project must be:
 - 3.2.1. Additional projects identified by Councillors as identified through the IDP community participation processes,
 - 3.2.2. Supported by the ward committees, and
 - 3.2.3. Approved by Council.
- 3.3. Ward Allocation funds must be utilised in the manner contemplated in sections
 - 3.3.1. **7(e)** categorising municipalities according to their system of municipal government. B Municipalities include a ward participatory system which allows for matters of local concern to be dealt with by committees established for wards;
 - 3.3.2. **72 (3)** describing the object of a ward committee as being to enhance participatory democracy in local government; and
 - 3.3.3. **74** describing the powers and functions of ward committees

of the Local Government: Municipal Structures Act (Act No. 117 of 1998).

4. STRATEGIC INTENT

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

- 4.1. A “**valley of possibility**” that creates an environment conducive to business development and job creation. To facilitate and coordinate support to emerging entrepreneurs by utilizing internal SCM processes and linking SMME's with opportunities in the market. To provide, upgrade and maintain an effective engineering infrastructure to support effective service delivery and to ensure the provision of non-motorised transport routes as a functional mode of transport.
- 4.2. A “**green and sustainable valley**” that ensures the management of human use of the biosphere and its resources, enhancing the integrity of the environment as an imperative for long-term sustainability and incorporates bio-diversity into the environment as an imperative for long-term sustainability. A valley that ensures spatial sustainability and facilitate efficient use of all forms of capital available to the Town including human capacity and ability and information management.
- 4.3. A “**safe valley**” where integrated safety strategies with multi-stakeholder engagements are implemented to focus on institutional, situational and social crime prevention interventions that will improve law enforcement and neighbourhood watches.

- 4.4. A “**valley with dignified living**” inclusive of sustainable human settlements, social infrastructure through the involvement and building of capacity of stakeholders in the planning and management of the areas where they live. This includes access to basic services to households.
- 4.5. A “**valley of good governance and compliance**” that ensures transparency and is corruption-free, establishes an efficient and productive administration to prioritise service delivery and ensures financial prudence, with clean audits by the Auditor-General;

5. POLICY PARAMETERS

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

6. REGULATORY CONTEXT

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

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

7. ROLE PLAYERS, ROLES AND RESPONSIBILITIES

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

- 7.1. The Ward Councillors and members of Ward Committees;

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

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

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

	Monthly reporting on overall departmental expenditure for ward projects.
SCM	Procurement of goods and services.

8. CRITERIA FOR THE SELECTION OF PROJECTS

In response to the current COVID-19 pandemic and the realignment of the budget for 2021/22, with severe budget cuts and adjustments, the following measures will be in place regarding ward allocations until further notice, and replace the information regarding capital and operational ward projects in this policy:

- i) The CAPEX for ward allocations is withdrawn from ward allocations for 2021/22;
- ii) The OPEX ward allocation is reduced to R50 000 per ward for 2021/22;
- iii) That OPEX be utilised to fund COVID prevention projects; this is in line with the request from Western Cape Government – Department of Local Government that ward allocation projects be aligned to address COVID-19 pandemic;
- iv) The following list of goods will be circulated for councillors to choose from in order to be utilised for the COVID prevention projects:

GOODS AVAILABLE FOR COVID PREVENTION PROJECTS (2021 -22)		
ITEM	PRICE	QUANTITY NEEDED
Masks for children		
Masks for adults		
Face cloths		
Hand towels		
Polar fleece blankets		
250 ml refill sanitiser spray bottle		
5L bulk sanitiser		
Hand soap (per box)		

Commented [DM1]: Included as additional item

- v) Prices for the goods will be communicated as soon as the 2021/22 financial year commences. Current prices of goods will be made available to assist with planning processes.
- vi) A separate form similar to the table above will be issued that must be completed by ward councillors to register the COVID prevention project.

vii) The goods will not be issued with a municipal logo, as the logo is only used for officials and official municipal branding.

viii) Ward councillors must be discouraged from requesting nutritional support assistance. Currently, the Special Investigations Unit are investigating numerous municipalities around the country on matters related to food parcel / nutritional support irregularities, distribution and allocation.

Commented [DM2]: New addition of information on the criteria for the selection of projects to the ward allocation policy, as per the directive of the MM.

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

~~8.1~~ Proposed projects must focus on COVID prevention.

Commented [DM3]: remove

~~8.28.1~~ Be within Local Government mandate as defined in legislation.

8.3 Be aligned with the objectives and pillars of the Integrated Development Plan and with the approved strategic intent identified by the Speaker.

8.4 Comply with all the Policies of Council.

8.5 Be informed by the ward based needs of the wards and municipal infrastructure needs that have been –

8.5.1 assessed by the Ward Councillor and Manager Councillor Support, and

8.5.2 reported and supported by the ward committee in accordance with the budget and IDP timelines.

8.6 Fall within the core business activity of the Lead Directorate and shall form part of the Lead Directorate's SDBIP.

8.7 Preferably be legacy projects that will address a need and be of a sufficient scale to have a significant impact in the ward.

8.8 **Not** be projects that directly benefit an individual.

8.9 **Not** be projects that benefit a private property – including repairs and maintenance of property not owned by Stellenbosch Municipality.

8.10 Projects shall, as far as possible, be completed within the financial year in respect of which they are approved but capital funds may be rolled over to the next financial year at the August Adjustment Budget (MFMA Sec 28 (2) (e) where compelling reasons exist for such roll-over. Funds remaining after the successful completion of projects will be deemed savings and re-allocated to existing approved projects requiring additional funding during the adjustment budget in January of each year.

- 8.11 Projects may cross ward boundaries provided that the relevant ward councillors are in agreement on collaborative planning, funding and implementation of such projects.
- 8.12 The lead directorate must technically evaluate and cost all projects in order to ensure that they are technically feasible, cost effective and comply with budgetary priorities before council considers a project for approval.
- 8.13 Labour intensive approaches shall be developed to maximise EPWP opportunities wherever possible for projects in both the capital and operating budget components. Councillors should note the timelines for submission of EPWP projects as part of the National EPWP Business Plan. These requirements entail that EPWP project identification must be completed and submitted to the LED Department by March each year.

~~8.14 Projects from the capital budget will be included in the main budget. No ward allocation will be made available for capital projects.~~

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- 8.15 In the case of projects undertaken on the **capital budget**, the assets created must:
- 8.15.1 Be on council property that is appropriately zoned and reserved for the lead directorate.
 - 8.15.2 Have a provision for maintenance and operating costs (inclusive of human resources) on the operating budget of the user directorate for subsequent years. These projects must adhere to sections 18 and 19 of the Local Government: Municipal Finance Management Act, (Act no. 56 of 2003) describing the funding sources and requirements for capital projects.
 - 8.15.3 Be placed on the asset register of the user directorate responsible for the facility.
 - 8.15.4 Be adequately insured and secured by the user directorate responsible for the facility.
- 8.16 In the case of projects undertaken on the **operating budget**:
- 8.16.1 Adequate supervisory control shall be provided by the user directorate.
 - 8.14.2. Projects will be undertaken on council property, except in cases where:
 - 8.14.2.1. A ward hosts a function or event at facilities that are not council owned - subject to adequate supervisory control provided by the relevant user directorate, or
 - 8.14.2.2. A ward funds or supports a local government function (for example; additional law enforcement officers) that is not necessarily performed on council property.

- 8.14.3. All operational projects will comply with the requirements of National Treasury Circular 82 specifying requirements to be adhered to when providing catering as adopted by Stellenbosch council.
- 8.14.4. Community events aimed at vulnerable groups must contain an educational component that speaks to the strategic intent as identified by the Speaker.
- 8.15. To contribute to maximum impact through meaningful legacy projects within communities, projects must be limited to **two operational and two capital** projects per ward. (Except for wards consisting of mostly rural areas where council does not own property.)

9. OWNERSHIP AND ACCOUNTABILITY

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

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

10. BASIS FOR ALLOCATING WARD ALLOCATION BUDGET

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

11. POOLING OF FUNDS BETWEEN WARDS

Subject to the clause ~~8.118-19~~ ward allocations may be pooled in order to achieve higher impact and enable legacy projects.

12. PROJECT SELECTION AND IMPLEMENTATION PROCESS

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

preceding financial year to ensure implementation of projects within one financial year.

ACTION	RESPONSIBLE	TIME LINE
STAGE 1: STRATEGIC INTENT		
Determine and announce strategic intent of all ward projects for the ensuing financial year.	Speaker	July
STAGE 2: INTRODUCTION		
Report submitted at All Wards Meeting containing: 1. Clear strategic intent 2. Timeframes 3. Roles and responsibilities 4. Process 5. Updated ward priorities, ward plans and baseline needs	Manager: Councillor Support supported by 1. Manager IDP 2. Manager Budget Office Representation required from all user departments at meeting.	July
Documentation required for this stage: 1. Minutes of meeting 2. Attendance Register 3. Ward Allocation Policy 4. Updated IDP ward priorities	Manager Councillor Support	July
STAGE 3: WORKSHOP AND CONSULTATION PHASE		
Arrange series of workshops with Ward Councillors and Ward Committees to: 1. Discuss strategic intent, ward priorities, process, timelines and costing of proposed projects 2. Explain the project prioritisation and provide technical information regarding projects. 3. Signing of Commitment Form (ANNEXURE 2)	User Departments through Ward Administrator	July - August
Documentation of meetings containing the following: 1. Minutes 2. Attendance Registers 3. Completed Commitment Forms	Ward Administrator	August
STAGE 4: PROJECT IDENTIFICATION, COSTING AND TECHNICAL REVIEW		

[illegible]

Obtain recommendation from Executive Mayor and submit all ward projects to Mayco as part of draft budget.	Manager Council Support via Budget Office	November
Creation and allocation of Ukeys for all ward projects	Budget Office with support from User Departments	November
Council approval of ward project plans as part of draft and final budget.	Council	March and May
Documentation required for this stage include: 1. Completed and signed Ward Project Plans per ward. 2. Minutes of meetings	Manager Council Support Secretariat	May
STAGE 6: IMPLEMENTATION		
Monthly reporting on implementation of projects submitted to Manager Council Support	User Department	Monthly starting in July of each financial year.
Collation and monthly reporting on progress to Executive Mayor and Speaker	Manager Council Support	Monthly starting in August of each financial year.
Changes to approved Ward Allocation Projects can be done as part of the adjustment budget following the same processes and approvals as departmental adjustment budget requests. It is important to note that the adjustment budget does not allow for the creation of new projects, but only for the movement of budget between previously approved projects on the existing budget.		

13. DEVIATION FROM POLICY

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

14. PROJECT REVIEW

- 14.1. After every financial year there shall be a review of the projects undertaken by the Ward Allocation process. This review will be undertaken by the Manager Councillor Support and reported to the Municipal Manager and Director's Forum. Once supported the reviewed document must be submitted to Council;

- 14.2. The review must cover the following for all the projects undertaken in the municipal area:
 - 14.2.1. Ward number and Ward Councillor name;
 - 14.2.2. List of projects per User Directorate responsible;
 - 14.2.3. Budgeted cost against projects;
 - 14.2.4. Whether the project was completed within the planned time by the User Directorate – if not, reasons must be supplied;
 - 14.2.5. Assessment of project as to whether the original objectives of the project were achieved;
 - 14.2.6. Assessment of projects in terms of quality;
 - 14.2.7. Assessment of the sustainability of the projects in terms of maintenance and operating cost;
 - 14.2.8. Check list for Asset Register and Insurance;
 - 14.2.9. Reason for the under spending of allocated funds in order to reflect savings or over-quoting

15. ANNEXURES TO POLICY

ANNEXURE 1: Ward Allocation SOP

ANNEXURE 2: Ward Allocation Commitment Form

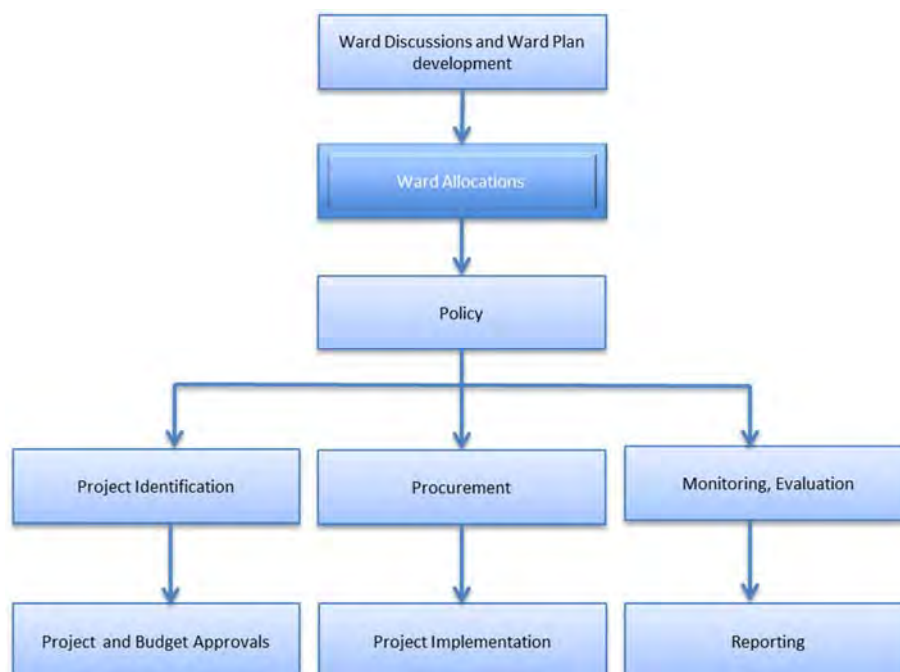
ANNEXURE 3: Ward Allocation Project Plan

ANNEXURE 4: Ward Allocation Project approval budget submission format

Stellenbosch Municipality
Standard Operating Procedures

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

High Level Process Graph



Approval Structure & Revision History Log

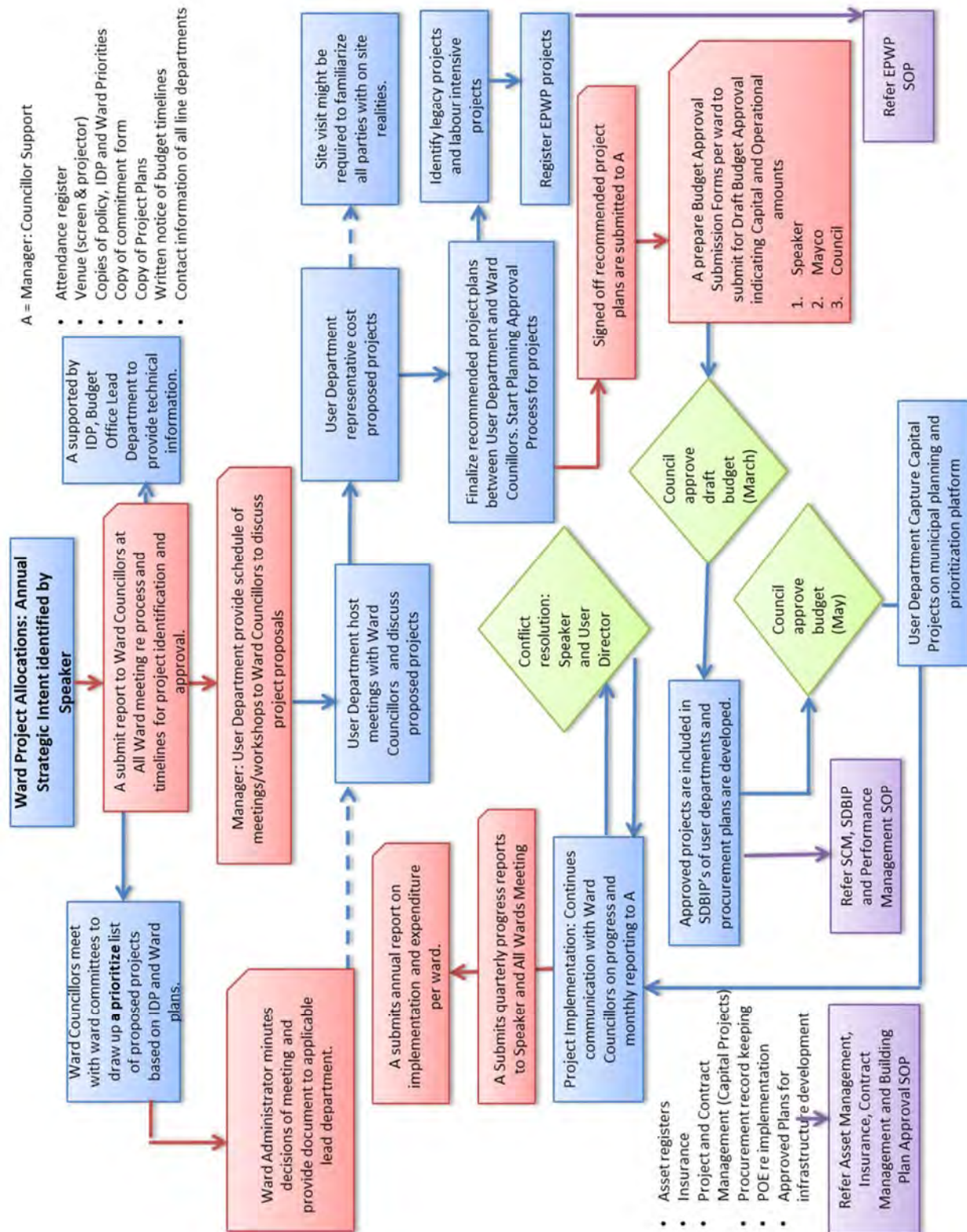
Responsibility	Approved by	Signature	Date approved
Head of Department			/...../20.....
Head of Directorate	A de Beer		/...../20.....
Municipal Manager	G Mettler		/...../20.....

Date of first implementation

...../...../20.....

[illegible]

Standard Operating Procedure Process Flow:



References:

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

Definitions:

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

Procedure Outline:

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

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

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

Competencies and Approvals:

Competency Category	Competency Requirement	Competency Assessment

Health & Safety Considerations:

Name	Description

Applicable Standard Forms/Documents:

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

Performance Measurement:

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

No	Proposals
1	



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WARD ALLOCATION PROCESS COMMITMENT FORM

2021~~0~~/2022~~1~~ Financial Year

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

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

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

User Department Representative:
Name:
Date:

Ward Councillor:
Name:
Date:

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

And thus commit as follow:

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

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

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

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

Ward Councillor

User Department Representative

WARD ALLOCATION PROJECT PLAN 20 /20

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

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

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

Recommended:

Ward Councillor

Ward Allocation Project Plan (ANNEXURE 3)

User Department

Director

Manager Councillor Support

Budget Office

Date

Date

Date



STELLENBOSCH
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MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

ANNEXURE 4

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

WARD NO

Councillor Name

Completed Project Plans Received

Yes	No

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

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

Ward Councillor

Date:

Manager Council Support

Date:

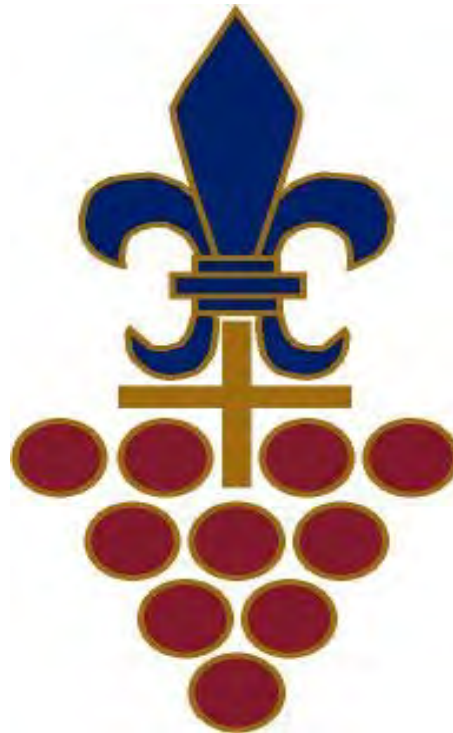
User Director

Date:

Budget Office

Date:

STELLENBOSCH MUNICIPALITY



SUPPLY CHAIN MANAGEMENT POLICY

2021/2022

REVISED



STELLENBOSCH MUNICIPALITY

SUPPLY CHAIN MANAGEMENT POLICY

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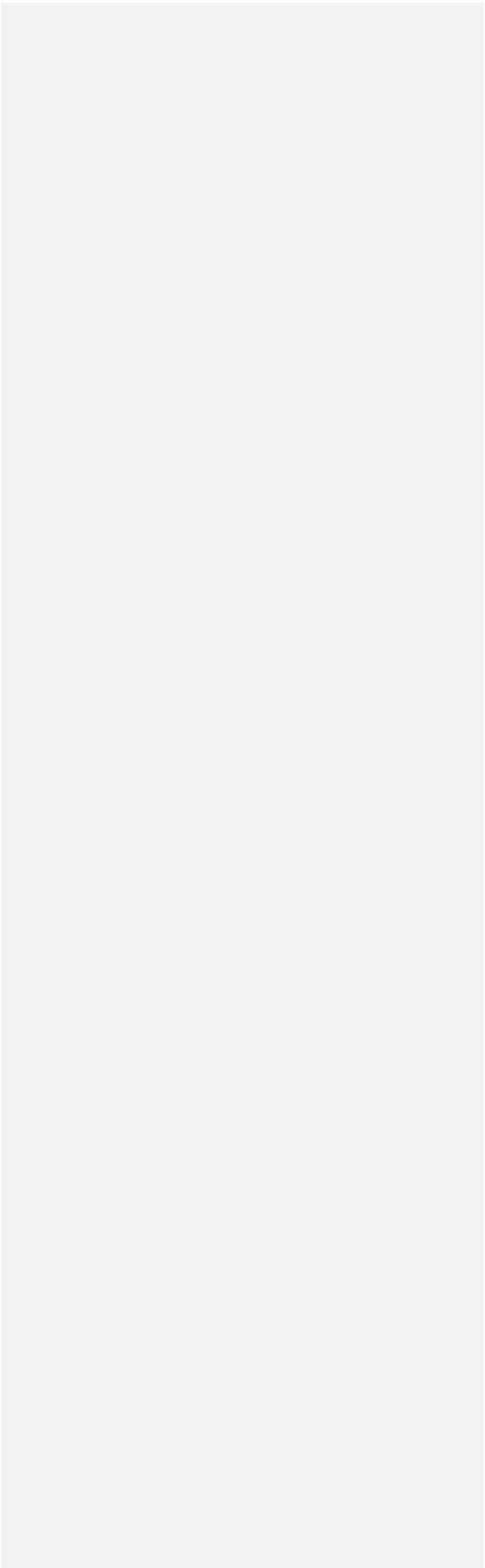
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Definitions

- 1.1. In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and
- 1.1.1. **“Act”** means the Municipal Finance Management Act, No. 56 of 2003;
- 1.1.2. **“Bid”** means a written offer in a prescribed or stipulated form in response to an invitation by the municipality for the provision of goods, services or construction works through price quotations, advertised competitive bidding process or proposals;
- 1.1.3. **“Bidder”** means any person submitting a competitive bid or a quotation;
- 1.1.4. **“Closing time”** means the time and day specified in the bid documents for the receipt of bids;
- 1.1.5. **“Competitive bidding process”** means a competitive bidding process referred to in paragraph 12(12)(b)(iii) of this Policy;
- 1.1.6. **“Competitive bid”** means a bid in terms of a competitive bidding process;
- 1.1.7. **“Contract”** means the agreement which is concluded when the municipality accepts, in writing, a competitive bid or quotation submitted by a supplier;
- 1.1.8. **“Contract manager”** means an official of the Municipality who is responsible for the planning for the planning and execution of a transaction involving the procurement of goods, services or works;
- 1.1.9. **“Contractor”** means any person or entity whose competitive bid or quotation has been accepted by the municipality;
- 1.1.10. **“Delegated authority”** means any person or committee delegated with authority by the municipality in terms of the provisions of the Municipal Finance Management Act;
- 1.1.11. **“Department”** means a section within a specific directorate in terms of the municipal organigram;
- 1.1.12. **“Electronic format”** means a bid submitted by a bidder via email or made available through a cloud storage services;
- 1.1.13. **“Emergency dispensation”** means emergency as referred to in paragraph 36(1)(a)(i) of this policy under which one or more of the following is in existence that warrants an emergency dispensation;
- (a) The possibility of human injury or death;
 - (b) The prevalence of human suffering or deprivation of rights;
 - (c) The possibility of damage to property, or suffering and death of livestock and animals;
 - (d) The interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole;

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- (e) The possibility of serious damage occurring to the natural environment;
- (f) The possibility that failure to take necessary action may result in the municipality not being able to render an essential community service;
- (g) The possibility that the security of the state could be compromised; or
- (h) The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal procurement process. Emergency dispensation shall not be granted in respect of circumstances other than those contemplated above.

1.1.14. **“Final award”**, in relation to bids or quotations submitted for a contract, means the final decision on which a bid or quote is accepted;

1.1.15. **“Formal written price quotation”** means quotations referred to in paragraph 12 (1) (d) of this Policy;

1.1.16. **“Green procurement”** means the procurement of environmentally friendly products and services;

1.1.17. **“in the service of the state”** means to be –

(a) A member of –

- (i) Any municipal council;
- (ii) Any provincial legislature; or
- (iii) The National Assembly or the National Council of Provinces;

(b) A member of the board of directors of any municipal entity;

(c) An official of any municipality or municipal entity;

(d) An employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the public Finance Management Act, 1999 (Act No.1 of 1999);

(e) A member of the accounting authority of any national or provincial public entity; or

(f) An employee of Parliament or a provincial legislature;

1.1.18. **“Long term contract”** means a contract with a duration period exceeding one year and does not have the same meaning as contracts of a long term nature referred to in paragraph 22(1)(b)(vi) of this policy;

1.1.19. **“Long term nature contract”** means a contract as defined by section 33(1) of the Municipal Finance Management Act imposing financial obligations on the Municipality beyond the first three years covered in the approved annual budget;

1.1.20. **“List of accredited prospective providers”** means the list of accredited prospective providers in terms of Central Supplier Database (CSD) of National

Treasury;

- 1.1.21. **“Other applicable legislation”** means any other legislation applicable to municipal supply chain management, including but not limited to the following –
 - (a) The Preferential Procurement Policy Framework Act;
 - (b) The Broad-Based Black Economic Empowerment Act; and
 - (c) The Construction Industry Development Board Act;
 - (d) The Local Government: Municipal Systems Act;
 - (e) The Competition Act; and
 - (f) The Promotion of Administrative Justice Act.
- 1.1.22. **“Policy”** means the Supply Chain Management Policy of Stellenbosch municipality as amended from time to time;
- 1.1.23. **“Parent municipality”** has the meaning assigned to it in section 1 of the Municipal Systems Act;
- 1.1.24. **“Petty Cash”**, means the procurement of goods and services through the supply chain management requisition and order system by means of one verbal and written quotation below a determined amount in relation with the Petty Cash Policy;
- 1.1.25. **“Single source”**: refers to when the competition exist in the market, but from a selected few suppliers due to technical capabilities and abilities comply with the requirements of the municipality;
- 1.1.26. **“Sole Supplier”**: It refers in instances where there is no competition and only one service provider exist in the market, with sole distribution rights and/or patent rights or manufacturer;
- 1.1.27. **“Strip and quote”**: When the repairs and maintenance on our machines, vehicles are done by one supplier and/or strip-and-quote, for example a municipal vehicle that needs repairs enters the workshop, however to do the repairs, the vehicle has to be send to a supplier that determines what repairs should be done;
- 1.1.28. **“Supplier database”** means the list of accredited prospective providers which the municipality or municipal entity must keep in terms of the Regulation 14 of the Supply Chain Management Regulations;
- 1.1.29. **“Treasury guidelines”** means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;
- 1.1.30. **“Trust”** means the agreement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person;
- 1.1.31. **“Trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person;
- 1.1.32. **“The Act”** means the Local Government: Municipal Finance Management Act,

2003 (Act No. 56 of 2003);

- 1.1.33. **“The Regulations”** means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;
- 1.1.34. **“The PPPF Regulations”** means Preferential Procurement Policy Regulations, 2017 Published under Government Notice R32 in Government Gazette 40553 of 20 January 2017; and
- 1.1.35. **“Written or verbal quotations”** means quotations referred to in paragraph 12(1)(b) & (c) of this Policy.

CHAPTER 1

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2. SUPPLY CHAIN MANAGEMENT POLICY

- (1) All officials and other role players in the supply chain management system of the Stellenbosch Municipality must implement this Policy in a way that –
 - (a) Gives effect to –
 - (i) Section 217 of the Constitution; and
 - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
 - (b) Is fair, equitable, transparent, competitive and cost effective;
 - (c) Complies with –
 - (i) The Regulations; and
 - (ii) Any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
 - (d) Is consistent with other applicable legislation;
 - (e) Does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
 - (f) Is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
- (2) The municipal entity must, in addition to complying with subparagraph (1), apply this Policy, to the extent determined by the parent municipality, in a way that is consistent with the supply chain management policy of the parent municipality.
- (3) This Policy applies when the Stellenbosch Municipality –
 - (a) Procures goods or services;
 - (b) Disposes goods no longer needed;
 - (c) Selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
 - (d) Selects external mechanisms referred to in section 80(1)(b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

- (4) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –
- (a) Water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
 - (b) Electricity from Eskom or another public entity, another municipality or a municipal entity.

3. AMENDMENT OF THE SUPPLY CHAIN MANAGEMENT POLICY

- (1) The Accounting Officer must –
- (a) At least annually review the implementation of this Policy; and
 - (b) When the Accounting Officer considers it necessary, submit proposals for the amendment of this Policy to the Stellenbosch Council.
- (2) If the Accounting Officer submits proposed amendments to the Stellenbosch Council that differs from the model policy issued by the National Treasury, the Accounting Officer must –
- (a) Ensure that such proposed amendments comply with the Regulations; and
 - (b) Report any deviation from the model policy to the National Treasury and the relevant provincial treasury.
- (3) When amending this supply chain management policy, the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

4. DELEGATION OF SUPPLY CHAIN MANAGEMENT POWERS AND DUTIES

- (1) The Stellenbosch Council hereby delegates all powers and duties to the Accounting Officer, which are necessary to enable the Accounting Officer –
- (a) To discharge the supply chain management responsibilities conferred on Accounting Officers in terms of –
 - (i) Chapter 8 or 10 of the Act; and
 - (ii) This Policy;
 - (b) To maximize administrative and operational efficiency in the implementation

of this Policy;

- (c) To enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
 - (d) To comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- (2) Sections 79 and 106 of the Act apply to the sub-delegation of powers and duties delegated to an Accounting Officer in terms of subparagraph (1).
- (3) The Accounting Officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of Stellenbosch Municipality or to a committee, which is not exclusively composed of officials of the Stellenbosch Municipality.
- (4) This paragraph may not be read as permitting an official, to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

5. SUB-DELEGATIONS

- (1) The Accounting Officer may in terms of section 79 or 106 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the Accounting Officer in terms of this Policy, but any such sub-delegation must be consistent with subparagraph (2) of this paragraph and paragraph 4 of this Policy.
- (2) The power to make a final award –
- (a) Above R 10 million (VAT included) may not be sub-delegated by the Accounting Officer;
 - (b) Above R 200,000 (VAT included), but not exceeding R 10 million (VAT included), may be sub-delegated but only to –
 - (i) The Bid Adjudication Committee of which the Chief Financial Officer or a senior manager is a member; or
 - (ii) Accounting Officer of the municipality, after due consideration of all facts was done; and
 - (c) Below R 200,000 (VAT included) to be disposed by delegated official according approved delegatory power and functions issued by Accounting Officer.

- (3) The Bid Adjudication Committee to which the power to make final awards has been sub-delegated in accordance with subparagraph (2) must within five days of the end of each month submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such official or committee during that month, including –
 - (a) The amount of the award;
 - (b) The name of the person to whom the award was made; and
 - (c) The reason why the award was made to that person.
- (4) A written report referred to in subparagraph (3) must be submitted –
 - (a) To the Accounting Officer, in the case of an award by –
 - (i) The Bid Adjudication Committee of which the Chief Financial Officer or a senior manager is a member; or
 - (b) To the Chief Financial Officer or the senior manager responsible for the relevant bid, in the case of an award by –
 - (i) The Bid Adjudication Committee of which the Chief Financial Officer or a senior manager is not a member.
- (5) Subparagraphs (3) and (4) of this policy do not apply to procurements out of petty cash.
- (6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.
- (7) No supply chain management decision-making powers may be delegated to an advisor or consultant.

6. OVERSIGHT ROLE OF COUNCIL

- (1) The Stellenbosch Council reserves its right to maintain oversight over the implementation of this Policy.
- (2) For the purposes of such oversight the Accounting Officer must –
 - (i) Within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
 - (ii) Whenever there are serious and material problems in the implementation of

this Policy, immediately submit a report to Council.

- (3) The Accounting Officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the Executive Mayor.
- (4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

7. SUPPLY CHAIN MANAGEMENT UNIT

- (1) A supply chain management unit is hereby established to implement this Policy.
- (2) The supply chain management unit operates under the direct supervision of the Chief Financial Officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

8. TRAINING OF SUPPLY CHAIN MANAGEMENT OFFICIALS

- (1) The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training.

CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

9. FORMAT OF SUPPLY CHAIN MANAGEMENT SYSTEM

- (1) This Policy provides systems for –
- (i) Demand management;
 - (ii) Acquisition management;
 - (iii) Logistics management;
 - (iv) Disposal management;
 - (v) Risk management; and
 - (vi) Performance management.

PART 1: DEMAND MANAGEMENT

10. SYSTEM OF DEMAND MANAGEMENT

- (1) The Accounting Officer must establish and implement an appropriate demand management system in order to ensure that the resources required by Stellenbosch Municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan.
- (2) The demand management system must –
 - (a) Include timely planning and management processes to ensure that all goods and services required by Stellenbosch Municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
 - (b) Take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature;
 - (c) Provide for the compilation of the required specifications to ensure that its needs are met; and
 - (d) To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.
- (3) Green procurement must be incorporated as far as reasonably possible for all specifications of goods, services and construction works.
- (4) In the development of bid specifications, innovative mechanisms should be explored to render the service or product more resource and energy efficient.

PART 2: ACQUISITION MANAGEMENT

11. SYSTEM OF ACQUISITION MANAGEMENT

- (1) The Accounting Officer must implement the system of acquisition management set out in this Part in order to ensure –
- (a) That goods and services are procured by Stellenbosch Municipality in accordance with authorised processes only;
 - (b) That expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
 - (c) That the threshold values for the different procurement processes are complied with;
 - (d) That bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and
 - (e) That any Treasury guidelines on acquisition management are properly taken into account.
- (2) Unless otherwise indicated in the bid documents, the Municipality shall not be liable for any expenses incurred by prospective bidders in the preparation and / or submission of a bid or quotation.

12. RANGE OF PROCUREMENT PROCESSES

- (1) Goods and / or services may only be procured by way of –
- (a) Cash purchases administered by the Expenditure Division up to a transaction value as defined in Council's Petty Cash Policy;
 - (a) Petty cash purchases through one verbal request and or verbal /written quotation for the procurement of goods through the supply chain management requisition and order system of a transaction value between R 0 and R 2,000 (VAT included);
 - (c) Written or verbal quotations for procurement of goods and/or services of a transaction value between R 2,000 and R 10,000 (VAT included);
 - (d) Formal written quotations for procurement of goods and/or services of a transaction value between R 10,000 and R 200,000;
 - (e) Procurements above a transaction value of R 200,000 (VAT included); and
 - (f) The procurement of long-term contracts.
- (2) The Accounting Officer may, in writing-
- (a) Lower, but not increase, the different threshold values specified in subparagraph (1); or
 - (b) Direct that –

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- (i) Written quotations are obtained for any specific procurement of a transaction value lower than R 2,000;
- (ii) Written price quotations be obtained for any specific procurement of a transaction value lower than R 10,000; or
- (iii) A competitive bidding process be followed for any specific procurement of a transaction value higher than R 200,000.

- (3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

13. GENERAL PRECONDITIONS FOR CONSIDERATION OF WRITTEN QUOTATIONS OR BIDS

- (1) A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –

- (a) Has furnished that provider's –

- (i) Full name;
- (ii) Identification number or company or other registration number; and
- (iii) Tax reference number and VAT registration number, if any;

- (b) Has authorised the Stellenbosch Municipality to obtain a tax clearance by means of the Tax Compliance Status Pin from, if applicable from the South African Revenue Services and Central Supplier Database Number (CSD) that the provider's tax matters are in order; and

- (c) Has indicated –

- (i) Whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
- (ii) If the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or
- (iii) Whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in sub-paragraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.

14. LISTS OF ACCREDITED PROSPECTIVE PROVIDERS

- (1) The Accounting Officer must –

- (a) Keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations;
- (b) At least once a year through newspapers commonly circulating locally, the

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website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;

- (c) Specify the listing criteria for accredited prospective providers as stated within the database registration forms; and
 - (d) Disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.
- (2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.
- (3) The list must be compiled per commodity and per type of service.

15. PETTY CASH PURCHASES

- (1) The Accounting Officer must establish the conditions for the procurement of goods by means of cash purchases and petty cash purchases referred to in paragraph 12(1)(a) and (b) of this Policy, which must include conditions –
- (a) determining the terms on which a manager may delegate responsibility for cash purchases and petty cash purchases to an official reporting to the manager;
 - (b) limiting the maximum number of cash purchases and petty cash purchases or the maximum amounts per month for each manager;
 - (c) excluding any types of expenditure from cash purchases and petty cash purchases, where this is considered necessary;
 - (d) requiring a monthly reconciliation report from each manager to the Chief Financial Officer, including –
 - (i) the total amount of cash purchases and petty cash purchases for that month; and
 - (ii) receipts and appropriate documents for each purchase; and
 - (e) any other conditions determined by the Chief Financial Officer.
- (2) Cash purchases will be dealt with in terms of the Petty Cash Policy of Council.
- (3) Petty cash purchases will be dealt with in terms of the Supply Chain Management Policy of Council.

16. WRITTEN OR VERBAL QUOTATIONS

- (1) The conditions for the procurement of goods or services through written or verbal quotations are as follows –
- Quotations must be obtained from at least three different providers preferably

from, but not limited to, providers whose names appear on the list of accredited prospective providers of the Stellenbosch Municipality, provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 13 of this Policy;

- (b) Where no suitable providers are available from the list of accredited prospective providers, quotations may be obtained from other possible providers;
- (c) To the extent feasible, providers must be requested to submit such quotations in writing;
- (d) If it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the Accounting Officer or another official designated by the Accounting Officer;
- (e) The Accounting Officer must record the names of the potential providers requested to provide such quotations with their quoted prices; and
- (f) If a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.

17. FORMAL WRITTEN PRICE QUOTATIONS

- (1) The conditions for the procurement of goods or services through formal written price quotations are as follows: -
 - (a) Quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the Stellenbosch Municipality. Quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 13 of this Policy;
 - (b) Where no suitable providers are available from the list of accredited prospective providers, quotations may be obtained from other possible providers not registered on the municipal supplier database;
 - (c) If it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer;
 - (d) The Accounting Officer must record the names of the potential providers and their written quotations; and
 - (e) For the obtaining of quotations for services, Stellenbosch Municipality will utilize their notice boards.
- (2) A designated official referred to in subparagraph (1)(c) must within three days of the end of each month report to the Chief Financial Officer on any approvals given during that month by that official in terms of that subparagraph.

18. PROCEDURES FOR PROCURING GOODS OR SERVICES THROUGH WRITTEN OR VERBAL QUOTATIONS AND FORMAL WRITTEN PRICE QUOTATIONS

- (1) The procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations is as follows –
- (a) When using the list of accredited prospective providers the Accounting Officer must promote on-going competition amongst providers by inviting providers to submit quotations on a rotation basis;
 - (b) Where no suitable providers are available from the list of accredited prospective providers, quotations may be obtained from other possible providers not registered on the municipal supplier database;
 - i. All requirements in excess of R 30,000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website and an official notice board of the Stellenbosch Municipality;
 - ii. The municipality will follow a preferred bidding process in the event that the market did not respond in terms of the sourcing of quotations on the website for seven (7) days and if no responsive bids was received.
 - (c) Offers received must be evaluated on a comparative basis taking into account unconditional discounts;
 - (d) The Accounting Officer or Chief Financial Officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub-delegation;
 - (e) Offers below R 30,000 (VAT included) must be awarded based on compliance to specification and conditions of contract, ability and capability to deliver the goods and services and lowest price;
 - (f) Acceptable offers, which are subject to the preference points system (PPPFA and associated regulations), must be awarded to the bidder who scored the highest points; and
 - (g) Stellenbosch Municipality will maintain a proper record keeping system.

19. COMPETITIVE BIDS

- (1) Goods or services above a transaction value of R 200,000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.
- (2) No requirement for goods or services above an estimated transaction value of R 200,000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

20. PROCESS FOR COMPETITIVE BIDDING

- (1) The procedures for the following stages of a competitive bidding process are as follows:-

- (a) Compilation of bidding documentation as detailed in paragraph 21;
- (b) Public invitation of bids as detailed in paragraph 22;
- (c) Site meetings or briefing sessions as detailed in paragraph 22;
- (d) Handling of bids submitted in response to public invitation as detailed in paragraph 23;
- (e) Evaluation of bids as detailed in paragraph 28;
- (f) Award of contracts as detailed in paragraph 29;
- (g) Administration of contracts;
- (h) After approval of a bid, the Accounting Officer and the bidder must enter into a written agreement;
- (i) Proper record keeping; and
- (j) Original / legal copies of written contracts agreements must be kept in a secure place for reference purposes.

21. BID DOCUMENTATION FOR COMPETITIVE BIDS

- (1) The criteria to which bid documentation for a competitive bidding process must comply, must –
 - (a) Take into account –
 - (i) The general conditions of contract and any special conditions of contract, if specified;
 - (ii) Any Treasury guidelines on bid documentation; and
 - (iii) The requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
 - (b) Include the preference points system to be used, goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
 - (c) Compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
 - (d) If the value of the transaction is expected to exceed R 10 million (VAT included), require bidders to furnish –
 - (i) If the bidder is required by law to prepare annual financial statements (AFS) for auditing, their audited AFS –
 - (aa) For the past three years; or

- (bb) Since their establishment if established during the past three years;
- (ii) A certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;
- (iii) Particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
- (iv) A statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and
- (e) Stipulate that disputes must be settled by means of mutual consultation, mediation, adjudication (with or without legal representation), or, when unsuccessful, in a South African court of law;
- (f) The period for which bids are to remain valid and binding must be indicated in the bid documents; and
- (g) A provision for the termination of the contract in the case of non- or under-performance and objections and complaints must be included in the bid documentation.

22. PUBLIC INVITATION FOR COMPETITIVE BIDS

(1) The procedure for the invitation of competitive bids is as follows –

- (a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in a newspaper commonly circulating locally, the website of the Stellenbosch Municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and

(b) The information contained in a public advertisement, must at least include

- (i) The closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph (2) of this policy; and
- (ii) A statement that bids may only be submitted on the bid documentation provided by the Stellenbosch Municipality
- (iii) Contact details for further enquiries.

(2) The Accounting Officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

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- (3) Bids submitted must be sealed and must clearly indicate the bid number on the outside of the envelope for which the bid is being submitted.
- (4) Where bids are requested by the Municipality in electronic format, such bids must be supplemented by sealed hard copies.
- (5) The municipality may require bidders to submit section(s) of their bid in electronic format, but only after the bid closing date. If the electronic copy differs from the original hard copy, the original hard copy will be binding.

23. PROCEDURE FOR HANDLING, OPENING AND RECORDING OF COMPETITIVE BIDS AND FORMAL WRITTEN PRICE QUOTATIONS IN EXCESS OF R 30,000

- (1) The procedures for the handling, opening and recording of bids are as follows
 - (a) Bids –
 - (i) Must be opened only in public;
 - (ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and
 - (iii) Received after the closing time should not be considered and returned unopened immediately; and
 - (b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;
 - (c) No information, except the provisions in subparagraph (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award;
 - (d) The Accounting Officer must –
 - (i) Record in a register all bids received in time;
 - (ii) Make the register available for public inspection; and
 - (iii) Publish the entries in the register and the bid results on the website.
 - (e) The bidder shall choose a *domicilium citandi et executandi* in the Republic and unless notice of the change thereof has duly been given in writing, it shall be the address stated in the bid.
 - (f) Opening of bid procedures –
 - (i) At the specified closing time on the closing date the applicable bid box shall be closed;
 - (ii) The bid box shall be opened in public as soon as practical after the closing time by at least two officials from the Supply Chain Management Unit and the Security Officer on duty;
 - (iii) It is the responsibility of the bidder to ensure that their bid is placed in the correct bid box. The municipality will not on its own initiative

redirect any bid if it is placed in an incorrect bid box before the closing time of submissions.

- (iv) Immediately after the opening of the bid box all bids shall be opened in public;
- (v) At the official opening of the bids, the bids shall in all cases be read out in terms of the name of the bidder and, if practical, the amount of the bid;
- (vi) As soon as a bid or technical proposal has been opened the bid / proposal shall be stamped with the official stamps, and endorsed with the opening officials' signatures;
- (viii) The name of the bidder, and where possible, the bid sum shall be recorded in a bid opening record kept for that purpose; and The responsible officials who opened the bidding documentation received shall forthwith place their signatures on the bid opening record (register) and shall ensure that the bid opening record, indicating at least the bid price of each bidder, the BBBEE status level contribution of each bidder and where applicable the local content percentages of the goods offered are made available for public inspection and are published on the municipality's website.

(g) Site Inspections / clarification meeting –

- (i) Site inspections / clarifications meeting, where applicable, will be compulsory.
- (ii) If site inspections / clarification meeting are to be held, full details must be included in the bid notice. Service providers that are late for the commencement of the site inspection/clarification meeting will be disqualified.
- (iii) Minutes of all site inspection/clarification meetings must be kept for record purposes.
- (iv) Any proposed Addendums to the advertised bid document must be tabled at the Bid Specification Committee Meeting for consideration and approval.

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(h) Bid validity periods

- (i) The validity period is calculated from the bid closure date and bids shall remain in force and binding for a period of six (6) months as indicated in the invitation to bid and the bid documents, subject to any other applicable legislation and instructions from the National Treasury for specific types of procurement.
- (ii) The period of validity may be extended by the SCM Department, provided that the original bid validity period has not expired and that all bidders are given an opportunity to extend such period.
- (iii) Any such extension shall be agreed to by a bidder in writing.

Bidders who fail to respond to such a request before the validity of

their bid expires, or who decline such a request shall not be considered further in the bid evaluation process.

- (iv) All bidders who indicated the acceptance of the extension of the bid validity period, bids will be considered for evaluation purposes.
- (v) If the validity of all bids expired without it being awarded within the bid validity period, including any extensions thereof allowable in terms of applicable legislation, the bid must be cancelled and published in the same media in which the original bid invitation appeared.
- (vi) All bidders must be notified in writing of the cancellation of a bid.
- (i) Samples
 - (i) The call for samples should be limited to where samples are called for in the bid documents, samples (marked with the bid and item number as well as the bidder's name and address) shall be delivered separately (to the bid) to the addressee mentioned in the bid documents by no later than the closing time of the bid.
 - (ii) Bids may not be included in parcels containing samples.
 - (iii) If samples are not submitted as required in the bid documents, then the part of the bid for which no sample is provided shall be declared invalid.
 - (iv) Samples shall be supplied by a bidder at his / her own expense and risk. Stellenbosch Municipality shall not be obliged to pay for such samples or compensate for the loss thereof, unless otherwise specified in the bid documents, and shall reserve the right to return such samples or to dispose of them at its own discretion.
 - (v) If a bid is accepted for the supply of goods according to a sample submitted by the bidder, that sample will become the contract sample. All goods/materials supplied shall comply in all respects to that contract sample.
- (j) Bid Sum
 - (i) A bid will not necessarily be invalidated if the amount in words and the amount in figures do not correspond, in which case the amount in words shall be read out at the bid opening.

24. NEGOTIATIONS WITH PREFERRED BIDDERS

- (1) The Accounting Officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –
 - (a) Does not allow any preferred bidder a second or unfair opportunity;
 - (b) Is not to the detriment of any other bidder; and

(c) Does not lead to a higher price than the bid as submitted.

(2) Minutes of such negotiations must be kept for record purposes.

25. TWO-STAGE BIDDING PROCESS

(1) A two-stage bidding process is allowed for –

(a) Large complex projects;

(b) Projects where it may be undesirable to prepare complete detailed technical specifications; or

(c) Long term projects with a duration period exceeding three years.

(2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.

(3) In the second stage final technical proposals and priced bids should be invited.

26. COMMITTEE SYSTEM FOR COMPETITIVE BIDS

(1) A committee system for competitive bids is hereby established, consisting of the following committees for each procurement or cluster of procurements as the Accounting Officer may determine as issued within the directive and stating the terms of reference of each bid committee –

(a) A Bid Specifications Committee;

(b) A Bid Evaluation Committee; and

(c) A Bid Adjudication Committee.

(2) The Accounting Officer appoints the members ~~and secundus~~ of each committee, taking into account section 117 of the Act; and

(3) The committee system must be consistent with –

(a) Paragraph 27, 28 and 29 of this Policy;

(b) Any other applicable legislation; and

(c) The Accounting Officer may apply the committee system to formal written price quotations.

~~(e) Secundus referred to in sub paragraph (2) represents a specific standing member of that specific committee in the event that the standing member is not available. Secundus has the same powers and duties of the standing member.~~

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27. BID SPECIFICATIONS COMMITTEES

- (1) A Bid Specifications Committee must compile the specifications for each procurement of goods or services by the Stellenbosch Municipality.
- (2) Specifications –
 - (a) Must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
 - (b) Must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
 - (c) Must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;
 - (d) May not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;
 - (e) May not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;
 - (f) Must indicate the preference points system set out in the Preferential Procurement Regulations 2017;
 - (g) Must be approved by the Accounting Officer prior to publication of the invitation for bids in terms of paragraph 22 of this Policy; and
 - (h) The Accounting Officer may sub-delegate the requirements in sub-paragraph 2(g) above to the Chairperson of the Bid Specifications Committee.
- (3) A Bid Specifications Committee must be composed of one or more officials of the Stellenbosch Municipality preferably the manager responsible for the function involved, and may, when appropriate, include external and / or internal specialist advisors.
- (4) No person, advisor or corporate entity involved with the Bid Specifications Committee, or director of such a corporate entity, may bid for any resulting contracts.

28. BID EVALUATION COMMITTEES

- (1) A Bid Evaluation Committee must –
 - (a) Evaluate bids in accordance with –
 - (i) The specifications for a specific procurement; and
 - (ii) The points system set out in terms of paragraph 27(2)(f);
 - (b) Evaluate each bidder's ability to execute the contract;

- (c) Check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears; and
 - (d) Submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.
- (2) A Bid Evaluation Committee must as far as possible be composed of
- (a) Officials from departments requiring the goods or services; and
 - (b) At least one supply chain management practitioner of the Stellenbosch Municipality.
- (3) The relevant user department's official shall carry out a preliminary evaluation of all valid bids received and shall submit a bid evaluation report to the Bid Evaluation Committee for consideration.
- (4) Any evaluation of a bid shall consider the bids received and shall note for inclusion in the evaluation report, a bidder –
- (a) Whose bid does not comply with the provisions of paragraph 38 of this Policy;
 - (b) Whose bid does not comply with the provisions of paragraph 13 of this Policy;
 - (c) Whose bid is not in compliance with the specification;
 - (d) Whose bid is not in compliance with the terms and conditions of the bid documentation;
 - (e) Who is not registered and verified on the municipality's supplier database within seven days of the closing time for bids. In this regard bid documentation shall state that the responsibility for registration and verification rests solely with the bidder;
 - (f) Who, in the case of construction works acquisitions, does not comply with the requirements of the Construction Industry Development Board Act regarding registration of contractors. Verification of compliance with this requirement shall be by means of Stellenbosch Municipality's Supplier Database;
 - (g) Whose tax status are non-compliant and cannot be verified with the South African Revenue Services (SARS) certifying that the taxes of the bidder are in order or that suitable arrangements have been made with SARS; and
 - (h) Who fails to comply with any applicable Bargaining Council agreement.
- (5) Bids shall be evaluated according to the following as applicable –
- (i) Bid price (corrected if applicable and brought to a comparative level where necessary);
 - (ii) The unit rates and prices;
 - (iii) The bidder's ability to fulfil its obligations in terms of the bid documents;

- (iv) Any qualifications to the bid;
 - (v) The bid ranking obtained in respect of Preferential Procurement as required by Stellenbosch Municipality's Preferential Procurement Policy;
 - (vi) The financial standing of the bidder, including its ability to furnish the required institutional guarantee, where applicable; and
 - (vii) Any other criteria specified in the bid documents.
- (6) The Bid Evaluation Committee shall check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears.
 - (7) The evaluation of bids on an equitable basis may be considered during the evaluation process.
 - (8) Additional information or clarification of bids may be called for if required.
 - (9) Alternative bids may be considered, provided that a bid free of qualifications and strictly in accordance with the bid documents is also submitted. Stellenbosch Municipality shall not be bound to consider alternative bids. The alternative offer is to be submitted with the main offer together with a schedule that compares the specifications of the bid documents with the alternative offer.
 - (10) If a bidder requests in writing, after the closing of bids, that his/her bid be withdrawn, then such a request may be considered and reported in the bid evaluation report.
 - (11) If, after bids have been brought to a comparative level, two or more scores equal total adjudication points, regulation 11(5) of the Preferential Procurement Regulations of 2017 will apply.
 - (12) If two or more bids are equal in all respects after applying regulation 11(5), the Bid Evaluation Committee shall draw lots to decide on the recommendation for award.
 - (13) All disclosures of conflict of interest shall be considered by the Bid Evaluation Committee and if the conflict of interest is of a material nature, this shall be reported to the Bid Adjudication Committee.
 - (14) The relevant ~~Director-User Department~~ in ~~consultation~~ in consultation with the SCM Unit may, before the bid is considered by the Bid Evaluation Committee, provide a reasonable opportunity to a bidder who made an innocent error and / or omission in their bid document, to correct the innocent error and / or omission, provided that such opportunity will not unduly prejudice any of the other bidders.
 - (15) In an event as described in sub-paragraph 14, bidders shall be afforded a minimum of two (2) working days up to a maximum of five (5) working days (in consultation with on-discretion of the relevant ~~Director-User Department~~ or the Manager: Supply Chain Management) from time of notification to correct such innocent errors and / or omissions. If no response is received from such bidders at the deadline the bid may be deemed to be non-responsive.

29. BID ADJUDICATION COMMITTEES

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- (1) A Bid Adjudication Committee must –
 - (a) Consider the report and recommendations of the Bid Evaluation Committee; and
 - (b) Either –
 - (i) Depending on its delegations, make a final award or a recommendation to the Accounting Officer to make the final award; or
 - (ii) Make another recommendation to the Accounting Officer how to proceed with the relevant procurement.
- (2) A Bid Adjudication Committee must consist of at least four senior managers of the Stellenbosch Municipality, which must include –
 - (a) The Chief Financial Officer or, if the Chief Financial Officer is not available, another manager in the budget and treasury office reporting directly to the Chief Financial Officer and designated by the Chief Financial Officer;
 - (b) At least one senior supply chain management practitioner who is an official of the Stellenbosch Municipality; and
 - (c) A technical expert in the relevant field who is an official, if such an expert exists.
- (3) The Accounting Officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.
- (4) Neither a member of a Bid Evaluation Committee, nor an advisor or person assisting the evaluation committee, may be a member of a Bid Adjudication Committee.
 - (a) If the Bid Adjudication Committee decides to award a bid other than the one recommended by the Bid Evaluation Committee, the Bid Adjudication Committee must prior to awarding the bid–
 - (i) Check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears; and
 - (ii) Notify the Accounting Officer.
 - (b) The Accounting Officer may –
 - (i) After due consideration of the reasons for the deviation, ratify or reject the decision of the Bid Adjudication Committee referred to in paragraph (a); and
 - (ii) If the decision of the Bid Adjudication Committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.

- (6) The Accounting Officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.
- (7) The Accounting Officer must comply with section 114 of the Act within 10 working days

30. PROCUREMENT OF BANKING SERVICES

- (1) A contract for banking services –
 - (a) Must be procured through competitive bids;
 - (b) Must be consistent with section 7 or 85 of the Act; and
 - (c) May not be for a period of more than five years at a time.
- (2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
- (3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

31. PROCUREMENT OF IT RELATED GOODS OR SERVICES

- (1) The Accounting Officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- (2) Both parties must enter into a written agreement to regulate the services rendered by and the payments to be made to SITA.
- (3) The Accounting Officer must notify SITA together with a motivation of the IT needs if –
 - (a) The transaction value of IT related goods or services required in any financial year will exceed R 50 million (VAT included); or
 - (b) The transaction value of a contract to be procured whether for one or more years exceeds R 50 million (VAT included).
- (4) If SITA's comments on the submission and the Stellenbosch Municipality disagree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

32. PROCUREMENT OF GOODS AND SERVICES UNDER CONTRACTS SECURED BY OTHER ORGANS OF STATE

- (1) The Accounting Officer may procure goods or services under a contract secured by another organ of state, but only if –
 - (a) The contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
 - (b) There is no reason to believe that such contract was not validly procured;
 - (c) There are demonstrable discounts or benefits to do so; and
 - (d) That other organ of state and the provider has consented to such procurement in writing.
- (2) Subparagraphs (1)(c) and (d) do not apply if –
 - (a) A municipal entity procures goods or services through a contract secured by its parent municipality; or
 - (b) A municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.
- (3) If paragraph (1) is complied with, Stellenbosch Municipality must request at least the following documents from the relevant organ of state and service provider as referred to under subparagraph (1)(d) –
 - (a) A written declaration confirming –
 - (i) That the organ of state followed a competitive bidding process applicable to it;
 - (ii) That the organ of state has no reason to believe that the contract was not validly procured by itself;
 - (iii) That the organ of state evaluated the bid in terms of price and BBBEE and if applicable, in terms of functionality or quality, and concluded that the bid(s) that were accepted were in all aspects the best compliant and respective bid(s); and
 - (iv) That the organ of state gives formal written permission to Stellenbosch Municipality to procure goods and / or services from the approved bid(s) as accepted by the organ of state;
 - (b) Agenda and minutes of the organ of state's Bid Evaluation Committee at which the specific bid was evaluated;
 - (c) Agenda and minutes of the organ of state's Bid Adjudication Committee at which the bid was awarded or the approval of the Accounting Officer of that organ of state who approved the bid;
 - (d) A copy of the successful bidder(s) bid submissions; and
 - (e) Written consent from the service provider.
- (4) If Stellenbosch Municipality should enter into a contract secured by other organs of state, it shall enter into a contract with the successful bidder(s) on the same terms and conditions as accepted by the relevant organ of state.
- (5) Contracts entered into by Stellenbosch Municipality under paragraph (4) shall not be deemed to be a deviation from the official procurement processes.

- (6) The Accounting Officer shall report to Council on a monthly basis all contracts entered into in terms of paragraph (4) above.

33. PROCUREMENT OF GOODS NECESSITATING SPECIAL SAFETY ARRANGEMENTS

- (1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided wherever possible.
- (2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the Accounting Officer.

34. PROUDLY SA CAMPAIGN

- (1) Stellenbosch Municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from –
- (a) Firstly: Suppliers and businesses within the municipality or district;
 - (b) Secondly: Suppliers and businesses within the relevant province; and
 - (c) Thirdly: Suppliers and businesses within the Republic.

35. APPOINTMENT OF CONSULTANTS

- (1) The Accounting Officer may procure consulting services provided that any Treasury guidelines in respect of consulting services, Construction Industry Development Board guidelines and Council's Cost-Containment Policy in respect of services related to the built environment and construction works are taken into account when such procurements are made.
- (2) Consultancy services must be procured through competitive bids if –
- (a) The value of the contract exceeds R 200,000 (VAT included); or
 - (b) The duration period of the contract exceeds one year.
- (3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –
- (a) All consultancy services provided to an organ of state in the last five years; and
 - (b) Any similar consultancy services provided to an organ of state in the last five years.
- (4) The Accounting Officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the Stellenbosch Municipality.

- (5) Where the estimated value of fees is less than R 200,000 and the duration of the appointment is less than one year, any National Treasury and, where applicable, Construction Industry Development Board guidelines in respect of consulting services are taken into account.

36. DEVIATION FROM AND RATIFICATION OF MINOR BREACHES OF PROCUREMENT PROCESSES

- (1) The Accounting Officer may –
- (a) Dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
 - (i) In an emergency (as per definition);
 - (ii) If such goods or services are produced or available from a single source or sole provider only (as per definition);
 - (iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - (iv) Acquisition of animals for zoos and/or nature and game reserves; or
 - (v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
 - (b) Ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties, which are purely of a technical nature.
- (2) The Accounting Officer must record the reasons for any deviations in terms of subparagraphs (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.
- (3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

37. UNSOLICITED BIDS

- (1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.
- (2) The Accounting Officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –
- (a) The product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
 - (b) The product or service will be exceptionally beneficial to, or have exceptional cost advantages;

- (c) The person who made the bid is the sole provider of the product or service; and
 - (d) The reasons for not going through the normal bidding processes are found to be sound by the Accounting Officer.
- (3) If the Accounting Officer decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –
- (a) Reasons as to why the bid should not be open to other competitors;
 - (b) An explanation of the potential benefits if the unsolicited bid were accepted; and
 - (c) An invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.
- (4) The Accounting Officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.
- (5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the Accounting Officer, depending on its delegations.
- (6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.
- (7) When considering the matter, the adjudication committee must take into account –
- (a) Any comments submitted by the public; and
 - (b) Any written comments and recommendations of the National Treasury or the relevant provincial treasury.
- (8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the Accounting Officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.
- (9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the Stellenbosch Municipality to the bid may be entered into or signed within 30 days of the submission.

38. COMBATING OF ABUSE OF SUPPLY CHAIN MANAGEMENT SYSTEM

- (1) The Accounting Officer must –
- (a) Take all reasonable steps to prevent abuse of the supply chain management system;
 - (b) Investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with

this Policy, and when justified –

- (i) Take appropriate steps against such official or other role player; or
 - (ii) Report any alleged criminal conduct to the South African Police Service;
- (c) Check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
- (d) Reject any bid from a bidder –
- (i) If any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the Stellenbosch Municipality or to any other municipality or municipal entity, are in arrears for more than three months; or
 - (ii) Who during the last five years has failed to perform satisfactorily on a previous contract with the Stellenbosch Municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
- (e) Reject a recommendation for the award of a contract if the recommended bidder or any of its directors, or trust or its trustees has committed a corrupt or fraudulent act in competing for the particular contract;
- (f) Cancel a contract awarded to a person if –
- (i) The person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - (ii) An official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
- (g) Reject the bid of any bidder if that bidder or any of its directors –
- (i) Has abused the supply chain management system of the Stellenbosch Municipality or has committed any improper conduct in relation to such system;
 - (ii) Has been convicted for fraud or corruption during the past five years;
 - (iii) Has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - (iv) Has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- (2) The Accounting Officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) of this Policy.

PART 3: LOGISTICS, DISPOSAL, RISK AND PERFORMANCE MANAGEMENT

39. LOGISTICS MANAGEMENT

- (1) The Accounting Officer must establish and implement an effective system of logistics management, which must include –
 - (a) The monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
 - (b) The setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
 - (c) The placing of manual or electronic orders for all acquisitions other than those from petty cash;
 - (d) Before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
 - (e) Appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
 - (f) Regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
 - (g) Monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

40. DISPOSAL MANAGEMENT

- (1) A supply chain management policy must provide for an effective system of disposal management for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act
- (2) A supply chain management policy must specify the ways in which assets may be disposed of, including –
 - (a) Transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
 - (b) Transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
 - (c) Selling the asset; and

- (d) Destroying the asset.
- (3) The Accounting Officer must ensure that –
- (a) Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
 - (b) Movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous, except when the public interest or the plight of the poor demands otherwise;
 - (c) Firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
 - (d) Immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
 - (e) All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
 - (f) Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
 - (g) In the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.
- (4) All matters relating to the alienation of movable and immovable assets shall be dealt with in terms of Council's Asset Transfer Policy and the Asset Transfer Regulations, 2008 and Council's adopted Immovable Assets Policy.
- (5) Notwithstanding the provisions of paragraph 3 hereof, the following statutory powers of Stellenbosch Council in respect of the alienation of immovable property, are reserved to be exercised by Council –
- (a) To decide on reasonable grounds that an asset is not needed to provide the minimum level of basic municipal services; and
 - (b) To considered the fair market value of the asset and the economic and community value to be received in exchange for the asset, and
- (6) Notwithstanding sub-paragraph (3)(b) & (g) above, the Accounting Officer must determine the most advantageous way for the disposal or letting of movable capital assets, i.e. written price quotations, competitive bidding, or auction, except when public interest or the plight of the poor demands otherwise.
- (7) The Accounting Officer is hereby authorized to dispose of movable capital assets:
- (8) (a) U-p to a value below a value of R 2 000 000.00
 - (7) (b) 500,0Up to a value of 99R1 000 000.00 (CFO and BAC Members) (excluding the approval for selling of assets via public auction process) and to make the determinations in terms of Section 14(2)(a) and (b) of the Act, provided that, in respect of capital assets above a value of R 200 000 not being auctioned, the

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~~Officer shall first consider a recommendation from the Supply Chain Management Bid Adjudication Committee.~~

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41. RISK MANAGEMENT

- (1) The criteria for an effective risk management strategy within supply chain management system, should include the identification, consideration and avoidance of potential risks.
- (2) Risk management should include –
 - (a) The identification of risks on a case-by-case basis;
 - (b) The allocation of risks to the party best suited to manage such risks;
 - (c) Acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
 - (d) The management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
 - (e) The assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

42. PERFORMANCE MANAGEMENT

- (1) The Accounting Officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved. The retrospective analysis will link to the regulatory reports and submissions on the implementation of the supply chain management policy to the delegated authorities as prescribed in terms of supply chain management regulations and the delegation system of council, as amended from time to time.

PART 4: OTHER MATTERS

43. PROHIBITION ON AWARDS TO PERSONS WHOSE TAX MATTERS ARE NOT IN ORDER

- (1) No award above R 30,000 (including VAT) may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.
- (2) Before making an award to a person the Accounting Officer must first check with SARS whether that person's tax matters are in order.
- (3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.

- (4) Where the recommended bidder is not tax compliant on the date of award, the bidder should be notified of the non-compliant status and be requested to submit written proof of tax compliance from SARS within 7 working days from the date of award. The proof of tax compliance submitted by the bidder must be verified by the Municipality. The Municipality will reject a bid submitted by the bidder if such bidder fails to provide proof of tax compliance within the timeframe as set out in this sub-paragraph.
(3)

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44. PROHIBITION ON AWARDS TO PERSONS IN THE SERVICE OF THE STATE

- (1) Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –
 - (a) Who is in the service of the state;
 - (b) If that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
 - (c) A person who is an advisor or consultant contracted with the Stellenbosch Municipality.

45. AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE

- (1) The Accounting Officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R 2,000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –
 - (a) The name of that person;
 - (b) The capacity in which that person is in the service of the state; and
 - (c) The amount of the award.

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46. ETHICAL STANDARDS

- (1) A code of ethical standards as set out in [subparagraph (2) / the "National Treasury's code of conduct for supply chain management practitioners and other role players involved in supply chain management, which also include all other municipal officials not involved in supply chain management system"] is hereby established for municipal officials and other role players in the supply chain management system of the Stellenbosch Municipality in order to promote-
 - (a) Mutual trust and respect; and
 - (b) An environment where business can be conducted with integrity and in a fair and reasonable manner.
- (2) A municipal official or other role player involved in the implementation of this Policy-
 - (a) Must treat all providers and potential providers equitably;
 - (b) May not use his or her position for private gain or to improperly benefit another person;
 - (c) May not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R 350;
 - (d) Notwithstanding subparagraph (2)(c), must declare to the Accounting Officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
 - (e) Must declare to the Accounting Officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the Stellenbosch Municipality;
 - (f) Must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
 - (g) Must be scrupulous in his or her use of property belonging to Stellenbosch Municipality;
 - (h) Must assist the Accounting Officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and
 - (i) Must report to the Accounting Officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –
 - (i) Any alleged fraud, corruption, favouritism or unfair conduct;
 - (ii) Any alleged contravention of paragraph 47(1) of this Policy; or

(iii) Any alleged breach of this code of ethical standards.

(3) Declarations in terms of subparagraphs (2)(d) and (e) –

- (a) Must be recorded in a register, which the Accounting Officer must keep for this purpose; and
- (b) By the Accounting Officer must be made to the Executive Mayor of the municipality who must ensure that such declarations are recorded in the register.

(4) The National Treasury's code of conduct and Schedule 2 of the Systems Act must be adhered to by supply chain management practitioners and other role players involved in supply chain management.

(5) A breach of the code of ethics must be dealt with as follows –

- (a) In the case of an employee, in terms of the disciplinary procedures of the Stellenbosch Municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
- (b) In the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach;
- (c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act; and
- (d) All cases of non-compliance to this Policy should be reported to the Accounting Officer.

47. INDUCEMENTS, REWARDS, GIFTS AND FAVOURS TO MUNICIPALITIES, OFFICIALS AND OTHER ROLE PLAYERS

(1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –

- (a) Any inducement or reward to the Stellenbosch Municipality for or in connection with the award of a contract; or
- (b) Any reward, gift, favour or hospitality to –
 - (i) Any official; or
 - (ii) Any other role player involved in the implementation of this Policy.

(2) The Accounting Officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

- (3) Subparagraph (1) does not apply to gifts less than R 350 in value.

48. SPONSORSHIPS

- (1) The Accounting Officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –
- (a) A provider or prospective provider of goods or services; or
 - (b) A recipient or prospective recipient of goods disposed or to be disposed.

49. OBJECTIONS AND COMPLAINTS

- (1) Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

50. RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES

- (1) The Accounting Officer may, if deem so, appoint an independent and impartial person, not directly involved in the supply chain management processes –
- (a) To assist in the resolution of disputes between the Stellenbosch Municipality and other persons regarding –
 - (i) Any decisions or actions taken in the implementation of the supply chain management system; or
 - (ii) Any matter arising from a contract awarded in the course of the supply chain management system; or
 - (b) To deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- (2) The Accounting Officer, or another official designated by the Accounting Officer, is responsible for assisting the appointed person to perform his or her functions effectively.
- (3) The person appointed should, if appointed –
- (a) Strive to resolve promptly all disputes, objections, complaints or queries received; and
 - (b) Submit monthly reports to the Accounting Officer on all disputes, objections, complaints or queries received, attended to or resolved.
- (4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if –

- (a) The dispute, objection, complaint or query is not resolved within 60 days; or
 - (b) No response is forthcoming within 60 days.
- (5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.
- (6) This paragraph must not be read as affecting a person's rights to approach a court at any time.

51. CONTRACTS PROVIDING FOR COMPENSATION BASED ON TURNOVER

- (1) If a service provider acts on behalf of a Stellenbosch Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Stellenbosch Municipality must stipulate
- (a) A cap on the compensation payable to the service provider; and
 - (b) That such compensation must be performance based.

52. CONTRACTS HAVING BUDGETARY IMPLICATIONS BEYOND THREE FINANCIAL YEARS

- (1) Stellenbosch Municipality may not enter into any contract that will impose financial obligations beyond the three years covered in the annual budget for that financial year, unless the requirements of Section 33 of the Act have been fully complied with.

53. INCREASE / EXTENSION IN APPROVED CONTRACT SUM / PERIOD

- (1) Any increase and / or extension in the approved contract sum that may become necessary as a result of exceptional circumstances during the contract period must be approved by the appropriate bid committees prior to implementation.
- (2) Contracts may be expanded or varied by not more than 20% of the original contract value for construction related goods, services and/or infrastructure projects and 15% for all other goods and/or services.
- (3) Any expansion or variation in excess of these thresholds as stated under subparagraph (2) must be dealt with in terms of the provisions of section 116(3) of the Act which will be regarded as an amendment of a contract.
- (4) Where community participation has been a part of the project, the community must be advised of the proposed increase and be invited to provide written comment within a minimum period of seven (7) days.

~~Any unapproved increase in the contract sum must be explained in a report to the Accounting Officer, requesting condonation for of such unapproved increase.~~

54. RIGHT OF APPEAL

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- (1) In terms of Section 62 of the Municipal Systems Act (Act 32 of 2000 as amended), a person whose rights are affected by a decision taken by the Municipality, in terms of a delegated authority, in the implementation of its supply chain management system, may appeal against that decision by giving written notice of the appeal and reasons to the Municipal Manager within 21 days of the date of the notification of the decision.
- (2) Notification of the decision in terms of sub-paragraph 55(1) of this policy must state that any appeal must be submitted in writing to the Municipal Manager and must at least contain the following information:
 - (a) The reasons and / or grounds for the appeal;
 - (b) The way in which the appellants rights have been affected; and
 - (c) The remedy sought by the appellant.
- (3) No award, where a competitive bidding process was followed, shall be formally implemented until a ruling has been made on any appeal/s received. The Municipal Manager may however grant approval for the implementation of bid awards prior to the conclusion of the appeal process in respect of bids which in his / her opinion are deemed as urgent.
- (4) The Appeal Authority will provide the service provider with copies of the Bid Committee minutes applicable to the specific tender on request within the 21 days period, of the service provider to enable him/her to motivate his/her appeal. Should the service provider request other documentation a PAIA application should be submitted.
- (5) The appeal authority must consider the appeal and confirm, vary or revoke the decision, but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.

56.55. NOTIFICATION OF BID DECISIONS

- (1) The successful and unsuccessful bidders shall be notified in writing by the Supply Chain Management once a bid has been accepted.
- (2) The bidders shall, in addition, be advised of the 21 day appeal period in terms of section 62 of the Municipal Systems Act and be notified that no rights will accrue to him / her until the bid is formally accepted in writing.
- (3) Once the 21 day appeal period has lapsed and a decision has been made by the appeal authority, the appellant and the service provider who the tender was initially awarded will be notified in writing of the outcome thereof by the Supply Chain Management.
- (4) Every notification of decision shall be faxed or sent via electronic mail and ordinary mail to the address chosen by the bidder, with a copy of proof of transmission kept for record purposes, or shall be delivered by hand, in which case acknowledgement of receipt must be signed and dated on a copy of such notification to be kept for record purposes.

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57.56. UNSUCCESSFUL BIDDER DEBRIEFING

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- (1) The Municipality will offer an unsuccessful bidder debriefing service to unsuccessful bidders upon request.
- (2) During the debriefing unsuccessful bidders will be informed of how their proposal scored against required criteria and obtain comments from the evaluation team on their bid.
- (3) The debriefing should be a positive and constructive experience that explains how bidders can improve future submissions.
- (4) The debriefing is an opportunity for unsuccessful bidders to –
 - (a) Learn more about the procurement and evaluation process in an informal setting;
 - (b) Find out how their proposal scored against the required criteria;
 - (c) Hear the overall comments from the evaluation team on their bid; and
 - (d) Gather information on how future submissions may be improved.
- (5) The debriefing is not part of the Supply Chain complaint or appeal process in terms of paragraph 49 or 55 of this Policy.
- (6) The debriefing is not a legal proceeding and no legal representation is permitted at the debriefing session.
- (7) At the debriefing session the unsuccessful bid is not compared to other bids, nor will information be provided to the unsuccessful bidder about other bids.
- (8) In scheduling a bidder's debriefings session upon the request of the unsuccessful bidder, the municipality must –
 - (a) Confirm the date and time of the debriefing session in writing;
 - (b) Conduct separate debriefings with each unsuccessful bidder;
 - (c) Ensure that proper minutes are kept of each debriefing session; and
 - (d) Retain all correspondence and documentation relevant to the debriefing session as part of the procurement documentation.
- (9) In conducting bidders' debriefings, the municipality may –
 - (a) Provide a general overview of the evaluation process set out in the bid documents;
 - (b) Discuss the strengths and weaknesses of the bidder's submission in relation to the specific evaluation criteria and the bidders evaluated score;
 - (c) Provide suggestions on how the supplier may improve future submissions; and
 - (d) Address specific questions and issues raised by the supplier in relation to their submission.

58.57. THE SUSPENSION OF SERVICE PROVIDERS FOR POOR PERFORMANCE AND OTHER BREACHES

- (1) Any failure to fulfil the deliverables in line with the contract or service levels constitutes a material breach or poor performance which will result in the termination of the contract and/or sanctions will be imposed in the form of suspension from the database.
- (2) Such sanctions will have variation in the periods of suspension based on the gravity of the breach.
- (3) The municipality must consider imposing following sanctions, subject to sub-clause (2) above:
 - a) 6 months for non-declarations of relative/spouse within the municipality;
 - b) 12 months for misleading information provided to the municipality; and
 - c) 24 months for certain or above a certain threshold value based.
 - d) All the above will be applicable based on the gravity of the poor performance and will be analysed on a case by case basis co-ordinated by the Contract Management Section.

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59.58. CONDONATION OF POLICY CONTRAVENTIONS

- (1) Council may condone a contravention in terms of this Policy, provided that such contravention is also not a contravention of the Act or the Municipal Supply Chain Management Regulations, 2005
- (2) Any expenditure relating to such condonation by Council in terms of this Policy, will not constitute irregular expenditure as contemplated under section 1 of the Act.
- (3) Contraventions of the Act relating to supply chain management or the Municipal Supply Chain Management Regulations, 2005 must be dealt with in terms of section 32 and section 170 of the Act.

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59. GENERAL

The Framework for Infrastructure Delivery and Procurement Management (FIDPM) and relevant Circular is attached as AppendixAnnexures 26 A and B respectively, depending on the ability of Stellenbosch Municipality to implement the content of the Framework, only those parts that are practically implementable will be applied. The proper assessments will be done accordingly.

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60. SHORT TITLE

- (1) This policy is called the Stellenbosch Municipality Supply Chain Management Policy.

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Annexure A

Local Government Framework for Infrastructure Delivery and Procurement Management

Date of issue: 01 October 2020
Effective Date: 01 July 2021



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Foreword

In 2012, the Infrastructure Delivery Management System (IDMS) was adopted as the chosen government wide system for infrastructure delivery in South Africa. In the same year (2012), the National Treasury, together with the eight metropolitan municipalities, initiated the customisations of the IDMS for implementation by municipalities. The product of that engagement became the Cities Infrastructure Delivery Management Toolkit (CIDMT), focusing mainly on cities or metros.

In order to establish a common approach to infrastructure delivery across all organs of state, the Standard for Infrastructure Procurement and Delivery Management (SIPDM) was issued for adaptation and adoption by municipalities in terms of Circular 77.

In the process of implementing and institutionalising the SIPDM, institutions expressed concerns regarding the operational challenges imposed by aspects of the SIPDM. This constraint was further compounded when the Preferential Procurement Regulations, 2017 were promulgated and effected, resulting in conflict between the SIPDM and the Regulations.

The National Treasury, in consultation with relevant stakeholders, initiated the SIPDM review process, which resulted in the development of the Local Government Framework for Infrastructure Delivery and Procurement Management (LGFIDPM). The LGFIDPM provides for minimum requirements for effective governance of infrastructure delivery and procurement management. It also recognises the different capacities in the various categories of municipalities and therefore requests municipalities to review their institutional and capacities before adapting and adopting this model.

Introduction

- a) The Integrated Development Plan (IDP) is the principal strategic planning instrument for municipalities. The IDP process requires a robust process of gathering and synthesising information related to the medium to long-term management of the municipality's infrastructure needs.
- b) The preparation of Roads and Storm Water Services, Water and Sanitation Services, Waste Disposal Services, Electricity Services and Community Facilities and Municipal Buildings, Infrastructure Asset Management Plans (IAMPs) enables municipalities to rank projects and determine budgets, based on a holistic view of local needs and priorities; and serves as a source of valuable information in preparing the IDP.
- c) Through the Infrastructure Delivery Management System, Cities Infrastructure Delivery Management System was developed to provide a holistic system for the management of infrastructure based on the requirements of SANS 55001: Asset management tailored for application in South African metropolitan spaces and specifically in support of the country's spatial transformation agenda.
- d) There is need to develop an infrastructure delivery management system tailor-made for all municipalities (excluding cities) which should integrate asset management strategy, policy to guide infrastructure planning, delivery management and decision making. The LGFIDPM introduces the initial process focusing on the project processes of the infrastructure delivery management and infrastructure procurement.
- e) The Framework for Infrastructure Procurement Management should be implemented together with the project management processes, to ensure alignment, integration and efficient and effective service delivery.

1. Scope

- 1.1. The Local Government FIDPM applies to organs of state which are subject to the Municipal Finance Management Act (MFMA).
- 1.2. The Framework provides minimum requirements for the implementation of Infrastructure Delivery and Procurement Management through the:
 - a) Project processes for infrastructure delivery management, and
 - b) Infrastructure procurement gates.
- 1.3. The Framework specifies the allocation of responsibilities for performing activities and making decisions at project stages and procurement gates.

2. Terms and Definitions

Approved: Officially agreed and signed-off by an Accounting Officer or a delegated person / body.

Construction: Everything constructed or resulting from construction operations.

Employer: Organ of state intending to, or entering into, a contract with a contractor.

Gate: A control point at the end of a process where a decision is required before proceeding to the next process or activity.

Gateway review: An independent review of the available information at a gate upon which a decision is made whether to proceed to the next process, or not.

Infrastructure:

- a) Immovable asset, which is acquired, constructed or results from construction operations; or
- b) Movable asset, which cannot function independently from purpose-built immovable asset(s).

Infrastructure delivery: The combination of all planning, technical, administrative and managerial actions associated with the construction, supply, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure.

Infrastructure procurement: The procurement of goods or services, including any combination thereof, associated with the acquisition, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure.

Organ of State: Any department of state or administration in the national, provincial and local sphere of government.

Procurement strategy: The selected packaging, contracting, pricing and targeting strategy and procurement procedure for a particular procurement.

Project: A unique set of processes consisting of coordinated and controlled activities with start and end dates, performed to achieve the project objective.

Stage: A collection of periodical and logically related activities in the Project Management Control Stages, that culminates in the completion of an end of stage deliverable.

3. ABBREVIATIONS

CIDB	Construction Industry Development Board
IDP	Integrated Development Plan
FIDPM	Framework for Infrastructure Delivery and Procurement Management
MFMA	Municipal Finance Management Act
PSP	Professional Service Provider
PPPFA	Preferential Procurement Policy Framework Act
SCM	Supply Chain Management
SDBIP	Service Delivery Budget Implementation Plan

4. NORMATIVE REFERENCES

4.1 Acts of Parliament

The following referenced Acts of Parliament are indispensable in the application of this document:

- Architectural Profession Act, 2000 (Act No. 44 of 2000)
- Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)
- Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- Construction Industry Development Board Act, 2000 (Act No. 38 of 2000)
- Division of Revenue Act (Annual)
- Engineering Profession Act, 2000 (Act No. 46 of 2000)
- Landscape Architectural Profession Act, 2000 (Act No. 45 of 2000)
- Municipal Finance Management Act, (No. 56 of 2003)
- Local Government: Municipal Systems Act, 2000 (Act No. 32 Of 2000)
- National Archives and Record Services of South Africa Act, 1996 (Act No. 43 of 1996)
- Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)
- Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
- Project and Construction Management Professions Act, 2000 (Act No. 48 of 2000)
- Public Finance Management Act, 1999 (Act No. 1 of 1999)
- Quantity Surveying Profession Act of 2000 (Act No. 49 of 2000)
- Other Sector Specific Acts of Parliament.

4.2 Regulations issued in terms of the MFMA and MFMA Circulars

- Regulations issued in terms of the MFMA
- Preferential Procurement Policy Framework Act Regulations (PPPFA of 2017 or as amended from time to time) and circulars.

4.3 Standards

- Applicable Construction Industry Development Board Standard for Uniformity
- Construction Sector Code.

4.4 Management System

- Infrastructure Delivery Management System (IDMS)
- Cities Infrastructure Delivery Management Toolkit (CIDMT).

4.5 National Treasury Guidelines

- Local Government Capital Asset Management Guideline and Planning Guidelines
- Budget Facility for Infrastructure (BFI).

4.6 Department of Cooperative Governance and Traditional Affairs Guidelines

- Guidelines for Infrastructure Asset Management in Local Government.

5. FRAMEWORK FOR INFRASTRUCTURE DELIVERY

5.1 The Infrastructure Delivery Management Project Processes

- a) The project process of infrastructure delivery management contains control stage deliverables at the end of each stage. Table 1 outlines the stage deliverables that must be approved. The control stages are specific to project management processes; and outline and describe the stages in the life of a project from start to end. The specific stages are determined by the specific project's governance and control needs. The stages follow a logical sequence with a specified start and end. The deliverable is considered to have passed through the relevant stage when it is approved and signed off. The project then moves on to the next sequential stage. It is expected that the municipality's organisation reflects an engagement between the Budget Treasury Office, Engineers and Planners when developing and approving projects. It is also expected that there should be engagements with the National and Provincial Treasury where appropriate or where projects dictate so.

Table 1: Project stage deliverables

Stage		Project Stage Deliverables
No	Name	End of Stage Deliverables
1	Initiation	<p>Initiation Report or Pre-feasibility Report</p> <p>(i) The Initiation Report defines project objectives, needs, acceptance criteria, organisation's priorities and aspirations, and procurement strategies, which set out the basis for the development of the Concept Report.</p> <p>Or</p> <p>(ii) A Pre-feasibility Report is required on Mega Capital Projects, to determine whether to proceed to the Feasibility Stage; where sufficient information is presented to enable a final project implementation decision to be made. Mega capital projects should be determined in the municipality's policy approved by the Municipal Council.</p> <p>Stage 1 is complete when the Initiation Report or Pre-feasibility Report is approved.</p>
2	Concept	<p>Concept Report or Feasibility Report</p> <p>(i) The Concept Stage presents an opportunity for the development of different design concepts to satisfy the project requirements developed in Stage 1. This stage presents alternative approaches and an opportunity to select a particular conceptual approach. The objective of this stage is to determine whether it is viable to proceed with the project, premised on available budget, technical solutions, time frame and other information that may be required.</p> <p>(ii) The Concept Report should provide the following minimum information:</p>

Stage		Project Stage Deliverables
No	Name	End of Stage Deliverables
		<p>a) Document the initial design criteria, cost plan, design options and the selection of the preferred design option; or the methods and procedures required to maintain the condition of infrastructure, or the project.</p> <p>b) Establish the detailed brief, scope, scale, form and cost plan for the project, including, where necessary, the obtaining of site studies and construction and specialist advice.</p> <p>c) Provide an indicative schedule for documentation and construction, or maintenance services, associated with the project.</p> <p>d) Include a site development plan, or other suitable schematic layouts, of the works.</p> <p>e) Describe the statutory permissions, funding approvals and utility approvals required to proceed with the works associated with the project.</p> <p>f) Include a baseline risk assessment for the project and a health and safety plan, which is a requirement of the Construction Regulations issued in terms of the Occupational Health and Safety Act.</p> <p>g) Contain a risk report, need for further surveys, tests, investigations, consents and approvals, if any, during subsequent stages.</p> <p>(iii) A Feasibility Report must provide the following minimum information:</p> <p>a) Details regarding the preparatory work covering:</p> <ul style="list-style-type: none"> • A needs and demand analysis with output specifications. • An options analysis. <p>b) A viability evaluation covering:</p> <ul style="list-style-type: none"> • A financial analysis. • An economic analysis, if necessary. <p>c) A risk assessment and sensitivity analysis;</p> <p>d) A professional analysis covering:</p> <ul style="list-style-type: none"> • A technology options assessment. • An environmental impact assessment. • A regulatory due diligence. <p>e) An implementation readiness assessment covering:</p> <ul style="list-style-type: none"> • Institutional capacity. • A procurement plan. <p>Stage 2 is complete when the Concept Report or the Feasibility Report is approved.</p>
3	Design Development	<p>Design Development Report</p> <p>(i) The Design Development Report must, as necessary:</p> <p>a) Develop, in detail, the approved concept to finalise the design and definition criteria.</p>

Stage		Project Stage Deliverables
No	Name	End of Stage Deliverables
		<ul style="list-style-type: none"> b) Establish the detailed form, character, function and costings. c) Define the overall size, typical detail, performance and outline specification for all components. d) Describe how infrastructure, or elements or components thereof, are to function; and how they are to be safely constructed, be commissioned and be maintained. e) Confirm that the project scope can be completed within the budget, or propose a revision to the budget. <p>Stage 3 is complete when the Design Development Report is approved.</p>
4	Design Documentation	<p>Design Documentation</p> <ul style="list-style-type: none"> (i) Design documentation provides: <ul style="list-style-type: none"> a) the production information that details performance definition, specification, sizing and positioning of all systems and components that will enable construction; b) the manufacture, fabrication and construction information for specific components of the work, informed by the production information. <p>Stage 4 is complete when the Design Documentation Report is approved.</p>
5	Works	<p>Completed Works capable of being used or occupied</p> <ul style="list-style-type: none"> (i) Completion of the Works Stage requires: <ul style="list-style-type: none"> a) Certification of the completion of the works in accordance with the provisions of the contract; or b) Certification of the delivery of the goods and associated services in accordance with the provisions of the contract. <p>Stage 5 is complete when the Works Completion Report is approved.</p>
6	Handover	<p>Works which have been taken over by the user or owner; Completed Training; Record Information</p> <ul style="list-style-type: none"> (i) The handover stage requires the following activities to be undertaken: <ul style="list-style-type: none"> a) Finalise and assemble record information which accurately reflects the infrastructure that is acquired, rehabilitated, refurbished or maintained; b) Hand over the works and record information to the user organisation and, if necessary, train end user staff in the operation of the works. <p>Stage 6 is complete when the Handover/Record Information Report is approved.</p>
7	Close-Out	<p>Defects Certificate or Certificate of Final Completion; Final Account; Close-Out Report</p>

Stage		Project Stage Deliverables
No	Name	End of Stage Deliverables
		<p>(i) The Close-Out Stage commences when the end user accepts liability for the works. It is complete when:</p> <ul style="list-style-type: none"> a) Record information is archived; b) Defects certificates and certificates of final completion are issued in terms of the contract; c) Final amount due to the contractor is certified in terms of the contract; d) Close-Out Report is prepared by the Implementer and approved by the Municipality. <p>Stage 7 is complete when the Close-out Report is approved.</p>

- b) Procurement of PSPs and Contractors can occur at different points in the project stages.
- c) Additional stages may be added to the described stages above, if deemed necessary. For example, additional stages could include those necessary to ensure that project activities are appropriately carried out and stages linked. Contract activities would, in many instances, be contingent upon the requirements of the specific contract being used.
- d) For project progress using the project stages, reporting must be for the deliverable achieved in the stage immediately prior to the 'in progress' stage. For example, if a project is shown as being at Stage No. 3 (Design Development), it implies that the deliverable for Stage No. 2 (i.e. the Concept Report) has been achieved; and that the deliverable for Stage 3 (i.e. the Design Development Report) is in the process of being prepared.
- e) Where an organ of state engages another organ of state to provide agency services, a service delivery agreement must be developed that outlines the roles and responsibilities for each organ of state; and establishes a relationship between the client and the implementer. The development of all deliverables should be carried out in a cooperative and consultative manner between the Client and Implementer parties. All deliverables must be developed and signed off in compliance with the specific service delivery agreement.

5.2 Gateway Reviews

5.2.1 Gateway reviews for mega capital projects

- (i) The MFMA (Act 56 of 2003), section 19 (2) states: "Before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider the projected cost covering all financial years from the start until the project is operational; and the future operational costs and revenue on the project, including municipal tax and tariff implications."
- (ii) The LGFIDPM prescribes the Gateway Review at the end of stage 2, as the minimum requirement to comply with section (i) above.
- (iii) The focus of such a review must be on the quality of the documentation in the first instance, and thereafter on:
 - a) Deliverability: the extent to which a project is deemed likely to deliver;
 - b) Expected benefits: within the declared cost, time and performance area;
 - c) Affordability: the extent to which the project's level of expenditure and financial risk can be accepted, given the organisation's overall financial position, both singly, and when considering its other current and projected commitments; and

- d) Value for money: The optimum combination of whole life costs and quality (or fitness of purpose), to meet the user's requirements.
- (iv) A gateway review team must comprise of not less than three persons who are neither involved, nor associated with the project, but have a broad understanding of the subject matter.
- (v) A gateway review must be led by a person who has experience in the planning of infrastructure projects and is registered as a professional with a statutory council under the built environment professions. The members of the team must, as relevant, have expertise in the key technical areas, cost estimating, scheduling and implementation of similar projects.
- (vi) It is the duty of the institution's Accounting Officer or Authority to appoint a team responsible for the gateway review of his or her institution.
- (vii) The gateway review team must base its findings primarily on:
 - a) The information contained in the end-of-stage deliverable;
 - b) Supplementary documentation, if any, provided by key staff and obtained during an interview process; and
 - c) Interviews with key staff members and stakeholders.
- (viii) The gateway review team must issue a report at the conclusion of a gateway review, which reflects the team's assessment of the information at the end of a stage; and provides findings or recommendations on areas where further work should be undertaken to improve such information.
- (ix) The gateway review findings must be classified by the gateway review team as:
 - a) Critical: Findings that pose adverse effect to the project or package. Critical findings are findings related to the stage deliverable that are wholly unacceptable.
 - b) Major: Findings that pose a potentially adverse effect to the project or package. Major findings are serious findings and are in direct violation of key legislation, e.g. The Constitution of the Republic of South Africa, the MFMA or the PPPFA.
 - c) Minor: Findings that do not pose any adverse effect to the project or package. Minor findings indicate the need for improvement of practices and processes.
- (x) A Stage 2 deliverable must not be approved until such time that all findings have been resolved.

6. FRAMEWORK FOR INFRASTRUCTURE PROCUREMENT

6.1 INTRODUCTION

The framework for infrastructure procurement outlines the minimum infrastructure procurement policy requirements for municipal planning and implementation.

The strategic direction set in the Integrated Development Plan (IDP) informs the framework for infrastructure procurement. For example, procurement strategies must be aligned to the municipality's developmental and internal transformation needs, as specified in the IDP.

6.2 MINIMUM REQUIREMENT FOR INFRASTRUCTURE PROCUREMENT

- 6.2.1 Infrastructure procurement must be undertaken in accordance with all applicable Infrastructure Procurement related legislation and this Framework.
- 6.2.2 Infrastructure procurement must be implemented in accordance with the institutional Supply Chain Management System, which promotes differentiated procurement for infrastructure.
- 6.2.3 Infrastructure procurement must be implemented in accordance with the procurement gates prescribed in clause 6.3 below.
- 6.2.4 The Accounting Officer must ensure that a budget is available for the duration of the project, in line with MFMA provisions for capital and operating budgets.
- 6.2.5 The Accounting Officer must ensure that cash flow management processes are in place to meet payment obligations within the time periods specified in the contract.
- 6.2.6 Procurement gates provided in 6.3 below must be used, as appropriate, to:
 - a) Authorise commencement of activities that lead to the next control gate;
 - b) Confirm conformity with requirements; and/or
 - c) Provide information to eliminate any cause of non-conformity and to prevent reoccurrence.
- 6.2.7 The authorisation to proceed to the next procurement gate must be given by a delegated person or body. The delegated person or body must be able to apply relevant built environment knowledge and skill to achieve the intended results required at the relevant procurement gate. The level of detail contained in the documentation on which a decision to proceed to the next procurement gate is made, must be sufficient to enable an informed decision.
- 6.2.8 The Accounting Officer must develop and implement effective and efficient emergency procurement procedures, including relevant approval delegation, in compliance with relevant legislation.
- 6.2.9 The Accounting Officer must develop and implement an effective and efficient infrastructure disposal policy in line with the Municipal Asset Transfer Regulations. The institution may consider disposal strategies aligned to their internal disposal policy, prior to proceeding with the procurement strategy.
- 6.2.10 The Accounting Officer must keep records of Procurement Gate Approvals, in a manual or electronic format, with the following minimum requirements:
 - a) Procurement gate;
 - b) Delegated person/s or body;
 - c) Date on which the approval request was received;
 - d) Date on which the approval was actioned; and
 - e) Signature of the delegated person or body.
- 6.2.11 All assets must be recorded in the municipal asset register as required by the GRAP standards.

6.3 Infrastructure Procurement Gates

6.3.1 Procurement Gate 1 (PG 1)

- a) Initiate a procurement process;
- b) **Minimum Requirement for PG 1:**
 - 1) Establish and clarify the procurement need, aligned to the municipality's development and transformation priorities specified in the IDP.
 - 2) Determine a suitable title for the procurement, to be applied as the project description.
 - 3) Prepare the broad scope of work for the procurement.
 - 4) Perform market analysis.
 - 5) Estimate the financial value of proposed procurement and contract for budgetary purposes, based on the broad scope of work.
 - 6) Confirm the budget.
 - 7) Compliance with section 33 of the MFMA with respect to community and stakeholder consultation.
- c) **PG 1 is complete when a designated person or body makes the decision to proceed/not to proceed, with the procurement of the infrastructure.**

6.3.2 Procurement Gate 2 (PG 2)

- a) Approve procurement strategy to be adopted.
- b) **Minimum Requirement for PG 2:**
 - 1) Develop a procurement strategy aligned to the institutional procurement strategy:
 - a. Establish contracting and pricing strategy comprising of an appropriate allocation of responsibilities and risks; and the methodology for contractor payments.
 - b. Identify service required for works.
 - c. Decide on contracting strategy.
 - d. Decide on pricing strategy.
 - e. Decide on form of contract.
 - f. Establish opportunities for promoting preferential procurement in compliance with legislative provisions and the Construction Sector Code.
- c) **PG 2 is complete when a delegated person or body approves the procurement strategy that is to be adopted.**

6.3.3 Procurement Gate 3 (PG 3)

- a) Approve procurement documents.
- b) **Minimum requirements for PG 3:**
 - 1) Prepare procurement documents that are compatible with:
 - (i) approved procurement strategies.
 - (ii) project management design documentation.
- c) **PG 3 is complete when the Bid Specification Committee approves the procurement document. .**

6.3.4 Procurement **Gate 4 (PG 4)**

- a) Confirm that cash flow processes are in place to meet projected contractual obligations.
- b) **Minimum requirement for PG 4**
 - 1) Confirm that cash flow processes are in place to meet contractual obligations.
 - 2) Establish control measures for settlement of payments within the time period specified in the contract.
- c) **PG 4 is complete when a delegated person or body confirms in writing that cash flow processes are in place; and control measures are established for the procurement to take place.**

6.3.5 Procurement **Gate 5 (PG 5)**

- a) Solicit tender offers.
- b) **Minimum requirements for PG 5**
 - 1) Invite contractors to submit tender offers.
 - 2) Receive tender offers.
 - 3) Record tender offers.
 - 4) Safeguard tender offers.
- c) **PG 5 is complete when tender offers received are recorded and safeguarded by a delegated person from the SCM unit.**

6.3.6 Procurement **Gate 6 (PG 6)**

- a) Evaluate tender offers premised on undertakings and parameters established in procurement documents.
- b) **Minimum Requirement for PG 6:**
 - 1) Determine whether tender offers are complete.
 - 2) Determine whether tender offers are responsive.
 - 3) Evaluate tender submissions.
 - 4) Review minimum compliance requirements for each tender.
 - 5) Perform a risk analysis.
 - 6) Prepare a report on tender offers received, and on their achievement of minimum compliance.
- c) **PG 6 is complete when the chairperson of the Bid Evaluation Committee approves the BEC report.**

6.3.7 Procurement **Gate 7 (PG 7)**

- a) Award the contract.
- b) **Minimum Requirement for PG 7:**
 - 1) Bid adjudication committee review of the BEC evaluation report.
 - 2) Bid Adjudication Committee makes an award.
 - 3) Accounting Officer approval of the tender process.
 - 4) Notify successful tenderer and unsuccessful tenderers of the outcome.
 - 5) Sign contract document.
 - 6) Formally accept tender offer.
- c) **PG 7 is complete when the Accounting Officer, or the Bid Adjudication Committee where delegated, confirms that the tenderer has provided evidence of complying with all requirements stated in the tender data and formally accepts the tender offer in writing, and issues the contractor with a signed copy of the contract.**

6.3.8 Procurement **Gate 8 (PG 8)**

- a) Administer and monitor the contract.
- b) **Minimum Requirements for PG 8:**
 - 1) Finance department to:
 - (i) Capture contract award data.
 - (ii) Manage cash flow projection.
 - (ii) Administer contract in accordance with the terms and provisions of the contract.
 - 2) Delivery department to:
 - (i) Ensure compliance with contractual requirements.
- c) **PG 8 is complete when a delegated person captures the contract completion/termination data (close out reports and relevant documents), including payment certificates due.**

7. Conclusion

It is advised that municipalities and municipal entities review this document from a practical implementation perspective and amend its SCM policies accordingly by inserting those parts that is practically implementable into the SCM Policy to be approved by the municipal council. You are also encouraged to share this with the relevant officials within the institution to ensure organisational awareness of this reform.



NATIONAL TREASURY

MFMA Circular No 106

Municipal Finance Management Act No. 56 of 2003

LOCAL GOVERNMENT FRAMEWORK FOR INFRASTRUCTURE DELIVERY AND PROCUREMENT MANAGEMENT

PURPOSE

In order to establish a common approach to infrastructure delivery across all organs of state, the Standard for Infrastructure Procurement and Delivery Management (SIPDM) was issued for municipalities and communicated in MFMA Circular 77.

In the process of institutionalising the SIPDM municipalities experienced challenges with some aspects thereof. The reforms to the Preferential Procurement Regulations, 2017 which was promulgated and effected also had an impact on the earlier reform.

The National Treasury, in consultation with relevant stakeholders, initiated the SIPDM review process which resulted in the development of the Local Government Framework for Infrastructure Delivery and Procurement Management (LGFIDPM). The LGFIDPM introduces minimum requirements for effective governance of infrastructure delivery and procurement management.

BACKGROUND AND DISCUSSION

In 2012, the Infrastructure Delivery Management System (IDMS) was adopted as the chosen government wide system for infrastructure delivery in South Africa. In the same year (2012), the National Treasury, together with the eight metropolitan municipalities, initiated the customisation of the IDMS for implementation by municipalities. The product of that engagement became the Cities Infrastructure Delivery Management Toolkit (CIDMT), focusing mainly on metropolitan municipalities.

The Planning Commission's National Development Plan 2030: *Our future-make it work* proposes that the following five areas be focused on in designing a procurement system that is better able to deliver value for money, while minimising the scope for corruption:

8. differentiate between the different types of procurement which pose different

9. adopt a strategic approach to procurement above the project level to balance competing objectives and priorities rather than viewing each project in isolation;
10. build relationships of trust and understanding with the private sector;

11. develop professional supply chain management capacity through training and accreditation; and
12. incorporate oversight functions to assess value for money.

National Treasury's 2015 Public Sector Supply Chain Management Review expressed the view that supply chain management (SCM) is one of the key mechanisms enabling government to implement policy which traditionally has been misunderstood and undervalued. This Review, which identified the need for SCM reform, suggests that if such reforms are implemented as envisaged in terms of section 217 of the Constitution, the benefits will be enormous and include, amongst others:

- f) good quality service delivery will be increasingly possible, with significant improvements in the welfare of citizens, especially the poor who rely heavily on government for support;
- g) the economy will grow as economic infrastructure is expanded and efficiently maintained;
- h) goods, services and infrastructure will be bought at lower costs;
- i) innovation will result in different approaches to the commodities used in some sectors; and
- j) for suppliers, the cost of doing business with the state should decrease substantially.

There is a need to develop an infrastructure delivery management system tailor-made for municipalities and municipal entities which integrate asset management strategy, policy to guide infrastructure planning, delivery management and decision-making. The LGFIDPM introduces this and focuses on the implementation of project processes and infrastructure procurement that forms part of the infrastructure delivery management.

Due care and focus must be given to addressing institutional arrangements, internal controls, and gaps to ensure value is extracted from this reform.

CONCLUSION

This MFMA Circular provides the basis for municipalities and municipal entities to establish an appropriate system for implementation of the project process and infrastructure procurement in the infrastructure delivery management value chain.

Accounting officers of municipalities and municipal entities are therefore advised to bring the contents of this Circular and the LGFIDPM annexure to the attention of their respective municipal councils, board of directors of municipal entities, and to expedite the process to amend and align their SCM policies accordingly. This will require undertaking a proper assessment of its ability to implement the content of the Framework and to only insert those parts that is practically implementable into the SCM Policy, to be approved by the municipal council.

Therefore, municipalities and municipal entities are advised to customise the model policy to suit the specific needs of its environment before tabling it in the municipal council and municipal entity board for adoption.

It is envisaged that a phase-in process will be considered by municipalities and municipal entities, however, it is expected that this be implemented as soon as possible.

This Circular replaces MFMA Circular 77.

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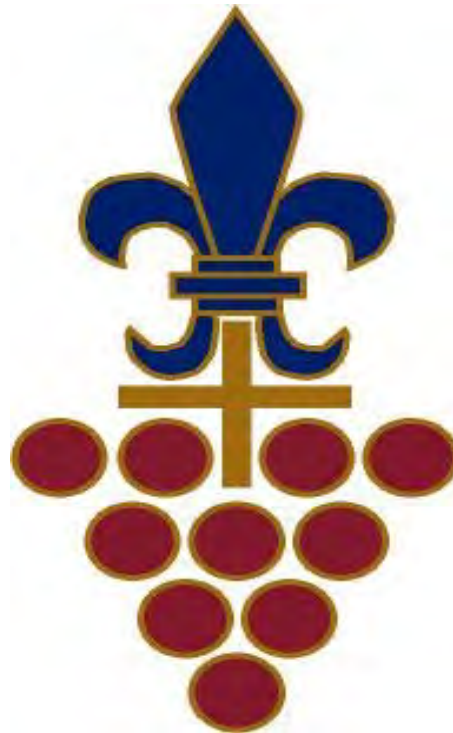
TV PILLAY

Chief Director: MFMA Implementation

Date: 15 September 2020

Annexure A: *Local Government Framework for Infrastructure Delivery and Procurement*

STELLENBOSCH MUNICIPALITY



DEVELOPMENT CHARGES POLICY

2021/2022

REVISED



STELLENBOSCH MUNICIPALITY
DEVELOPMENT CHARGES POLICY

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1. DEFINITIONS

In this policy, unless the context indicates otherwise -

- 1.1 **'applicant'** means a person who makes a land development application;
- 1.2 **'bulk service'** means the capital infrastructure assets associated with that portion of an external engineering service which is intended to ensure provision of municipal infrastructure services for the benefit of multiple users or the community as a whole - the relevant Master Plan shall be used as a guide to identify such bulk services;
- 1.3 **'By-Law'** means the Stellenbosch Municipality: Land Use Planning By-Law published in the Western Cape Provincial Gazette Extraordinary of 20 October 2015;
- 1.4 **'capacity'** means the extent of availability of a municipal infrastructure service, based on the capital infrastructure asset or combination of capital infrastructure assets installed for provision of such municipal infrastructure services;
- 1.5 **'capital infrastructure asset'** means a capital asset which is required for provision of a municipal infrastructure service, limited to immovable assets and insofar as movable assets are concerned, specialised vehicles, used for waste collection and disposal only;
- ~~4.5~~1.6 **'consumer'** means a person who purchases electricity, water or a service relating to the supply of electricity, water or removal of sewerage.
- ~~4.6~~1.7 **'developer'** means an applicant for land development whose land development application is approved, in whole or in part, by the Municipality or the Municipal Planning Tribunal or municipal official authorised to determine land development applications;
- ~~4.7~~1.8 **'development charge (DC)'** means a charge imposed by the Municipality on a developer or consumer in terms of any applicable law referred to in this policy, or a condition of the approval, payment of which will contribute towards the Municipality's expenditure on capital investment in municipal infrastructure services;
- ~~4.8~~1.9 **"Engineer"** means an eEngineer employed by the "Municipality" or any person appointed by the "Municipality" from time to time and notified as such in writing to the "Developer" to perform the duties envisaged in terms of this Agreement Policy;
- ~~4.9~~1.10 **'engineering services installation agreement'** means an agreement concluded between the Municipality and a developer, recording their detailed and specific respective rights and obligations regarding the provision and installation of the external engineering services required for an approved land development, and regarding the associated development charge;
- ~~4.10~~1.11 **'external engineering service'** means an engineering service situated outside the boundaries of a land area and which is necessary to serve the use and development of the land area, provided that in circumstances where the characteristics of a specific area or the design of the relevant engineering service so requires, such services can be located within the boundaries of a land area;
- ~~4.11~~1.12 **'impact zone'** means a geographical zone within which the capital infrastructure assets or system of capital infrastructure assets required to provide bulk services to an approved land development are located (the impact zones are Stellenbosch Town, Dwars River, Franschhoek and Klapmuts);

- 4.121.13** **'internal engineering service'** means an engineering service within the boundaries of a land area which is necessary for the use and development of the land area and which is to be owned and operated by the Municipality or service provider;
- 4.131.14** **'land development'** means the erection of buildings or structures on land, or the change of use of land, including township establishment, the subdivision or consolidation of land or any deviation from the land use or uses permitted in terms of an applicable land use scheme;
- 4.141.15** **'land development application'** means an application for land development submitted with the Municipality or referred to the Municipal Planning Tribunal or other decision-making body for approval, in accordance with applicable national or provincial legislation, including the National Building Regulations and Building Standards Act 103 of 1977 (including any regulations promulgated thereunder), the SPLUMA, the LUPA and the By-Law;
- 4.151.16** **'land use'** means the purpose for which land is or may be used lawfully in terms of a land use scheme, existing scheme or in terms of any other authorisation, permit or consent issued by a competent authority, and includes any conditions related to such land use purposes;
- 4.161.17** **'link service'** means the capital infrastructure assets associated with that portion of an external engineering service which links an internal engineering service to the applicable bulk service, and which is not shared by multiple users or the community as a whole;
- 4.171.18** **'LUPA'** means the Western Cape Land Use Planning Act, 2014, Act. 3 of 2014 (PN 99/2014 of 7 April 2014);
- 4.181.19** **'Municipality'** means the Stellenbosch Municipality (WCO24) established in terms of Provincial Notice 489 of 22 September 2000 in terms of the Local Government: Municipal Structures Act, 117 of 1998, and includes all political structures or office bearers and municipal staff members to whom authority has been delegated to take decisions in terms of the Municipality's delegation system;
- 4.191.20** **'municipal infrastructure service'** means any of the following municipal services:
- 1.20.1 potable water;
 - 1.20.2 sewerage and wastewater treatment;
 - 1.20.3 electricity distribution
 - 1.20.4 municipal roads;
 - 1.20.5 street lighting
 - 1.20.6 storm water management;
 - 1.20.7 solid waste disposal;
 - 1.20.8 public transport, including non-motorised transport;
 - 1.20.9 social infrastructure services;
- 4.201.21** **'Municipal Planning Tribunal'** means a Municipal Planning Tribunal referred to in Chapter 6 of SPLUMA;
- 4.241.22** **'Social Infrastructure services'** means community services provided in terms of the functions which are the responsibility of the Municipality in terms of the Constitution, which includes, but is not limited to:

- 2.2.1 Early Childhood Development Centres;
- 2.2.2 Public Open Spaces, parks, sports fields;
- 2.2.3 Fire Fighting and Emergency Services;
- 2.2.4 Local Tourism;
- 2.2.5 Cemeteries;
- 2.2.6 Burial of animals;
- 2.2.7 Noise pollution; and
- 2.2.8 Municipal health services;

[4-221.23](#) **'SPLUMA'** means the Spatial Planning and Land Use Planning Act, 16 of 2013;

[4-231.24](#) **'Systems Act'** means the Local Government: Municipal Systems Act, 2000, Act 32 of 2000).

2. INTRODUCTION

- 2.1 This policy is applicable to the Development Charges charged for the following services: Water, Sewer, Stormwater, Solid Waste, Roads, Community Facilities and Electricity.
- 2.1 In terms of Section 152 of the Constitution, the objects of local government include the provision of services to communities in a sustainable manner and the promotion of social and economic development.¹ Chapter 8 of the Systems Act provides for the general duty of the Municipality to provide municipal services and the manner in which such services are to be provided.
- 2.2 Social and economic development has a positive impact on the Municipality's finances as it increases revenue from property rates, fees, service charges and tariffs by expanding the base of ratepayers. However, development associated with this economic growth has an impact on the demand for municipal infrastructure services as well as social infrastructure services such as clinics, schools and other public amenities. Therefore, infrastructure is needed to support sustainable social and economic development in Stellenbosch. Without infrastructure, both public and private sector investment in Stellenbosch will slow down. The cost to the Municipality for providing this infrastructure is high. Funding to cover these costs is obtained from three sources:
 - 2.2.1 Grants are provided by national or provincial government and are generally targeted towards social infrastructure, particularly in support of low-income housing development.
 - 2.2.2 Loans are converted into tariffs and are recovered by user fees paid by all consumers to the Municipality.
 - 2.2.3 Development charges are a more targeted and more equitable way of ensuring that the main beneficiaries of infrastructure make an appropriate and fair contribution to that cost, without unduly burdening the Municipality's ratepayers. Development Charges are the most important form of capital contribution raised by the Municipality to pay for infrastructure.

¹ Section 152(1)(b) and (c).

- 2.3 The general duty of the Municipality to provide municipal services is inter alia provided for in terms of Section 73(2) of the Systems Act, which section provides as follows:

“(2) Municipal services must—

- (a) be equitable and accessible;*
- (b) be provided in a manner that is conducive to—*
 - (i) the prudent, economic, efficient and effective use of available resources; and*
 - (ii) the improvement of standards of quality over time;*
- (c) be financially sustainable;*
- (d) be environmentally sustainable; and*
- (e) be regularly reviewed with a view to upgrading, extension and improvement.”*

- 2.4 The goal of this policy includes the following:

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

3. OBJECTIVES

- 3.1 The objectives of this policy are to provide a sustainable and equitable framework for the financing of capital infrastructure assets and to ensure that:
- 3.1.1 The Municipality is able to provide capital infrastructure assets in a timely and sufficient manner to support land development;
 - 3.1.2 Development charges complement other sources of capital finance available to the Municipality and are not utilised as a general revenue source;
 - 3.1.3 Development charges are managed in a predictable, fair and transparent manner; and

- 3.1.4 Unnecessary litigation in the administration of development charges is minimised.

4. PRINCIPLES OF THE POLICY

- 4.1 Four key principles underlie the system of development charges. These are:

- 4.1.1 **Equity and Fairness:** Development charges should be reasonable, balanced and practical so as to be equitable to all stakeholders. The key function of a system of development charges is to ensure that those who benefit from new infrastructure investment, or who cause off-site impacts, pay their fair share of the associated costs.

This implies that:

- 4.1.1.1 The Municipality should recover from applicants a contribution that is as close as possible to be full and actual costs of the capital infrastructure assets that are needed to mitigate the impacts of land development and to provide services to new land developments;
- 4.1.1.2 Development charges are levied to recover the infrastructure costs incurred or to be incurred due to land development, and are thus not a form of taxation;
- 4.1.1.3 Costs which should be covered by development charges can be determined both in relation to the value of pre-installed capital infrastructure assets resulting from historical investments, and the provision of new capital infrastructure assets to meet new capacity requirements; and
- 4.1.1.4 Development charges are not an additional revenue source to be used to deal with historical backlogs in provision of services, such as backlogs that exist in some historically disadvantaged areas.

- 4.1.2 **Predictability:** Development charges should be a predictable, legally certain and reliable source of revenue to the Municipality for providing external engineering services, and should be clearly and transparently accounted for. In order to promote predictability in municipal finance systems the costs associated with municipal capital infrastructure assets provided expressly to benefit poor households should be established before subsidies are applied in a transparent manner to fund the liability.

- 4.1.3 **Spatial and Economic Neutrality:** The primary role of a system of development charges is to ensure the timely, sustainable financing of required capital infrastructure assets.

This implies that:

- 4.1.3.1 Development charges should be determined based on identifiable and measurable costs so as to avoid distortions in the economy and in patterns of spatial development;

- 4.1.3.2 Development charges should not be used as a spatial planning policy instrument;
- 4.1.3.3 Costs recovered should be dedicated only to the purpose for which they were raised; and
- 4.1.3.4 Development charges should be calculated where possible on a sectoral or geographic scale to more accurately approximate costs within a specific impact zone.

- 4.1.4 **Administrative ease and uniformity:** The determination, calculation and operation of development charges should be administratively simple and transparent.

5. LEGISLATIVE FRAMEWORK

Development Charges are an integral part of the broader legal framework for urban land development and municipal finance. This legal framework has undergone substantial changes at national, provincial and municipal levels with the introduction of the SPLUMA, LUPA and the By-Law.

5.1 Policy context

This policy is consistent with the Final Draft Policy for Municipal Development Charges (Version 10) issued by the National Treasury on 15 December 2015 and which reflects a broadly shared understanding of the role, purpose and legal nature of Development Charges across the country.

5.2 Applicable legislation

The Systems Act

- 5.2.1 The general power of the Municipality to recover charges is provided for in Section 75A. In terms of Section 75A (2) charges are levied by the Municipality by resolution passed by the Municipal Council with a supporting vote of a majority of its members.
- 5.2.2 All development charges levied in terms of the general power of the Municipality, as envisaged in terms of Section 75A, will be levied in terms of a Council's Resolution by virtue of which this policy is approved.
- 5.2.3 When the development charges are determined pursuant to a Council's Resolution envisaged in terms of Section 75A(2), regard must at least be had to the factors provided for in Section 40(3), (4) and (5) of the LUPA read with the changes required by the context. See **Paragraph 5.2.7** below.

LUPA

- 5.2.4 The LUPA came into force on 1 December 2015 pursuant to Proclamation No 30 of 2015 (Western Cape).
- 5.2.5 In terms of Section 40(2) the Municipality may, when it approves a land use application subject to conditions, impose reasonable conditions which arise

from the approval relating to the provision of engineering services and infrastructure and the cession of land or the payment of money. The aforementioned type of conditions may require a proportional contribution to municipal public expenditure according to the normal need therefore arising from the approval, as determined by the Municipality.

5.2.6 Municipal public expenditure is provided for in Section 40(4) as follows:

"40(4) Municipal public expenditure contemplated in subsection (3) includes, but is not limited to, municipal public expenditure for municipal service infrastructure and amenities relating to—

- (a) community facilities, including play equipment, street furniture, crèches, clinics, sports fields, indoor sports facilities or community halls;*
- (b) conservation purposes;*
- (c) energy conservation;*
- (d) climate change; or*
- (e) engineering services."*

5.2.7 Section 40(5) provides as follows:

"40(5) When determining the contribution contemplated in subsections (3) and (4), a municipality must have regard to at least—

- (a) the municipal service infrastructure and amenities for the land concerned that are needed for the approved land use;*
- (b) the public expenditure on that infrastructure and those amenities incurred in the past and that facilitates the approved land use;*
- (c) the public expenditure on that infrastructure and those amenities that may arise from the approved land use;*
- (d) money in respect of contributions contemplated in subsection paid in the past by the owner of the land concerned; and*
- (e) money in respect of contributions contemplated in subsection (3) to be paid in the future by the owner of the land concerned."*²

SPLUMA

5.2.8 In terms of Section 49, an applicant is responsible for the provision and installation of internal engineering services and the Municipality is responsible for the provision of external engineering services.

5.2.9 Section 49(4) and (5) provides as follows:

² Section 83(7) of the By-Law contains a similar provision.

- "40(4) An applicant may, in agreement with the municipality or service provider, install any external engineering service instead of payment of the applicable development charges, and the fair and reasonable cost of such external services may be set off against development charges payable.
- (5) If external engineering services are installed by an applicant instead of payment of development charges, the provision of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), pertaining to procurement and the appointment of contractors on behalf of the municipality does not apply."

Stellenbosch Municipality: Land Use Planning By-Law

- 5.2.10 In terms of Section 83(1) of the By-Law, an applicant (as defined in Section 1 of the By-Law) must pay development charges to the Municipality in respect of the provision and installation of external engineering services. The external engineering services for which development charges are payable must be set out in the policy and be reviewed annually by the Municipality. The amount of development charges payable by such applicant must be calculated in accordance with a policy adopted by the Municipality.³
- 5.2.11 The provision of engineering services is prescribed in detail in Chapter 8 of the By-Law. Specific reference is made to Section 66(4) and (5). National Land Transport Act 5 of 2009
- 5.2.12 Although public transport infrastructure is not typically included as one of the engineering services covered by development charges, this act allows the Municipality to raise a user charge from 'land, buildings or other developments that generate the movement of passengers, including land or buildings of which the State is the owner, in its area', provided that this money goes into the Municipality's 'land transport fund'.

6. OBLIGATION TO IMPOSE A DEVELOPMENT CHARGE

- 6.1 When the Municipality approves a land development application (as defined in this policy) which will or may result in intensified land use with an increased demand for such municipal infrastructure services, the Municipality must levy a development charge proportional to the municipal public expenditure according to the normal need arising from such approval. The instances when development charges will be levied will include:
- 6.1.1 When the Municipality approves an application in terms of Section 15(2) of the By-Law and imposes conditions in terms of Section 66 thereof relating to the provision of engineering services and infrastructure and the cession of land or the payment of money;

³ See Chapter VIII of the By-Law.

6.1.2 The approval of building plans in terms of the National Building Regulations and Building Standards Act 103 of 1977.

6.2 Development Charges will not apply to the following land use applications, which are deemed to have no significant impact on provision of bulk infrastructure, and which has a social and/or economic benefit to the municipality and/or the community:

6.2.1 Home / non-commercial early childhood development centres that serve the surrounding community.

6.2.2 Community based churches and places of religious worship (it must be clear that such development will not lead to a significant additional service usage that will have an increased demand on municipal services)

6.2.3 House shops up to the lesser of 30% of the floor area of the buildings on the site or 50m² per erf.

6.2.4 Second dwellings – up to a total maximum of five bedrooms per erf will not trigger a Development Charges payment, any bedrooms in excess of five will be charged per bedroom at the usage rate of the “student room” category.

6.2.5 Accommodation establishments (bed and breakfast/guest rooms): up to the first five bedrooms of an existing dwelling – thereafter Development Charges will be charged per bedroom at the usage rate of the “student room” category. The assessment will be based on the total number of bedrooms in the house and not the number of bedrooms operating as guest rooms. Any additional land use that is not integral to the accommodation function – (restaurant, spa, gym, office, and conference centre) must be added as GLA (General Business) and will be additional to the Development Charges calculated per room.

6.2.6 Breaking New Ground (BNG) housing projects implemented by the municipality. These projects are approved by council prior to implementation and such approval should include financial commitments regarding the provision of bulk services for these projects. It is thus not necessary for development charges since the provision of bulk services are to be funded by alternative funding sources.

6.2.7 Development Charges will also not apply to the following land use applications. This is in order to incentivise and support private landowners and/or emerging developers to supply affordable housing units for rental or purchase as government alone cannot keep up with this demand. This incentive will be granted at the discretion of the Director: Infrastructure Services and the Developer must provide proof that the development complies with the following criteria:

The further densification on a residential erf (excluding subdivision) that comply with the following criteria:

- the intention of the development should be to cater for the housing demand in the low and middle income bracket i.e. those who qualify for the Finance Linked Individual Subsidy Programme (FLISP). Currently this means households with a max gross income of R 22 000. The cost of these units may not exceed R 5 000 per month (rental) or R ~~65~~00 000 (unit purchase price). Proof of sale prices must be submitted.

- the proposed residential development must be located within a “Less formal residential” zoning as per the Zoning Scheme.

6.2.8 Public schools, hospitals, clinics and other public infrastructure projects developed and funded by government which provides a service to especially the poorer communities. These projects will have a social and economic benefit to these communities and the municipality in its whole and in so doing will alleviate some institutional and financial pressure on the Municipality in terms of providing social infrastructure and social development programmes.

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- 6.3 A development charge will be determined by the Municipality in terms of and on the basis of the applicable statutory provisions referred to in **Paragraph 5.2** above read with this policy.
- 6.4 A developer must pay to the Municipality the full amount of the applicable development charge prior to the exercise of any rights to use, develop or improve the land arising from the approval of a land development application, unless in the case of a phased land development –
- 6.4.1 The Municipality authorises phased payments in the land development approval conditions, to take into account the timing of the proposed phases of the land development; and
- 6.4.2 If agreed to by the Municipality, the developer provides a written guarantee from a registered financial institution, in an amount and subject to terms and conditions agreed in writing by the Municipality.
- 6.4.3 The Municipality may also consider the payment of the outstanding development charge into an attorneys trust account, in cases where this will enable the completion of infrastructure projects in lieu of Development Charges that are not yet completed at the time that clearance is sought and if such withholding of clearance is deemed to be unfair towards the developer. An example of this is where the municipality has requested the upgrade or installation of a service in-lieu of Development Charges, of which the upgrade was not an original condition of approval, or which is not specifically triggered by the development, but of which the immediate upgrade will be of benefit to the municipality and/or the greater public. The conditions for the utilisation of the funds in this trust account shall be stipulated in a letter of undertaking issued by the trust attorney and as agreed to in writing by the Municipality.
- 6.5 When approving a land development application, the Municipality must stipulate at least the following matters relating to the development charge –
- 6.5.1 The total amount of the development charge,;
- 6.5.2 The dates/development milestones on which the payment or payments must be made and the amount of such payments;
- 6.5.3 Whether the Municipality and the developer have agreed that the developer will install any bulk services, as contemplated in **Paragraph 10**; and
- 6.5.4 Where the developer is to install bulk services instead of the payment of some portion or all of a development charge –

- 6.5.4.1 The nature and extent of the bulk services to be installed by the developer;
 - 6.5.4.2 The timing of commencement and completion of the bulk services to be installed by the developer;
 - 6.5.4.3 The amount of the developer's fair and reasonable costs of installation, or the process for determining that amount, including the process, after installation, for making any adjustments to an amount specified as determined by the Municipality; and
 - 6.5.4.4 The engineering and other standards to which the installed external engineering services must conform.
- 6.6 The Municipality and a developer may, and in the circumstances provided for in **Paragraph 10** must, conclude an engineering services installation agreement to give detailed effect on the arrangements contemplated in this **Paragraph 6**, provided that an engineering services installation agreement may not permit any intensification of land use beyond that which was approved.
- 6.7 The impact zones with reference to which the Municipality will calculate development charges in respect of civil services, are Stellenbosch Town, Dwars River, Franschhoek and Klapmuts.

7. PURPOSE OF DEVELOPMENT CHARGES

- 7.1 Money collected by the Municipality in respect of development charges must be used for purposes of funding or acquiring capital infrastructure assets in a timely and sufficient manner to support current and projected future land development in the area of jurisdiction of the Municipality, and where calculated with reference to a particular impact zone, must be used for capital infrastructures assets in that impact zone.
- 7.2 Development charges are not a general revenue source and money collected in respect of development charges may not be used to fund the operating or maintenance costs incurred by the Municipality in respect of municipal infrastructure services.

8. CALCULATION OF DEVELOPMENT CHARGES

- 8.1 Subject to the provisions of this policy, a development charge shall be calculated with reference to the estimated increased load placed on the external engineering services networks that results from the development in a specific impact zone.
- 8.2 The capital cost of internal engineering services is for the account of the developer.
- 8.3 Subject to **Paragraph 6.3** above and for purposes of calculation of the bulk services component of a development charge, the Municipality must –
 - 8.3.1 Determine a unit cost for each municipal infrastructure service, which unit cost must include all land cost, professional fees, materials, labour and

reasonable costs of construction, but must exclude the value of any debts incurred by the Municipality for purposes of funding existing capital infrastructure assets, to the extent that such debt has not been repaid by the Municipality;

8.3.2 Apply a formula, which formula will –

8.7.2.1 Be aimed at determining the impact of the proposed land use on municipal infrastructure services, taking into account current and planned capacity, relative to the impact of the land use occurring at the date of approval of the land development application; and

8.7.2.2 Calculate the amount payable by multiplying the unit cost referred to in **Paragraph 8.7.2.1**, by the estimated proportion of the municipal infrastructure services, including current and planned capacity, that will be utilised by the proposed land development.

8.4 The basis upon which development charges unit costs of the civil services and community services will be determined, as envisaged in **Paragraph 8.7**, shall be consistent with National Treasury's "Policy Framework for Municipal Development Charges (as amended). The methodology for calculating unit costs can be summarised as follows:

- Choose a planning horizon in the future (say 20 years).
- Use town-planning scenarios and engineering masterplanning to determine what new services are required, such that at that point in the future, the joint capacity of existing and future services matches the number of consumption units that will be in place, being the existing amount plus the future development amount.
- Estimate the costs of the existing and future infrastructure, as though it was all being constructed at the present day, i.e. replacement cost for existing infrastructure or present-day cost for future infrastructure.
- Establish the number of consumption units that the total infrastructure will cater for i.e. existing consumption plus future consumption.
- From the above calculate the cost per unit consumption factor.
- The DC for the development in question is then calculated by multiplying the nett additional consumption needed for that development, by the cost per unit consumption factor.

~~8.4 will be as recorded in the Development Charge Calculation report revision 6, dated 28 April 2018 by iCE Tygerberg Consulting Engineers. The aforementioned report does not provide for the calculation of development charges in respect of all components of municipal infrastructure services. Development charges in respect of any component of municipal infrastructure services not provided for, will be determined and calculated in terms of a separate policy, conditions of approval or Council's Resolution/s.~~

8.5 The basis upon which development charges will be determined i.t.o. electricity will be as per NRS 069: Code of practice for the recovery of capital costs for distribution network assets.

8.6 The Municipality must adjust the unit cost for each municipal infrastructure service on an annual basis during the budget preparation process referred to in Section 21 of the Local Government: Municipal Finance Management Act 56 of 2003, to take account of inflationary impacts and must publish the adjusted unit costs within two months of approving the municipal budget. The Municipality will use the Contract Price

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Adjustment Factor as prescribed in the SAICE General Conditions of Contract for Construction Works (as amended) to determine the annual effect of inflation.

- 8.7 ~~The Municipality must re-calculate the unit cost for each municipal infrastructure service at least once every five years or within such longer period as is approved in advance by the Council of the Municipality. Where possible, unit costs for each municipal infrastructure service should be re-calculated every five years~~ to take into account the current and planned capacity for each municipal infrastructure service at the date of re-calculation, and any other relevant factors.
- 8.8 In the event of the Municipality discovering that a gross error has occurred in the determination of the development charges, or if there are justifiable reasons to review the charges, it may, by means of a council resolution, correct such error or review the charges.

9. ACTUAL COSTS

- 9.1 Notwithstanding the provisions of **Paragraph 8.3**, the Municipality may at its own instance or on request by a developer, increase or reduce the amount of the bulk services component of a development charge so as to reflect the actual cost of installation of the required bulk services, where:
- 9.1.1 Exceptional circumstances, as motivated by the developer and if accepted by the Council, justify such an increase or reduction; or
- 9.1.2 a particular land development significantly exceeds the size or impact thresholds set out in the applicable Development Charges tariff tables .
- 9.1.3 the actual usage of a particular land development varies significantly from the usage of the approved Development Charges tariff tables and of which the actual usage is motivated by a professional engineer and can be justified by means of recognised engineering guidelines and/or industry norms and standards.
- 9.1.4 Where a development is situated outside the urban area and was not taken into account during the determination of the Development Charges tariffs, then the Development Charges of that development will be based on its actual impact, as confirmed by a report by a ~~professionally registered engineer-Consultant~~, appointed by the Developer, and as approved by the Municipality. Examples of such a scenario would be development on farms that supports the primary farming activity, i.e. a cellar on a wine farm. The actual trip generation might be less than what is allowed for in the Development Charges tariff tables and if it can be justified the Development Charges can be based on the actual impact/demand on the bulk infrastructure.
- 9.2 Where the Municipality adjusts the amount of the bulk services component of a development charge on the basis of actual costs in terms of this section
- 9.2.1 the developer is responsible for the costs of performing the calculation of such adjustment, which must be carried out by a registered professional civil engineer appointed by the developer with appropriate experience and

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expertise having regard to the nature and extent of the proposed land use; and

- 9.2.2 the actual cost must include, where applicable and without limitation, land costs, professional fees, materials, labour, the reasonable costs of construction and any tax liabilities: provided that all such costs would otherwise have been borne by the municipality, in the provision and installation of the bulk services concerned.

10. INSTALLATION OF EXTERNAL ENGINEERING SERVICES INSTEAD OF THE PAYMENT OF DEVELOPMENT CHARGES.

- 10.1 The Municipality may agree with a developer that the developer installs all or part of the external engineering services required for an approved land development instead of the payment of the applicable development charge. Such external engineering services must also be a "bulk service".
- 10.2 Where a developer installs external engineering services to the technical standards required by the Municipality, as reflected in the applicable conditions of approval of the land development application or as agreed with the Municipality in writing, the developer may set off the fair and reasonable cost of such installation, as determined by the Municipality, against the applicable development charges.
- 10.3 Any capital infrastructure assets forming part of an external engineering service installed by a developer instead of payment of any part of a development charge shall, upon installation, become the property of the Municipality, and-
- 10.3.1 the developer shall bear the responsibility of ensuring that ownership or other relevant rights to the affected capital infrastructure assets is or are transferred to the Municipality;
- 10.3.2 the Municipality must include the applicable capital infrastructure asset gain in its next adjustments budget, in accordance with regulations relating to asset gains, made in terms of the Local Government: Municipal Finance Management Act 56 of 2003.
- 10.4 The Municipality may require that a developer installs external engineering services to accommodate a greater capacity than that which would be required for the proposed land use alone in accordance with any master plan approved by the Municipality, in order to support planned future development in the vicinity of the approved land development. Where the total fair and reasonable cost of installation of such required external engineering services exceeds the development charge payable by the developer, the Municipality may reimburse the developer the amount in excess of the development charge, in accordance with a written agreement, provided that such infrastructure has been provided for in accordance with an approved master planning programme for such service and which has been approved as a capital project in terms of the budget of the Municipality.
- 10.5 If the developer elects to develop outside the municipality's capital expenditure programme that is approved by the municipal council, he or she will have to fund the provision of services to enable such development. There is no obligation on the Municipality to provide services to land simply because an owner wants to develop

his/her land and the Municipality is not obligated to re-imburse the Developer for such expense. Section 152 of the Constitution emphasises the fact that the municipality must structure its administration and budgeting and planning processes to give priority to the basic needs of the community.

- 10.6 When a developer installs external engineering services instead of payment of a development charge, he or she must adopt the most cost-effective and efficient approach to meet the Municipality's technical standards. The principles of procuring the most cost –effective and efficient services must be followed. Therefore, the installation of engineering services must be provided at a competitive bidding process. As a minimum, three quotations or tenders should be obtained and evaluated by the Developer's consultant with a recommendation for appointment. Such recommendation must be approved by the Municipality before the appointment of a contractor.

11. NON-PROVISION BY THE MUNICIPALITY.

- 11.1 Where the Municipality has agreed to install the required external engineering services and fails to do so within a period of twelve months from the date for completion stipulated in such agreement, the Municipality must return the development charge paid by the developer, to the developer, with interest charged at the applicable rate for debts owed to the state.
- 11.2 Notwithstanding the provisions of **Paragraph 11.1**, the Municipality and the developer may agree to:
- 11.2.1 an extension of the time period for the installation of the required external engineering services by the Municipality; provided that such extended time period may not exceed twenty-four months and provided further that where the Municipality completes the installation within such extended time period, it has no obligation to return the development charge paid by the developer, to the developer; or
 - 11.2.2 an engineering services installation agreement, or revised engineering services installation agreement, in terms of which the developer agrees to install the required external engineering services in whole or in part and, where agreeing to install in part, the time period within which the municipality will install those external engineering services for which it remains responsible: provided that the extended time period for installation by the Municipality may not exceed twenty-four months and provided further that where the Municipality completes its portion of the installation within such extended time period, it has no obligation to return that portion of the development charge paid by the developer which pertains to the external engineering services installed by the Municipality, to the developer.

12. WITHHOLDING CLEARANCES AND APPROVALS.

- 12.1 The Municipality shall be entitled to withhold any consent, clearance or approval in respect of a land development in the event where development charges owed by the developer remain unpaid or the developer fails to install external engineering services

in accordance with an engineering services installation agreement entered into with the Municipality.

- 12.2 The Municipality shall not be obliged to allow any internal or link services to be connected to the bulk services of the Municipality until all development charges have been paid by a developer.

13. SUBSIDIES AND EXEMPTIONS

- 13.1 *The Stellenbosch Municipal Council* is the approving authority for subsidies and exemptions. Applications must be in writing and addressed to the Director: Infrastructure Services for consideration, before submitting to council for approval.

- 13.2 As stated by the Final Draft of the Policy Framework for Municipal Development Charges being drawn up by National Treasury, the Municipality should seek to

13.2.1 Minimise the number and value of any subsidies or exemptions it provides for the payment of development charges and

13.2.2 Apply any subsidies, exemption or surcharges in an equitable transparent and administratively feasible manner

- 13.3 Developers will be allowed to apply for exemption for developments that comply with the following criteria:

13.3.1 In the case of registered non-profit organisations/[community organisations/charity organisation](#) developing social development projects that is beneficial to the community and where the applicant is able to demonstrate how the proposed development will have a social and/or economic benefit to the municipality. The use of any land or buildings, or any part thereof, shall not be for the private financial benefit of any individual, including as a shareholder in a company or otherwise.

- 13.4 Before the Municipality grants an individual exemption, it must:

13.4.1 calculate the applicable development charge as if it were payable (Infrastructure Services);

13.4.2 ensure that the revenue to be forgone as a result of any exemption approved by the Municipal Council is reflected in the Municipality's budget (Finance);

13.4.3 must provide for budgetary provision for the realisation of the revenue forgone to be made, from another realistically available source of revenue (Finance);

13.4.4 ensure that the monetary value of the exemption, together with the amount of any other payment or payments received by the Municipality towards the capital costs of external engineering services for an approved land development, is at least equal to the development charge calculated in accordance with **Paragraph 13.4.1**.

- 13.5 Any development for which exemption has been granted and is used for any purpose other than the purpose for which it was so granted an exemption, the payment of Development Charges will become applicable.

14. OTHER PRINCIPLES TO BE APPLIED

- 14.1 Development Charges will be applied based on the impact on services by the increase in land use rights and/or intensification of land use leading to increased demand, irrespective of the geographical location of the development. For example, the traffic generated by a development located along a provincial road, will ultimately end up on the Municipality's road network that link to the provincial roads. The same applies to the additional stormwater run-off that ends up in downstream municipal networks and river courses, increase in demand and the bulk supply of water, and sewer and solid waste disposal.
- 14.2 Development Charges in rural areas/farms: Development Charges will be determined in terms of **paragraph 9.1.43** for buildings/development related to the primary farming activities and can be classified as an agricultural building/agricultural industry i.e.: cellar and bottling facilities on a wine farm or a fruit packaging and storage facility on a fruit farm. It can be assumed that in most cases, the people already working or residing on the farm will work in these buildings and not place a significant additional demand on the bulk services. The approved Development Charges tariffs will be applicable for any other development on a farm i.e. a farm stall, function venues, tourist accommodation facilities, conference facilities or other business and commercial activities including wine tasting since these land uses attract people from outside and places an additional demand on the bulk infrastructure.
- 14.3 Where a development's Development Charges are utilised to upgrade a specific service in order to create the required capacity, and the Development Charges for that specific service category is not sufficient to cover the cost of the upgrade, the Director: Infrastructure, at his discretion, will determine if Development Charges from the other service categories can be utilized to cover the cost. Factors to be taken into consideration include the status of bulk services in the development area, the practicality and timing to secure alternative sources of funding, etc. Electrical Development Charges may not be used to cross fund civil engineering infrastructure and vice versa. The Community Facilities Development Charges must be ring fenced and not utilised on civil or electrical infrastructure.
- 14.4 GLA – Gross Leasable Area – where this is not known at the time of the Development Charges calculation being done, it will be deemed to be 15% less than the total bulk i.e. 85% of the total bulk.
- 14.5 Development Charges In lieu of Parking bays: If the development is located in an area where the lack of sufficient on-site parking is currently causing problems for the municipality and or the public, this option will not be considered. Some or all of the following criteria must be met before a Development Charges payment in lieu of parking will be favourably considered:
- If located in the historical CDB core where buildings were approved with limit parking provision
 - When a development is situated within a 500m radius of a public transport hub or facility
 - When a development is situated along a primary functional public transport route – provide that the necessary embayment is provided
 - When a development is situated along a primary NMT route (as defined by the NMT Masterplan) – provide that the necessary facilities is of good state
 - Where public parking garage has been constructed that can cater for shortfall in parking demand.

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14.6 Provincial Roads – 20% of the value of upgrades on provincial roads have been allowed for in the determination of the Development Charges tariffs and therefore this percentage will be allowed to be offset from Development Charges. The offsetting of Development Charges against the full cost of provincial road upgrades would result in an under-recovery of Development Charges for municipal roads. Exception is upgrades to intersections between municipal and provincial roads, where the full amount can be offset from Development Charges.

14.7 The use of Development Charges on non-motorised transport (NMT) facilities will be allowed as a functional and safe non-motorised transport (NMT) and public transport network will reduce the dependence on private motor vehicles and therefore relieve road congestion and free up capacity on the roads and intersections. The non-motorised transport (NMT) master plan will be used as a guideline in determining which non-motorised transport (NMT) items this applies to. A further guiding principle is that the non-motorised transport (NMT) item must be for the benefit of multiple users/developments and/or the community as a whole and not just benefit an individual private development/small cluster of private developments.

14.8 Handling of properties with historical land use rights: If a property (especially business and industrial zoned property) has an existing zoning right, it does not necessarily mean that DCs have been paid on the full development potential of the property when such zoning was approved. A DC credit can only be granted if a DC for a specific development or building has been paid in the past, or if there are existing permanent, legal buildings (has building plan approval) on the site which service demand has already been absorbed into the bulk service networks. Otherwise there is no justification for granting such a credit. The onus to prove that DCs have been paid is on the Developer/Applicant.

14.9 Any increase of the demand of a service, such as electricity, water and sanitation, will trigger the equivalent payment of DCs, whether such property has gone through a town planning development exercise or not. Such DCs will be payable and the increase of services will not be allowed until such DCs have been paid, as provided for in Section 7 of the Norms & Standards for Water Services Authorities as allowed for by the Water Services Act as well as the NRS 069 CODE OF PRACTICE FOR RECOVERY OF CAPITAL COSTS FOR DISTRIBUTION NETWORK ASSETS as allowed for by the Electricity Regulation Act, Section 15

14.10 Temporary Departures: No DCs will be charged on a temporary departure application, since the impact will be of a temporary nature. However any further application to extend such right will trigger a DC. Should any upgrades be required due to the impact, even if of a temporary nature, the Developer will have to construct such upgrade at his own cost.

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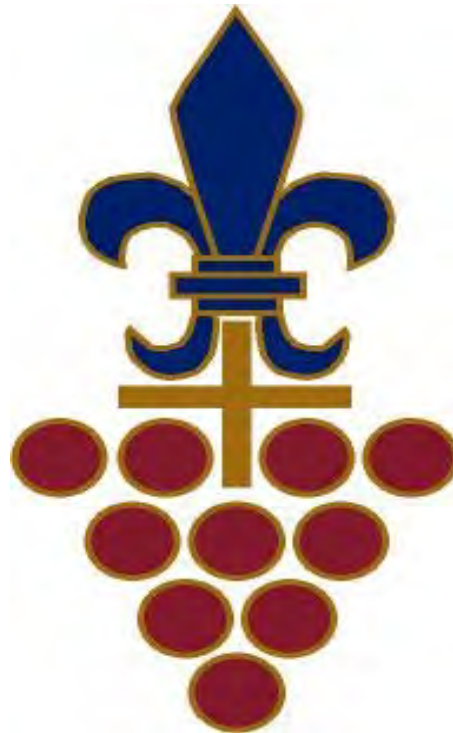
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STELLENBOSCH MUNICIPALITY



GRANTS-IN-AID POLICY

2021/2022

REVISED



STELLENBOSCH MUNICIPALITY
GRANT-IN-AID POLICY
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1. DEFINITIONS

“Appendix A” means the application for Grant-in-Aid, detailed more fully below, and provided for in clause 5.2.

“Appendix B” refers to the memorandum of agreement (MOA), detailed more fully below, and provided for in clause 10.

“Capacity building” Capacity building refers to a process which enables human beings to realize their potential, build self-confidence and lead lives of dignity and fulfillment. These Capacity Building programs have to align to the basket of services of the Directorate: Social Development and Early Childhood Development i.e. Early Childhood Development, Youth Development, Substance Abuse, Poverty Alleviation, Vulnerable Groups and Street People.

“Community Based Organization (CBO)” are nonprofit groups that work at a local level to improve life for residents. The focus is to build equality across society in all streams – health care, environment, quality of education, access to technology, access to spaces and information.

“Early Childhood Development (“ECD”) Facility” means any place, building or premises, including a private residence, maintained or used partly or exclusively, for the reception, protection and temporary or partial care of more than six children that shall be registered, managed and maintained in terms of the Children’s Amendment Act, 41 of 2007.

“Grant-in-aid” means a grant-in-aid or allocation, as referred to in Section 12, 17 (3) (j) (iv) of the MFMA, made by the municipality to any organisation or body referred to in Section 67(1) and to be utilised to assist the municipality in fulfilling the Constitutional mandates including social developmental and arts and culture programmes as set out therein.

“Local Agenda 21” means the international program, adopted by South Africa to put sustainable development into practice.

“Memorandum of agreement (MOA)” means the agreement entered into between the municipality and any organisation or body which receives a Grant-in-Aid in terms of this Policy and **Appendix A**.

“Non-governmental organisation (NGO)” means a non-governmental organisation (NGO) that is a legally constituted non-profit organisation that operates independently from any form of government.

“Non-profit company (NPC)” means a company whose Memorandum of Incorporation must set out at least one object of the company and each such object must be either a public benefit object or object relating to one or more cultural or social activities, or communal or group interests as required by Item 1(1) of Schedule 1 of the Companies Act, 71 of 2008.

“Non-profit organisation (NPO)” means a non-profit organisation registered in terms of Section 13 of the NPO Act, 71 of 1997, established for public purpose and which income and

property thereof is not distributable to its members or office-bearers, except as reasonable compensation for services rendered.

“Stellenbosch Environmental Management Framework (SEMF)” means legal and moral obligations of Stellenbosch Municipality as it relates to the environment, and provides a dynamic vision, goals and objectives, and spatial and strategic directives towards giving effect to such obligations.

2. PURPOSE, AIMS AND OBJECTIVES

- 2.1. This policy aims to provide a framework for Grant-in-Aid to non-governmental organisations (NGOs), community-based organisations (CBOs), non-profit organisations (NPOs) or non-profit companies (NPC) and bodies that are used by government as an agency to serve the poor, marginalised or otherwise vulnerable as envisaged by Sections 12, 17 and 67 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).
- 2.2. The purpose of the Grant-in-Aid Policy is to complement the goals, objectives, programmes and actions of the Stellenbosch Municipality's Integrated Development Plan (IDP), in order to create a sustainable, credible and caring municipality by empowering and building communities and enhancing growth and sharing through partnerships. Priority ward needs as identified through Council's IDP MUST be the guiding factor in developing these partnerships.
- 2.3. Grant-in-Aid should not duplicate services already provided for by Council or which falls within the geographical jurisdiction in which Council operates, being WC024.
- 2.4. Grant-in-Aid should improve the opportunity for Council to elicit the support of external organisations to deliver those services to communities which fall within the Council's area of responsibility in a way that allows the Stellenbosch community and town to create an enabling environment for community development.

3. LEGAL FRAMEWORK

All transfers of funds in terms of this policy shall comply with the: Constitution of the Republic of South Africa, 1996 as amended (Constitution); Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended (MSA); Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA); and any other applicable legislation, regulations and policies that may govern the transfer of municipal funds and that are not in contradiction to the above.

4. RESTRICTIONS

- 4.1. The Policy applies to all transfers of grants made by the Municipality towards support of services for the poor, marginalized or otherwise vulnerable people. Individuals may not apply for Grant-in-Aid and no payment may be made under this policy to individuals. Council may however set aside a specific amount from

which the Municipal Manager, after consultation with the Executive Mayor, may, at his/her discretion, make donations to support individual, meritorious cases in order to assist and/or recognise individual excellence in whichever field. Bursaries to individuals are treated according to the Council's Bursary Policy.

- 4.2. The total expenditure on grants may not exceed 1% of the operational budget of the Municipality.
- 4.3. Grants will only be made for services rendered in the WCO24.
- 4.4. Transfers made to categories A and B
 - 4.4.1. Transfers provided for those listed in Category A below may be made to a maximum of R40 000-00 per organisation or body per annum.
 - 4.4.2. Transfers in Category B may exceed this amount where funding relates to night shelters or addresses specific ward priorities identified and specified in the IDP and upon proper motivation contained in a business plan to address said issue. Consideration for grants larger than R 40 000, 00 requires audited financial statements, schedule of estimated annual costs and a business plan as provided for in 6 below. The decision to grant an amount more than R 40 000,00 is solely at the discretion of council and subject to available funds.
- 4.5. Grant-in-Aid transfers/payments shall be restricted to deserving organisation and bodies serving, especially those working with the poor/aged/youth/disabled/women, as per the eligible categories in 6.2, provided that such organisations or bodies:
 - 4.5.1. Operate as a separate legal entity and are recognised as such by South African legislation;
 - 4.5.2. Are governed by their constitutions, have regular meetings with their membership and subscribe to sound accounting practices; and
 - 4.5.3. Are located and serve communities and individuals who are most in need within the jurisdiction of the Municipality.
- 4.6. No Grant-in-Aid may be made to any political body, rate payers association or for any religious purposes.
- 4.7. No grant will be allocated, under this policy, to organisations or bodies in cases where a member of Council, an official of Stellenbosch Municipality or close relatives of said individuals receive any financial or other gain.
- 4.8. Funds may only be transferred to an organisation or body if provision has been made for the expenditure on the budget or appropriations budget.
- 4.9. An organisation or body is only entitled to one allocation per financial year, but disbursements can be made more often.

5. PUBLIC ADVERTISEMENT

- 5.1. The advertisements must meet the following requirements:
 - 5.1.1. The Municipal Manager must, place a public advert in local newspapers distributed in the Stellenbosch Municipal area, calling for proposals.
 - 5.1.2. This advert must be placed in time to complete all relevant processes prior to the approval of the annual draft budget or any adjustment budget in order to invite public comment on the proposed donations prior to the approval of the final or adjustment budget.
 - 5.1.3. Advertisements should clearly specify the categories for which proposals are called, the closing date for applications, who the proposal should be addressed to, and where and how to obtain the relevant documentation pertaining to such applications/proposals, including the prescribed forms.
 - 5.1.4. Advertisements should also clearly reflect the Municipality's right not to make an award, as well as the fact that awards will not be made to organisations that have received funds in the previous year but have not submitted a final report on the projects or previous expenditure.
 - 5.1.5. The advertisement should also clearly state that final approval is reliant on the approval of the budget and that **no late submissions will be considered.**
- 5.2. Only applications made on the prescribed form, being **Appendix A**, may be considered.
- 5.3. Funds may not be transferred to any organisation or body that has not submitted a proposal in response to a public advertisement and after the attendance of a compulsory briefing session and that have not signed a Memorandum of Agreement with the Municipality.

6. GENERAL GUIDELINES AND CATEGORIES

- 6.1. General Guidelines

Funding of applications shall proceed on the basis listed below in response to an advertisement issued after the expiry of the relevant period associated with the specific category and after a compulsory workshop explaining the policy, application process and the required documentation has been attended by the applicants. Subject to the MOA provided for in clause 10, all funding is unrequited, provided there is compliance with said MOA. Funding of application in –

 - 6.1.1. Category A will be considered on an annual basis ; and

- 6.1.2. Category B shall be considered on a three year basis subject to a monthly review at the discretion of the Municipality which may result in early termination for unsatisfactory and reckless expenditure.
- 6.1.3. Council in 6.1.1 and 6.1.2 reserve the right not to fund an organisation for two periods in succession and to cancel said funding in accordance with the MOA concluded.
- 6.1.4. Funding applications however will not be considered in the following instances:
- (i) Where a project or organisation is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding;
 - (ii) Where in Council's opinion, an organisation receives sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and a budget for the ensuing financial year;
 - (iii) Where only an individual will benefit;
 - (iv) For political or ratepayers organisations/groupings;
 - (v) Projects outside the boundaries of the Municipality;
 - (vi) Where expenses have already been incurred, Where an applicant did not attend the compulsory clarification session as advertised, and
 - (vii)(viii) Where applications were received after the due date and time for submissions.
- 6.1.5. Funding of projects and to organisations shall exclude travel costs, subsistence, accommodation, food or entertainment expenses of any kind, staff salaries, bursaries, payments in lieu of rates or other municipal charges except for where the transport and nutrition is intended for beneficiaries/participants in the projects in question. The Municipality may also exercise their discretion to allow funding to extend to the above costs on a needs basis for the organisation or body clearly motivated for in the application.
- 6.1.6. Subsequent requests from applicants to cover overspending on projects will not be considered.

6.2. Categories Eligible for Grant-in-Aid

The following categories currently apply. Cognisance should be taken that these categories are not exhaustive. Other than the general guidelines and conditions set out above, categories now indicated may require specific criteria applicable to its projects/programmes:

Category A

6.2.1. Health

Projects/programmes include the following but are not limited to:

- (i) Public Health interventions inclusive of TB, STDs and HIV/Aids;

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- (ii) Preventable lifestyle diseases e.g. drug/alcohol abuse, tobacco related illnesses; and

- (iii) Promotive and preventative services to infants, children and women.

6.2.2. Environment

Purpose: To stimulate the development of sustainable leisure, aesthetic and environmental projects within the municipal area; to increase the awareness of the environment by promoting "Greening of the City"; to promote swimming skills and water safety.

Projects/programmes include the following but are not limited to:

- (i) Voluntary rescue organisations;
- (ii) Lifesaving clubs and swimming organisations;
- (iii) Environmental groups/organisations; and
- (iv) Organisations promoting community involvement as a means of sustaining leisure, aesthetic or environmental projects.
- (v) Projects which further the Council's aims and the strategies of SEMF (Strategic Environmental Management Framework) and including but not limited to the sustainable management of:
 - o Riverine corridors;
 - o Biodiversity;
 - o Natural and built environment;
 - o Heritage resources;
 - o Quality urban spaces;
 - o Ecological conservation areas;
 - o Urban agricultural complexes;
 - o Bioregional planning;
 - o Nature area management;
 - o Wetlands;
 - o Local Agenda 21 projects

6.2.3. Solid Waste (Cleansing)

Purpose: Waste Reduction and awareness.

Projects/programmes include the following but are not limited to:

- (i) Waste reduction and awareness;
- (ii) Educational programmes/projects addressing litter and waste handling; and
- (iii) Waste minimisation solutions.

6.2.4. Social Development

Purpose: The promotion of projects/programmes which stimulates the Stellenbosch Municipality's Integrated Development Plan (IDP) focusing especially on the needs of the most marginalised sectors in the greater Stellenbosch as identified in the ward priorities.

Projects/programmes include the following but are not limited to:

- (i) Poverty alleviation;
- (ii) Urban renewal;
- (iii) Capacity building of communities;

- (iv) Youth development;
- (v) Women and gender development;
- (vi) Early childhood development;
- (vii) Street people programmes;
- (viii) Arts and culture programmes
- (ix) Facilitation of public participation processes; arts and culture programmes
- (x) Development of disabled persons, and
- (xi) Development of elderly people

6.2.5. Sports and Recreation

Purpose: To stimulate the development of sustainable Sport and Recreation infrastructure and programmes within the municipal area especially targeting disadvantaged communities; encourage creativity and self-reliance on the part of grassroots sport and recreation bodies or groups; to increase participation in sport and recreation programmes and activities.

Projects/programmes include the following but are not limited to:

- (i) Local sport and recreation clubs;
- (ii) School sport teams
- (iii) Local sport and recreation councils or associations
- (iv) Informal sport and recreation groups; and
- (v) Community and non-government organisations.

Category B

6.2.6. Night Shelters

Purpose: Provision of shelter for vulnerable individuals living on the street, without homes, in the need of shelter at night. Shelter is provided on a temporary basis and residency should not be provided for on a permanent basis. The Municipality aims to reduce the number of people living on the streets of Stellenbosch and as such the organisation or body's goals should align with this vision. Further the Municipality aims to reduce the socio-economic effects of poverty on the community of Stellenbosch. The organisation or body must therefore present to Council a clear business plan with a comprehensive response to the prevention, reduction, outreach and stabilisation of street people. Organisations or bodies that provide a continuum of services and that collaborate with businesses, government departments and other organisations are preferred. Street people programmes listed in Category A shall fall under this category if provision is made for overnight stay.

Projects/programmes must include the following but are not limited to:

- (i) Provision of basic services (overnight facility, shower, morning and evening meals
- (ii) Provision of social work services inclusive of referrals

- (iii) Family re-integration services
- (iv) Social support
- (v) Community work programme
- (vi) Facility maintenance (Infrastructure and operational equipment)

6.2.7. Projects aligned to the strategic objectives of the municipality as described in the IDP

Purpose: The promotion of projects/programmes which stimulates the Stellenbosch Municipality's Integrated Development Plan (IDP) focusing on the strategic objectives of the Municipality and identified ward priorities. The organisation must therefore present to Council not only a clear business plan detailing how they intend to address the specific issue but how they intend to partner with other organisations to achieve a unified approach to that particular challenge. Organisations or bodies that provide a continuum of services and that collaborate with businesses, government departments and other organisations are preferred.

Projects/programmes include the following strategic objectives but are not limited to:

Those listed in Category A that address specific ward priorities identified and specified in the IDP and upon proper motivation contained in a potential plan to address said issue.

- (i) Valley of Possibility
- (ii) Green and Sustainable Valley
- (iii) Dignified Living
- (iv) Safe Valley
- (v) Good Governance and Compliance

7. APPLICATION PROCEDURE

Applications and proposal for Grant-in-Aid must be on the prescribed form stated in 5.2 above, a copy of which is attached hereto as **Annexure A for Category A and B**. Applications must be accompanied by a covering letter on the letterhead of the organisation or body, signed by the head of the organisation or body and must include the following information. Should an applicant wish to submit a Category B application, but would want to be considered for a Category A application in the event that the Category B application is declined, this must be clearly stated in the covering letter and supporting documents **MUST** be submitted for both types of applications:

- 7.1. The applicant's legal name and a brief description of the applicant organisation's or body's business;
- 7.2. if the applicant claims to be a non-profit organisation, the registration number and the certificate;
- 7.3. the date of establishment, details of the applicant's member founding documents, including constitution and certificates of incorporation;

- 7.4. a contact name, full street address, telephone number and an e-mail address;
- 7.5. if funding is required for a specific project, a brief description of the project what it aims to achieve, as well as the detailed budget for and duration of the project;
- 7.6. a description on how the project aligns with the needs identified in the community through the IDP process and which ward priorities will be addressed through the project;
- 7.7. if the request is for general support, the organisation's or body's overall budget must be included;
- 7.8. references, independent of the applicant and its executive;
- 7.9. most recent audited financial statements (subject to MFMA, section 67(4)) statements; or at least statements signed off by the treasurer and chairperson of the organization in the case of small emerging organizations;
- 7.10. a summary of past achievements;
- 7.11. a declaration by the head of the organization to the satisfaction of the Municipal Manager, that the organisation or body implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfers of funds; and
- 7.12. notwithstanding the above requirements, the CFO after considering the merits of an application not complying with the minimum application criteria and after consulting the Municipal Manager, may for the purpose of this policy approve a deviation from the norm;
- 7.13. Applications for Category B **must** include a schedule of annual costs for a three year period, business plan and audited financial statements.

8. OBLIGATIONS OF THE APPLICANT

- 8.1. The head of the organisation or body must acknowledge in writing to the Municipal Manager that the money was received in its bank account and that the amount is/will be utilised to the benefit and in accordance with the role of the organisation or body in society. The funds should be used as outlined in the application form.
- 8.2. The organisation or body shall regularly report, if and when required but at least once a year, to the Municipal Manager regarding the activities conducted, the ward within which activities are conducted, as well as the number of people benefiting from the activities.

- 8.3. If funding is required for a specific project, a brief description of the project and what it aims to achieve, as well as the detailed budget for and duration of the project.
- 8.4. The applicant must attend a compulsory workshop on the Grant-in-Aid policy and application procedure prior to submission of the application.
- 8.5. If successful with the application, the applicant must spend funds according to the approved Grant-in-Aid funding request. Should the need change over the funding period, written consent needs to be obtained from the municipality prior to spending the funds on alternative needs. Failure to spend funding on approved projects can result in the applicant being required to return the funding and/or the applicant being excluded from future applications for a period of 5 years.

9. RIGHTS OF THE MUNICIPALITY

- 9.1. The Municipality shall be entitled, from time-to-time, to verify and inspect the existence and activities of the organisation or body. The municipality will therefore have the right to physically visit the premises where the organisation, or the funded project, is based; to peruse the budgets and any progress reports related to the project (in contract).
- 9.2. The Municipality shall manage contracts entered into with organisations or bodies by receiving reports and doing the necessary site visits and inspections to ensure that this policy and contract are being complied with.
- 9.3. The Municipality has the right not to give a Grant-in-Aid to any or all organisations applying for grants. Having been awarded a grant previously does not give an applicant the right to receive a grant again.
- 9.4. The Municipality will run proposed donations through a public participation process before final awards are made.

10. AGREEMENT

Before any funds are transferred to an organisation an agreement (**Annexure B**) must be concluded by the Municipal Manager with the beneficiary to protect the interest of the Municipality.

11. DEVIATION

This policy constitutes the entire framework for Grant-in-Aid and no deviation will be entertained.

12. COMMENCEMENT

This Policy takes effect on the date on which it is adopted by the Council of Stellenbosch Municipality.



STELLENBOSCH

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

APPENDIX A
(Category A & B)

APPLICATION FOR GRANT-IN-AID: 2021/22

NOTE: ATTENDANCE OF THE GRANT-IN-AID WORKSHOP IS COMPULSORY

PLEASE COMPLETE THE FOLLOWING					
A	REGISTERED NAME OF ORGANISATION				
B	DATE AND YEAR IN WHICH THE ORGANISATION WAS FOUNDED: (include a brief description of the business or activities of the organization)				
C	ADDRESS OF REGISTERED ORGANISATION				
PHYSICAL ADDRESS		POSTAL ADDRESS			
CODE:		CODE:			
D	CONTACT DETAILS (Details of the person to contact regarding this GIA application)				
NAME & SURNAME:					
POSITION:					
TEL:	()		FAX:	()	
MOBILE:		ALTERNATIVE:			
EMAIL ADDRESS:					

E REGISTRATION:				
Is the organization a NP/NG Organisation?		YES		NO
If YES, please provide the Registration Number: (Attach a copy of the registration certificate or proof of other affiliation where applicable)				
F BOARD/COMMITTEE MEMBERS OF THE ORGANISATION: (List ALL Board/Committee Members of the Organisation) Insert a separate page if the space is not enough).				
1	NAME & SURNAME:			
	POSITION:			
	ADDRESS:			
	CONTACT NUMBER:			
2	NAME & SURNAME:			
	POSITION:			
	ADDRESS:			
	CONTACT NUMBER:			
3	NAME & SURNAME:			
	POSITION:			
	ADDRESS:			
	CONTACT NUMBER:			
4	NAME & SURNAME:			
	POSITION:			
	ADDRESS:			
	CONTACT NUMBER:			

5	NAME & SURNAME:		
	POSITION:		
	ADDRESS:		
	CONTACT NUMBER:		
6	NAME & SURNAME:		
	POSITION:		
	ADDRESS:		
	CONTACT NUMBER:		
7	NAME & SURNAME:		
	POSITION:		
	ADDRESS:		
	CONTACT NUMBER:		
8	NAME & SURNAME:		
	POSITION:		
	ADDRESS:		
	CONTACT NUMBER:		
9	NAME & SURNAME:		
	POSITION:		
	ADDRESS:		
	CONTACT NUMBER:		

10	NAME & SURNAME:				
	POSITION:				
	ADDRESS:				
	CONTACT NUMBER:				
G PREVIOUS FUNDING:					
Have you successfully applied and received Stellenbosch Municipal Grant-In-Aid funding previously?					
If yes for which financial year?					
What amount was received?					
Did you submit Financial Reports for the funds received?					
Do you receive any other sources of funding? (If YES please provide details)					
H CATEGORY A:					
For more information refer to the Grant-In-Aid Policy for general guidelines and categories (Please categorize your application by marking the appropriate category with X)					
HEALTH					
ENVIRONMENT					
SOLID WASTE					
SOCIAL DEVELOPMENT					
SPORTS & RECREATION					
CATEGORY B:					
For more information refer to the Grant-In-Aid Policy for general guidelines and categories (Please categorize your application by marking the appropriate category with X)					
NIGHT SHELTER					
OTHER (Please specify)					
I REQUEST FOR FUNDING:					
Is funding required for the ensuing year?		YES		NO	
Is funding required for a specific project? (If YES attach details separately)		YES		NO	
Is funding required for general support? (If YES, attach a copy of the Organisation's Overall Budget)		YES		NO	
Budgeted amount requested					
Duration of project?					

If Category B Application											
Total amount requested for 3 year period											
Annual amounts requested:	Year 1		Year 2		Year 3						
J SERVICE FOCUS											
Ward number/s in which services are delivered:											
Which Ward Priority/ies are addressed through the service:											
(Please provide details below)											
Which Municipal Strategic Goal/s is linked to the services:											
(Please mark with a X)											
Valley of Possibility											
Safe Valley											
Dignified Living											
Good Governance and Compliance											
Green and Sustainable Valley											
K THE FOLLOWING MUST BE ATTACHED TO THIS APPLICATION: (Category A and B applications)											
(Please use this form as a check-list, to ensure that you comply to the specified requirements)											
AUDITED FINANCIAL STATEMENTS											
1	(A copy of the latest audited financial statements. Should the organization be classified as an emerging organization, the financial statements MUST be dated and signed by the Treasurer and Chairperson and MUST include a monthly income and expense statement for the months that the organization has been in existence or for the last 12 months)										
ORGANISATIONAL CONSTITUTION											
2	(A signed and dated copy of the Organisation's Constitution, as well as a signed copy of the Minutes of the AGM/Special Meeting, to verify the acceptance of the Constitution.)										
PROJECT PROGRAMME/BUSINESS PLAN											
(A copy of the project/program description and/or a business plan for the ensuing financial year. Please ensure that the following is included in the project/program and or business plan, by using the below mentioned bullet points as a guide).											
3	❖ Full details of the proposal/project/business plan including objectives;										
	❖ The number of people who will benefit and how the project/program will contribute or enhance the strategic objectives of Stellenbosch Municipality;										
	❖ The project/program commencement and completion dates;										
	❖ Information on the total costs of the project/program budget;										
	❖ A breakdown of costs and an outline of any contributions by fundraising and / or own contributions;										
	❖ A list of all other sources of funding together with the assessments;										
	❖ A summary of past achievements;										
❖ Reference independent of the applicant and its executive/board or committee members.											
SIGNED AND STAMPED CREDITOR CONTROL FORM											
4	(An original signed copy of a correctly completed Creditors Control form of the Stellenbosch Municipality)										
ACCOUNT ON EXPENDITURE FOR PRECEDING FUNDING											
5	(If you have received funding from Stellenbosch Municipality in the preceding financial year, expenditure of the funds received needs to be accounted for with this new application). Please refer to Section M for the format.										
PROOF OF REGISTRATION/AFFILIATION											
6	(Attach a copy of the organisation's Registration Certificate of Affiliation)										

REQUIREMENTS CATEGORY B APPLICATIONS		
L	(Please note that Category B applications MUST adhere to the following requirements and those listed under section K, except where indicated otherwise.)	
1	AUDITED FINANCIAL STATEMENTS	
	A copy of the latest audited financial statements must be included in the application. Category B applications MUST submit their latest audited financial statements. Statements signed off by the treasurer, chairperson or other delegated party will not be accepted.	
2	THREE YEAR BUSINESS PLAN	
	See the requirements for the business plan as listed under section K as guideline. NOTE: Category B applications MUST provide a clear proposal for a period of three years. Each year must be indicated separately and be costed per annum indicating all expenditure against the projected measurable outcomes. Outcomes must be listed to how they will be reported on and measured on a monthly basis.	
M	FORMAT FOR FEEDBACK REPORT	
	(Please ensure that your feedback of previous funding received, includes the following)	
1	Narrative report on the project including numbers reached, outcomes reached, evaluation of the project indicating successes and failures/lessons learned.	
2	Pictures of the project/program.	
3	Financial report on expenditure regarding previous donation separate from the annual financial statements. (Attach proof of expenditure).	
N	THE FOLLOWING SHALL APPLY:	
1	The allocation of Grant-In-Aid will only be considered if the application document has been fully completed and signed and is accompanied by the required and supporting documentation referred to therein.	
2	An applicant who has been registered as a non-profit organization in terms of Section 13 of the Non-Profit Organisation Act, 1997, and the necessary proof thereof is submitted together with this application.	
3	Applicants must in their submission clearly indicate/specify and motivate what the funds will be utilized for.	
4	The Grant-In-Aid must be exclusively utilized for the purpose defined and the successful applicant must submit the necessary undertaking to this effect.	
5	Applicants must in their submission satisfy the Council of their ability to execute the project successfully.	
6	Organisations who have already received financial or other assistance from the Council during the previous financial year MUST specify same in their application.	
7	No funding will be considered for political groupings, churches or ratepayers organisations.	
8	No funding will be considered where only an individual will benefit or where a member of Council or an official of Stellenbosch Municipality will receive any financial or other gain.	
9	Projects outside the boundaries of the Council will not be considered.	
10	Expenditure that will not be funded includes: travel costs (unless it is for the transport of beneficiaries), subsistence, accommodation, food (unless intended for the beneficiaries) or entertainment expenses of any kind, staff salaries including bonuses, bursaries and payments in lieu of rates or other municipal charges.	
11	Subsequent requests from the applicants to cover overspending on projects will not be considered.	
12	Successful applicants must at all times comply with the provisions of Section 67(1) of the Municipal Finance management Act no. 56 of 2003 which inter alia stipulates that the organization or body has to:-	
	❖ Enter into and comply with a Memorandum of Agreement with the Municipality as well as with all reporting financial management and auditing requirements as may be contained in such an agreement. This memorandum of agreement will bind the successful applicant to deliver on what the application speaks to, but also to commit to become involved with municipal programs of the community where it functions. The Memorandum of Agreement will be made available to successful applicants for completion.	
	❖ Report monthly on the actual expenditure of the amount allocated to it. Should monthly allocations be made.	
13	The Council reserves the right not to give a Grant-In-Aid to any organization applying for grants. Having been awarded a grant previously does not give an applicant the right to receive a grant again.	
14	Funding will not be considered where a project or organization is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding, failing which such applicant will be disqualified.	
15	Funding will not be considered where in Council's opinion, an organization received sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and budget for the ensuing financial year.	
16	Organisations having received funding from Stellenbosch Municipality during the previous financial year, are required to attach to any new application, a copy of the financial statements relating to the year in which the funding was received from Council, as required in terms of Section 17 of the Non-profit Organisation Act, 1997 and Section 67(1) of the Municipal Finance Management Act, 2003 (MFMA).	
17	Funding will not be considered where expenses have already been incurred on a project by the applicant. (The Council's Grant-In-Aid Policy must be consulted for the sake of completeness).	

O DECLARATION OF INTEREST:	
The beneficiary declares that the following municipal employees and/or councillors have a vested interest in the business of the beneficiary. However, they do not benefit directly from this donation and were not part of the decision making process in the allocation of the donations:	
Name & Surname:	
Designation:	
Name & Surname:	
Designation:	
P UNDERTAKING:	
<p>I/We hereby verify that the information provided in this application is true and correct and that the conditions applicable to the allocation of a Grant-in-Aid as set out above and in the GIA Policy have been read and is understood and will be complied with.</p> <p>I/We also declare that the organization implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfer(s) of funds.</p> <p>Thus completed and signed at Stellenbosch on this day of _____ 20 .</p> <p>_____ Chairperson/Authorised Representative Secretary/Duly Authorised Signatory</p>	
Q PLEASE TAKE NOTE:	
(Completed application forms, together with all the required supporting documentation must be posted to):	
<p>The Director: Planning & Economic Development P O Box 17 Stellenbosch 7599</p> <p>Or hand delivered to:</p> <p>The Manager: Community Development 58 Andringa Street Stellenbosch 7600</p> <p>The submission of applications closes at 13H00 on the closing date as per the advertisement.</p> <p>PLEASE NOTE: Neither LATE nor INCOMPLETE applications shall be considered.</p>	



STELLENBOSCH

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APPENDIX B

MEMORANDUM OF AGREEMENT

Entered into and between

STELLENBOSCH MUNICIPALITY

(hereafter called the "**MUNICIPALITY**")

Herein represented by **Geraldine Mettler**, in her capacity as **Municipal Manager**, being duly authorised

and

(hereafter called the "**BENEFICIARY**")

Herein represented by _____ in his/her capacity as _____,
being duly authorised.

WHEREAS Section 67(1) of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (MFMA) oblige the Accounting Officer of a **MUNICIPALITY** to satisfy himself that, before transferring funds of the **MUNICIPALITY** to an organisation or body outside any sphere of government otherwise than in compliance with a commercial or other business transaction, that such organisation or body:-

- (a) has the capacity and has agreed-
 - (i) to comply with any agreement with the **MUNICIPALITY**;
 - (ii) for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;
 - (iii) to report at least monthly to the Accounting Officer on actual expenditure against such transfer (should transfers be done on a monthly basis); and

- (b) implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and
- (c) has in respect of previous similar transfers complied with all the requirements as set out above; and
- (d) give permission to site visits done by the **MUNICIPALITY**.

WHEREAS the **MUNICIPALITY** has approved a Grants-in-Aid Policy, in terms whereof applications are considered;

WHEREAS the **BENEFICIARY** has applied for a grant-in-aid as per the official grant-in-aid application form; and

WHEREAS the **MUNICIPALITY** has approved such application, subject to certain conditions;

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. TRANSFER OF FUNDS

- 1.1 The **MUNICIPALITY** hereby undertakes to transfer an all-inclusive amount of

R..... (.....), being a donation for the period **01 July 20...** to **30 June 20...** to the **BENEFICIARY**.

- 1.2 Bank Account details: (The following are confirmed through a correctly completed Creditors Control Form.)

Account number : _____
 Name of financial institution : _____
 Name of account holder : _____
 Branch code : _____
 Type of account : _____

- 1.3 The all-inclusive amount will be transferred in equal amounts on the following dates (if applicable):

2. OBLIGATIONS OF BENEFICIARY

- 2.1 The **BENEFICIARY** must acknowledge in writing to the Municipal Manager that the amount(s) was(were) received in its bank account.
- 2.2 The **BENEFICIARY** hereby certifies that the money will be utilised in accordance with the role of the organisation or society, to the benefit of the community and in accordance with the project(s) / programme(s) as indicated in the application form.
- 2.3 The **BENEFICIARY** undertakes to regularly report on a monthly basis to the Municipal Manager regarding the activities conducted, actual expenditure against such transferred funds, as well as the number of people benefiting from the activities should monthly payments be made. If not, an annual report on the expenditure will be provided.
- 2.4 The **BENEFICIARY** further undertakes to submit an audited financial statement for its financial year to the Municipal Manager by not later than **30 April 20...**

3. SPECIFIC CONDITIONS

- 3.1 The parties specifically agree on the following:

That the organization will commit to active involvement in any programme run by the municipality in the area of operation of the organization when such a programme is active in the community.

Other conditions:

4. DECLARATION OF INTEREST

The beneficiary declares that the following municipal employees and/or councillors have a vested interest in the business of the beneficiary. However, they do not benefit directly from this donation and were not part of the decision making process in the allocation of the donations: (Name and designation)

5. ACQUISITION OF ASSETS

- 5.1 Should the **BENEFICIARY** wish to acquire any moveable or immovable assets with the money donated in terms of this Agreement, the **BENEFICIARY** hereby undertakes to:-
- 5.1.1 adhere to the principles as per the **MUNICIPALITY'S** Supply Chain Management Policy, and
- 5.1.2 take all reasonable steps to ensure that such assets are maintained and that a system of internal control of such assets is in place.

6. RIGHTS OF THE MUNICIPALITY

- 6.1 The **MUNICIPALITY** shall be entitled, from time to time, to verify the existence and to inspect the activities of the **BENEFICIARY**, having regards for its right to privacy as entrenched in terms of the Constitution of the Republic of South Africa..
- 6.2 The **MUNICIPALITY** shall further be entitled to peruse the budgets and any progress reports related to the project / programme as per this Agreement.

7. FAILURE TO COMPLY

- 7.1 Failure by the **BENEFICIARY** to comply with the obligations as set out in Clause 2 of this Agreement, may lead to the cancellation of this Agreement, in which case the **MUNICIPALITY** may demand that the organisation pays back any unspent funds as per this Agreement. The **MUNICIPALITY** may even, depending on the circumstances leading to the non-compliance by the **BENEFICIARY**, demand that the organisation pays back the full amount paid to the **BENEFICIARY**.

8. INDEMNIFICATION

- 8.1 The **BENEFICIARY** hereby acknowledges that it receives the grant voluntarily and that it shall keep the **MUNICIPALITY** indemnified at all times against any loss, cost, damage, injury or liability suffered by the **MUNICIPALITY** resulting from any action, proceeding or claim made by any person (including themselves) against the **MUNICIPALITY** caused directly or indirectly by the use/spending of the grant.

9. DISPUTE RESOLUTION

9.1 Any dispute arising from this Agreement shall be mediated between the Parties by a mutually agreed upon and suitably skilled mediator. Should the mediator be unsuccessful and the Parties fail to reach agreement, the dispute may be referred by

the aggrieved Party to the arbitration of a single arbitrator, to be agreed upon between the Parties, or failing agreement, to be nominated on the application of any Party, by the President for the time being of the South African Association of Arbitrators. The decision of the single arbitrator shall be final and binding on the Parties.

10. NOTICES AND DOMICILIA

10.1 The parties choose as their *domicilia citandi et executandi* their respective addresses as set out in this clause for all purposes arising out of or in connection with the agreement at which addresses all processes and notices arising out of or in connection with this Agreement, its breach or termination, may validly be served upon or delivered to the Parties.

10.2 For purposes of this Agreement the Parties' respective addresses shall be:

10.2.1 The MUNICIPALITY:

Town House
Plein Street
Stellenbosch
7600
Fax: 021 – 808 8025

10.2.2 The BENEFICIARY:

email address: _____

or at such other address of which the Party concerned may notify the other(s) in writing provided that no street address mentioned in this sub-clause shall be changed to a post office box or poste restante.

10.3 Any notice given in terms of this Agreement shall be in writing and shall-

10.3.1 if delivered by hand be deemed to have been duly received by the addressee on the date of delivery;

10.3.2 if posted by prepaid registered post be deemed to have been received by the addressee on the 8th (eighth) day following the date of such posting;

10.3.3 if transmitted by facsimile be deemed to have been received by the addressee on the day following the date of dispatch;

10.4 Notwithstanding anything to the contrary contained or implied in this Agreement, a written notice or communication actually received by one of the Parties from another, including by way of facsimile transmission, shall be adequate written notice or communication to such party.

11. ENTIRE AGREEMENT

This Agreement, including the **Grant-in-Aid policy and application form**, reflects the entire Agreement between the Parties and no variation, amendment or addendum shall be of any force and effect between the Parties unless contained in writing, signed and agreed on by both Parties.

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

.....
for the **MUNICIPALITY**

WITNESS: 1.
2.

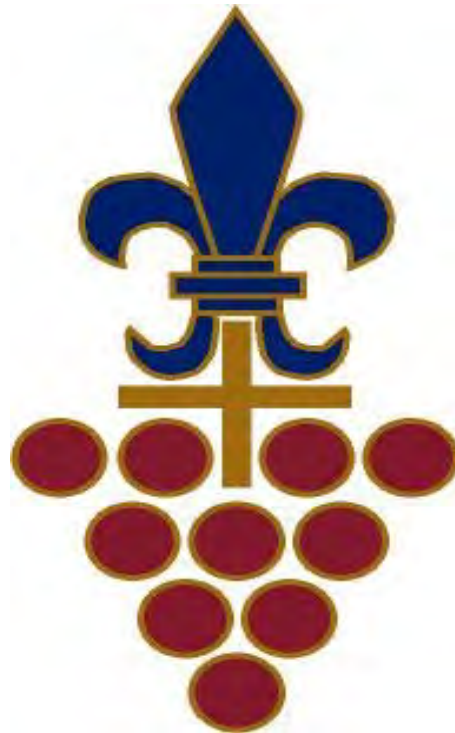
Signed at Stellenbosch on this _____ day of _____ 20....

2.
.....
.....

WITNESS: 1.

..... for the
BENEFICIARY

STELLENBOSCH MUNICIPALITY



ACCOUNTING POLICY

2021/2022

REVISED

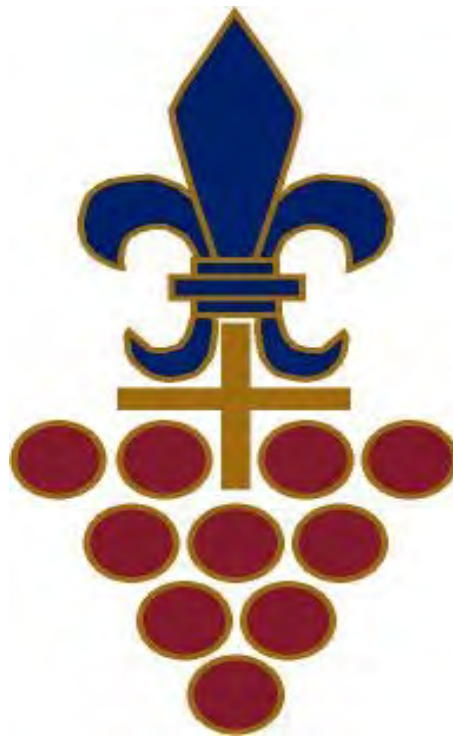
Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.21 Statutory receivables (continued)

STELLENBOSCH MUNICIPALITY



ACCOUNTING POLICY

2020/2021

1.21 Statutory receivables (continued)

STELLENBOSCH MUNICIPALITY**ACCOUNTING POLICY****Table of Contents**

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Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

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1. Basis of Preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives, issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures are rounded to the nearest Rand.

~~In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5. Accounting policies for material transactions, events or conditions not covered by the GRAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3.~~

~~Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.~~

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

1.1 Going concern assumption

These unaudited annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.1.2 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.21 Statutory receivables (continued)

Provincial MEC responsible for housing.

1.3 Internal reserves

Capital replacement reserve (CRR)

In order to finance the acquisition of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of the Annual Budget. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

Self-insurance reserve

The municipality has a Self-insurance reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term investments. Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

Accumulated surplus

The accumulated surplus/deficit represent the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

1.4 Materiality

~~Self insurance reserve~~

~~The municipality has a Self insurance reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self insurance fund is invested in short term investments. Claims are settled by transferring a corresponding amount from the self insurance reserve to the accumulated surplus.~~

~~Accumulated surplus~~

~~The accumulated surplus/deficit represent the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.~~

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.21 Statutory receivables (continued)

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.5 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are insignificant to the annual financial statements are set out below:

Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Revenue recognition

Accounting Policy 1.16 on Revenue from Exchange Transactions and Accounting Policy 1.17 on Revenue from Nonexchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In concluding judgement, management considered the detailed criteria for recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Impairment of financial assets

Accounting Policy 1.911: Financial Instruments, referring to the paragraph on impairment of financial assets, describes the process followed to determine the value with which financial assets should be

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.21 Statutory receivables (continued)

impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in the applicable notes to the annual financial statements.

Useful lives of property, plant and equipment and intangible assets

As described in Accounting Policy 1.86 and 1.97 the municipality depreciates its property, plant and equipment and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful life, which is determined when the assets are brought into use.. The review of useful life and residual values of assets are only reviewed if one of the indicators of potential review is triggered.

Employee benefit obligations

The municipality obtains actuarial valuations of its employee benefit obligations. The employee benefit obligations of the municipality that were identified are post-retirement health benefit obligations and long-service awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the applicable notes to the annual ~~f~~Financial ~~s~~Statements.

Impairment of non-financial assets

The recoverable amounts of cash-generating units have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

~~The recoverable (service) amounts of cash-generating units and individual assets have been determined based in the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.~~

The recoverable amounts of individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

Value in use of cash generating assets

Stellenbosch Municipality

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1.21 Statutory receivables (continued)

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as inflation and interest.

Value in use of non-cash generating assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that the impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Provisions

Provisions are raised and management determines an estimate based on the information available. Additional disclosures of these estimates of provisions are included in note 20 - Provisions.

Allowance for slow moving, damaged and obsolete stock

An allowance for inventory to write inventory down to the lower of cost or net realisable value. Management has made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the surplus/deficit.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure ~~purposes~~ is purposes

Stellenbosch Municipality

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Accounting Policies

1.21 Statutory receivables (continued)

is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows-.

Allowance for doubtful debts

On receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Impairment of statutory receivables

If there is an indication that a statutory receivable, may be impaired, the ~~entity-municipality~~ measures ~~and the~~ impairment loss. The impairment loss is measured as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In estimating the future cash flows, the municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable are revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Accounting by principals and agents

The entity makes assessments on whether it is the principal or agent in principal-agent relationships.

1.6 Biological assets that form part of an agricultural activity

The municipality recognises biological assets that form part of an agricultural activity or agricultural

Stellenbosch Municipality

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Accounting Policies

1.21 Statutory receivables (continued)

produce when and only when:

- the municipality controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the municipality; and
- the fair value or cost of the asset can be measured reliably.

Biological assets that form part of an agricultural activity are measured at their fair value less costs to sell.

A gain or loss arising on initial recognition of biological assets that form part of an agricultural activity or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological assets that form part of an agricultural activity, is included in surplus or deficit for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate where applicable, is used to determine fair value.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The municipality classifies biological assets as consumables which consist of timber in the form of pine trees. All biological assets are held for sale.

Item	Useful life
Trees in a plantation forest	indefinite

1.7 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services; or for
- administrative purposes; or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that is associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Depreciation is calculated at the straight line method over a period of 30 - 99 years

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.21 Statutory receivables (continued) at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is, subsequent to initial measurement, carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

Item	Useful life
Property - buildings	30-99 years
Property - land	indefinite

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

The nature OR type of properties classified as held for strategic purposes are as follows:

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note 11).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements (see note 11).

When classification is difficult, the criteria used to distinguish investment property from owner -occupied property and from property held for sale in the ordinary course of operations, are as follows:

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

- (a) commencement of owner-occupation, for a transfer from investment property to owner-occupied

Stellenbosch Municipality

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Accounting Policies

1.21 Statutory receivables (continued)

- property;
- (b) commencement of development with a view to sale, for a transfer from investment property to inventories;
- (c) end of owner-occupation, for a transfer from owner-occupied property to investment property; or
- (d) commencement of an operating lease (on a commercial basis) to another party, for a transfer from inventories to investment property.

1.8 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

Property, plant and equipment is recognised as an asset when:

- it is probable that the future economic benefits or service potential that are associated with the property, plant and equipment will flow to the municipality; and
- the cost or fair value of the item can be determined reliably.

Measurement

Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary cost of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.21 Statutory receivables (continued)

amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the municipality is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and standby equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and standby equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent to initial measurement property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Incomplete construction work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is ~~ready to be used~~ available for use.

Impairment

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable service amount, it is written down immediately to its recoverable service amount and an impairment loss is charged to the statement of financial performance.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Depreciation

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Stellenbosch Municipality

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Accounting Policies

1.21 Statutory receivables (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Land	indefinite
Machinery and equipment	1-25
Furniture and office equipment	2-24
Transport assets	4-20
Computer equipment	5-23
Community assets	4-30
Other property, plant and equipment	6-99
Capital restoration asset	5-30
Electrical infrastructure	10-50
Water supply infrastructure	10-100
Solid waste infrastructure	10-30
Roads infrastructure	10-100
Information and communication infrastructure	3-15
Waste water network	10-100
Stormwater infrastructure	10-50

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an

Stellenbosch Municipality

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Accounting Policies

1.21 Statutory receivables (continued)

accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 10).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 10).

1.9 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations. A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.21 Statutory receivables (continued)

economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably. Intangible assets are initially measured at cost.

Subsequent to initial measurement intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

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Accounting Policies

1.21 Statutory receivables (continued)

Item		Useful life
Computer software		3 - 30 years
<u>Internally generated: Capital development</u>	<u>Straight-line</u>	<u>5 - 7 years</u>
<u>Service operating and land rights</u>	<u>Straight-line</u>	<u>5 - 30 years</u>

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the asset is derecognised.

1.10 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Where the municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in note 14 Heritage assets.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

Subsequent to initial measurement classes of heritage assets are carried at cost less any accumulated impairment losses.

Impairment

Stellenbosch Municipality

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Accounting Policies

1.21 Statutory receivables (continued)

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by a municipality on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an municipality's statement of financial position.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.21 Statutory receivables (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, a municipality shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the municipality shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another municipality; or
- a contractual right to:
 - o receive cash or another financial asset from another municipality; or
 - o exchange financial assets or financial liabilities with another municipality under conditions that are potentially favourable to the municipality.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another municipality; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the municipality.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Stellenbosch Municipality

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Accounting Policies

1.21 Statutory receivables (continued)

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the municipality had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed

or determinable payments, excluding those instruments that:

- the municipality designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - o it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - o on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking
 - o non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - o financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

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1.21 Statutory receivables (continued)

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Other receivables from exchange transactions	Financial asset measured at amortised cost
Short term investments	Financial asset measured at amortised cost
Long term receivables	Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Other financial liabilities	Financial liability measured at amortised cost

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

~~The municipality recognises financial assets using trade date accounting.~~

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus, in the case of a financial asset or a liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or

Stellenbosch Municipality

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Accounting Policies

1.21 Statutory receivables (continued)

- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the municipality uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data..

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Reclassification

The municipality does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification

Where the municipality cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it

Stellenbosch Municipality

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Accounting Policies

1.21 Statutory receivables (continued)

measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the municipality reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the municipality reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The municipality assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

The calculation in respect of the impairment of fines receivable (receivables from non-exchange

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1.21 Statutory receivables (continued)

transactions) is based on an assessment of the past history of fines per category.

Derecognition

Financial assets

The municipality derecognises financial assets using trade-date accounting. The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Cash includes cash on hand and cash with banks. Cash equivalents are short term highly liquid investments that are held with registered banking institutions with a maturity period of between three and twelve months and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried in the balance sheet at amortised cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with bank, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

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1.21 Statutory receivables (continued)

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by a n o t h e r municipality by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.12 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

Housing rental and instalments

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

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Accounting Policies

1.21 Statutory receivables (continued)

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rent is expensed in the period in which they are incurred.

1.13 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, and then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs. The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

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Accounting Policies

1.21 Statutory receivables (continued)

1.14 Landfill site

Site restoration and dismantling cost - The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes:

- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located;
- changes in the measurement of an existing decommissioning, restoration and similar liability that result from change in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in discount rate; and
- the obligation the municipality incurs for having used the items during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

1.15 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Cash generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset. Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash generating unit is the smallest identifiable group of assets used with the objective of generating a

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Accounting Policies

1.21 Statutory receivables (continued)

commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

~ the period of time over which an asset is expected to be used by the municipality; or

~ the number of production or similar units expected to be obtained from the asset by the municipality.

Management has judged all assets as non cash generating assets.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

~~Irrespective of whether there is any indication of impairment, the municipality also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.~~

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

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Accounting Policies

1.21 Statutory receivables (continued)

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the

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Accounting Policies

1.21 Statutory receivables (continued)

highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

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1.21 Statutory receivables (continued)

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.16 Impairment of non- cash generating assets

Non cash generating assets are assets other than cash generating assets.

Identification

When the carrying amount of a non cash generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non cash generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non cash generating intangible asset with an indefinite useful life or a non cash generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non cash generating assets is the present value of the non cash generating assets remaining service potential.

The present value of the remaining service potential of a non cash generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non cash generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are

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1.21 Statutory receivables (continued)

assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non cash generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non cash generating asset is adjusted in future periods to allocate the non cash generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non cash generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non cash generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non cash generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non cash generating asset is adjusted in future periods to allocate the non cash generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.161.17 Employee benefits

Employee benefits are all forms of consideration given by a municipality in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party of the reporting municipality, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting municipality's own creditors (even in liquidation) and cannot be paid to the reporting municipality, unless either:

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Accounting Policies

1.21 Statutory receivables (continued)

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting municipality to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- a municipality's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide postemployment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from a municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the municipality during a reporting period, the entity

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1.21 Statutory receivables (continued)

recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Accrued leave pay

Liabilities for annual leave are recognised as they accrue to employees. Liability is based on the total accrued leave days owing to employees and is reviewed annually.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which a municipality provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Multi-employer plans

The municipality classifies a multi-employer plan and/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

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1.21 Statutory receivables (continued)

Where a plan is a defined contribution plan, the municipality accounts for in the same way as for any other defined contribution plan.

Where a plan is a defined benefit plan, the municipality account for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the municipality account for the plan as if it was a defined contribution plan.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the municipality during a reporting period, the municipality recognizes the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which

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1.21 Statutory receivables (continued)

arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the municipality recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement.

The amount determined as a defined benefit liability may be negative (an asset). The municipality measure the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The municipality determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;

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1.21 Statutory receivables (continued)

- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the municipality shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the municipality attributes benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The municipality offsets an asset relating to one plan against a liability relating to another plan when

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.21 Statutory receivables (continued)

the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other long term employee benefits

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

Long term ~~serices~~service awards is payable after 10 years of ~~continious~~continuous service and after every 5 years thereafter to employees. Additional to this employees shall be entitled to a 14th cheque for ~~continious~~continuous ~~employment~~employment on their 30th and every 5th year ~~rf onward~~onward. Furthermore a retirement gift is payable on retirement to employees with 10 years or more service. The provision is an estimate of the long service award based on historical staff turnover based on historical staff turnover. No other long service benefits are provided to emp~~lo~~yees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out

Stellenbosch Municipality

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Accounting Policies

1.21 Statutory receivables (continued)

valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost; and
- the effect of any curtailments or settlements.

Termination benefits

The municipality recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The municipality is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than twelve months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination

Stellenbosch Municipality

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Accounting Policies

1.21 Statutory receivables (continued)

benefits shall be based on the number of employees expected to accept the offer.

1.171.18 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

~~Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.~~

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Provision for the rehabilitation of landfill sites

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

As the related asset is measured using the cost model:

Stellenbosch Municipality

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Accounting Policies

1.21 Statutory receivables (continued)

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period;
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit;
- if the adjustments result in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may be fully recoverable. If there is such an indication, the municipality tests the asset for the impairment by estimating its recoverable amount or recoverable service amount, and accounts for any impairment loss, in accordance with the accounting policy on impairment of assets as described in the accounting policy on impairment of cash-generating assets and/ or impairment of non-cash generating assets.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur.

Provision for constructive obligations

A constructive obligation to restructure arises only when the municipality:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality.

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingencies

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.21 Statutory receivables (continued)

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability is a:

- possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality;
- present obligation that arises from past events but is not recognised because: it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; the amount of the obligation cannot be measured with sufficient reliability.

~~Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 51.~~

1.181.19 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Service charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the

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Accounting Policies

1.21 Statutory receivables (continued)

reporting date, an accrual is made based on the billings done during July and August. The billing and invoiced amounts done in July are recognized in total as an accrual as all billing in July pertains to services rendered prior 30 June. An estimate is then made based on August billing pertaining to services rendered up until 30 June. -

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

Pre-paid electricity

Revenue from the sale of electricity prepaid units is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measure reliably.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.21 Statutory receivables (continued)

Interest earned

Interest earned on investments is recognised in the statement of financial performance on the time proportionate basis that takes into account the effective yield on the investment.

Dividends

Dividends are recognised on the date that the municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement, where applicable.

Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

~~1.19~~1.20 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Stellenbosch Municipality

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Accounting Policies

1.21 Statutory receivables (continued)

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the statement of financial performance in the period in which they become receivable.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.21 Statutory receivables (continued)

recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Property rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources.

Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Debt forgiveness and assumption of liabilities

The municipality recognises revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

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Accounting Policies

1.21 Statutory receivables (continued)

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables. Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting municipality.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Services in-kind that are significant to the municipality's operations and/or service delivery objectives are recognised as assets and the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality discloses the nature and type of services in-kind received during the reporting period.

Collection charges and penalties

Collection charges and penalty interest is recognised when:

- it is probable that the economic benefits or service potential associated with the transactions will flow to the municipality; and
- the amount of revenue can be measured reliably; and

to the extent that there has been compliance with the relevant legal requirements (if applicable).

~~1.19 Value Added Tax~~

~~The municipality accounts for Value Added Tax on the cash (payment) basis.~~

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.21 Statutory receivables (continued)

1.201.21 Statutory receivables Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of the Standard of GRAP on Statutory Receivables) means- the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the accounting policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the accounting policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the accounting policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount. Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised. Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the accounting policy on Revenue from exchange transactions or the accounting policy on Revenue from non-exchange

Stellenbosch Municipality

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Accounting Policies

1.21 Statutory receivables (continued)

transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled to levy additional charges in terms of legislation, supporting regulations, by-laws or similar means on overdue or unpaid amounts, these charges are accounted for in terms of the municipality's accounting policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (taxes and transfers).

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- significant financial difficulty of the receivable, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- it is probable that the receivable will enter sequestration, liquidation or other financial re-organisation.
- a breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable, or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Stellenbosch Municipality

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Accounting Policies

1.21 Statutory receivables (continued)

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
 - derecognises the receivable; and
 - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The municipality considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.22 Accounting by principles and agents

2 Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Stellenbosch Municipality

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Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.23 Borrowing costs

Borrowing costs are interest and other expenses incurred by the municipality in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

1.24 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 59 and 60 for detail.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.25 ~~UU~~unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.26 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.27 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

~~1.27— Impairment of non-cash-generating assets~~

~~Non-cash-generating assets are assets other than cash-generating assets.~~

~~Identification~~

~~When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.~~

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

~~The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.~~

~~Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.~~

Value in use

~~Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.~~

~~The present value of the remaining service potential of non-cash-generating assets is determined using the following approach:~~

Depreciated replacement cost approach

~~The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.~~

~~The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.~~

Recognition and measurement

~~If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.~~

~~An impairment loss is recognised immediately in surplus or deficit.~~

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

~~After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.~~

Reversal of an impairment loss

~~The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.~~

~~An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.~~

~~A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.~~

~~After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.~~

GRAP

1.28 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Stellenbosch Municipality

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Accounting Policies

Key management as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

Management are those persons responsible for planning, directing and controlling the activities of the municipality including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

Changes in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Commitments

Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

1.29 Changes in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

1.30 ~~Budget information~~ Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

1.31 ~~Budget information~~ Value Added Tax

The municipality accounts for Value Added Tax on the cash (receipt) basis.

1.291.32 Budget information

The approved budget is prepared on the accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2019/07/01 to 2020/06/30.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the statement of comparison of budget and actual amounts.

1.33 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting ~~events~~ after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.34 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

0.27 Going concern assumptions

~~These audited annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.~~

0.27 Accounting by principals and agents

Identification

~~An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.~~

~~A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.~~

~~A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).~~

Identifying whether an entity is a principal or an agent

~~When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.~~

~~The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.~~

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement reassess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

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- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

~~The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.~~

~~The municipality recognises assets and liabilities arising from principal agent arrangements in accordance with the requirements of the relevant Standards of GRAP.~~

2 New standards and interpretations

2.1 Standards and interpretations not yet effective or relevant

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2019 or later periods but no effective date has been determined by the Minister:

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2020 or later periods:

<u>Standard/ Interpretation:</u>	<u>Effective date: Years beginning on or after</u>	<u>Expected impact:</u>
• <u>GRAP 34: Separate Financial Statements</u>	<u>01 April 2020</u>	<u>Unlikely there will be a material impact</u>
• <u>GRAP 35: Consolidated Financial Statements</u>	<u>01 April 2020</u>	<u>Unlikely there will be a material impact</u>
• <u>GRAP 36: Investments in Associates and Joint Ventures</u>	<u>01 April 2020</u>	<u>Unlikely there will be a material impact</u>
• <u>GRAP 37: Joint Arrangements</u>	<u>01 April 2020</u>	<u>Unlikely there will be a material impact</u>
• <u>GRAP 38: Disclosure of Interests in Other Entities</u>	<u>01 April 2020</u>	<u>Unlikely there will be a material impact</u>

• <u>GRAP 110 (as amended 2016): Living and Non-living Resources</u>	<u>01 April 2020</u>	<u>Unlikely there will be a material impact</u>
• <u>GRAP 18 (as amended 2016): Segment Reporting</u>	<u>01 April 2020</u>	<u>Not expected to impact results but may result in additional disclosure</u>

GRAP 34: Separate Financial Statements

The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements.

It furthermore covers Definitions, Preparation of separate financial statements, Disclosure, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 35: Consolidated Financial Statements

The objective of this Standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

To meet this objective, the Standard:

- requires an entity (the controlling entity) that controls one or more other entities (controlled entities) to present consolidated financial statements;
- defines the principle of control, and establishes control as the basis for consolidation;
- sets out how to apply the principle of control to identify whether an entity controls another entity and therefore must consolidate that entity;
- sets out the accounting requirements for the preparation of consolidated financial statements; and
- defines an investment entity and sets out an exception to consolidating particular controlled entities of an investment entity.

It furthermore covers Definitions, Control, Accounting requirements, Investment entities: Fair value requirement, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 36: Investments in Associates and Joint Ventures

~~The objective of this Standard is to prescribe the accounting for investments in associates and joint ventures and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.~~

~~It furthermore covers Definitions, Significant influence, Equity method, Application of the equity method, Separate financial statements, Transitional provisions and Effective date.~~

~~The effective date of the standard is not yet set by the Minister of Finance.~~

~~The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.~~

~~It is unlikely that the standard will have a material impact on the municipality's annual financial statements.~~

GRAP 37: Joint Arrangements

~~The objective of this Standard is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).~~

~~To meet this objective, the Standard defines joint control and requires an entity that is a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and to account for those rights and obligations in accordance with that type of joint arrangement.~~

~~It furthermore covers Definitions, Joint arrangements, Financial statements and parties to a joint arrangement, Separate financial statements, Transitional provisions and Effective date.~~

~~The effective date of the standard is not yet set by the Minister of Finance.~~

~~The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.~~

~~It is unlikely that the standard will have a material impact on the municipality's annual financial statements.~~

GRAP 38: Disclosure of Interests in Other Entities

~~The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate:~~

~~~the nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and~~

~~~the effects of those interests on its financial position, financial performance and cash flows.~~

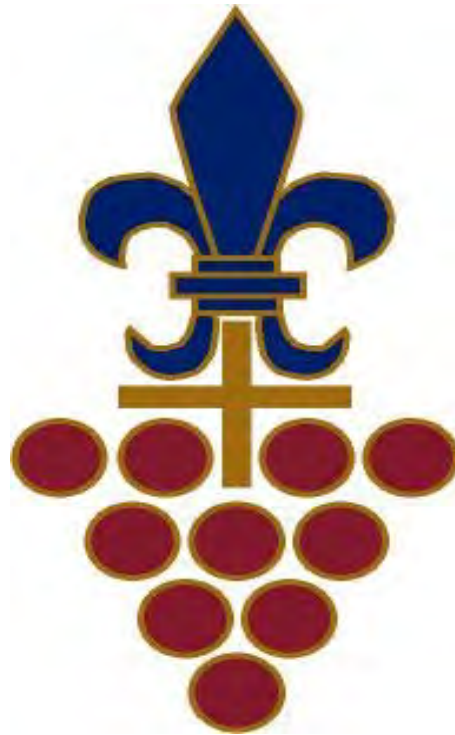
~~It furthermore covers Definitions, Disclosing information about interests in other entities, Significant judgements and assumptions, Investment entity status, Interests in controlled entities, Interests in joint arrangements and associates, Interests in structured entities that are not consolidated, Non-qualitative ownership interests, Controlling interests acquired with the intention of disposal, Transitional provisions and Effective date.~~

~~The effective date of the standard is not yet set by the Minister of Finance.~~

~~The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.~~

~~It is unlikely that the standard will have a material impact on the municipality's annual financial statements.~~

STELLENBOSCH MUNICIPALITY



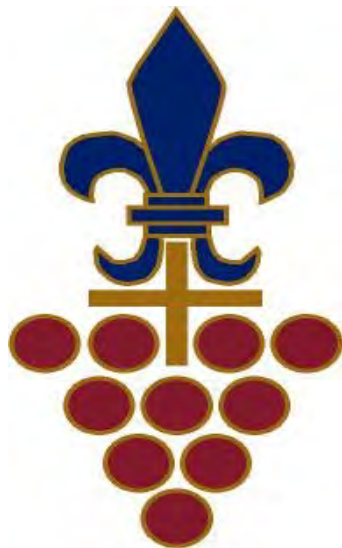
ASSET MANAGEMENT POLICY

2021/2022

REVISED

APPENDIX 21

STELLENBOSCH MUNICIPALITY



ASSET MANAGEMENT POLICY

20210/2021



STELLENBOSCH MUNICIPALITY

ASSET MANAGEMENT POLICY

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1. PREAMBLE

- Section 63 of the Municipal Finance Management Act Number 56 of 2003 governs Asset and Liability Management and states the following:

Asset and liability management

- 63.** (1) The accounting officer of a municipality is responsible for the management of— 10
- (a) the assets of the municipality, including the safeguarding and the maintenance of those assets; and
 - (b) the liabilities of the municipality.
- (2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure— 15
- (a) that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality;
 - (b) that the municipality's assets and liabilities are valued in accordance with standards of generally recognised accounting practice; and 20
 - (c) that the municipality has and maintains a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.

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

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

2. DEFINITIONS

In this Policy, unless the context indicates otherwise

An **asset** means a resource

- a) controlled by Stellenbosch Municipality
- b) as a result of a past event
- c) it is probable that future economic benefits or service potential associated with the assets will flow to the municipality

Property, Plant and Equipment (PPE) refers to tangible, identifiable assets that:

- a) are held for-
 - i. use in the production or supply of goods or services
 - ii. rental, or
 - iii. administrative purposes, and
 - iv. are expected to be used for more than one year.

PPE should be classified according to the following definition groups:

- a) **Infrastructure assets** which are defined as assets that usually display some or all of the following characteristics:
 - i. they are part of a system or network,
 - ii. they are specialised in nature and do not have alternative uses
 - iii. they are immovable, and
 - iv. they may be subject to constraints on disposal
 - v. examples are road networks, sewer systems, water networks etc.
- b) **Community assets** which are defined as assets that contributes to the communities' well-being. Community assets are disclosed in accordance with its nature.
- c) **Heritage assets** which are defined as cultural significant resources.
- d) **Investment Properties** are defined as properties (land or buildings) that are acquired for economic and capital gains or held by Stellenbosch Municipality as finance lease to earn rentals. Examples are office parks and undeveloped land acquired for the purpose of resale in future years.
- e) **Other assets** which are defined as assets utilised in normal operations.
- f) **Intangible assets** which are defined as being assets without physical substance.

g) **Biological assets** are assets acquired for agricultural purposes.

Capitalization of assets means the recording of assets in the Fixed Asset Register with its historical financial cost in accordance with GRAP.

Carrying amount means the amount at which an asset is recognized after deducting any accumulated depreciation and accumulated impairment losses.

Classification of assets means the grouping of assets of a similar nature of functionality in an entities operation that is shown as a single item for the purpose of disclosure in the financial statements.

Cost means the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognized in accordance with specific requirements of other Standards of Generally Recognized Accounting Practices (GRAP).

Contributed assets means items received by the municipality as a donation.

Depreciation means the systematic allocation of the depreciable amount of an asset over its useful life.

Depreciable amount means the cost of an asset, or other amount substituted for the cost less its residual value.

Fair value means the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fixed Asset Register means a register for recording assets in accordance with GRAP

Impairment of an asset

- An impairment loss of cash - generating assets is the amount by which the carrying amount of an asset exceeds its recoverable amount.
- An impairment loss of non - cash generating assets is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

Recoverable amount means the amount that the municipality expects to recover from the future use of an asset, including the residual value on disposal.

Residual value means the estimated amount that Stellenbosch municipality would

currently obtain from disposal of the asset, after deducting the estimated cost of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Useful life means the period over which an asset is expected to be available for use by the municipality.

Contributed Assets means items received by the Stellenbosch Municipality in the form of a donation.

3. ACRONYMS

| | |
|-----------|--------------------------------------|
| PPE: | Property, Plant and Equipment |
| AMC Form: | Asset Movement Capture Form |
| MFMA: | Municipal Finance Management Act |
| GRAP: | General Accepted Accounting Practice |
| DIR: | Departmental Inventory Register |
| SCM: | Supply Chain Management |
| FAR: | Fixed Asset Register |
| NARC: | New asset receipt capture form |
| AT: | Asset transfer form |

4. AIM

This policy will lay down broad guidelines for consistent, effective and efficient asset management principles of Stellenbosch Municipality

5. OBJECTIVES

- Specifying Council's practice regarding accounting for assets
- Ensure consistency in accounting treatment.
- To assist officials in understanding their legal and managerial responsibilities with regard to key asset functions such as:
 - safeguarding of assets,
 - maintaining assets,
 - establishing and maintaining a management, accounting and information system

- that accounts for the assets of the municipality.
- asset valuation principles in accordance with GRAP.
- establishing and maintaining systems of internal controls over assets.
- establishing and maintaining asset registers.
- clarifying responsibilities and accountabilities for the asset management process.

6. STATUTORY AND REGULATORY FRAMEWORK

This policy must comply with all relevant legislative requirements including:

- The Constitution of the Republic of South Africa, 1996
- Municipal Structures Act, 1998
- Municipal Systems Act, 2000
- Division of Revenue Act (enacted annually)
- Municipal Finance Management Act of 2003

Also, this policy must comply with the standards specified by the Accounting Standards Board. The relevant currently recognized accounting standards include:

- GRAP 17 Property, plant or equipment
- GRAP 16 Investment property
- GRAP 100 Non-current Assets held for Sale and Discontinued Operations
- GRAP 31 Intangibles
- GRAP 103 Heritage Assets
- GRAP 101 Agriculture
- GRAP 21 & 26 Impairment

7. RESPONSIBILITIES AND ACCOUNTABILITIES

The purpose of this section is to prescribe the responsibilities of the various functionaries within Stellenbosch Municipality.

7.1 The Accounting Officer (Municipal Manager)

The Accounting Officer (Municipal Manager) or his duly delegated representative is responsible to ensure implementation and compliance with the responsibilities prescribed in section 63 of the MFMA.

- The municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality;

- The municipality's assets are valued in accordance with standards of generally recognized accounting practice;
- The municipality has and maintains a system of internal control of assets, including an asset register; and
- The senior managers and their teams comply with this policy.
- In consultation with the asset managers, he approves the temporary or permanent transfer of a movable asset between departments as determined in the "Delegation of Authority to officials of the Stellenbosch Municipality".

7.2 The Chief Financial Officer (Director: Finance)

The Chief Financial Officer is responsible to the Municipal Manager to ensure that the financial investment in the municipality's assets is safeguarded and maintained.

The Chief Financial Officer must take reasonable steps to ensure that:

- i. Appropriate systems of financial management and internal control are established and carried out diligently;
- ii. The financial and other resources of the municipality are utilized effectively, efficiently, economically and transparently;
- iii. Any unauthorized, irregular or fruitless or wasteful expenditure and losses resulting from criminal or negligent conduct are prevented;
- iv. The systems, processes and registers required to substantiate the financial values of the municipality's assets are maintained at standards sufficient to satisfy the requirements of the Auditor-General.
- v. Financial processes are established and maintained to ensure that the municipality's financial resources are optimally utilized through an appropriate asset plan, budgeting, purchasing, maintenance and disposal decisions.
- vi. The managers and asset champions are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets;
- vii. The policy and supporting procedures or guidelines are established, maintained and effectively communicated;
- viii. The Chief Financial Officer may delegate or otherwise assign responsibility for performing the functions but he/she will remain accountable for ensuring these activities are performed.

7.3 Asset Managers/ Directors

- a) The manager referred to in Section 56 of the municipal systems act being someone reporting directly to the Municipal Manager and has the functional accountabilities for the physical management of a particular set of assets in order to achieve the municipalities strategic objectives relevant to their directorate.
- b) Directors shall be directly responsible for the physical safeguarding of any fixed asset controlled or used by the directorate in question. In exercising this responsibility, directors shall adhere to the stipulations of this policy as well as any other written directives issued by the municipal manager to the directorate in question, or generally to all directorates, in regard to the control of or safeguarding of the municipality's fixed assets.

Asset managers should:

- i. ensure that employees in their departments adhere to the approved Asset Management Policy;
- ii. ensure that all assets are procured in terms of the SCM Policy;
- iii. ensure that council are properly informed about any contributed (donated) assets and that approval from council is obtained timeously
- iv. ensure that the contributed asset is recorded on the NARC form and communicated with the Asset Management Department.
- v. ensure that employees with delegated authority have been nominated to implement and maintain physical control over assets in their departments. Although authority has been delegated, responsibility remains with the respective Managers of the departments and overall accountability with the Directors of relevant directorates;
- vi. ensure that the termination of service asset verification form for staff, is duly completed and submitted to the Strategic and Corporate Services Directorate;
- vii. ensure that assets are properly maintained in accordance with their respective asset maintenance policy;
- viii. ensure that, where applicable, all their movable assets as reflected on the Fixed Asset Register are barcoded to exercise control;
- ix. ensure that the Asset Management Section is notified via the AT form within 10 working days of any changes in the status of assets under the department's control;
- x. ensure that transfers between departments within directorates are administered internally;
- xi. ensure that a complete asset verification of all inventory and asset

- items is performed annually;
- xii. ensure that all obsolete, damaged and unused assets, supported by relevant asset and condemnation forms, are handed in at the Asset Management Department without delay;
 - xiii. be responsible for maintaining and managing their own DIR;
 - xiv. ensure that all assets are safeguarded against loss/theft and that they are adequately insured; and
 - xv. ensure that location changes are made timeously and location/room information are updated and reported on the relevant form to the Asset Management Section regularly.

7.4 Asset Champions

Asset Champions are senior officials appointed by the Asset Manager in the different Directorates.

The Asset Champion must:

- i. Assist the Asset Manager/ Director in performing his/her functions and duties.
- ii. Ensure that all new assets (purchased or donated) are recorded on the NARC form.
- iii. Ensure that the NARC forms are completed in full and send with copies of the relevant documentation to the asset control department within 7 working days after receipt of the assets.
- iv. Ensures that all their movable assets, where applicable, are barcoded.
- v. Ensure that asset listings are verified and kept up to date in collaboration with the Finance Directorate.
- vi. Assist the Finance Department with the annual verification of movable assets by making sure that the assets, as per asset listing, are at the correct locations, that these locations are accessible when the verification of assets takes place and provides a full report on any missing assets to the Asset Manager.
- vii. Notify the Finance Department when he/she identifies obsolete and redundant assets so that these assets can be moved to the Write-off Store.
- viii. Report all changes affecting asset listing sheets to the Director: Finance and the Finance Department: Asset Management Division within 7 days of occurrence.

The following require the written recommendation of the Asset Manager and approval of Municipal Manager on the prescribed form:

- a) The temporary or permanent transfer of all movable assets between departments.
- b) The writing off or disposal of obsolete or redundant assets.

7.5 Financial Services Directorate: Asset Management Section

- i. Is the asset registrar of the municipality and shall ensure that a complete, accurate and up to date asset register is maintained that conforms to the GRAP specifications.
- ii. Ensures that physical asset verification is performed annually by all departments to verify the assets on the asset register. The results of this verification must be reported to the Municipal Manager and Council.
- iii. Will perform reconciliations between the asset register and the General Ledger on a monthly basis.
- iv. Ensures adequate bar codes and equipment to exercise the function relating to asset control is available at all times.
- v. Will ensure that all audit queries are resolved in a timely manner.
- vi. Dispose of asset in accordance with the SCM policy
- vii. Handles the administrative functions with regards to the transfers received.

7.6 The responsibility of the Budget and Treasury

- i. Ensure that a clear description is provided with each project and the appropriate funding source is identified.
- ii. Release capital funds only after receiving written authority and a clear and concise description of the item to be purchased.
- iii. Ensure that any changes in the capital budget, with regards to funds transferred or project description changes are communicated to the Asset Management Division.

7.7 The Strategic and Corporate Services Directorate

The Strategic and Corporate Services directorate shall ensure that no monies are paid out to the staff on termination of their service prior to receiving the relevant asset resignation form signed off by the relevant directorate- refer to Termination of Service Asset Confirmation form.

8. SAFEGUARDING OF ASSETS

Custody and Security

- i. All barcoded assets shall be tracked by physical location through the Fixed Asset Register.
- ii. A physical asset verification process shall be performed every year and all directorates will be verified simultaneously.
- iii. The coordination of the process and verification of the assets will rest with the Asset Management Section and all directorates are responsible to see that the assets under their control are available during the verification process.

Communication

- i. Directorates are responsible to report any stolen or damage property to the Asset Management Section.
- ii. All changes must be accurately recorded on the AT forms and reported to the Asset Management Section within 10 working days.
- iii. Any discrepancies between the Fixed Asset Register and the physical inventory must be reconciled and motivated by the relevant directorates.

9. PROCEDURE WITH REGARD TO CONTRIBUTED ASSETS

Governance

- i. The authority to endorse and approve acceptance of assets contributed to the Stellenbosch Municipality vests with Council as such assets have an impact on future operational costs.
- ii. A report including the fair value/cost price of the contributed asset as well as the financial implications of acceptance of the contributed asset must be submitted to Council, so that acceptance of the asset can be confirmed.

Procedures

- i. Once Council has approved the donation, the departments must:
- ii. Notify the Financial Services Directorate of any assets contributed, by submitting the Council approved report including the cost/fair value of the contributed asset so that the asset can be recorded and capitalized

at the appropriate value.

10. FINANCIAL MANAGEMENT

Pre-Acquisition Planning

Before a capital project is included in the draft municipal budget for approval, the Asset Manager must prove that they have considered:

- The projected acquisition and implementation cost over all the financial years until the project is operational;
- The future operational costs and revenue on the project, including tax and tariff implications;
- The financial sustainability of the project over its economic life span including revenue generation and subsidization requirements;
- The physical and financial stewardship of the asset through all stages in its economic life span including acquisition, installation, maintenance, operations, disposal and rehabilitation; and
- The inclusion of the capital project in the Integrated Development Plans and future budgets.

The Chief Financial Officer is accountable to ensure that the Asset Managers/Directors receive all reasonable assistance, guidance and explanation to enable them to achieve their planning requirements.

Approval to acquire Property, Plant and Equipment:

Funds can only be invested with a capital project if:

- The funds have been appropriated in the capital budget;
- The project, including the total cost and funding sources, has been approved by the Council;
- The Director: Finance confirms that funding is available for that specific project; The Supply Chain Management prescripts/procedures have been adhered to.
- Any contract that will impose financial obligations more than two years beyond the budget year is appropriately disclosed.

The funding sources of Assets:

Within the municipality's ongoing financial, legislative or administrative capacity, the Chief Financial Officer will establish and maintain the funding strategies that optimize the municipality's ability to achieve its Strategic Objectives as stated in the Integrated Development Plan.

Four main sources of finance are utilized to acquire Property Plant and Equipment

for the municipality, namely:

- The Accumulated Surplus/Deficit (Capital Replacement Reserve)
- The External Financing Fund (EFF).
- Grants, Subsidies and Public
- Contributions. Fair value

The sources of finance that may be utilized to finance assets are utilized in accordance with the provisions of S19 of the Municipal Finance Management Act.

a) Accumulated Surplus/Deficit (The Capital Replacement Reserve)

The Council must annually approve the basis and the amounts for which contributions should be appropriated to the Accumulated Surplus/Deficit in conjunction with the availability of funds and the requirements of the capital program for that financial year.

The funds in the Accumulated Surplus/Deficit are accumulated by: An annual contribution from revenue

The cash backed profit on the sale/disposal of assets

When an amount is advanced to a borrowing service to finance the acquisition of an asset, the money must be transferred to the Accumulated Surplus created for the purpose of acquiring a specific asset and the accumulated funds in the Accumulated Surplus/Deficit must be reduced by the amount of the advance.

The balance of the accumulated funds in the Accumulated Surplus/Deficit will therefore represent the amount that is available to finance assets in future periods. This balance must be cash backed at all times.

The balance in the Accumulated Surplus is transferred to the income statement over the estimated life of assets financed by the Accumulated Surplus/Deficit to offset the depreciation charge included in the income statement relating to fixed assets.

b) The External Financing Fund (EFF)

When loans are obtained from external sources, they must be paid into the EFF. The corresponding cash should be invested until utilized for the purpose of acquiring assets. When the external loan is utilized to finance assets in a service entity it should be recorded in an "advances" account in the EFF.

Where a loan has a fixed period the installments should be calculated to determine the cash that should be set aside in the EFF. This is done so that there will be sufficient money to repay the loan when it matures as well as any interest charges as they occur.

When the loan is an annuity loan, the cash required to be paid into the EFF should be based on the actual loan repayments. Once the money has been received by the EFF, the cash would be used to repay the loan.

When the EFF is consolidated with the various services, the "advances made" account in the EFF will contra with the "advances received" account in the various service entities.

Loan finance option

A municipality should ensure that a loan satisfies the requirements of legislation on incurring debt. In particular, municipalities should ensure that long-term debt is:

- Incurred only for the purposes of capital expenditure for the purpose of achieving the objectives stated in section 152 of the Constitution (MFMA S46);
- incurred in line with its capital budget (MFMA S19 and S46(2));
- Is incurred only after the anticipated debt repayment schedule has been submitted to council (MFMA S46(3)(b)(i));
- Included in the liabilities register and
- Satisfies the other requirements of sections 19, 46 and 63 of the MFMA, the MSA and the Constitution.

c) Grants, Subsidies and Public Contributions (Capital Receipts)

Unutilized conditional grants are reflected on the Balance Sheet as a Creditor called Creditor (Unspent and Receipts). They represent unspent government grants, subsidies and contributions from the public. This creditor always has to be backed by cash.

The following provisions are set for the creation and utilization of this creditor:

- The cash which backs up the creditor is invested until it is utilized.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the council's interest it is recognized as interest earned in the income statement.
- Whenever an asset is purchased out of the unutilized conditional grant an amount equal to the cost price of the asset purchased is transferred from the Unutilized Capital Receipts into the income statement as revenue. Thereafter

an equal amount is transferred on the statement of changes in equity to a reserve called an Accumulated Surplus/Deficit (Future Depreciation Reserve). This reserve is equal to the remaining depreciable value (book value) of assets purchased out of the Unutilized Capital Receipts. The Future Depreciation Reserve is used to offset depreciation charged on assets purchased out of the Unutilized Capital Receipts to avoid double taxation of the consumers.

- If a profit is made on the sale of assets previously purchased out of Unutilized Capital Receipts the profit on these assets sold is reflected in the notes to the income statement and is then treated in accordance with Council policy.

The acquisition of assets will not be funded over a period longer than the useful life of that asset.

Disposal of assets

- The municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of an asset needed to provide the minimum level of basic municipal services, unless such asset is obsolete or surplus to requirements or beyond a state of good repair or being replaced and provided that the delivery of the minimum level of basic municipal services must not be compromised as a result of the disposal of the asset.
- The decision that a specific asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset had been sold, transferred or otherwise disposed of.
- The disposal of an item of property, plant or equipment must be fair, equitable, transparent, competitive and cost effective and comply with a prescribed regulatory framework for municipal supply chain management and the Supply Chain Management Policy of the municipality.
- The transfer of assets to another municipality, municipal entity, national department or provincial department is excluded from these provisions, provided such transfer is being done in accordance with a prescribed regulatory framework. Directors shall report in writing to the Director: Finance on 31 May of each financial year on all fixed assets controlled or used by the directorate concerned which such Director wishes to alienate by public auction or public tender. The Director: Finance shall thereafter consolidate the requests received from the various directorates, and shall promptly report such consolidated information to the council or the Municipal Manager of the municipality, as the case may be, recommending the process of alienation to be adopted.
- Once the fixed assets are alienated, the Director: Finance shall de-recognize the asset from the accounting records and the fixed asset register.

Loss, theft, destruction or impairment of fixed assets

The different directorates shall ensure that any incident of loss, theft, destruction, or material impairment of any fixed asset controlled or used by the directorate in question is promptly reported in writing to the Director: Financial Services, to the internal auditor, and in cases of suspected theft or malicious damage, also to the South African Police Service.

11. ACCOUNTING FOR ASSETS

Capitalization of Assets

Stellenbosch Municipality does not capitalize an asset based on a capitalization cost threshold, but recognizes an asset when it complies with the definition of an asset as stipulated in GRAP 17 and the cost of the asset to the municipality can be measured reliably.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition (GRAP 17.22).

Assets will only be capitalized in the asset register on completion or finalization of the project.

Multi Year projects

Projects to be completed over more than one financial year will be initially disclosed in the asset register and financial statements as "Work in Progress" thereafter only on completion the asset will be capitalized and depreciated.

Assets will be recorded in the asset register continuously on completion thereof and bar-coded with an aluminium label where appropriate for identification.

Only expenses incurred in the enhancement of a fixed asset (in the form of improved or increased services or benefits flowing from the use of such asset) or in the material extension of the useful operating life of a fixed asset shall be capitalized (GRAP 17.19-20):

- Parts of some items of property, plant and equipment may require replacement at regular intervals. For example, a road may need resurfacing every few years, a furnace may require relining after a specified number of hours use, or aircraft interiors such as seats and galleys may require replacement several times during the life of the airframe. Items of property, plant and equipment may also be required to make a less frequently recurring replacement, such as replacing the interior walls of a building, or to make a non-recurring replacement. Under the recognition principle in an entity

recognizes in the carrying amount of an item property, plant and equipment the cost replacing part of such an item when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the de-recognition provision of this Standard (GRAP 17.19).

- A condition of continuing to operate an item of property, plant and equipment (for example, an aircraft) may be performing regular major inspections for faults regardless of whether parts of the item are replaced. When each major inspection is performed, its cost is recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognized. This occurs regardless of whether the cost of the previous inspection was identified in the transaction in which the item was acquired or constructed. If necessary, the estimated cost of a future similar inspection may be used as an indication of what the cost of the existing inspection component was when the item was acquired or constructed (GRAP 17.20)

Computer software will be capitalized and classified as intangible assets.

MAINTENANCE

Maintenance Strategy

Each directorate must develop a maintenance strategy that will ensure that the assets of Stellenbosch Municipality are maintained at an adequate operational level or standard by ensuring that all statutory, technical and operational objectives are achieved. This strategy must ensure that tangible assets under the custody and control of the relevant directors are properly maintained and repaired so that their possible maximum useful lives are realised.

Directorates Responsibilities

Each Directorate is responsible for ensuring:

- i. That all tangible assets under their control are maintained in a good working condition. The directorates must take adequate care that the working environments for the various assets are appropriate and suitable for such types of tangible assets.
- ii. That their assets are not misused or used for personal use or benefit.
- iii. That repair and maintenance costs incurred is reviewed and properly controlled.
- iv. The development of a maintenance program according to their

operating budget resources. The program must provide a schedule of the repairs and maintenance to be done. The program must also consist of planned and unplanned repairs and maintenance to be performed.

- v. The following matrix will assist in distinguishing capital expenditure from maintenance expenditure:

| CAPITAL EXPENDITURE | MAINTENANCE |
|---|--|
| <ul style="list-style-type: none"> Acquiring a new asset | <ul style="list-style-type: none"> Restoring an asset so that it can continue to be used for its intended purpose |
| <ul style="list-style-type: none"> Replacing an existing asset | <ul style="list-style-type: none"> Maintaining an asset so that it can be used for the period for which it was initially intended |
| <ul style="list-style-type: none"> Enhancing an existing asset so that its use is expanded | |
| <ul style="list-style-type: none"> Further developing an existing asset so that its original useful life is extended | |

When assets are capitalized a distinction should be made on whether the new asset is purchased to replace an existing asset or whether it is a total new asset that is purchased.

Assets held under leases

- **Finance leases** are leases, which in effect transfer all risks and rewards associated with the ownership of an asset from the lessor to the lessee. Assets held under finance leases are capitalized by the municipality and reflected as such in the fixed asset register. It will be capitalized at its leased value at commencement of the lease, which will be the price stated in the lease agreement. The asset is then depreciated over its expected useful life.
- **Operating leases** are those leases which do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due. Assets held under operating leases are not accounted for in the asset registers of the municipality.

INVESTMENT PROPERTY

- An item shall be recognised as investment property if it meets the definition. Investment property is recorded at cost.
- Disclosable value measured at recognition:
 - Initially at acquisition cost plus transaction cost, or nominal value
 - Where acquired at no cost or nominal value, fair value at acquisition is deemed to be cost for disclosure
 - If held under a lease and classified as Investment Property, is the lower of fair value and the present value of the minimum lease payments
- Cost value is determined according to the requirements of the GRAP standard on Investment Property.
- Assets classified as Investment Property shall be re-defined once such assets usage changes

Cost Model

Investment property is, subsequent to initial measurement, carried at cost less accumulated depreciation and any accumulated impairment losses

Depreciation is provided to write down the cost, less estimated residual value by equal instalments over the useful life of the property, which is as follows:

| Item | Useful life |
|----------------------|--------------------|
| Property – buildings | 30-99 years |
| Property – land | indefinite |

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable

Depreciation

- Depreciation will be done in accordance with the GRAP frame work
- The depreciable amount of an item of property, plant or equipment should be allocated on a systematic basis over its useful life.
- Stellenbosch Municipality's depreciation method will be the straight-line method for all assets of the Council unless otherwise agreed to in writing by the Director: Financial Services.
- Depreciation shall be calculated from the day the fixed asset is available for

use (commissioning date) (GRAP 17.65).

- If the cost of land includes the cost of site dismantlement, removal and restoration, the portion of the land asset is depreciated over the period of benefits or service potential obtained by incurring those costs. In some cases, the land itself may have a limited useful life, in which case it is depreciated in a manner that reflects the benefits or service potential to be derived from it (GRAP 17.69).

Review of residual value and useful life

- The municipality should assess whether there is any indication that the expected useful life of the asset has changed based on whether the condition of the asset has improved or declined. This is based on any condition assessments undertaken by the entity on its assets during the reporting period. Paragraph .60(f) of GRAP 17 should not be read as requiring a condition assessment at each reporting date. Condition assessments will be undertaken by entities on selected or identified assets as part of its on-going asset management. Instead, any information available from any condition assessments undertaken during the reporting period should be used to assess whether the useful life of particular assets should be changed. The residual value and useful life of an asset should be reviewed at least at each reporting date (GRAP 17.61).

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- All movable assets with a useful life of two years or less will be reviewed on an annual basis to ensure adherence to GRAP 1757 (c) if no other indicators are present or detected during the year under review.

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- If the review indicates that a change has taken place and expectations differ from previous estimates, the changes should be accounted for as a change in the accounting estimate in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.
- The remaining useful life of capital assets should be reviewed annually and, if expectations are significantly different from previous estimates, the depreciation charge for the current and future periods should be adjusted.
- This review should be done by the asset manager in conjunction with the impairment review.
- The review of useful life is a check to see if there is any evidence to suggest that expected life should be changed.
- The Table of Useful Lives is provided in the MFMA Local Government Capital Asset Management Guideline (Refer to Annexure A). These should be used as a guide to the minimum useful lives only because actual asset lives experienced greatly exceed those recommend lives.
- The residual value of an asset may increase to an amount equal to or greater than the asset's carrying amount. If it does, the asset's depreciation charge is zero unless and until its residual value subsequently decreases to an amount

below the asset's carrying amount (GRAP 17.6⁵⁴).

Impairment of assets

The accounting treatment relating to impairment losses is outlined as follows in GRAP 17:

- The carrying amount (Book value) of an item or a group of identical items of property, plant and equipment should be reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount.
- Recoverable amount is the higher of a cash – generating asset's net selling price and its value in use.
- When such a decline has occurred, the carrying amount should be reduced to the recoverable amount. The amount of the reduction should be recognized as an expense immediately.
- The recoverable amount of individual assets, or groups of identical assets, is determined separately and the carrying amount reduced to recoverable amount on an individual asset, or group of identical assets, basis.
- However, there may be circumstances when it may not be possible to assess the recoverable amount of an asset on this basis, for example when all of the plant and equipment in a sewerage purification work is used for the same purpose. In such circumstances, the carrying amount of each of the related assets is reduced in proportion to the overall decline in recoverable amount of the smallest grouping of assets for which it is possible to make an assessment of recoverable amount.

The following may be indicators that an item of PPE has become impaired:

- The asset has been damaged.
- The asset has become technologically obsolete.
- The asset remains idle for a considerable period either prior to it being put into use or during its useful life.
- Land is purchased at market value and is to be utilized for subsidized housing developments, where the subsidy is less than the purchase price.

Procedure to identify, budget and account for impairment losses:

- The following needs to be done to ensure that impairment losses that are identified by the above indicators are budgeted for during the operating budget cycle and are accounted for in the next financial year. The following steps will

have to be performed during the operating budget cycle:

Financial Services Directorate - Asset Management Section shall issue a memo to all directorates requesting them to identify assets that:

- a) Are in a state of damage at the start of the operating budget cycle;
- b) Are technologically obsolete at the start of the operating budget cycle; This can be facilitated if directorates require that Financial Services Directorate - Asset Management - section to supply them with a Fixed Asset Register printout pertaining to major assets showing the remaining useful lives of assets. The directorates can then assess and indicate cases where the assessed remaining useful life is shorter than the remaining useful life on the printout.
- c) Have remained idle for a considerable period either prior to them being put into uses at the start of the operating budget cycle or during their useful life;
- d) Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts. An example of this is Land that is purchased at market value and is to be utilized for subsidized housing developments;
 - The recoverable amounts of these assets need to be calculated by calculating the Net selling Price per asset as defined above.
 - The impairment loss per asset needs to be calculated as the difference between the Net selling price and the book value of the asset.
 - The impairment loss needs to be budgeted for.
 - The following steps will have to be performed regularly during the year to account for impairment losses:

Directorates will identify and inform Financial Services Directorate - Asset Control section of assets that:

- a) Are in a state of damage at year-end,
- b) Are technologically obsolete at year-end. This can be facilitated if directorates require Finance Directorate - Asset Control section to supply them with a Fixed Asset Register printout pertaining to major assets showing the remaining useful lives of assets. The directorates can then assess and indicate cases where the assessed remaining useful life is shorter than the remaining useful life on the printout.
- c) Have remained idle for a considerable period either prior to them being put into uses at year-end or during their useful life
- d) Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts. An example of this is

Land that is purchased at market value and is to be utilized for subsidized housing developments. The recoverable amounts of these assets need to be calculated by calculating the Net selling Price per asset as defined above.

The impairment loss per asset needs to be calculated as the difference between the Net selling price and the book value of the asset.

The impairment loss needs to be accounted for by identifying the relevant funding source.

Disclosure requirements relating to impairment losses:

All material impairment losses need to be disclosed in the notes to the income statement as a separately disclosed item. They are normally disclosed as part of the note on the amounts that are included in the calculation of the Net Surplus or Deficit for the year.

DISPOSAL AND RETIREMENTS

Governance

Section 14 and 90 of the MFMA governs the disposal of assets. This section provides inter alia:

- The council may not dispose of assets that are utilized to provide minimum level of basic municipal services.
- Assets other than those utilized to provide minimum level of basic service may be disposed of subject to Council approval.
- An item of property, plant or equipment should be eliminated from the Statement of Financial Position, on disposal or when the asset is permanently withdraw from use and no future economic benefits or potential service delivery is expected from its disposal, in accordance with GRAP 100.
- Gains or losses arising from the retirement or disposal of an item of property, plant or equipment should be determined as the difference between the actual or estimated net disposal proceeds and the carrying amount of the asset, and should be recognized as revenue or expense in the Statement of Financial Performance.

Procedures

- a) Any items declared obsolete or damaged will be handed in to the Finance department - Asset Control section for safekeeping.
- b) No items will be received by the Financial Services Directorate, Asset Management section without a completed AT form and attached condemnation forms, counter signed by Finance Directorate - Asset Management section, describing the status of the item and the reason for writing-off the item.
- c) Directorates must ensure that assets are disposed of in terms of the SCM policy.
- d) It is the responsibility of each directorate to ensure that all such assets to be disposed of are delivered to and received at the Finance Directorate - Asset Management section.
- e) Approval for the disposal of assets is considered by the Municipal Manager only after a recommendation has been obtained from the following persons:
 - i. Vehicles and Plant - The Fleet Manager and applicable Directorate;
 - ii. Computers -Information Technology Manager;
 - iii. Other Items - Directors (Asset Managers) within the different directorates.
- f) After the approval of the Municipal Manager has been obtained, any vehicle written off must be deregistered immediately.
- g) All asset items lost, stolen or damaged must be reported to the Financial Services Directorate – Insurance section as well as Finance Directorate - Asset Management section by completing the AT form.
- h) All asset items lost or stolen also need to be reported to the SAPS by the relevant department.

An item of property, plant and equipment should be eliminated from the balance sheet on disposal or when the asset is permanently withdrawn from use and no future economic benefits or potential service delivery is expected from when it is disposed of.

Gains and losses arising from the retirement or disposal of an item of property, plant and equipment should be determined as the difference between the actual or estimated net disposal proceeds and the carrying amount of the asset, and should be recognized as revenue or expense in the Statement of Financial Performance.

The accounting treatment relating to the profit or loss on the sale of property, plant & equipment is outlined in GRAP 17. The following is a summary of the relevant aspects:

Profits and losses, which are disclosed in total in the financial statements, are calculated by use of the following formula: -

| | |
|-----------------------------|--|
| <i>Proceeds</i> | Sales value, trade-in value or proceeds received from insurance if the asset was damaged or stolen. |
| <i>Less: Carrying value</i> | Cost, or if valued, revaluation amount, less accumulated depreciation up to the date of sale or when asset can no longer be used for its intended purpose. |
| <i>Equals PROFIT or</i> | If proceeds greater than carrying value, or |
| <i>Equals LOSS</i> | If proceeds less than carrying value. |

12.INTERNAL CONTROL OVER ASSETS

- Establishment and Management of the Financial Asset Register:

The Chief Financial Officer will establish and maintain the Asset Register containing key financial data on each item of Property, Plant or Equipment that satisfies the criterion for recognition as per the accounting standards.

Each Asset Manager is responsible to ensure that sufficient controls exist to substantiate the quantity, value, location and condition of all assets in the asset register.

Each Asset Manager must appoint an Asset Champion in each Directorate/Section which will be responsible to ensure that the asset listings are verified and kept up to date in collaboration with the Directorate: Finance Services.

- Contents of the Fixed Asset Register

The fixed asset register shall be maintained in the format determined by the

Director: Financial Services, which format shall comply with the requirements of generally recognized accounting practice (GRAP) and any other accounting requirements which may be prescribe Directors under whose control any fixed asset falls shall promptly provide Director: Financial Services in writing with any information required to compile the fixed asset change which may occur in respect of such information. Contents of the Financial Asset Register:

The details included in the Asset Register will include:

- The depreciation methods used
- The useful live
- Depreciation charge
- The carrying amount
- The accumulated depreciation
- Additions
- Disposals and transfers
- Date of acquisition
- Date of disposal (if relevant)
- Asset description
- Historical cost of the asset
- Asset classification
- Asset ID
- Residual value

Internal Controls over the Financial Asset Registers

- Controls around their asset register should be sufficient to provide an accurate, reliable and up to date account of assets under their control to the standards specified by the Chief Financial Officer and required by the Auditor-General.
- Controls around the asset registers should be sufficient to provide Directors with an accurate, reliable and up to date account of assets under their control to the standards specified by the Director: Finance and required by relevant legislation.

These controls will include the physical management and recording of al acquisition, assignments, transfers, losses and disposals of assigned assets

as well as regular asset counts and systems audits to confirm the adequacy of controls.

Identification of fixed assets:

The Municipal Manager shall ensure that the municipality maintains a fixed asset identification system which shall be operated in conjunction with its computerized fixed asset register.

Transfers, Reallocation or Reassignment of Property, Plant or Equipment

- a) An Asset Manager retains management accountability and control for a particular asset until another Asset Manager in writing does accept responsibility for that asset, and the Chief Financial Officer endorses the transfer.
- b) The Asset Manager must advise the Chief Financial Officer on the prescribed form whenever an asset is permanently or temporarily reallocated or reassigned from one location to another.
- c) The form must be completed and signed by both the sender and receiver
- d) The Director: Financial Services will appropriately amend the Asset Register with all approved transfers.
- e) Assets must solely and exclusively be used for the purpose of the
- f) Council's business.

Verification of fixed assets

- a) Financial Services Directorate: Asset Management Section shall at least once during every financial year undertake a comprehensive verification of all fixed assets controlled or used by the directorate concerned.
- b) Finance Directorate: Asset Management Section shall promptly and fully report in writing to the Director: Financial Services in the format determined by the Director: Financial Services, all relevant results of such fixed asset verification, provided that each such asset verification shall be undertaken and completed as closely as possible to the end of each financial year, and that the resultant report shall be submitted to the Director: Financial Services not later than 30 June of the year in question.

Asset listings

- a) The Chief Financial Officer must submit within six months after each financial year, asset listings of capitalised assets to all Asset Managers.
- b) At all times these asset listings should indicate the assets in particular location and should be easily accessible.
- c) When employees get appointed or resign from any specific post the relevant

asset listings must be verified and accordingly endorsed by the Asset Champion for the specific workplace.

- d) All changes on asset listing sheets must be reported in writing to the Director: Financial Services within 7 days of when change took place.

13. FINANCIAL DISCLOSURE

Assets must be disclosed in respect of each class of property, plant and equipment, in accordance with Generally Recognized Accounting Practice.

14. CLASSIFICATION OF ASSETS

Any asset recognized as an asset under this policy will be classified according to categories as per the Fixed Asset Register. All fixed assets should be classified under the following headings in the Asset Register:

Property, plant and equipment:

Other Assets

Other Assets shall be recorded under the following main categories;

- Bins and Containers;
- Emergency Equipment;
- Furniture and Fittings;
- Motor Vehicles;
- Office Equipment;
- Plant and Equipment;
- Specialised Vehicles;
- Watercraft; and
- Other Assets.

Heritage Assets

A Heritage Asset is an asset that has historical, cultural or national importance and needs to be preserved. The following is a list of some typical heritage assets encountered in the municipal environment:

- Archaeological sites;
- Conservation areas;

- Historical buildings or other historical structures (such as war memorials);
- Historical sites (for example, historical battle site or site of a historical settlement);
- Museum exhibits;
- Public statues; and
- Works of art (which will include paintings and sculptures).

Intangibles Assets

- Computer Software
- Databases

Community Assets

Community Assets shall be recorded under the following main categories;

- Recreational Facilities;
- Sporting Facilities; and
- Other Facilities.

Land and Buildings

Land and buildings shall be treated using the cost model.

Land shall be accounted for at cost, and shall not be depreciated. Land on which infrastructure and community assets are located shall be identified as land and buildings and not disclosed together with the infrastructure and community assets. Land not registered in the name of the municipality but controlled by the municipality by virtue of owner-occupied buildings thereon, shall be recognised at cost.

Buildings shall be accounted at cost, less any accumulated depreciation and any accumulated impairment losses.

Investment property

The classification of an investment property is based on management's judgement; the following criteria will be applied to distinguish investment properties from owner-occupied property or property held for resale:

| Investment property | PPE | Non-current assets held for sale |
|---|--|--|
| the asset generates its own cash flows in the form of rentals (on a commercial basis) | rental income earned is below market value, and the asset is held for service delivery rather than to generate a commercial return | land and other properties held for sale within the next 12 months, if the criteria in GRAP 100 are met |
| the asset is held for capital appreciation | the asset is held to achieve service delivery objectives rather than to earn rental or for capital appreciation | |
| investment property that is being redeveloped for continued use as an investment property | property that is being constructed or developed for future use as investment property (until the asset meets the definition of investment property it is accounted for as PPE) | |
| Land held for an undetermined use | owner occupied-property such as office buildings and residential buildings occupied by staff members (assets used by employees, irrespective of whether or not the employees pay rent at market rates, are owner-occupied) | |

The judgement of the Management of Stellenbosch Municipality is that the following classes of Municipal Property will be classified as Investment Property:

- Land held for long-term capital appreciation rather than for short-term sale in

the ordinary course of operations which council intends to sell at a beneficial time in the future.

- Land held for a currently undetermined future use.
- A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases on a commercial basis.
- A building that is currently vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties.

ANNUAL REVIEW ON THE POLICY

This policy will be reviewed and updated annually or whenever legislative or accounting standards amendments significantly change the requirements pertaining to asset management in general and the administration of property, plant and equipment at a sooner event.

GENERAL

This policy does not overrule the requirement to comply with other policies like supply chain management, tendering or budget policies. The Chief Financial Officer will provide guidance or recommend an amendment to this policy to comply with the essence and understanding of the policies, regulations or legislation being conflicted.

COMMENCEMENT

01 July 2015

Asset Transfer form

GENERAL INFORMATION

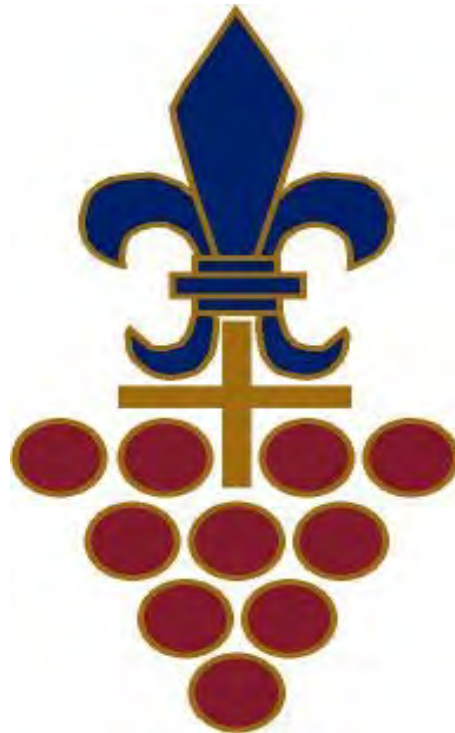
Type of asset movement to be recorded (indicate with X)

| | | | | | |
|---|----------------------------|--------------------------|--|--|---------------|
| Asset Transfer: Interdepartmental | | | Asset Obsolete/Damaged/Written-Off | | |
| Asset Transfer: Unused Asset to Stores | | | Asset Written-Off due to Loss (Burglary/Theft) | | |
| Basic Asset Data | | | | | SERIAL NUMBER |
| Asset Bar Code | Location Bar Code No. from | Location Bar Code No. to | Asset Description | | |
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| AUTHORISATION OF TRANSACTION – LINE MANAGER | | | | | |
| Signature | | Name & Surname (Print) | | | Title |
| | | | | | |
| | | | | | |
| Recipient Confirmation | | | | | |
| Condition of Asset when received | | Received By | | | Date |
| | | | | | |
| | | | | | |

Remarks:
Good

.....

STELLENBOSCH MUNICIPALITY



SPECIAL RATING AREA POLICY

2021/2022



STELLENBOSCH MUNICIPALITY

SPECIAL RATING AREA POLICY

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1. DEFINITIONS

In this Policy, words or expressions shall bear the meaning assigned to them and, unless context otherwise indicates: –

“additional rate” means an additional rate contemplated in sections 19(1)(d) and 22(1)(b) of the Property Rates Act and in section 12(2) of the By-Law;

“applicant” means any owner who makes an application for the determination of a special rating area in accordance with provisions of Chapter 1 of the By-Law, or if a management body is established in terms of section 10 of the By-Law, any reference to **“the Applicant”** means the management body;

“By-Law” means the Stellenbosch Municipality’s Special Rating Area (SRA) By-Law;

“CFO” means the Chief Financial Officer of Stellenbosch Municipality, or his or her nominee;

“Council” means Council of Stellenbosch Municipality;

“implementation plan” means an Implementation Plan as contemplated in section 6 of the By-Law;

“majority” means the majority of property owners as contemplated in section 22 of the Property Rates Act;

“management body” means the management body of a special rating area to be establishment in accordance with the provision of section 10 of the By-Law;

“motivation report” means a motivation report as contemplated in section 6 of the By-Law;

“the Municipality” means Stellenbosch Municipality (WC024),

“owner” has the meaning assigned to it in section 1 of the Property Rates Act;

“Policy” means the policy for the determination of special rating areas and will be referred to as this Policy;

“Property Rates Act” means the Local Government: Municipal Property Rates Act, 2004 (Act No.6 of 2004);

“rateable property” has the meaning assigned to it in section 1 of the Property Rates Act;

“special rating area” means a special rating area approved by the Council in accordance with the provisions of section 22 of the Property Rates Act and section 8 of the By-Law.

2. INTRODUCTION

- 2.1 This policy for the establishing of special rating areas must be read together with the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) and the Municipality’s Special Rating Area (SRA) By-law, as in force from time to time.
- 2.2 This policy is strictly applicable to Special Rating Areas that have been established in terms of sub-sections 22(1) to 22(4) of the Property Rates Act. Therefore, this policy does not deal or apply to internal municipal service districts as envisaged in section 85 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and in sub-section 22(5) of the Property Rates Act.
- 2.3 All words and phrases defined in the Property Rates Act and the By-Law have the same meaning in this Policy.
- 2.4 In the event of any conflict between the provisions of the By-Law and the provisions of this Policy, the By-Law prevails.
- 2.5 This Policy needs to be read together with the Municipality’s Rates Policy.

3. AIM OF THE POLICY

This Policy aims to –

- 3.1 Set out Council’s position on special rating areas and the factors that will influence Council’s decision whether or not to institute a particular Special Rating Area.
- 3.2 Provide guidance to members of the local community and to decision-makers within the Municipality in relation to the establishment of special rating areas; and
- 3.3 Strike an appropriate balance between facilitating self-funded community initiatives that aim to improve and/or upgrade neighbourhoods by –
 - (a) making use of Council resources and structures; or
 - (b) making use of a Non-Profit (previously known as a Section 21) company structure (refer paragraph 8.12.5 of this Policy); and to
 - (c) ensure commitment to good, fair and transparent governance by the managing body, by implementing a transparent process when appointing service providers to

improve and/or upgrade the special rating area in the public areas and ensuring that these improved and/or upgraded services are not provided on private properties.

4. POLICY STATEMENT

- 4.1 The special rating area model is aimed at preventing the degeneration of towns and the consequential urban decay, and facilitating their upliftment, economic growth and sustainable development.
- 4.2 The purposes of a special rating area are to –
- (a) enhance and supplement the municipal services provided by Stellenbosch Municipality;
 - (b) facilitate investment in the special rating area;
 - (c) facilitate a cooperative approach between Stellenbosch Municipality and the private sector in the provision of municipal services;
 - (d) halt the degeneration and facilitate the upliftment of distressed business and mixed-use areas; and
 - (e) promote economic growth and sustainable development and in this way, assist the Council in the fulfilment of its objects and developmental duties as set out in its Integrated Development Plan (“IDP”).
- 4.3 Stellenbosch Municipality regards special rating areas as a potential tool for allowing it to fulfil its constitutional and statutory obligations to promote;
- (a) social and economic development; and
 - (b) a safe and healthy environment in a way which balances the guiding principles underlying its Rates Policy.
- 4.4 Special rating areas allow property owners within an explicitly defined geographical area to improve and upgrade their area by means of a property rate in addition to the standard property rate.
- 4.5 Special Rating Areas do not give property owners or the management structures of the Special Ratings Area the right to infringe on any of the constitutional rights as enshrined in the Bill of Rights, Chapter Two of the Constitution of South Africa, 1996 of any juristic or natural person in any way. Specifically, the right to freedom of movement and residence of any juristic or natural person referred to in Section 21 of the Constitution must be guaranteed by the Special Rating Area as a pre-requisite for approval by the municipality.

5. FACTORS CONSIDERED WHEN DETERMINING A SPECIAL RATING AREA

The Council will consider instituting a special rating area where the requirements of Section 22 of the Property Rates Act are complied with, including that –

- 5.1 the purpose of the special rating area is to allow an additional rate to be levied on property in the defined area to raise funds for improving or upgrading the area;
- 5.2 the special rating area will not be used to reinforce existing inequities in the development of the Stellenbosch Municipality's (WCO24) area of jurisdiction;
- 5.3 the determination of the special rating area is consistent with Stellenbosch Municipality's IDP;
- 5.4 residential special rating area refers to an area in which more than 40% (forty percent) of the rates based municipal valuation consists of Residential Property as defined in the Rates policy.
- 5.5 any residential special rating area must comply fully with the provision of the By-Law, save that, with reference to the majority support the applicant must provide written proof to the Council that owners of rateable property within the boundary of the special rating area who own not fewer than 60% (sixty percent) in number of such properties, approve the formation of the special rating area.
- 5.6 the majority of members of the local community who will be liable for paying any additional rate in the special rating area, other than residential special rating areas, have consented to its establishment;
- 5.7 the procedural requirements of Section 22 of the Property Rates Act as well as the By-Law and this Policy are complied with, which include the community consultation requirement as determined by the Municipality's Chief Financial Officer (CFO);
- 5.8 the proposed improvement or upgrade has been clearly and fully defined;
- 5.9 the proposed improvement or upgrade can be clearly and logically linked to a geographical area, the boundaries of which must be clearly determined;
- 5.10 there is evidence that it will be financially viable to use a special rating area to raise funds for the proposed improvement or upgrade;
- 5.11 Stellenbosch Municipality is satisfied with the institutional arrangements proposed in respect of the special rating area; and
- 5.12 Ultimately, the decision whether or not to determine a special rating area rests with the Council in its sole discretion.

6. APPLICABILITY OF STELLENBOSCH MUNICIPALITY'S RATES POLICY AND OTHER POLICIES

- 6.1 When Stellenbosch Municipality grants any rebate to Senior Citizens, Disabled Persons and Non-Profit Organisations in terms of the Rates Policy, or registered indigents in terms of the Indigent Policy, the relevant property owner will be granted a full (100%) rebate in relation to the additional special ratings area rate.

7. PROCESS

This Policy sets out –

- (a) the institutional arrangements for special rating areas (paragraph 8 of this Policy)
- (b) the establishment requirements which must be followed (paragraph 9 of this Policy);
- (c) the information which needs to be submitted to Stellenbosch Municipality in order to motivate a request for determination of a special rating area (paragraph 10 of this Policy);
- (d) the annual requirements which must be followed (paragraph 11 of this Policy);
- (e) the amendments and/or extension of term for a special rating area (paragraph 12 of this Policy);
- (f) the dissolution requirements which must be followed (paragraph 13 of this Policy)
- (g) financial arrangements (refer paragraph 14 of this Policy).

8. INSTITUTIONAL ARRANGEMENTS

Section 22 of the Property Rates Act is not prescriptive as to the structural arrangements which need to be put in place to administer a special rating area. The structural arrangement that will be considered by the municipality is the following:

8.1 Administration by a Non-Profit Company

- 8.1.1. Stellenbosch Municipality will require the ratepayers within the special rating area to establish and participate in an appropriate structure to carry out planning, contracting, financial control and administrative functions within the special rating area.
- 8.1.2. This does not entail ratepayers setting the additional rate, which under law can only be done by Stellenbosch Municipality (paragraph 14 of this Policy).
- 8.1.3. This places funds collected by government in the hands of the private sector, thus the requirements set out in this Policy must be met.

8.1.4. The functions of the Non-Profit Company would include:

- (a) Determining the funding required each year (refer paragraph 14.2 of this Policy);
- (b) Appointing contractors or service providers to effect the improvement/s or upgrade/s;
- (c) Receiving the additional rate collected by Stellenbosch Municipality and expending the funds in accordance with the approved Business Plan.

8.1.5. Structural requirements of the Non-Profit company:

- (a) Before Stellenbosch Municipality will consider allowing ratepayers in a special rating area to carry out administrative and other functions in relation to the area, the Steering Committee must establish a Non-Profit company (company not for gain) as per the Companies Act, Act 71 of 2008 (as amended or replaced) ("the Companies Act") for that purpose. The provisions of the Companies Act must be complied with, particularly those relating to non-profit companies (which effectively replaced Section 21 companies as per the old Companies Act, Act 61 of 1973), subject to the transitional provisions contained therein;
- (b) The founding documentation ("the Memorandum of Incorporation") in relation to the structure established by ratepayers (this is equivalent to the Memorandum and Articles of Association, as per the old Companies Act, Act 61 of 1973), must be as per the prescribed format determined by the CFO;
- (c) The Non-Profit company must be managed under the Companies Act, and also comply with any other legislation as a result of the financial connections to Council; and
- (d) The Non-Profit company must give a written notice by the most effective manner to all the property owners within the special rating area of the intention to hold an Annual General Meeting (AGM) on the date stated in the notice;
- (e) A Special General Meeting ("SGM") must be called within 6 months of the establishment of the Non-Profit Company. The purpose of the SGM is to:
 - (i) Accept new members;
 - (ii) Appoint directors;
 - (iii) Amend the Memorandum of Incorporation if required; and
 - (iv) Approve the following year's Budget and Implementation Plan (refer paragraph 14.2 of this Policy).

9. APPLICATION FOR THE ESTABLISHMENT OF A SPECIAL RATING AREA

- 9.1 The process for establishing special rating areas as set out in Chapter 1 of the By-Law must be followed.
- 9.2 The special rating area application must be submitted by end of September of the financial year preceding the establishment of the special rating area.
- 9.3 Further to section 7.2 of the By-Law the applicant must hold another public meeting within 30 days after submitting the application to confirm that it was lodged and to discuss details with the community.

10. MOTIVATING A SPECIAL RATING AREA

The Motivation Documentation must comprise of the following:

10.1 Business Plan –

The Business Plan must clearly define and indicate all the required improvements or upgrades and must contain -

10.1.1. Introduction;

- (a) an executive summary of the improvement or upgrade proposed for the special rating area as set out in the Implementation Plan;
- (b) An explanation of how the proposed improvement or upgrade is linked to the geographical area of the proposed special rating area;
- (c) An explanation of why the proposed special rating area will not reinforce existing inequities in the development of Stellenbosch Municipality;
- (d) An explanation of how the special rating area, if instituted, will be consistent with Stellenbosch Municipality's IDP as per the Service Departments' Business Plans;
- (e) An explanation of the institutional arrangements proposed in relation to the special rating area.

10.1.2. Vision;

10.1.3. Mission;

10.1.4. Goal;

10.1.5. A diagram clearly indication the boundaries of the proposed special rating area;

10.1.6. Management;

- (a) Administrative policies of the Non-Profit company;
- (b) Proposed management structure:
 - Composition of the management body including allocation of portfolios and;
 - Operational Arrangements

10.1.7. Services;

Service providers must be appointed as per paragraph 3.3(c) and 10.1.1(d) of this Policy.

10.1.8. Financial Impact;

- (a) Provide details regarding the calculation of the cent-in-the-rand and as acted on the municipal valuation value of each property;
- (b) Provide details of criteria to qualify for exemption of additional rate;

10.1.9. A list of all rateable properties within the proposed special rating area, contact details of owners and the value of each property as set out in the Council's municipal valuation role. Differentiation between categories of properties, as provided for in Section 8 of the Property Rates Act and used in the valuation role, must be considered;

10.1.10. Proof of the consent of the majority of the members of the local community as per paragraph 5.5 of this Policy, in the proposed special rating area who will be liable for paying the additional rate;

10.1.11. Proof of the notice of the public meeting or meetings contemplated in the By-Law;

10.1.12. Minutes of the public meeting or meetings; and

10.1.13. Compilation date.

10.2 Implementation Plan

The Implementation Plan is a schedule of goals to implement improvements or upgrades as per the motivation report and must at least address the following:

10.2.1 Milestones;

10.2.2 Tasks per milestone;

10.2.3 Start and finish date per task;

10.2.4 Assign responsibility per goal, milestone & task; and

10.2.5 Performance indicators per milestone.

10.3 Budget Plan

The Budget Plan for the proposed improvements or upgrades must at least address the following:

10.3.1 a budget line item should be set for each milestone or task and grouped in such a way that there is a clear indication how the Implementation Plan is financially structured;

10.3.2 an annual budget per line item commencing on 01 July of the first year and end on 30 June of the last year of the term; and

10.3.3 a budget split for the provision of improvements or upgrades between the different categories of properties.

11. ANNUAL REQUIREMENTS

11.1 Confirm property data base (Register of members in the special rating area);

11.2 Submit an audited financial Statement and Trail Balance as approved/accepted at a SGM called for that purpose and

11.3 Submit an annual budget and an Implementation Plan as approved at the Annual General Meeting (AGM) by 31 January (refer paragraph 14.2 of this Policy).

12. AMENDMENT AND/OR EXTENSION OF TERM

In the event that a special rating area seeks to extend the term over which it will operate or amend the goals as per its Implementation Plan, then the procedures set out in Chapter 3 of the By-Law must be followed and submitted by the end of October.

13. DISSOLUTION

The special rating area may be cancelled by resolution of the Council, subject to the provision of section 16 of the By-Law.

14. FINANCIAL CONTROL

14.1 As stated in the By-Law, the amount of any additional rate levied in a special rating area is determined by the Council. The additional rate as imposed by the Council, is debt owing to Stellenbosch Municipality and is payable and collected in the same manner as other property rates imposed by the Council.

- 14.2 The management structure must recommend the annual budget amount of the additional rate to the Stellenbosch Municipality by 31 January, with appropriate motivation including an Implementation Plan and a Budget Plan for the next financial year, and the Council will consider the recommendation during its budgeting process.
- 14.3 Before Stellenbosch Municipality will pay over any additional rate collected to the management structure, the management structure and Stellenbosch Municipality must have concluded a written finance agreement regulating, amongst other things;
- (a) the mechanisms and manner of payment;
 - (b) how the additional rate is to be held by the management structure;
 - (c) any parameters relating to expenditure; and
 - (d) any obligations on the management structure to take out and maintain appropriate insurance.
- 14.4 The financial year of the Municipality shall be deterministic and shall be applied to the Budget plan and all financial transactions.

15. COMMENCEMENT AND IMPLEMENTATION

- 15.1 Implementation of this Policy will commence on 01 July 2020.
- 15.2 Where Stellenbosch Municipality is legally empowered to do so, requirements set out in this Policy may be imposed as conditions attached to the determination of a special rating area.
- 15.3 This Policy and its implementation will be reviewed annually.

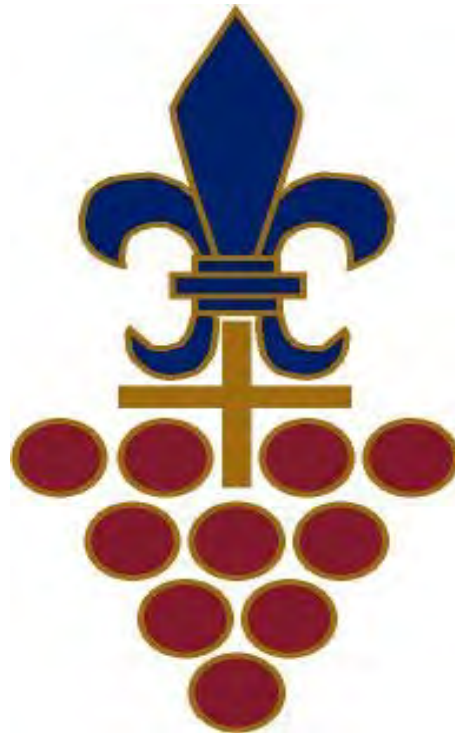
16. COST

Stellenbosch Municipality shall not be liable for any costs incurred by ratepayers within the relevant proposed special rating area in respect of the implementation of the steps set out in this Policy and in the By-Law.

17. SHORT TITLE

This policy is the Special Rating Area Policy of the Stellenbosch Municipality.

STELLENBOSCH MUNICIPALITY



TARIFF POLICY

2021/2022



STELLENBOSCH MUNICIPALITY

TARIFF POLICY

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PREAMBLE

In accordance with Section 74 of the Local Government Municipal Systems Act, Act 32 of 2000, Stellenbosch Municipal Council must adopt and implement a tariff policy on the levying of tariffs for municipal services which complies with the provisions of the Municipal Systems Act and with any other applicable legislation.

Tariffs represent the charges levied by Council on consumers for the utilization of services provided by the Municipality and rates on properties. Tariffs will be calculated in various ways, dependent upon the nature of the service being provided.

In furtherance of reusable energy, Council may consider tariffs pertinent to the purchase of surplus energy from consumers.

1. OBJECTIVE

The objective of this Tariff Policy is to ensure the following:

- (a) Tariffs must conform to acceptable policy principles;
- (b) Municipal services must be sustainable;
- (c) Tariffs must comply with the applicable legislation; and
- (d) Tariffs should take indigent consumers into consideration.

2. LEGAL FRAMEWORK

The following legislation is applicable for the determination of tariffs for municipal services delivered or for the purchase of surplus energy:

The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)

Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)

Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)

Water Services Act, 1997 (Act 108 of 1997)

Electricity Regulation Act, 2006 (Act 4 of 2006)

Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004)

3. TARIFF PRINCIPLES

The following principles will apply in the Stellenbosch Municipal Area of jurisdiction (WC024):

- (a) Users of municipal services are treated equitably in the application of tariffs;
- (b) The amount individual users pay for services are generally in proportion to their use of that service;
- (c) Indigent households have access to basic services through:
 - (i) Special or lifeline tariffs for low levels of use or consumption of services or for basic levels of service; or

- (ii) Any other direct or indirect method of subsidisation of tariffs for poor households.
- (d) Tariffs reflect the costs reasonably associated with rendering the service, including capital, operating, maintenance, administration, replacement costs and interest charges;
- (e) Tariffs are set at levels that facilitate the financial sustainability of the service, taking into account subsidisation from sources other than the service concerned. A service is financially sustainable when it is provided in a manner that would ensure its financing from internal and external sources is sufficient to cover the costs of the initial capital expenditure required, operating the service, maintaining, repairing, and replacing the physical assets used in its provision;
- (f) Provision is made in appropriate circumstances for a surcharge or a rebate on the tariff for a service;
- (g) Provision is made for the promotion of local economic development through special tariffs for categories of commercial and industrial users;
- (h) The economical, efficient, and effective use of resources, the recycling of waste and other appropriate environmental objectives are encouraged;
- (i) The extent of subsidisation of tariffs for poor households and other categories of users are fully disclosed; and
- (j) The safeguarding of the integrity of the electrical distribution network and the continued economic viability for the purchasing of surplus energy from consumers.

It is further stated that tariffs, rates, and the employment of resources, in general, take into account the Council's Integrated Development Plan (IDP) principles and goals.

4. CLASSIFICATION OF SERVICES

Traditionally, municipal services have been classified into five groups based on how they are financed. The five groups are as follows:

- | | | |
|-----|---------------------|---|
| (a) | Trading services | Water and Electricity Services |
| | | These services must generate a surplus which will be used to subsidize community services other than economical services. |
| (b) | Economical services | Refuse Removal and Sewerage Services |
| | | These services' charges must cover the cost of providing the services, i.e. it must at least break even. In the event of the latter not being possible within a period, the shortfall will be financed from the Municipal Property Rates revenue. |
| (c) | Rates Services | The revenue from Municipal Property Rates is utilized for Rates related services. |
| (d) | Housing Services | Housing Schemes |
| | | These services are ring-fenced in the Housing Development Fund and the net operating balance is set off as a contribution to/from the Housing Development Fund. |
| (e) | Sundry Services | Various Services |
| | | All Services not defined in paragraphs (a) to (d) above. |

5. CALCULATION OF TARIFFS FOR MAJOR SERVICES

5.1 Water Tariffs

Although a fairly large proportion of the water needs is supplied from own sources, water is also purchased from external suppliers, such as the City of Cape Town. The increase in water tariffs are largely influenced by the changes in the Consumer Price Index (CPI),

the purchase price of water and the need for financing bulk water infrastructure expansion.

Water is bought at a one-part tariff expressed in Rand per kilolitre. For this reason, it is found that water tariff structures for end-users follow the same trend. In order to manage consumption, an inclining block rate tariff structure is applied in the Stellenbosch Municipal area of jurisdiction.

The first block rate for domestic consumers represents the Lifeline volume in kilolitres (kl) per month (considered to be the lowest sustainable water volume per household), which is supplied at a rate targeted to be below cost. Losses incurred in this tariff category may be recovered by contributions from the higher tariff categories, conforming to the principle of cross-subsidisation.

Tariff structures for water supply are applied in the form of a sliding scale or a flat tariff in the area of jurisdiction of Stellenbosch Municipality. This is reflected in the Tariff Schedule approved by Council.

The specific sliding scale(s) linked to each consumer group or the service charge types and the applicable tariffs, including any specific tariffs that would be applicable when Council adopts water restriction strategies, are reflected in the Water Tariff Schedule as approved by Council.

The following table illustrates the principals for tariff charges applied to various consumers or the specialised water service charge types for water consumption in the Stellenbosch Municipal Area:

(a) Domestic:

Includes residential erven, Sectional Title Units, as well as residential erven managed by legal entities, each being served by an individually metered water connection.

(b) Domestic Cluster:

Refers to a cluster (block of flats) served by a single water connection.

(c) MASO:

A MASO tariff for the affected parties will be applied.

(d) Bulk Users:

A sliding scale tariff will be applied on water consumption for irrigation of sports grounds of schools, irrigation of Council property by sports clubs, as well as irrigation of parks and other grounds or properties serviced by Council's Parks and Recreation Department.

(e) Business, Commercial and Industrial:

A single tariff for all business, commercial and industrial consumers will apply.

(f) All other consumers and Miscellaneous cases:

A single tariff for all other consumers and miscellaneous cases including schools, sportbodies, charity organizations and churches or any other user as determined by the relevant Director, will apply.

(g) Leakages:

Different tariffs may apply to Municipal, Domestic, Business, Commercial or Industrial consumers.

(h) Basic Charge:

A Basic (a fixed monthly) charge will be applied to each domestic consumer, a domestic cluster consumer and all other non-domestic consumers, irrespective whether a gated/non-gated development is supplied via a bulk meter.

The Basic charge will be applied to Indigent Households as per the Indigent Policy of the Municipality.

(i) Availability Fee:

An availability fee is charged on properties not connected to the water network, should it be available. This fee aims to recoup capital and maintenance costs of networks as well as certain fixed administrative costs in respect of such properties.

5.2 Electricity Tariffs

In addition to general cost factors, the following is taken into account when determining a tariff structure for electricity:

- (i) Electricity is primarily supplied by Eskom, and distributed by the Municipality.
- (ii) Minimum standards for distribution are determined nationally and must be adhered to in order to conform to both safety and continuity of supply norms.
- (iii) Due to the fact that a large part of the operating expenditure consists of bulk electricity purchases, tariff structures and levels are very sensitive to any change in the cost of supply by Eskom.
- (iv) Electricity is supplied under a distribution license, granted by the National Electricity Regulator of South Africa (NERSA) for a specific area of jurisdiction. All tariff structures and tariffs must be approved by NERSA prior to application thereof by a distributor on an annual basis.

Electricity is distributed by Stellenbosch Municipality in the areas of Stellenbosch, Johannesdal, Pniel and Franschhoek.

Eskom distributes electricity in the areas of Jamestown, Raithby, Kylemore, Klapmuts and the rural areas. In these areas, the distribution is managed, operated and controlled by the applicable service provider.

Export of surplus energy from an approved and certified consumer to the Municipality's distribution network shall be subject to special and specific agreements embracing in broad terms the operational and financial imperatives for a sustainable and economically viable alliance.

In order to manage consumption, inclining block rate tariff structures are applied in the Stellenbosch Municipal areas of distribution, or any part or area incorporated where due course was followed. In these areas, different tariff structures may be implemented for consumers using renewable energy for own use and/or where the export of surplus energy is approved under the proviso of specific conditions, limits on energy export and reimbursement of exported energy.

Additional fees may be levied on consumers for which maximum demand charges are in effect and who have exceeded specific limits.

The specific inclining block rate(s), any other charges linked to the tariff structure and the applicable tariffs are reflected in the Electricity Tariff Schedule as approved by Council.

The following table illustrates the principals for tariff charges applied to various consumers or the service charge types for electricity consumption or export in the Stellenbosch Municipal Area:

(a) Domestic Lifeline (PP):

Domestic Lifeline Tariffs will apply to prepaid Indigent consumers in order to promote the affordability of the service. A fixed monthly charge will not be applied to this category of consumers.

(b) Domestic Regular:

Domestic Regular tariffs will apply, in various service charge types, to other domestic consumers other than Indigent consumers on either conventional or prepaid metering systems. A fixed monthly charge may be applied to this category of consumers.

(c) Commercial Lifeline Low energy rate:

A Commercial Lifeline energy rate tariff will apply in respect of prepaid commercial low consumers. A fixed monthly charge will not be applied to this category of consumers.

(d) Commercial Low energy rate:

Commercial Low energy rate tariffs will apply, in various service charge types, in respect of conventional and prepaid commercial low consumers. A fixed monthly charge will be applied to this category of consumers.

(e) Commercial Regular energy rate:

Commercial Regular energy rate tariffs will apply, in various service charge types, in respect of conventional and prepaid commercial regular consumers. A fixed monthly charge is applied to this category of consumers.

(f) Agricultural energy rate:

Agricultural energy rate tariffs will apply, in various service charge types, in respect of agricultural use. A fixed monthly charge is applied to this category of consumers.

(g) Industrial energy rate:

Industrial energy rate tariffs as well as various types of energy demand tariffs will apply, in various service charge types, in respect of Industrial use. A fixed monthly charge is applied to this category of consumers.

(h) Municipal energy rate:

Municipal energy rate tariffs will apply, in various service charge types, for municipal consumption for street and traffic lights and for municipal buildings. A fixed monthly charge will not be applied to this category of consumers.

(i) Non-profit Organisations (NPO) energy rate:

Non-profit organisation's tariffs will apply, in various service charge types, to Non-profit Organisations in order to promote the affordability of the service for Non-profit Organisations. A monthly fixed charge will not be applied for this category of consumers.

(j) Sport Organisations energy rate:

Sport energy rate tariffs will apply and a Maximum Demand Charge may apply on sports fields as per approved contracts being classified as either Low Consumers or High Consumers. A fixed monthly charge will not be applied to this category of consumers.

(k) Time-of-Use energy rate:

Different fixed monthly tariffs as well as various types of energy demand tariffs will apply during the low demand and the high demand tariff periods (also referred to as the summer and winter periods respectively) in respect of low and medium voltage consumers. For the purpose of these tariffs the low demand period shall be defined as being the summer period and the high demand period as the winter period.

(l) Availability fee:

An availability fee is charged to properties not connected to the electricity network, where it is available. This fee aims to recoup capital and maintenance costs of networks as well as certain fixed administrative costs.

5.3 Refuse (Solid Waste) Removal Tariffs

The specific services rendered, any other charges linked to the service and the applicable tariffs are reflected in the Solid Waste Tariff Schedule as approved by Council.

(a) Residential properties:

Residential refuse (solid waste) will be removed once a week. Households are allowed 3 bags or one “Otto”-type container per week.

Refuse removal tariffs are based on a flat rate per household.

A specific tariff for Indigent consumers in respect of single residential properties will apply as per the approved Solid Waste Tariff Schedule.

(b) Business and industries:

Business and industry refuse (solid waste) are removed by means of “Otto”-type or bulk containers. Each container (size in volume) is accepted as a refuse unit at a specific tariff and number of removals per week.

(c) Availability Fee:

An availability fee is charged to all vacant properties, businesses, flats and developments not permanently using the municipal collection services.

5.4 Sewerage Tariffs

Tariff structures for sewerage are applied uniformly in the area of jurisdiction of Stellenbosch Municipality.

The tariff structures for specific services rendered, any other charges linked to the service and the applicable tariffs are reflected in the Sewerage Tariff Schedule as approved by Council.

(a) Residential properties:

A tariff structure utilizing plot sizes is applied to allocate the sewerage costs to a specific property.

(b) Business and industries:

A tariff structure utilizing plot sizes, as well as floor areas per usage is applied to allocate the sewerage costs to a specific property.

The removal of industrial effluent is charged at a cost as per the applicable tariffs.

(c) Septic Tanks:

The clearance of septic tanks is charged per 5 000 litre or part thereof.

(d) Availability Fee:

An availability fee based upon a tariff structure utilizing plot sizes will apply to all vacant properties.

6. CALCULATION OF OTHER TARIFFS

6.1 Sundry Tariffs

(a) Tariff Structure:

- (i) The tariff structure as reflected in the Sundry Tariffs Tariff Schedule as annually approved by Council will be used to determine regulatory community and subsidized services.

(b) Method of calculation:

- (i) Existing tariffs will be revised annually, for application during the next financial year, by adjusting the tariff that applied during the current financial year by a percentage (suitable rounding will be applied) to recover increased costs or to compensate for any cost reductions where appropriate.
- (ii) New tariffs will be calculated based on the estimated actual cost where appropriate or to recover some costs depending on the type of community service.

(c) Building Clause references:

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

6.2 Rates Tariffs

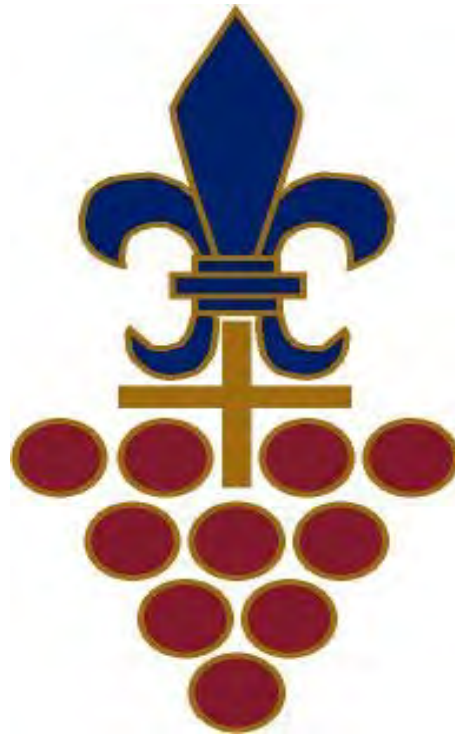
The Stellenbosch Municipality's Rates Policy describes the process for imposing property rates for the various categories of owners and properties.

The tariff structures for the applicable categories, any other charges linked to the service and the applicable provisions for relief measures are reflected in the Property Rates Tariff Schedule and Rates Policy as approved by Council.

7. SHORT TITLE

This policy is the Tariff Policy of the Stellenbosch Municipality.

STELLENBOSCH MUNICIPALITY



TARIFF BY-LAW POLICY

2021/2022



STELLENBOSCH MUNICIPALITY

TARIFF BY-LAW

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1. PREAMBLE

- (1) Section 229(1) of the Constitution authorizes a municipality to impose:
 - (a) rates on property and surcharges on fees for services provided by or on behalf of the municipality; and
 - (b) if authorized by national legislation, other taxes, levies and duties.
- (2) In terms of section 75A of the Systems Act a municipality may:
 - (a) levy and recover fees, charges or tariffs in respect of any function or service of the municipality; and
 - (b) recover collection charges and interest on any outstanding amount.
- (3) In terms section 74(1) of the Systems Act, a municipal council must adopt and implement a tariff policy on the levying of fees for a municipal service provided by the municipality or by way of service delivery agreements and which complies with the provisions of the Systems Act, the Municipal Finance Management Act and any other applicable legislation.
- (4) In terms of section 75(1) of the Systems Act, a municipal council must adopt by-laws to give effect to the implementation and enforcement of its tariff policy.
- (5) In terms of section 75(2) of the Systems Act, by-laws adopted in terms of section 75(1) of the Systems Act may differentiate between different categories of users, debtors, service providers, services, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination.
- (6) In furtherance of reusable energy, Council may determine tariffs pertinent to the purchase of surplus energy from consumers, subject to regulations issued and approved by the National Electricity Regulator of South Africa (NERSA).

2. INTERPRETATION

"Municipality" means the Stellenbosch Municipality (WC024).

"Tariff Policy" means the Tariff Policy adopted by the Municipality in terms of this By-Law.

"Constitution" means the Constitution of the Republic of South Africa.

"Council" means the Council of the Municipality.

"Credit Control and Debt Collection Policy" means the Municipality's Credit Control and Debt Collection Policy as stipulated by sections 96(b) and 97 of the Systems Act.

"Systems Act" means the Local Government: Municipal Systems Act, (Act 32 of 2000).

"Finance Management Act" means the Local Government: Municipal Finance Management Act, (Act 53 of 2003).

"Tariff" means fees, charges or any other tariffs levied by the Municipality in respect of any function or service provided, or surplus energy purchased, by the Municipality including rates levied by the Municipality in terms of the Local Government: Property Rates Act, (Act 6 of 2004).

"Tariff List" or **"Tariff Schedule"** means the list of the Tariffs applicable and in respect of any function or service provided, or surplus energy purchased, by the Municipality. This list, effective for a specific financial year, is approved by Council during the annual budget process.

3. OBJECTS

The object of this By-Law is to give effect to the implementation of the Tariff Policy as contemplated in section 74(1) of the Systems Act, and of the Tariff Schedule for a given financial year as approved by Council during the Municipality's annual budget process.

4. ADOPTION AND IMPLEMENTATION OF TARIFF POLICY

- (1) The Municipality shall adopt and implement a Tariff Policy on the levying of fees for a municipal service provided by the Municipality or by way of service delivery agreements which complies with the provisions of the Systems Act, the Municipal Finance Management Act and any other applicable legislation.

- (2) The Municipality shall not be entitled to impose tariffs other than in terms of the valid Tariff Policy.

5. CONTENTS OF TARIFF POLICY

The Municipality's Tariff Policy shall, inter alia:

- (1) Apply to all the tariffs fees (as per the Tariff List) imposed by the Municipality pursuant to the adoption of the Municipality's annual budget.
- (2) Reflect the principles referred to in section 74(2) of the Systems Act and specify any further principles for the imposition of Tariffs which the Municipality may wish to adopt.
- (3) Specify the manner in which the principles referred to in paragraph 4(2) above are to be implemented in terms of the Tariff Policy.
- (4) Specify the basis of differentiation, if any, for tariff purposes between the different categories of users, debtors, service providers, services, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination.
- (5) Include such further enforcement mechanism, if any, as the Municipality may wish to impose in addition to those contained in the Credit Control and Debt Collection Policy.
- (6) Provide tariffs for the export of surplus energy from approved and certified consumers, within the jurisdiction of the Municipality, into the Municipality's distribution network.

6. ENFORCEMENT OF TARIFF POLICY

The Tariff Policy shall be enforced through the Credit Control and Debt Collection Policy and any further enforcement mechanisms stipulated in the Municipality's Tariff Policy.

7. REPEAL

The provisions of any by-laws relating to Tariffs by the Municipality are hereby repealed insofar as they relate to matters provided for in this By-Law.

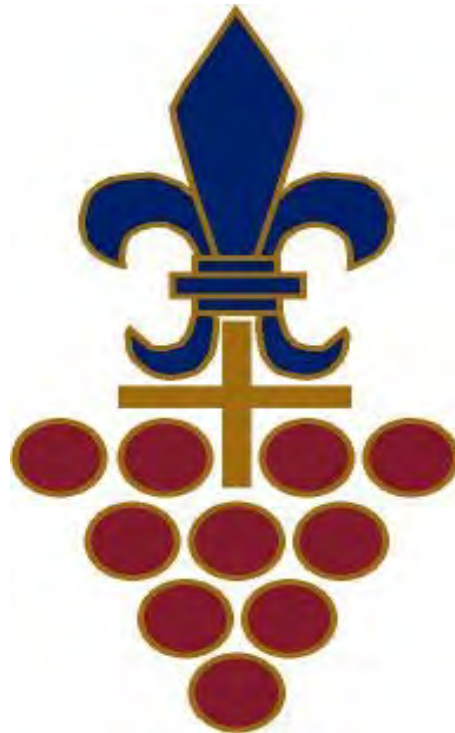
8. INTERPRETATION

If there is a conflict of interpretation between the English version of this By-Law and a translated version, the English version prevails.

9. SHORT TITLE and EFFECTIVE DATE

This By-law is the Tariff By-Law of Stellenbosch Municipality and shall take effect on 01 July 2017.

STELLENBOSCH MUNICIPALITY



VIREMENT POLICY

2021/2022



STELLENBOSCH MUNICIPALITY

VIREMENT POLICY

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1. Preamble

Cognisance taken of the need that may arise to transfer within approved votes due to the change in circumstances and priorities.

2. Definitions

"Approved budget," means an annual budget-

- a) approved by a municipal council, or
- b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

"Budget transfer" means transfer of funding within a vote subject to limitations.

"Capital budget" means a financial plan catering for large and long-term sums for investment in property, plant and machinery, over a period greater than the period considered under an operating budget.

"Chief Financial Officer" means a person designated in terms of section 80(2) (a) of the MFMA;

"Delegation", in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

"Financial year" means a twelve months period commencing on 1 July and ending on 30 June each year

"Municipal council" or "council" means the council of a municipality referred to in section 18 of the Municipal Structures Act;

"Municipality"-

- a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or
- b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

"Official", means-

- a) an employee of a municipality or municipal entity;

- b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
- c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

"Operating budget" An operating budget is the annual budget of an activity stated in terms of Budget Classification Code, functional/sub-functional categories and cost accounts. It contains estimates of the total value of resources required for the performance of the operations in terms of revenue and expenditure including reimbursable work or services for others;

"Overspending"-

- a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
- b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

"Virement" refer to the definition of budget transfer

"Vote" means-

- a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the
- b) municipality; and
- c) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

3. Legislative Framework

Paragraph 4.6 of Circular 51 of the MFMA states that:

“The MFMA and the Municipal Budget and Reporting Regulations seek to move municipalities away from the traditional approach of appropriating/approving budgets by line item. The aim is to give the heads of municipal departments and programmes greater flexibility in managing their budgets. To further facilitate this, each municipality must put in place a council approved virements policy, which should provide clear guidance to managers of when they may shift funds between items, projects, programmes and votes.”

4. Objective of Policy

This policy shall give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the Approved budget.

The policy sets out the virement principles and processes which Stellenbosch Municipality will follow during a financial year.

These virements will represent a flexible mechanism to effect budgetary amendments within a municipal financial year.

The policy shall apply to all staff and councillors of the Stellenbosch Municipality that are involved in budget implementation.

5. Virement Clarification

Virement is the process of transferring budgeted funds from one line item number to another, with the recommendation of the relevant Director to the CFO or delegated finance official, to enable the Budget Office to effect the adjustments.

6. Virement Procedure

- a) All virement proposals must be completed on the appropriate documentation and forwarded to the relevant Finance Officer for checking and implementation. (See annexure 1 and 2)

- b) All virements must be signed and supported by the relevant Director of the directorate within which the vote is allocated. (Section 79 MFMA)
- c) Projected cash flows in the SDBIP should be attached to all virement request and be adjusted in line with the virement.
- d) Relevant corroborating documentation must be attached on the virement form to support the transfer.
- e) All documentation must be in order and approved before any expenditure can be committed and incurred.
- f) All virementations must be motivated and need to be approved by the CFO or a delegated official after the Director of the department has recommended said transfer. The latter requires that such application reaches the office of the CFO prior to incurring expenditure.
- g) The turnaround time for processing of virementations are 72 hours, only if the virement request meets all the necessary requirements.
- h) No virementations will be considered if it equates to facilitating fiscal dumping
- i) No virements after the closing of orders as stipulated in the financial protocol and/or formally communicated in line with the financial year-end preparation will be considered unless in an absolute emergency that could reasonably not have been foreseen.

7. Virement Restrictions

- a) Virements are not permitted in relation to the revenue side of the budget.
- b) No virements of funds across votes (directorates) will be accommodated during the year; unless within the adjustments budget.
- c) Virements from the capital budget to the operating budget are not permitted.
- d) Virements will not result in adding 'new' projects to the Capital Budget.

- e) Virements of conditional grant funds to purposes outside of that specified in the relevant conditional grant framework will not be permitted.
- f) The budget savings from the following line items (necessary adjustments) may only be considered and transferred by the CFO:
 - (i) Employee Related Cost
 - (ii) Remuneration of councillors
 - (iii) Depreciation and asset impairment
 - (iv) Finance Charges (Interest on Loan)
 - (v) Municipal Services Consumption (Water, Electricity, Refuse and Sewerage)
 - (vi) Bulk Purchases (Water and Electricity)
 - (vii) Transfers and subsidies paid
- g) An approved virement does not give expenditure authority outside of what is allowed by Council's Supply Chain Management Policy.

8. General Principle

Virements will only be approved if they facilitate and promote sound risk and financial management.

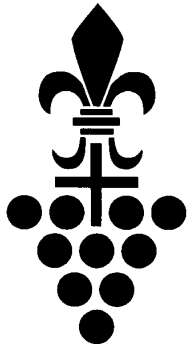
9. Accountability

Accountability to ensure that the virement application forms are completed in accordance with Council's virement policy and are not in conflict with the directorate's strategic objectives manifests with the head of the relevant directorate.

10. Annexures

Annexure 1: Virement Form (Capital and Operating)

Annexure 2: Supporting document to Ward Allocation virement request.



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| TYPE | |
|-----------|--|
| CAPITAL | |
| OPERATING | |

BUDGET VIREMENTATION FORM

TO: FINANCIAL SERVICES

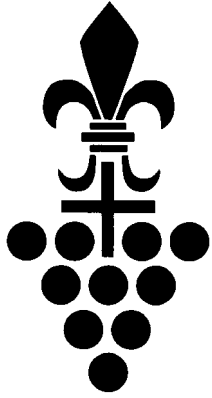
FROM:

DATE:

The following transfers are requested, as per motivation provided.

| | |
|-------------------------|--------|
| From Unique Key : | Amount |
| Unique Key Description: | |
| To Unique Key : | Amount |
| Unique Key Description: | |

1. Why are additional funds requested ?
2. Is it part of the legislative mandate of the municipality?
Yes/ No
3. Which measures will be implemented to ensure expenditure are managed within the approved budget?
4. Where funds would be transferred from?
5. Reasons why funds are not needed from the transferring Unique Key?



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Requested by

Name :

Designation :

Telephone Number :

Supported:

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FOR OFFICAL USE**BUDGET OFFICE**

FUNDS AVAILABLE ON UNIQUE KEY : YES NO

CASHFLOW ATTACHED : YES NO

SUPPORTING DOCUMENTS : YES NO N/A

VERIFIED BY : NAME: _____

SIGNATURE: _____

DATE: _____

COMMENTS: _____

APPROVALAPPROVED BY CHIEF FINANCIAL OFFICER/ : _____
DELEGATED OFFICIAL

DATE : _____

COMMENTS: _____

PROCESSED BY : NAME: _____

SIGNATURE: _____

DATE: _____

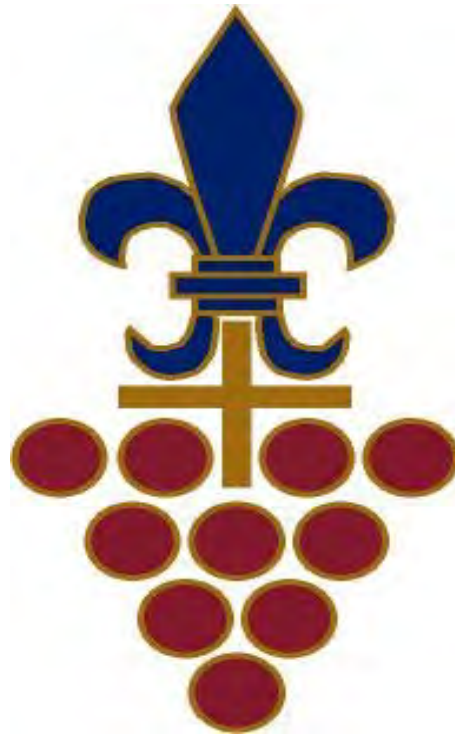


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WARD ALLOCATIONS

Supporting document to Virement Request

| | | | | | |
|---|----------------------|----------------------|----------------------|-----------|----------------------|
| Ward: | <input type="text"/> | Amount: | <input type="text"/> | Fin Year: | <input type="text"/> |
| Transferring Ukey: | <input type="text"/> | Receiving Ukey: | <input type="text"/> | | |
| Job number: | <input type="text"/> | Job number: | <input type="text"/> | | |
| Project Description: | <input type="text"/> | Project Description: | <input type="text"/> | | |
| <u>Approved: Project Manager (Transferring)</u> | | | | | |
| Name: | <input type="text"/> | Name: | <input type="text"/> | | |
| Signature: | <input type="text"/> | Signature: | <input type="text"/> | | |
| <u>Approved: Project Manager (Receiving)</u> | | | | | |
| Name: | <input type="text"/> | Name: | <input type="text"/> | | |
| Signature: | <input type="text"/> | Signature: | <input type="text"/> | | |
| <u>Budget Office Use only</u> | | | | | |
| Processed by: | <input type="text"/> | Signature: | <input type="text"/> | Date: | <input type="text"/> |

STELLENBOSCH MUNICIPALITY



BUDGET IMPLEMENTATION AND MONITORING POLICY

2021/2022



STELLENBOSCH MUNICIPALITY

BUDGET IMPLEMENTATION AND MONITORING POLICY

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1. PREAMBLE

In the spirit of the Municipal Finance Management Act, (No.56 of 2003) “ to modernize budget and financial management practices by placing local government finances on a sustainable footing in order to maximize the capacity of municipalities to deliver services to all residents customers, users and investors” and,

Whereas chapter 4 of the Municipal Finance Management Act, (No 56 of 2003) determines that a municipality may, except where otherwise provided in the Act, incur expenditure only in terms of an approved budget; and within the limits of the amounts appropriated for the different votes in an approved budget,

In terms of the Budget and Reporting Regulations the municipality has to adopt a policy which includes the following:

1. a policy dealing with the shifting of funds within votes
2. a policy dealing with the introduction of adjustment budgets
3. policies dealing with unforeseen and unavoidable expenditure
4. policies dealing with management and oversight

Therefore the Stellenbosch Municipality revised its Budget Policy to give effect to the Budget and Reporting Regulations as set out in this policy.

2. DEFINITIONS

"Accounting officer" means a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act;

"Allocation", means-

- (a) a municipality's share of the local government's equitable share referred to in section 214(l) (a) of the Constitution;
- (b) an allocation of money to a municipality in terms of section 214(1) (c) of the Constitution;
- (c) an allocation of money to a municipality in terms of a provincial budget; or
- (d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

"Annual Division of Revenue Act" means the Act of Parliament, which must be enacted annually in terms of section 214 (1) of the Constitution;

"Approved budget," means an annual budget-

- (a) approved by a municipal council, or
- (b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

"Basic Municipal Service" means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

"Budget-related Policy" means a policy of a municipality affecting or affected by the annual budget of the municipality, including-

- (a) the tariff policy, which the municipality must adopt in terms of section 74 of the Municipal Systems Act;
- (b) the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or
- (c) the credit control and debt collection policy, which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

"Budget transfer" means transfer of funding within a function / vote subject to limitations.

"Budget Year" means the financial year of the municipality for which an annual budget is to be approved in terms of section 16(1) of the MFMA;

"Chief Financial Officer" means a person designated in terms of section 80(2) (a) of the MFMA;

"councillor" means a member of a municipal council;

"current year" means the financial year, which has already commenced, but not yet ended;

"delegation", in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

"executive mayor" means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act;

"financial recovery plan" means a plan prepared in terms of section 141 of the MFMA

"financial year" means a twelve months period commencing on 1 July and ending on 30 June each year

"financing agreement" includes any loan agreement, lease, and instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time;

"fruitless and wasteful expenditure" means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

"irregular expenditure", means-

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA , and which has not been condoned by Council (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- (b) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or

- (c) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";

"investment/s", in relation to funds of a municipality, means-

- (a) the placing on deposit of funds of a municipality with a financial institution; or
- (b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

"local community" has the meaning assigned to it in section 1 of the Municipal Systems Act;

"Municipal Structures Act" means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

"Municipal Systems Act" means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

"long-term debt" means debt repayable over a period exceeding one year;

"municipal council" or **"council"** means the council of a municipality referred to in section 18 of the Municipal Structures Act;

"municipality"-

- (a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or
- (b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

"municipal service" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

"municipal tariff" means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

"National Treasury" means the National Treasury established by section 5 of the Public Finance Management Act;

"official", means-

- (a) an employee of a municipality or municipal entity;
- (b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
- (c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

"overspending"-

- (a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
- (b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- (c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

"quarter" means any of the following periods in a financial year:

- (a) 1 July to 30 September;
- (b) 1 October to 31 December;
- (c) 1 January to 31 March; or
- (d) 1 April to 30 June;

"service delivery and budget implementation plan" means a detailed plan approved by the executive mayor of a municipality in terms of section 53(l)(c)(ii) of the MFMA for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate-

- (a) projections for each month of-
 - (i) revenue to be collected, by source; and
 - (ii) operational and capital expenditure, by vote;
- (b) service delivery targets and performance indicators for each quarter; and
- (c) any other matters that may be prescribed, and includes any revisions of such plan by the executive mayor in terms of section 54(l) (c) of the MFMA;

"unauthorised expenditure", means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes-

- (a) overspending of the total amount appropriated in the municipality's approved budget;
- (b) overspending of the total amount appropriated for a vote in the approved budget;
- (c) expenditure from a vote unrelated to the department or functional area covered by the vote;
- (d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- (e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- (f) a grant by the municipality otherwise than in accordance with the MFMA;

"virement" refer to the definition of budget transfer

"vote" means-

- (a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the
- (b) municipality; and
- (c) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

3. OBJECTIVES OF POLICY

The objective of the budget policy is to:

- a) Set out the principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget
- b) Outline the responsibilities of the executive mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget
- c) Establish and maintain procedures to ensure adherence to Stellenbosch Municipality's Integrated Development Plan (IDP) review and budget processes
- d) Give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the planning, preparation and approval of the annual and adjustments budgets

The policy shall apply to all staff and councillors of the Stellenbosch Municipality that are involved in budget implementation.

4. BUDGET PREPARATION PROCESS

4.1 Budget Steering Committee

- a) The mayor of a municipality must establish a budget steering committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the Act.
- b) The steering committee must consist of at least the following persons:
- I. the councilor responsible for financial matters;
 - II. the municipal manager;
 - III. the chief financial officer;
 - IV. the senior managers responsible for at least the three largest votes in the municipality;
 - V. the manager responsible for budgeting;
 - VI. the manager responsible for planning; and
 - VII. any technical experts on infrastructure.

4.2 Roles and responsibilities

4.2.1 Executive Mayor

- a) As provided in Section 21(1) of the MFMA, the Mayor is responsible for:
- I. Co-ordinating the process for preparing the annual budget and for reviewing the Integrated Development Plan ("IDP") and budget related-policies;
 - II. Tabling in the council a time schedule outlining key deadlines.
- b) In addition, as provided in Section 21(2) of the MFMA, for purposes of preparing the budget, the Mayor is required to:
- I. Take into account the Municipality's IDP;
 - II. Take all reasonable steps to ensure that the Municipality revises the IDP;
 - III. Take into account the national budget, the provincial budget, the national government's fiscal and macro-economic policy, the Annual Division of Revenue Act and any agreements reached in the budget forum;

- IV. Consult the relevant district municipality, if applicable, and local municipalities within the district, the provincial treasury, and when requested, the national treasury, and any national organs of state as may be prescribed;
- V. Provide on request information to the National Treasury and other organs of state and other municipalities affected by the budget.

c) Pursuant to Section 52 of the MFMA the mayor must:

- I. provide general political guidance over the fiscal and financial affairs of the municipality;
- II. in providing such general political guidance. may monitor and. to the extent provided in
- III. the MFMA, oversee the exercise of responsibilities assigned in terms of the MFMA to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;
- IV. must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;
- V. must within 30 days of the end of each quarter. submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and
- VI. must exercise the other powers and perform the other duties assigned to the mayor in terms of the MFMA or delegated by the council to the mayor.

d) As Required by Section 53 of the MFMA, the mayor must:

- I. provide general political guidance over the budget process and the priorities that must guide the preparation of a budget;
- II. co-ordinate the annual revision of the integrated development plan in terms of section 34 of the Municipal Systems Act and the preparation of the annual budget, and determine how the integrated development plan is to be taken into account or revised for the purposes of the budget; and
- III. take all reasonable steps to ensure that:
 - a. the municipality approves its annual budget before the start of the budget year;
 - b. the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget; and

- c. the annual performance agreements as required in terms of section 57(1)(6) of the Municipal Systems Act, for the municipal manager and all senior managers comply with the MFMA and in particular, the provisions of Section 53(1)(c)(iii) of the MFMA;
- iv. promptly report to the municipal council and the MEC for finance in the province any delay in the tabling of an annual budget, the approval of the service delivery and budget implementation plan or the signing of the annual performance agreements referred to above; and
- v. ensure-
 - a. that the revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter, as set out in the service delivery and budget implementation plan, are made public no later than 14 days after the approval of the service delivery and budget implementation plan; and
 - b. that the performance agreements of the municipal manager, senior managers and any other categories of officials as may be prescribed are made public no later than 14 days after the approval of the municipality's service delivery and budget implementation plan. Copies of such performance agreements must be submitted to the council and the MEC for local government in the province.

4.2.2 Accounting Officer

- a. The Accounting Officer shall provide technical and administrative support to the Executive Mayor in the preparation and approval of the annual and adjustment budgets, as well as the consultative process and the furnishing of information.
- b. The Accounting Officer shall ensure that all heads of departments provide the inputs required by the Chief Financial Officer for the purpose of preparing the budget.
- c. The Accounting Officer shall delegate to the Chief Financial Officer all such powers as may be necessary for the Chief Financial Officer to prepare the budgets.

4.2.3 Chief Financial Officer

- a. The Chief Financial Officer shall provide technical and administrative support to the Executive

Mayor in the preparation and approval of the annual and adjustment budgets, as well as the consultative process and the furnishing of information.

- b. The Chief Financial Officer shall be responsible for preparing the budgets, as delegated by the Accounting Officer.
- c. The Chief Financial Officer shall ensure that the annual and adjustments budgets comply with the requirements of the National Treasury, reflect the budget priorities determine by the mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the mayor on the revision of the IDP and the budget-related policies where these are indicated.

4.2.4 Directors directly accountable to the Accounting Officer

- a. Directors shall provide technical and administrative support to the Executive Mayor in the preparation and approval of the annual and adjustment budgets, as well as the consultative process and the furnishing of information.

4.3 Public participation process

a) Immediately after the draft resolutions of the annual budget is tabled in a municipal council, the Accounting Officer of the municipality must— in accordance with Chapter 4 of the Municipal Systems Act-

- I. make public the annual budget and the documents referred to in section 17(3); and
- II. invite the local community to submit representations in connection with the budget; and
- III. submit the annual budget—(draft budget)
- IV. in both printed and electronic formats to the National Treasury and the relevant provincial treasury as prescribed by National Treasury ; and
- V. in either format to any prescribed national or provincial organs of state and to other municipalities affected by the budget.

b) When the annual budget has been tabled, the municipal council must consider any views of-

- I. the local community; and
- II. the National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the budget.

c) The Municipal Manager must also make public any information that the municipal council considers appropriate to facilitate the budget consultation process, including:

- i. Summaries of the annual budget and supporting documents in alternate language predominant in the community; and
- ii. Information relevant to each ward in the municipality
- iii. All the information contemplated in sub-regulation (c) must cover
- iv. The relevant financial and service delivery implications of the annual budget; and
- v. At least the previous year's actual outcome, the current year's forecast outcome, the budget year, and the following two years.

d) When submitting the annual budget to the National Treasury and the relevant provincial treasury, the municipal manager must also submit to National Treasury and the relevant provincial treasury, both in printed and electronic form –

- I. The supporting budget documentation as tabled in the municipal council;
- II. The draft Service Delivery and Budget Implementation Plan (SDBIP); and
- III. Any other information as may be required by National Treasury.

e) The Municipal Manager must send copies of the annual budget and supporting documentation as tabled in the municipal council, in both printed and electronic form to:

- I. Any other municipality affected by the annual budget within ten working days of the annual budget being tabled in the municipal council; and
- II. Any organ of state on receipt of a request from the organ of state.

f) After considering all budget submissions, the council must give the Executive Mayor an opportunity-

- I. to respond to the submissions; and
- II. if necessary, to revise the budget and table amendments for consideration by the council.

g) Within consideration of the approval of the Annual Budget and thirty (30) days before the start of the budget year the Executive Mayor must table the following documents in the Council in consideration of the annual budget approval

- I. A report summarizing the local community's views on the annual budget;

- II. Any comments on the annual budget received from National Treasury and Provincial Treasury;
- III. Any comments on the annual budget received from any organ of state, including any affected municipality; and
- IV. Any comments on the annual budget received from any other stakeholders.

h) The Municipal Manager must assist the Executive Mayor in the preparation of the documents referred to in sub-regulation (g) and 23 (2) of the Act.

4.4 Approval of the budget

- (a) Council shall consider the medium term revenue and expenditure framework budget (MTREF) for approval not later than 31 May (30 days before the start of the budget year).
- (b) The council resolution must contain budget policies and the performance measures to be adopted.
- (c) The council must consider the full implications, financial or otherwise, of the annual budget and supporting documentation before approving the annual budget.
- (d) When approving the annual budget, the council must consider and adopt separate resolutions dealing with each of the matters contemplated.
- (e) Should the municipality fail to approve the budget before the start of the budget year, the executive mayor must inform the MEC for Finance that the budget has not been approved.
- (f) The budget tabled to Council for approval shall include the following supporting documents:
 - I. draft resolutions approving the budget and levying property rates, other taxes and
 - II. tariffs for the financial year concerned;
 - III. measurable performance objectives for each budget vote, taking into account the
 - IV. municipality's IDP;
 - V. the projected cash flows for the financial year by revenue sources and expenditure
 - VI. votes;
 - VII. any proposed amendments to the IDP;
 - VIII. any proposed amendments to the budget-related policies;
 - IX. particulars of any proposed allocations or grants to other municipalities, municipal
 - X. entities, external mechanisms assisting the municipality in service delivery, other

- XI. organs of state, and organizations such as non- governmental organizations,
- XII. welfare institutions and so on;
- XIII. particulars of the municipality's investments;
- XIV. particulars of any proposed service delivery agreements, including material
- XV. amendments to existing service delivery agreements;
- XVI. the proposed cost to the municipality for the budget year of the salary, allowances
- XVII. and benefits of-

- (i) each political office-bearer of the municipality;
- (ii) councillors of the municipality; and
- (iii) the municipal manager, the chief financial officer, each senior manager of the municipality and any other official of the municipality having a remuneration package greater than or equal to that of a senior manager;

4.5 Service Delivery and Budget Implementation Plan (SDBIP)

a) The Executive Mayor must approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the Budget by Council, and within ten days (10) after the Executive Mayor has approved the Plan it has to be made public.

b) The SDBIP shall include the following components:

- I. Projections for each month of Revenue to be collected, by source, and Operational and capital expenditure, by vote;
- II. Service delivery targets and performance indicators for each quarter;
- III. Monthly projections of revenue to be collected for each source;
- IV. Monthly projections of expenditure (operating and capital) and revenue for each vote;
- V. Quarterly projections of service delivery targets and performance indicators for each vote;
- VI. Information for expenditure and delivery; and
- VII. Detailed capital works plan.

5. BUDGET PRINCIPLES

- a) The municipality shall ensure that revenue projections in the budget are realistic taking into account actual collection levels. The expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget.
- b) Stellenbosch Municipality shall prepare a three-year budget (medium term revenue and expenditure framework (MTREF)) which will be reviewed annually and will be approved by Council. The MTREF budget will at all times be within the framework of the Municipal Integrated Development Plan (IDP).
- c) The annual budget will consist of a Capital and Operating Budget which will be discussed below:

5.1 Capital Budgets

- a) The capital budget refers to the allocations made to specific infrastructural projects and the purchase of equipment and other forms of assets having a lifespan of more than one year.

5.1.1 Basis of Calculation

- a) The zero based method is used in preparing the annual capital budget, except in cases where a contractual commitment has been made that would span over more than one financial year.
- b) The annual capital budget shall be based on realistically anticipated revenue (capital loans to be taken up will be deemed to be part of this), which should be equal to the anticipated capital expenditure in order to result in a balanced budget.
- c) The impact of the capital budget on the current and future operating budgets in terms of finance charges to be incurred on external loans, depreciation of fixed assets, maintenance of fixed assets and any other operating expenditure to be incurred resulting directly from the capital expenditure, should be carefully analyzed when the annual capital budget is being compiled.
- d) In addition, the council shall consider the likely impact of such operational expenses- net of any revenues expected to be generated by such item- on future property rates and service tariffs.

5.1.2 Financing

1. Own Financing Sources

The Council shall establish a Capital Replacement Reserve (CRR) for the purpose of financing capital projects and the acquisition of capital assets. Such reserve shall be established from the following:

- a) unappropriated cash-backed surpluses to the extent that such surpluses are not required for operational purposes;
- b) further amounts appropriated as contributions in each annual or adjustments budget; and
- c) net gains on the sale of fixed assets in terms of the fixed asset management and accounting policy.

2. Other Finance Sources

The Ad- Hoc capital budget shall be financed from external sources such as the following:

- a) Grants and subsidies as allocated in the annual Division of Revenue of Act;
- b) Grants and subsidies as allocated by Provincial Government;
- c) External Loans;
- d) Private Contributions;
- e) Contributions from the Capital Development Fund (developer's contributions); and
- f) Any other financing source secured by the local authority.

5.1.3 Implementation

- a) After the budget has been approved, the service delivery and budget implementation plan (SDBIP) should be compiled.
- b) The SDBIP must be tabled to the Mayor within 28 days after aforementioned approval.
- c) Each director has to indicate the intended spending patterns of both their capital and operating budgets. (Cash flows)
- d) These listed cash flows are consolidated into the Service Delivery and Budget Implementation Plan of the organisation.

- e) The SDBIP will be monitored on a monthly basis where actual spending will be compared with the planned spending as indicated by the directors at the beginning of the year.
- f) Each directorate can use their respective vote numbers as indicated on the capital budget

5.2 Operational Budget

The operational budget refers to the funds that would be raised in the delivery of basic services, grants & subsidies and any other municipal services rendered. These funds are in turn used to cover the expenses incurred in the day to day running of the organization.

5.2.1 Basis of Calculation

- a) A zero based approach is used in preparing the annual operating budget.
- b) The annual operating budget shall be based on realistically anticipated revenue.
- c) An income based approach shall be used whereby realistically anticipated income is determined first and the level of operating expenditure would be based on the determined income flows.

5.2.2 Financing

The operating budget shall be financed from the following sources:

- a) Service Charges
 - (i) Electricity Charges
 - (ii) Water Sales
 - (iii) Refuse Removal Fees
 - (iv) Sewerage Fees

Increases in tariffs should be cost reflective.

- b) Property rates

Increases in rates will as far as possible be limited to inflation.

c) Grants & Subsidies

Grants and subsidies shall be based on all the gazetted grants and subsidies plus all other subsidies received by the organization.

d) Interest on Investments

The budget for interest and investment shall be in accordance with the Cash Management and Investment policy of the organization.

e) Rental Fees

Income from rental property will be budgeted for based on the percentage growth rate as determined by Financial Services for a particular budget year.

f) Fines

Income from fines will be budgeted for based on the actual income received in the preceding year (calculated on the basis of actual receipts until end of February of each year, extrapolated over 12 months) and the percentage growth rate as determined by Financial Services for a particular budget year.

g) Other Income

All other income items will be budgeted for based on the actual income received in the preceding year (calculated on the basis of actual receipts until end of February of each year, extrapolated over 12 months) and the percentage growth rate as determined by Financial Services for a particular budget year.

5.2.3 Implementation

a) After the budget has been approved, the service delivery and budget implementation plan (SDBIP) is compiled.

b) The SDBIP must be tabled to the Mayor within 28 days after aforementioned approval.

- c) Each director has to indicate the intended spending patterns of both their capital and operating budgets. (Cash flows)
- d) These listed cash flows are consolidated into the Service Delivery and Budget Implementation Plan of the organisation.
- e) The SDBIP will be monitored on a monthly basis where actual spending will be compared with the planned spending as indicated by the directors at the beginning of the year.
- f) Each directorate can use their respective vote numbers as indicated on the capital budget.

5.3 Contents of the Budget

- a) The budget must comply with the provisions of Section 17(1) of the MFMA, and in particular:
 - i. The budget must be in the format prescribed by the regulations;
 - ii. The budget must reflect the realistically expected revenues by major source for the budget year concerned;
 - iii. The expenses reflected in the budget must be divided into the votes of the various departments of the municipality;
 - iv. The budget must also contain:
 - 1. the foregoing information for the two years immediately succeeding the financial year to which the budget relates;
 - 2. the actual revenues and expenses for the previous financial year , and
 - 3. the estimated revenues and expenses for the current year.
- b) The budget must be accompanied by all of the documents referred to in Section 17(3) of the MFMA.
- c) For the purposes of Section 17(3) (k) of the MFMA, the salary, allowances and benefits of each group referred to therein must be stated individually.

5.4 Components of the Budget

- a) The annual budget and adjustments budget shall, as required by Section 17(2) of the MFMA consist of:
 - I. the capital component, and
 - II. the operating component.

- b) The operating component shall duly reflect the impact of the capital component on:
 - I. Compensation of employees & Remuneration of Councilors
 - II. Bulk Service Expenses
 - III. Depreciation charges;
 - IV. Repairs and maintenance expenses;
 - V. Interest payable on external borrowings; and
 - VI. Other operating expenses.

- c) Before approving the capital budget component of the annual or adjustments budget, the council shall consider the impact of the capital component on the present and future operating budgets of the municipality in relation to the items referred to:
 - I. The projected cost covering all financial years until the project is operational;
 - II. The future operational costs and revenue on the project, including municipal tax and tariff implications.
 - III. All capital projects have an effect on future operating budgets. The following cost factors must therefore be considered before approval:
 - 1) Additional personnel cost to staff new facilities once operational;
 - 2) Additional contracted services, such as security, cleaning etc.
 - 3) Additional general expenditure, such as services cost, stationery, telephones, material etc.
 - 4) Additional other capital requirements to operate the facility, such as vehicles, plant and equipment, furniture and office equipment etc.
 - 5) Additional costs to maintain the assets;
 - 6) Additional interest and redemption in the case of borrowings;
 - 7) Additional depreciation charges;
 - 8) Additional revenue generation. The impact of expenditure items must be offset by additional revenue generated to determine the real impact on tariffs.

6. ADJUSTMENTS BUDGETS

- (a) Each adjustments budget shall reflect realistic excess, however nominal, of current revenues over expenses.
- (b) The chief financial officer shall ensure that the adjustments budgets comply with the requirements of the National Treasury, reflect the budget priorities determined by the executive mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the executive mayor on the revision of the IDP and the budget-related policies where these are indicated.
- (c) Council may revise its annual budget by means of an adjustments budget as regulated.
- (d) The Accounting Officer must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.
- (e) The Accounting Officer shall appropriate additional revenues, which have become available but only to revise or accelerate spending programmes already budgeted for or any areas of critical importance identified by Council in compliance with Item 2 of Section 10.
- (f) The Council shall in such adjustments budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Executive Mayor.
- (g) Only the Executive mayor shall table an adjustment budget. Adjustments budget shall be done once as part of the mid-year budget performance assessment.
- (h) An adjustments budget must contain all of the following:
 - I. an explanation of how the adjustments affect the approved annual budget
 - II. appropriate motivations for material adjustments; and
 - III. an explanation of the impact of any increased spending on the current and future annual budgets.
- (i) Any unappropriated surplus from previous financial years, even if fully cash-backed, may not be used to balance any adjustments budget, but may be appropriated to the municipality's capital replacement reserve.

- (j) Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan and or per National Treasury Regulations.
- (k) Unauthorised expenses may be authorised in an adjustments budget.

6.1 Formats of adjustments budgets

- (a) An adjustment budget and supporting documentation of a municipality must be in the format specified by National Treasury and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

6.2 Funding of the adjustments budgets

- (a) An adjustments budget of a municipality must be appropriately funded.
- (b) The supporting documentation to accompany an adjustments budget in terms of section 28(5) of the Act must contain an explanation of how the adjustments budget is funded.

6.3 Timeframes for tabling of adjustments budgets

- (a) An adjustments budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in the municipal council at any time during the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.
- (b) Only one adjustments budget referred to in subregulation (1) may be tabled in the municipal council during a financial year, except when the additional revenues contemplated in section 28(2)(b) of the Act are allocations to a municipality in a national or provincial adjustments budget, in which case subregulation (3) applies.
- (c) If a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues.

- (d) An adjustments budget referred to in section 28(2)(c) of the Act must be tabled in the municipal council at the first available opportunity after the unforeseeable and unavoidable expenditure contemplated in that section was incurred within the period set in section 29(3) of the Act.
- (e) An adjustments budget referred to in section 28(2)(e) of the Act may only be tabled after the end of the financial year to which the roll-overs relate, and must be approved by the municipal council by 25 August of the financial year following the financial year to which the roll-overs relate.
- (f) An adjustments budget contemplated in section 28(2)(G) of the Act may only authorise unauthorised expenditure as anticipated by section 32(2)(a)(i) of the Act, and must be –
- (g) dealt with as part of the adjustments budget contemplated in subregulation (1); and
- (h) a special adjustments budget tabled in the municipal council when the mayor tables the annual report in terms of section 127(2) of the Act, which may only deal with unauthorised expenditure from the previous financial year which the council is being requested to authorise in terms of section 32(2)(a)(i) of the Act.

6.4 Submission of tabled adjustments budgets

- (a) The municipal manager must comply with section 28(7) of the Act, read together with section 22(b)(i) of the Act, within ten working days after the mayor has tabled an adjustments budget in the municipal council.
- (b) When submitting the tabled adjustments budget to the National Treasury and the relevant provincial treasury in terms of section 28(7) of the Act, read together with section 22(b)(i) of the Act, the municipal manager must submit in both printed and electronic form
 - i. the supporting documentation referred to in section 28(5) of the Act within ten working days of the adjustments budget being tabled in the municipal council; and
 - ii. any other information as may be required by National Treasury.
- (b) The municipal manager must send copies of an adjustments budget and supporting documentation, in both printed and electronic form to –
 - i. any other municipality affected by that adjustments budget within ten working days of the adjustments budget being tabled in the municipal council; and

- II. any other organ of state on receipt of a request from that organ of state.

6.5 Approval of adjustment budget

- (i) A municipal council must consider the full implications, financial or otherwise, of the adjustments budget and supporting documentation referred to in section (1) (a) before approving the adjustments budget.
- (j) When approving the adjustment budget, a municipal council must consider and adopt separate resolutions dealing with each of the matters listed in item 4 of Schedule B.

6.6 Publications of approved adjustment budget

- (a) Within ten 10 working days after the municipal council has approved an adjustment budget, the municipal manager must in accordance with section 21A of the Municipal Systems Act make public the approved adjustments budget and supporting documentation, as well as the resolutions referred to in section 5 (a).
- (b) When making public an adjustment budget and supporting documentation, the municipal Manager must make public awareness of the adjustment budget, including –
- (c) Summaries of the adjustment budget and supporting documentation in alternate languages predominant in the community;
- (d) Information relevant to each ward in the municipality, if that ward is affected by the adjustments budget; and
- (e) Any consequential amendment of the service delivery and budget implementation plan that is necessitated by the adjustments budget.

6.7 Submission of approved adjustments budget and other documents

- (a) The municipal Manger must comply with section 28(7) of the Act read together with section 24(3) of the Act within ten working days after the municipal council has approved and adjustments budget.

- b) When submitting an adjustments budget to National Treasury and other relevant provincial treasury in terms of section 28(7) of the Act read together with section 24(3) of the Act, the municipal manager must also submit to National Treasury and the relevant provincial treasury, in both printed and electronic form –
 - i. The supporting documentation within ten working days after the municipal council has approved the adjustments budget;
 - ii. The amended service delivery and budget implementation plan, within ten working days after the council has approved the amended plan in terms of the section 54(1)(c) of the Act; and
 - iii. Any other information as may be required by the National Treasury.
- (c) The municipal manager must send copies of an adjustments budget and supporting documentation, in both electronic and printed form to –
 - i. Any other municipality affected by that adjustments budget within ten (10) working days of the adjustments budget being tabled in the municipal council; and
 - ii. Any other organ of state on receipt of a request from that organ of state.

7. BUDGET IMPLEMENTATION

7.1 Monitoring (Section 71 of MFMA)

- (a) The Accounting Officer with the assistance of the Chief Financial Officer and other senior managers is responsible for the implementation of the budget, and must take all reasonable steps to ensure that:
- I. funds are spent in accordance with the budget;
 - II. expenses are reduced if expected revenues are less than projected; and
 - III. revenues and expenses are properly monitored.

7.2 Reporting

7.2.1 Monthly budget statements (Section 71 of the MFMA)

- (b) Accounting Officer with the assistance of the Chief Financial Officer must, not later than ten working days after the end of each calendar month, submit to the Executive Mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.
- (c) This report must reflect the following:
- i. actual revenues per source, compared with budgeted revenues;
 - ii. actual expenses per vote, compared with budgeted expenses;
 - iii. actual capital expenditure per vote, compared with budgeted expenses;
 - iv. actual borrowings, compared with the borrowings envisaged to fund the capital budget;
 - v. the amount of allocations received, compared with the budgeted amount;
 - vi. actual expenses against allocations, but excluding expenses in respect of the equitable share;
 - vii. explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the service delivery and budget implementation plan;

- viii. the remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and
- ix. projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.

7.2.2 Quarterly Reports (Section 52 of MFMA)

- (a) The Executive Mayor must submit to Council within thirty days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the municipality. The report submitted to National and Provincial Treasury must be both in electronic format and in a signed written document.

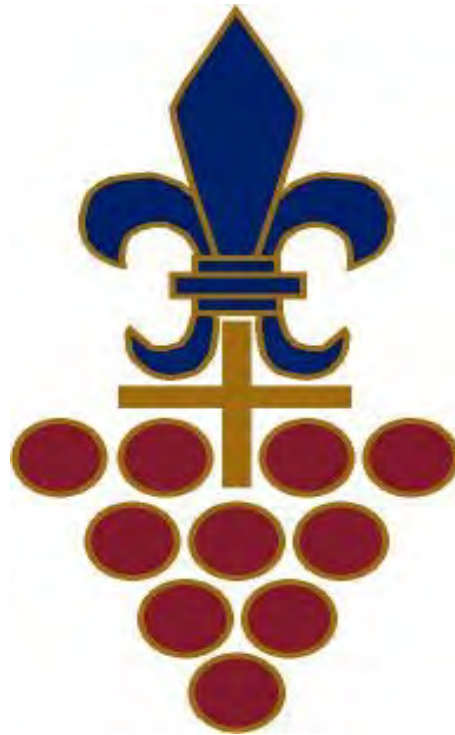
7.2.3 Mid-year budget and performance assessment (Section 72 and 88 of MFMA)

- (a) The Accounting Officer must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.
- (b) The Accounting officer must then submit a report on such assessment to the Executive Mayor by 25 January each year and to Council, Provincial Treasury and National Treasury by 31 January each year.
- (c) The Accounting Officer may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the annual budget and for revising the projections of revenues and expenses set out in the service delivery and budget implementation plan.

8. REVIEW OF POLICY

- (a) This shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives, good governance, prudent expenditure management and with relevant legislation.

STELLENBOSCH MUNICIPALITY



BORROWING, FUNDS AND RESERVES POLICY

2021/2022



STELLENBOSCH MUNICIPALITY

BORROWING, FUNDS AND RESERVES POLICY

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1. INTRODUCTION

The documented **Borrowing, Funds and Reserves Policy**, sets out the framework for the prudent use of Borrowing, Funds and Reserves available to the Municipality.

This Policy should be implemented in conjunction with the approved **Liquidity Policy**. The Liquidity Policy sets out the prudent level of cash to be maintained by the Municipality as one of several factors to ensure long term financial sustainability. It is however of equal importance to protect, maintain and extend the infrastructure of the Municipality to ensure the continued provision of services at an acceptable standard.

This policy is implemented to provide guidance on the appropriation of capital funding resources on a sustainable basis in the longer term.

2. BACKGROUND AND APPROACH

With reference to the applicable legislation as referred to in paragraph 3 below. Legislation exists and prescribes the framework of a Borrowing as well as Funds and Reserves Policy and these factors will all be addressed in this Policy.

Although legislation provides guidance as to the broader framework to ensure financial management of resources to ensure the Council meets all of its obligations timeously, it is not prescriptive with regards to quantifying not only the prudent level of Borrowing, Funds and Reserves but more so the optimal level hereof.

Therefore in this Policy cognisance has been taken of the legislative guidelines whilst more prescriptive guidelines are set for the optimal management and monitoring of resources to the Municipality's avail based on sound financial practices.

3. LEGISLATIVE REQUIREMENTS

The legislative framework governing borrowings, funds and reserves are:

- 1.1. Local Government Municipal Finance Management Act, Act 56 of 2003 (MFMA) must be complied with; and

- 1.1.1. MFMA Circular 71 stipulates the following guidelines regarding borrowing:

Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure

$(\text{Capital Cost (Interest Paid and Redemption)} / \text{Total Operating Expenditure}) \times 100$

Criteria: 6% - 8%

Debt (Total Borrowings) / Revenue

$(\text{Overdraft} + \text{Current Finance Lease Obligation} + \text{Non Finance Lease Obligation} + \text{Short Term Borrowings} + \text{Long Term Borrowings}) / \text{Total Operating Revenue}$

Criteria: Maximum 45%

1.2. Local Government Municipal Budget and Reporting Regulation, Regulation 393, published under Government Gazette 32141, 17 April 2009.

4. FUNDING POLICY

The Local Government Municipal Budget and Reporting Regulation, Regulation 393, published under Government Gazette 32141, 17 April 2009 stipulates:

8. (1) *Each municipality must have a funding and reserves policy which must set out the assumptions and methodology for estimating –*

- (a) *projected billings, collections and all direct revenues;*
- (b) *the provision for revenue that will not be collected;*
- (c) *the funds the municipality can expect to receive from investments;*
- (d) *the dividends the municipality can expect to receive from municipal entities;*
- (e) *the proceeds the municipality can expect to receive from transfer or disposal of assets;*
- (f) *the municipality's borrowing requirements;*
- (g) *the funds to be set aside in reserves.*

In terms of Section 18 and 19 of the MFMA an **annual budget** may only be funded from:

Cash backed accumulated funds from previous years' surpluses not committed for other purposes:

Transfers from the accumulated surplus to fund operating expenditure will only be allowed for specific once-off projects with no recurring operating expenditure resulting thereof.

Borrowed funds, but only for capital projects:

Actual capital expenditure may only be incurred on a capital project if the funding for the project has been appropriated in the Capital Budget, but has also been secured from the financial source that is not committed for another purpose.

Realistically anticipated revenues to be collected:

Realistic anticipated revenue projections must take into account projected revenue for the current year based on actual collection levels in previous financial years.

4.1. OPERATING BUDGET

The Operating Budget should be cash funded. The Operating Budget is funded from the following main sources of revenue:

- a) Property Rates;
- b) Surplus generated from Service Charges;
- c) Government Grants and Subsidies;
- d) Other revenue, fines, interest received etc.;

The following guiding principles apply when compiling the Operating Budget:

- a) Growth parameters must be realistic taking into account the current economic conditions;
- b) Tariff adjustments must be in line with the following approved policies: ***Tariff Policy and Indigent Policy***;
- c) Revenue from Government Grants and Subsidies must be in line with allocations gazette in the Division of Revenue Act and provincial gazettes. Transfers of a conditional nature must be appropriated only as prescribed and should not be used to fund the Operating Budget;
- d) Revenue from public contributions, donations or any other grants may only be included in the Budget if there is acceptable documentation that guarantees the funds and if the transfers are unconditional of nature;

- e) Provision for revenue that will not be collected is made against the expenditure item bad debt and based on actual collection levels for the previous financial year and the reasonably projected annual non-payment rate;
- f) Interest received from actual Long-term and or Short-term Investments are based on the amount reasonably expected to be earned on cash amounts available during the year according to the expected interest rate trends. The actual amount allocated for interest on investments is contributed to the Capital Replacement Reserve;
- g) A detailed salary budget is compiled on an annual basis. All funded positions are budgeted for in total as well as new and/or funded vacant positions. As a guiding principle the salary budget should not constitute more than 35% of annual Operating Expenditure;
- h) Depreciation charges are fully budgeted for according to the Asset Register.
- i) The annual cash flow requirement for the repayment of borrowings must fully be taken into consideration with the setting of tariffs;
- j) Sufficient provision must be made for the maintenance of existing infrastructure based on affordable levels. The maintenance budgets are normally lower than the recommended levels. As a guiding principle repair and maintenance should constitute between 5% and 8% of total operating expenditure and should annually be increased incrementally until the required targets are achieved;
- k) Individual expenditure line items are to be revised each year when compiling the budget to ensure proper control over expenditure.

4.2. CAPITAL BUDGET

The capital budget provides funding for the municipality's capital programme based on the needs and objectives as identified by the community through the Integrated Development Plan and provides for the eradication of infrastructural backlogs, renewal and upgrading of existing infrastructure, new developments and enlargement of bulk infrastructure.

The capital budget is limited by the availability and access to the following main sources of funding:

- a) Accumulated cash backed internal reserves such as the Capital Replacement Reserve;
- b) External borrowings;
- c) Government Grants and Subsidies;
- d) Public Donations and Contributions.

The following guiding principles apply when considering sources of funding for the capital budget:

a) Government Grants and Subsidies:

- a. Only Government Gazetted allocations or transfers as reflected in the Division of Revenue Act or allocations as per Provincial Gazettes may be used to fund projects;
- b. The conditions of the specific grant must be taken into consideration when allocated to a specific project.

b) Public Donations and Contributions:

- a. In the case of public contributions, donations and/or other grants, such capital projects may only be included in the annual budget if the funding has been received by the municipality already.

c) External Borrowing:

- a. The borrowing requirements as contained in the **Borrowing Policy** in paragraph 6 are used as a basis to determine the affordability of external loans over the Medium Term Income and Expenditure Framework. The ratios to be considered to take up additional borrowings are as follows, unless in contravention with any loan covenants:
 - i. Estimated long-term credit rating of BBB and higher;
 - ii. Interest Paid to Total Expenditure not to exceed 5%;
 - iii. Total Long-term Debt to Total Operating Revenue (excluding conditional grants and transfers) not to exceed 35%;
 - iv. Operating Cash Surplus generated before loan repayments are made covers the Total Annual Repayment at least 1 time;
 - v. Percentages of Total Annual Repayment (Capital and Interest) to Operating Expenditure to be less than 10%.

d) Cash backed Reserves

- a. Allocations to capital projects from cash backed internal reserves will be based on the available funding for each ring-fenced reserve according to the conditions of each reserve. With reference to Paragraph 5, **Reserves Policy**.

All capital projects have an effect on future operating budget therefore the following additional cost factors should be considered before approval:

- a) Personnel cost to staff new facilities once operational;
- b) Contracted services, that is, security, cleaning etc.;
- c) General expenditure such as services cost, stationery, telephones, material etc.;
- d) Other capital requirements to the operate facility such as vehicles, plant and equipment, furniture and office equipment etc.;
- e) Costs to maintain the assets;
- f) Interest and redemption in the case of borrowings;
- g) Depreciation charges;
- h) Revenue generation as the additional expenses incurred may be offset by additional revenue generated to determine the real impact on tariffs.

5. RESERVES POLICY

All reserves are “ring fenced” as internal reserves within the accumulated surplus, except for provisions as allowed by the General Recognized Accounting Practices (GRAP):

- a) Housing Development Fund;
- b) Revaluation Reserve

The municipality endeavours to effectively utilise and maintain the **Capital Replacement Reserve** for the funding of capital replacement and renewal for future financial years. This reserve needs to be cash backed. This will provide the Municipality with a more balanced capital funding approach in the longer term thereby reducing the risk of reaching its maximum gearing ability or depleting its free cash.

This Reserve can be generated as follows from the Operating Budget; the following methodology needs to be read in conjunction with the **Liquidity Policy**:

a) Cash generated from Operating Activities:

- a. The Municipality has maintained a strong ability to generate surplus operational cash flow which it has used to fund most of its capital spending in the past;
- b. In the past depreciation charges could be considered sufficiently cash backed based on the cash surplus generated prior to capital spending. However going

forward should capital spending increase sharply it will result simultaneously with Depreciation charges increasing sharply which may therefore in future not be fully supported by cash;

- c. Depreciation is a method to generate future cash. Therefore it is prudent to annually measure the cash coverage for depreciation charges until it is fully funded from cash through tariff setting;
- d. As at year end it is to be determined whether the Municipality meets its **Minimum Liquidity Criteria** as stipulated in the **Liquidity Policy**, excess cash in addition to this prescribed level is to be calculated and appropriated to the Capital Replacement Reserve and no more than 80% of the balance of the Capital Replacement Reserve as at year end should be allocated to the following year's capital budget unless sufficient recommendations are made to Council to substantiate such a decision.

b) Interest received on the investment made for the Capital Replacement Reserve

6. BORROWING POLICY

It is required that the Municipality comply with the guidelines of Chapter 6 of the MFMA with regards to Debt Disclosure as detailed in Sections 46, 47, 48 and 49. This section should be read in conjunction with point c) under paragraph 4.2. on page 6. External borrowings may only be incurred for approved capital programmes and may under no circumstances be allocated to fund the Operating Budget.

Municipal infrastructure has a long-term economic life and it is appropriate to fund assets of this nature with long term external borrowing. The economic life of assets should be equal to or longer than the tenure of the external borrowing.

The following needs to be taken into consideration when accessing external borrowing:

a) Types of loan financing

- a. Annuity Loans enable the Municipality to provide for the redemption of loans on an amortising basis which is generally the most cost effective method of financing often referred to as vanilla funding;
- b. Bullet Redemption Loans are attractive as interest on the loan is serviced with the capital redemption only taking place at the end of the tenure of the loan. However, this method is more costly as interest is paid on the full debt

throughout the term as the Capital does not reduce. This type of loan also requires an annual contribution to a sinking fund, which in essence then mimics the traits of an annuity loan although at a higher cost. The use of such structure warrants a detailed motivation based on the benefits to the implementation of the capital project;

- c. Sculpted Repayment Loans offer a combination of the above two types, as loans are sculpted according to the potential cash flows to be generated from the capital project in future. For example the following can be included in a sculpted loan:
 - i. A capital grace period in the first years of the development of the capital project;
 - ii. An incremental annual increase in the repayment in relation to the projected growth in revenue from the project.

b) Interest Rate Risk Management

- a. The impact of interest and capital redemption payments on both the current and forecasted property rates and service charges through tariffs taking into consideration the current and future capacity of the consumer to pay therefore;
- b. Likely movement in interest rates for variable rate borrowings. There are benefits to be yielded from borrowing on a variable rate if rates are projected to decrease in future, however it is prudent for the Municipality to enter into fixed interest rate loans to accurately budget for expenses incurred.

c) Tenure of Borrowing

- a. The tenure of external borrowings should where possible match the economic useful life of the asset.

d) Security

- a. Unless sufficient motivation is provided and other than for the provision of a sinking fund for the redemption of a bullet loan, the provision of any security against external borrowings, should be specifically motivated by the CFO for approval.

e) Loan Covenants

- a. The Municipality is to maintain a Loan Covenants Register detailing the covenants entered into with each active loan agreement until date of maturity thereof;
- b. Compliance with all loan covenants are to be monitored and reported on semi-annually to ensure that the Municipality does not breach any covenants;
- c. Should a default be triggered based on non-compliance with loan covenants, the Municipality is to alert Council and send the related Financial Institutions a written commitment to address the matter within a reasonable timeframe.

f) Level of gearing

- a. As stipulated in point c) under paragraph 4.2. on page 6, gearing is not only limited by the level of debt against the Total Operating Income (excluding conditional grants) but also limited by other operational factors including compliance with the stipulations of the approved **Liquidity Policy**.

7. CORPORATE GOVERNANCE (OVERSIGHT)

Compliance with the various stipulations as documented in this Borrowing, Funds and Reserves Policy need to be monitored by the Chief Financial Officer and reported on to the Municipal Manager on a monthly basis and to the Finance/Audit Committee on a quarterly basis.

Where compliance has been breached the Chief Financial Officer must present an action plan to correct the non-compliance. The Finance Committee must monitor the successful implementation of the corrective action plans and report progress to Council.

8. TRANSITIONAL ARRANGEMENT

Upon adoption of this policy by the Council, the Municipal Manager in conjunction with the Chief Financial Officer must determine the current performance levels of the Municipality against this Policy and present a plan of action towards achieving and maintaining the stipulation as set out in this policy thereby utilising a more blended funding mix for capital infrastructure investment.

The Council must approve an appropriate timeframe within which the Municipality must achieve the approved stipulations as set out in this Policy. The period between the date of the policy adoption by Council and the target date for compliance shall be known as the Transitional Period.

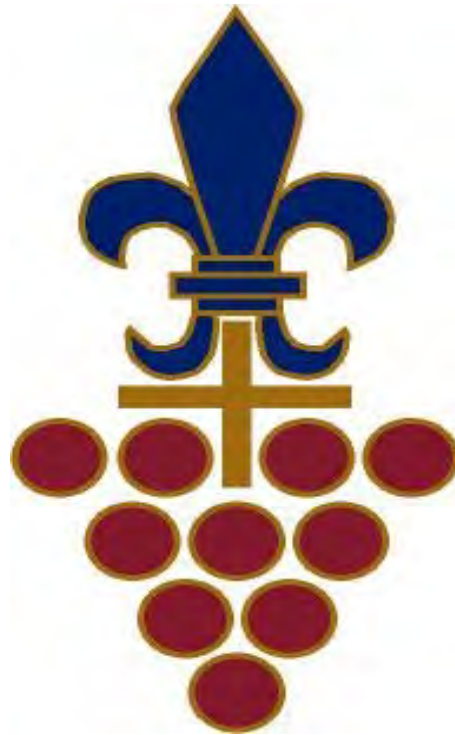
The Finance Committee must report progress during the approved Transitional Period to the Council.

9. POLICY MANAGEMENT

The Borrowing, Funds and Reserves Policy forms part of the Municipality's overall financial objectives and therefore forms part of approved Budget Policies. The policy must be reviewed at least annually during the budget revision and presented to Council for approval.

The Policy is effective from the date it is approved by Council.

STELLENBOSCH MUNICIPALITY



FINANCING OF EXTERNAL BODIES PERFORMING MUNICIPAL FUNCTIONS POLICY

2021/2022



STELLENBOSCH MUNICIPALITY

FINANCING OF EXTERNAL BODIES PERFORMING MUNICIPAL FUNCTIONS POLICY

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1. DEFINITIONS

1.1 In this policy unless the context indicates otherwise:

- 1.1.1 **“Accounting Officer”** means the Municipal Manager as referred to in section 60 of the Local Government: Municipal Finance Management Act, 56 of 2003 (“MFMA”);
- 1.1.2 **“Approved Budget”** means the Municipality’s annual budget approved by the Council in terms of section 24 of the MFMA and include an adjustment budget in terms of Section 28 of the MFMA;
- 1.1.3 **“Community”** means the residents within the Stellenbosch WCO24 area;
- 1.1.4 **“Constitution”** means the Constitution of the Republic of South Africa, 1996;
- 1.1.5 **“Director”** means a person appointed in terms of section 56 of the Systems Act who is directly accountable to the Municipal Manager;
- 1.1.6 **“Executive Mayor”** means the councillor elected as the Executive Mayor in terms of section 55 of the Local Government: Municipal Structures Act, 32 of 2000 (“the Structures Act”);
- 1.1.7 **“Chief Financial Officer”** or “CFO” means an official as envisaged in section 80(2)(a) of the Local Government: Municipal Finance Management Act, 56 of 2003 (“MFMA”);
- 1.1.8 **“Grant”** means a grant or allocation, as referred to in section 17(3)(j(ii) and 17(3)(j(iv) of the MFMA, made by the Municipality to any organisation or body referred to in section 67(1) and to be utilised to assist the Municipality in fulfilling its constitutional mandates including local tourism, municipal health services and such other municipal functions contemplated in Part B of Schedules 4 and 5 of the Constitution;
- 1.1.9 **“Grant Committee”** means the Committee established in terms of clause 7 of this policy;
- 1.1.10 **“official”** means an employee in the service of the Municipality;
- 1.1.11 **“organisation or body”** means those organisations or bodies outside any sphere of government making application for Grants in terms of this Policy, Which include associations, non-profit organisations or companies or trusts;
- 1.1.12 **“the Systems Act”** means the Local Government: Municipal Systems Act, 32 of 2000;
- 1.1.13 **“the Structures Act”** means the Local Government: Municipal Structures Act, 117 of 1998;
- 1.1.14 **“the MFMA”** means the Local Government: Municipal Finance Management Act, 56 of 2003;
- 1.1.15 **“the Municipality”** means the Stellenbosch Municipality and reference to Council has a similar meaning;

- 1.1.16 **“the Policy”** means the Financing of External Organisation/Bodies Performing Municipal Function Policy as set out in this document.
- 1.1.17 **"service delivery agreement"** or "MOA" means the agreement entered into between the Municipality and any organisation or body which received a Grant in terms of this Policy.

1. PURPOSE, AIMS AND OBJECTIVES

- 1.1 The purpose of this Policy is to provide a framework for financial assistance by Stellenbosch Municipality (“the Municipality”) to external organisations / bodies performing local government functions to the extent as set out in section 155(6)(a) and (7) of the Constitution as listed in Part B of Schedule 4 and 5.
- 1.2 The purpose of this Policy is to ensure the efficient performance of the municipal function entrusted to that external organisation/body in a manner which gives effect to the goals and objectives of the Municipality’s Integrated Development Plan ("IDP") by establishing partnerships between the municipality and the organisations and bodies performing the functions on behalf of the Municipality.
- 1.3 The Municipality will favour grants for achievement of outcomes aligned to the IDP. The objective of the funding of external bodied performing municipal functions is primarily to ensure the achievement of agreed outcomes to improve the health and well-being of the citizens and not to cover administrative costs and salaries.

2. LEGAL FRAMEWORK

- 2.1 In terms of section 156 of the Constitution, the Municipality has executive authority in respect of and the right to administer –
- 2.1.1 the local government matters listed in Part B of Schedule 4 and 5; and
- 2.1.2 any other matters assigned to it by national and provincial legislation.
- 2.2 Section 16(2) of the MFMA provides that the Mayor of the Municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year. Section 17(3)(j)(ii) and 17(3)(j)(iv) provides that when an annual budget is tabled in terms of section 16(2) it must include particulars of any proposed allocation or grants by the municipality to any municipal entities and other external mechanism assisting the municipality in the exercise of its functions or power and any organisation or bodies referred to in section 67(1).
- 2.3 Immediately after the tabling of the annual budget the accounting officer must make public the annual budget and invite the local community to submit representations in connection with the budget before the budget is approved by Council in terms of section 24 of the MFMA.
- 2.4 Section 67 of the MFMA provides that the Municipality implement and sustain proper and effective controls and procedures when transferring funds of the

- Municipality to an organisation or body outside any sphere of government.
- 2.5 Section 67(1) provides that the accounting officer must be satisfied that the organisation or body has the capacity and agreed to comply with any agreement with the Municipality including all reporting, financial management and auditing requirements as may be stipulated in the agreement, to report at least monthly to the accounting officer on actual expenditure against such transfer and to submit audited financial statements for its financial year to the accounting officer promptly. The organization must implement effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement and has the obligation to prove in terms of previous similar transfers that it has complied with all the requirements. The accounting officer must through contractual and other appropriate mechanism enforce compliance with this policy.
- 2.6 All transfer of funds in terms of this Policy shall comply with the Constitution, the Systems Act, the Structures Act, the MFMA and any other applicable legislation, regulations and policies that may govern the transfer of municipal funds and that are not in contradiction to the aforementioned legislation.

3. PUBLIC ADVERTISEMENT AND APPLICATION PROCEDURE

- 3.1 Applications for funding of external bodies performing municipal functions shall be considered where organisations or bodies have responded to advertisements published in the local newspapers distributed in the Stellenbosch Municipal Area calling upon organisations or bodies to submit proposals in the prescribed form, as set out 4.3 below, to perform a specific municipal function for a period up to 3 years. Such advertisements may be published quarterly by the accounting officer.
- 3.2 Advertisements should clearly specify the categories for which requests are called, the closing date for applications, who they should be addressed to, and where and how to obtain the relevant documentation pertaining to such applications, including the prescribed forms. Only applications made on the prescribed form (see Annexure A) may be considered.
- 3.3 The organisation/body must submit a detailed business plan with its application, confirming the envisaged outcomes their past achievements in the field and their commitment to performing that particular municipal function effectively and in line with Council's goals as set out in the IDP. Applications must be accompanied by a covering letter on the organisation/body letterhead, signed by the head of the organisation/body and must include the following information:
- 3.3.1 the organisation/body's legal name and a brief description of the organisation/body's business;
 - 3.3.2 the organisation/body's registration number, if any;
 - 3.3.3 the date of establishment, details of the organisation/body's members, founding documents, including constitution and certificates of incorporation;
 - 3.3.4 the contact name of the person signing the application, full street address, telephone number and email address of the organisation;
 - 3.3.5 if funding is required for a specific project, a brief description of the project and what it aims to achieve, as well as the detailed budget

- for and the duration of the project together with a written confirmation by the relevant municipal Director that the project is part of the IDP projects or programs;
- 3.3.6 references, independent of the organisation/body and the head of the organisation/body;
- 3.3.7 most recent audited financial statements not older than 24 months;
- 3.3.8 a summary of its past achievements; and
- 3.3.9 a declaration by the head of the organisation/body to the satisfaction of the Municipal Manager that the organisation/body implements effective, efficient and transparent financial management and internal control mechanism to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfers of funds.
- 3.4 Individuals will not be considered or appointed as an organisation/body to provide a municipal function as contemplated in this Policy.
- 3.5 Organisations or bodies whose directors, managers, major shareholders or trustees are in service of the state will not be considered or appointed as an organisation/body to provide a municipal function as contemplated in this Policy.
- 3.6 The appointment of a particular organisation/body to perform a municipal function for a period of three (3) years does not guarantee financial support by the Municipality, which will be determined annually when the municipal budget is approved by the Municipal Council.
- 3.7 No late applications received, in response to an advertisement as contemplated in clause 3.1 and 3.2 above will be considered and processed by the Grant Committee.

4. OBLIGATIONS OF THE ORGANISATION/BODY

- 4.1 The head of the organisation/body must acknowledge in writing to the Municipal Manager that the money allocated was received in its bank account and that the money will be utilised in accordance with the completed and signed MOA, the submitted application and this Policy within 30 days of transfer of funds / payment, failing which no future grants may be considered.
- 4.2 The organisation / body shall submit monthly reports on actual expenditure against such transfer, the ward within which activities are conducted as well as the number of people benefiting from the activity to the Municipal Manager.
- 4.3 The relevant municipal Director must co-sign each monthly report to confirm monthly management and oversight of the activities.

5. RIGHTS OF THE MUNICIPALITY, CONTROL AND MONITORING

- 5.1 The relevant municipal Director shall be entitled, at any reasonable time from time to time, to verify and inspect the existence and activities of the organisation/body. The relevant municipal Director or his delegate has the right to physically visit the premises where the organisation/body or funded project is based, to peruse the budgets and any progress report related to the project.

- 5.2 The relevant municipal Director shall manage the service delivery agreement entered into between the Municipality and the organisation / body by inter alia receiving and considering monthly reports, inspecting financial records including audited financial statement.
- 5.3 If the organisation / body fails to comply with the terms and conditions of its service delivery agreement with the Municipality, the accounting officer may in consultation with the relevant municipal Director terminate the agreement with reasonable notice or grant the organization / body an opportunity to rectify the breach within an agreed period of not more than 90 days, failing which the accounting officer may terminate the agreement with reasonable notice.
- 5.4 The Municipality has the right not to give a Grant to any or all organisations/bodies applying for such Grants or to give proportional or partial grants to give. Having been awarded a Grant previously does not give an organisation/body the right to receive a Grant again.
- 5.5 The relevant municipal Director shall ensure that those organisations or bodies, who have received Grants in terms of this Policy:-
 - 5.5.1 comply with all the provisions of the completed and signed MOA;
 - 5.5.2 comply with all reporting, financial management and auditing requirements as stipulated in the MOA;
 - 5.5.3 report at least monthly to the Municipality on actual expenditure against such transfer;
 - 5.5.4 promptly, or no longer than 4 months after the end of their financial year, submit their audited financial statements; and
 - 5.5.5 utilise the grant funding strictly in accordance with the approved business plan and approved budget.
- 5.6 The requirements in paragraphs 5.5.1 to 5.5.4 above shall not apply to organisations where the transfer does not exceed R200 000,00 (two hundred thousand rand), provided the Accounting Officer takes all reasonable steps to ensure that the targeted beneficiaries, as identified by the organisation or body in its application, receive the benefit of such grants and it certifies that compliance by that organisation or body with 5.5.1 to 5.5.4 above is uneconomical or unreasonable.

6. GRANT COMMITTEE

- 6.1 A Grant Committee consisting of at least the Municipal Manager, the Chief Financial Officer and one director of the Municipality, as well as any other official whom the Municipal Manager may include, shall evaluate all applications received in response to the local advertisement.
- 6.2 The Grant Committee will have the power to make recommendations to Council for final appointments and financial allocations.
- 6.3 The Grant Committee must submit a report on its decisions to the Council for final approval.
- 6.4 The Grant Committee shall, in terms of the Systems Act, establish a programme for community consultation and information dissemination regarding the appointment of any organisation/body and the availability of the service delivery agreement for perusal will be communicated to the local community through the media prior to any service delivery agreement being entered into between the Municipality and the organisation or body.

- 6.5 No payments in terms of the allocation will be made to any organisation / body until a service delivery agreement in the form approved by the accounting officer has been signed by the respective parties.
- 6.6 No payment can be made to an organisation/body until it has submitted its audited financial statements as contemplated in this Policy and a statement certified by its auditor that it has fully complied with its agreement with the Municipality.
- 6.7 Payments may be allocated as a once off amount or in tranches as determined by the CFO in consultation with the relevant municipal Director.

7. Funding acknowledgement of the Municipality

Successful applicants will be required to acknowledge the Municipality as the provider of Grant funding in their funding record as well as any public record in respect of Grants received in order to confirm that these transfers of funds are also part of the Municipality's endeavours to meet its strategic objectives and to assist it in carrying out its constitutional powers and functions.

8. COMMENCEMENT

This Policy called the **FINANCING OF EXTERNAL BODIES PERFORMING MUNICIPAL FUNCTIONS POLICY** takes effect on the date on which it is adopted by the Council.



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

Municipality • Umasipala • Munisipaliteit

APPLICATION : FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION

NOTE: ONLY APPLICATIONS ON THIS PRESCRIBED FORM WILL BE CONSIDERED

PLEASE COMPLETE THE FOLLOWING:

A Registered name of organisation:

.....

B Date and year in which the organisation was founded or incorporated (include brief description of business or activities of organisation):

.....

.....

.....

.....

C Address:

(i) Street

(ii)

Postal

.....

.....

.....

.....

.....

.....

Contact details:

Name and Surname:

Title/Position held:

Tel: E-mail:

D List **ALL** the directors / board / committee members / shareholders / trustees of the organization (use additional pages if necessary):

Name and Surname:

Position:

Contact Address and tel. no:

Name and Surname:

| | |
|----------|---|
| | <p>Contact Address and tel. no:</p> <p>Name and Surname:</p> <p>Position:</p> <p>Contact Address and tel. no:</p>
<p>Name and Surname:</p> <p>Position:</p> <p>Contact Address and tel. no:</p>
<p>Name and Surname:</p> <p>Position:</p> <p>Contact Address and tel. no:</p>
<p>Name and Surname:</p> <p>Position:</p> <p>Contact Address and tel. no:</p> |
| D | <p>Indicate in which ward the organisation is active:</p> <p>Ward: _____</p> <p>Is the organisation a non-profit company? Yes No</p> <p>If yes, provide company registration number: _____ -</p> <p>Is the organisation a non-profit organisation as contemplated in section 13 of the Non-Profit Organisation Act, 1997? Yes No</p> <p>If yes, provide registration number: _____ -</p> <p>Is the organisation a public benefit organisation as contemplated in terms of the Income Tax Act, 1962? Yes No</p> <p>If yes, provide registration number: _____ -</p> <p>Is funding required for a specific project? Yes No</p> <p>If yes, attach details separately.</p> <p>Budget amount of projects:</p> <p>Duration of project:</p> <p>Is funding required for general support? Yes No</p> <p>If yes, attach a copy of the organisation's overall budget and business plan.</p> |

| | |
|---|--|
| E | <p>Category:</p> <p>Please categorise your application (mark with x):</p> <p>Tourism Destination Marketing & Visitors Information</p> <p>Tourism Development</p> <p>Animal Welfare</p> <p>Note: For more detail, see attached Funding of External Bodies Performing a Municipal Function Policy.(general guidelines and categories)</p> <p>Please indicate the specific type of project/programme, as per the Funding of External Bodies Performing a Municipal Function Policy</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> |
| F | <p>The following <u>MUST</u> accompany this application:</p> <ol style="list-style-type: none"> 1. A copy of the latest, audited financial statements. 2. A copy of the Organisation's Constitution or Memorandum of Incorporation as well as the resolutions/minutes adopting the Constitution or Memorandum of Incorporation. 3. A copy of a project/programme description and/or a business plan for the ensuing financial year. Including the following: <ul style="list-style-type: none"> • Full details of the proposal or project including its objectives, the number of people who will benefit and how the project will contribute or enhance the strategic objectives of Stellenbosch Municipality. • Commencement and completion dates of the project. • Information on the total cost of the project budget, including a breakdown of costs and an outline of any contribution by fundraising and/or own contribution. • A list of all other sources of funding together with the assessments. • A summary of past achievements. • References independent of the applicant and its executive. 4. An original copy of a correctly completed creditors control form of Stellenbosch Municipality. 5. If the Organisation received funding from Stellenbosch Municipality in the preceding financial year, you need to account for the expenditure of the funding received with your new application. 6. If the Organisation received funding from other bodies, please identify and list the amounts received; |

| | |
|----------|--|
| | <ol style="list-style-type: none"> 7. If the Organisation is a non-profit company as defined in the section 1 of the Companies Act, 2008, a certificate/letter issued by the Companies and Intellectual Property Commission (CIPC) confirming registration must be attached; 8. If the Organisation has been registered as a “non-profit” organisation in terms of the Non-Profit Organisation Act, 1997, a certificate/letter issued by the Department of Social Development confirming registration as a non-profit organisation must be attached; 9. If the Organisation has been registered as a “Public Benefit Organisation” in terms of the Income Tax Act, 1962, a certificate/letter issued by SARS confirming the Organisation's tax exemption status must be attached; and 10. Valid Tax Clearance Certificate issued by SARS. |
| G | <p>The following shall apply:</p> <ol style="list-style-type: none"> 1. The allocation of funds will only be considered if the application document has been fully completed and signed and is accompanied by the required and supporting documentation referred to therein.
Applicants must in their submission clearly indicate / specify and motivate what the funding will be utilised for. 2. The funding must be exclusively utilised for the purpose defined and the successful applicant must submit the necessary undertaking to this effect. 3. Applicants must in their submission satisfy the Council of their ability to execute the project successfully. 4. Organisations who have already received financial or other assistance from the Council during the previous financial year <u>must</u> specify same in their application. 5. No funding will be considered for political groupings, church/sectarian bodies or ratepayers organisations. 6. No funding will be considered where only an individual will benefit or where a member of Council or an official of Stellenbosch Municipality will receive any financial or other gain. 7. Projects outside the boundaries of the Council will not be considered. 8. Subsequent requests from applicants to cover overspending on projects will not be considered. 9. Council will not pay any funds to anyone who has already procured against the perception that they will receive any municipal funds. 10. Successful applicants must at all times comply with the provisions of Section 67(1) of the Municipal Finance Management Act No. 56 of 2003 which <i>inter alia</i> stipulates that the organisation or body has to:- <ul style="list-style-type: none"> • Enter into and comply with a Memorandum of Agreement with the Municipality as well as with all reporting, financial management and auditing requirements as may be contained in such agreement. This memorandum of agreement will bind the successful applicant to deliver on what the application speaks to, but also to commit to become involved with municipal programmes of the community where it functions. The Memorandum of Agreement will be made available to successful applicants for completion. • Report monthly on the actual expenditure of the amount allocated. |

| | |
|----------|---|
| | <ol style="list-style-type: none"> 11. The Council reserves the right not to give funding to any or all organisations applying. 12. Having been awarded funding previously does not give an applicant the right to receive a grant/funding again. 13. Funding will not be considered where a project or organisation is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding, failing which such applicant will be disqualified. 14. Funding will not be considered where in Council's opinion, an organisation received sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and budget for the ensuing financial year. 15. Organisations having received funding from Stellenbosch Municipality during the previous financial year, are required to attached to any new application, a copy of the financial statements relating to the year in which the funding was received from Council, as required in terms of section 67(1) of the Municipal Finance Management Act, 2003 (MFMA). <p>(The Funding of External Bodies Performing a Municipal Function Policy must be consulted for the sake of completeness)</p> |
| H | <p>Undertaking:</p> <p>I/We hereby verify that the information provided in this application is true and correct and that the conditions applicable to the allocation of funds as set out above have been read, understood and will be complied with.</p> <p>I/We also declare that the organisation implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfer(s) of funds.</p> <p>This completed and signed at Stellenbosch on this.....day of.....20....</p>
<p>_____</p> <p>Chairperson / Authorised Representative</p>
<p>_____</p> <p>Secretary / Duly Authorised Signatory</p> |

I**Please take note:**

(i) That completed application forms together with all the required documentation must be delivered to:

**Director: Planning and Economic Development
P O Box 17
Stellenbosch
7599**

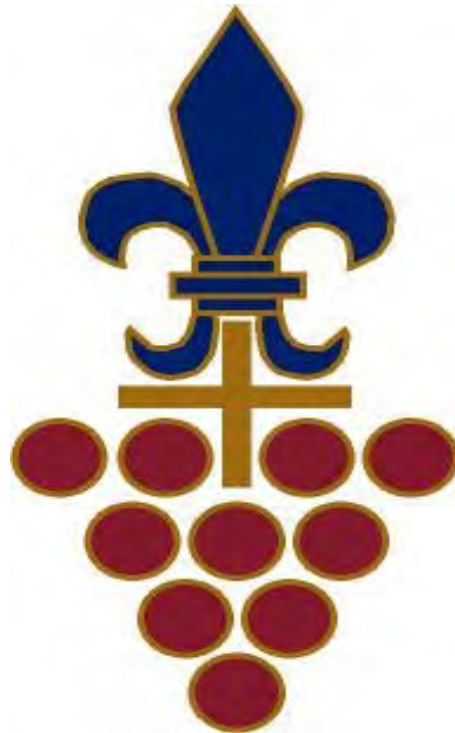
Or delivered to:

**58 Andringa Street
Stellenbosch
7600**

(ii) That the closing date for the submission of applications is: at
.....

(iii) That **neither late nor incomplete applications** shall be considered.

STELLENBOSCH MUNICIPALITY



LIQUIDITY POLICY

2021/2022



STELLENBOSCH MUNICIPALITY

LIQUIDITY POLICY

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1. INTRODUCTION

The documented Liquidity Policy sets out the minimum risk management measures that Stellenbosch Municipality has to implement and adhere to in order to ensure that its current and future liquidity position is managed in a prudent manner.

Liquidity is the amount of cash and / or “near cash” (which refers to assets or security that can easily and quickly be converted to cash), available to be utilized to meet obligations and / or pay commitments. The marketability or ability to buy or sell an asset without incurring unacceptable large losses thus determines the liquidity of an asset or defines it as near cash.

This Policy is implemented to provide guidance on the minimum liquidity level that Stellenbosch Municipality has to maintain in order to comply with required legislative and / or National Treasury directives and within the overall financial management objectives as approved/reviewed by the Council from time to time.

2. BACKGROUND AND APPROACH

Various policies and procedures exist that direct the way in which the business of Stellenbosch Municipality is or should be conducted in a prudent manner. Generally these policies and procedures flow from the prescription made in Legislation i.e. the Municipal Finance Management Act (“MFMA”) and/or directives issued by a national department such as National Treasury.

Guidelines provided by National Treasury indicate that an acceptable level of cash resources needs to be available for working capital requirements (see below).

It is for this reason that the need to have an official Liquidity Policy was identified.

3. LEGISLATIVE REQUIREMENTS

3.1. The MFMA circular 71 stipulates the following two prescribed ratios to manage liquidity:

Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants) is calculated as:

$$\frac{((\text{Cash and Cash Equivalents} - \text{Unspent Conditional Grants} - \text{Overdraft}) + \text{Short Term Investment})}{\text{Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)}}$$

Criteria: 1 – 3 times

Current Ratio Current Assets / Current Liabilities

Criteria: 1.5 - 2:1

The above guidelines are noted but the proposed policy is more conservative to ensure that the municipality secures its strong financial position thereby providing comfort to investors.

4. LIQUIDITY POLICY

This policy provides guidance on the determination of the minimum liquidity requirement and the calculation of the liquidity available of Stellenbosch Municipality from time to time (see **Annexure 1**).

Notwithstanding the requirements as reflected in this policy, Stellenbosch Municipality should ensure that its Current Assets (excluding debtors older than 90 days) cover all of its Current Liabilities at least two times.

The policy encapsulates certain key aspects and considerations which have been outlined below:

4.1. KEY COMPONENTS OF MINIMUM LIQUIDITY REQUIRED:

The following constitutes the key elements to take into consideration when determining the liquidity requirement of Stellenbosch Municipality:

- 4.1.1. To comply with statutory requirements it is proposed that the following funds, reserves and provisions be fully covered by unencumbered cash and investments:
 - 4.1.1.1. *All earmarked or conditional grant transfers from spheres of Government or from Public Contributions made to Stellenbosch Municipality that have not yet been utilized;*
 - 4.1.1.2. *All commitments resulting from the legally entrenched rights and benefits employees have, with specific reference to the Council's short term commitment to staff retirement benefits and medical fund claims payable;*
 - 4.1.1.3. *All funds not yet been utilized in relation to agency services provided on behalf of Provincial or National Government should also be treated as earmarked funds;*
 - 4.1.1.4. *All reserves stated by Stellenbosch Municipality on its Statement of Financial Position that have been established for the purposes of making provisions for a defined purpose.*

- 4.1.2. Cognisance also needs to be taken of the external loan commitments and the servicing of capital and interest on these loans. Therefore provision should be made that Stellenbosch Municipality can meet its external loan/financial commitments together with the normal operational expenditure, as well as its liabilities to staff.
- 4.1.3. All investments ceded as security against long term loans need to be excluded from total cash and investment balances for calculation of the minimum liquidity level required.
- 4.1.4. In addition, a level of cash available for normal operational expenditure needs to be held in cash to ensure that, notwithstanding fluctuations in the monthly income levels of Stellenbosch Municipality, Stellenbosch Municipality will be in a position to meet its financial requirements. In this respect, the average monthly operational expenditure needs to be used as a guide of the minimum buffer required. One month's operational expenditure excluding debt impairments, depreciation and other non-cash expenses should be available for liquidity cover.
- 4.1.5. The "golden rule" should be to ensure that Stellenbosch Local Municipality will have adequate liquid assets (those that can be made into cash within 24 hours, weekly or monthly as the requirement might be) to meet its short term financial commitments.

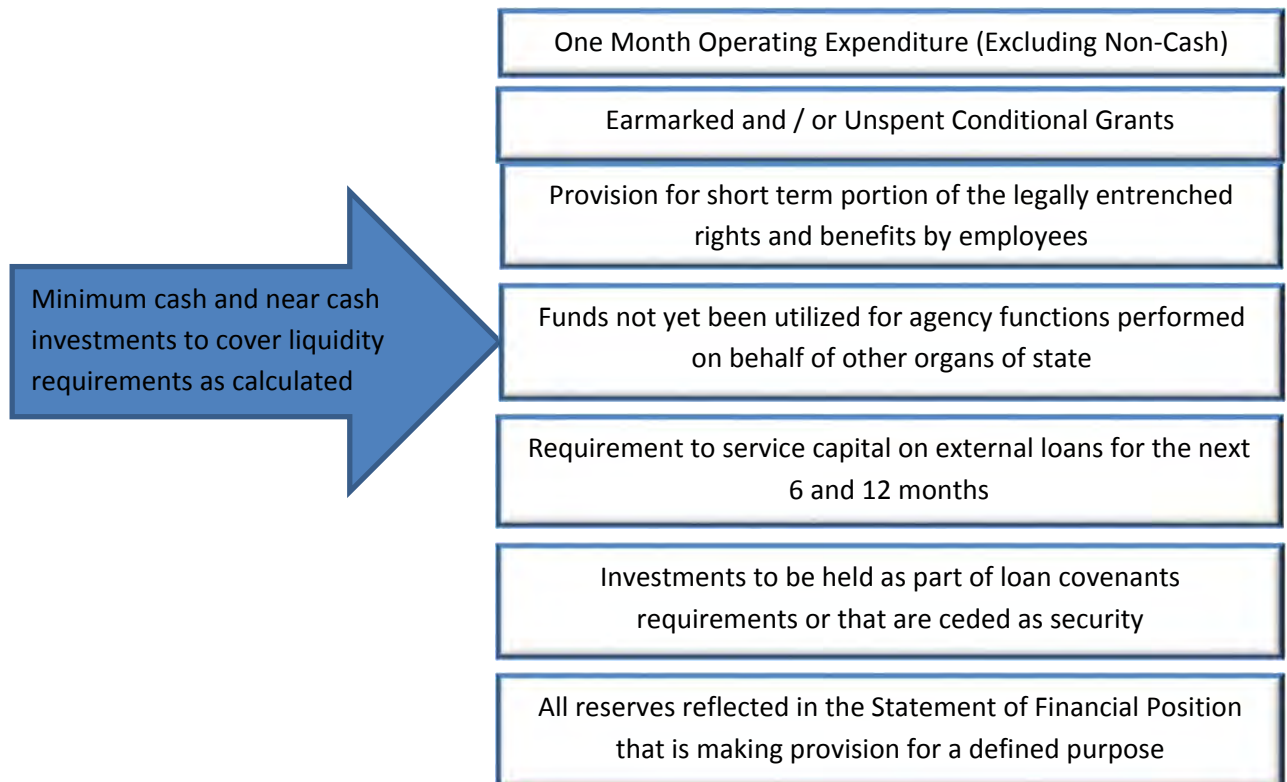
4.2. CALCULATION OF AVAILABLE LIQUIDITY

The amount of liquidity available should be determined from time-to-time. The following, should be regarded as cash and or near cash in calculating the available liquidity:

- 4.2.1. *All cash held in a bank account or invested with a money market fund;*
- 4.2.2. *95% of the value of all NCD's or other tradable instruments issued by a bank that are not already ceded;*
- 4.2.3. *90% of the market value of all listed bonds on the JSE in which Stellenbosch Municipality is allowed to invest in;*
- 4.2.4. *Consumer debtors aged current to 60 days;*
- 4.2.5. *Amount of unspent conditional grants and public contributions excluded from own funds held in bank accounts;*
- 4.2.6. *Funds provided to Council for expenditure on activities executed on behalf of other spheres of Government (Provincial and / or National) as part of an agency function, excluded from own funds held in bank accounts;*
- 4.2.7. *Funds ring-fenced for cash backed reserves that are excluded from own funds held in bank accounts;*
- 4.2.8. *Cash amounts that need to be held by Council resulting from loan covenants' that are part of the conditions of loans extended, but not ceded outright to lenders;*

4.2.9. *The undrawn portion of unconditional bank overdraft facility or liquidity facility available to Stellenbosch Municipality.*

The aforementioned in paragraphs 4.1. and 4.2. can schematically be reflected as follows:



4.3. IMPLEMENTATION AND MONITORING OF COMPLIANCE WITH LIQUIDITY POLICY:

Once the policy is approved, the CFO is to be tasked to ensure that the required cash has to be maintained to continue meeting the requirements as set out in this policy.

Firstly, the minimum required liquidity level should be calculated based on audited annual financial statements. This level of liquidity required needs to be specifically budgeted for and on a quarterly basis be reported to the Finance Committee and / or other Committees as might be stipulated by Council as well as to Council.

Notwithstanding National Treasury's three months operational expenditure guideline and the one month operational expenditure buffer proposed as a minimum by the liquidity policy, it is recommended that Council set a target of one month's operational expenditure liquidity buffer to be achieved at the end of the transitional period (reference paragraph 6).

The cash provisions made to repay external loan commitments, if specifically earmarked, should also be added to this minimum working capital liquidity, to prevent

fluctuations in the working capital reserve that could put the minimum level of liquidity levels under pressure.

5. CORPORATE GOVERNANCE (OVERSIGHT)

Compliance with this policy will be monitored by the Chief Financial Officer. The Chief Financial Officer must present the liquidity compliance reports to the Finance Committee and the Audit Committee of the municipality.

Where compliance has been breached the Chief Financial Officer must present an action plan to correct the non-compliance. The Finance Committee must monitor the successful implementation of the corrective action plans and report progress to Council.

6. POLICY MANAGEMENT

The Liquidity Policy forms part of Stellenbosch Municipality overall financial objectives and therefore forms part of approved Budget Policies. The policy must be reviewed at least annually during the budget revision and presented to Council for approval.

The policy is effective from the date it is approved by Council.

ANNEXURE 1Liquidity Requirement as per Liquidity Policy

Financial Year End: _____

Liquidity Requirement Calculation [as stipulated in Paragraph 4.1.]

| | |
|---|--|
| All earmarked and/or conditional grants received but not yet utilised | |
| Value of legally entrenched short term rights and benefits of employees related to Medical benefits & Retirement benefits | |
| Funds held for agency services not yet performed | |
| Reserve funds reflected in Statement of Financial Position that are assumed to be held in cash | |
| Capital redemption and interest payments on external loans not reflected as part of normal operational expenditure | |
| Onemonth operational expenditure excluding non-cash items | |
| Commitments resulting from contracts concluded as part of Capex Programme, not reflected in operational budget | |
| TOTAL LIQUIDITY REQUIREMENT | |

Actual available liquidity held [reference paragraph 4.2.]

| | |
|--|--|
| Bank Balance at e.g.: | |
| - ABSA, FNB, Standard Bank, Nedbank, Investec, Money Market | |
| Bank balance sub total | |
| 95% of all other term investments with Banks | |
| 90% of Market value of all Bonds on the JSE that are held | |
| Consumer debtors (current – 60 days) | |
| Other reserves held in cash not reflected in bank balances mentioned above for e.g.: | |
| - Unspent conditional grants | |
| - Payments received for agency functions not yet performed | |
| - The cash value of reserves held | |
| - Cash deposits held as part of loan covenants or ceded | |
| - Undrawn bank overdraft facility or committed liquidity lines available | |
| TOTAL LIQUIDITY AVAILABLE | |

LIQUIDITY SURPLUS (SHORT FALL)

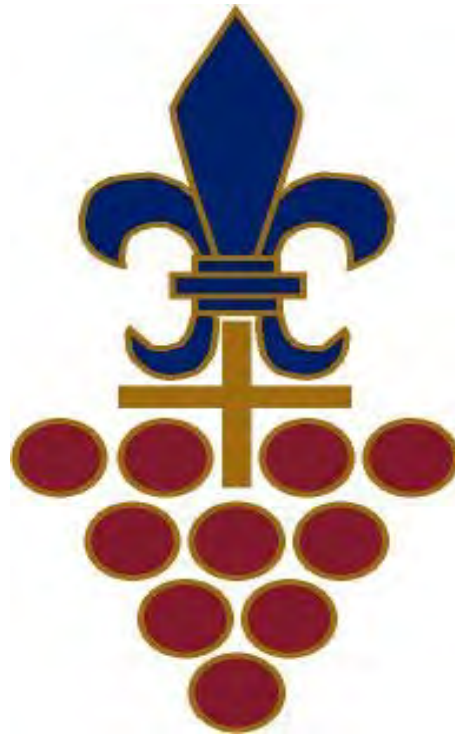
SURPLUS TO BE APPROPRIATED TO CAPITAL REPLACEMENT RESERVE

(See Borrowing, Funds and Reserves Policy)

Liquidity ratio:

Current Asset/Current Liabilities

STELLENBOSCH MUNICIPALITY



INVENTORY MANAGEMENT POLICY

2021/2022



STELLENBOSCH MUNICIPALITY

INVENTORY MANAGEMENT POLICY

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1. DEFINITIONS

1.1 In this Policy, unless the context indicates otherwise, the following definitions are applied:

| | |
|-------------------------------------|---|
| <i>“Accounting Officer”</i> | means the Municipal Manager for the Municipality as contemplated in section 60 of the Local Government: Municipal Finance Management Act, 56 of 2003 |
| <i>“CFO”</i> | means the Chief Financial Officer designated in terms of section 80(2) (a) of the Local Government: Municipal Finance Management Act, 56 of 2003 |
| <i>“Cost”</i> | shall comprise costs of purchase, costs conversion and other costs incurred in bringing the inventories to their present location and condition |
| <i>“Delegated authority”</i> | means the official who is given the authority for relevant functions in terms of the municipality’s written delegations; |
| <i>“Good received note”</i> | means a document which is used to acknowledge the receipt of goods in good condition and correct quantities |
| <i>“Inventories”</i> | are assets:
In the form of material or supplies to be consumed in the production process,
In the form of materials or supplies to be consumed or distributed in the rendering of services
Held for sale or distribution in the ordinary course of operations,
or
In the process of production for sale or distribution |
| <i>“Municipality”</i> | shall mean the Stellenbosch Municipality; |
| <i>“Net Realisable”</i> | Is the estimated selling price in the ordinary course of operations less the estimated costs of completion and estimated costs necessary to make the sale exchange or distribution. |

| | |
|--------------------------------------|---|
| <i>“Obsolete inventory”</i> | means items that have expired, are redundant or damaged; |
| <i>“Re-order level”</i> | means the level of inventory at which inventory is re-ordered; |
| <i>“Requisition form”</i> | means a written request to supply specified inventory; |
| <i>“Store”</i> | means a place where inventory is stored and reserved for future use, or a source from which supplies may be drawn; |
| <i>“Inventory Controller”</i> | means an official responsible for the requisition, receipt, issue, recording, safeguarding of inventory and cost-effective and efficient management of inventory. |
| <i>“Stock Issue Register”</i> | means a document which is used to authorize the removal or issue of stock items from stores. |

2. OBJECTIVE OF THE POLICY

- 2.1 The policy aims to achieve the following objectives which are to:-
- a) Provide guidelines that employees of the Municipality must follow in the management and control of inventory, including safeguarding and disposal of inventory.
 - b) Procure inventory in line with the established procurement principles contained in the Municipality's Supply Chain Management Policy.
 - c) Eliminate any potential misuse of inventory and possible theft.

3. SCOPE

- 3.1 This policy applies to Stellenbosch Municipality's inventory received by the Inventory Controller and issued to users.
- 3.2 This policy specifically excludes:
- a) Pharmaceutical inventory, livestock and face value forms; and
 - b) Equipment and other assets not defined as inventory;

4. LEGAL FRAMEWORK

- 4.1 In terms of the MFMA, the Accounting Officer for a municipality must:
- a) Be responsible for the effective, efficient, economical and transparent use of the resources of the municipality as per section 62 (1)(a);
 - b) Take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure and other losses as per section 62(1)(d);
 - c) Be responsible for the management, including the safeguarding and the maintenance of the assets, and for the management of the liabilities, of the municipality as per section 63 (1)(a) and (b).

4.2 In terms of GRAP 12:

- 4.2.1 Inventories shall be recognized as an asset if, and only if,
- a) it is probable that future economic benefits or service potential associated with the item will flow to the entity ,and
 - b) the cost of the inventories can be measured reliably.

4.3 MEASUREMENT AT RECOGNITION

- 4.3.1 Inventories that qualify for recognition as assets shall initially be measured at cost,

- 4.3.2 Where inventories are acquired at no cost, or for nominal consideration, their costs shall be their fair value as at the date of acquisition.

4.4 MEASUREMENT AFTER RECOGNITION

- 4.4.1 Inventories shall be measured at the lower of cost and net realization value, except where paragraph .18 of GRAP 12 applies.
- 4.4.2 Inventories shall be measures at the lower of cost and current replacement cost where they are held for:
- a) distribution at no charge or for a nominal charge ,or
 - b) consumption in the production process of goods to be distributed at no charge or for a nominal charge.

4.5 RECOGNITION AS AN EXPENSE

- 4.5.1 When inventories are sold, exchanged or distributed, the carrying amount of those inventories shall be recognized as an expense in the period in which the related revenue is recognized. If there is no related revenue, the expense is recognized when the goods are distributed, or related service is rendered. The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any writes –down of inventories arising from an increase in net realizable value, shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.
- 4.5.2 Some inventories may be allocated to other assets accounts, for example, inventory used as a component of self-constructed property, plant or equipment. Inventories allocated to other assets in this way are recognized as an expense during the useful life of that asset.

5. INVENTORY PROCEDURES

- 5.1 The procedures for inventory must be followed to ensure that:
- a) Inventory is safeguarded at all times;
 - b) There are accurate records of quantities on hand at all times;
 - c) Optimum inventory levels are maintained to meet the needs of users;
 - d) Only authorised issues of inventory are made to users; and
 - e) Items placed in store are secured and only used for the purpose for which they were purchased.

5.2 APPOINTMENT OF RESPONSIBLE OFFICIALS

- 5.2.1 The CFO must appoint, in writing, officials to perform the duties of an Inventory Controller in terms of this Policy.
- 5.2.2 Adequate segregation of duties between the requisition, receipt, recording, storage and safekeeping of inventory and the management and control thereof must be maintained to avoid the potential occurrence of errors and fraud.

5.3 ORDERING OF INVENTORY

Standard Supply Chain Management procedures as per approved Supply Chain Management policy are to be implemented.

5.4 RECEIPT OF INVENTORY

All inventory must be received by the completion of a goods received note and processed on the financial management system.

5.5 STORAGE OF INVENTORY

- 5.5.1 Inventory must be stored in a secured, exclusive use area, under lock and key, furthermore the inventory must be insured in terms of the Risk Management Policy of the municipality.
- 5.5.2 The area must be used exclusively for the storage of inventory, with limited authorised access only.
- 5.5.3 Inventory must be positioned to facilitate efficient handling and checking.
- 5.5.4 All items must be stored separately, with proper segregation.
- 5.5.5 Inventory must be clearly labeled for easy identification. Inventory tag/bin cards or inventory labels may be used to identify each item and to aid in the physical verification of the items.
- 5.5.6 Where practically possible, all items of the same type and reference must be stored together as per the description on the inventory records.
- 5.5.7 Items with limited shelf life must be rotated on a first in first out basis, in accordance with paragraph .35 of GRAP, to reduce the occurrence of expired or obsolete stocks.
- 5.5.8 Due diligence and care must be exercised to prevent damage of, or deterioration of inventory.

- 5.5.9 Due regard must be given to any safety standards which may apply to the storage of certain inventories.
- 5.5.10 Steps must be taken to ensure safe custody of items, including precautions against loss or theft.
- 5.5.11 The Inventory Controller or Delegated Official responsible for the custody and care of inventory must ensure that in his/her absence such items, where applicable, are securely stored.
- 5.5.12 The responsibility for the custody of the storeroom keys must be allocated by the delegated authority to an official who is accountable for its use.
- 5.5.13 No unauthorised persons/officials shall obtain entry to premises, buildings or containers where inventory is kept, unless accompanied by the responsible official.
- 5.5.14 Whenever a change in the Inventory Controller occurs, an inventory count must be conducted.
- 5.5.15 An independent official shall be nominated in writing by the delegated authority to assist the official handing and taking over with the checking of the inventory and any discrepancies.
- 5.5.16 Should the above not be complied with, the official taking over shall be liable for any discrepancies.
- 5.5.17 A handing-over certificate as prescribed by the CFO, must be completed by the handing and taking over officials and a copy retained for record purposes.
- 5.5.18 The following fire protection precautions must be adhered to:
- a) Inventories of an inflammable or dangerous nature shall be stored and handled in such a manner that persons or property are not endangered and in compliance with the requirements of any local authority;
 - b) The area must be clearly signposted; and
 - c) Fire extinguishing equipment must be placed in the area where inventories are held and must be serviced regularly.

5.6 ISSUE OF INVENTORY

- 5.6.1 Only the Inventory Controller is authorised to issue inventory from the storeroom.
- 5.6.2 Inventory must only be issued in terms of the approved requisition form of the Municipality.
- 5.6.3 All requisition forms must be ruled off immediately below the last item to prevent items being added once the requisition is authorised by the responsibility manager.

- 5.6.4 The Inventory Controller must prepare the Stock Issue Register once stock items to be issued have been picked up from the shelves
- 5.6.5 The official receiving the inventory must acknowledge the receipt of stock items requested, by signing the Stock Issue Register prepared by the Inventory Controller.
- 5.6.6 Inventories must be issued and used for official purposes only.

5.7 OBSOLETE INVENTORY

- 5.7.1 The preparatory work for the disposal of obsolete inventory must be undertaken by the Inventory Controller and verified by the Assets Accountant.
- 5.7.2 The Accounting Officer or delegated authority must convene a Disposal Committee for the disposal of obsolete inventory.
- 5.7.3 The Disposal Committee should consist of at least three officials, one of whom must act as the chairperson.
- 5.7.4 The delegated authority may approve the write-off of inventory, if satisfied that: -
 - a) The inventory has expired and is redundant;
 - b) The inventory is of a specialised nature and has become outdated due to the introduction of upgraded and more effective products;
 - c) The inventory cannot be used for the purpose for which it was originally intended; or
 - d) The inventory has been damaged and is rendered useless.
- 5.7.5 All disposed of items must be updated in the inventory records/register/database for the purposes of proper management and control.

5.8 INVENTORY COUNT

- 5.8.1 Items may be subject to an inventory count on a quarterly basis.
- 5.8.2 Where the quantity of inventory is too large for the count to be completed on a single occasion, inventory counts may be carried out on a rotational basis with a full inventory count at the end of each financial year.
- 5.8.3 All approved Municipal procedures and processes must be complied with during the inventory count.

- 5.8.4 The Inventory Controller must submit a report to the CFO after investigating any discrepancies between the inventory records/register/database, bin/tag cards or inventory labels and the physical inventory.
- 5.8.5 The CFO must submit a report with the findings to the Accounting Officer, in order to have the matter reported to the Council of the Municipality for the write-off of any inventories losses, or the write –up of surpluses.
- 5.8.6 The appropriate disciplinary action must be instituted when applicable.
- 5.8.7 The inventory record, register, database or system must be updated accordingly.

6. INVENTORY RECORDS

- 6.1. An inventory record/register/database must be maintained for all inventory items, either manually and / or electronically.
- 6.2 All relevant information must be included for the proper management and control of all inventory items. It is recommended that details include but are not limited to:
 - a) Order number/date;
 - b) Item description;
 - c) Quantity and value of stock on hand;
 - d) Quantity and value of stock received;
 - e) Quantity and value of stock issued;
 - f) Re-order level;
 - g) Optimum inventory level;
 - h) Quantity and value of obsolete stock; and
 - i) Opening/closing balance.
- 6.3 An inventory register/database must be printed monthly and the hard copy filed in a chronological order to maintain a proper audit trail.

7. REPORTING

- 7.1 A report must be submitted at least quarterly to the Chief Financial Officer and/or the Assets Manager detailing the following:
 - a) Any inventory shortages or surpluses and the reasons for such;
 - b) Any inventory deficits proposed to be written-off; and
 - c) Any obsolete inventory items.

- 7.2 Inventories purchased during the financial year must be disclosed at cost or net realizable value in the disclosure notes of the Financial Statements of the Municipality.
- 7.3 In terms of GRAP the financial statements shall disclose:
- a) the accounting policies adopted in measuring inventories, including the cost formula used,
 - b) the total carrying amount of inventories and the carrying amount in classifications appropriate to the entity,
 - c) the carrying amount of inventories carried at fair value less costs to sell,
 - d) the amount of inventories recognized as an expense during the period,
 - e) the amount of any write-down of inventories recognized as an expense in the period in accordance with paragraph .43,
 - f) the amount of any reversal of any write-down that is recognized as a reduction in the amount of inventories recognized as an expense in the period in accordance with paragraph .43,
 - g) the circumstances or events that led to the reversal of a write-down of inventories in accordance with paragraph .43, and
 - h) the carrying amount of inventories pledged as security for liabilities.

8. CLASSIFICATION OF INVENTORY

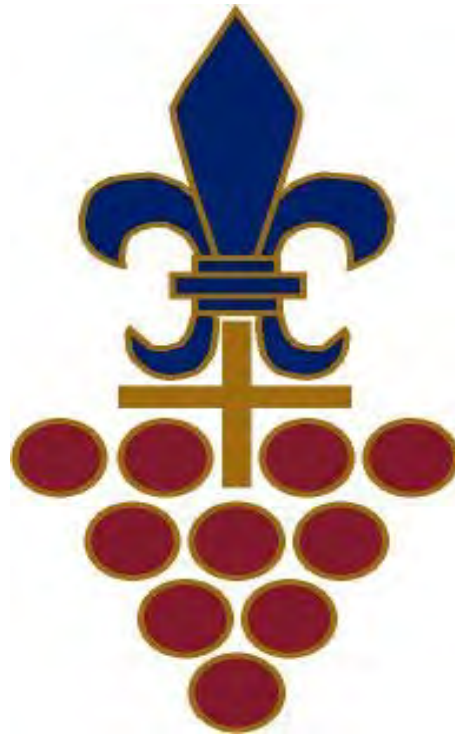
As per National Treasury Standard Chart of Accounts, inventory shall be classified as follows:

| Inventory Categories | Consumable Categories |
|--------------------------------------|---------------------------------|
| Ammunition & Security Supplies | Consumable Supplies (level 4) |
| Clothing Material & Accessories | Agricultural Supplies (level 5) |
| Farming & Gardening Supplies | Gifts & Awards |
| Fuel, Oil & Gas | Fuel Supplies |
| Crockery & Linen | Media Collections |
| Learning & Teaching Support Material | Building & Construction |
| Assets for Distribution | Contraceptives |
| Materials & Supplies | First Aid Kit |
| Medical Supplies | Laboratories |
| Medicines | Security Accessories |
| Military Stores | Bags & Accessories |
| Laboratory Chemicals & Supplies | Stationary |

9. POLICY ADOPTION

This policy has been reviewed and approved by the Council of Stellenbosch Municipality and is applicable with effect from 1 July 2019.

STELLENBOSCH MUNICIPALITY



PREFERENTIAL PROCUREMENT POLICY

2021/2022



STELLENBOSCH MUNICIPALITY

PREFERENTIAL PROCUREMENT POLICY

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1. PREAMBLE

- 1.1 The Constitution of the Republic of South Africa, 1996 in section 217 requires an organ of state to contract for goods or services in accordance with a procurement system which is fair, equitable, transparent, competitive and cost effective and to grant preferences within a framework prescribed by National Legislation.
- 1.2 A National Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)- [PPPFA] was promulgated in response to the Constitutional provision and allow for an organ of state to develop a preferential procurement policy and to implement such policy within the PPPFA framework.

From the preamble from the Constitution:

*We therefore, through our freely elected representatives, adopt this Constitution as **the supreme law of the Republic** so as to*

- *Heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights;*
- ***Lay the foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law;***
- ***Improve the quality of life of all citizens and free the potential of each person; and***
- *Build a united and democratic South Africa able to take its rightful place as a sovereign state in the family of nations.*

From Chapter 7 of the Constitution:

152. Objects of local government

1. The objects of local government are -

- a. *to provide democratic and accountable government for local communities;*
- b. *to ensure the provision of services to communities in a sustainable manner;*
- c. *to promote social and economic development;*
- d. *to promote a safe and healthy environment; and*
- e. *to encourage the involvement of communities and community organisations in the matters of local government.*

2. A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1).

153. Developmental duties of municipalities

A municipality must

- a. *structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and*
- b. *participate in national and provincial development programmes.*

2. FOREWORD

The policy of Stellenbosch Municipality – in respect of Preferential Procurement is that:

- 2.1 State expenditure is recognised as an instrument of government policy to achieve economic, socio-economic and development objectives.
- 2.2 Procurement can be applied as an instrument of secondary redistribution to alter primary income distribution and as a means to address historic imbalances by means of creating employment and business opportunities for historically disadvantaged groups in the South African society.
- 2.3 Preferential Procurement is recognised as a valid instrument for such social reform.
- 2.4 It is recognised that preferential procurement cannot be applied without cost and that such cost should be subject to the Municipal Budget and the prioritisation processes applicable to all Municipal expenditure.
- 2.5 Ultimately, preferential procurement could go some way to providing a springboard to encourage redistribution and reducing economic concentration, which in turn would foster competition and promote effective and appropriate resource allocation.
- 2.6 The Stellenbosch Municipality Preferential Procurement Policy will be reviewed regularly.
- 2.7 This Policy marks the beginning of a long term path the Stellenbosch Municipality intends to walk with the citizens of Stellenbosch and that this Policy represents the first phase of implementation. With the increase in maturity of the Stellenbosch Municipality as well as its suppliers, it is further accepted that this Policy will also mature to the extent that visible socio- and economic benefits can be experienced by all citizens living in Stellenbosch.

3. PURPOSE AND OBJECTIVES

The broad purpose of the Preferential Procurement Policy is to:

- 3.1 Validate Stellenbosch Municipality's commitment to Preferential Procurement.
- 3.2 Ensure effective and efficient application of resources.
- 3.3 Promote accountability, transparency and fairness.
- 3.4 Create opportunities for local small, medium and micro enterprises.

- 3.5 Enhance quality of services.
- 3.6 Stimulate socio-economic development.
- 3.7 Eliminate and counter corruption.
- 3.8 Contribute towards reduction of unemployment, especially within the Stellenbosch Municipal Area.
- 3.9 Broadening the tax base within the Stellenbosch Municipal Area.
- 3.10 Encourage linkages between small and large enterprises.
- 3.11 Promote skills transfer and training of the historically disadvantaged.
- 3.12 Protect local industry against unfair competition.

4. LEGISLATIVE FRAMEWORK

Constitution, 1996 (Act 108 of 1996)

- 4.1 Section 217(1) of the Constitution, 1996 (Act 108 of 1996) provides that when contracting for goods and services, organs of state must do so in accordance with a system that is fair, equitable, transparent, competitive and cost effective.
- 4.2 Section 217(2) and (3) of the Constitution allows organs of state to grant preferences when procuring for goods and services within a Framework prescribed by National legislation.

Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003) – [MFMA] and related SCM Treasury Regulations, 2005 [SCM TR]

- 4.3 The MFMA aims to regulate financial management and Supply Chain Management [SCM] of local government to ensure that all revenue, expenditure, assets and liabilities are managed efficiently and effectively.
- 4.4 Sections 110 – 119 of the MFMA deals with SCM requirements and must be read together with the SCM TR's 1 – 52 issued in terms of section 168 of the MFMA through GG 27636 effective from 30 May 2005. Both these sets of prescripts supports the application of the PPPFA.

Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000) – [PPPFA]

- 4.5 The PPPFA, 2000 took effect on 3 February 2000. The main thrust of the PPPFA, 2000 is that an organ of state must determine its preferential procurement policy and implement such within the preferential procurement framework, the latter which is commonly called the '80/20 or 90/10 principle'.
- 4.6 The National Treasury, in consultation with the Department of Trade and Industry, reviewed the Regulations issued in terms of the PPPFA, in 2001, and issued new Regulations that become effective on 01 April 2017

5. PRINCIPLES

- 5.1. The principles that underpin this policy are as follows:
- 5.1.1 Sound commercial principles will underlie all transactions. There will be no compromise on quality, service delivery or any other commercial aspects related to the delivery of business objectives.
- 5.1.2 All preferential procurement processes will be transparent and subjected to audit in accordance with sound business principles and practices.
- 5.1.3 Stellenbosch Municipality will only conduct business with service providers that comply with legal requirements (registered with SARS; municipal taxes are not in arrears for more than three months; not on the restricted suppliers or tender defaulters lists; suppliers not deemed as in the service of the State, etc.)
- 5.2. The Policy is founded upon the following core principles:

5.2.1. Value for money

Price alone is often not a reliable indicator and will not necessarily obtain the best value for money by accepting the lowest price offer that meets mandatory requirements. Best value for money means the best available outcome when all relevant costs and benefits over the procurement cycle are considered.

5.2.2. Open and effective competition

All procurement laws, policies, practices and procedures must be readily accessible to all parties involved in the procurement process. The procurement process must be open and transparent and reasons must be provided for decisions in terms of current legislation.

5.2.3. Ethics and fair dealing

All procurement officials must comply with the municipal ethical standards to promote mutual trust and respect and an environment where business can be conducted in a fair and reasonable manner. The following is regarded as an acceptable ethical behaviour:

- Open, honest and co-operative business relations.
- Confidentiality of commercial information.
- Avoidance of conflict of interest or a perception of bias.
- Disclosure of conflict of interest as soon as they arise.
- Fair dealing and impartiality in the conduct of tender evaluations.
- Avoidance of combative or collusive practices.

5.2.4. Accountability and reporting

Procurement officials and other officials involved in SCM must be answerable for their decisions and actions to the public.

5.2.5. Equity

Stellenbosch Municipality will at all times strive to enhance the development of SMME's and B-BBEE enterprises' to allow them to contribute meaningfully in the economy of the Stellenbosch Municipal Area.

6. POLICY STATEMENTS**6.1 Application**

6.1.1. This Policy will apply to all active industry sectors in the Stellenbosch Municipal Area. It is accepted that through the population of reliable data, trends will be evident which will continuously require a review of the Policy to ensure its relevance of all active industry sectors.

6.1.2. This Policy must be read with the Stellenbosch Municipality's SCM Policy

6.1.3. Construction tenders will also have to adhere to the requirements of the CIDBA.

6.2 Targeting

6.2.1. Targeting will be regarded as a specific goal identified by Stellenbosch Municipality and will be reflected in Part 7 to this Policy.

- 6.2.2. These targets will be determined prior to the invitation of tenders and reflected as special conditions.

6.3 Payment cycles

- 6.3.1. The payment of invoices is dependent on timely invoicing, approval of invoices and on the payment administration. Responsible officials must process approved invoices within 30 days of receiving the invoice, unless otherwise provided for in the contract.
- 6.3.2. Reasons for not approving an invoice must be communicated to the tenderer prior to the lapsing of the said 30 days.
- 6.3.3. Officials must endeavour to, where feasible, process invoices of SMME's within 7-15 days in order to promote their cash flow position.

7. PREFERENCE TARGETS IDENTIFIED

7.1 Considering all the data available this Policy for the 2019/20 financial years will strive to achieve the following targets linked to its identified opportunities listed in paragraph 7.1 above:

| POLICY OBJECTIVE | TARGET |
|---|--|
| Improve the local economic market | ➤ Make 10%appointments to local businesses through Formal Quotations for appointments below R200,000 |
| Improve the local economic market | ➤ Obtain 30% quotations from local businesses for appointments below R30,000 |
| Employment of local semi-& unskilled workers | ➤ Identify 10% of SCM tenders that are labour intensive to include specific conditions of a practical content of local semi-& unskilled workers from LED database / Indigent list. |

Methodology to achieve targets in the short term is to include specific conditions in the SCM documents for Formal Quotations and Bids similar to the following two examples:

Example No 1:

“SPECIFIC CONDITIONS: TOTAL MAINTENANCE OF PARKS AND P.O.S WITH MANUAL MACHINES AS WELL AS ALL FLOWERBEDS AND YOUNG TREES IN THE MUNICIPAL AREA:

The intention of the municipality is to promote development of all enterprises. Suitably qualified contractors will be expected to spend at least **80%** of the value of the work on local people to ensure that local economic development is promoted. For this purpose the municipal area is divided into 5 smaller areas. For each area the service provider will be required to appoint a supervisor, and a team of at least **6** people.”

Monitoring will be based on the following methods by the End user dept.

1. Local Municipal accounts / Affidavits with ID numbers certified
2. Training and skills development certificates issued

Example No 2:**TENDER DATA: SPECIAL CONDITIONS RELEVANT TO PROJECT.**

The following Conditions shall be adopted as per the Municipal PPPFA Policy

| SPECIAL CONDITIONS OF TENDER | | |
|--|-----------------------|----------------------------|
| | Comply
Y/N | Ref in
proposal |
| A. CONDITIONS APPLICABLE TO THE PROMOTION OF MUNICIPAL LOCAL AND SOCIO-ECONOMIC DEVELOPMENT | | |
| <p>The full portion budgeted for unskilled labour will be executed by unskilled, unemployed labourers who are beneficiaries of this project. The service provider must provide evidence of the identity and addresses of these labourers within 14 days after award of the contract.</p> <p>Minimum prescribed wages must be paid.</p> <p>In the event that this condition cannot be adhered to the contractor must obtain prior approval from the Municipality.</p> | | |
| <p>All materials procured for this project MUST be sourced from local suppliers</p> <p>In the event that this condition cannot be adhered to the contractor must obtain prior approval from the Municipality.</p> | | |
| <p>Use a local EME sub-contractor in for all manual labour in regards to excavations, filling and compaction of cable trenches, pole holes road crossings etc.</p> <p>Suppliers must submit sub-contracting agreement with the tender proposal, together with an indication of the payment arrangements.</p> <p>In the event that this condition cannot be adhered to the contractor must obtain prior approval from the Municipality.</p> | | |
| Suppliers must submit sub-contracting agreement with the tender proposal, together with an indication of the payment arrangements | | |
| B. CONDITIONS APPLICABLE AFTER CLOSING OF TENDER BUT BEFORE A SELECTED SERVICE PROVIDER IS ANNOUNCED | | |
| Any additional information upon request must be submitted in writing within 48 hours of receipt. | | |
| C. CONDITIONS APPLICABLE AFTER AWARDING OF THE TENDER | | |
| The service provider must provide the Municipality with a completed list of local labourers to be used, within 14 days after final award of the tender for approval by the Municipality. | | |
| <p>The aforesaid list must be updated and submitted together with the service providers progress report and invoice, inclusive of the following details:</p> <p>a) Salary / wages spent on local employees versus total wages / salary budget at site</p> <p>b) Number of local employees employed versus per total workforce at site</p> <p>c) Payments made to the subcontractor and his performance</p> | | |

| | | |
|---|--|--|
| Any amendments prior approval from the Municipality.
The service provider must provide local labourers with basic on-the-job training and provide them with a reference letter after completion of their services. | | |
|---|--|--|

8. IMPLEMENTATION

- 8.1 This Policy is effective from 1 July 2019.
- 8.2 It is the responsibility of the Office of the CFO and various Line Department Managers to bring the content of this Policy to the attention of all parties concerned.
- 8.3 This Policy marks the beginning of a long term path the Stellenbosch Municipality intends to walk with the citizens of Stellenbosch and that this Policy represents the first phase of implementation. With the increase in maturity of the Stellenbosch Municipality as well as its suppliers, it is further accepted that this Policy will also mature to the extent that visible socio- and economic benefits can be experienced by all citizens living in Stellenbosch.
- 8.4 In order to achieve the above, the following immediate implementation steps are required:

By 30 September 2019:

- a. Increased capacity in the SCM Unit.
- b. Identification and appointment of a PPPFA Champion.

9. DEFINITIONS

The words in this policy shall bear a meaning as prescribed and/or ascribed by applicable legislation, and in the event of a conflict, the meaning attached thereto by National Legislation shall prevail.

- 9.1 **“Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- 9.2 **“Black people”** as defined in the Broad-Based Black Economic Empowerment Act, 2003 (Act No 53 of 2003), is a generic term which means Africans, Coloured and Indians.
- 9.3 **“B-BBEE”** means broad-based black economic empowerment defined as the economic empowerment of all black people including women, workers, youth, people with

disabilities and people living in rural areas through diverse but integrated socio-economic strategies that include, but are not limited to:

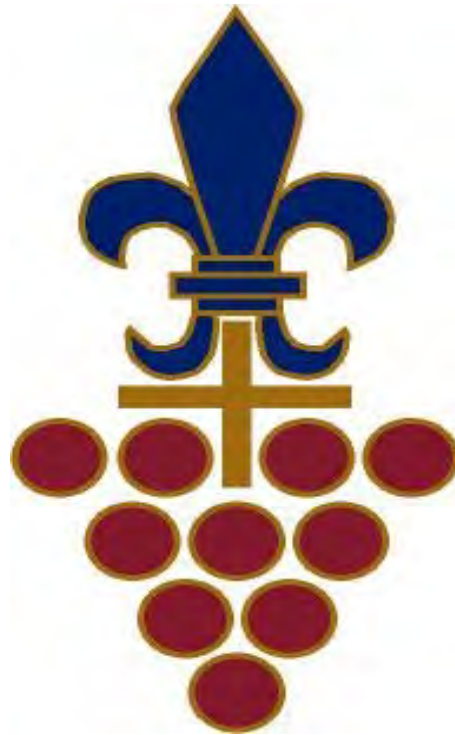
- Increasing the number of black people that manage, own and control enterprises and productive assets;
- Facilitating ownership and management of enterprises and productive assets by communities, workers cooperatives and other collective enterprises;
- Human resource and skills development;
- Achieving equitable representation in all occupational categories and levels in the workforce;
- Preferential procurement; and
- Investment in enterprises that are owned or managed by black people.

- 9.4 **“B-BBEE status level of contributor”** means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act.
- 9.5 **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No 53 of 2003);
- 9.6 **“Collusion”** means an intentional and unlawful agreement by two or more companies/firms which is intended or calculated to misrepresent facts or defraud with the sole purpose of influencing the procurement process thereby prejudicing the interests of the service provider;
- 9.7 **“Companies and Shares”** shall be read so as to include Close Corporations and members interests mutatis mutandis;
- 9.8 **“Comparative price”** means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration;
- 9.9 **“Consortium or Joint Venture”** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;
- 9.10 **“Contract”** means the agreement that results from the acceptance of a tender by an organ of state;
- 9.11 **“CFO”** means Chief Financial Officer

- 9.12 **“Disability”** means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being;
- 9.13 **“Executive Management Committee”** shall mean a committee comprising the Agency’s Heads of Divisions and any other Manager so invited.
- 9.14 **“Firm price”** is the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, ‘levy, or tax, which, in terms of a law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 9.15 **“Individual”** an individual shall mean a natural person;
- 9.16 **“Indigent”** any person who appears on the Municipality’s indigent register as of 1 July of the year under consideration;
- 9.17 **“Local Labour”** means South African residents who permanently resides in the Stellenbosch Municipal area;
- 9.18 **“Local Business”** means an enterprise which has its sole office or head office located within the Stellenbosch Municipal area;
- 9.19 **“Local Content”** means local manufacturing as contemplated in PPPFA Regulations 2011, Regulation 1;
- 9.20 **“Local economic development”** means local and socio-economic development as contemplated in section 152 of the Constitution, 1998;
- 9.21 **“Management”** in relation to an enterprise or business, means an activity inclusive of control and performed on a daily basis, by any person who is a principal executive officer of the company, by whatever name that person may be designated, and whether or not that person is a director;
- 9.22 **“Non-firm prices”** means all prices other than “firm” prices;
- 9.23 **“Person”** includes reference to a juristic person;
- 9.24 **“Rand value”** means the total estimated value of a contract in Rand denomination which is calculated at the time of tender invitations and includes all applicable taxes and excise duties;

- 9.25 **“Sub-Contracting”** means the primary contractor’s assigning or leasing or making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract;
- 9.26 **“Nominated Sub-contractor”** means contractors accredited on the Municipal database for construction related work as contemplated in the CIDBA.
- 9.27 **“Tender”** means a written offer or bid in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services or goods;
- 9.28 **“Tender format/strategy”** means the special conditions describing the tender strategy approach in order to achieve identified targets.
- 9.29 **“Trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- 9.30 **“Trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

STELLENBOSCH MUNICIPALITY



MFMA Circular No.32

**MUNICIPAL BUDGET CIRCULAR FOR
THE 2021/2022 MTREF –
4 DECEMBER 2020**

Municipal Budget Circular for the 2021/22 MTREF

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Introduction

The purpose of the annual budget circular is to guide municipalities with their compilation of the 2021/22 Medium Term Revenue and Expenditure Framework (MTREF). This circular is linked to the Municipal Budget and Reporting Regulations (MBRR) and the municipal Standard Chart of Accounts (*mSCOA*); and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial reform agenda by focussing on key “game changers”. These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, *mSCOA* is implemented correctly and that audit findings are addressed.

Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance on budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

The National Treasury projects real economic growth of 3.3 per cent in 2021, following an expected contraction of 7.8 per cent in 2020. Real GDP growth is expected to moderate to 1.7 per cent in 2022 and 1.5 per cent in 2023, averaging 2.1 per cent over the medium term.

South Africa experienced its largest recorded decline in economic output in the second quarter of 2020 due to the strict COVID-19 lockdown. Real GDP fell by 17.1 per cent relative to the previous quarter (or 51 per cent on a seasonally adjusted and annualised basis), with all major sectors except agriculture declining. The second-quarter results were weaker than expected in the June 2020 special adjustments budget, which projected a contraction of 7.2 per cent in 2020.

High-frequency data for the third quarter – such as the volume of electricity distributed, mining and manufacturing output, business confidence and the Absa Purchasing Managers' Index (PMI) – shows evidence of a limited economic rebound. Although growth rates are likely to improve quickly as restrictions are removed, based on current projections, output is only expected to return to pre-pandemic levels in 2024.

The main risks to the economic outlook are weaker-than-expected growth, continued deterioration in the public finances and a failure to implement structural reforms. A second wave of COVID-19 infections, accompanied by new restrictions on economic activity, would have significant implications for the outlook. Government's fiscal position is a risk to growth: higher long-term borrowing costs and risk premiums have started to affect the broader economy.

In addition, recovery efforts will fail unless structural constraints (including in energy, infrastructure and competitiveness) are urgently addressed. While the reforms required in these areas do not immediately affect growth, they are critical for market confidence and investment.

Electricity remains a binding constraint on economic recovery, with power interruptions expected to continue into 2021. Private generation will only be able to plug the electricity gap to a limited extent over the next year.

Job creation is a top priority of the economic recovery plan that will guide policy actions over the medium term, supported by new infrastructure investment and large-scale public

employment programmes. In addition, targeted skills development will improve productivity and employment prospects.

Headline inflation is at the lower end of the 3 to 6 per cent target range. Goods and services inflation has broadly declined due to weak demand and falling oil prices. Inflation is forecast to fluctuate around the 4.5 per cent midpoint over the medium term in line with moderating inflation expectations.

In summary, the country's tax collection targets have not been met and this means that the fiscus has less funds available to allocate across the various spheres of government. There are measures in place to reduce expenditure to narrow the deficits.

The following macro-economic forecasts must be considered when preparing the 2021/22 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2016 - 2020

| Fiscal year | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
|---------------|---------|----------|----------|---------|---------|
| | Actual | Estimate | Forecast | | |
| CPI Inflation | 4.1% | 3.2% | 4.1% | 4.4% | 4.5% |

Source: Medium Term Budget Policy Statement 2020.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2. Key focus areas for the 2021/22 budget process

2.1 Local government conditional grants allocations

Transfers to local government will be reduced by R17.7 billion, including R14.5 billion from the local government equitable share, R2.7 billion from the general fuel levy and R569 million in direct conditional grants over the 2021 MTEF period. The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the MTEF period.

Government will revisit underperforming programmes. For example, some cities receiving the Public Transport Network Grant (PTNG) have not launched their integrated public transport networks. Over the MTEF period, government will suspend at least two more poorly performing cities from this grant and the remaining cities will be required to reduce costs and demonstrate their effectiveness to remain funded.

The annual Division of Revenue Bill will be published in February 2021 after the Minister of Finance's budget speech. The Bill will specify grant allocations and municipalities must reconcile their budgets to the numbers published herein.

Municipalities are advised to use the indicative numbers presented in the 2020 Division of Revenue Act to compile their 2021/22 MTREF. In terms of the outer year allocations (2023/24 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2020 Division of Revenue Act for 2020/21. The DoRA is available at

<http://www.treasury.gov.za/documents/national%20budget/2020/default.aspx>

Division of Revenue Second Amendment Bill, 2020: changes to local government allocations

Roll-over of funds - R390 million is rolled over in the Urban Settlement Development Grant (USDG) to fund commitments for bulk infrastructure related projects in Nelson Mandela Bay Metropolitan Municipality. R98 million is rolled over in the PTNG to continue with the rollout of the integrated public transport network (IPTN) for public and non-motorised infrastructure in Nelson Mandela Bay Metropolitan Municipality.

R307 million is rolled over in the Regional Bulk Infrastructure Grant (RBIG) for drought and COVID-19 water and sanitation interventions nation-wide.

Water Services Infrastructure Grant (WSIG) - R12 million has been reprioritised from the Department of Water Affairs' budget into the indirect component of WSIG for the implementation of various water services interventions.

Reductions to municipal conditional grants

In the Medium-Term Policy Budget Statement, the Minister of Finance indicated that R10.5 billion is required for the rescue plan for the South African Airways. Therefore, R613 million has been proportionately reduced across municipalities in respect of conditional grants while no reductions were made to the local government equitable share for the 2020/21 financial year.

These changes are shown in Schedule 4, Part B; Schedule 5, Part B and Schedule 6, Part B of the Bill.

Additional instruments to finance infrastructure in municipalities

Municipalities can access other instruments to finance the development of infrastructure that boosts economic growth beyond infrastructure grants. Reforms over the medium term will enhance the ability of municipalities to raise revenue to invest in their own development. An update on development charges and borrowing reforms is summarised below:

- ***Development charges*** - Municipalities earn revenue from charging developers to connect new developments to municipal services. The draft Municipal Fiscal Powers and Functions Amendment Bill proposes new, uniform regulations in respect of these development charges, thereby strengthening the revenue-raising framework of municipalities. After processing comments, the National Treasury will submit the Bill to Cabinet and Parliament for consideration in 2021; and
- ***Borrowing*** - Creditworthy municipalities can also borrow in capital markets. The National Treasury has updated the original municipal borrowing policy framework, which guides this borrowing, and will shortly submit it to Cabinet for approval. The proposed changes aim to increase the term maturity of borrowing improve the secondary market for the trade of municipal debt instruments and define the role of development finance institutions to avoid crowding out the private sector.

3. 2021 Local Government Elections and the budget process

Local government elections are scheduled to take place in 2021, and the proposed date is yet to be determined. Elections are important events as we reaffirm our commitment to democratic and accountable government by choosing representatives of the people who will guide the work of local government for the next five years.

The following four risks need to be explicitly managed:

1. In terms of section 13 of the Municipal Property Rates Act, 2004 (Act No 6 of 2004)(MPRA) and sections 24 and 42 of the Municipal Finance Management Act, 2003 (Act No 56 of 2003)(MFMA), new tariffs for property rates, electricity, water and any other taxes and similar tariffs may only be implemented from the start of the municipal financial year (1 July). This means that the municipal council must approve the relevant tariffs as part of the MTREF budget before the commencement of the financial year on 1 July. Failure to obtain council approval for the annual tariff increases would most likely cause an immediate financial crisis that may lead to the provincial executive intervening in the municipality in terms of section 139 of the Constitution. Therefore, if the elections take place after the start of the financial year, the outgoing council will be responsible for approving tariffs for the 2021/22 MTREF and the newly elected council for the implementation thereof as section 28(6) of the MFMA does not allow the increase of tariffs in-year;
2. In terms of section 16 of the MFMA, a municipal council must approve the annual budget for the municipality before the start of the financial year, and should a municipal council fail to do so, section 26 of the MFMA prescribes that the provincial executive **must** intervene. This provincial intervention may include dissolving the municipal council and appointing an administrator to run the municipality. Therefore, the outgoing council must ensure that they comply with the timeframes for approval of the budget;
3. The outgoing council may be tempted to prepare an 'election friendly budget' with unrealistically low tariff increases and an over-ambitious capital expenditure programme. The outcome of this approach will undoubtedly be an unfunded municipal budget that threatens their respective municipality's financial sustainability and service delivery; and
4. Given that the timing of election campaigning may coincide with the municipal public budget consultations, there is a risk that these consultations may be neglected or used to serve the narrow interests of political parties. It is reiterated that transparency and public participation is an integral part of our constitutional democracy, hence municipalities must ensure that public and stakeholder consultation processes are adhered to as required by the legislative framework.

In the build-up to the 2021 local government elections, the financial sustainability of the municipality should be protected. Now, more than ever before, it is paramount for sound municipal decision-making so that the long-term sustainability of municipal finances and service delivery is achieved beyond the election period.

Finances of some municipalities have been unstable for many years, and this was exacerbated by the financial impact of the COVID-19 pandemic. Therefore, there is severe pressure to maintain healthy cash flows and increase cost containment measures while sustaining efficient service delivery levels. It is therefore imperative that municipalities refrain from suspending credit control and debt collection efforts. Municipalities are also reminded of the regulatory framework set out in the Municipal Cost Containment Regulations insofar as it relates to the use of municipal funds to fund election campaigns and other non-priority issues as this might further impact the financial sustainability of municipalities.

Furthermore, as the current municipal leadership will be responsible for the compilation of the 2022/23 MTREF budgets, councils are advised to prioritise expenditure appropriations aligned to the policy intent as described in the integrated development plans (IDPs). Infrastructure provisioning for water, sanitation, roads and electricity remain key priorities.

In addition, the outgoing council is advised to critically consider the financial implications before entering into new long-term contracts that are not of priority to the municipality and avoid if possible, committing the incoming council. Municipalities should refrain from filling non-critical positions, purchasing cars, procuring new financial systems and from incurring any other expenditure at this stage that will financially burden the incoming council.

During this time of transition, all stakeholders should work together to ensure that municipalities continue to perform their functions efficiently and effectively. The Mayor and municipal manager should now be engaging in the process of the annual review of the fifth and last year of the IDP in terms of section 34 of the Municipal Systems Act (MSA) and the 2022/23 budget preparation process in terms of section 21 of the MFMA. It is particularly important to ensure that arrangements for the review of IDPs and preparation of budgets continue seamlessly as these processes cannot be delayed in anticipation of the announcement of an election date.

In deciding on the schedule for the 2022/23 budget process, the Mayor and municipal manager must also note that the MFMA, read together with the Municipal Budget and Reporting Regulations, only allows for a 'main adjustments budget' to be tabled after the mid-year budget and performance assessment has been tabled in council, i.e. after 25 January 2022. In addition, the permitted scope of an adjustments budget is quite limited in that taxes and tariffs may not be increased (refer to section 28(6) of the MFMA) and any additional revenues may only be appropriated to programmes and projects already budgeted for (refer to section 28 of the MFMA). Therefore, the idea of the current council passing a 'holding budget' which the new council will change substantially through an adjustments budget soon after the start of the municipal financial year is not legally permitted.

Though an IDP is a five-year strategic document of council, municipalities should note that when a new council takes office after a local government election, the norm has been that the new council implements the last adopted IDP during the first year of office. It is normally only in the second year of office that the newly elected council adopts a new IDP after thorough interrogation, extensive consultation and finalisation of a new five-year strategy.

In the absence of detailed information on the 2021 Local Government Elections, National Treasury will provide further guidance in the follow-up MFMA Budget Circular to be issued in March 2021.

4. Municipal Standard Chart of Accounts (*m*SCOA)

4.1 Release of Version 6.5 of the Chart

On an annual basis, the *m*SCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.5 is released with this circular.

Version 6.5 of the chart will be effective from 2021/22 and must be used to compile the 2021/22 MTREF and is available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

4.2 Budgeting and Reporting for the COVID-19 pandemic and water inventory

In terms of the Annexure to MFMA Circular No. 99, *m*SCOA Circular No. 9, and GRAP 12, municipalities were advised to:

1. Record and ringfence all funding and expenditure pertaining to the COVID-19 pandemic for the 2020/21 MTREF when budgeting and transacting; and

2. Budget and account for bulk water purchases as inventory as per GRAP 12 (paragraph 07).

It is evident from the snapshots that were drawn from the Local Government Database based on the *mSCOA* data strings that were submitted by municipalities in terms of the monthly Section 71 reporting, that most municipalities have not budgeted or reported on COVID-19 related allocations and expenditure, nor bulk water inventory as per the guidance provided.

Although the regulated A1 Schedule will only be amended from the 2021/22 MTREF to align to GRAP 12 (as per MFMA Circular No. 98), municipalities should already record water inventory in the *mSCOA* chart. ***Municipalities must budget for water as inventory in the 2021/22 MTREF.*** This means that municipalities will no longer be able to budget for water bulk purchases as an expense on table A4. Municipalities must use bulk water purchases i.e. system input volume on table A6: inventory. This provides for three different water sources i.e. water treatment works, bulk purchases and natural sources. When water is issued through the billing/ distribution, the cost should be expensed through table A4: inventory consumed with the corresponding accounting transaction in the inventory account on table A6: current assets: water: authorised consumption.

Municipalities that did not adjust their 2020/21 MTREF budgets by 30 September 2020 to respond to the COVID-19 pandemic or budget for bulk water inventory are reminded to do so in the main adjustments budget process in February 2021.

It should also be noted that the National Treasury's reporting on COVID-19 will be drawn as per *mSCOA* Circular No. 9 and we will not be able to identify COVID-19 allocations and expenditure that have been ringfenced in another manner.

Municipalities must submit the adjustments budget and revised project list for 2020/21 in the format of a *mSCOA* data strings (ADJB and PRAR) uploaded to the Local Government (LG) Upload Portal within 10 working days after Council has adopted the adjustments.

4.3 Revised Municipal Property Rates Act Categories

By now all municipalities should be aware that section 8 of the Municipal Property Rates Act on the determination of categories of **rateable** properties has been revised through the Local Government Municipal Property Rates Amendment Act, 2014 ("the Amendment Act"). The new rateable property categorisation framework based on use (provided these property categories exist within the municipality) and consequently, all property categories that are based on ownership, geographic location or any other basis fall away.

Municipalities must implement the new property categorisation framework by not later than 1 July 2021. The *mSCOA* chart Version 6.5 makes provision for the new and the old framework. However, the old framework will be retired in the next version of the chart and municipalities are advised to implement the new property categorisation framework as legislated. Therefore, municipalities cannot use both frameworks to avoid duplication and overstatement of revenue from property rates.

4.4 Forbidden activities

The Item Assets segment of the *mSCOA* chart currently includes items such as staff loans as non-current receivables from non-exchange transactions. This is in contravention with Section 164(1)(c) of the MFMA that stipulates that a municipality may not make loans to councillors or officials of the municipality; directors or officials of the entity; or members of the public. Therefore, municipalities are advised not to use these items when budgeting as National Treasury may retire these items in the next version of the chart.

4.5 Independent Audits on Municipal Financial Systems

All municipalities and municipal entities had to comply with the *mSCOA* Regulations by 1 July 2017. MFMA Circular No. 80 provided guidance on the minimum business processes and system specifications for all categories of municipality (A, B and C). The Request for Proposal (RFP) issued on 4 March 2016 for the appointment of service providers for an integrated financial management and internal control system for local government (RT25-2016 published in Tender Bulletin No. 2906), provided further guidance on the requirements applicable to a specific category of municipality.

The National Treasury will conduct independent audits on all municipal financial systems in 2021 to determine to what extent the financial systems that are currently being used by municipalities comply with the minimum business processes and system specifications required in terms of *mSCOA*. These audits were initially planned for 2020, but due to restrictions on procurement processes and travel in terms of the COVID-19 pandemic it was postponed to 2021. The results of the audits will also inform the new transversal tender for the procurement of municipal financial and internal control systems in 2022. **Until these audits have been concluded, and the results have been released, municipalities should exercise caution when changing their financial system to avoid purchasing a system that does not comply with the necessary *mSCOA* functionality requirements.** However, should a municipality need to procure a new financial system, they must follow the processes set out in the MFMA read together with the Municipal Supply Chain Management Regulations and MFMA Budget Circulars No. 93, 98 and *mSCOA* Circulars No 5 and 6. In addition, National Treasury has not accredited any of the municipal financial systems available in the market and this should therefore not be advertised as a requirement in municipal tender documents.

It should be emphasised that the onus to ensure compliance with the *mSCOA* Regulations and minimum system specifications as per MFMA Circular No. 80 and its Annexure B rests with the municipality and not the system vendor. Municipalities must properly manage Service level agreements (SLA) with system vendors. Penalties, including the termination of the SLA in cases of persistent non-compliance, should be imposed if the system vendor does not meet the agreed upon milestones. Likewise, if a system vendor has delivered on the services agreed upon in the SLA, then the municipality should pay all money owing to the system vendor within 30 days of receiving the relevant invoice or statement, as per the requirements of Section 65(2)(e) of the MFMA. Lastly, municipalities must agree on the services that are to be provided by the system vendors and costs thereof in the SLA that is signed by the municipality and system vendor. Municipalities should consider the financial implications thereof and negotiate more favourable terms with the system vendor if necessary before signing the SLA. Once signed, the SLA is legally binding.

4.6 Regulation of Minimum Business Processes and *mSCOA* System Specifications

National and Provincial Treasuries held extensive engagements with key system providers during which the system functionality on the following were demonstrated: IDP and budget, supply chain management (SCM), asset management, annual financial statements, revenue management, cash flow and period control. These engagements provided National and Provincial Treasuries with an understanding of what functionality is available on each system and what the key system related challenges are.

It was evident from the engagements that municipalities are not using their financial systems optimally. Some of the challenges that were identified in this regard include the following:

- Some municipalities have not purchased all the modules of the core financial system or have not upgraded to the Enterprise Resource Planning (ERP) (*mSCOA* enabling) version of their financial systems;

- A few municipalities are not paying for the required licences to use system solutions and they are not upgrading and maintaining their servers, hardware and software to become and remain *mSCOA* compliant and to protect their data;
- Several municipalities are still transacting on their legacy systems that are not *mSCOA* enabling or they are using excel spreadsheets that are not incorporated in the functionality of their financial systems, while they are paying for maintenance and support for the *mSCOA* enabling system that was procured. This constitutes fruitless and wasteful expenditure; and
- Other municipalities are not using all the modules of the core financial system (using 3rd party systems) while they have procured these modules. This is once again fruitless and wasteful expenditure.

Municipalities should include the cost of the above in their 2021/22 MTREF budgets.

One of the key objectives of the *mSCOA* reform is to ensure that municipalities are budgeting, transacting and reporting directly on and from integrated ERP systems to have one version of the truth in terms of the reported financial performance. The manual correction of data strings by municipal officials or system vendors are not allowed in terms of the *mSCOA* Regulations.

National Treasury will expand and regulate the business processes and system specifications communicated in MFMA Circular No. 80 and its Annexure B in the 2021/22 MTREF to ensure that municipalities are using the functionality available on their financial systems. MFMA Circular No. 80 was issued in 2016, and several Regulations and best practises as per the MFMA Circulars have been introduced since then. The expansion of the requirements will accommodate these new developments.

4.7 Non-compliance with *mSCOA* requirements

If your municipality has not yet achieved the required level of *mSCOA* implementation, then it must provide a detailed action plan (road map) to the National and the respective provincial treasury to indicate how the municipality will fast track the implementation of *mSCOA*. The action plan should include the following priority areas, as applicable to the municipality:

- The functionality of the financial system, including the minimum system functionality and business process as per MFMA Circular No. 80 and Annexure B and functionality required in terms of Regulations and MFMA Circulars that was issued after 08 March 2016 (the date on which MFMA Circular No. 80 was issued);
- Integration of 3rd party sub-systems with the *mSCOA* enabling financial system as required in terms of MFMA Circular No. 80 and Annexure B;
- Change management initiatives to ensure that *mSCOA* is institutionalised as an organisational reform and not only a financial reform; and
- Training initiatives to ensure that all officials in the organisation are familiar with the *mSCOA* chart, basic accounting, balance sheet budgeting and movement accounting and the use of the *mSCOA* enabling financial system.

Importantly, the action plan must be drafted by the municipality and not the system vendor and the progress against it should be carefully monitored by the municipality's *mSCOA* Project Steering Committee (chaired by the Accounting Officer). Municipalities must present progress against the action plan at the 2020/21 Mid-Year Budget and Performance visits and Budget and Benchmark engagements with the National and the respective provincial treasury.

4.8 Extension and Procuring of Service Level Agreements (SLA) for Financial Systems

At least six (6) months prior to the expiry of the SLA for the support and maintenance of the financial system, the municipality should either:

- Extend the existing SLA with the same system vendor subject to the provisions of Section 33 and 116(3) of the MFMA (read in conjunction with MFMA Circular No. 62); or
- Approach the market to procure services for the support and maintenance of the financial system consistent with the Municipal Supply Chain Management Regulations and municipality's Supply Chain Management Policy.

Importantly, once the SLA has expired, it cannot be extended, and the municipality will have to embark on a new procurement process. In addition, when the contract for the support and maintenance of the financial system comes to an end, it does not mean that the municipality must procure a new financial system. It is only support and maintenance services pertaining to the financial system that needs to be procured. Municipalities need to properly document their systems and the system language used to ensure that system support can be procured in the local market when required.

4.9 Cash flow reconciliation

The population of the cash flow reconciliation in tables A7, B7 and C7 of the MBRR formats using *mSCOA* data strings has been a challenge in previous financial years. The main contributing factors to this were that:

- Municipalities were not using the *mSCOA* segments correctly to populate their cash flow information;
- A number of municipalities did not use the movement accounts correctly in the *mSCOA* chart which distorts the figures reported in the cash flow tables;
- Some municipalities did not budget, transact or report directly in or from their financial systems; and
- There were errors in the linkages of the MBRR cash flow tables to the *mSCOA* data strings in the segment item: asset and liabilities on the Local Government Database.

It is critical that municipalities undertake balance sheet and cash flow budgeting to provide accurate cash flow information. National Treasury has provided guidance in this regard in MFMA Circular No. 98 and *mSCOA* Circular No. 10 and have also corrected the errors in the linkages of the MBRR cash flow tables to the *mSCOA* data strings. This has resulted in improvements in the section 71 cash flow data that were published at the end of quarter 1 of the 2020/21 MTREF. Further guidance on the application of the funding segment has also been issued in *mSCOA* Circular No. 11 on 4 December 2020.

4.10 *mSCOA* Calendar for 2021/22

Important dates pertaining to *mSCOA* related activities for the 2020/21 financial year is summarised below for planning purposes:

| Activity | | Time Frames |
|----------|--|--|
| 1. | Independent System Audits | February to December 2021 |
| 2. | Regulation of Minimum Business Processes and System Specifications | For comments and testing: October 2021 |
| 3. | <i>mSCOA</i> Virtual Training Sessions (various topics) | Monthly |
| 4. | Roll out of eLearning <i>mSCOA</i> course through | July 2020 |

| | | |
|----|--|---------------|
| | National School of Governance | |
| 5. | Issue proposed <i>m</i> SCOA chart changes for version 6.6 | October 2021 |
| 6. | Annual <i>m</i> SCOA CIGFARO Budgeting Workshop | November 2021 |
| 7. | Issuing of transversal contract for provision of financial systems | March 2022 |

5. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. Even as demand for services rises, weak economic growth has put stress on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, water boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending. Municipal budgets will be scrutinised to ensure that municipalities adequately provide for the servicing of their debt obligations. Municipalities must ensure that expenditure is limited to the maximum revenue collected and not spend on money that they do not have.

Municipalities are reminded that the local government equitable share allocation is mainly to fund the costs of free basic services and to subsidise the administrative costs of the smaller and more rural municipalities. The increasing unemployment and growth in the number of persons per household means that the revenue foregone in respect of free basic services will likely increase, and it will become even more difficult to collect revenue. Household budgets are becoming increasingly under more pressure, and trade-offs might be applied when it becomes unaffordable to pay all household expenses on a monthly basis.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore, municipalities are required to ***justify all increases in excess of the projected inflation target for 2021/22*** in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

5.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circular No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their 2021/22 MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this has been identified as a fundamental reason for municipalities not attaining their desired collection rates.

It is therefore essential that municipalities pay attention to reconciling the valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate. Municipalities are encouraged to undertake this exercise as a routine practice. The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates. A further test would be to reconcile this with the Deeds Office registry. In accordance with the MFMA Circular No. 93,

municipalities are once more requested to submit the reconciliation of the valuation roll to the financial system to the National Treasury by no later than **05 February 2021**.

The above information must be emailed to linda.kruger@treasury.gov.za or must be uploaded by approved registered users using the LG Upload Portal at: <https://lguploadportal.treasury.gov.za/>.

5.2 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (FFC, 2011). Credible budgets are critical for local government to fulfil its mandate and to ensure its financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- An effective budget is one that is adequate to deliver a service of the necessary quality on a sustainable basis; and
- An efficient budget is one that delivers services at the lowest possible cost.

Municipalities are encouraged to utilise the tariff setting tool referenced in MFMA Circular 98, item 4.2. This tool will assist in setting tariffs that are cost-reflective and would enable municipalities to recover costs to fulfil its mandate. The National Treasury Municipal Costing Guide is also available on the link below on the National Treasury website.

<http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08>

5.3 Bulk Account Payments - Eskom Concessions

During 2018/19, intense work had been undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom was engaged on providing relieve in certain areas. Municipalities must be made aware that the following concessions were agreed upon:

- Reducing the interest rate charged on overdue municipal bulk accounts from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms being extended from 15 days to 30 days for municipal bulk accounts; and
- Payments received from municipalities will be allocated to capital first and then the interest.

These concessions are aligned to the MFMA and are meant to curb the growing debt levels by allowing municipalities a more conducive payment regime than what was previously employed. In addition, municipalities are encouraged to budget for bulk services and honour their current account payments religiously to avoid stringent application of the bulk suppliers' credit control policy.

5.4 Timeous allocations and clearing of the control accounts

Municipalities are encouraged to clear the control accounts on a monthly basis and to allocate trade and other receivable payments in these suspense accounts to the relevant debtor accounts regularly before the monthly submissions as required by the MFMA. Implementing and enforcing the credit control policy of the municipality whilst payments are not cleared in the control account is negligent and irresponsible. Municipalities are warned against this bad practice, and this must be avoided at all costs.

5.5 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. In March NERSA approved a municipal tariff increase of 6.9 per cent effective 1 July 2020 (1.2 per cent lower than the tariff increase in Multi-Year Price Determination (MYPD) 4 period due to differences in municipal and national financial years).

Municipalities are advised to use the tariff increases previously (March 2019) approved by the Regulator of 5.2 per cent 2021/22, 8.9 per cent for 2022/23 and 8.9 per cent in 2023/24 (*for 2023/24, an average annual tariff increase is used for the National Energy Regulator of South Africa's multi-year price determination period of 1 April 2019 to 31 March 2022*). The outer year is anticipated to be the first year of the MYPD 5 period, which is yet to be published.

6. Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2021/22 MTREF budgets:

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

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

6.1 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2018 to 31 June 2020 has come to an end and a new agreement is under consultation, which we hope will take into account the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities are advised to take into account their financial sustainability when considering salary increases. It has been observed over the previous years that salary

increases were above inflation. In addition, municipalities that could not afford such increases did not apply for exemption as provided by SALGBC. Given the current economic condition exacerbated by the COVID-19 pandemic, municipalities are urged to consider projecting increases to wage that would reflect their affordability as many municipalities that are already not in a position to afford the current wage cost would indeed have to apply no more than zero per cent increase in the 2021/22 MTREF and to exercise the option for exemption for any negotiated increase above the level of their affordability.

6.2 Remuneration of councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process.

7. Conditional Grant Transfers to Municipalities

7.1 Non-compliance of in-year monitoring

In terms of Section 74(1) of the MFMA, municipalities must submit to the transferring officers, National and Provincial treasuries documents and monthly grant reports as may be prescribed or required. The *mSCOA* Regulations requires the uniform recording and classification of municipal budget and financial information at a transaction level in the form of a *mSCOA* data string that must be submitted to the LG Upload portal. Most municipalities are still not reporting on conditional grants as per the *mSCOA* requirements. As per MFMA Circular No 93, the National Treasury has only used *mSCOA* data strings as the source of data for publications on municipal financial performance from 1 July 2019. The *mSCOA* data strings will also be the main source of data that will be used to monitor the performance against grants and to inform decisions on the stopping and reallocation of conditional grants funding in the 2021/22 MTREF. The credibility of the *mSCOA* data strings reporting on grants will be closely monitored going forward.

Furthermore, section 12(2) of the Division of Revenue Act, 2020 (Act No. 4 of 2020) (DoRA) states that the municipality, as part of the report required in terms of section 71 of the MFMA, report on the matters referred to in subsection (4) and submit a copy of that report to the relevant provincial treasury, the National Treasury and the relevant Transferring Officer.

Some municipalities have not been complying with the reporting requirements as stipulated above. Municipalities are reminded that the non-submission of monthly reports translates to non-compliance with the MFMA and DoRA. The National Treasury and Transferring Officer will be implementing stringent measures to municipalities that do not comply with the prescripts. This includes, but is not limited to, the stopping and reallocation of conditional grants funding of non-compliant municipalities. Municipalities are encouraged to comply with the reporting requirements to avoid withholding or stopping of an allocation.

In terms of performance reporting on conditional grants, municipalities and Transferring Officers are urged to pay particular attention to the contents of money spent against conditional grants. Government is not realising full value for money against the substantial investments it makes through grants.

8. The Municipal Budget and Reporting Regulations

8.1 Ensuring municipal sustainability through a funded budget

A budget is funded from realistically anticipated revenues to be collected, cash backed accumulated funds from the previous year as well as borrowed funds to be utilised for capital projects. A budget is realistic if it takes into account projected revenue for the current year based on the collection levels to date and actual revenue collected in the previous financial year. Municipal budgets must be prepared on this basis. The economic climate and the impact of COVID-19 pandemic had an effect on the ability of municipalities to collect arrear debt during levels 5, 4 and 3 of the national lockdown. This inability to exercise credit control measures during this period had decreased the collection rate in many municipalities.

Municipalities need to be proactive in exercising credit control measures to ensure that arrear debt is collected. Whilst collection rates decreased during the period mentioned above, municipalities must implement efforts to collect arrear debt and return collection rates to pre-COVID-19 levels. Whilst this unprecedented COVID-19 period is the exception, collection rates need to be maintained at 95 per cent in order to ensure the financial sustainability of municipalities. If collection rates have decreased, prudent financial management requires expenditure to be adjusted downward accordingly. This is to ensure that deficits are not realised and that realistically anticipated revenue based on projected collection rates funds expenditure. This will also ensure financial sustainability and avoid situations of financial distress in municipalities.

The Municipal Systems Act states that a municipal council must adopt, maintain and implement a credit control and debt collection policy that would be utilised for the collection of money that is due and payable to it. The municipal Councillors therefore are the custodians of the policy and responsible for its implementation. As a result, Councillors are required to encourage consumers in their municipal jurisdiction to pay for municipal services and to ensure that such debt that is due and payable to the municipality is collected. This would ensure compliance with the Act and ensure that a culture of payment is implemented in the municipal area. Council needs to play an active role in implementing their adopted policies to increase collection rates and ensure that funds are received to render services to the people.

Municipalities are reminded to develop a credible funding plan where the budget is unfunded. This plan must be tabled in and adopted by Council with the 2021/22 MTREF budget and submitted to the National and provincial treasuries when they submit their tabled and adopted budget in terms of Section 22(b)(i) and 24 (3) of the MFMA. Failure to approve a credible plan will result in the invoking of Section 216(2) of the Constitution.

8.2 Budgeting for indirect grant allocations

Some municipalities continue to budget for allocations not directly allocated to them as revenue in the Statement of Financial Performance. This results in revenue being overstated. Therefore, municipalities must refrain from budgeting for indirect grant allocations. A municipality must only budget for the allocations that are directly allocated and transferred to them.

8.3 Monthly reporting of debtors

National Treasury has observed through in-year monitoring that most municipalities are overstating debtors as they report on gross debtors instead of net. The format of the monthly debtors' data strings provides for a column to disclose provision for impairment as per council policy. Therefore, municipalities are urged to always reflect the provision for impairment in the column as indicated above for National Treasury to be able to reconcile the net debtors.

8.4 Schedule A - version to be used for the 2021/22 MTREF

National Treasury has released Version 6.5 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.5 of the *mSCOA* classification framework and must be used when compiling the 2021/22 MTREF budget.

It is imperative that all municipalities prepare their 2021/22 MTREF budgets in their financial systems and that the Schedule A1 be produced directly from their financial system. Vendors have demonstrated their budget modules to the National Treasury and provincial treasuries. All financial systems have this functionality to assist and prepare budgets and to generate the prescribed Schedule A1 directly from the financial system. Therefore, there is no reason why the 2021/22 MTREF budget must be done manually. National Treasury has protected the A1 schedule version 6.5, therefore manual population will not be allowed as the schedule must be extracted from the financial system.

ALL municipalities **MUST** prepare their 2021/22 MTREF tabled and adopted budgets using the A1 schedule version 6.5.

Municipalities must start early enough to capture their tabled budget (and later the adopted budget) in the budget module provided and must ensure that they produce their Schedule A1 directly out of the budget module. **Manual capturing on A1 schedule version 6.5 is not allowed** in terms of the *mSCOA* Regulations.

The National Treasury has indicated in MFMA Circular No. 93 that municipalities must submit all A1 Schedules in PDF format only from the 2019/20 MTREF. Given the fact that the *mSCOA* classification framework makes it possible to generate the financial data required in the A1 schedule directly from the data strings and that additional data needed must be obtained from sub-systems that integrate with the financial system, the National Treasury will only accept the prescribed data string containing the supporting data, populated and uploaded by each municipality. National Treasury published the layout for the data string on the website in MFMA Budget Circular No. 98 and an amended version to be used for the 2021/22 MTREF forms part of this circular. The publication in the 2020/21 MTREF of non-financial data will be done using the supporting data uploaded from these data strings.

The National Treasury **will no longer gather supporting data from the MBRR A1 Schedules** but will expect each municipality to **submit the prescribed supporting data strings** containing the required data using the LG Upload Portal.

The budget, adjustments budget and Section 71 monthly reporting Schedules that have been regulated in terms of the MBRR have also been aligned to the *mSCOA* chart version 6.5 changes. The revised MBRR Schedules for the 2021/22 MTREF and its linkages to the data string are available on the link below:

<http://cenvappsp10:31200/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Documents/Forms/AllItems.aspx?RootFolder=%2fRegulationsandGazettes%2fMunicipal%20Budget%20and%20Reporting%20Regulations%2fDocuments%2f2020%2d21&FolderCTID=0x0120001860D4A2BD7AD042BF8427FC3BB59F67>

The Municipal Budget and Reporting Regulations, formats and associated guides are available on National Treasury's website at:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx>

8.5 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

| Province | Responsible NT officials | Tel. No. | Email |
|-------------------------------------|--------------------------|--------------|--|
| Eastern Cape | Matjatji Mashoeshoe | 012-315 5553 | Matjatji.Mashoeshoe@treasury.gov.za |
| Buffalo City | Mandla Gilimani | 012-315 5807 | Mandla.Gilimani@treasury.gov.za |
| Free State | Cethekile Moshane | 012-315 5079 | Cethekile.moshane@treasury.gov.za |
| Gauteng | Kgomotso Baloyi | 012-315 5866 | Kgomotso.Baloyi@treasury.gov.za |
| Johannesburg and Tshwane | Kevin Bell | 012-315 5725 | Kevin.Bell@treasury.gov.za |
| | Willem Voigt | 012-315 5830 | WillemCordes.Voigt@treasury.gov.za |
| | | | |
| KwaZulu-Natal | Kgomotso Baloyi | 012-315 5866 | Kgomotso.Baloyi@treasury.gov.za |
| eThekweni | Mpati Rakgwale | | Mpati.Rakgwale@treasury.gov.za |
| | Una Rautenbach | 012-315 5700 | Una.Rautenbach@treasury.gov.za |
| | Abigail Maila | | Abigail.Maila@treasury.gov.za |
| Limpopo | Willem Voigt | 012-315 5830 | WillemCordes.Voigt@treasury.gov.za |
| | Sifiso Mabaso | 012-315 5952 | Sifiso.Mabaso@treasury.gov.za |
| Mpumalanga | Mandla Gilimani | 012-315 5807 | Mandla.Gilimani@treasury.gov.za |
| | Stanley Malele | | Stanley.Malele@treasury.gov.za |
| Northern Cape | Mandla Gilimani | 012-315 5807 | Mandla.Gilimani@treasury.gov.za |
| | Phumelele Gulukunqu | 012 315 5539 | Phumelele.Gulukunqu@treasury.gov.za |
| North West | Willem Voigt | 012-315 5830 | WillemCordes.Voigt@treasury.gov.za |
| | Makgabo Mabotja | 012-315 5156 | Makgabo.Mabotja@treasury.gov.za |
| Cape Town | Kgomotso Baloyi | 012-315 5866 | Kgomotso.Baloyi@treasury.gov.za |
| George | Willem Voigt and | 012-315 5830 | WillemCordes.Voigt@treasury.gov.za |
| | Mandla Gilimani | 012-315 5807 | Mandla.Gilimani@treasury.gov.za |
| | | | |
| Technical issues with Excel formats | Elsabe Rossouw | 012-315 5534 | lgdataqueries@treasury.gov.za |

National and provincial treasuries will analyse the credibility of the data string submissions.

8.6 Assessing the 2021/22 MTREF budget

National and provincial treasuries will assess the 2021/22 MTREF budgets to determine if it is complete, funded and complies with the *m*SCOA requirements. The *m*SCOA data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment.

The **assessment period** of all municipal budget will therefore be from **31 May to 30 June**. In this one-month period, the National and provincial treasuries will evaluate all municipal budgets for completeness and for being fully funded. Any adjustment that need to be made must be done before the start of the municipal financial year on 1 July.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked on the financial system by the 10th working day of July each year. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via an adjustments budget in February of each year. In terms of the design principles of *m*SCOA, municipalities are not allowed to open the budget on the system for corrections after it has been locked. This means that the tabled budget data string (TABB) should in fact be verified and errors in the TABB should be corrected in the ORGB **before the adopted budget is locked on the financial system and the ORGB data string is generated**.

The previous verification process and timeframes (i.e. July to September) can no longer be applied as municipalities are already transacting against the adopted and locked budget from 01 July 2020.

Amending an unfunded, incomplete and erroneous budget through an adjusted budget is also not encouraged as the National Treasury only considers an adjusted budget in the third and fourth quarter of the financial year for analysis and publication purposes. This will result in overspending and unauthorised expenditure not been monitored in the first six months of the financial year.

Municipal managers are reminded that the annual budget must be accompanied by a quality certificate and council resolution, as well as a budget locking certificate (in the case of the adopted budgets) in accordance with the format specified in Regulation 31 of Schedule A of the MBRR. The A1 schedule must be included as part of the budget documentation in pdf format.

The National Treasury would like to emphasise that ***where municipalities have adopted an unfunded budget without a credible funding plan, they will be required to correct the budget and go back to the Municipal Council to ensure they adopt and implement a funded budget as required in terms of Section 18 of the MFMA.***

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The budget and data strings that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities). The budget of each entity must be submitted on the D schedule in pdf format.

In the past it was noted that municipalities have challenges to align the audited outcomes on the financial system to A1 Schedule. Municipalities must ensure that the audited figures and adjusted budget figures captured on the A1 Schedule aligns to the annual financial statements and Schedule B respectively.

9. Budget process and submissions for the 2021/22 MTREF

9.1 Submitting budget documentation and A1 schedules for 2021/22 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, ***immediately*** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2021**, the final date of submission of the electronic budget documents and corresponding mSCOA data strings is **Thursday, 01 April 2021**.

Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that municipalities must submit the approved annual budget to both National Treasury and the relevant provincial treasury ***within ten working days*** after the council has approved the annual budget. E.g. if the council approves the annual budget on **31 May 2021**, given the new timeframe for the evaluation of the municipal budgets, the adopted budget data strings and documentation must be submitted by the latest **Monday, 14 June 2020**.

Municipalities are no longer expected to submit hard copies of all required documents including budget-related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Hard copies must be submitted in pdf format to the LG Upload portal.

9.2 Expected submissions for 2021/22 MTREF

- The budget documentation as set out in the MBRR. The budget document must include the main A1 Schedule Tables (A1 - A10);
- The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA24 and any other information not contained in the financial data string) in the A1 in the prescribed mSCOA data string in the format published with Version 6.5 of the A1 schedule;
- The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format;
- The draft and final IDP;
- The council resolution for the tabled and adopted budgets;
- Signed Quality Certificate as prescribed in the MBRR for the tabled and adopted budgets;
- D Schedules specific for the entities; and
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July.

Budget-related documents and schedules must be uploaded by approved registered users using the LG Upload Portal at: <https://lguploadportal.treasury.gov.za/>. It should be emphasised that municipalities should submit all required documents to the LG Upload portal and not to lgdocuments@treasury.gov.za. National Treasury will retire lgdocuments@treasury.gov.za on 1 July 2021 to ensure that there is a single collection point of municipal financial data.

Also note that the LG Upload Portal does not have the same size restrictions encountered with lgdocuments@treasury.gov.za but requires all documents to:

1. Be in PDF format only; and
2. Each PDF file must NOT contain multiple document e.g. council resolution and quality certificate within the budget document. Each document type must be identified clearly and uploaded separately.

Any problems experienced with the submission of documents can be addressed with Elsabe Rossouw at Elsabe.Rossouw@treasury.gov.za.

The 2020/21 MTREF and the preliminary Quarter 1 Section 71 results for the 2020/21 financial year that has recently been published, have indicated that the credibility of the mSCOA data strings is still a concern although we have observed a marked improvement in some areas. At the core of the problem is:

- The incorrect use of the *m*SCOA chart and segments, balance sheet budgeting, movement accounting and basic municipal accounting practices by municipalities;
- Some municipalities are not budgeting, transacting and reporting directly in/from their core financial systems; and
- Municipalities are not locking their adopted budgets and their financial systems at month-end to ensure prudent financial management. To enforce municipalities to lock their budgets and close their financial system at month-end in 2020/21, the Local Government Database and Reporting System will lock all submission periods within the reporting period at the end of each quarter. The published period will NOT be opened again to ensure consistency between publications. System vendors were also requested to build this functionality into their municipal financial systems.

To improve the credibility of these data string, National and provincial treasuries are analysing the accuracy of the data strings and the use of the six regulated segments. The National Treasury has developed tools to analyse the segment/chart use and trained budget analysts from both National and provincial treasuries on the use thereof. To date, the analysis has highlighted that municipalities are not using the FUND, REGION and COSTING segments correctly. In many instances, these segments are simply defaulted which impedes the multi-dimensional reporting power of the *m*SCOA classification framework. Another common area of concern is that total capital expenditure do not balance to total funding. Currently, the expenditure is much higher than the available funding reported.

It needs to be noted that the single source for all analysis and publications will be the data strings submitted by the municipalities for the 2020/21 municipal financial year. It is therefore imperative that municipalities ensure the credibility and accuracy of the data strings before submission.

9.3 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

9.4 Communication by municipal entities to National Treasury

Municipal entities should not request meetings directly from National Treasury. National Treasury will only engage the entities through the parent municipalities. This includes all communications apart from the legislative reporting requirements.

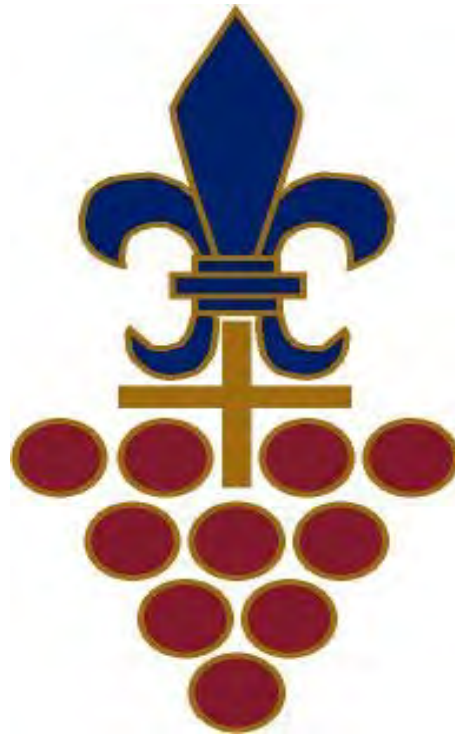
Contact



Post Private Bag X115, Pretoria 0001
Phone 012 315 5009
Fax 012 395 6553
Website <http://www.treasury.gov.za/default.aspx>

JH Hattingh
Chief Director: Local Government Budget Analysis
04 December 2020

STELLENBOSCH MUNICIPALITY



MFMA CIRCULAR NO.108

**MUNICIPAL BUDGET CIRCULAR FOR
THE 2021/2022 MTREF –
8 MARCH 2021**

Municipal Budget Circular for the 2021/22 MTREF

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Introduction

This budget circular is a follow-up to the one issued in December 2020. It guides municipalities with their preparation of the 2021/22 Medium Term Revenue and Expenditure Framework (MTREF) and, as with previous annual budget circulars, it should be read within this context. This Circular is linked to the Municipal Budget and Reporting Regulations (MBRR) and the municipal Standard Chart of Accounts (mSCOA); and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved. The key focus of this Circular is the grant allocations per the 2021 Budget Review and the 2021 Division of Revenue Bill.

Municipalities are reminded to refer to the previous years' annual budget circulars for guidance on budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

The South African economy contracted by an estimated 7.2 per cent in 2020 compared with the 7.8 per cent contraction projected in the 2020 Medium Term Budget Policy Statement (MTBPS). The revised estimate results from easing lockdown restrictions in the third quarter and a faster-than-expected resumption of global growth, especially in China. The National Treasury projects real economic growth of 3.3 per cent in 2021, following an estimated contraction of 7.2 per cent in 2020. Real GDP growth is expected to moderate to 1.9 per cent in 2022 and 2023.

The outlook remains highly uncertain, and the economic effects of the pandemic are far-reaching. There were 1.7 million fewer jobs by the third quarter of 2020 compared to the same period in 2019. Rising unemployment and income losses have entrenched existing inequalities. GDP is only expected to recover to pre-pandemic levels in late 2023. High-frequency data for the third quarter, such as the volume of electricity distributed, mining and manufacturing output, business confidence and the ABSA Purchasing Managers' Index (PMI) shows evidence of a limited economic rebound.

Although growth rates are likely to improve quickly as restrictions are removed, based on current projections, the output is only expected to return to pre-pandemic levels in 2024. Given South Africa's structural constraints, its recovery will be slower than many of its developing-country peers. Industrial sectors (which include mining, manufacturing, construction and utilities) lagged substantially, undermined by structural constraints including unreliable electricity supply and weak public investment that preceded the pandemic. Over the next several years, the country requires the implementation of long-standing structural reforms to sustainably move to a higher growth path.

These economic challenges will continue to exert pressure on municipal revenue generation and collection levels; hence a conservative approach is advised for revenue projections.

The following macro-economic forecasts must be considered when preparing the 2021/22 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2019 - 2023

| Fiscal year | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
|---------------|---------|----------|----------|---------|---------|
| | Actual | Estimate | Forecast | | |
| CPI Inflation | 4.1% | 3.3% | 3.9% | 4.2% | 4.4% |

Source: 2021 Budget Review.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2. Key focus areas for the 2021/22 budget process

2.1 Changes to local government allocations

Over the next three years, municipalities will have to adjust to significant changes in expenditure plans while improving accountability. The 2021 Budget protects transfers that focus on infrastructure, service delivery and COVID-19 spending while reducing those spent less effectively. The 2021 Budget includes funding for initiatives to improve municipal revenue collection and support financially distressed municipalities.

Transfers to local government over the medium-term account for **9.4 per cent** of nationally raised funds after providing for debt-service costs, the contingency reserve and provisional allocations. Local government's share of revenue has risen in relative terms because reductions to the public-service wage bill affect only national and provincial government. Local government transfers grow by an annual average of 5.2 per cent over the MTEF; the equitable share declines by 4.4 per cent and conditional grants grow by 7.3 per cent. As part of government's fiscal consolidation policies over the medium term, transfers to local government are reduced by R19.4 billion, including R14.7 billion from the local government equitable share, R2.7 billion from the general fuel levy and R2 billion in direct conditional grants.

Conditional grants

The reduction to direct conditional grants includes R329 million from the *municipal infrastructure grant* and R21 million from the *integrated urban development grant*. These amounts have been reprioritised from underspending grants to fund a once-off councillor gratuity for non-returning councillors. The largest proportional reduction of R1.3 billion to local government grants has been made in the *public transport network grant*, because only six of the 13 cities receiving the grant have successfully launched public transport systems. Indirect conditional grants are reduced by R286 million over the period.

Government continues to reform the system of conditional grant transfers to local government based on the principles set out in the 2019 Budget Review. In 2021, government will expand the scope of the *municipal infrastructure grant* to allow municipalities to use up to 5 per cent of their allocation to develop infrastructure asset management plans. This change addresses poor asset management in municipalities.

In 2020, the *integrated city development grant* was repurposed to assist cities to build internal capacity or obtain technical support to prepare and package key infrastructure projects. This will continue in 2021 and private sector participation will be encouraged in these projects.

Two standalone *informal settlement upgrading grants* for provinces and municipalities will be introduced from 2021/22. These grants are made up of components previously within the *human settlements development grant* and the *urban settlements development grant* for provinces and municipalities respectively. In addition, the Municipal Systems Improvement Grant scope is extended to fund comprehensive institutional diagnostic assessments of the 21 district areas where the district municipality is a water service authority and the development of institutional improvement/ support plans that will inform all future capacity development programmes and municipal support initiatives to enhance the continued rollout of the rollout of the District Development Model (DDM).

Municipalities are reminded that all allocations included in their budgets must correspond to the allocations listed in the Division of Revenue Bill. All the budget documentation can be accessed from the National Treasury website by clicking on the link below:
<http://www.treasury.gov.za/documents/national%20budget/2021/>

3. 2021 Local Government Elections and the budget process

Municipalities are advised to refer to MFMA Circular No. 107 on risks related to the Local Government elections and issues to be considered in compiling the 2021/22 MTREF in addition to the information provided below.

3.1 Transitional processes - development and adoption of IDPs during the 2021 election year

The 2020/21 municipal financial year represents the last year of the current municipal councils' electoral term. Therefore, the next municipal election to usher in new councils is expected to take place between August and November 2021 in terms of the Section 24 (2) of the Municipal Structures Act, 2000 (Act No. 32 of 2000) (MSA).

It is acknowledged that the period within which the coming election's date is expected takes place after the start of a new financial year. This particular scenario poses a latent challenge in so far as adherence to legislated timeframes with regard to the adoption of the 5-year Integrated Development Plan (IDP) and the subsequent implementation.

Given the fact that the IDP and budget would need to be reviewed and adopted by 30 June 2021, the current council has an obligation to ensure that these stipulations are complied with. In this regard, the current council will be expected to continue reviewing the IDP and ensuring that it is adopted within the legislated timeframe.

Section 25 (3) of the MSA does allow the municipal council to adopt the IDP of the preceding council. However, should the incoming councils be unhappy with the priorities set out by the current council, in this case, municipal councils are advised to consider the existing adopted IDP and resolve to initiate or not to initiate an amendment procedure as guided by the MSA and the Municipal Performance and Planning Regulations (2001).

The Department of Cooperative Governance (DCoG), through the Chief Directorate: Development Planning, is rolling out the revised IDP guidelines to municipalities. These guidelines are aimed to, amongst others, guide municipalities with regards to the adoption of IDPs during an election year.

3.2 Hand-over reports for the newly elected councils

Each municipal manager, working together with the CFO and senior managers, is encouraged to prepare a hand-over report that can be tabled at the first meeting of the newly elected council. This hand-over report aims to provide the new councils important orientation information regarding the municipality, the state of its finances, service delivery and capital programme, as well as key issues that need to be addressed.

It is proposed that the hand-over report should include:

- An overview of the demographic and socio-economic characteristics of the municipality;
- An overview of the organisational structure of the municipality, with the names and numbers of senior managers;
- An overview of key municipal policies that councillors need to be aware of and where they can obtain the full text of such policies;
- An overview of issues that still need to be addressed in relation to the municipality's turnaround strategy;
- An overview of the municipality's financial health, with specific reference to:
 - o Its cash and investments, and its funding of commitments (Table A8);
 - o Cash coverage of normal operations (see Supporting Table SA10);

- o Creditors outstanding for more than 30 days, along with reasons for delayed settlement;
- o Current collection levels and debtors outstanding for more than 30 days; and
- o Extent of existing loans and associated finance and redemption payments.
- The municipality's 2019/20 audit outcome and its strategy to address audit issues;
- An overview of the provision of basic services, including plans to address backlogs;
- An overview of the state of the municipality's assets, with particular reference to the asset management plan, and repairs and maintenance requirements;
- A list of the main infrastructure projects planned for the 2021/22 budget and MTREF;
- A list of key processes requiring council input over the next six months, e.g. revision of the IDP, approval of specific policies etc. and
- Any other information deemed to be important.

In addition to the hand-over report, each new councillor should be given the municipalities' revised IDP, the adopted 2021/22 MTREF budget, the mid-year budget and performance assessment report for 2020/21, and the latest monthly financial statement, and the annual report for 2019/20.

Municipal managers should submit their municipality's hand-over report to the relevant provincial department responsible for local government, to the Department of Co-operative Governance (DCoG) and National and Provincial Treasuries.

4. Municipal Standard Chart of Accounts (*m*SCOA)

4.1 Opening balances

It was noted that some municipalities are not transferring their opening balances consistently to the current year of transacting. Opening balances for the previous year must be transferred in the first month (M01) of the current year, and all adjustments made during the preparation of the annual financial statements in period 14 and 15 must be transferred through journals to the opening balances of the current year in the month that it becomes apparent. When municipalities are not doing this correctly and consistently, it compromises the credibility of the *m*SCOA data strings submitted.

Importantly, journals may only be passed in the core financial system and not in 3rd party sub-systems.

4.2 Surplus or deficit journals

The Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and MBRR require that municipalities perform their month-end reconciliations at the end of every month before they submit their financial performance information to the National Treasury. Surplus or deficit journals must be passed monthly before a data string is generated to ensure that the financial system remains in balance. The monthly data strings reflected in the Statement of Financial position (table C6 of the regulated C Schedules) will not be in balance for those municipalities that are not doing this, and their *m*SCOA data strings will therefore not be accurate.

Municipalities must also reconcile their creditors and debtors and all month-end processes **before** they submit their monthly data strings to ensure that the data submitted to the National Treasury Local Government Database is credible.

4.3 Rollovers and repayment of unspent grants

Municipalities are required to use the correct posting levels and movement accounting when conditional grants are being receipted, recognised, rolled over, and unspent grants are repaid. The accounting for grants should be done in accordance with GRAP 23: Revenue from

exchange transactions (Taxes and Transfers). Refer to **Annexure A** of this Circular on the correct treatment of rollovers and repayment of unspent grants in *mSCOA*.

5. The revenue budget

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the municipality's financial sustainability. The Consumer Price Index (CPI) is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore, municipalities are required ***to justify all increases in excess of the projected inflation target for 2021/22 MTREF*** in their budget narratives and pay careful attention to the differential incidence of tariff increases across all consumer groups. It is noted that the tariff increases by Eskom and Water Boards are above inflation and should be considered as such while determining cost-reflective tariffs. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

Local government also confronts tough fiscal choices in the face of financial and institutional problems that result in service-delivery breakdowns and unpaid bills. Municipalities can offset these trends by improving its own revenue collection, working more efficiently and implementing cost-containment measures.

5.1 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. In March, NERSA approved a municipal tariff increase of 6.9 per cent effective 1 July 2020 (1.2 per cent lower than the tariff increase in Multi-Year Price Determination (MYPD) 4 period due to differences in municipal and national financial years).

The equitable share formula uses the 9.9 per cent bulk tariff increase used when National Treasury calculated the baseline for this year in the 2020 MTEF period. Other (non-bulk) electricity costs are updated based on the National Treasury's inflation projections in the 2020 MTBPS. This is due to fiscal constraints and the fact that the court had not pronounced on the Eskom matter at the time that the budget was finalised.

The additional R10 billion that the courts have allowed Eskom to recover in the 2021/22 national financial year translates to a 15.6 per cent bulk increase over the national financial year. However, given that the increase only comes into effect in July for municipalities, NERSA typically allows a higher percentage increase so that Eskom can recover the additional allowable revenue from municipalities over 9 months before the national financial year ends. Therefore, the increase should be expected to be between 16 to 20 per cent. Municipalities can mitigate the negative impact of this increase by improving efficiencies on both the revenue collections and the spending side.

The outer two years of the 2021 MTEF use 8.9 per cent, which is an average annual tariff increase used for the NERSA's multi-year price determination period of 1 April 2019 to 31 March 2022. Moreover, the outer year is anticipated to be the first year of the MYPD 5 period, yet to be published.

6. Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. Customers' ability to pay for services is declining, which means that less revenue will be collected.

In order to achieve financial sustainability, municipalities must demonstrate the political will to implement the changes required to improve their performance. Where municipalities consistently fail to deliver their mandates, the Constitution provides for provincial and/or national government to intervene.

6.1 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2018 to 31 June 2020 has come to an end and a new agreement is under consultation, which we hope will take into account the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities are advised to take into account their financial sustainability when considering salary increases. It has been observed over the previous years that salary increases were above inflation. In addition, municipalities that could not afford such increases did not apply for exemption as provided by SALGBC.

Given the current economic condition exacerbated by the COVID-19 pandemic, municipalities are urged to consider projecting increases to wage that would reflect their affordability. Some municipalities are already not able to afford the current wage cost and would indeed have to apply no more than a zero per cent increase in the 2021/22 MTREF and exercise the option for exemption for any negotiated increase above the level of their affordability.

Therefore, should accounting officers fail to consider salary increases within the ambit of the municipality's available resources and financial position, such failure will constitute an act of financial misconduct as defined in section 171 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

6.2 Remuneration of councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process.

6.3 Payment of danger allowance to the employees

The work undertaken by the frontline staff in rendering services to communities must be appreciated whilst understanding the country's economic situation and the world resulting from the impact of COVID-19 pandemic. The SALGBC Circular No. 5 of 2020 provides advice to municipalities about the payment of danger allowance to employees working at the frontline to fight the COVID-19 pandemic.

The Circular provides that the council of the municipality must have an approved policy that should guide how the danger allowance should be paid, based on the affordability of the municipality. During this difficult financial situation posed by the COVID-19 pandemic, municipalities must consider the following:

1. Determine whether or not the municipality will afford the percentage increase in order to accommodate the Danger Allowance;
2. Assess the current status of the Employee Related Costs that form part of the municipality's budget in order to ascertain whether or not the inclusion of such allowance will not place the municipality's financial position in jeopardy in terms of the total Employee Related Costs as a percentage of the total expenditure;
3. Determine the credible funding source for the payment of Danger Allowance;

4. In this case the municipality must subject that change to “public participation processes” when dealing with the 2021/2022 MTREF based on the funding source; and
5. The municipality must also have a policy that operationalise the implementation of this kind of an allowance, only based on the determination/ assessment as per the aforementioned points.

6.4 Mayor’s discretionary funds and similar discretionary budget allocations

It has been observed that many municipal budgets contain sub-votes or allocations to “Mayoral Discretionary Funds”, “Special Projects”, “Special Events” or similar discretionary type funds. Municipalities must refer to section 12 of the MFMA in relation to setting up a relief, charitable, trust or other funds.

National Treasury regards these types of allocations as a bad practice because:

- It is not clear how they are aligned to the constitutional requirement that municipalities structure their 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 (see section 153(a) of the Constitution);
- They do not provide for the appropriation of funds for the purposes of a department or functional area of the municipality (see the definition of ‘vote’ in section 1 of the MFMA);
- They undermine the budget consultation processes since the intended use of the funds is not transparently reflected in the tabled budget; and
- There is a risk that they may be abused for personal gain or to improperly benefit another person or organisation.

Therefore, National Treasury discourages allocations of this nature. Good budget practice requires that a municipal budget should transparently indicate the purposes and areas where municipal funds (i.e. public funds) are to be allocated. These kinds of discretionary funds immediately raise public suspicions of impropriety and corruption. In terms of section 52(a) of the MFMA the Mayor “must provide general political guidance over the fiscal and financial affairs of the municipality”. The Mayor, therefore, provides direct input into the budget. If this is the case, why does the Mayor require a ‘discretionary / personal slush fund’?

Section 17(3)(b) of the MFMA requires that when an annual budget is tabled it must be accompanied by “measurable performance objectives ... for each vote in the budget”. What measurable performance objectives can be set in relation to these funds given that their use is at the discretion of the Mayor? This means the transparent and effective use of these funds cannot be monitored and assessed by the council and the public.

National Treasury notes that section 17(3)(j) of the MFMA requires that when an annual budget is tabled it must be accompanied by “particulars of any proposed allocations or grants by the municipality to ... (iv) any organisations or bodies referred to in section 67(1)”. The aim of this provision is to ensure that all proposed allocations or grants are presented transparently in the budget documentation that is tabled for public consultation and council approval, as well as for budget management and monitoring purposes. *Any allocations or grants made to organisations or bodies that are not reflected in a municipality’s budget or adjustments budget must be regarded as unauthorised expenditure because they are “(f) a grant by the municipality otherwise than in accordance with this Act”* (see definition of unauthorised expenditure in section 1 of the MFMA).

National Treasury further notes that section 67 of the MFMA only allows funds to be transferred to ‘an organisation or body’ and not to an individual. *Any allocations or grants to individuals, other than in terms of the municipality’s indigent policy or bursary scheme, must be regarded as*

irregular expenditure because they are expenditures not in accordance with a requirement of the MFMA.

National Treasury and provincial treasuries will exercise close oversight of all discretionary type allocations in municipal budgets. If there are any concerns about the use of these funds, section 74 of the MFMA will be used to request information in this regard and analyse it for consistency with the MFMA legal framework.

7. Conditional Grant Transfers to Municipalities

The annual Division of Revenue Act requires that municipalities must request for a rollover approval against any unspent conditional grants that were allocated through the Act, therefore this section provides guidance to municipalities with regard to the preparation for the 2020/21 unspent conditional grant and rollover process and should be referenced against previous annual budget circulars.

7.1 Criteria for the rollover of conditional grant funds

In terms of Section 22 of the Division of Revenue Act, 2020 (Act No.4 of 2020) (DoRA) in conjunction with the Division of Revenue Amendment Act, 2020 (Act No. 10 of 2020) (DoRAA) and the Division of Revenue Second Amendment Act, 2020 (Act No. 20 of 2020), the Act requires that any conditional allocation or a portion thereof that is not spent at the end of the 2020/21 financial year reverts to the National Revenue Fund, unless the rollover of the allocation is approved in terms of subsection (2). Furthermore, the receiving officer, provincial treasury and national transferring officer is required to prove to National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When requesting a rollover in terms of section 22(2) of the 2020 DoRA, municipalities must include the following information with their submission to National Treasury:

1. A formal letter, signed by the accounting officer addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 22(2) of the 2020 DoRA;
2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated and spent per project;
3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):
 - a) Proof that a contractor or service provider was appointed for delivery of the project before 31 March; or
 - b) Proof of project tender and tender submissions published and closed before 31 March with the appointment of contractor or service provider for delivery of service before 30 June in cases where additional funding was allocated during the course of the final year of the project;
 - c) Incorporation of the Appropriation Statement;
 - d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2022 (attach cash flow projection for the applicable grant).
4. A progress report (also in percentages) on the status of each project's implementation that includes an attached **legible implementation plan**;
5. The value of the committed project funding and the conditional allocation from the funding source;
6. Reasons why the grants were not fully spent during the year of original allocation per the DoRA;

7. Rollover of rollovers will not be considered therefore municipalities must not include previous year's unspent conditional grants as rollover request;
8. An indication of the time period within which the funds are to be spent if the rollover is approved; and
9. Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy; this also includes acting appointments as a result of suspensions of either MM or CFO that are more than 12 months.

If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2021, the application will be declined.

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2020 DoRA, **including the municipal manager and chief financial officer signing-off on the information** sent to National Treasury;
2. Submission of the pre-audited Annual Financial Statements to National Treasury by 31 August 2021;
3. Accurate disclosure of grant performance in the 2020/21 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
4. Despite the fact local government is required to comply to different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relates to rollover processes and disclose conditional grant performance in the 2020/21 pre-audited Annual Financial Statements in order to verify grant expenditure; and
5. Cash available in the bank (net position including short term investments) as at 30 June 2021 is equivalent to the unspent amount at the end of the financial year. If the amount that is requested for rollover **is not entirely cash-backed**, such a rollover will not be approved. National Treasury will also not approve portions of rollover requests.

It should be noted that under no circumstances will the National Treasury consider requests to rollover:

1. The entire 2020/21 allocation to the municipality, in cases whereby the rollover request is more than 50 per cent of the total allocation, National Treasury will approve the rollover amount up to 50 per cent of the 2020/21 allocation;
2. Rollover request of the same grant for the third consecutive time;
3. Funding for projects constituted through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636). Projects linked to additional funding and disasters are exempted; and
4. A portion of an allocation where the proof of commitment for the rollover application is linked to invoices that were issued before or on 31 May 2021.

7.2 Rollover request against the Covid-19 allocated through the Equitable Share

The Division of Revenue Amendment Act, 2020 (Act No 10 of 2020) made available to Local government an amount of R11 billion following the President's speech on 20 April 2020. The President pronounced that R20 billion would be made available to municipalities in order to provide emergency water supply, increase sanitation of public transport facilities, and provide

food and shelter for the homeless. The R20 billion consisted of an additional allocation of R11 billion, which was transferred through the Equitable Share, and the R9 billion was funded from the repurposed spending within conditional grants allocated to municipalities. This increased the 2020/21 municipal Equitable Share allocation from R74.7 billion to R85.7 billion.

The R11 billion added to the local government Equitable Share allowed municipalities to maintain existing services despite a temporary decline in revenue collections and also cover some additional expenses incurred in response to the pandemic, including the provision of temporary shelter for homeless people during the lockdown.

Although the R11 billion was allocated through an unconditional grant (Equitable Share), these are committed funds in response to the Covid-19 pandemic. Consequently, the municipalities are required to request a rollover from National Treasury of any unspent committed Covid-19 allocation to be rolled over into the 2021/22 financial year.

Municipalities are therefore required to provide the following information to National Treasury in order to prove that the unspent funds are committed and also provide approval to allow the unspent funds to be spent in the 2021/22 financial year.

1. Provide the contracts that are linked to the response of the Covid-19 pandemic in line with the provisions made in the 2020 DoRAA;
2. Reasons why the funds were not fully spent during the year of original allocation per the DoRAA;
3. Accurate disclosure of Covid-19 allocation expenditure in the 2020/21 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS); and
4. Any expenditure incurred against the unspent Covid-19 funds that was not approved for the rollover will be regarded as unauthorized expenditure.

7.3 Unspent conditional grant funds for 2020/21

The process to ensure the return of unspent conditional grants for the 2020/21 financial year will be managed in accordance with section 22 of the DoRA. In addition to the previous MFMA Circulars, the following practical arrangements will apply:

- Step 1: Municipalities must submit their June 2021 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconcile;
- Step 2: When preparing the Annual Financial Statements, a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2021. These amounts **MUST** exclude all interest earned on conditional grants, retentions and VAT related to conditional grant spending that has been reclaimed from SARS, which must be disclosed separately; and
- Step 3: If the receiving officer wants to motivate in terms of section 22(2) of the 2020 DoRA that the unspent funds are committed to identifiable projects, the rollover application pack must be submitted to National Treasury by no later than 31 August 2021.

National Treasury will not consider any rollover requests that are incomplete or received after this deadline.

- Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 22 October 2021;

- Step 5: National Treasury will communicate the unspent conditional grants amount by 08 November 2021. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund by 19 November 2021; and
- Step 6: Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund by 19 November 2021, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 07 December 2021 equitable share allocation.

All other issues pertaining to Appropriation Statement and reporting on approved rollovers are addressed in the Annexure to MFMA Circular No. 86.

7.4 Importance of section 17 of the Division of Revenue Act

The purpose of this section is to provide further clarity on section 17 of DoRA in relation to the transfer of funds to the organ of state in order to implement projects on behalf of the municipalities.

Section 17 (3) of DoRA states that a receiving officer may not allocate any portion of a schedule 5 allocation to any other organ of state for the performance of a function, unless the receiving officer and the organ of the state agree on the obligation of both parties and a payment schedule, the receiving officer has notified the transferring officer, the relevant provincial treasury and National Treasury of the agreed payment schedule and:

- a. The allocation
 - i) Is approved in the budget for the receiving provincial department or municipality; or
 - ii) If not already approved;
 - aa) the receiving officer notifies the National Treasury that the purpose of the allocation is not to artificially inflate the expenditure estimates of the relevant municipality and indicates the reasons for the allocation; and
 - bb) the National Treasury approves the allocation; or
- b. The allocation is for the payment for goods or services procured in accordance with the procurement prescripts applicable to the relevant province or municipality and, if it is an advance payment, paragraph (a) (ii) applies with the necessary changes.

Further, section 17 (4) states that the receiving officer must submit a copy of the agreement envisaged in subsection (3) to the transferring officer and the National Treasury before payment is made.

This section requires municipalities to comply with section 17 (3) before any DoRA allocated funds are allocated to any organ of state, and the municipality should first seek approval from National Treasury.

Note that National Treasury considers the following when assessing the request from the municipality for approval:

1. If the municipality is benefitting and utilising from the five per cent from capital grants that may be utilised for Project Management Unit (PMU). In terms of the capital grant framework (i.e. MIG and IUDG and three per cent for the USDG), municipalities are allowed to utilise a certain per cent of the grant for PMU or capacity support in order to implement capital projects. Therefore, if municipalities are benefitting from this initiative, the PMU should be capacitated enough to implement capital project;
2. Municipalities that are benefitting from the added technical support from Municipal Infrastructure Support Agent (MISA) will not be granted approval because MISA would assist with providing support and develop technical capacity towards sustained

accelerated municipal and service delivery. This implies that the municipality would be capacitated and be in a better position to implement capital project; and

3. If the request does not comply with the grant conditions, framework and if the transfer artificially inflates the expenditure estimates.

The following information must be submitted to National Treasury before approval is granted to municipalities to transfer funds to organs of the state:

1. In consultation with the relevant transferring officer municipalities must submit their request to National Treasury for approval;
2. Provide the time frames regarding the duration of this arrangement between the municipality and the organ of the state;
3. Provide the Service Level Agreement between the municipality and the organ of the state in consultation with the relevant transferring officer;
4. Provide the agreed payment schedule reflecting the disbursement of the funds;
5. Must provide the reasons why the municipality has taken such a decision;
7. If amongst the reasons for the request is related to capacity challenges, the municipality must therefore prove beyond reasonable doubt that there are capacity challenges and the reasons thereof; and
8. Upon approval, the municipality must submit the approved budget that includes the allocation.

Note that once the allocation has been approved, the payment for goods or services must be procured in accordance with or in compliance with the procurement prescripts applicable to the relevant municipality. If there is an agreement for an advancement, subsection (a) (ii) will apply in order to determine if the payment does not artificially inflate the expenditure estimates. Further, before funds are transferred, the national transferring officer and National Treasury must agree on the payment schedule.

Therefore, if any expenditure incurred which emanates from such an arrangement while there was non-compliance with section 17, grant conditions and framework, such expenditure will not be recognised by both National Treasury and relevant transferring officer and will be classified as unauthorised expenditure.

8. The Municipal Budget and Reporting Regulations

8.1 Service Level Standards

Municipalities are reminded to update the service level standards which must form part of their 2021/22 MTREF tabled budget documentation. A broad framework on the minimum service standards was issued with MFMA Circular No. 75. Therefore, the outline must be used as a guideline and be amended accordingly to align to the municipality's specific circumstances.

8.2 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

| Province | Responsible NT officials | Tel. No. | Email |
|--------------|--------------------------|--------------|--|
| Eastern Cape | Matjatji Mashoeshoe | 012-315 5553 | Matjatji.Mashoeshoe@treasury.gov.za |
| Buffalo City | Mandla Gilimani | 012-315 5807 | Mandla.Gilimani@treasury.gov.za |
| Free State | Cethekile Moshane | 012-315 5079 | Cethekile.moshane@treasury.gov.za |

| | | | |
|-------------------------------------|---------------------|--------------|--|
| Gauteng | Kgomotso Baloyi | 012-315 5866 | Kgomotso.Baloyi@treasury.gov.za |
| Johannesburg and Tshwane | Kevin Bell | 012-315 5725 | Kevin.Bell@treasury.gov.za |
| | Willem Voigt | 012-315 5830 | WillemCordes.Voigt@treasury.gov.za |
| | | | Sifiso.Mabaso@treasury.gov.za |
| KwaZulu-Natal | Kgomotso Baloyi | 012-315 5866 | Kgomotso.Baloyi@treasury.gov.za |
| eThekweni | Mpati Rakgwale | | Mpati.Rakgwale@treasury.gov.za |
| | Una Rautenbach | 012-315 5700 | Una.Rautenbach@treasury.gov.za |
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9. Budget process and submissions for the 2021/22 MTREF

9.1 Submitting budget documentation and A1 schedules for 2021/22 MTREF

To facilitate oversight of compliance with the MBRR, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that **immediately** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2021**, the final date of submission of the electronic budget documents and corresponding mSCOA data strings is **Thursday, 01 April 2021**.

Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that municipalities must submit the approved annual budget to both National Treasury and the relevant provincial treasury **within ten working days** after the council has approved the annual budget. E.g. if the council approves the annual budget on **31 May 2021**, given the new timeframe for the evaluation of the municipal budgets, the adopted budget data strings and documentation must be submitted by the latest **Monday, 14 June 2020**.

Municipalities are no longer expected to submit hard copies of all required documents including budget-related, Integrated Development Plan, Service Delivery Budget and Implementation Plan, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Electronic copies must be submitted in pdf format to the LG Upload portal or lgdocuments@treasury.gov.za.

9.2 Consolidated budgets and reports

Municipalities with entities are reminded that they must prepare and submit MTREF budgets, section 71 reports, annual financial statements and annual reports for both the parent municipalities and consolidated documents that incorporates the entity information in terms of the MBRR.

9.3 Submission using LG Upload Portal

In MFMA Budget Circular No 107, it was indicated that budget-related documents and schedules must be uploaded by approved registered users using the LG Upload Portal at: <https://lguploadportal.treasury.gov.za/> and that National Treasury was planning to retire lgdocuments@treasury.gov.za from 01 July 2021 to ensure that there is a single collection point of municipal financial data. However, based on workflow licensing challenges on the LG Upload Portal, data string submissions will shortly be shifted to the Open Portal GoMuni while documents must still be submitted using lgdocuments@treasury.gov.za. The document submissions will also be shifted to GoMuni as soon as possible.

All municipalities and their entities had to prepare their MTREF budget directly on the mSCOA financial systems from 01 July 2017. Therefore, all MBRR schedule submissions must be submitted in **PDF format only**.

9.4 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added/ updated on the website.

Contact



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JH Hattingh
Chief Director: Local Government Budget Analysis
08 March 2021

Annexure A: Treatment of Rollovers and repayment of unspent grants in mSCOA

Cash receipting of a conditional grant

The receiving of grants must be accounted for against (Dt) Bank and (Cr) Item Liabilities: Unspent grants: Capital: Monetary: Municipal Infrastructure Grant: Receipts as shown below:

| |
|---|
| <div> <div></div> Municipal Infrastructure Grant(IL-001-007-002-001-002-005-002) </div> |
| <div> <div></div> Opening Balance(IL-001-007-002-001-002-005-002-001) </div> |
| <div> <div></div> Receipts(IL-001-007-002-001-002-005-002-002) </div> |

Recognising the revenue when the grant is spent

When the grant is spent in accordance with the conditions of the grant, a transaction must be passed against the (Dt) Item Liabilities: Transferred to Revenue/ Capital Expenditure and (Cr) Item Revenue: Non-Exchange Transactions: Transfers and subsidies: Capital: Monetary allocations: National Government: Municipal Infrastructure Grant as shown below:

Debit Item Liability: posting level

| |
|---|
| <div> <div></div> Municipal Infrastructure Grant(IL-001-007-002-001-002-005-002) </div> |
| <div> <div></div> Opening Balance(IL-001-007-002-001-002-005-002-001) </div> |
| <div> <div></div> Receipts(IL-001-007-002-001-002-005-002-002) </div> |
| <div> <div></div> Transferred to Revenue/Capital Expenditure(IL-001-007-002-001-002-005-002-003) </div> |

Credit revenue recognised: posting level

| |
|--|
| <div> <div></div> Transfers and Subsidies(IR-003-005) </div> |
| <div> <div></div> Capital(IR-003-005-001) </div> |
| <div> <div></div> Allocations In-kind(IR-003-005-001-001) </div> |
| <div> <div></div> Monetary Allocations(IR-003-005-001-002) </div> |
| <div> <div></div> Departmental Agencies and Accounts(IR-003-005-001-002-001) </div> |
| <div> <div></div> District Municipalities(IR-003-005-001-002-002) </div> |
| <div> <div></div> Foreign Government and International Organisations(IR-003-005-001-002-003) </div> |
| <div> <div></div> Households(IR-003-005-001-002-004) </div> |
| <div> <div></div> National Government(IR-003-005-001-002-005) </div> |
| <div> <div></div> Integrated National Electrification Programme Grant(IR-003-005-001-002-005-001) </div> |
| <div> <div></div> Municipal Infrastructure Grant(IR-003-005-001-002-005-002) </div> |

Rollovers

In the event that the full grant was not spent at the end of the financial year, the municipality must apply for a rollover as per the process stipulated in the Division of Revenue Act (DoRA). Until such approval has been granted by the National Treasury, a municipality may not continue to incur expenditure against the unspent conditional grant allocation. This does not mean that the municipality should stop or cancel ongoing projects, but Council approval must be obtained to fund the spending from own funding sources until rollover approval is granted by the National Treasury. Once the rollover has been approved by the National Treasury, the amount of the rollover must be ratified through an adjustments budget. The mSCOA chart makes provision for all the required transactions in this regard.

Roll over not approved/ Offset against Equitable share

In the event that the rollover is not approved by the National Treasury, the unspent grant funding must be paid back to the National Revenue Fund or alternatively be offset against the Equitable Share and the Liability must be reduced by:

- 1) Debiting Unspent Grant (Repayment) to reduce the liability that was still outstanding; and
- 2) Crediting Item Revenue Equitable Share to adjust the revenue in line with DoRA.

This is further illustrated below:

- 1) Debit Liability: posting level

| |
|--|
|  Municipal Infrastructure Grant(IL-001-007-002-001-002-005-002) |
| Opening Balance(IL-001-007-002-001-002-005-002-001) |
| Receipts(IL-001-007-002-001-002-005-002-002) |
| Transferred to Revenue/Capital Expenditure(IL-001-007-002-001-002-005-002-003) |
|  (Retired) Closing Balance(IL-001-007-002-001-002-005-002-004) |
| Re-payment of Unspent Grant(IL-001-007-002-001-002-005-002-005) |

- 2) Credit Revenue: posting level

| |
|---|
|  National Revenue Fund(IR-003-005-002-002-006) |
| Fuel Levy (RSC Replacement Grant)(IR-003-005-002-002-006-001) |
| Equitable Share(IR-003-005-002-002-006-002) |

Unauthorised, Irregular, Fruitless and Wasteful (UIFW) expenditure

If the municipality continues to spend against the conditional grant allocation, but rollover approval has not been granted by the National Treasury, this expenditure will be viewed as unauthorised expenditure.

| | |
|------------|--|
| 8.3 | TABLING OF REVISED CAPITAL EXPENDITURE FRAMEWORK 2021 AS PART OF THE INTEGRATED URBAN DEVELOPMENT GRANT |
|------------|--|

Collaborator No: 704203
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: Council 31 March 2021

1. SUBJECT: TABLING OF REVISED CAPITAL EXPENDITURE FRAMEWORK 2021 AS PART OF THE INTEGRATED URBAN DEVELOPMENT GRANT

2. PURPOSE

For Council to:

- (a) Adopt the 2021 Capital Expenditure Framework as revised; and
- (b) Support and approve the submission of the Revised Capital Expenditure Framework (CEF) to the National Department of Cooperative Government and Traditional Affairs (CoGTA) as part of the Integrated Urban Development Grant.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

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 Capital Expenditure Framework (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 spatial and strategic, vision of the municipality supported by a clear financial strategic plan.

The Integrated Urban Development Framework (IUDF) was approved by Cabinet in April 2016, which led to the Integrated Urban Development Grant that was introduced in the 2019/2020 Division of Revenue Act as a Consolidated Grant for Intermediate City Municipalities (ICM's). Stellenbosch Municipality was identified as one of the municipalities to benefit from this new grant, subject to specified criteria. The purpose of the ICMs support strategy is to help translate IUDF policy into practical programmes of action in the ICMs.

The business plan for the IUDG is a three-year capital programme that is aligned with a long-term CEF (10 year plan). The draft Revised Capital Expenditure Framework must be submitted to the Department of Cooperative Governance (DCoG), by 31 March 2021.

5. RECOMMENDATIONS

that the Draft Revised Capital Expenditure Framework be approved for submission to CoGTA by 31 March 2021.

6. DISCUSSION / CONTENTS

6.1 Background

The Integrated Urban Development Grant Framework requires intermediate city municipalities to develop a Capital Expenditure Framework. The "Capital Expenditure Framework" (CEF) is referred to as a key component of the SDF in the Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA) section (21)(n). The legislative context is within the realm of municipal planning and relates specifically to Integrated Development Plans (IDPs), Spatial Development Frameworks (SDFs) and Municipal Budgeting. The Department of Cooperative Governance has prepared guidelines that seek to assist intermediate cities to develop their CEF. Stellenbosch

Municipality was identified as one of the municipalities to benefit from this new grant, subject to specified criteria.

6.2 Discussion

In April 2016 cabinet adopted the Integrated Urban Development Framework (IUDF) as the official national urban policy of government under the custodianship of the Department of Cooperative Governance (CoGTA). The IUDF marks a new deal for South Africa's cities and towns. It sets a policy framework to guide the development of inclusive, resilient and liveable urban settlements while addressing the unique conditions and challenges facing South Africa's cities and towns. The key outcome of the IUDF is spatial transformation and to create a growth model of compact, connected and coordinated cities and towns.

The role of a CEF is to frame the outcomes of a multitude of planning documents within a municipality in order to ensure that implementation is guided by a strategic, spatial, financial and social logic. This is informed by national and provincial strategies and policies and those at the municipal level, namely, Integrated Development Plans (IDP), Spatial Development Framework (SDF) and other departmental strategies.

There are a number of key intentions in introducing the CEF as the basis for monitoring the IUDG:

- a) To ensure that priorities identified in the spatial development framework are translated into capital programmes;
- b) To promote long-term infrastructure planning;
- c) To promote infrastructure planning that is better integrated across sectors and spheres and within space; and
- d) To promote a more integrated approach to planning within municipalities that brings together technical, financial and planning expertise.

The key changes made in the draft Revised CEF, include updates to project within the context of the municipal available funding envelope, including:

- Section 2: Functional and Priority Development Area Identification -updates on spatial development concepts;
- Section 3: Updates to the socio-economic and spatial profile;
- Section 5: Integrated Infrastructure Investment Framework - updates to the demand captured on CP3;
- Section 6: Long Term Financial Strategy - updates to take into account new capital demand captured on CP3 and the Draft 2020/21 MTREF Budget;
- Section 7: Affordability Envelope – funding envelope in line with Draft 2020/21 MTREF Budget;
- Section 8: Prioritisation Model – updated with 2020/21 CEF context prioritisation and budget fit.
- Section 9: Budget Scenario – updated
- Section 10: 10 year Programme Analysis – updated

6.3 Financial Implications

The review to the 2020 Capital Expenditure Framework was done through support of external service providers which could be appointed as a result of funding to support to the value of R2 million received from the DBSA. The financial implications is depicted below for ease of reference.

DBSA Funding received for the Revision and Update of the Stellenbosch CEF 2021:

| Deliverables | Description | Estimated Costs |
|---|---|-----------------|
| Updated CEF | Revised CEF with all components as determined by DCOG | R500 000 |
| Updated Long Term Spatial Quantification and Modelling | Demand quantification and modelling for municipal area based on approved SDF | R250 000 |
| Long Term Financial Plan | Updated 10 year Long Term Financial Plan | R500 000 |
| Asset Management Framework / Strategy | Asset Management Framework to guide infrastructure demand quantification aligned to industry standards. | R750 000 |

6.4 Legal Implications

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 Capital Expenditure Framework (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.

6.5 Staff Implications

There are no additional staff implications should the recommendation as set out above be accepted.

6.6 Previous / Relevant Council Resolutions

The following Council approval is applicable:

COUNCIL MEETING: 2019-05-29

RESOLVED (majority vote)

that the Final Capital Expenditure Framework be approved for submission to COGTA.

COUNCIL MEETING: 2020-03-30

RESOLVED (majority vote)

that the Final Capital Expenditure Framework be approved for submission to COGTA.

6.7 Risk Implications

None.

ANNEXURES

Annexure 1: Stellenbosch Municipality - Draft Revised Capital Expenditure Framework 2021.

| | |
|------------------------|--|
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| REPORT DATE | 25 March 2021 |

As discussed with the Municipal Manager and the Chief Financial Officer.

ANNEXURE 1

Stellenbosch Local Municipality
Capital Expenditure Framework

Draft, Version 2.00

March 2021



Prepared for:
Stellenbosch Local Municipality
PO Box 17
Stellenbosch
7599

Disclaimer

This document contains forward looking statements. While due care has been used in the preparation of forecasted information, the actual outcomes may differ from the forecasts. Whilst reasonable care was taken in the development of this document, forecasts and recommendations made in this document may be influenced by external factors or events that may occur subsequent to the development of this document, or by information or events that may not have been disclosed or known and therefore not incorporated at the time of the development of this document. The reader is therefore cautioned not to place inappropriate reliance on forward-looking statements.

The information presented in the report is based on data within the municipality and other data that was obtained from provincial and national sources that are in the public domain. Consequently, the document may be less relevant to any other party or at a different time and under different circumstances. The author does not warrant or guarantee that there will be no change to relevant facts and circumstances in the future or that future events or outcomes will transpire.

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Nomenclature / Abbreviations

A

AFS Annual Financial Statements

B

C

CAPEX Capital Expenditure

CBD Central Business District

CEF Capital Expenditure Framework

CEIP Capital Expenditure Implementation Plan

CIF Capital Investment Framework

CLS Community Library Services

COGTA Cooperative Governance and Traditional Affairs

CPI Consumer Price Index

CPM Capital Prioritisation Model

CRC Current Replacement Cost

CRR Capital Replacement Reserve

D

DORA Division of Revenue Act

DRC Depreciated Replacement Cost

E

EAP Economically Active Population

EIM Economic Impact Module

EUL Economic Useful Life

F

FA Functional Area

FY Financial Year

FYE Financial Year End

G

GDP Gross Domestic Product

GDS Growth and Development Strategy

GVA Gross Value Added

H

I

ICDG Integrated City Development Grant

ICM Intermediate City Municipality

IDP Integrated Development Plan

iHS iHS Markit Regional Explorer

| | |
|----------|--|
| IIIF | Integrated Infrastructure Investment Framework |
| INEP | Integrated National Electrification Programme |
| IPM | INCA Portfolio Managers |
| IUDF | Integrated Urban Development Framework |
| IUDG | Integrated Urban Development Grant |
| J | |
| K | |
| L | |
| LOS | Level of Service |
| LTFM | Long Term Financial Model |
| LTFP | Long Term Financial Plan |
| LTFS | Long Term Financial Strategy |
| M | |
| MFMA | Municipal Finance Management Act |
| MRRRI | Municipal Revenue Risk Indicator |
| MSA | Municipal Systems Act |
| mSCOA | Municipal Standard Chart of Accounts |
| MTREF | Medium Term Revenue Expenditure Framework |
| MTSF | Medium Term Strategic Framework |
| MBRR | Municipal Budget and Reporting Regulations |
| N | |
| NDP | National Development Plan |
| NDPG | Neighbourhood Development Partnership Grant |
| NT | National Treasury |
| O | |
| P | |
| PDA | Priority Development Area |
| PTIS | Public Transport Infrastructure Systems Grant |
| Q | |
| R | |
| RUL | Remaining Useful Life |
| S | |
| SALGA | South African Local Government Association |
| SAPS | South African Police Services |
| mSDF | Municipal Spatial Development Framework |
| SEZ | Special Economic Zone |
| SFA | Sub-Functional Areas |
| SIG | Social infrastructure Grant |

SIPDM Standards for Infrastructure Procurement and Delivery Management

SPLUMA Spatial Planning and Land use Management Act

StatsSA Statistics South Africa

U

USDG Urban Settlement Development Grant

1 Introduction

1.1 Legislative context of a Capital Expenditure Framework

1.1.1 The constitution of South Africa

The term “Capital Expenditure Framework” (CEF) became a municipal mandate with the promulgation of the Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA) section (21)(n). However, the concept of a Capital Investment- or Capital Expenditure Framework has been alluded to in several other preceding legislative and policy instruments. The legislative context is best understood when considering a brief history of municipal planning, with specific reference to Integrated Development Plans (IDPs), Spatial Development Frameworks (mSDFs), and Municipal Budgeting. To understand the evolution of municipal planning in this context, the point of departure is the Constitution of South Africa.

Section 153 of the Constitution of South Africa states that a municipality must structure and manage its administration, budgeting and planning process to prioritise basic needs and to promote social and economic development. The Constitution instructs municipalities to have a developmental focus and that this should be achieved through the planning- and budgeting processes.

1.1.2 Municipal planning processes

The Local Government Transitions Act (Act 209 of 1993) was the first act stating that a municipality should compile an IDP - it did however not define the content or the nature thereof.

The Local Government Transitions Act Second Amendment (Act 97 of 1996) then defined an IDP as a plan aimed at the integrated development and management of the area of jurisdiction of a municipality. Section (10)(c) specifically showed that IDPs would promote rational and developmentally oriented budgeting, monitoring and tracking of development. A similar definition of an IDP was included in the Local Government Municipal Structures Act (Act 117 of 1998). This definition further underlined the inter-relationship between the planning and budgeting process.

The Local Government Municipal Systems Act (MSA) (Act 32 of 2000) was a successor to the Local Government Municipal Structures Act (Act 117 of 1998). The MSA was deemed the most important statute furthering all aspects of integrated development planning. Chapter 5 of the act is titled “Integrated Development Planning” and provides that municipalities must undertake developmental-oriented planning. This is to ensure that the objectives of local government and its developmental duties (as set out in the constitution) are achieved.

The act states that an IDP is the principal, single, inclusive and strategic planning instrument of a municipality. One of the objectives of the IDP is to align the resources and capacity of the municipality with implementation of the plan. This forms the policy framework and general basis on which annual budgets must be based, and should be compatible with national and provincial development plans and planning requirements. The core components and content of an IDP must reflect the following:

- The municipality’s vision for its own long-term development of the municipality;
- An assessment of the existing level of development in the municipality;
- The municipality’s development priorities and objectives;

- The municipality's development strategies;
- The municipality's mSDF;
- The municipality's operational strategies;
- An applicable disaster management plan;
- A financial plan, and;
- Performance indicators and performance targets.

In section (5)(1)(a) of SPLUMA (Act 16 of 2013), it is stated that municipal planning consists of the compilation, approval, and review of an IDP. SPLUMA further states in Part E (20)(2) that the municipal mSDF must be prepared as part of a municipality's IDP in accordance with the provisions of the MSA (Act 32 of 2000).

Section 21 of SPLUMA prescribes what the content of a municipal mSDF must be. Section 21(n) is of particular importance as it states that a municipal mSDF must determine a CEF for the municipality's development programmes, depicted spatially.

1.1.3 Municipal budgeting processes

The Municipal Systems Act (Act 32 of 2000) states that an IDP must consist of a financial plan. The Municipal Planning and Performance Management Regulations (Regulation 2 of 2001) describes the details of such a financial plan and states in section (3) that the financial plan in a municipality's IDP must:

- Include budget projections;
- Indicate the financial resources that are available for capital project developments, and;
- Include a financial strategy that defines sound financial management and expenditure control, as well as ways and means of increasing revenues and external funding for the municipality and its development priorities and objectives.

After the MSA (Act 32 of 2000) defined what should be done in terms of the IDP and financial planning, the Local Government: Municipal Finance Management Act (MFMA) (Act 56 of 2003) was established to secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government and to establish treasury norms and standards for local government. The MFMA (Act 56 of 2003) was revised in 2011 and redefined its aim to enable improved processes of municipal planning budgeting, allowing for more informed decisions.

In order to achieve the aim of the MFMA (Act 56 of 2003), the MFMA prescribes the typical content of municipal budgets in chapter 4. In section 17(3)(b) the act states that when an annual budget is tabled it must be accompanied by measurable performance objectives for revenue from each source and for each vote in a budget, taking into account the municipality's IDP. This means that a municipal budget cannot be drafted in isolation of the IDP. Furthermore, section 21 of the act states that a mayor must co-ordinate the processes for preparing the annual budget and for reviewing the municipality's IDP in order to ensure that the tabled budget and the IDP are mutually consistent and credible.

Section 7(1) of the Municipal Budget and Reporting Regulations (MBRR) states that policies that affect or are affected by the annual budget of a municipality should include a policy related to a Long-term Financial Plan.

1.1.4 The relationship between the planning and budgeting processes

From the legislative context provided in this section, the following municipal mandate imperatives are highlighted:

- That the Constitution of South Africa demands planning and budgeting processes in local government (Constitution of South Africa, Act 108 of 1996);
- That the Constitution of South Africa demands local government to be developmental and resource efficient (Constitution of South Africa, Act 108 of 1996);
- That an IDP is deemed as the principal, single, inclusive and strategic planning instrument of a municipality and that it should comprise of a financial plan as well as a mSDF (Municipal Systems Act, 32 of 2000);
- That the municipal budgeting process cannot stand alone from the IDP process (Municipal Finance Management Act, 56 of 2003), and;
- That the mSDF must contain a CEF that is spatially referenced (Spatial Planning and Land Use Management Act, 16 of 2013).

In April 2016 Cabinet approved the Integrated Urban Development Framework (IUDF). The IUDF is coordinated by the Department of Cooperative Governance (COGTA). The IUDF capital programme requires alignment by participating municipalities wishing to access the Integrated Urban Development Grant (IUDG). This required alignment should be achieved through the development of a long-term CEF, with a 10-year planning horizon. According to the 2018 COGTA guideline on preparing a CEF, a CEF is the outcome of strategic prioritisation within the available affordability envelope of a municipality, based on a long-term financial plan. Furthermore, the CEF must:

- Translate the priorities identified in the mSDF, into capital programmes;
- Promote long-term infrastructure planning;
- Promote infrastructure planning that is better integrated across sectors and spheres and within space, and;
- Promote a more integrated approach to planning within municipalities that brings together technical, financial and planning expertise.

1.2 The role of the CEF in relation to the IUDF

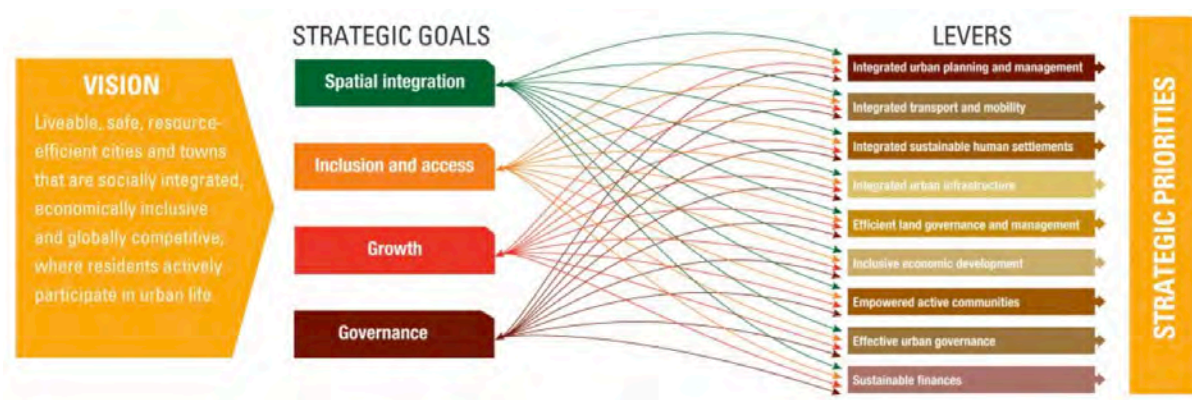
The IUDF is a policy initiative of the Government of South Africa, coordinated by COGTA, which seeks to foster an understanding between local government and civil society on how best to manage urbanisation and achieve the goals of economic development, job creation and improved living conditions within municipalities.

The IUDF marks a new deal for South African cities and towns and sets a policy framework to guide the development of inclusive, resilient and liveable urban settlements, while addressing the unique conditions and challenges facing South Africa's cities and towns. It advocates the effective management of urbanisation so that the increasing concentration of an economically active population translates into higher levels of economic activity, greater productivity and higher rates of growth, thereby transforming our South African cities into engines of growth and prosperity.

The key outcome of the IUDF is spatial transformation. The identified policy levers and priorities are crucial for maximising the potential of urban areas, by integrating and aligning investments in a way that improves the urban form. The CEF is therefore the recommended mechanism for local

government to achieve spatial transformation by aligning capital investment in such a way that the key outcomes of the IUDF are achieved.

Figure 1-1: Core elements of IUDF



1.3 The role of the CEF in relation to the IUDG

A review of Local Government Infrastructure Grants was initiated in October 2013, led by National Treasury together with the COGTA, the Financial and Fiscal Commission, the South African Local Government Association (SALGA), and the Department of Performance Monitoring and Evaluation (DPME). The review envisioned a grant system that should include:

- Greater differentiation in the type of grants provided to different municipalities;
- A move from focussing on rolling out new infrastructure to increased focus on the management, maintenance and renewal of existing infrastructure;
- An approach to ensure greater value for money for the funds spent, and;
- A framework to provide coherence and consistency in the management of the grant system.

The IUDF is consistent with - and reinforces - the findings of the Review of Local Government Infrastructure Grants. As a result, the IUDG is scheduled to be introduced in the 2019/20 Division of Revenue Act (DORA) as a consolidated grant for Intermediate City Municipalities (ICMs)¹. The aim of the IUDG is to support spatially aligned public infrastructure investment that will lead to functional and efficient urban spaces and to ultimately unlock urban growth. In terms of the IUDG description, the purpose of the grant is to:

- Provide funding for public investment in infrastructure for the poor;
- Promote increased access to municipal owned sources of capital finance in order to increase funding for public investment in economic infrastructure;
- Ensure that public investments are spatially aligned with the local government development vision, and;
- Promote the sound management of the assets delivered.

According to the IUDG policy framework, a CEF is a comprehensive, high-level, long-term infrastructure plan that flows from a mSDF, which estimates the level of affordable capital investment

¹ Intermediate City Municipalities was defined by COGTA through the IUDF programme.

by the municipality over the long-term. The CEF is therefore the municipal instrument to realise the agenda of the IUDF.

1.4 The role of the CEF

A Capital Expenditure Framework is a consolidated, high-level view of infrastructure investment needs in a municipality over the long-term (10 years) that considers not only infrastructure needs but also how these needs can be financed and what impact the required investment in infrastructure will have on the financial viability of the municipality going forward.

Guide to preparing an Infrastructure Investment Framework, SALGA, 2017, page 2

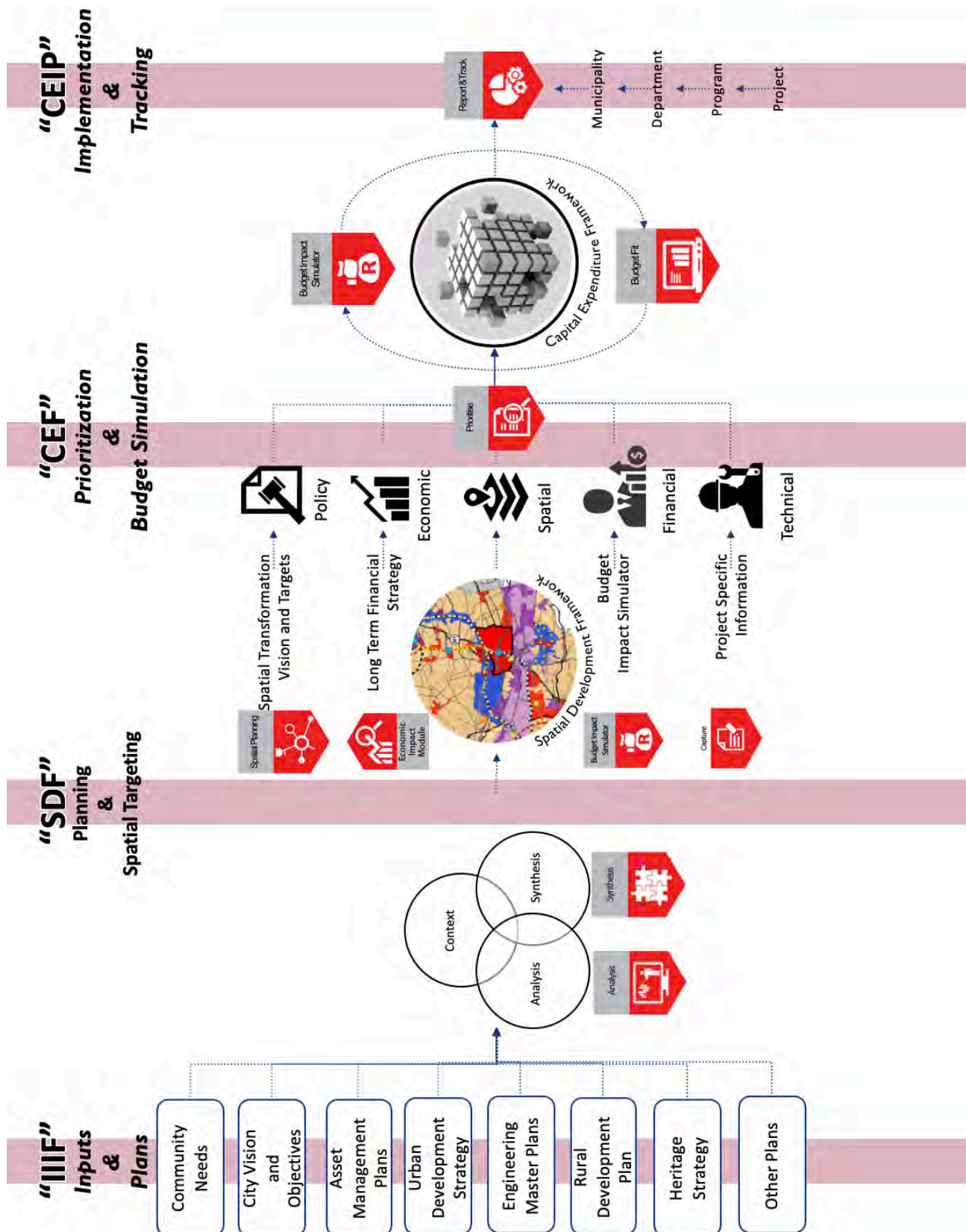
The role of a CEF is to frame the outcomes of a multitude of planning documents within the municipality in order to ensure that implementation is guided by a strategic, spatial, financial and socio-economic logic. A CEF serves not only as a performance evaluation mechanism, but also as a rationale towards capital investment planning that provides business intelligence, data validation, project synchronisation and prioritisation. Furthermore, the role of the CEF is to strengthen the process currently institutionalised within the municipality, and to show how capital investment matures from planning to implementation through various stages of governance.

The primary outputs of the CEF can be best understood in terms of the process flow shown in Figure 1-2 below:

- Firstly, prior to subjecting projects applying for budget to a prioritisation and budgeting process, the municipality must first identify all capital demand or needs that are required over the long-term within their jurisdiction, irrespective whether the capital demand stems from local, provincial or national spheres of government. The Integrated Infrastructure Investment Framework (IIIF) or Capital Investment Framework (CIF) therefore aims to gather the long-term capital demand required for the municipality to function optimally.
- The next step is to consolidate the capital demand into one synthesised plan depicted spatially, along with all the budget reform requirements emanating from the MFMA and National Treasury (i.e. SIPDM project life-cycle planning, mSCOA segments etc.).
- The mSDF is then unpacked to identify the spatial vision as well as the functional areas and priority development areas for the municipality in order to prepare a socio-economic and developmental profile for the municipality.
- The socio-economic and developmental profiling serves as a primary input to the demand quantification and setting of programmatic long-term infrastructure investment targets required realise the spatial vision of the municipality.
- The spatial development vision of the municipality, along with other strategic, financial, policy, socio-economic and technical objectives are used to prepare a prioritisation model in order to rank or score capital demand (projects) based on their alignment to the spatial, strategic, financial, policy, socio-economic and technical objectives of the municipality.
- The process of setting up a budget for the CEF draws from the outcomes of the long-term financial plan whereby the affordability envelope and the optimal funding mix for capital investment for the municipal is modelled based on key socio-economic and population growth projections. Once the affordability envelope is known, the 10-year capital budget can be prepared with inputs from the project prioritisation results.

- The final step in preparing the CEF is to define an implementation programme for the medium term – in line with the Medium-Term Expenditure Framework (MTEF). The medium-term implementation plan of the CEF is known as the Capital Expenditure Implementation Programme (CEIP) which is essentially the first three budget years of the 10-year Capital Expenditure Framework.

Figure 1-2: The role of the CEF in relation to other internal processes



1.5 Roll-out of the IUDG

In 2016, Cabinet adopted the IUDF which positions intermediate sized municipalities and towns (ICMs). The IUDF is coordinated by COGTA, which has set up the institutional arrangements for the coordination of activities across government departments and agencies, under the overall management of an IUDF Working Group.

The IUDF ICM programme, targeting 39 municipalities, is intended to provide support for the municipalities in the middle size and density range of cities and towns. The purpose of the ICM support strategy is to help translate IUDF policy into practical programmes of action. In so doing the initiative aims to give impetus to achieve the main IUDF goals, which are forging new integrated forms of spatial development; ensuring that people have access to social economic services, opportunities and choices; harnessing urban dynamism to achieve inclusive and sustainable growth; and enhancing the governance capacity of the state and citizens in ICMs.

One element of the implementation of the IUDF is the introduction of the IUDG. The 39 ICMs are all eligible for the IUDG as from the 2019/20 financial year. The IUDG is a three-year capital programme that must be aligned with a long-term Capital Expenditure Framework (CEF). This CEF must be developed by each ICM in order to qualify for the IUDG.

1.6 CEF Planning Method and Guidelines

The planning approach towards developing this CEF was to draw on the information obtained from the municipality, the institutional arrangements within the municipality, and the guidelines provided from the IUDF on the content of a CEF.

1.6.1 Draft IUDG CEF Guidelines

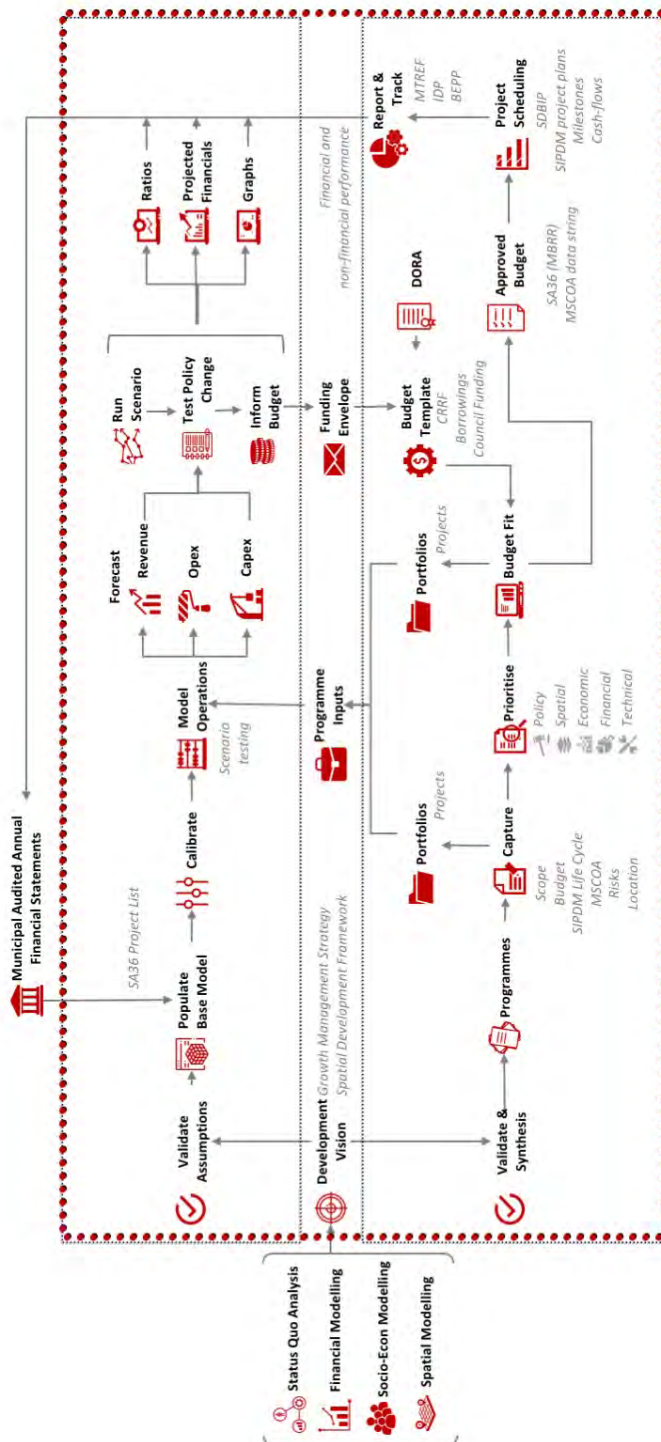
According the guidelines for the preparation of a CEF prepared by COGTA, a CEF should comprise of the following components:

- Step 1: Identify Functional Areas (FA) and Priority Development Areas (PDAs);
- Step 2: Undertake developmental and socio-economic profiling for the municipality as a whole, as well as each functional area;
- Step 3: Compile a land budget for residential and commercial growth for the next 10 years;
- Step 4: Confirm the appropriateness of the mSDF vision and long-term spatial structure for the municipality as an input to the prioritisation and budget alignment of the municipality;
- Step 5: Prepare programmatic and project-based responses per sector based on the land budget and residential and commercial growth estimates, in order to identify capital investment requirements and backlogs;
- Step 6: Develop a long-term financial plan, with a planning horizon of 10 years;
- Step 7: Compile an affordability envelope and optimal capital funding mix;
- Step 8: Structure capital investment programmes per functional area;
- Step 9: Compile a CEF for a 10-year horizon based on spatially-prioritisation; and
- Step 10: Conceptualise a 3-year (MTREF) CEIP with project and programmes which will serve as the municipal capital budget.

1.6.2 Stellenbosch City Strategic Planning and Implementation Framework Process

The Figure 1-3 below depicts the process followed to facilitate the development the Capital Expenditure Framework.

Figure 1-3: Capital Investment Planning and Long-Term Financial Planning



This process depicted in Figure 1-3 can be broken down into 11 distinct steps.

a. Step 1: Identify Functional Areas and Priority Development Areas

In order to define the context in which the CEF is applicable, this section aims to analyse the current spatial and demographic realities of the municipality and conclude by identifying the Functional Areas² and Priority Development Areas from the mSDF as the primary spatial structuring elements of the municipality.

This step is essential for the rest of the process, as it identifies the areas with sustainable development potential and areas which qualify as spatial targeting areas during the prioritisation process. Different Functional Areas / Priority Development Areas within the municipality, are fulfilling different functions, and should therefore not enjoy the same priority – a hierarchy of these areas should therefore be identified as to inform investment scenarios and decisions going forward.

b. Step 2: Complete socio-economic and spatial profiling

The purpose of this step is to understand the nature of the demographic and socio-economic characteristics of the municipality as a whole, and in each of the identified functional areas of the municipality. This assessment includes the current accessibility to, and quality of basic services as well as social facilities and amenities. This information serves as the base-data to be used for infrastructure and financial modelling.

c. Step 3: Compile a land budget and demand quantification

Once the socio-economic and spatial profiling has been concluded, growth scenarios are considered for the municipality in order to prepare a future land use budget including residential and commercial growth projections along with population projections over a 10-year period. These growth projections will serve as modelling input to derive demand for infrastructure and services in the municipality. Three components contribute to the demand for investment and can be summarised as follows:

- Existing households without access to services;
- Renewal and maintenance of existing infrastructure, and;
- The growth in households.

d. Step 4: Verify the mSDF

The purpose of this step is to verify whether the municipal growth projections, in terms of the population, social facilities, basic services and land budget, is in line with the municipality's latest approved version of the mSDF.

e. Step 5: Identify infrastructure demand and Capital Investment Framework

The purpose of this step is to identify specific infrastructure and service backlogs and requirements within the municipality's jurisdictional area. It will incorporate existing backlogs and include backlogs with regards to access-to-services requirements, assets refurbishment requirements and lastly, replacement and renewal requirements for a 10-year horizon. At the end of this step, a comprehensive list of interventions will be identified that is required to realise the spatial vision of the municipality.

² Please note, that the term "Functional Area" is defined by COGTA – but in essence refers to the core spatial structuring elements of the municipality.

Considering firstly the institutional context in which municipalities finds themselves and secondly the fact that other tiers of government are responsible for different investment mandates in the same jurisdiction, the CIF should not only consider capital investment from the local municipality, but also investment planning by provincial and national government. The purpose of the inter-governmental project pipeline is to enable a view of planned interventions by various spheres of government, within the same jurisdictional area, given that not all required infrastructure is the responsibility of the local government authority.

f. Step 6: Develop a long-term financial model and plan

The purpose of this step is to apply a sound long-term financial planning methodology which comprise of a four-step modelling process. This iterative process consists of the following key steps:

- Populate the financial planning base model;
- Calibrate financial planning base model;
- Forecast financial municipal financial position and ratios, and;
- Scenario Testing.

Once the long-term financial planning methodology has been applied, different scenarios can be tested, and the outcome results in a municipal affordability envelope and optimal capital investment funding mix.

g. Step 7: Identify an affordability envelope

Based on the LTFM, an affordability-envelope is compiled. The aim of the affordability envelope is to set the financial parameters for the CEF to prepare a 10-year horizon capital investment scenario.

h. Step 8: Project prioritisation and budget scenario development

The purpose of this step is to prioritise the list of capital demand or needs to realise the mSDF developmental vision and population growth scenario. Once the project needs have been prioritised, by using a sophisticated model that enables spatial and alpha numeric data inputs, the projects are fitted to the affordability envelope. The spatial prioritisation is of specific importance as it facilitates the allocation of budget towards the spatially targeted Functional Areas and Priority Development Areas of the municipality as required by legislation referred to in Section 1.1 of this document. The purpose of this step is to effectively and efficiently allocate limited resources to an unlimited demand which will enable the city to sustainably allocate resources and priority to projects that will realise the strategic and spatial vision of the municipality.

i. Step 9: Compile programmes per Functional Area

The purpose of this step is to allocate the identified projects to functional implementation programmes. This aims to enable and ease sequential implementation within the Functional Areas.

j. Step 10: Capital Expenditure Implementation Framework

Once the spatial and financial framework have been developed, the next step entails the identification of a medium-term implementation framework. The CEF is compiled to provide the most sustainable development path and implementation of the CEF is guided by the MTREF, which is the capital expenditure implementing mechanism of the municipality.

k. **Step 11: Implementation tracking**

The purpose of this step is to provide insight on the implementation of the MTREF. This is done by ensuring the project pipeline (from conceptualisation to prioritisation and budgeting), is compliant³ with the requirements of National Treasury and that the SDBIP project schedule, cashflows and milestones are captured after budget approval, to facilitate financial and non-financial performance reporting within the implementation year(s).

³Complies with the requirements of mSCOA and SIPDM

2 Functional and Priority Development Area Identification (Step 1)

The objectives of this section is to:

- Identify the FA's & PDA's based on the mSDF
- Identify the hierarchy based on the functional classification
- Identify the intended spatial outcomes for each of the primary PDA's

In terms of Section 152 (1) (b), (c) and (d) of the Constitution, a municipality must ensure the provision of services to communities in a sustainable manner, promote social and economic development and promote safe and healthy environments. It continues and state in Section 152 (2) that a municipality must strive, within its financial and administrative capacity, to achieve the objectives set out in Section 152 (1). The current developmental pressures experienced within the South African context, specifically the lack of available resources to address the infrastructure demand faced by municipalities, together with the legislative framework as set out in the Constitution of South Africa and other planning documents, led to the implementation of the principle of spatial targeting.

Spatial targeting refers to the deliberate focus of particular actions in a specific spatial area to achieve a desired outcome or objectives. This concept is an essential addition to the traditional planning approach followed by municipalities in delivering on their mandate, as spatial targeting is an effective and efficient instrument when a municipality aims to address spatial injustices within the prevailing resource constraints.

The purpose of this section, within the context of spatial targeting, is to identify and delineate Functional Areas (FAs) and Priority Development Areas (PDAs) for the Stellenbosch Local Municipality as the primary future spatial structuring elements using the draft mSDF as a primary input. Once the FAs and PDAs have been identified and delineated, a hierarchy of importance or priority will be allocated to the PDAs in order to inform the prioritisation and budget scenario process spatially.

The following sections will describe the concept of a Functional Area – as defined by COGTA – and it will furthermore describe FAs and how they relate to the mSDF, and the application thereof. The last component of this section will define the PDAs and express them in terms of Stellenbosch Local Municipality spatial context and hierarchy of importance.

2.1 A spatial contextualisation

2.1.1 Demarcation history

South Africa undergoes a reassessment of its municipal boundaries before each municipal election. Changes in municipal boundaries affect all levels of planning and also long-term development strategies. The next table shows the municipality(s) which previously formed part of the current municipality.

Table 2-1: Demarcation History

| | 2011 | 2006 | 2001 | 1996 |
|---|----------------|-------------------|---------------------------------|---|
| District municipality(s) / Metropolitan area(s) affected: | Cape Winelands | Cape Winelands DC | Boland DM, City of Cape Town MM | Metropolitan Area
Overberg DC
Winelands DC |
| Local municipality(s) affected: | Stellenbosch | Stellenbosch | City of Cape Town | Franschhoek TLC
Helderberg MLC
Nuweberg TRC
Oostenberg MLC
Paarl TRC
Pniel TLC
Stellenbosch TLC
Stellenbosch TRC |
| Number of wards | 22 | 19 | 19 | No data |

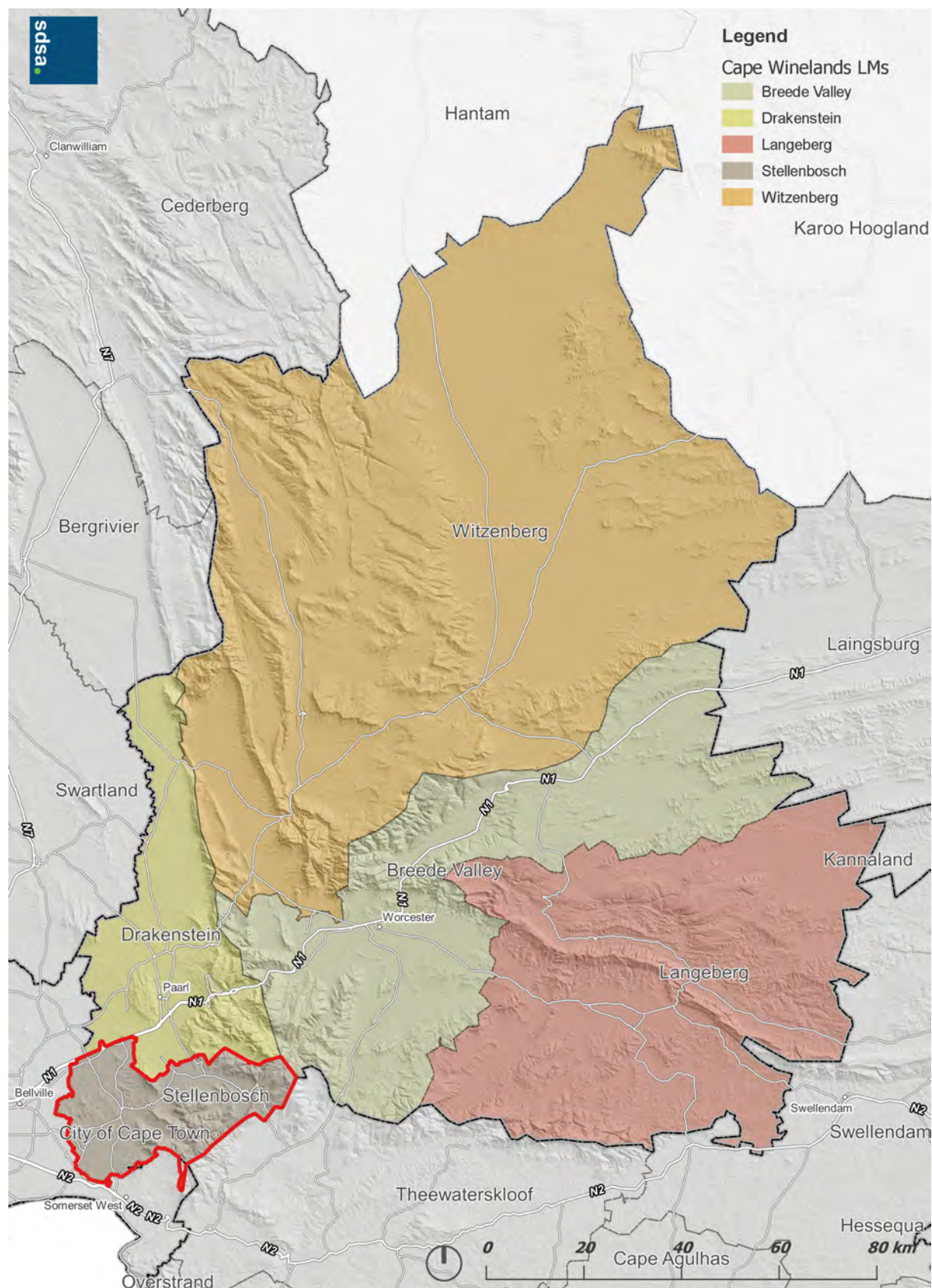
The data shows that Stellenbosch had little demarcation disruptions over its history. This contributes to stability in the municipal administrative area. Major shifts in demarcations can have a disruptive impact.

2.1.2 Regional context

Stellenbosch Municipality (SM) is located in the Cape Winelands' heart, a highly valued cultural landscape with globally important natural habitats. The municipality is bounded to the east and south by the Drakenstein, Wemmershoek and Limietberg mountain ranges. The Hottentots Holland range (i.e. Stellenbosch, Jonkershoek and Simonsberg Mountains) and the Bottelary Hills form the backdrop to the town of Stellenbosch itself. These mountains, and the fertile agricultural valleys that they shelter, are key elements contributing to the municipal area's sense of place. Significant portions of the municipality fall within globally recognised biosphere areas with large tracts of land designated as public and private conservation areas.

Institutionally, SM forms part of the Cape Winelands District Municipality (CWDM) of the Western Cape Province of South Africa. The municipality adjoins the City of Cape Town (CoCT) to the west and south and the Breede Valley, Drakenstein and Theewaterskloof Municipalities to the east and north. Functionally, SM forms part of the Cape Town Region. SM covers a geographical area of approximately 830km².

Figure 2-1: Regional context

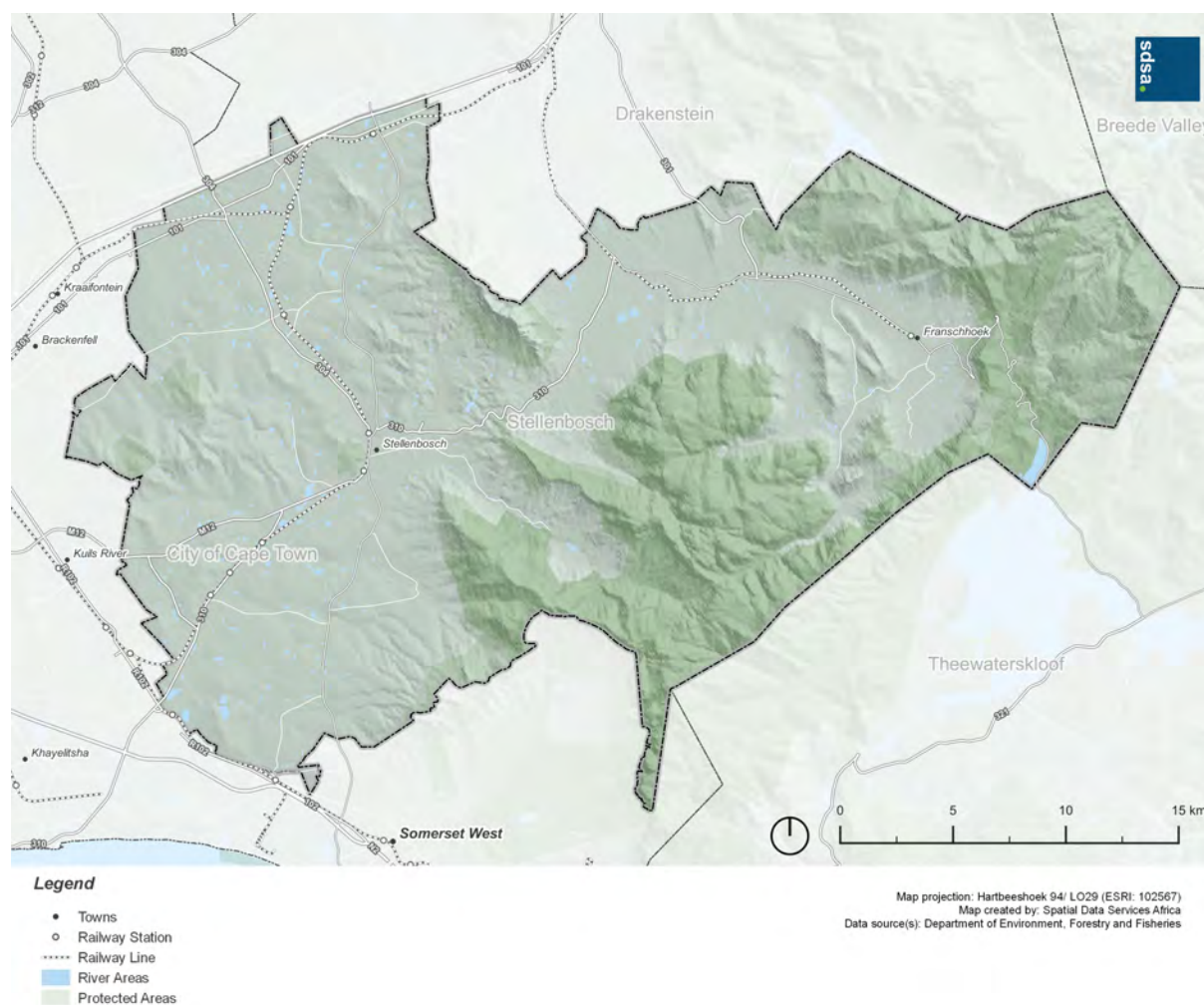


2.1.3 Local context

The main settlements are the historic towns of Stellenbosch and Franschhoek, and Klapmuts. There are also several smaller villages, including Jamestown (contiguous with Stellenbosch town), Pniel, Johannesdal, Lanquedoc, Lynedoch, and Raithby. New nodes are emerging around agricultural service centres, for example, Koelenhof and Vlotenburg.

The location of Stellenbosch in the regional context is significant. On the one hand, it has a strong link with the Cape Town area through its location. On the other hand, however, its location on the fringe of one of South Africa's most prominent city regions provides challenges in its spatial and economic competitiveness. Issues related to its urban-rural transitional character provide challenges of growth and development.

Figure 2-2: Local context



2.2 Spatial Development Framework

2.2.1 Status

A vital component of the Capital Expenditure Framework, as envisioned by the Capital Expenditure Framework Guidelines (2018) developed by the National Department of Cooperative Governance and Traditional Affairs (COGTA), is the relationship between the Spatial Development Framework (mSDF) and the Capital Expenditure Framework (CEF).

The Stellenbosch Spatial Development Framework was approved on 11 November 2019. The underlying conceptual structure and investment paradigm as expressed in the mSDF has guided capital expenditure for more than 3 years based on the strategic decision making tools used by the municipality.

2.2.2 Spatial proposals and structuring elements – Conceptual Framework

The conceptual framework extracted from the mSDF⁴ shows the expression of the seven key principles, which include:

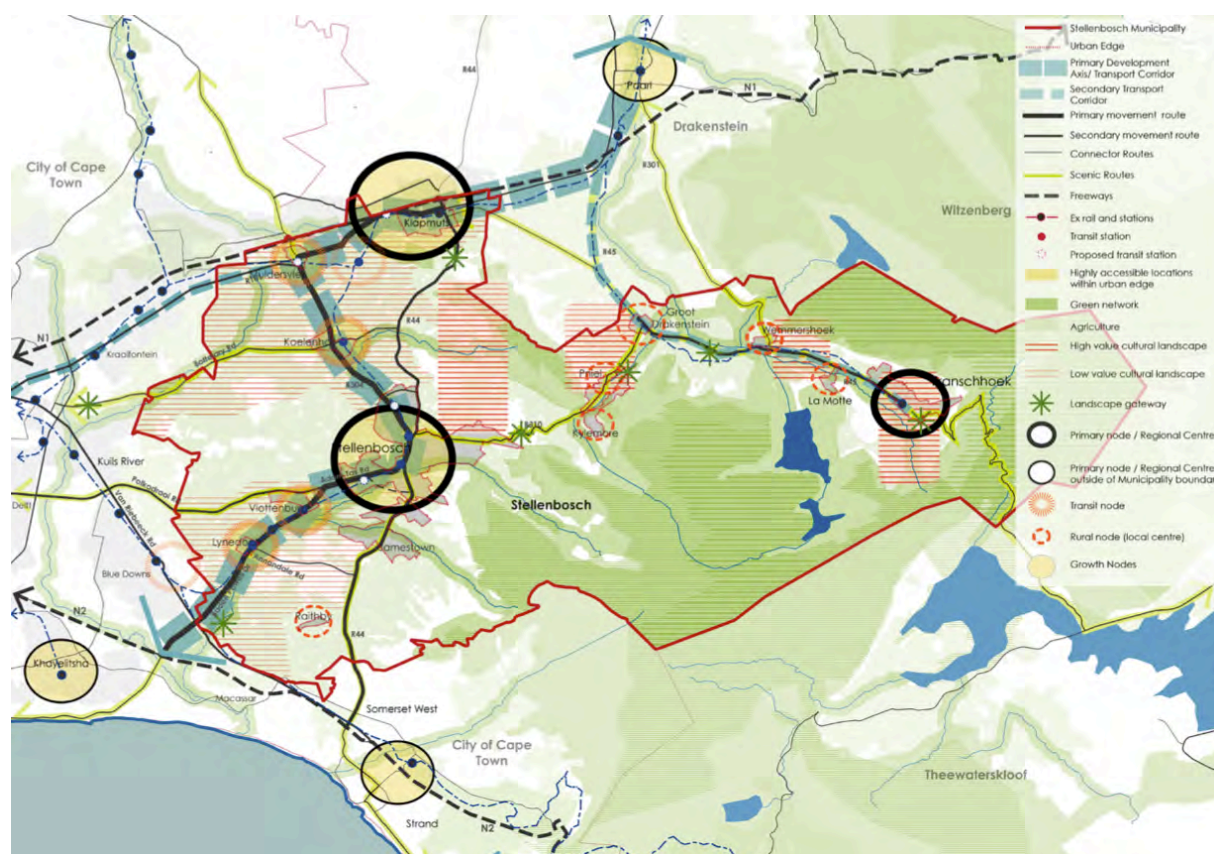
- Maintain and grow the assets of Stellenbosch's natural environment and farming areas
 - The spatial policies that relate to this principle, focuses on protective actions or alternatively called urban management.
 - The intent is to protect and expand priority conservation areas, establish ecological linkages, & preserve high-potential agricultural land within the municipality.
 - Resist the subdivision of viable agricultural land, unless it forms part of a new balanced, integrated, and inclusive settlement supportive of the mSDF objectives (including settlement hierarchy), and rural guidelines.
 - Support compatible and sustainable rural activities outside the urban edge (including tourism) if these activities are of a nature and form appropriate in a rural context, generate positive socio-economic returns, and do not compromise the environment, agricultural sustainability, or the ability of the municipality to deliver on its mandate.
- Respect, preserve and grow our cultural heritage.
 - The spatial policies that relate to this principle, focuses on protective actions around specific spatial elements e.g. scenic landscapes, scenic routes, and special places of arrival, whilst also focussing on improving the landscape and public amenities associated with these cultural assets.
 - The intent is to preserve significant cultural and historic assets within the municipality and to grow the opportunity for new or emerging forms of cultural expression through expanding the use of cultural assets or supporting new uses for areas or structures of historic value.
 - As far as possible, protect cultural landscape assets – including undeveloped ridge lines, view corridors, scenic routes, and vistas – from development.
 - Support alternative uses for historic structures and places which will enable its preservation (subject to adherence to general mSDF strategy and policies)
- Direct growth to areas of lesser natural and cultural significance as well as movement opportunity
 - The spatial policies that relate to this principle, focuses on protective actions around specific spatial elements e.g. maintaining the urban edge and following the defined settlement hierarchy.

⁴ refer to *Figure 24. Consolidated Concept* on page 59 of the document

- In addition to the abovementioned, spatial policies are directed at urban restructuring and spatial transformation (also referred to as change and new development actions) and include, informal settlement upgrading; residential densification and infill development; mixed land use and improved economic opportunity; improved access and mobility; improved access to community facilities; and improved landscaping and public amenities.
- The spatial policies are spatially targeted in priority development areas, and include Baden Powell-Adam Tas-R304 corridor for growth and new development; Stellenbosch town and Klapmuts. Clarify and respect the different roles and functions of existing settlements
 - The spatial policies that relate to this principle, focuses on protective actions around specific spatial elements e.g. maintaining the urban edge and following the defined settlement hierarchy. In clarifying and respecting the different roles and potentials for settlements within the municipality, the natural and cultural assets are protected, whilst ensuring that the capacity of existing infrastructure can accommodate change and growth.
 - The spatial policies that are directed at urban restructuring and spatial transformation within the hierarchy of settlements, focusses new growth and development primarily in larger settlements (as referenced in principle 3 above), in order to:
 - Minimise associated impacts on the environment, agricultural land, and natural resources.
 - Maximise the livelihood opportunity (also referred to as quality of life) through building on the availability of existing public facilities, and commercial opportunity.
 - Maximise the sustainability of new facilities and commercial opportunity.
 - Enable the provision of infrastructure in the most efficient and cost effective way.
 - Minimize the need for inter-settlement movement.
 - Maximise opportunity for and use of non-motorised and public transport.
 - Minimize growth in smaller settlements where opportunity is limited while improving access to local services and facilities (required daily).
 - Maintain and enhance the unique historic, cultural, and settlement characteristics of different settlements.
- Clarify and respect the roles and functions of different elements of movement structure
 - The spatial policies that are directed at urban restructuring and spatial transformation within the hierarchy of settlements ensures a balanced approach to transport in the municipality, that appropriately serving regional mobility needs and local level accessibility improvements.
 - The spatial policies actively promote compact, dense, mixed use development, which reduces and promotes non-motorised and public transport.
- Ensure balanced, sustainable communities

- The spatial policies that are directed at urban restructuring and spatial transformation within the hierarchy of settlements (including maintaining the urban edge), work towards and maintains -for each settlement – a compact urban form and structure to achieve better efficiency in service delivery and resource use, the viability of non-motorised and public transport, and facilitate inclusion, integration, and entrepreneurship development.
- Adopting a conservative view towards the extension of existing urban edges over the mSDF period.
- Actively support infill development and adaptive re-use of existing structures.
- Support increased densities in new, infill, and redevelopment projects.
- Rationalise space standards – especially of social facilities – and release surplus land for other uses, specifically housing.
- Support the general upgrading and transformation of existing informal settlements.
- Expand housing opportunity for a broader range of groups – including lower income groups and students – particularly in settlement forming part of the Baden Powell-Adam Tas-R304 corridor.
- Provide and maintain a system of accessible social facilities, integrated with public space and non-motorised transport (NMT) routes.
- Provide and maintain an urban open space / public space system integrated with public transport / NMT, social facilities, and linked to natural assets.
- Ensure work and commercial opportunity are accessible through public transport and NMT to all communities and providing opportunities to emerging and small entrepreneurs.
- Ensure that all settlements are balanced and sustainable, providing for different groups, maintaining minimal development footprints, walkability, and so on.
- Focus collective energy on a few catalytic areas that offer extensive opportunity and address present risk
 - The spatial policies focussed on major development effort with regards to new mixed use, industrial, residential and significant change in access and mobility are spatially targeted in the Adam Tas Corridor (Stellenbosch town) and Klapmuts.

Figure 2-3: Spatial Development Framework Conceptual Framework



Source: mSDF 2019

2.3 CEF Spatial Structuring Elements

According to the CEF Guidelines, two main spatial structuring elements should be defined in order to interpret the mSDF. These include:

- Functional Areas; and -
- Priority Development Areas.

2.3.1 Functional Areas

A functional area (FA) is a region with similar characteristics from a developmental and service demand perspective. A typical example is to demarcate all areas with rural traits because it has more or less similar challenges (low density, lack of high order services, etc.). It also requires a specific development strategy that is unique to the area's development challenges.

The ability to sustain any function or service is based on a demand threshold. The threshold population, for example, to support a small café, is entirely different from the threshold population to sustain a hospital. Matters such as the threshold population's income, mobility, and many other factors complicate matters. Nevertheless, the crucial issue is that functional boundaries vary and do not coincide with municipal boundaries. Municipal boundaries describe administrative jurisdiction, but municipal councils cannot plan for areas outside their jurisdiction for apparent reasons. In the same way that development efforts are focused on selected nodal areas, the demand for services and

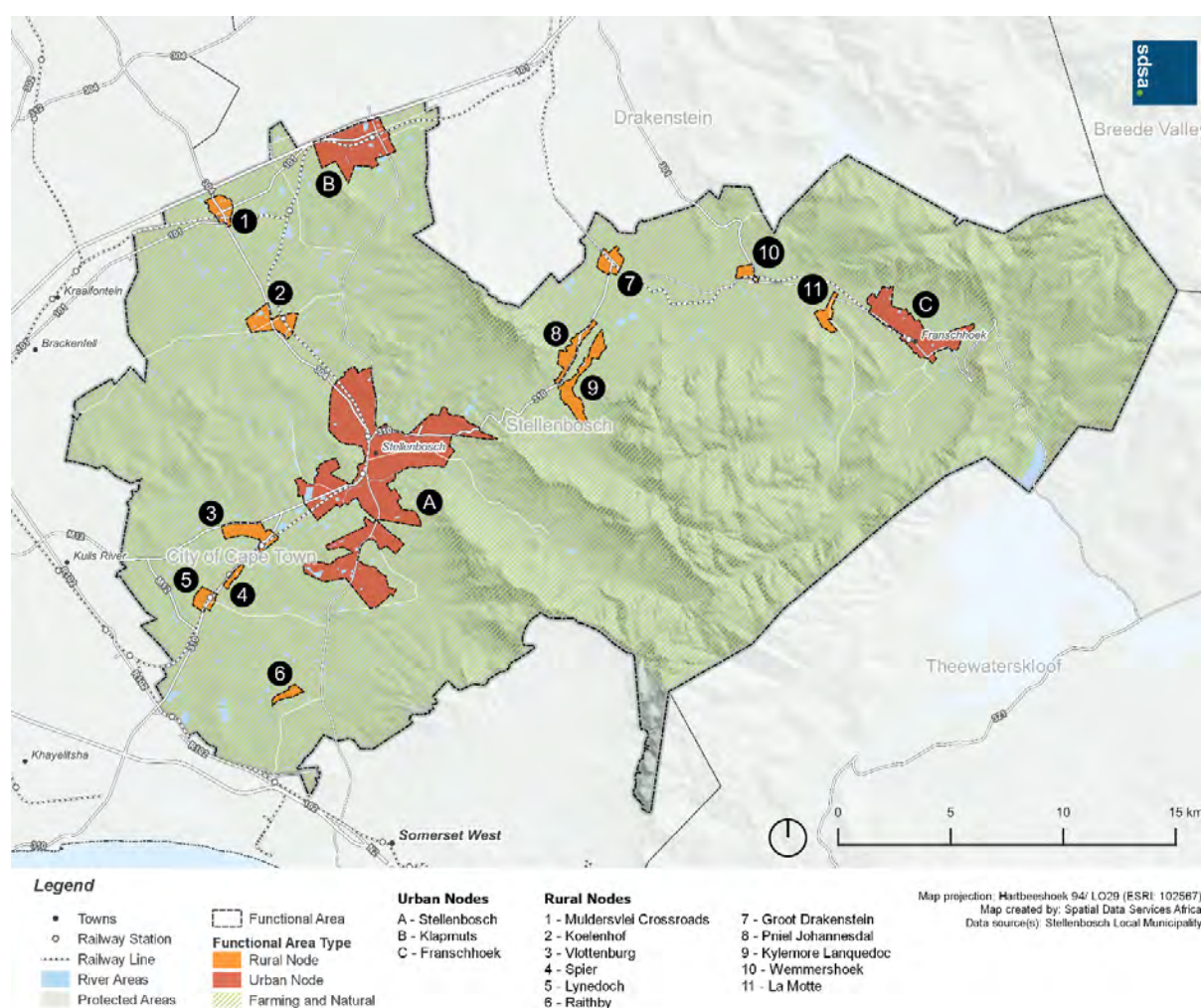
uses are determined and generated by the broader functional area that a node serves rather than the extent of development within the node only. To accommodate this dynamic, it was necessary to distinguish between different functional areas in the municipality.

a. Stellenbosch Local Municipality Functional Areas

During the previous Stellenbosch CEF completion, the functional areas were still in development as part of the Stellenbosch Local Municipal Spatial Development Framework (2019). Therefore, the preceding CEF relied on many existing area demarcations from older mSDFs and analysis to define the functional areas. With a completed mSDF and designated functional areas, the current iteration of the CEF will conform to these demarcations.

These functional areas are categorised into urban and rural nodes. The Functional Areas are narrowly demarcated and differs from the current development footprint. Figure 2-4 illustrates the functional areas and their typologies. The functional areas classified as A, B and C are urban functional areas, while those with a numerical value are rural functional areas. Any land outside these areas (also referred to as nodes) are indicated as farming and natural areas.

Figure 2-4: Stellenbosch Local Municipality Functional Areas



To better understand the functional areas, a summarised profile of each of the functional areas are provided⁵. The profiles include aspects related to:

- Population;
- Households;
- Daily movement of people;
- Housing typologies;
- Land cover, and;
- Social Facilities.

b. Population profile

The summarised population profile of the functional areas shows how the number of people and population density has changed over time. It includes the population figures for the three census periods of 1996, 2001, and 2011. A figure was also derived from the 2017 GTI advanced population data. Table 2-2 below presents the population profile for each of the functional areas.

Table 2-2: Functional Areas - Summarised population profile

| Type | Urban Nodes | Rural Nodes | Farming and Natural | Total |
|--------------------|-------------|-------------|---------------------|---------|
| Area (ha) | 3 971 | 1 145 | 80 243 | 85 359 |
| Population 1996 | 61 909 | 5 564 | 36 846 | 104 319 |
| Population 2001 | 69 004 | 7 728 | 42 267 | 118 999 |
| Population 2011 | 101 234 | 13 517 | 40 908 | 155 659 |
| Population 2017 | 142 563 | 12 735 | 60 810 | 216 108 |
| Population/ha 1996 | 15,59 | 4,86 | 0,46 | 1.22 |
| Population/ha 2001 | 17,38 | 6,75 | 0,53 | 1.39 |
| Population/ha 2011 | 25,49 | 11,81 | 0,51 | 1.82 |
| Population/ha 2017 | 35,90 | 11,12 | 0,76 | 2.53 |

The numbers visualised in Figure 2-5, and Figure 2-6 show a substantial increase in the number of people, specifically in urban nodes. This increase is also the reason for the sharp rise in densities. The Farming and Natural functional areas also increased, albeit by a small amount. Interestingly, the rural nodes show a slight decrease in people between 2011 and 2017.

Figure 2-7 shows the population's spatial distribution in 2017 in terms of the functional areas. Here one can see the population concentration in the urban functional areas such as Stellenbosch and Franschoek. Many rural nodes show a tiny population at a low density. Comparing the spatial distribution of the population from 1996 to 2017, one can see an increase in the number of people outside the Stellenbosch urban node. This increase accounts for the growth in the number of people in the farming and natural functional area.

⁵ More detail regarding the functional areas and the detailed social profiles are contained in the next section.

Figure 2-5: Population per functional area

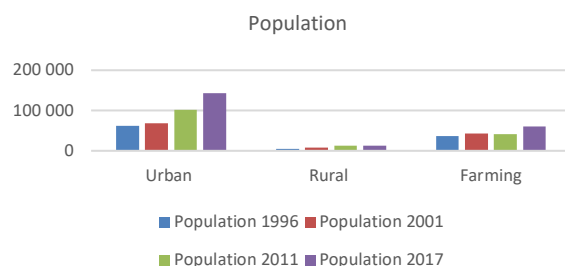


Figure 2-6: Population density per functional Area

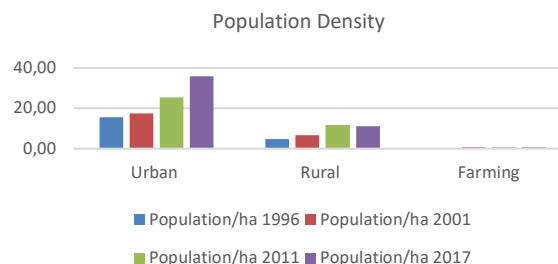
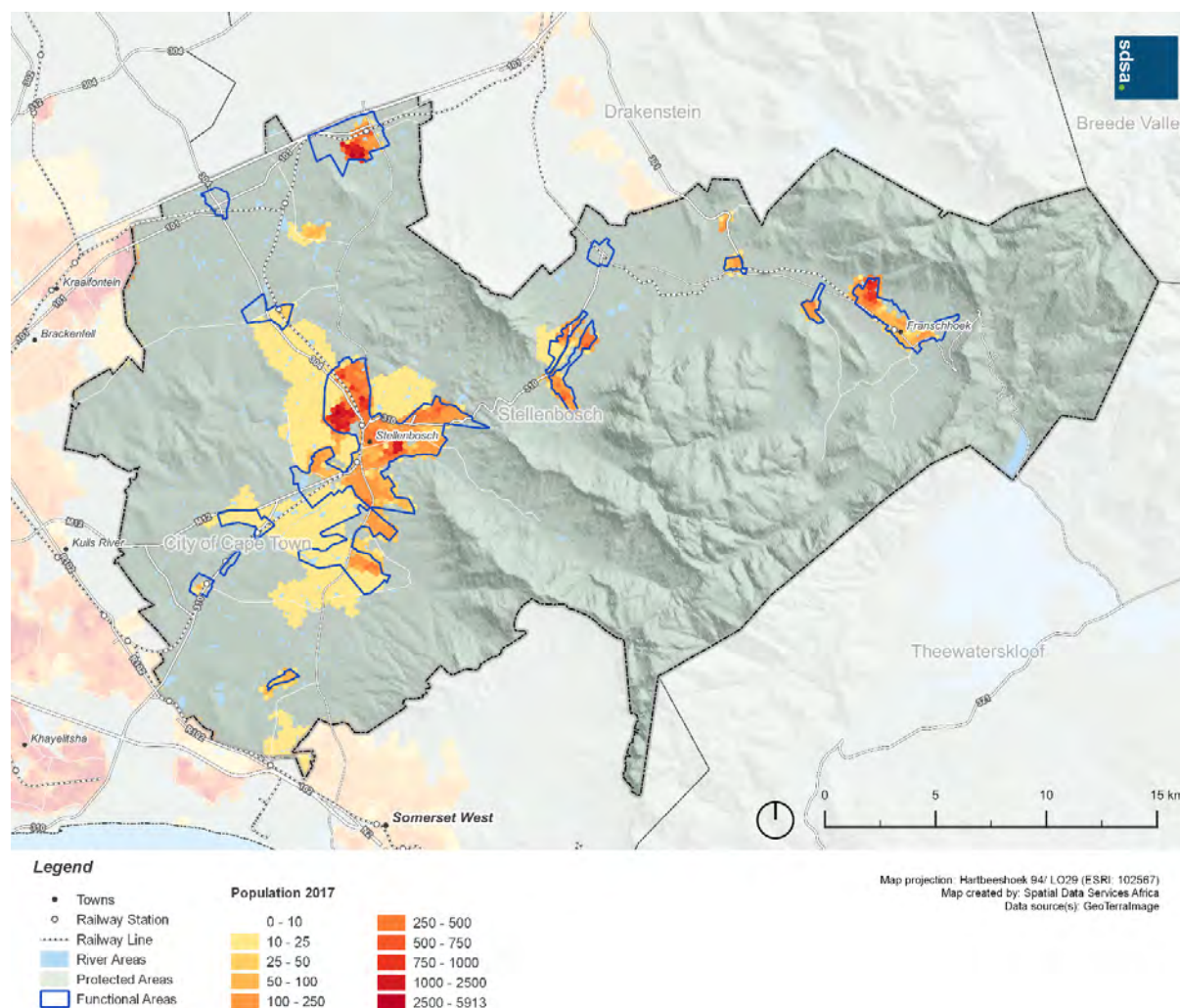


Figure 2-7: Population distribution 2017



c. Households profile

The number of households follows a similar trend to the previous section's population figures. Households in the urban, farming and natural functional areas have increased, while rural areas have shown a slight decrease. Interestingly, there has been a reduction in the urban functional areas' household size. The reason for this is not immediately apparent. However, the pattern presented here could be because of a few reasons including but not limited to:

- An improvement in living standards;
- People migrate to urban functional areas for economic reasons;
- A growth in student numbers can also contribute, and;
- Housing subsidy system that encourages households' proliferation in targeting single-family residential housing.

From Table 2-4, it is clear that household sizes in rural and farming areas have remained relatively the same.

Table 2-3: Functional Areas - Summarised household profile

| Type | Urban Nodes | Rural Nodes | Farming and Natural | Total |
|----------------------|-------------|-------------|---------------------|--------|
| Area (ha) | 3 971 | 1 145 | 80 243 | 85 359 |
| Households 1996 | 16 013 | 1 149 | 8 985 | 26 147 |
| Households 2001 | 17 548 | 1 619 | 9 960 | 29 127 |
| Households 2011 | 30 562 | 3 143 | 9 617 | 43 322 |
| Households 2017 | 47 914 | 2 572 | 14 608 | 65 094 |
| Households /ha 1996 | 4,03 | 1,00 | 0,11 | 0.31 |
| Households /ha 2001 | 4,42 | 1,41 | 0,12 | 0.34 |
| Households /ha 2011 | 7,70 | 2,74 | 0,12 | 0.51 |
| Households /ha 2017 | 12,07 | 2,25 | 0,18 | 0.76 |
| Households size 1996 | 3,87 | 4,84 | 4,10 | 3.99 |
| Households size 2001 | 3,93 | 4,77 | 4,24 | 4.09 |
| Households size 2011 | 3,31 | 4,30 | 4,25 | 3.59 |
| Household size 2017 | 2.98 | 4.95 | 4.16 | 3.32 |

Figure 2-8: Households per functional area

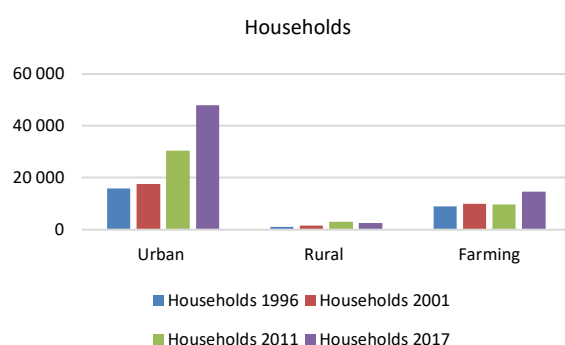
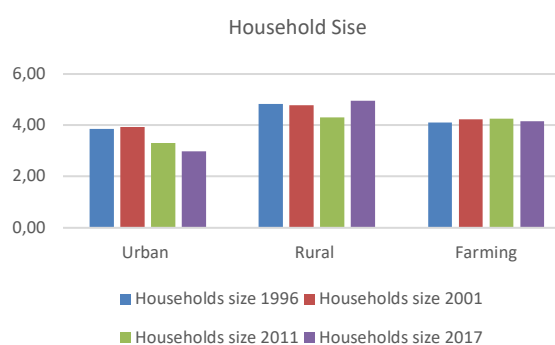


Figure 2-9: Household size per functional area



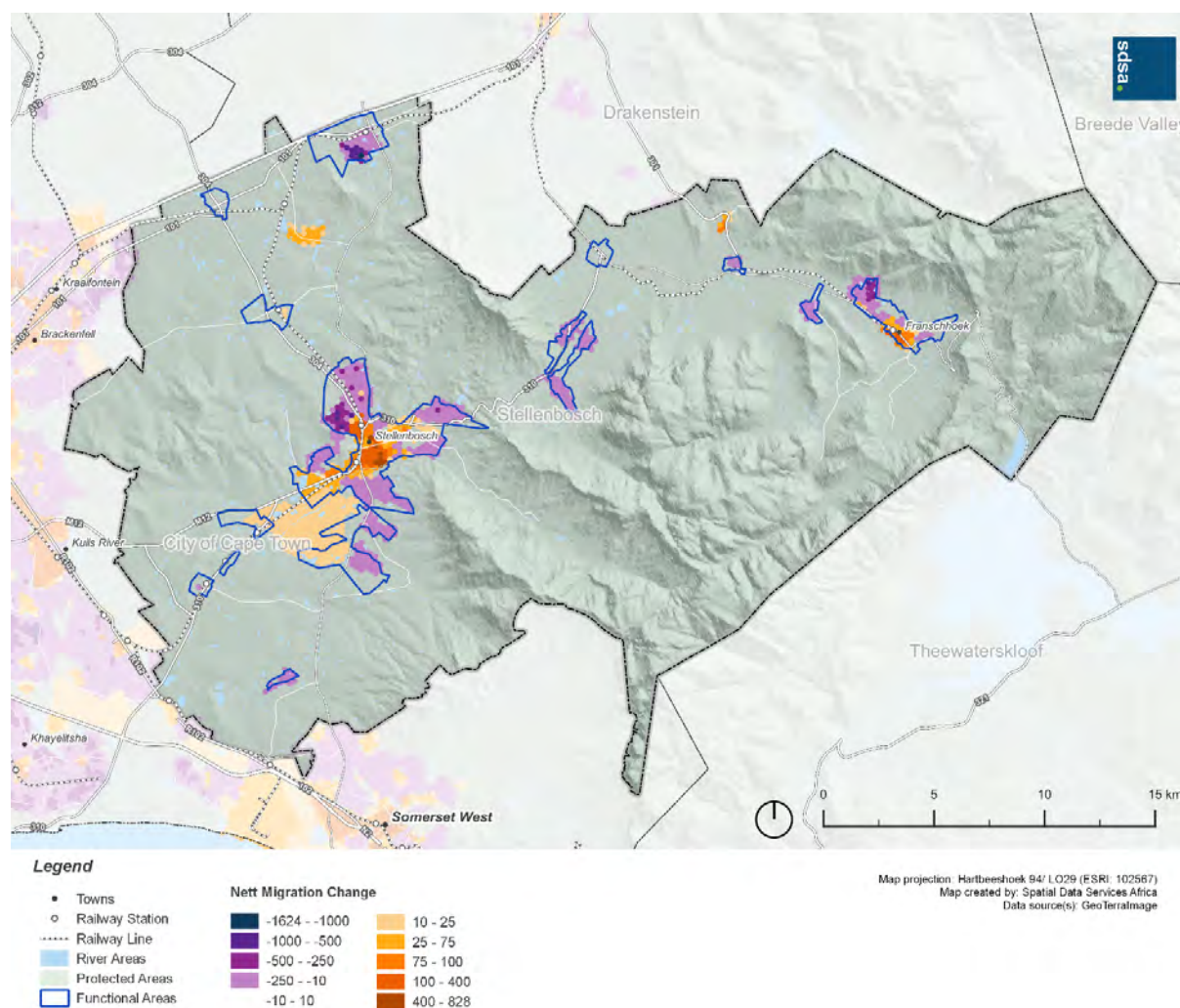
d. Daily movement of people profile

People's daily movements indicate that all functional areas, and the municipality as a whole, shed people. As can be expected, the urban nodes attract over 30 000 formal workers daily. This attraction of formal workers emphasises the strong economic cores of Stellenbosch and Franschhoek. The other urban functional area, Klapmuts, is one of the regions that shed the most people. Klapmuts only receives 828 formal workers daily, while over 10 000 people leave the area.

Table 2-4: Functional Areas - Summarised advanced population profile

| Type | Urban Nodes | Rural Nodes | Farming and Natural | Total |
|------------------------------|-------------|-------------|---------------------|---------|
| Daily Migration Out: | 53 880 | 4 697 | 25 677 | 84 254 |
| Daily Migration In: | 35 729 | 1 455 | 23 690 | 60 874 |
| Day/Night Population Change: | -18 152 | -3 243 | -1 985 | -23,380 |
| Daytime formal workers | 30 439 | 1 165 | 21 125 | 52 729 |

Figure 2-10: Nett daily migration of people



e. Housing typologies profile

Table 2-5 shows the housing typology profile for each of the functional areas. In the urban (area / node?) and rural nodes, estates, smallholdings, and rural and farm housing typologies account for less than 10% of housing types. The urban nodes show many cluster housing typologies accounting for 37% of all housing types, while formal houses account for 32% and informal structures 26%.

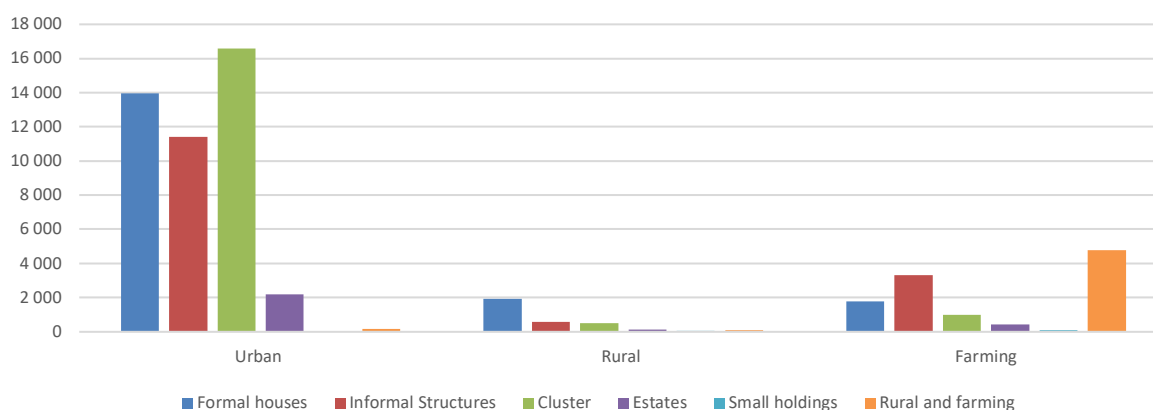
The rural nodes have significantly less informal (17%) and cluster housing types (15%), with almost 60% of housing in the rural nodes classified as formal. The farming and natural functional areas indicate that 29% of the houses in these areas are informal, and 42% are rural and farm housing.

Table 2-5: Functional Areas - Summarised housing typologies

| Housing type | Urban areas | Rural nodes | Farms | Total 2020 |
|-------------------------------|---------------|--------------|--------------|---------------|
| Formal houses | 13 977 | 1 949 | 1 789 | 17 715 |
| Townhouses | 1 823 | 450 | 218 | 2 491 |
| Flats | 5 491 | 4 | 343 | 5 838 |
| Estates | 1 905 | 125 | 330 | 2 360 |
| Security villages | 285 | 7 | 94 | 386 |
| Sub-total | 23 481 | 2 535 | 2 774 | 28 790 |
| Student residencies / hostels | 8 233 | 0 | 85 | 8 318 |
| Institutional housing | 1 044 | 50 | 362 | 1 456 |
| Smallholdings | 22 | 57 | 102 | 181 |
| Sub-total | 9 299 | 107 | 549 | 9 955 |

| Housing type | Urban areas | Rural nodes | Farms | Total 2020 |
|--|-------------|-------------|--------|------------|
| Informal Structures | 8 188 | 70 | 2 504 | 10 762 |
| Backyard dwellings | 3 209 | 504 | 817 | 4 530 |
| Sub-total | 11 397 | 574 | 3 321 | 15 292 |
| Total | 44 177 | 3 216 | 6 644 | 54 037 |
| Farmstead housing units (excl labour houses) | 57 | 40 | 1 670 | 1 767 |
| Rural workers housing | 119 | 55 | 3 100 | 3 274 |
| Total | 44 353 | 3 311 | 11 414 | 59 078 |

Figure 2-11: Housing typology per functional area



f. Land cover profile

As expected, urban and rural nodes have little non-urban related land cover contained within their boundaries while the farming and natural areas consist of almost 30% cultivated land.

Table 2-6: Functional Areas - Summarised Land Cover 2014 non-urban (ha)

| Type | Urban Nodes | Rural Nodes | Farming and Natural | Total |
|------------------------------|-------------|-------------|---------------------|--------|
| Area (ha) | 3 971 | 1 145 | 80 243 | 85 359 |
| Cultivated commercial fields | 176 | 32 | 3 784 | 3 993 |
| Cultivated commercial pivot | 0 | 0 | 84 | 84 |
| Cultivated orchard and vines | 356 | 133 | 18 947 | 19 435 |
| Sugarcane | 0 | 0 | 0 | 0 |
| Subsistence farming | 0 | 0 | 0 | 0 |
| Forests & Plantations | 45 | 15 | 2 950 | 3 010 |
| Mining | 0 | 17 | 45 | 62 |
| Total | 577 | 197 | 25 810 | 26 584 |

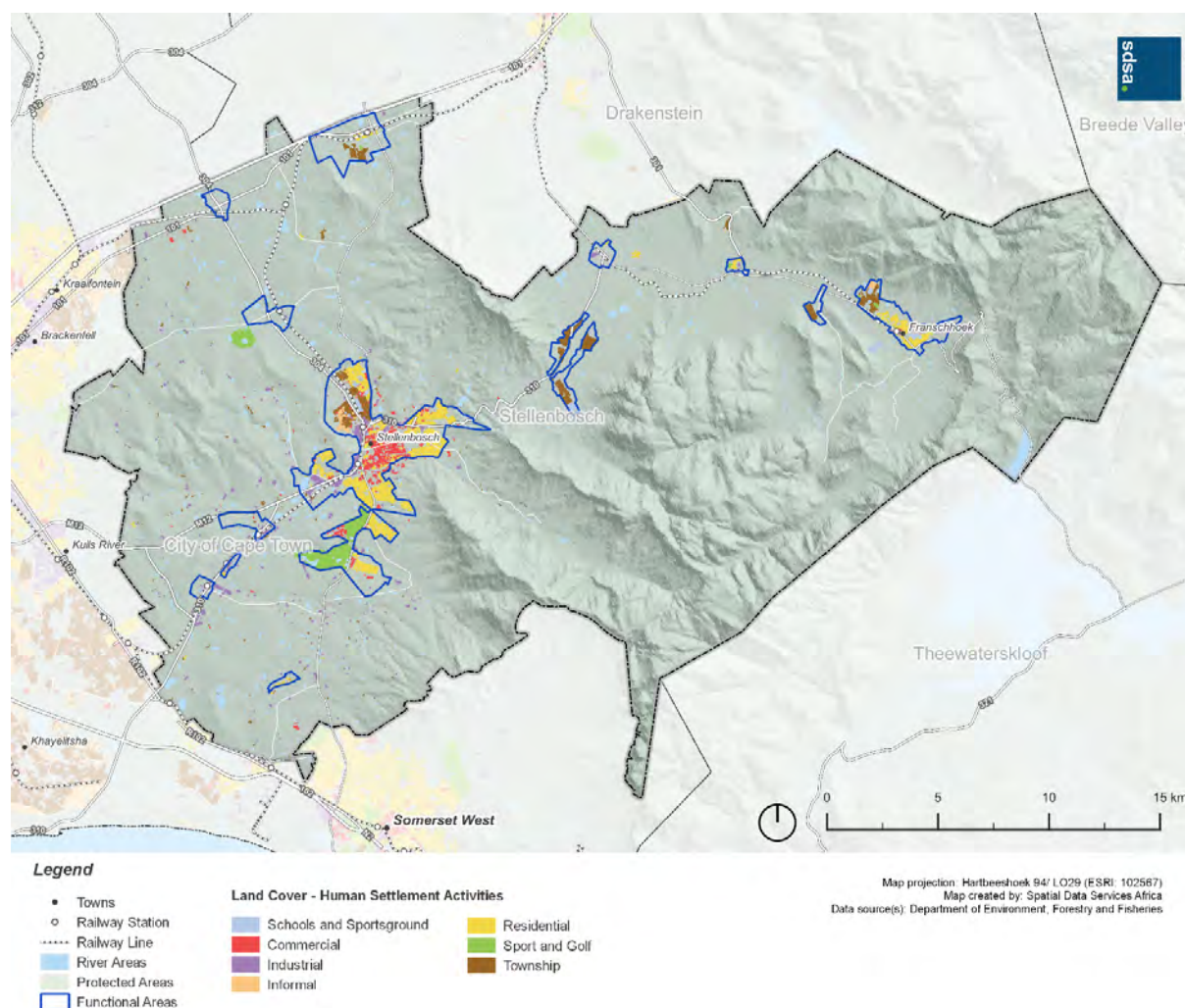
Residential land cover accounts for over 20% of land in urban nodes, while land related to sporting activities (7%) and commercial uses (8%) also features prominently. The largest category is land classified as townships (14%) in the rural nodes, with other types contributing little. Urban related land cover contributes little to farming and natural areas.

Table 2-7: Functional Areas - Summarised Land Cover 2014 urban (ha)

| Type | Urban Nodes | Rural Nodes | Farming and Natural | Total |
|---------------------------|-------------|-------------|---------------------|--------|
| Area (ha) | 3 971 | 1 145 | 80 243 | 85 359 |
| Urban built-up | 20 | 0 | 14 | 34 |
| Urban commercial | 307 | 1 | 42 | 350 |
| Urban industrial | 146 | 27 | 259 | 432 |
| Urban residential | 868 | 33 | 54 | 955 |
| Urban townships | 218 | 161 | 102 | 481 |
| Urban informal | 48 | 0 | 4 | 52 |
| Rural villages | 0 | 0 | 0 | 0 |
| Urban sports and golf | 274 | 3 | 113 | 391 |
| School and sports grounds | 67 | 19 | 17 | 103 |

| Type | Urban Nodes | Rural Nodes | Farming and Natural | Total |
|----------------|-------------|-------------|---------------------|-------|
| Small holdings | 69 | 13 | 339 | 421 |
| Total | 2 017 | 258 | 943 | 3 218 |

Figure 2-12: Landcover urban 2014



g. Social Facilities profile

There are a total of 49 schools in the municipal area. Interestingly, when assessing these facilities in terms of the number of people they serve, the rural nodes provide more access to the facilities. In the urban nodes, primary schools are provided at a ratio of one per 5 328 people, while primary schools in rural nodes provided one school per 1 931 people. Education facilities are concentrated mainly within the urban nodes.

Table 2-8: Functional Areas - Summarised Number of Education Facilities

| Type | Urban Nodes | Rural Nodes | Farming and Natural | Total |
|---------------------|-------------|-------------|---------------------|-------|
| Primary school | 19 | 7 | 4 | 30 |
| Secondary school | 11 | 1 | 1 | 13 |
| Intermediate school | 0 | 0 | 1 | 1 |
| Combined schools | 1 | 0 | 4 | 5 |
| Total | 31 | 8 | 10 | 49 |

As with education facilities, health facilities are most common in the urban nodes.

Table 2-9: Functional Areas - Summarised Number of Other Community Facilities

| Type | Urban Nodes | Rural Nodes | Farming and Natural | Total |
|---------------------------|-------------|-------------|---------------------|-----------|
| Public health facilities | 12 | 2 | 0 | 14 |
| Private health facilities | 1 | 0 | 0 | 1 |
| SAPS stations | 4 | 1 | 0 | 5 |
| Lower courts | 1 | 0 | 1 | 2 |
| Total | 18 | 3 | 1 | 22 |

2.3.2 Priority Development Areas

According to the CEF Guidelines "Priority Development Areas" as the name suggests, are areas where the municipality intends to focus investment in order to achieve the goals of the mSDF and other strategic documents.

•

Spatial targeting are furthermore proposed depending on the settlement hierarchy and development potential derived from the mSDF. Based on the aforementioned the following primary settlements (i.e. PDAs, also referred to urban nodes in figure 2-4) have been prioritised over the short term, namely:

- Stellenbosch town (urban node A);
- Klipmuts (urban node B); and –
- Franschhoek (urban node C)

It should however be noted that even though Franschhoek has been identified as a primary settlement, the short term focus within this settlement should not be on urban growth, as the preconditions for the accommodation of such growth does not exist to the same extent as the other primary settlements. The emphasises in Franschhoek and the smaller settlements (as listed below), needs to be on improving conditions for existing residents and natural growth within the context of retaining the unique characteristic of the settlements.

The secondary settlements (i.e. PDAs, also referred to rural nodes numbered 1-10 as referenced in figure 2-4) to be considered over the longer term includes namely:

- La Motte;
- Wemmershoek;
- Groot Drakenstein;
- Dwars River Valley (Pniel, Johannesburg, Kylemore, Lanquedoc);
- Jonkershoek;
- Muldersvlei;
- Koelenhof;
- Vlottenburg;
- Lynedoch;
- Spier;
- Raithby;
- Muldersvlei; and

Vlottenburg.

Over the longer term, Muldersvlei / Koelenhof and Vlottenburg / Lynedoch along the Baden Powell–Adam Tas–R304 (also referred to as PDA corridor) could possibly accommodate more growth, and this is currently being investigated in the Adam Tas Corridor Local Spatial Development Framework (ATC: LmSDF) development.

Table 2-10: Priority Development Area - Nodes

| Priority Development Area Type | Spatial Development Framework Element |
|--------------------------------|--|
| Node | CBD, University, Commercial, Student Housing |
| Node | Commercial / Mixed-use Node |
| Node | Intensive Mixed-use Redevelopment (Adam Tas) |
| Node | Tourism, Commercial, Residential |
| Urban Node | Die Boord, Brandwacht, Paradyskloof |
| Urban Node | Droedyke |
| Urban Node | Franschhoek Estate |
| Urban Node | Ida's Valley |
| Urban Node | Jamestown |
| Urban Node | Klapmuts |
| Urban Node | Onder Papegaaiberg |
| Urban Node | Stellenbosch East |
| Urban Node | Stellenbosch North |
| Rural node | Groot Drakenstein |
| Rural node | Koelenhof |
| Rural node | La Motte |
| Rural node | Lanquedoc |
| Rural node | Lyndoch |
| Rural node | Muldersvlei |
| Rural node | Pniel |
| Rural node | Raithby |
| Rural node | Vlottenburg |
| Rural node | Wemmershoek |

a. Priority Development Areas - Corridors

| Priority Development Area Type | Spatial Development Framework Element |
|----------------------------------|---------------------------------------|
| Mobility route | Mobility route |
| Development corridor | Development corridor |
| Lower order development corridor | Lower order development corridor |

2.3.3 Priority Development Areas as spatial structuring elements

a. Adam Tas Corridor (Stellenbosch town PDA)

The most strategically located land in Stellenbosch town comprises large industrial spaces, including land previously occupied by Cape Sawmills and Distell facilities. A significant proportion of these have been vacated or will be vacated in the foreseeable future in response to changes in the operating context of manufacturing enterprises. Thoughtful redevelopment of these spaces – at scale – can contribute meaningfully to meeting existing challenges and mSDF objectives. In simple terms, the concept is to launch the restructuring of Stellenbosch town through redevelopment of the Adam Tas Corridor (ATC), the area stretching along the R310 and R44 along the foot of Papegaaiberg from the disused Cape Sawmills site in the west to Kayamandi and Cloetesville in the north.

It forms the western edge to the town but is not well integrated with the rest of Stellenbosch, largely because of the barrier/ severance effect of the R44 and the railway line. Much of the area has a manufacturing use history. It includes the disused sawmill site, the government owned Droë Dyke area, Distell's Adam Tas facility, Oude Libertas, various Remgro property assets, Bosman's Crossing, the rail station, Bergkelder complex, Van der Stel sports complex, the George Blake Road area, and

Fundamentally, the project will seek to enable development of the ATC as an integrated, inclusive environment for living, work, and enjoyment; a place which embodies our best knowledge in what constitutes good, equitable, and efficient settlement, and supports national, provincial, and municipal policy, such as:

- Expanded opportunity: The project must enable expanded opportunity for all partners and stakeholders over and above what exists today. This applies to all dimensions of “value add”, including returns on investment, community access to opportunity, facilities, and so on.
- Spatial principles: The project must specifically support the following spatial principles:
 - Spatial restructuring and justice: The project must challenge past spatial and other development
 - imbalances through improved access to and use of land and the inclusion of persons and areas that were previously excluded.
 - Resource efficiency: Land development must optimise the use of land, existing structures, and;
 - infrastructure, and actively seek alternative, environmentally responsible servicing solutions, including non-motorised transport.
- Contextual aptness: The project must recognise the special structure and form of Stellenbosch town, current access limitations, and the need to protect environmental resources, historic elements and precincts of value while accommodating further growth and expanded opportunity.
- Flexibility and responsiveness: Land development processes must ensure both certainty of rights and development of the land together, in a manner which best serves the public interest.
- Addressing urgent needs and opportunities
- The project must contribute to address urgent local needs and opportunities in Stellenbosch, as outlined in numerous municipal working documents, policy, and plans. These include:
 - Exploring ways in which the project can counteract the divided urbanism that characterises the town and directly benefit the poor.
 - Using underutilised and vacant urban land within the urban edge for settlement, thereby growing
 - Stellenbosch town – and accommodate existing demand – in a manner that prevents sprawl, creates conditions for efficient, creative living and working, and enables sustainable public and non-motorised transport.
 - Rethinking and reconstructing infrastructure, and particularly the movement system, including solutions to east-west and north-south movement systems, in a manner which integrates the east and west of town and releasing land for development.
 - Integrating Kayamandi and Stellenbosch town seamlessly to enable movement and interaction.
 - Shifting new development focus to the west of town, with the Braak and Rynse complex forming the centre and seam between the new west and east of Stellenbosch town.

- Accommodating higher density housing and university expansion, also assisting in establishing a compact, less sprawling town, public transport, pedestrianism, and reduced need for workers and students to commute to Stellenbosch on a daily basis.
- Enabling job creation, entrepreneurship, and livelihoods for many thousands of citizens.
- Expanding Stellenbosch's stock of publicly accessible historic precincts and places, supporting national heritage and a critical tourism industry.
- Increasing land value east of the R44 and in the area between Kayamandi and the Bergkelder complex.
- Urban qualities: Urban qualities sought through the development include:
 - Compact development, mixed use, pedestrianism, and non-motorised transport.
 - Accommodation of large and small actions/ activities.
 - Maximum re-use of existing structures and exposing of history and familiarity.
 - Mindful resource use and environmental restoration.
 - Spaces enabling innovative, creative, and entrepreneurial use.
 - Adaptiveness and incremental development (across scales).
- Working Together: Following tradition and the norm, it is possible for individual land owners in the area to "go it alone", to alienate land no longer needed for their purposes, or attempt profitable development for alternative uses. However, it is believed that much is to be gained if the different land owners, large institutions, government, and communities in Stellenbosch explore, plan, and execute development of the land together, in a manner which best serves the public interest. Only in this way is a scale of development achievable which will ensure affordability of required infrastructure to unlock the area to its full potential, and to achieve a full range of activities and benefits, including the highly profitable, ones requiring subsidisation, the large and the small. Thus, the project should:
 - Respect the different resources and assets which individual interests bring to the project.
 - Seek the broad sweeping in of information across sectors, and its consideration in an inter-sectoral and inter-disciplinary manner.
 - Recognise the inherent creativity and community of common interest that exists in people to solve urban problems. It implies that people working together with a collective self-interest can come up with solutions that individuals or governments working alone might never consider.
 - Seek to enable change processes that build coalitions for change, create shared purpose and make systems work better for everyone, converting potentially controversial policy problems into projects of collaborative innovation.
 - Specifically support parallel work undertaken by work groups at STIAS to explore options for the project.

- **Beneficiation framework:** The allocation of development rights will be subject to landowner/ developer obligations. The project recognises – and will actively support – parallel work undertaken at STIAS to prepare a “beneficiation framework”, aimed at preparing the private sector for acting appropriately (i.e. beyond purely private interest) in response to the rights allocated to them and the “themes” of beneficiation that they may want to support specifically (e.g. education and sport).
- **Financial value and funding:** The project needs to create value for landowners and shareholders in a manner which can also assist in the funding of public services and facilities requiring a level of cross subsidization. The project should seek ways to fund the development “internally”, meaning that the cost of infrastructure and some community services could be funded by the development opportunity.
- **Challenge and innovation:** Work must challenge the status quo and come up with new ideas, tools and tactics that will realise progressive and practical change. This means:
 - Posing alternatives, considering stumbling blocks or barriers to change, and seeing how these can be overcome.
 - Thinking and acting differently and enabling locally developed innovation and technology.
- **Start by starting and learn by doing:** The project should commit to thinking big but taking “baby” steps, including enabling lead projects that improve current conditions and provide the opportunity for learning through constant experimenting. Only in this way is a scale of development achievable which will ensure affordability of required infrastructure to unlock the area to its full potential, and to achieve a full range of activities and benefits, including the highly profitable, ones requiring subsidisation, the large and the small. The project should support adaptiveness, and incremental development (across scales).
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 - Enable maximum re-use of existing structures.

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b. Klapmuts

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mixed-use development on the remainder of the site which is not environmentally sensitive to provide opportunities both for Distell's suppliers to co-locate, and for other business development in the Klapmuts North area. The site does not have municipal services, and the proposed development will therefore require the installation of bulk service infrastructure, including water, wastewater treatment, stormwater, electricity, and internal roads.

Significant progress has been made in planning for a "Innovation Precinct" or "Smart City" district west of but contiguous to Klapmuts south. This include a land agreement with the University of Stellenbosch

to possibly establish university related activities in this area. The urban edge has been adjusted in recognition of the opportunity associated with this initiative.

A number of issues require specific care in managing the development of Klapmuts over the short to medium term. The first is speculative applications for land use change on the back of the proposed Distell development. Already, a draft local plan prepared by DM has indicated very extensive development east of Farm 736/RE. Distell will not fund the extensive infrastructure required to unlock development here, and arguably, land use change to the east of Farm 736/RE could detract from the opportunity inherent in Farm 736/RE. The second is the linkages between Klapmuts north and south, specifically along Groenfontein Road and a possible NMT crossing over the N1 linking residential areas south of the N1 directly with Farm 736/RE. Without these linkages, residents to the south of the N1 will not be able to benefit from the opportunity enabled north of the N1. The third is speculative higher income residential development in the Klapmuts area, based on the area's regional vehicular accessibility. Higher income development is not a problem in and of itself, but ideally it should not be in the form of low density gated communities.

Most importantly, the N1 corridor – including adjacent land also serviced by the old Main Road and railway – stretching from the CCT through Klapmuts towards Paarl, requires urgent joint planning. Much potential to generate economic opportunity exists here, but careful planning and decisions are required in relation to where to start, what areas to prioritise for development, and what to protect as nature and agriculture.

A critical non-spatial issue related to Klapmuts is its split administration between DM and SM. Consideration should be given to approach the Demarcation Board to adjust municipal boundaries in

a manner where Klapmuts North and South falls within one municipal administration. In this regard, Klapmuts appears functionally more related to SM than DM. SM has also, for many years, invested in services for the Klapmuts community.

Figure 2-14: Klapmuts framework

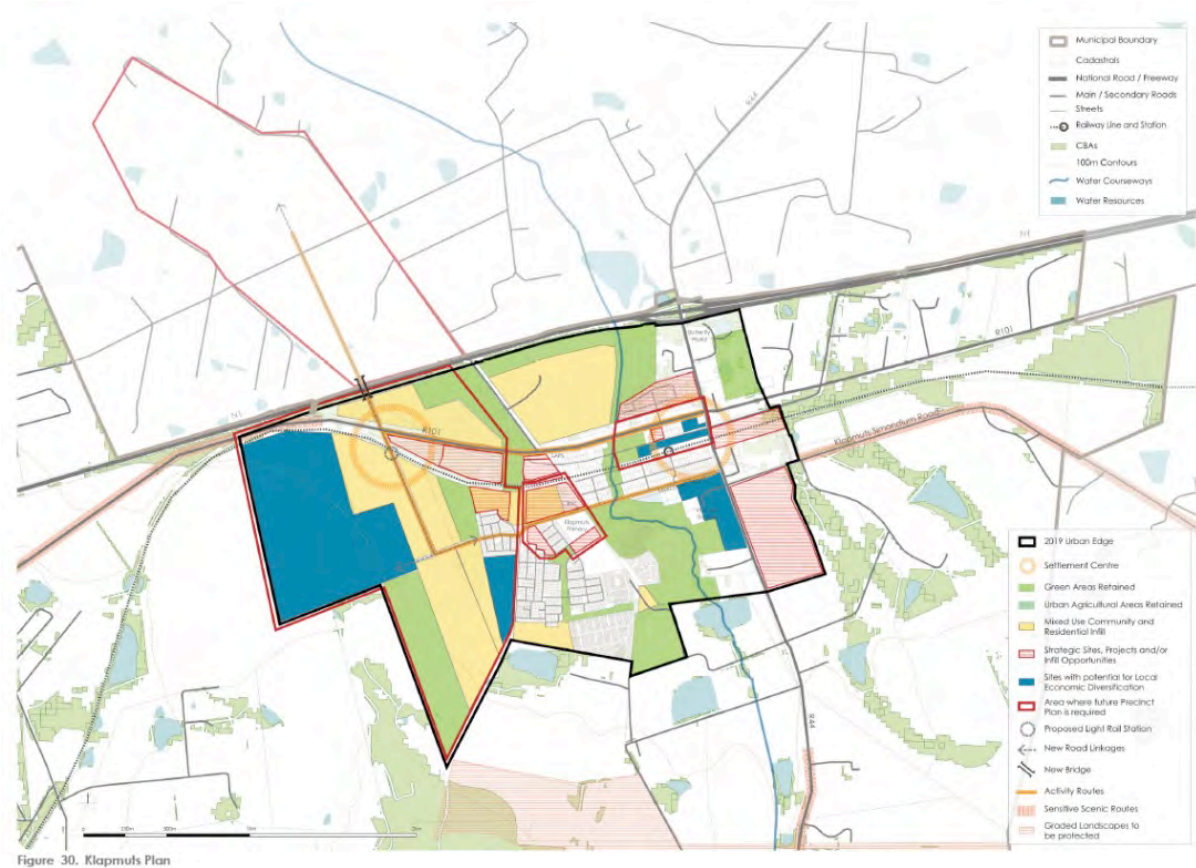


Figure 2-15 below shows the priority development areas (PDAs), derived from the mSDF and spatialises the focus of the municipality in terms of development priorities within the two structuring elements, namely:

- Priority Development Areas Nodes
- Priority Development Areas Corridors

Spatial targeting are furthermore proposed depending on the settlement hierarchy and development potential derived from the mSDF. Based on the aforementioned the following primary settlements (i.e. PDAs, also referred to urban nodes in figure 2-4) have been prioritised over the short term, namely:

- Stellenbosch town (urban node A);
- Klapmuts (urban node B); and –
- Franschhoek (urban node C)

It should however be noted that even though Franschhoek has been identified as a primary settlement, the short term focus within this settlement should not be on urban growth, as the preconditions for the accommodation of such growth does not exist to the same extent as the other primary settlements. The emphasises in Franschhoek and the smaller settlements (as listed below),

needs to be on improving conditions for existing residents and natural growth within the context of retaining the unique characteristic of the settlements.

The secondary settlements (i.e. PDAs, also referred to rural nodes numbered 1-10 as referenced in figure 2-4) to be considered over the longer term includes namely:

- La Motte;
- Wemmershoek;
- Groot Drakenstein;
- Dwars River Valley (Pniel, Johannesburg, Kylemore, Lanquedoc);
- Jonkershoek;
- Muldersvlei;
- Koelenhof;
- Vlottenburg;
- Lynedoch;
- Spier;
- Raithby;
- Muldersvlei; and
Vlottenburg.

Over the longer term, Muldersvlei / Koelenhof and Vlottenburg / Lynedoch along the Baden Powell–Adam Tas–R304 (also referred to as PDA corridor) could possibly accommodate more growth, and this is currently being investigated in the Adam Tas Corridor Local Spatial Development Framework (ATC: LmSDF) development.

Table 2-10: Priority Development Area - Nodes

| Priority Development Area Type | Spatial Development Framework Element |
|--------------------------------|--|
| Node | CBD, University, Commercial, Student Housing |
| Node | Commercial / Mixed-use Node |
| Node | Intensive Mixed-use Redevelopment (Adam Tas) |
| Node | Tourism, Commercial, Residential |
| Urban Node | Die Boord, Brandwacht, Paradyskloof |
| Urban Node | Droedyke |
| Urban Node | Franschhoek Estate |
| Urban Node | Ida's Valley |
| Urban Node | Jamestown |
| Urban Node | Klapmuts |
| Urban Node | Onder Papegaaiberg |
| Urban Node | Stellenbosch East |
| Urban Node | Stellenbosch North |
| Rural node | Groot Drakenstein |
| Rural node | Koelenhof |
| Rural node | La Motte |
| Rural node | Lanquedoc |
| Rural node | Lynedoch |
| Rural node | Muldersvlei |
| Rural node | Pniel |
| Rural node | Raithby |
| Rural node | Vlottenburg |
| Rural node | Wemmershoek |

c. Priority Development Areas - Corridors

| Priority Development Area Type | Spatial Development Framework Element |
|----------------------------------|---------------------------------------|
| Mobility route | Mobility route |
| Development corridor | Development corridor |
| Lower order development corridor | Lower order development corridor |

2.3.4 Priority Development Areas as spatial structuring elements

a. Adam Tas Corridor (Stellenbosch town PDA)

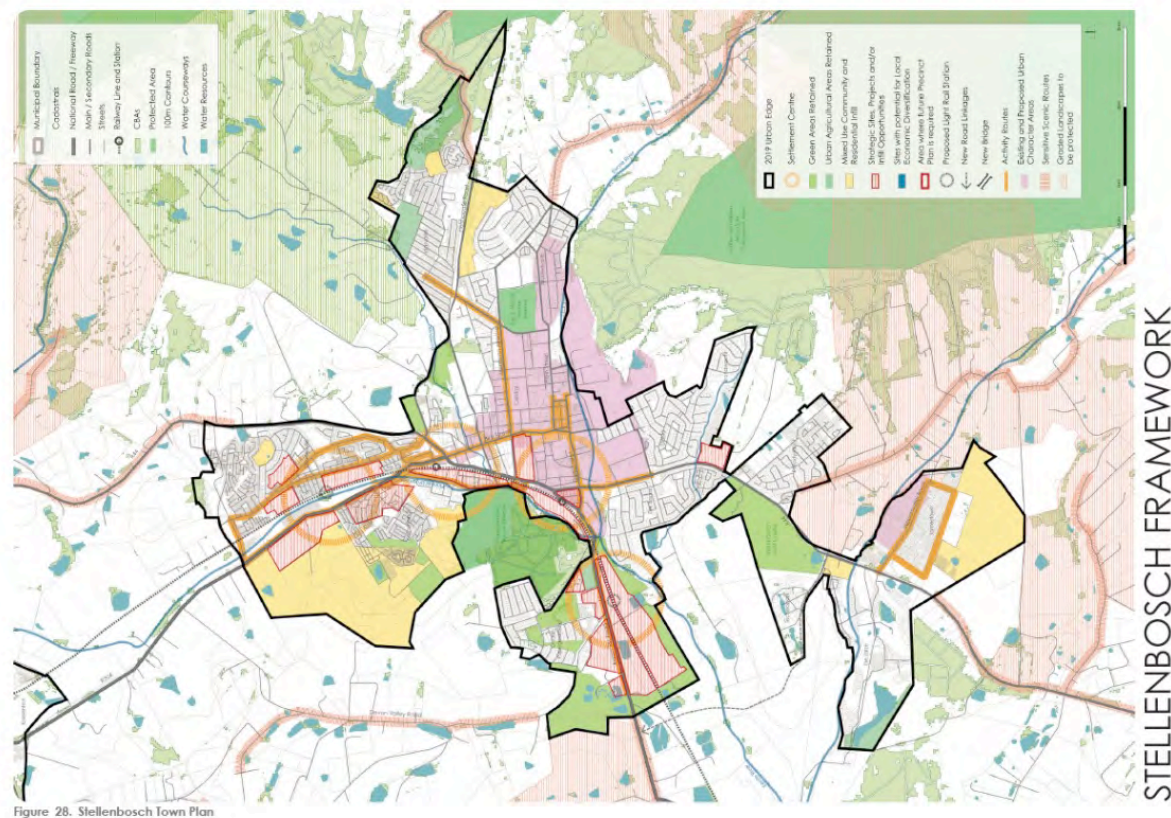
The most strategically located land in Stellenbosch town comprises large industrial spaces, including land previously occupied by Cape Sawmills and Distell facilities. A significant proportion of these have been vacated or will be vacated in the foreseeable future in response to changes in the operating context of manufacturing enterprises. Thoughtful redevelopment of these spaces – at scale – can contribute meaningfully to meeting existing challenges and mSDF objectives. In simple terms, the concept is to launch the restructuring of Stellenbosch town through redevelopment of the Adam Tas Corridor (ATC), the area stretching along the R310 and R44 along the foot of Papegaaiberg from the disused Cape Sawmills site in the west to Kayamandi and Cloeteville in the north.

It forms the western edge to the town but is not well integrated with the rest of Stellenbosch, largely because of the barrier/ severance effect of the R44 and the railway line. Much of the area has a manufacturing use history. It includes the disused sawmill site, the government owned Droë Dyke area, Distell's Adam Tas facility, Oude Libertas, various Remgro property assets, Bosman's Crossing, the rail station, Bergkelder complex, Van der Stel sports complex, the George Blake Road area, and parts of Kayamandi and Cloeteville. Underutilised and disused land in the area measures more than 150ha.

Redevelopment in terms of the concept offers the opportunity to:

- Grow Stellenbosch town – and accommodate existing demand – in a manner which prevents sprawl, and create conditions for efficient, creative living and working.
- Stimulate and act as a catalyst for the development of improved public transport and NMT.
- Rethink and reconstruct infrastructure, and particularly the movement system, including the possible partial grade separation of east- west and north-south movement systems, in turn, integrating the east and west of town and releasing land for development.
- Integrate Kayamandi and Stellenbosch town seamlessly.
- Shift new development focus to the west of town, with Die Braak and Rhenish complex forming the center and seam between the new west and east of Stellenbosch town.
- Accommodate the parking of vehicles on the edge of town whilst the corridor provides for and promotes a greater focus on pedestrianism and cycling into the core town.
- Accommodate uses which meet urgent needs, specifically higher density housing and university expansion, also assisting in establishing a compact, less sprawling town, public transport, and pedestrianism; and
- Increases land value east of the R44 and in the area between Kayamandi and the Bergkelder complex.

Figure 2-13: Stellenbosch Town Framework



Source: mSDF 2019

Fundamentally, the project will seek to enable development of the ATC as an integrated, inclusive environment for living, work, and enjoyment; a place which embodies our best knowledge in what constitutes good, equitable, and efficient settlement, and supports national, provincial, and municipal policy, such as:

- Expanded opportunity: The project must enable expanded opportunity for all partners and stakeholders over and above what exists today. This applies to all dimensions of “value add”, including returns on investment, community access to opportunity, facilities, and so on.
- Spatial principles: The project must specifically support the following spatial principles:
 - Spatial restructuring and justice: The project must challenge past spatial and other development
 - imbalances through improved access to and use of land and the inclusion of persons and areas that were previously excluded.
 - Resource efficiency: Land development must optimise the use of land, existing structures, and;
 - infrastructure, and actively seek alternative, environmentally responsible servicing solutions, including non-motorised transport.
- Contextual aptness: The project must recognise the special structure and form of Stellenbosch town, current access limitations, and the need to protect environmental resources, historic elements and precincts of value while accommodating further growth and expanded opportunity.

- Flexibility and responsiveness: Land development processes must ensure both certainty of rights and development of the land together, in a manner which best serves the public interest.
- Addressing urgent needs and opportunities
- The project must contribute to address urgent local needs and opportunities in Stellenbosch, as outlined in numerous municipal working documents, policy, and plans. These include:
 - Exploring ways in which the project can counteract the divided urbanism that characterises the town and directly benefit the poor.
 - Using underutilised and vacant urban land within the urban edge for settlement, thereby growing
 - Stellenbosch town – and accommodate existing demand – in a manner that prevents sprawl, creates conditions for efficient, creative living and working, and enables sustainable public and non-motorised transport.
 - Rethinking and reconstructing infrastructure, and particularly the movement system, including solutions to east-west and north-south movement systems, in a manner which integrates the east and west of town and releasing land for development.
 - Integrating Kayamandi and Stellenbosch town seamlessly to enable movement and interaction.
 - Shifting new development focus to the west of town, with the Braak and Rynse complex forming the centre and seam between the new west and east of Stellenbosch town.
 - Accommodating higher density housing and university expansion, also assisting in establishing a compact, less sprawling town, public transport, pedestrianism, and reduced need for workers and students to commute to Stellenbosch on a daily basis.
 - Enabling job creation, entrepreneurship, and livelihoods for many thousands of citizens.
 - Expanding Stellenbosch's stock of publicly accessible historic precincts and places, supporting national heritage and a critical tourism industry.
 - Increasing land value east of the R44 and in the area between Kayamandi and the Bergkelder complex.
- Urban qualities: Urban qualities sought through the development include:
 - Compact development, mixed use, pedestrianism, and non-motorised transport.
 - Accommodation of large and small actions/ activities.
 - Maximum re-use of existing structures and exposing of history and familiarity.
 - Mindful resource use and environmental restoration.
 - Spaces enabling innovative, creative, and entrepreneurial use.
 - Adaptiveness and incremental development (across scales).

- Working Together: Following tradition and the norm, it is possible for individual land owners in the area to “go it alone”, to alienate land no longer needed for their purposes, or attempt profitable development for alternative uses. However, it is believed that much is to be gained if the different land owners, large institutions, government, and communities in Stellenbosch explore, plan, and execute development of the land together, in a manner which best serves the public interest. Only in this way is a scale of development achievable which will ensure affordability of required infrastructure to unlock the area to its full potential, and to achieve a full range of activities and benefits, including the highly profitable, ones requiring subsidisation, the large and the small. Thus, the project should:
 - Respect the different resources and assets which individual interests bring to the project.
 - Seek the broad sweeping in of information across sectors, and its consideration in an inter-sectoral and inter-disciplinary manner.
 - Recognise the inherent creativity and community of common interest that exists in people to solve urban problems. It implies that people working together with a collective self-interest can come up with solutions that individuals or governments working alone might never consider.
 - Seek to enable change processes that build coalitions for change, create shared purpose and make systems work better for everyone, converting potentially controversial policy problems into projects of collaborative innovation.
 - Specifically support parallel work undertaken by work groups at STIAS to explore options for the project.
- Beneficiation framework: The allocation of development rights will be subject to landowner/developer obligations. The project recognises – and will actively support – parallel work undertaken at STIAS to prepare a “beneficiation framework”, aimed at preparing the private sector for acting appropriately (i.e. beyond purely private interest) in response to the rights allocated to them and the “themes” of beneficiation that they may want to support specifically (e.g. education and sport).
- Financial value and funding: The project needs to create value for landowners and shareholders in a manner which can also assist in the funding of public services and facilities requiring a level of cross subsidization. The project should seek ways to fund the development “internally”, meaning that the cost of infrastructure and some community services could be funded by the development opportunity.
- Challenge and innovation: Work must challenge the status quo and come up with new ideas, tools and tactics that will realise progressive and practical change. This means:
 - Posing alternatives, considering stumbling blocks or barriers to change, and seeing how these can be overcome.
 - Thinking and acting differently and enabling locally developed innovation and technology.
- Start by starting and learn by doing: The project should commit to thinking big but taking “baby” steps, including enabling lead projects that improve current conditions and provide the opportunity for learning through constant experimenting. Only in this way is a scale of

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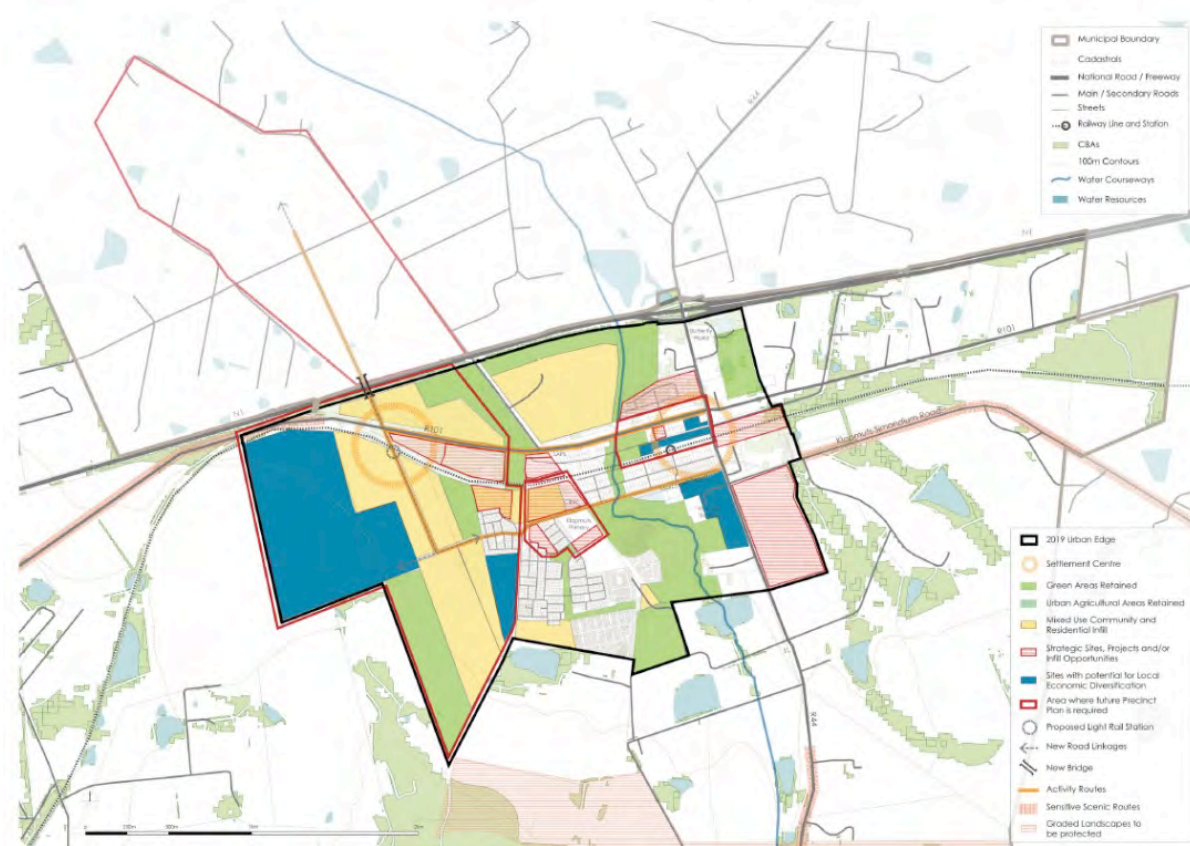
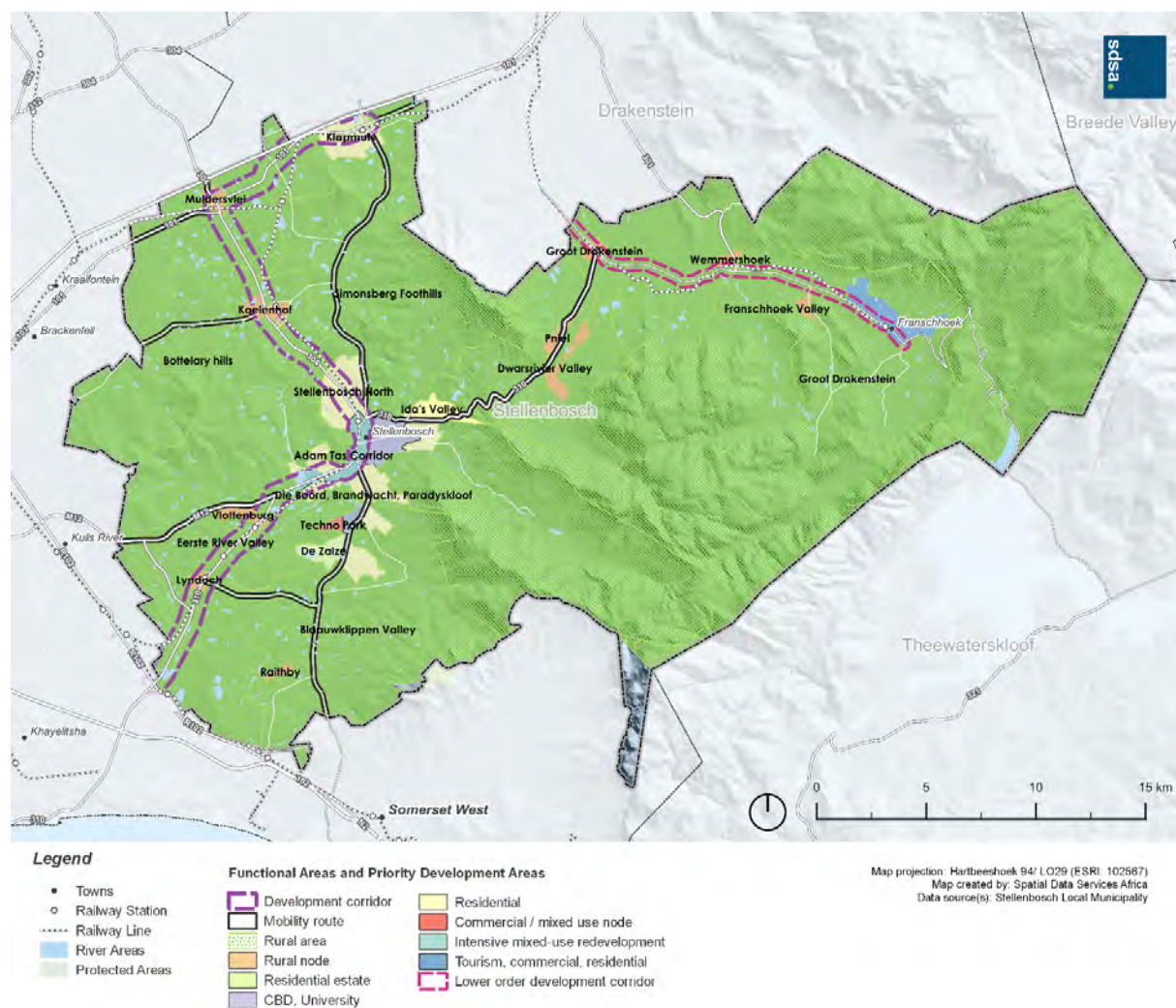


Figure 30. Klapmuts Plan

Figure 2-15: Priority Development Areas



3 Socio-Economic and Spatial Profiling

The objectives of this section is to:

- Developmental profile for the municipality as a whole & each functional areas as identified
- Socio-economic profile for the municipality as a whole & each functional areas as identified

This section shows the demographic, socio-economic and spatial characteristics for the municipal area, and in each of the identified functional areas (FAs) of the municipality. The spatial and socio-economic profile of the municipality drives future demand and hence capital and operating investment and expenditure.

The aim of this analysis is to obtain an in-depth understanding of the demographic and socio-economic characteristics of the population that are being served in each FA of the municipality. This assessment typically includes access to infrastructure and social services and amenities, as well as the level of service of these services and amenities. The purpose of the municipal and FA profiling is, therefore, twofold:

- Firstly, to identify the population within the municipality and FAs in order to determine the base unit of needs estimation as input to the infrastructure modelling and financial modelling, and;
- Secondly, to understand the status quo of services within the municipality.

These two basic elements can be used to quantify and project growth, which in turn will unlock the ability to project infrastructure provision demand over the planning horizon of 10 years. Understanding the socio-economic and spatial profile of the municipality enables the municipality to make more accurate and informed decisions regarding capital investment going forward.

Social profiling is usually presented in the mSDF, however, given the lack of quantification in the existing mSDFs across local governments nation-wide, municipal and FA profiling is deemed as a necessary step by the CEF guidelines as a prerequisite to evidence-based planning.

It is vital to consider as many as possible data sources in determining future population and household numbers. The following data and datasets informed the estimates of future population and household levels.

- Official data sources:
 - Census data from StatsSA. This data covers 1996, 2001 and 2011
 - Community Surveys from StatsSA for 2007 and 2016
 - Mid-year population estimates from StatsSA
 - Local housing data from the municipality
- Commercial data sources:
 - Quantec that provides times series data per annum since 1993. This data is only available at the municipal level
 - Spatial Data Services Africa (SDSA) providing a range from spatial data from its own database

3.1 Social Profiling: Population characteristics

A range of factors impacts the demographic profile of the municipality. These factors interact horizontally and, importantly, have a hierarchical relationship with national, provincial and regional demographics. The analysis of variables is therefore done on a comparative basis and by also exploring relationships between demographic variables as well as the relationship that the demographics have with economic development. The factors considered are:

- Population size, household numbers and size and the expected change in these numbers;
- Age, language, and education;
- The impact of HIV and AIDS on population growth expectations, and -
- Migration.

3.1.1 Population structure, age, and gender

The total population is the starting point. For any planning assessment, the total population is fundamental to the current and long-term demand for services and facilities. Table 3-1 shows the population, with a gender split, for the three census periods and Community Survey 2016. From the time-related figures, inferences can be drawn about population growth or decline. Gender splits, if appropriate under local conditions, also serves as a proxy for migrant labour. Generally speaking, male absenteeism indicates that an area is shedding workers while surplus males show the area is attracting migrant labour based on expectations of economic growth and job creation.

Table 3-1 below shows that the region has always had a nearly equal split of gender in the population. As explained above, indications are that migrant labour is not a factor to consider.

Table 3-1: Population and gender

| | 1996 | 2001 | 2011 | 2016 | 2019 |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| Males | 51,224 | 57,850 | 76,158 | 85,161 | 91,836 |
| Females | 53,411 | 61,129 | 79,536 | 88,035 | 95,962 |
| Population density (persons/ha) | 1.15 | 1.40 | 1.83 | 2.04 | 2.20 |
| Total Population | 104,635 | 118,979 | 155,694 | 173,196 | 187,797 |

Source: Statistics South Africa/SDSA

Age groups are significant in any demographic assessment. The population's age structure provides a clear indication of the expected long-term demand for community and social services, housing, and infrastructure services. The table below only reflects on four age categories. The first category is the preschool population; the second category is the extent of the school population, the third category is predominantly the economically active population, and the last group is the elderly population.

The age structure (refer to Table 3-2 below) of the study area has remained relatively unchanged over the time period for all the age groups. Interestingly, over 63% of the population falls within the economically active group of 20 to 65 years of age, as reported in the 2016 Community Survey figures. This percentage has also increased from just over 50% in 1996.

Table 3-2: Age groups

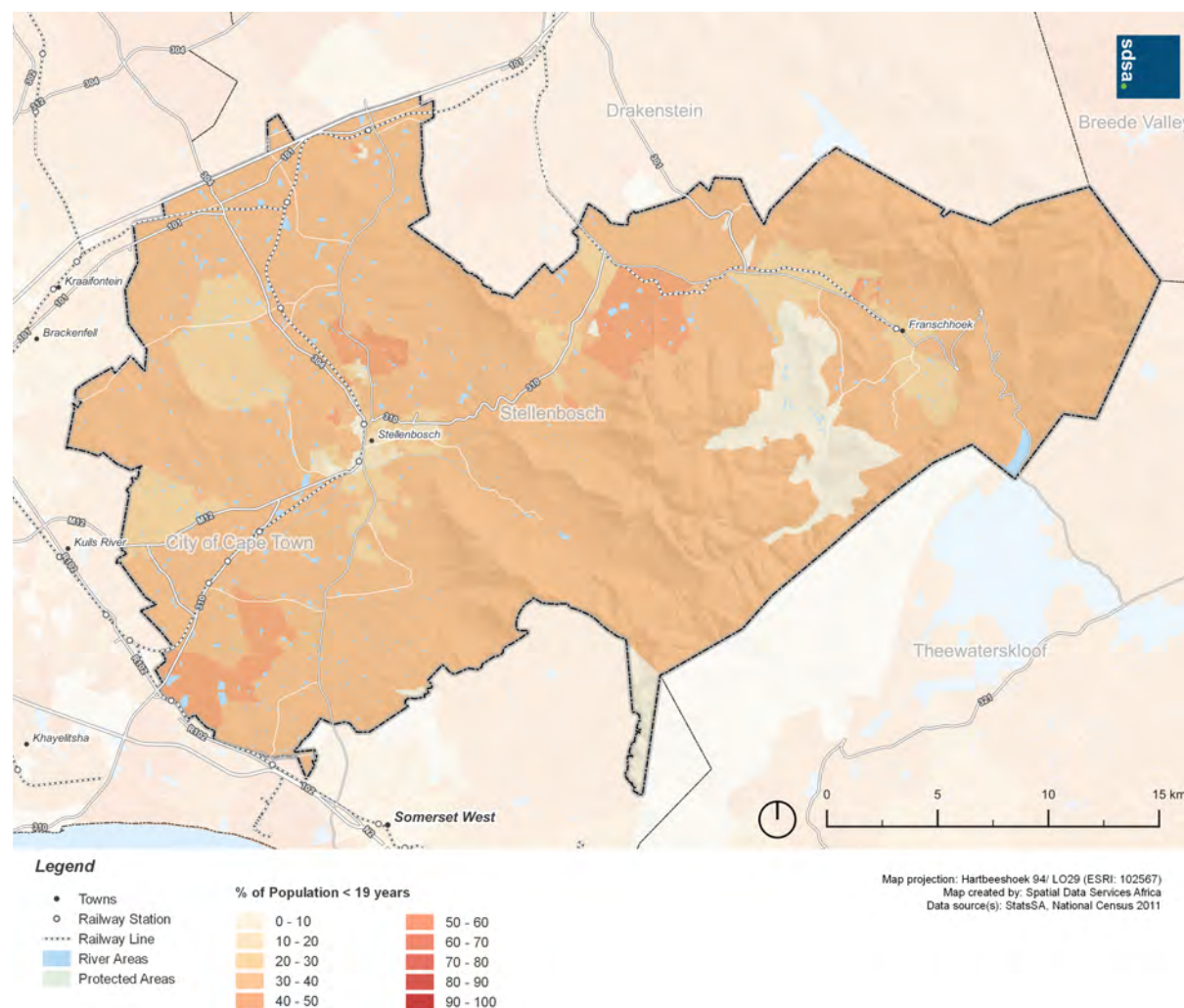
| | 1996 | | 2001 | | 2011 | | 2016 | |
|----------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Male | Female | Male | Female | Male | Female | Male | Female |
| <5 | 5,680 | 5,527 | 5,734 | 5,811 | 8,010 | 7,861 | 6,861 | 7,317 |
| 5 to 19 | 15,407 | 16,111 | 17,524 | 18,210 | 19,811 | 20,740 | 21,997 | 21,057 |
| 20 to 65 | 27,786 | 28,719 | 32,516 | 34,298 | 45,428 | 46,891 | 53,192 | 55,632 |

| | 1996 | | 2001 | | 2011 | | 2016 | |
|-------------|---------|--------|---------|--------|---------|--------|---------|--------|
| | Male | Female | Male | Female | Male | Female | Male | Female |
| >65 | 1,637 | 2,412 | 2,077 | 2,810 | 2,909 | 4,045 | 3,111 | 4,029 |
| Unspecified | 715 | 642 | 0 | | 0 | | 0 | |
| Total | 51,224 | 53,411 | 57,850 | 61,129 | 76,158 | 79,536 | 85,161 | 88,035 |
| | 104,635 | | 118,979 | | 155,694 | | 173,196 | |

Source: Statistics South Africa/SDSA

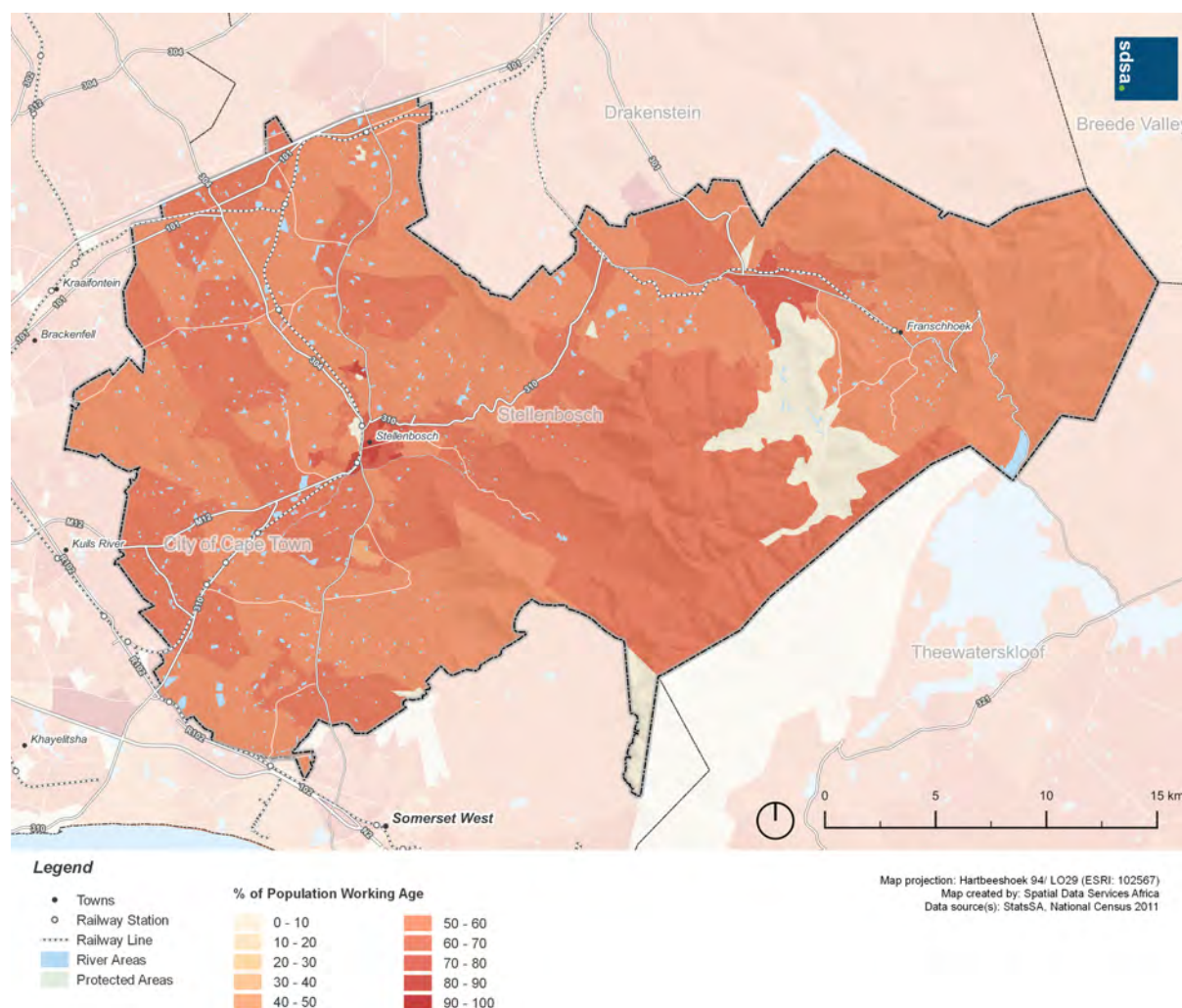
The following two maps (Figure 3-1 and Figure 3-2:) show the percentage population below 20 years and the working-age group population. Figure 3-2: emphasises the high percentage of people within the working-age group in the municipality.

Figure 3-1: % of the Population: 20 years and younger 2011



Source: Statistics South Africa/SDSA

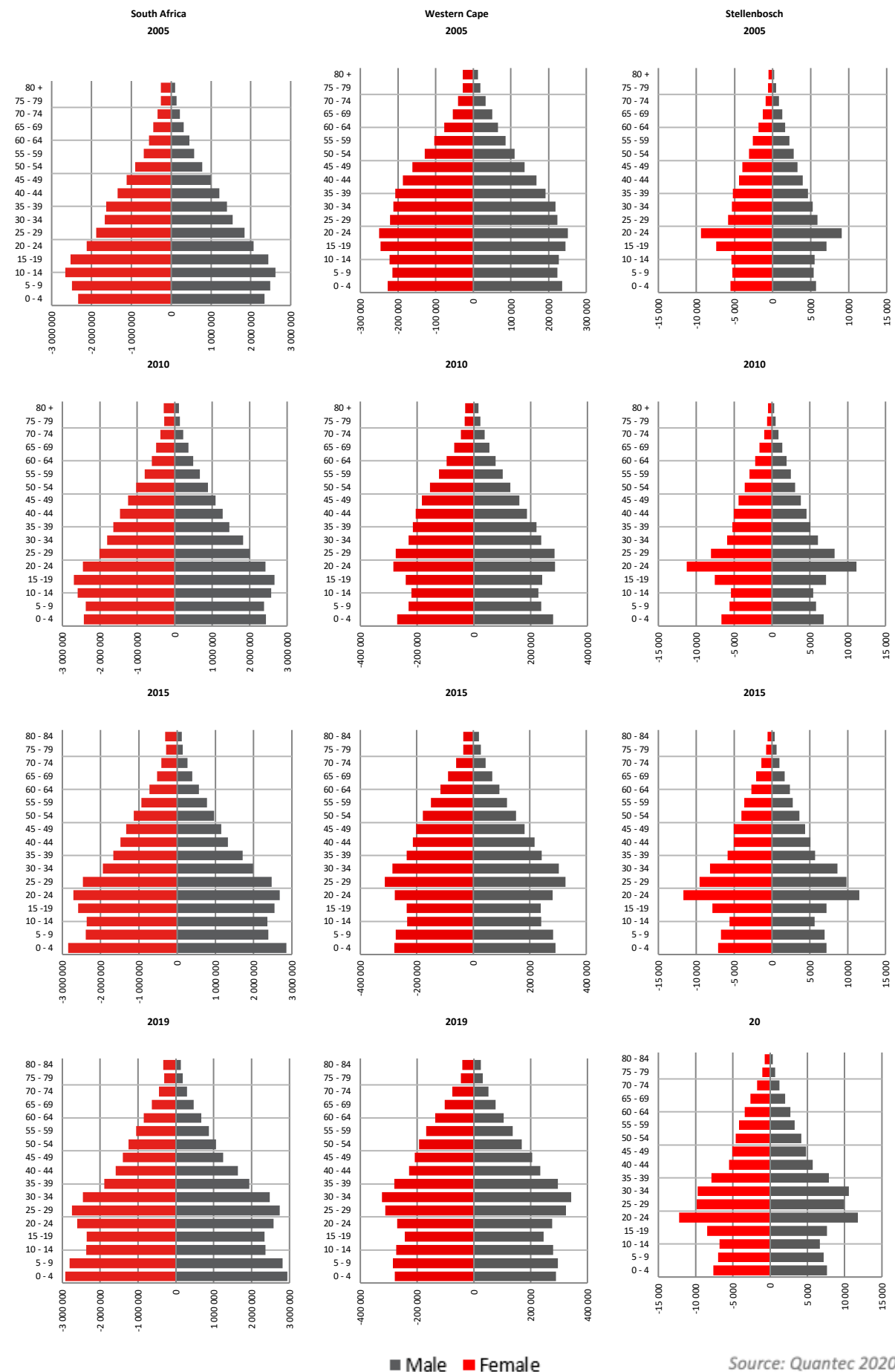
Figure 3-2: % of the Population: Working Age (20 to 64 years) 2011



Source: Census Statistics South Africa/SDSA

The figure below (Figure 3-3) shows the comparative population structures and how they've changed since 2005, between South Africa, the Western Cape and the Stellenbosch Municipality. Comparatively the overall structure between the national, provincial, and local municipality is vastly different. The national pyramids all show a large base in the younger age cohorts while this pattern is far less prominent in the provincial and local comparisons. The provincial and municipal pyramids also show the substantial economically active population described above. A unique characteristic of the Stellenbosch municipal population structure is the prominent number of people in the 20-24 age cohort. This pattern also doesn't change over time and reflects the large student population present within the municipality.

Figure 3-3: Comparative population structures



3.1.2 The differences in population groups

Population groups is normally not a consideration to determine spatial development needs. However, looking at the local population's racial composition might help explain current dynamics based on historical population settlement patterns.

Table 3-3 below shows the populations at various geographic levels in 2019. The population figures show structural differences in composition between the various scales and racial groups. The Coloured population is the dominant group in the municipality and accounts for more than half of the population. The second-largest group is the Black population group, followed by the White and Asian groups, which accounts for less than 15% of the population. This pattern is relatively similar in the district and the province. Compared to the national population structure, a clear difference is evident.

Table 3-3: Comparative population numbers by population group 2019

| 2019 | South Africa | | Western Cape | | Cape Winelands | | Stellenbosch | |
|-----------------------------|--------------|---------|--------------|---------|----------------|---------|--------------|---------|
| | Total | % | Total | % | Total | % | Total | % |
| Black African population | 47 443 259 | 80,72% | 2 548 966 | 37,24% | 248 364 | 26,94% | 56 350 | 31,49% |
| Coloured population | 5 176 750 | 8,81% | 3 295 979 | 48,16% | 575 031 | 62,37% | 96 398 | 53,88% |
| Indian and Asian population | 1 503 007 | 2,56% | 77 649 | 1,13% | 3 519 | 0,38% | 651 | 0,36% |
| White population | 4 652 006 | 7,91% | 921 678 | 13,47% | 94 995 | 10,30% | 25 528 | 14,27% |
| Population total | 58 775 022 | 100,00% | 6 844 272 | 100,00% | 921 911 | 100,00% | 178 927 | 100,00% |

Source: Quantec 2020

Table 3-4 below shows the population in the municipality as it has changed over the last 26 years. The figures indicate substantial growth in the Black and Coloured populations while the other population groups declined.

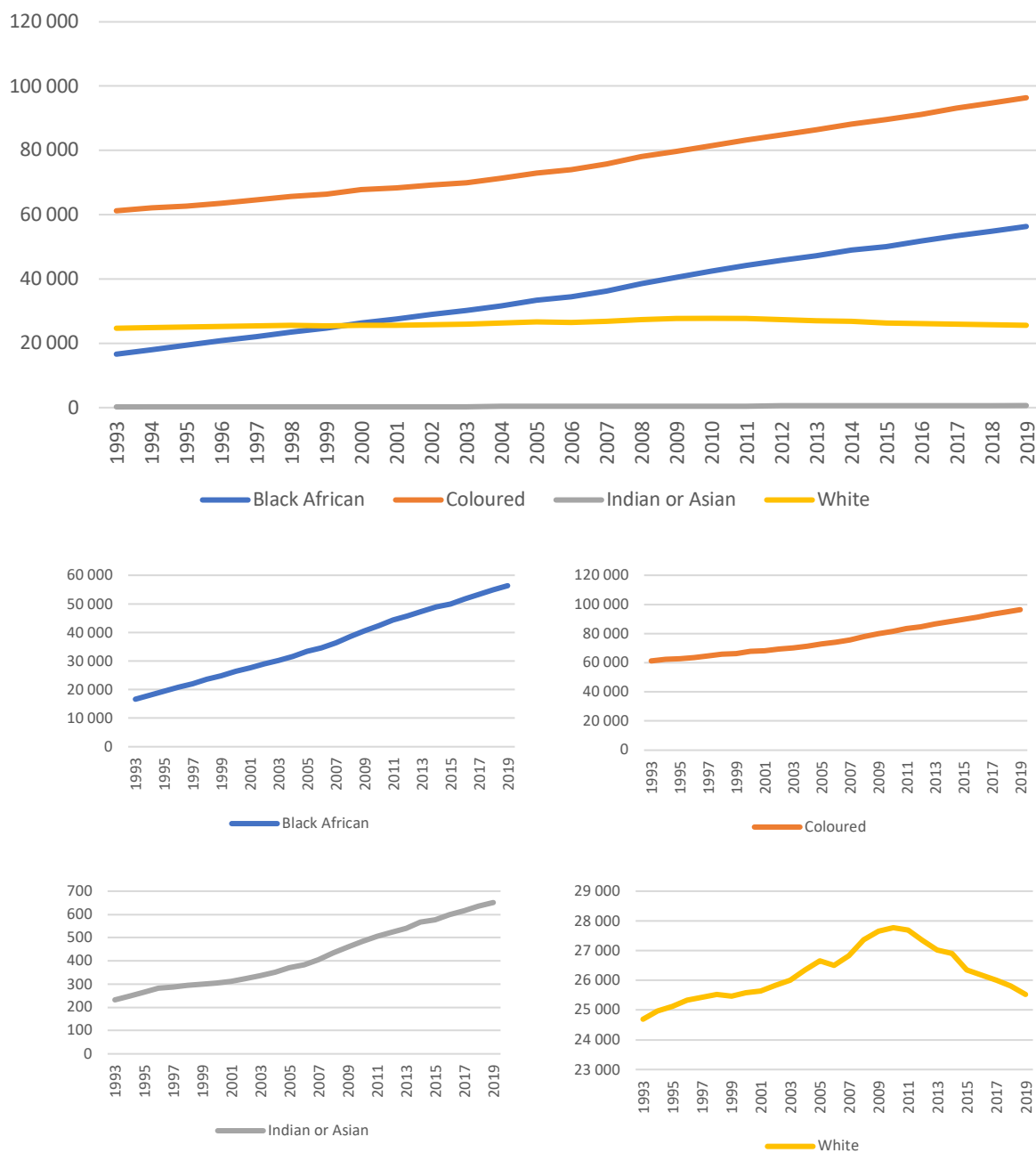
Table 3-4: Population groups

| | 1995 | 2000 | 2005 | 2010 | 2015 | 2019 |
|------------------|---------|---------|---------|---------|---------|---------|
| Black African | 19 348 | 26 339 | 33 448 | 42 384 | 49 989 | 56 350 |
| White | 62 621 | 67 866 | 72 989 | 81 398 | 89 562 | 96 398 |
| Coloured | 265 | 306 | 372 | 482 | 576 | 651 |
| Indian and Asian | 25 126 | 25 587 | 26 656 | 27 771 | 26 352 | 25 528 |
| Total | 107 359 | 120 098 | 133 465 | 152 036 | 166 479 | 178 927 |

Source: Quantec 2020

Figure 3-4 below illustrates these changes. The growth in the Black and Coloured population groups seems to be consistent over the assessed period. The White population group shows an increase in the population until 2010, where after there is a strong decline in numbers. The Asian population group has also increased, but from a small base.

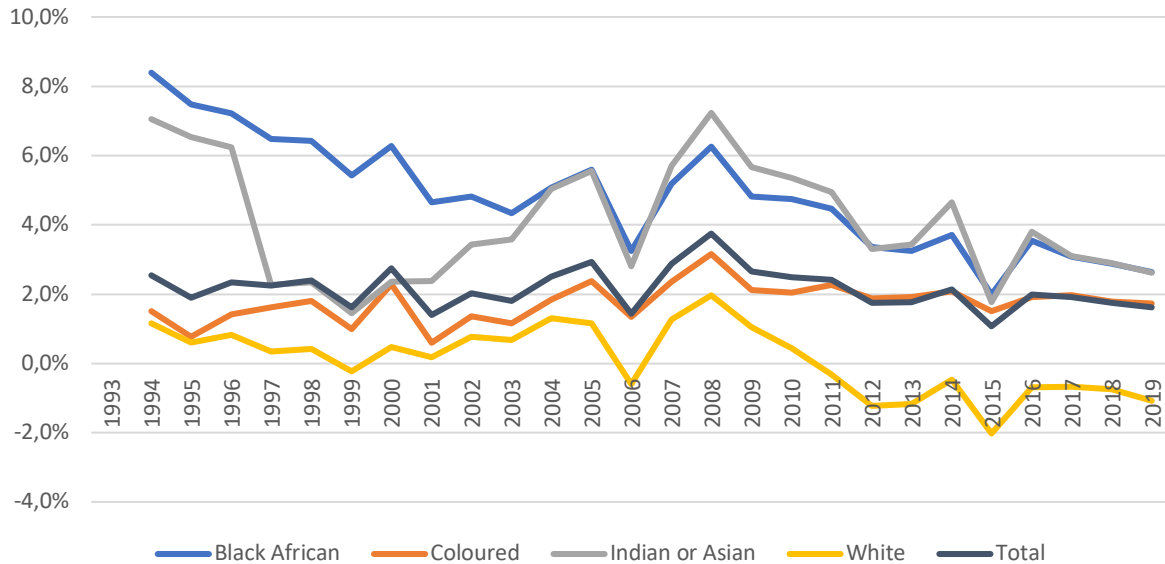
Figure 3-4: Population growth 1993 to 2019



Source: Quantec 2020

Figure 3-5 below shows the rate of change of the population between different groups. All the population groups, except for whites, show a similar trend. The figures show a real decline in the number of whites since 2011.

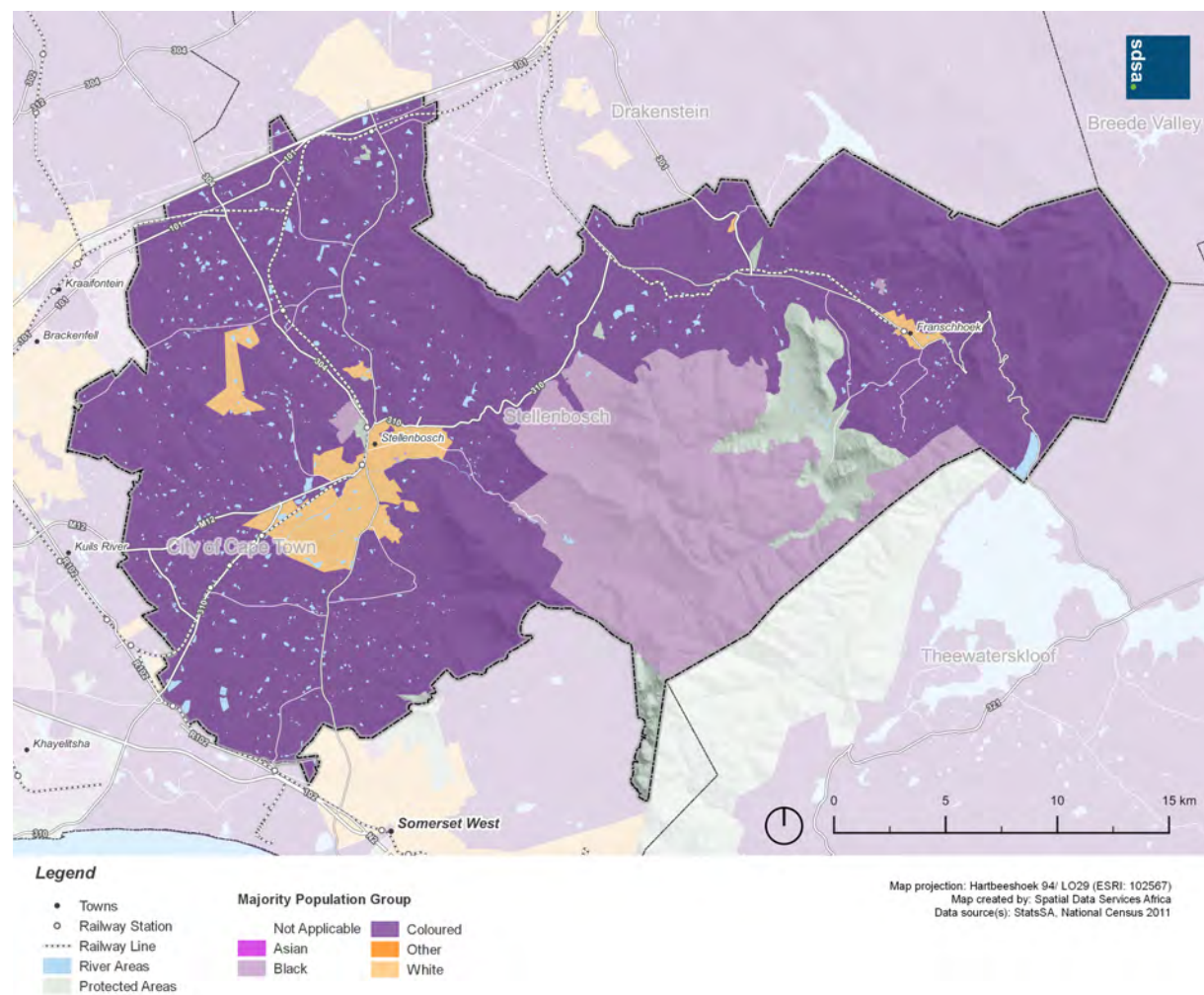
Figure 3-5: Population growth rates by population group



Source: Quantec 2020

The spatial distribution of the dominant population group (the population majority in an area) in the municipality is shown in Figure 3-2: on the subsequent page.

Figure 3-6: Population majority 2011



Source: Statistics South Africa/SDSA

3.1.3 Language groups

Language groups display clear spatial patterns in South Africa. However, its impact on the demand for some social facilities, such as schools, is not significant for the planner. Structurally the different language groups remained largely the same since 1996, except for the isiXhosa language group that has seen a steep rise. Afrikaans is the dominant language group (51%), followed by isiXhosa (39%). This is also reflected spatially reflected below.

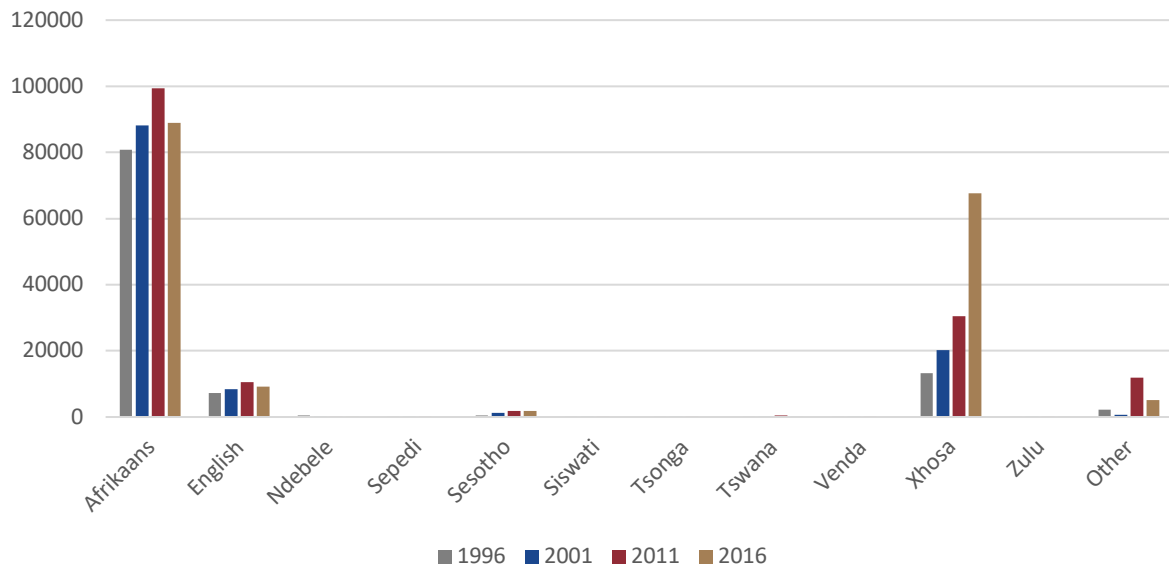
Table 3-5: Language groups

| | 1996 | 2001 | 2011 | 2016 |
|-----------|-------|-------|-------|-------|
| Afrikaans | 80767 | 88185 | 99397 | 89033 |
| English | 7275 | 8329 | 10613 | 9194 |
| Ndebele | 445 | 36 | 225 | 223 |
| Sepedi | 10 | 78 | 143 | 0 |
| Sesotho | 514 | 1155 | 1783 | 1874 |
| Siswati | 7 | 30 | 48 | 0 |
| Tsonga | 8 | 54 | 103 | 0 |
| Tswana | 29 | 54 | 538 | 6 |
| Venda | 3 | 27 | 65 | 0 |

| | 1996 | 2001 | 2011 | 2016 |
|--------------|---------------|---------------|---------------|---------------|
| Xhosa | 13234 | 20189 | 30538 | 67635 |
| Zulu | 45 | 147 | 369 | 173 |
| Other | 2297 | 695 | 11873 | 5058 |
| Total | 104635 | 118979 | 155694 | 173196 |

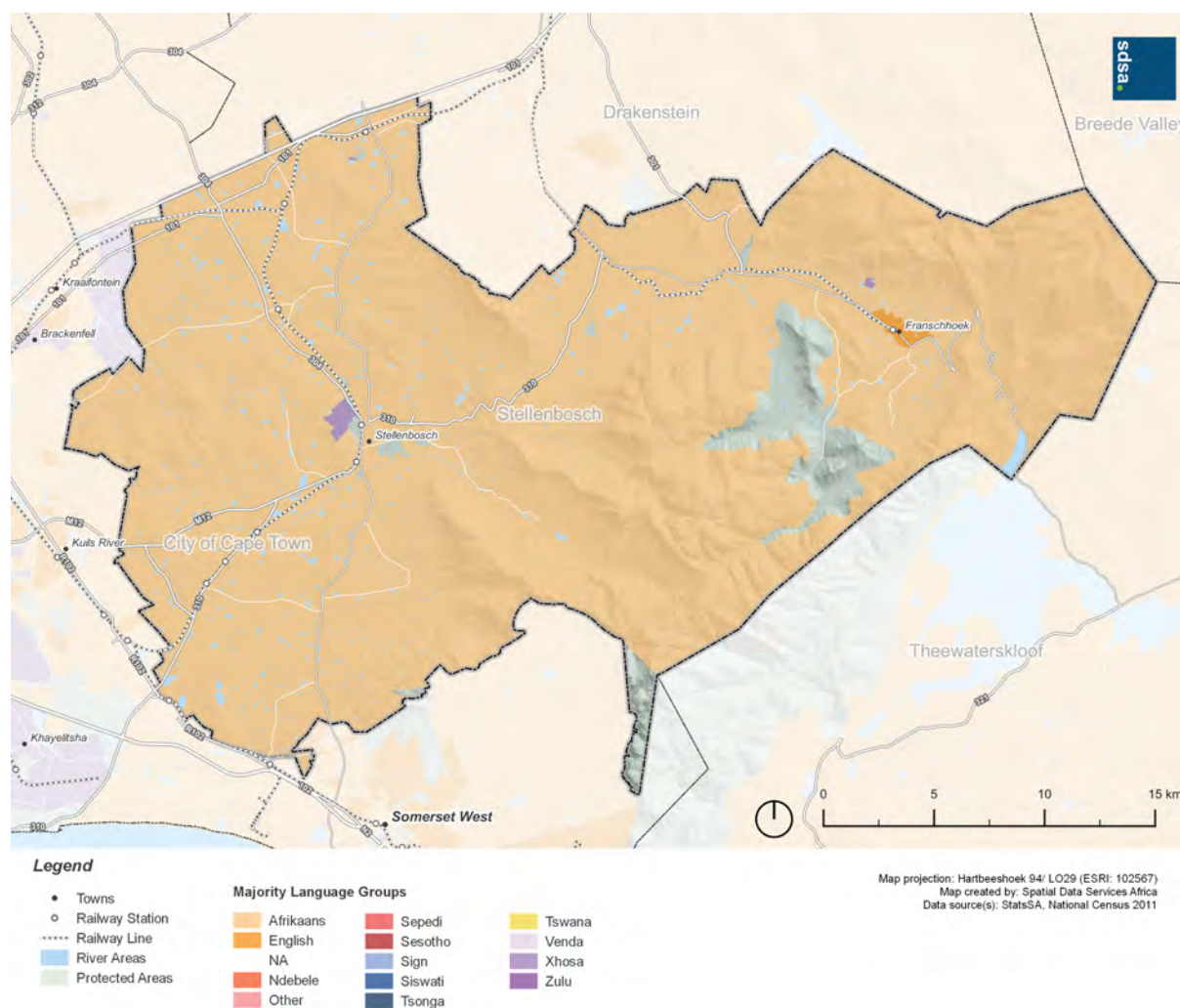
Source: Statistics South Africa

Figure 3-7: Change in language groups



Source: Statistics South Africa

Figure 3-8: Majority language group in 2011



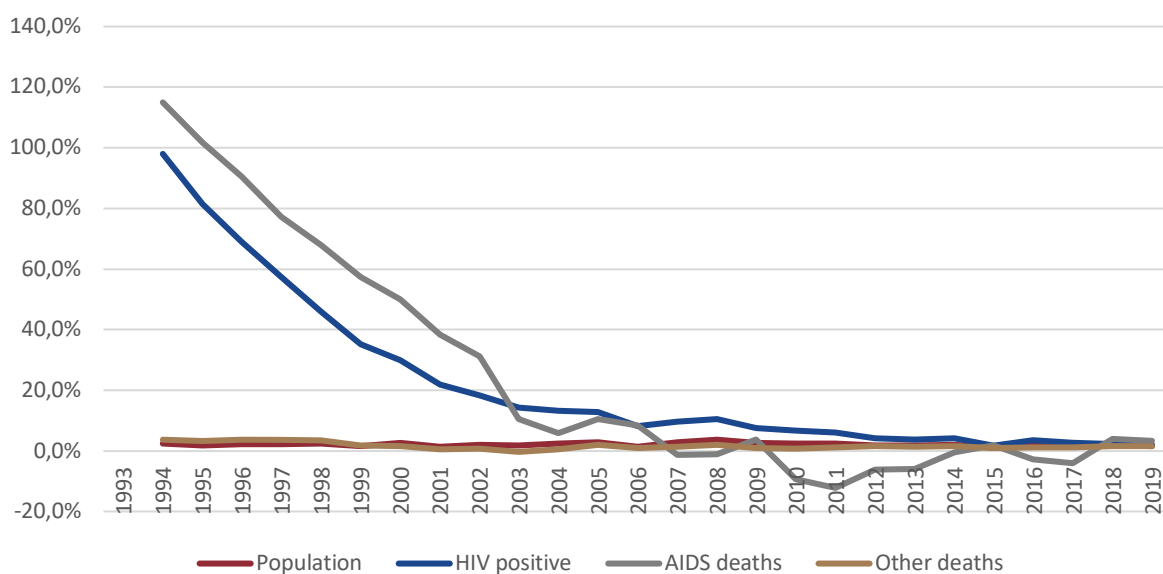
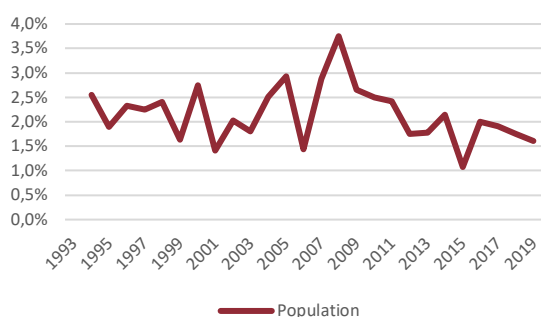
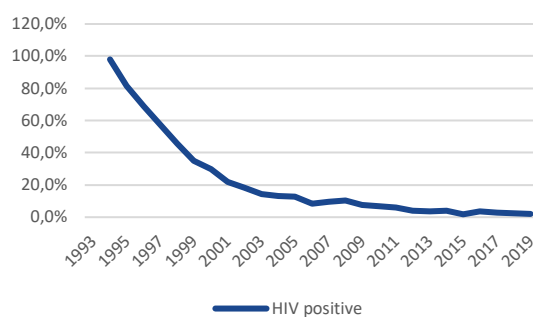
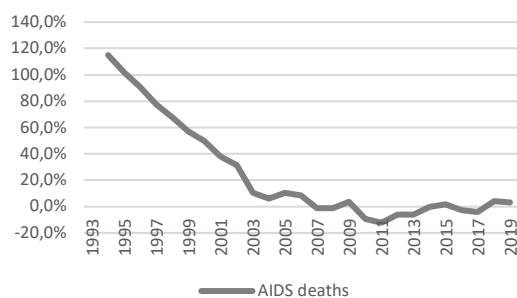
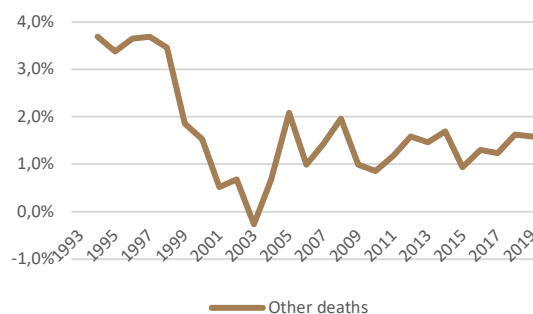
Source: Statistics South Africa/SDSA

3.1.4 Population, AIDS and crude death rate

HIV and AIDS's impact was very contentious until national policy changes regarding treatment. However, the effects of HIV and AIDS is an integral part of the South African demographic profile. HIV and AIDS's impact remains significant, albeit not on the forefront of national issues impacting development.

HIV and AIDS affected demographic change and is shown below. There are two stages in this process. The first shows declines in infection and death rates up to about 2003 after that it stabilises around 2% and 3,3%. Two factors need to be considered; the high rates resulted from growth from a relatively small base, a lack of education, and a lack of treatment for HIV and AIDS. After 2004 treatment improved and there has been a success with the understanding and general knowledge on HIV and AIDS.

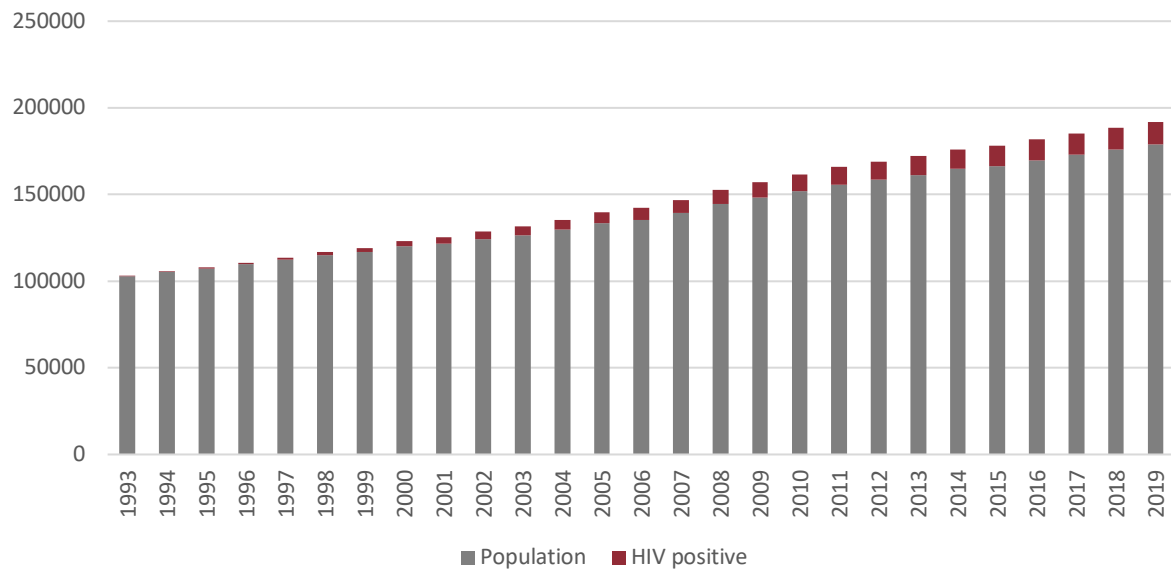
Figure 3-9: Rate of changes in population growth, HIV infections and related deaths



Source: Quantec 2020

The infection and death rates show only one side of the picture. In real terms, the HIV positive component of the population continues to increase, as shown in Figure 3-10 below.

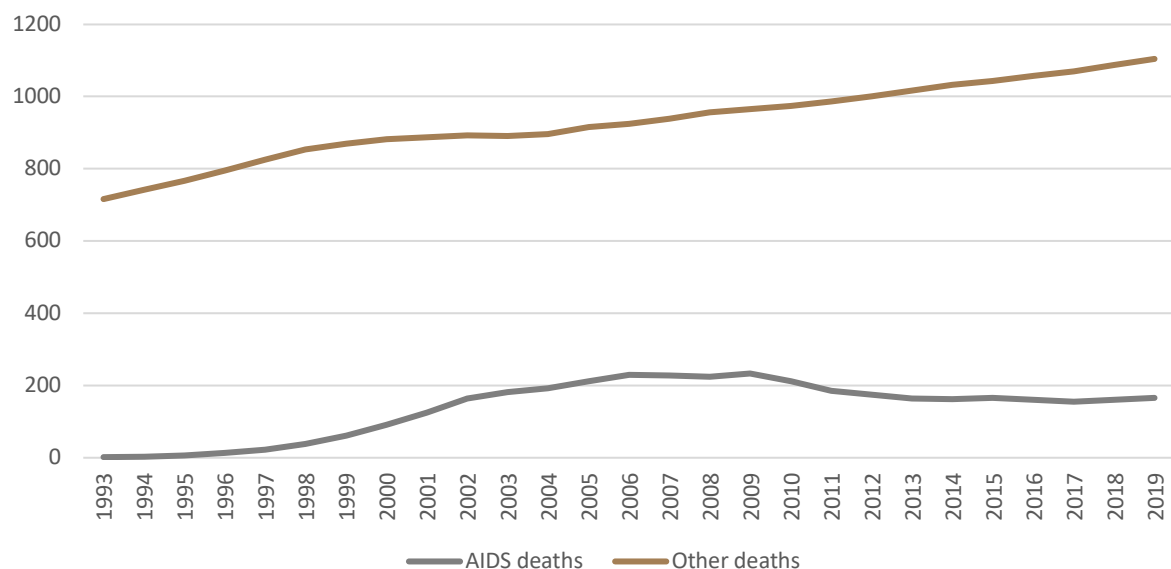
Figure 3-10: HIV positive persons in the population



Source: Quantec 2020

The increase in the number of people living with HIV and AIDS results from the success of treating it. This is reflected in the decrease in the number of AIDS deaths, as shown in Figure 3-11 below. The decrease in deaths directly impacts the population structure as assessed above and reflects the increase in the number of children below ten years old over the past decade.

Figure 3-11: HIV deaths and other deaths



Source: Quantec 2020

3.1.5 Migration

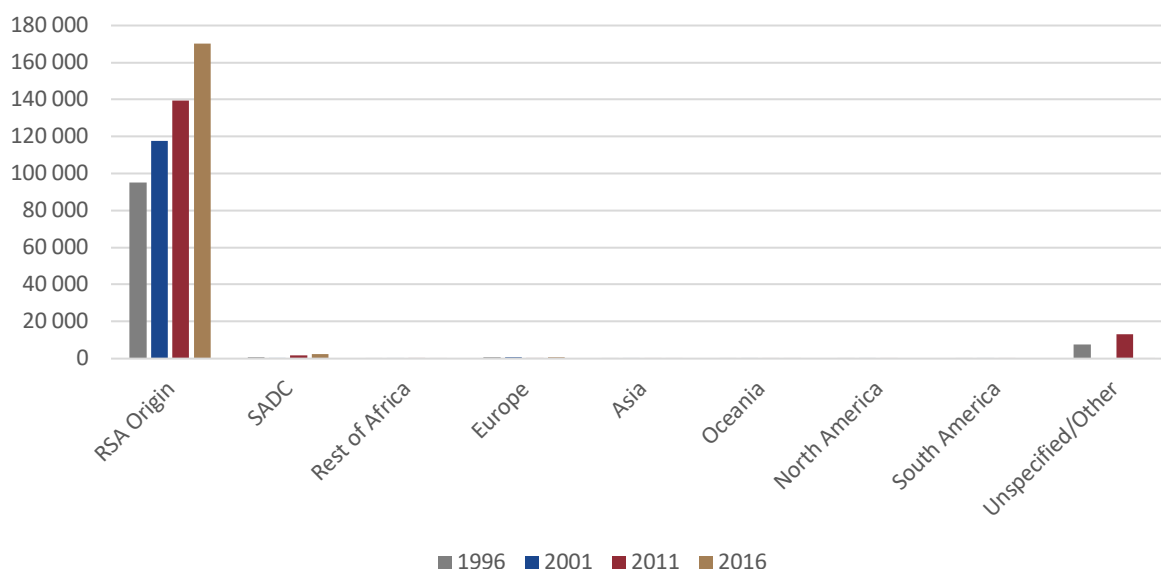
In a country where urbanisation plays a pivotal role in long-term development strategies and where the local economy is open, migration is an important factor. The table below shows the country of origin of residents. The most significant aspect is the extent to which people from inside South Africa migrated to the municipality. There is a total increase of 78% between 1996 and 2016, or 3.9% per annum. Migration from other areas are small but the number of people from other SADC countries are increasing.

Table 3-6: Migration - country of origin

| Migration | 1996 | 2001 | 2011 | 2016 |
|-------------------|----------------|----------------|----------------|----------------|
| RSA Origin | 95 112 | 117 811 | 139 577 | 170 150 |
| SADC | 794 | 379 | 1 851 | 2 286 |
| Rest of Africa | 49 | 61 | 373 | 24 |
| Europe | 876 | 568 | 482 | 576 |
| Asia | 71 | 30 | 123 | 44 |
| Oceania | 16 | 21 | 33 | 27 |
| North America | 29 | 72 | 21 | 0 |
| South America | 15 | 36 | 43 | 0 |
| Unspecified/Other | 7 673 | NA | 13 191 | 89 |
| Total | 104 635 | 118 979 | 155 694 | 173 196 |

Source: Statistics South Africa

Figure 3-12: Migration from outside South Africa



Source: Statistics South Africa

Also significant is the movement of people within South Africa to the area. Most residents originated in the Western Cape. The flow of people from other provinces is small, but there seems to be a significant decline in people from the Eastern Cape since 2011.

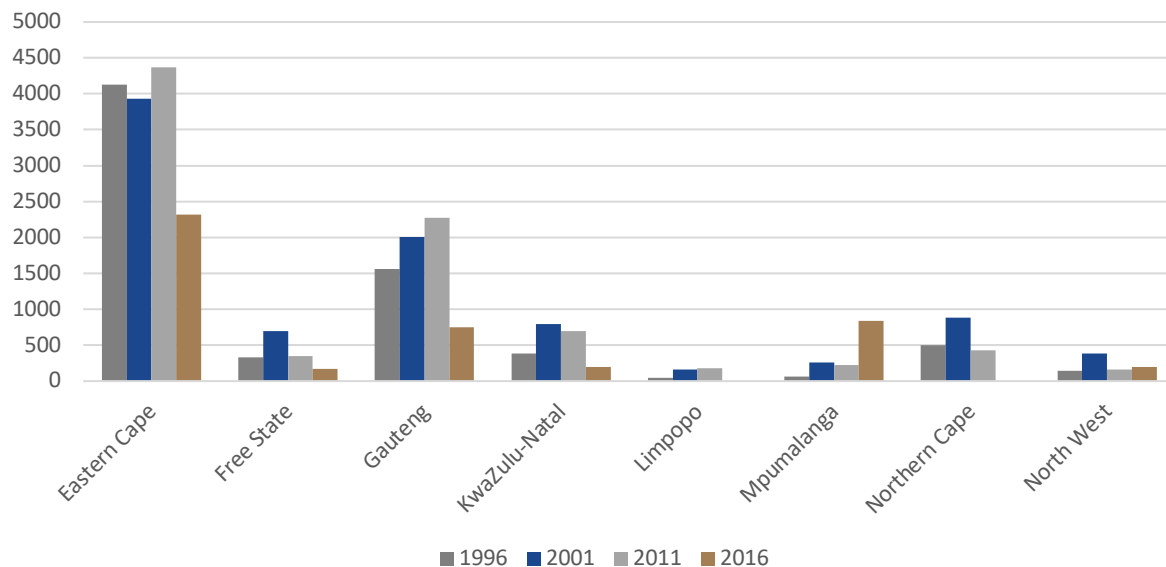
Table 3-7: Province of previous residence

| Migration | 1996 | 2001 | 2011 | 2016 |
|--------------|------|------|------|------|
| Eastern Cape | 4131 | 3928 | 4368 | 2321 |
| Free State | 331 | 699 | 352 | 170 |
| Gauteng | 1559 | 2004 | 2275 | 749 |

| Migration | 1996 | 2001 | 2011 | 2016 |
|-------------------|---------------|---------------|---------------|---------------|
| KwaZulu-Natal | 385 | 790 | 698 | 194 |
| Limpopo | 46 | 162 | 181 | 0 |
| Mpumalanga | 65 | 261 | 226 | 839 |
| Northern Cape | 496 | 885 | 431 | 0 |
| North West | 140 | 382 | 160 | 197 |
| Western Cape | 53602 | 10911 | 133465 | 167416 |
| Unspecified/Other | 43879 | 759 | 13538 | 1310 |
| Total | 104635 | 118979 | 155694 | 173196 |

Source: Statistics South Africa

Figure 3-13: Migration change from other provinces in South Africa



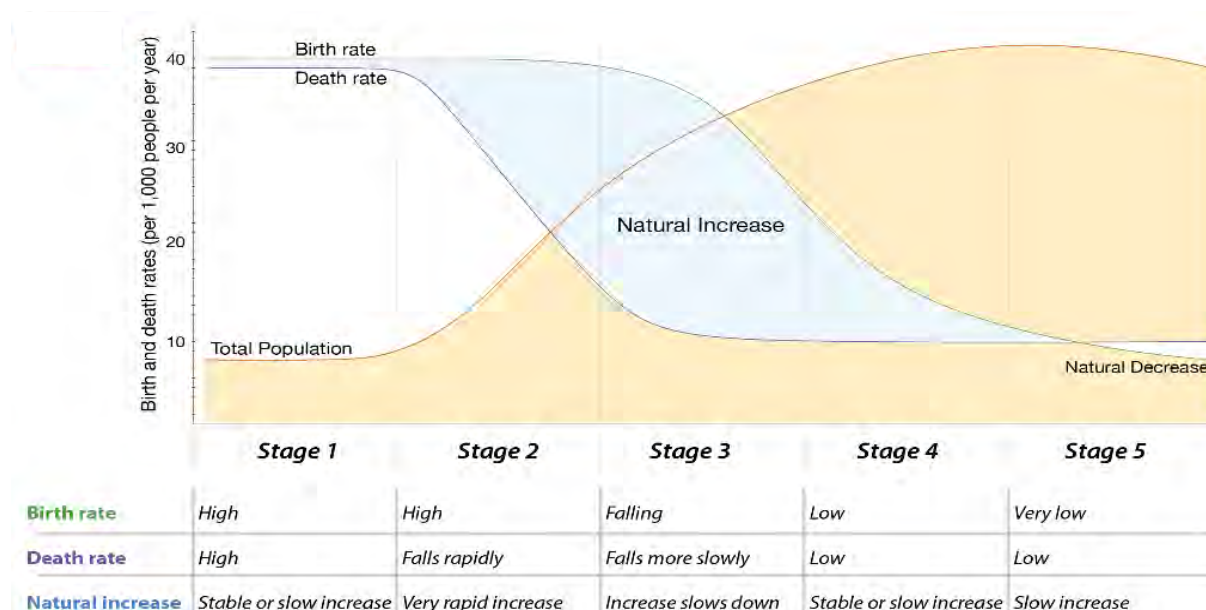
Source: Census 1996, 2001, 2011/ Community Survey 2016

3.1.6 Population change and growth

a. Population transition theory

According to the scholar Thomas Malthus, population growth is limited by available resources. But if that's so, why is the world's population growing so rapidly in regions with the fewest resources? In part, this can be explained by the demographic cycle. As the figure below shows, population changes move through five broad phases where the differential determines population numbers between birth and death rates. This model ignores the impact of migration, and many factors affect death and birth rates. Nevertheless, it helps in defining the broad, long-term expectations around population changes.

Figure 3-14: Population transition theory



The key factors that impacted birth rates are:

- Stage 1 and 2: Reflects mainly on an agrarian society where any children are needed for farming, although many die early. Religious and cultural factors play a role in high birth rates and where there is no family planning
- Stage 3: Improved medical care and diet still keep birth rates high, but children's need decreases.
- Stage 4 and 5: Improved socio-economic condition encourages family planning, health is good, and the status of women improves, and marriages take place at a later age. This leads to a drastic decrease in birth rates.

The factors that impact changes in the death rate are:

- Stage 1: Diseases are prevalent, and famine occurs regularly. This is aggravated by poor medical knowledge and many children die.
- Stages 2 and 3: Improvements in health services and access to medical care, improved water supply and sanitation decreases death rates drastically.
- Stages 4 and 5: Health care is good, and the food supply is reliable, which leads to further decreases in death rates.

In terms of this model, South Africa is approaching the latter phases of stage 4, although substantial differences occur at the regional level and also between urban and rural areas. This model has a value at the local level but should be used with circumspection. The element not addressed in this model is migration and particularly urbanisation.

Urbanisation generally occurs with modernisation and industrialisation and is often motivated by economic factors. These factors pull people to cities at the same time that they push people from rural homes. Urbanisation manifest as "rural flight". This flight often occurs in a region following the industrialisation of agriculture—when fewer people are needed to bring the same amount of agricultural output to market - and related agricultural services and industries are consolidated. These factors negatively affect the economy of small- and middle-sized farms and strongly reduce the rural

labour market size. Rural flight is exacerbated when the population decline leads to the loss of rural services (such as business enterprises and schools), leading to more significant population loss as people leave to seek those features. In South Africa, this occurred at low levels. Firstly, the commercial farming areas depopulate due to farming practices and hence a loss in jobs and businesses and social amenities. In tribal areas, the social grant system has replaced subsistence farming and made people less bound to the land, which encourages migration to cities and towns as perceived economic opportunity areas.

Urbanisation occurs naturally to reduce time and expense in commuting while improving jobs, education, housing, entertainment, and transportation opportunities. Living in cities permits individuals and families to take advantage of the opportunities of proximity, diversity, and marketplace competition. Due to their high populations, urban areas can also have more diverse social communities than rural areas, allowing others to find people like them

The historical perspective on population and household changes are essential. It is also the basis for determining future household and population levels. However, countless factors impact population and household growth. Long-term estimates and the scale of a municipality remains challenging due to the open nature of the development systems and the free movement of people and access to goods and services across municipal boundaries. Any long-term projection must only be regarded as indicative, and changes need to be monitored continuously. Population and household growth ultimately determine the services demand in the municipality.

b. Assessing population change

Assessing population change in a municipal area is challenging for several reasons:

- Municipalities function in an integrated environment where changes at a national, provincial, and neighbouring areas directly impact local growth.
- Data sources differ in terms of baseline data used and hence in outcomes which complicate comparative assessments.
- Municipal population figures are, with a few exceptions, a disaggregation of higher-order data. Between censuses, mid-year population estimates at the district level are the only available sources. Most data sets use StatsSA's mid-year population estimates as a benchmark.
- Long-term projections (ten years and longer) are subject to high uncertainty levels because many factors drive local development.
- Interventionistic policies from the government are often unpredictable and focus on deliberately change historical trends. This increases the level of uncertainty in outcomes.

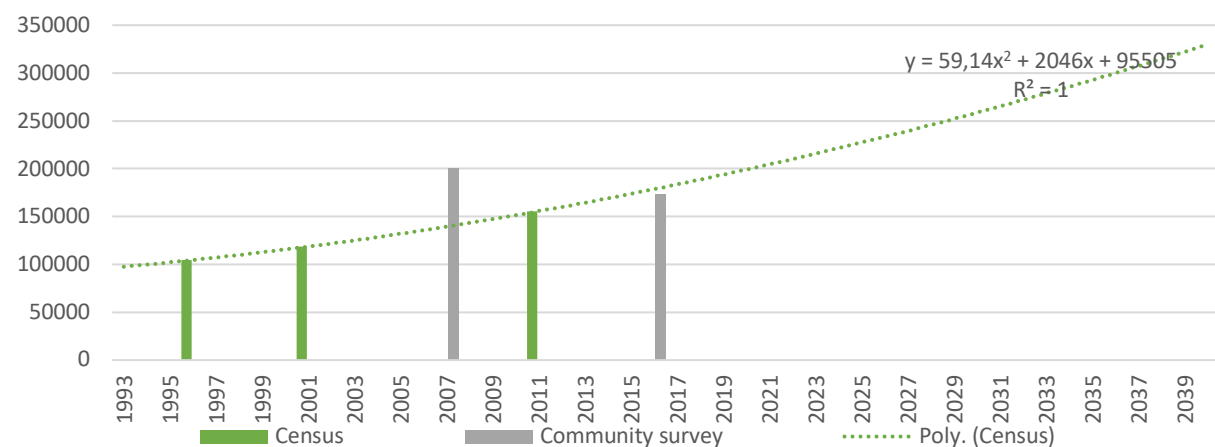
Notwithstanding these challenges, it remains essential to project and estimate future population and household numbers. Population and household changes are the drivers of the long-term demand for land and services.

The historical perspective on population and household changes are essential. It is also the basis for determining future household and population levels. However, countless factors impact population and household growth. Long-term estimates and the scale of a municipality remains challenging due to the open nature of the development systems and the free movement of people and access to goods and services across municipal boundaries. Any long-term projection must only be regarded as indicative, and changes need to be monitored continuously. Population and household growth ultimately determine the services demand in the municipality.

The next series of graphs show how the different available data sets relate. The approach is to build from the known official data and then add the commercial datasets after using trend analysis to reach a workable scenario.

Figure 3-15, below starts by looking at the main StatsSA data sources. These include the census data for 1996, 2001, and 2011 as well as the 2007 and 2016 Community Surveys. One can immediately see some questionable results, especially from the 2007 Community Survey where a figure of 200 524 people seems out of place compared to the other results. Applying a trend line to the Census data a perfect correlation between the data occurs. Following this growth path, one sees a drastic expected increase in the municipality's future population, reaching well over 300 000 people by 2040.

Figure 3-15: Census and Community Survey outcomes



The next graph shows the results when the Population estimates of StatsSA in Stellenbosch local municipality comes into play. This data was prepared for the Stellenbosch local municipality by StatsSA. The trendline also shows near-perfect correlation but unlike the census data is shows a predicted slowing down of the population growth rate over time. In this case, the expected future population by 2040 is below 250 000.

Figure 3-16: Projections based on StatsSA data

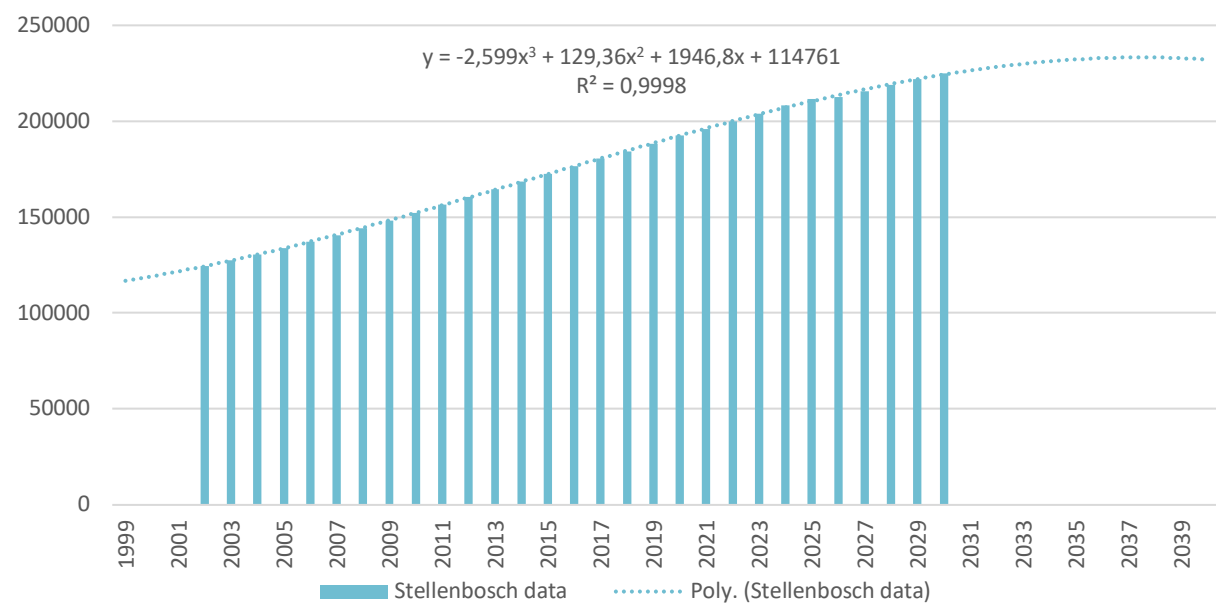


Figure 3-16 below shows the results when the mid-year population estimates of StatsSA. The trendlines of the mid-year estimates and the Stellenbosch StatsSA data show a similar trend and a strong correlation. Based on this, one can assume that a future estimate based only on the three census figures might present inaccurate results.

The complication with these three data sets from Statistics South Africa is apparent. One dataset show strong growth in the future population and the other two a slowdown in terms of growth rate.

Figure 3-17: Projections based on StatsSA data

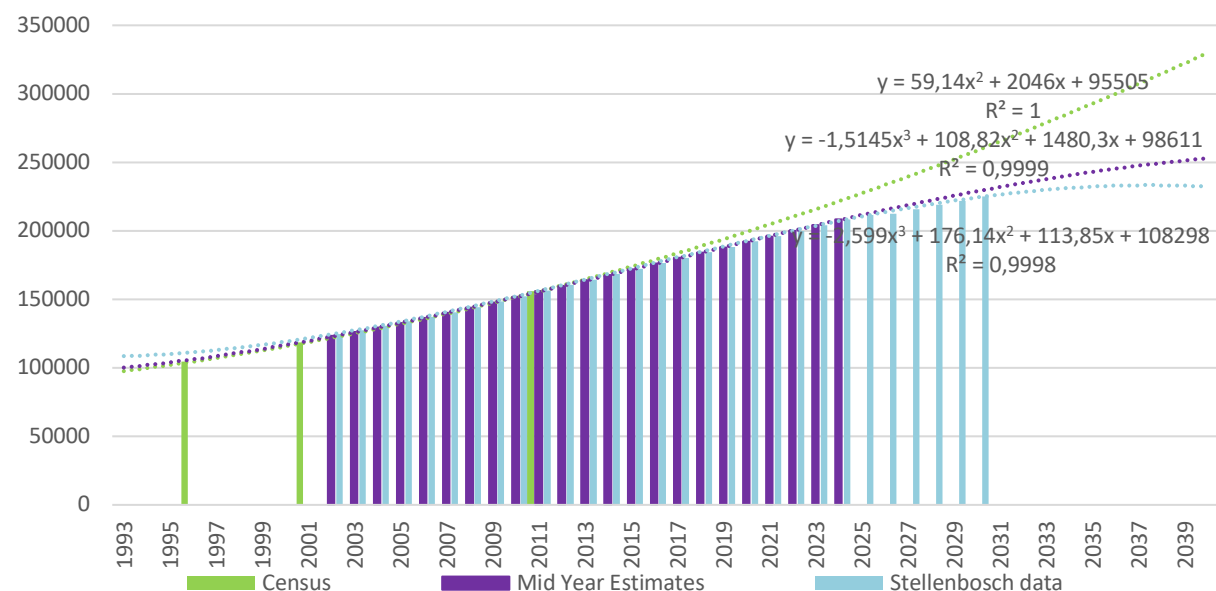
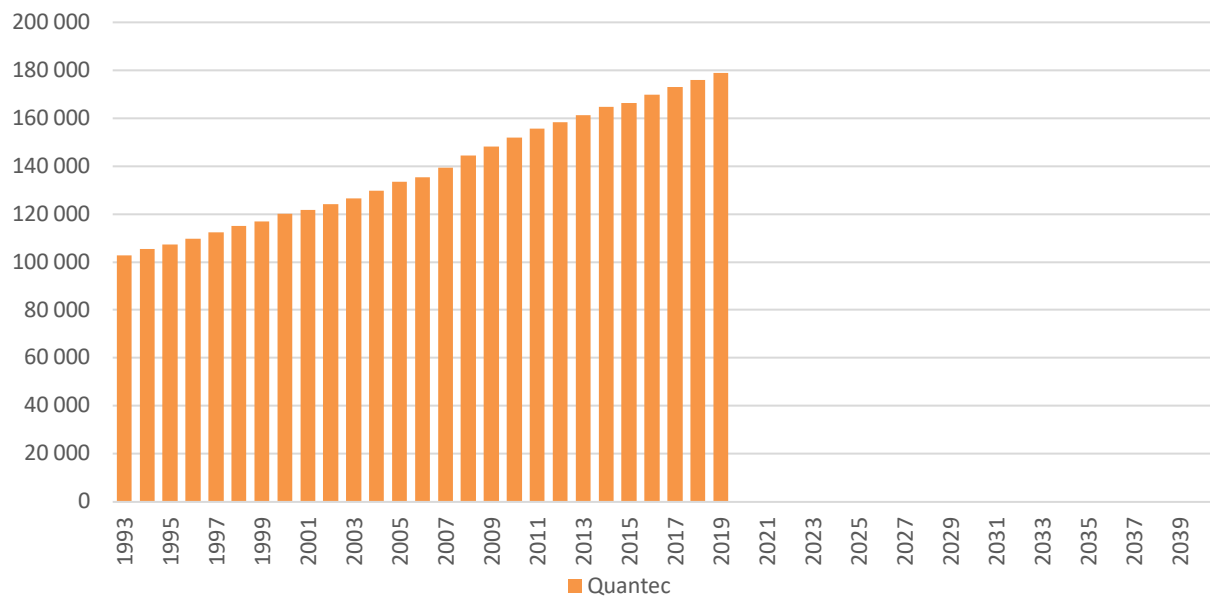


Figure 3-18 below shows the Quantec data, as well as a GTI data point for 2018. The Quantec data provides the most extended set of historical data. It is interesting to note the different trends between the data sets and that the Quantec data correlates with the results of StatsSA's mid-year population estimates. This is to be expected as the Quantec data benchmarks on the mid-year population estimates.

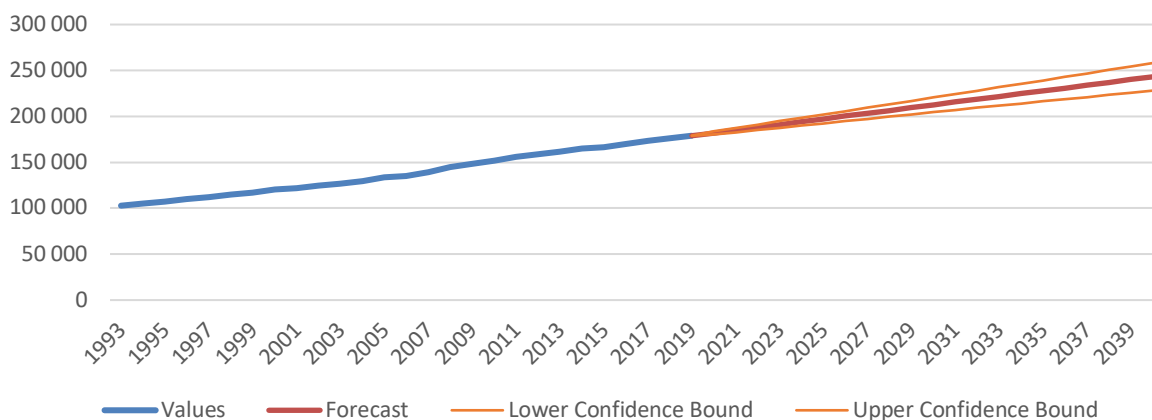
Figure 3-18: Quantec and GTI population data



GTI's data can be empirically verified, and it might point to an undercount of about 22.5% in the population. An undercount of this extent can have serious implication for planning in the municipality. Similarly, households show a 33.7% undercount based on the mid-year population estimates.

When one uses the Quantec data and applies Microsoft Excel's forecast function, the following forecast shows the population levels until 2040 within a 95% confidence limit. The figure below shows the results.

Figure 3-19: Forecasting population using Quantec data



The forecast indicates that the expected population in 2040 is 243 046. Although this is statistically within 95% confidence levels, the upper and lower confidence bounds are different but possible. The variation in a 95% confidence between the upper and lower limits highlights the importance of closely monitoring population continuously.

The projected population figures are presented in Table 3-8 below. The Census trend forecast shows strong growth in the expected population, while the mid-year population estimate forecast is close to Quantec data. To ensure consistency in the use of these figures in the municipality, the mid-year population estimate figures, as accepted by Stellenbosch for planning purposes, will be used. The

possibility and extent of a substantial undercount in both population and household figures, imply that the midyear estimates are very conservative.

Table 3-8: Projected population numbers

| | 2019 | 2020 | 2025 | 2030 | 2035 | 2040 |
|--|---------|---------|---------|---------|---------|---------|
| Quantec forecast | 178 927 | 181 980 | 197 247 | 212 513 | 227 779 | 243 046 |
| Census Trend | 193 860 | 199 159 | 227 426 | 258 651 | 292 833 | 329 972 |
| Mid-year population estimates trends
(Stellenbosch working figures) | 188 099 | 192 128 | 211 539 | 228 895 | 243 059 | 252 895 |

3.2 Social Profiling: Household characteristics

3.2.1 Reported household numbers

Households are usually assessed in the context of the total population. This gives rise to density ratios and household size. The total number of households is always an important factor in determining the overall demand for infrastructure services and housing. Household density is an important indicator of settlement efficiency and plays an important role in urban planning and development strategies. Household size has an impact on the extent of consumption of goods and services. One should note that housing support strategies have affected household formation to the extent that there are often different rates of change between households and population. The basic household profile for the assessment area is shown in Table 3-9 below. Table 3-10 shows the number of households per population group.

Table 3-9: Total households, size and density

| | 1996 | 2001 | 2011 | 2016 |
|-----------------------------------|--------|--------|--------|--------|
| Total households | 26,154 | 35,165 | 43,328 | 52,274 |
| Household density (households/ha) | 0.29 | 0.41 | 0.51 | 0.62 |
| Ave household size | 4.00 | 3.38 | 3.59 | 3.31 |

Source: Statistics South Africa/SDSA

Table 3-10: Number of households by population group

| | 1995 | 2000 | 2005 | 2010 | 2015 | 2019 |
|---------------------|--------|--------|--------|--------|--------|--------|
| Black Households | 5 540 | 7 708 | 10 116 | 13 313 | 16 149 | 18 480 |
| Coloured households | 13 367 | 14 547 | 15 621 | 17 352 | 19 020 | 20 420 |
| Asian households | 75 | 85 | 99 | 120 | 137 | 151 |
| White households | 10 924 | 11 740 | 12 074 | 12 061 | 10 951 | 10 280 |
| Households total | 29 907 | 34 081 | 37 909 | 42 846 | 46 258 | 49 332 |

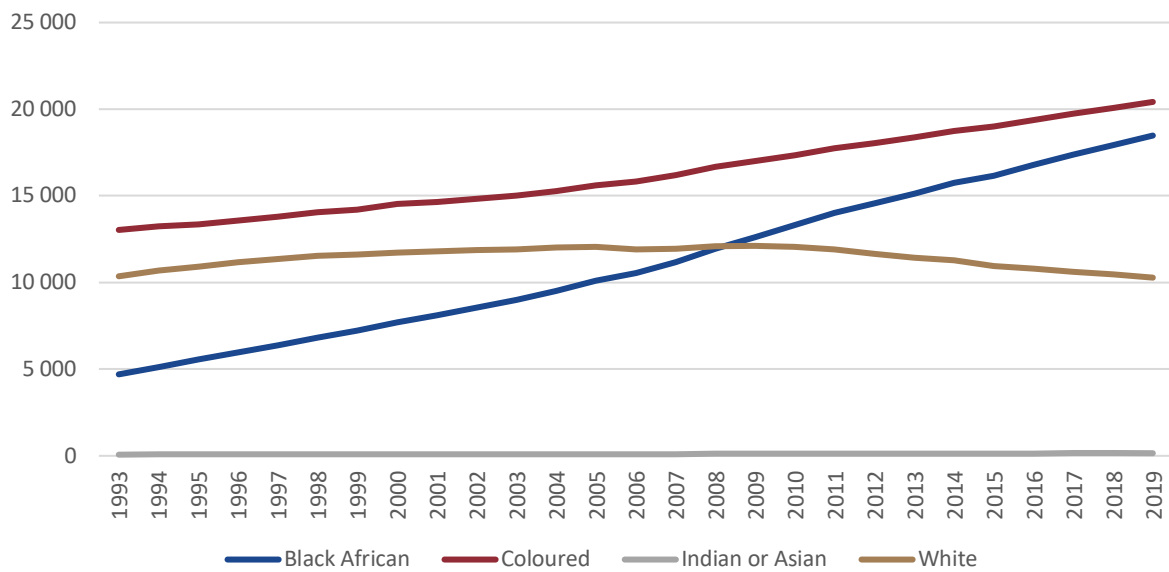
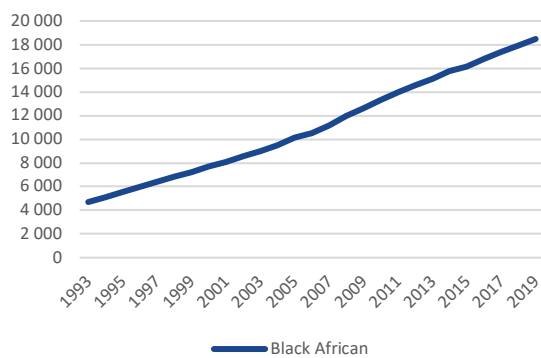
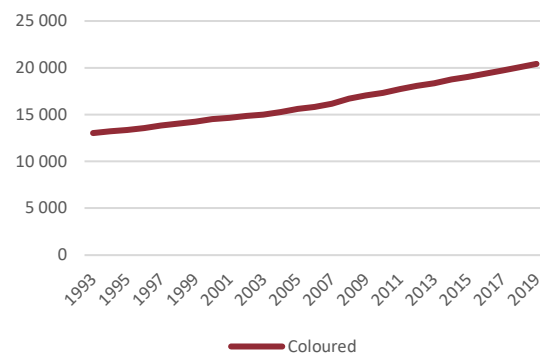
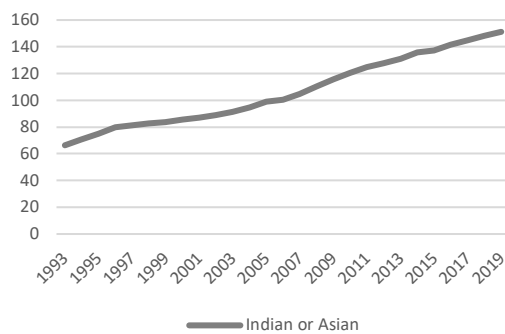
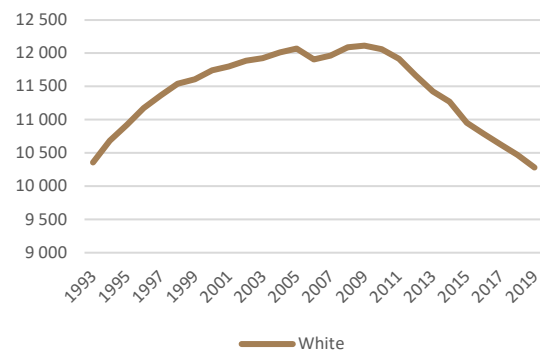
Source: Quantec 2020

3.2.2 Historical household growth trends

As shown in Figure 3-20 below, the trends for households are broadly the same as for population. This is also true for the next graph showing the growth rates (Figure 3-21: Comparative household growth rates from 1993 to 2019). However, the change dynamics in population and households are not precisely the same, and when the two data sets are used to show household sizes and the changes in household size, several important aspects emerge.

The number of black households has grown significantly between 1993 to 2019 and still shows the most robust growth of all population groups. Coloured households also show strong growth but not at the rate of black households. White households show an interesting pattern. There was a decline in white households since 2009, and by 2019 white households numbers decreased to below the 1993 level.

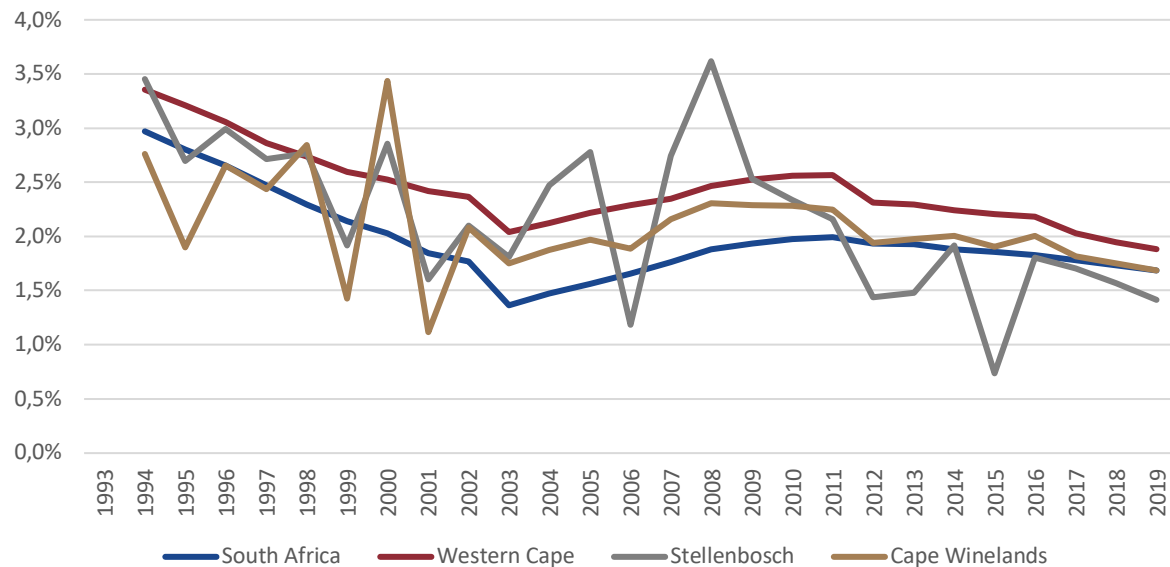
Figure 3-20: Household growth from 1993 to 2019



Source: Quantec 2020

The corresponding growth rates are shown in the figure below. The graph shows a similar trend for the country, province, district, and the municipality. It is interesting to note that the household growth rate in the Stellenbosch Local Municipality has been below that of the district, province and national rates since 2012.

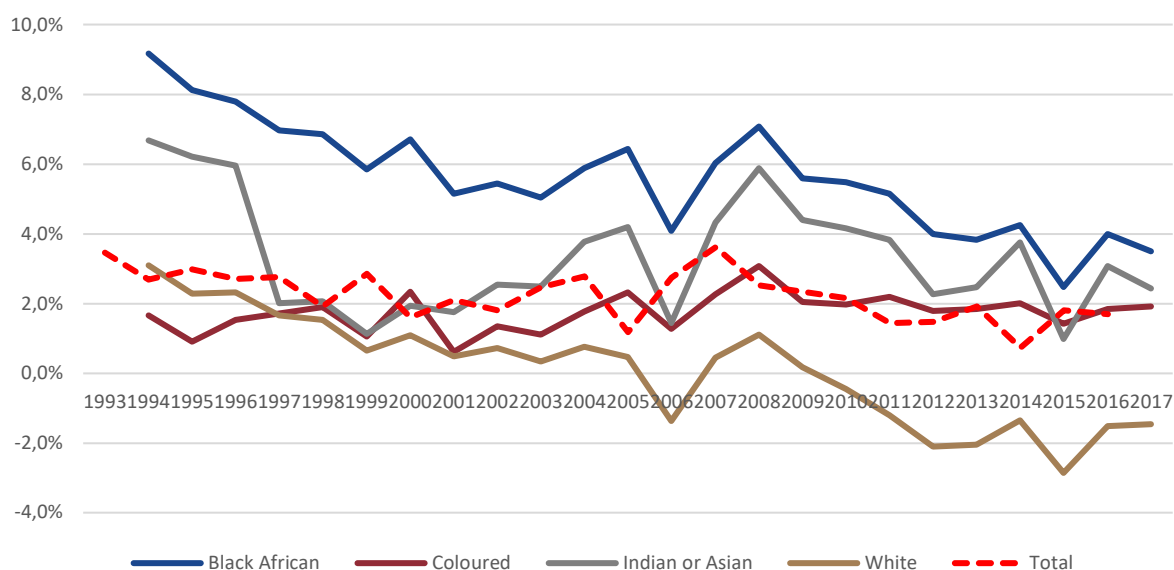
Figure 3-21: Comparative household growth rates from 1993 to 2019



Source: Quantec 2020

The figure below confirms the declining growth rates and compares the household growth rates per population group in the municipality. The household growth rates for the black and Asian population groups have generally been above the municipality's total. The coloured population group follows a very similar trend that the total. This is to be expected as the coloured population group accounts for the majority of the population. The white population group is below the total for the municipality and is continuously declining. Since 2010 the household growth rate for the white population group has been negative.

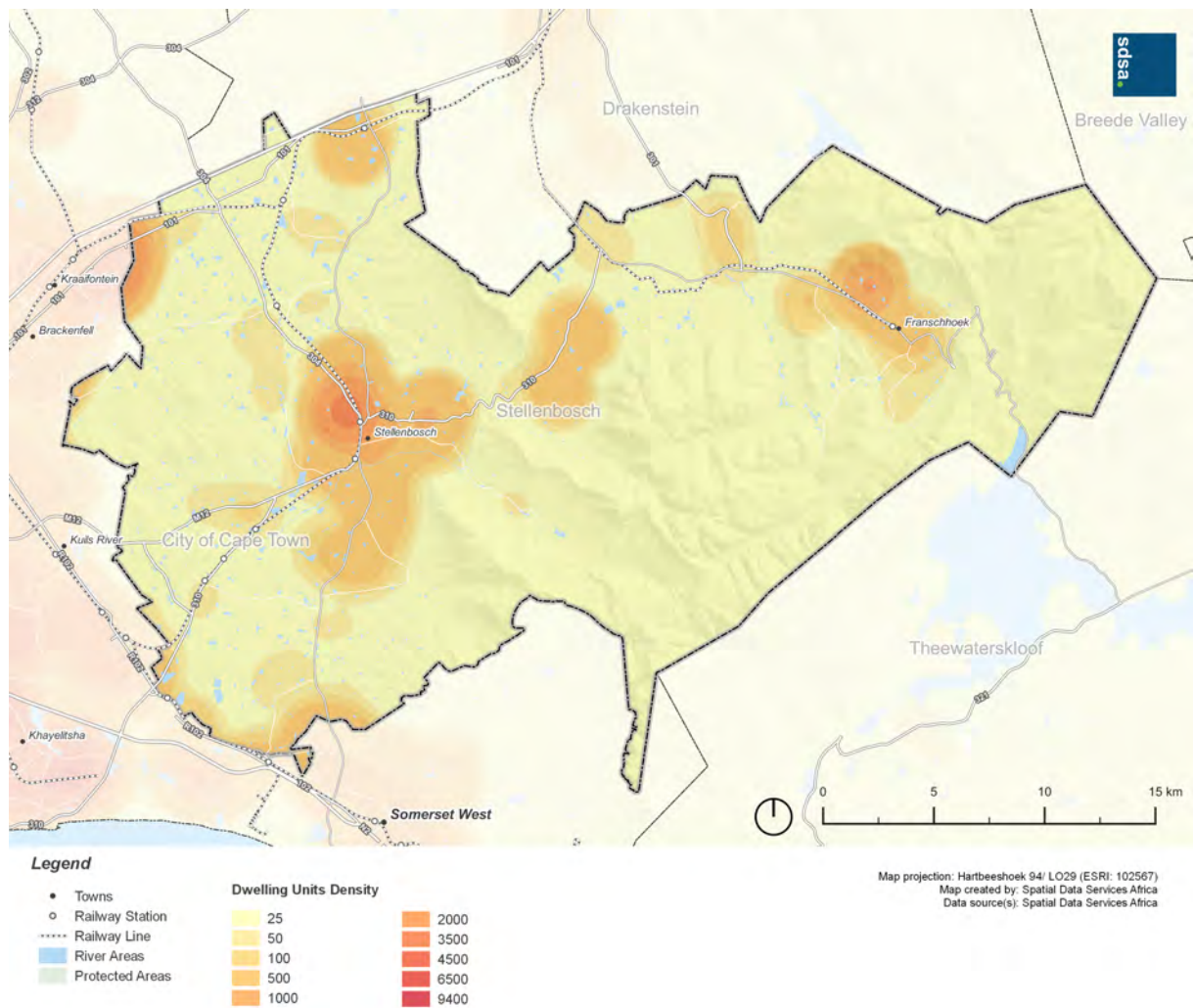
Figure 3-22: Household growth rates in Stellenbosch Local Municipality 1993 to 2019



Source: Quantec 2020

Figure 3-23 below shows household densities in the municipality at a 2km kernel density. As can be expected, the overall densities follow a similar pattern to the population's spatial distribution. The highest densities are in and around Stellenbosch with some lower densities being recorded in Franschoek, Klapmuts and the area around Pniel, Langedoc and Kylemore.

Figure 3-23: Household densities - Dwelling Units per km2 (2km Kernel)



Source: SDSA

3.2.3 Household size

Household size is an important indicator. In demographic terms, it relates to the stages of the demographic cycle, and decreasing household sizes is also an indicator of improving socio-economic conditions. However, increasing household sizes may also indicate economic stress leading to overcrowding and bigger households. Decreasing household sizes might also result from government housing programs that, in effect, encourage large family units to split up to access subsidised housing.

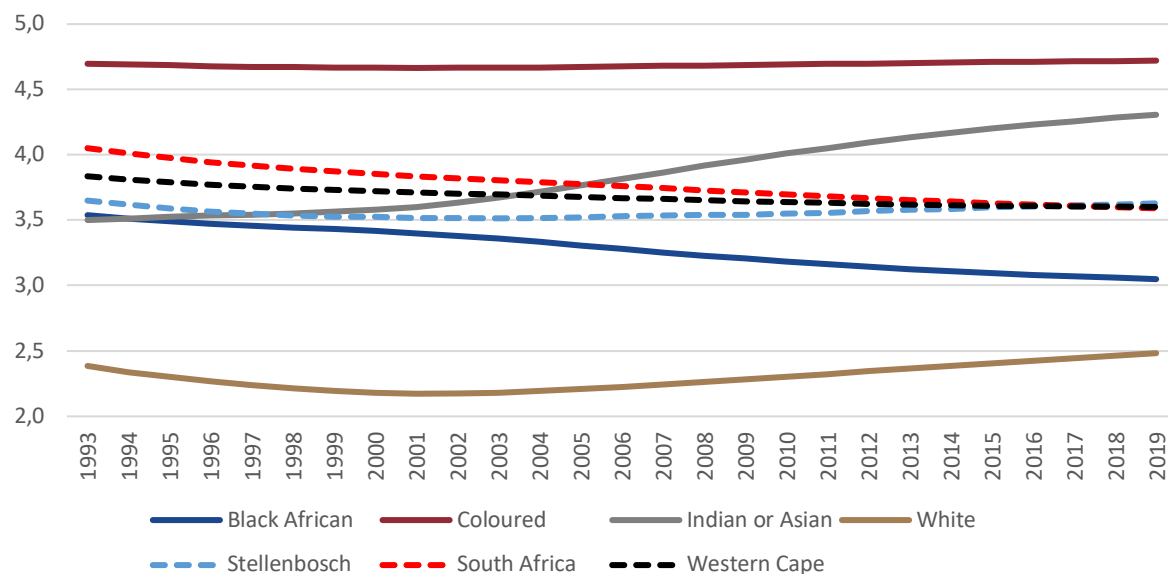
Table 3-11 below and the graph show that overall household sizes have relatively stable in the assessed period. The Coloured population's household size remains the same, while the Asian and White populations' households size increased.

Table 3-11: Household size from 1993 to 2019

| | 1995 | 2000 | 2005 | 2010 | 2015 | 2019 |
|---------------------|------|------|------|------|------|------|
| Black population | 3,5 | 3,4 | 3,3 | 3,2 | 3,1 | 3,0 |
| Coloured population | 4,7 | 4,7 | 4,7 | 4,7 | 4,7 | 4,7 |
| Asian population | 3,5 | 3,6 | 3,8 | 4,0 | 4,2 | 4,3 |
| White population | 2,3 | 2,2 | 2,2 | 2,3 | 2,4 | 2,5 |
| Average HH Size | 3,6 | 3,5 | 3,5 | 3,5 | 3,6 | 3,6 |

Source: Quantec

Figure 3-24: Household sizes by population group



Source: Quantec 2020

3.2.4 Dwelling type

Housing backlogs and the demand for housing will always remain an issue in development and social support strategies in South Africa. The next table shows the different dwelling types in the municipality under assessment.

Table 3-12: Dwelling type

| | 1996 | 2001 | 2011 | 2016 |
|----------------------|--------|--------|--------|--------|
| Traditional | 467 | 768 | 254 | 366 |
| House made of bricks | 14,143 | 18,681 | 24,817 | 29,600 |
| Flat | 3,026 | 2,959 | 4,353 | 1,294 |

| | 1996 | 2001 | 2011 | 2016 |
|-------------------------------|---------------|---------------|---------------|---------------|
| Multiple housing | 2,508 | 1,198 | 2,644 | 2,686 |
| Dwelling in backyard | 1,180 | 554 | 445 | 195 |
| Room/ granny flat | 700 | 265 | 279 | 197 |
| Informal | 2,937 | 3,478 | 7,496 | 15,927 |
| Informal dwelling in backyard | 601 | 1,111 | 2,442 | 1,902 |
| Other | 592 | 6,150 | 598 | 107 |
| Total | 26,154 | 35,165 | 43,328 | 52,274 |

Source: Statistics South Africa

3.2.5 Dwelling ownership

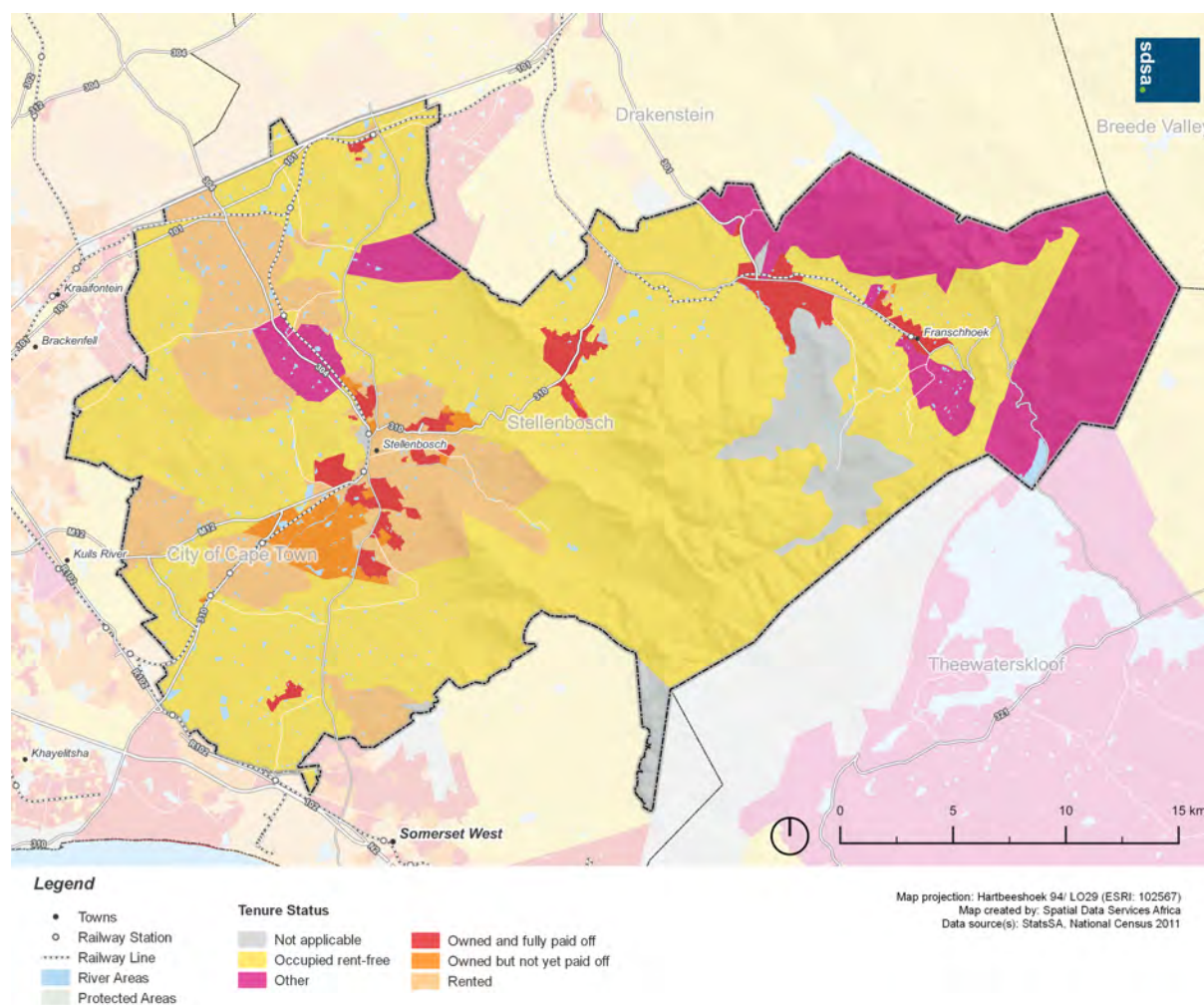
Dwelling ownership data must be treated with circumspect. The data from the census below is based on the occupant's perceptions. There are many ownership systems available. If ownership is interpreted as freehold ownership in terms of a title deed, most areas in South Africa are excluded from this form of ownership. This applies to tribal land and many of the townships in South Africa that were surveyed but never proclaimed. Table 3-13 below reflects the position as reported in the censuses.

Table 3-13: Dwelling ownership

| | 2001 | 2011 | 2016 |
|----------------------------|---------------|---------------|---------------|
| Rented | 8,544 | 13,002 | 9,831 |
| Owned but not yet paid off | 4,533 | 4,312 | 4,121 |
| Occupied rent-free | 8,210 | 12,576 | 10,089 |
| Owned and fully paid off | 7,848 | 11,080 | 22,002 |
| Other | 6,031 | 2,358 | 6,231 |
| Total | 35,165 | 43,328 | 52,274 |

Source: Census 1996, 2001, 2011/MapAble 2020/Community Survey 2016

Figure 3-25: Majority tenure status



Source: Statistics South Africa/SDSA

3.2.6 Household change and growth forecasts

Households and household change are one of the most critical aspects of long term planning in any area. The number of households translates into customer units, and households usually represent more than 95% of the customers in a municipality.

Except for the outdated censuses and community surveys, all official statistics used at a municipal or sub-municipal level are all derived from the mid-year population estimates of StatsSA. Both Quantec and GTI use the midyear estimates to calculate and calibrate their household figures. However, GTI also uses their building-based land use (BBLU) data derived from satellite imagery, to aggregate statistics and then to calibrate using mid-year population estimates.

The differences in sources of base year figures are noticeable, and when these figures are projected for planning purposes, small variations in number translates into big differences over a twenty-year planning horizon.

The necessity to do forecasts is important since it becomes the basis for all planning activities. Housing programmes, service delivery planning and budgets are all dependent on estimating and forecasting the long-term customer profiles of the service providers. As a previous section highlighted the challenges with population forecasts, housing units' forecasts are even more challenging. This does not imply that one should not do household forecasts, but it is important to continuously monitor changes and patterns. Underlying any planning implementation systems is a data and information monitoring system

The following graphs highlight the implications of current household data sources for different forecast scenarios.

StatsSA shows household data in the censuses for 1996, 2001 and 2011, community surveys for 2016 and the mid-year estimates. The data points are shown in the figure below. The trendline shows a very good correlation coefficient of 0.9999 on the mid-year estimates. The trend line shows about 75 744 households by 2040.

Figure 3-26: Household trends based on StatsSA data

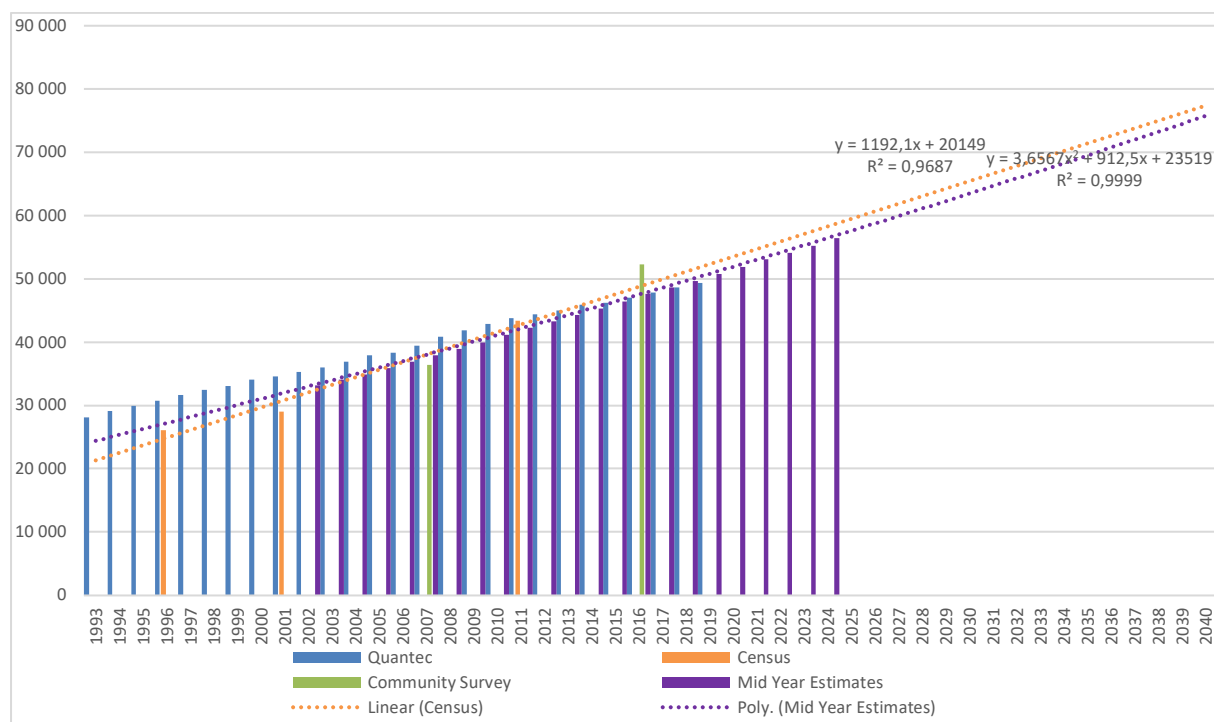
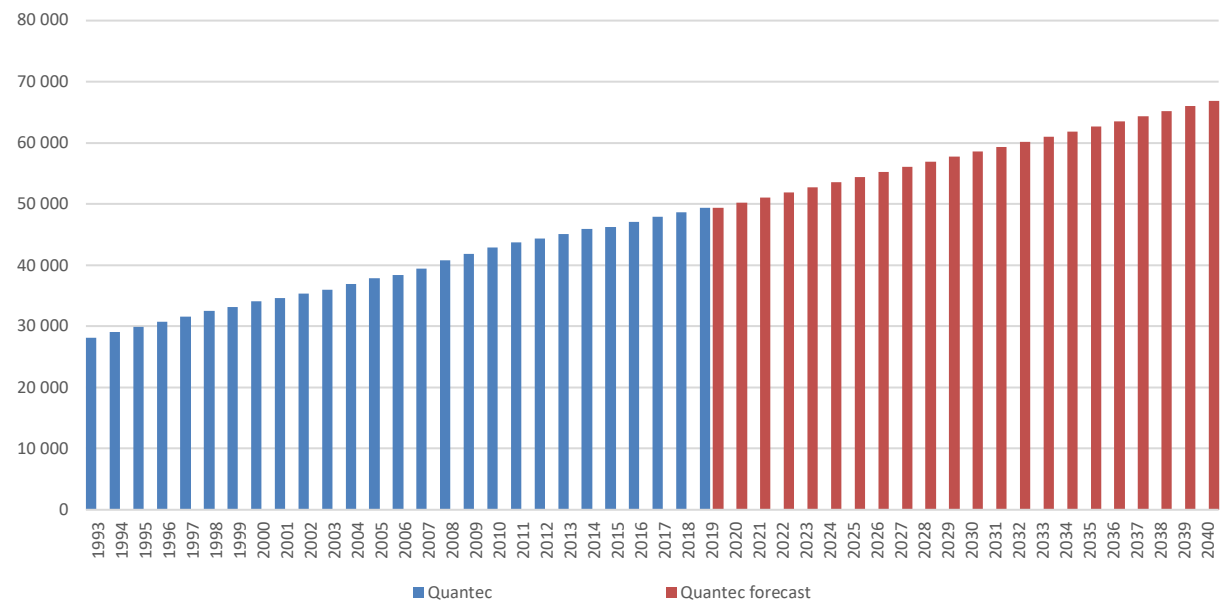


Figure 3-14 below shows Quantec data, benchmarked to mid-year population estimates, and also the GTI figure for 2017. The GTI figure is substantially higher, but it is verifiable as it based on observed structures. There are 64 593 physically observed housing structures compared to the 48 645 households according to the Quantec data based on the StatsSA baseline. It implies a substantial undercount as indicated paragraph 3.1.6b

Figure 3-27: Household trends based on Quantec data



The following household numbers support the identified trends.

Table 3-14: Projected household numbers

| | 2019 | 2020 | 2025 | 2030 | 2035 | 2040 |
|---|--------|--------|--------|--------|--------|--------|
| Quantec forecast | 49 332 | 53 583 | 57 724 | 61 865 | 62 693 | 66 834 |
| Census trend | 52 336 | 53 528 | 59 488 | 65 449 | 71 409 | 77 370 |
| Mid-year population estimates trends
(Figures adopted by Stellenbosch) | 50 822 | 51 936 | 57 614 | 63 474 | 69 518 | 75 744 |

However, uncertainty is high and requires continuous growth monitoring.

3.3 Economic profiling

The economic profile of any area largely determines its resource base, and hence, the level of development it can sustain. Linked to local demographics, the combination of population and economic variables determines the demand for infrastructure and services to sustain long-term development.

However, local and District municipalities are not necessarily demarcated as functional economic entities but rather as political-administrative units. This leads to several challenges in economic assessment. Amongst others, the following limitations should be considered:

- Economies are open and cannot be ring-fenced or isolated, such as a specific municipal area.
- Economic growth is affected by internationally linked markets, and hence, supply and demand for goods and services cannot be determined locally alone.
- National fiscal policies are outside the control of local economies and are impossible to predict over the long-term.
- National and local politics impact local and national economies, and changes in political stability levels are impossible to predict.
- Economic growth tends to follow cycles. These cycles are difficult to discount over the longer-term.
- It is not possible to accurately discount the current COVID19 crisis's long-term impact at a local level.

South Africa has a highly interventionist economy, and there are continuous efforts to manipulate economic development and growth. These interventions are not always based on rational economic decision-making but often based on socio-political agendas, such as the government's economic transformation agenda. The aim of these non-economic agendas is also specifically to alter the current or natural course of the economy. It becomes, therefore, virtually impossible to predict economic development outcomes based on existing trends and tendencies.

This section gives an overview of the local economy and will draw inferences based on the available information regarding long-term growth and development prospects.

This section addresses several economic issues on a comparative geographical basis. The following are relevant:

- The value of economic production of goods and services,
- Employment and
- Household income and expenditure.

This mostly descriptive section will be followed by a section dealing with relationships and performance in the economic environment. The main issues are:

- Drivers in the local economy, and
- Levels of specialisation in the economy

3.3.1 The value of economic production, good and services

Gross value added (GVA) is a measure of the value of goods and services produced in an area, industry, or economic sector. GVA is linked as a measurement to gross domestic product (GDP), as both are output measures. Simplistically, GVA is the total of all revenues. The relationship is defined as:

$$\text{GVA} = \text{GDP} - (\text{taxes} + \text{subsidies})$$

The next table shows the GVA per sector in the district from 1993 to 2019.

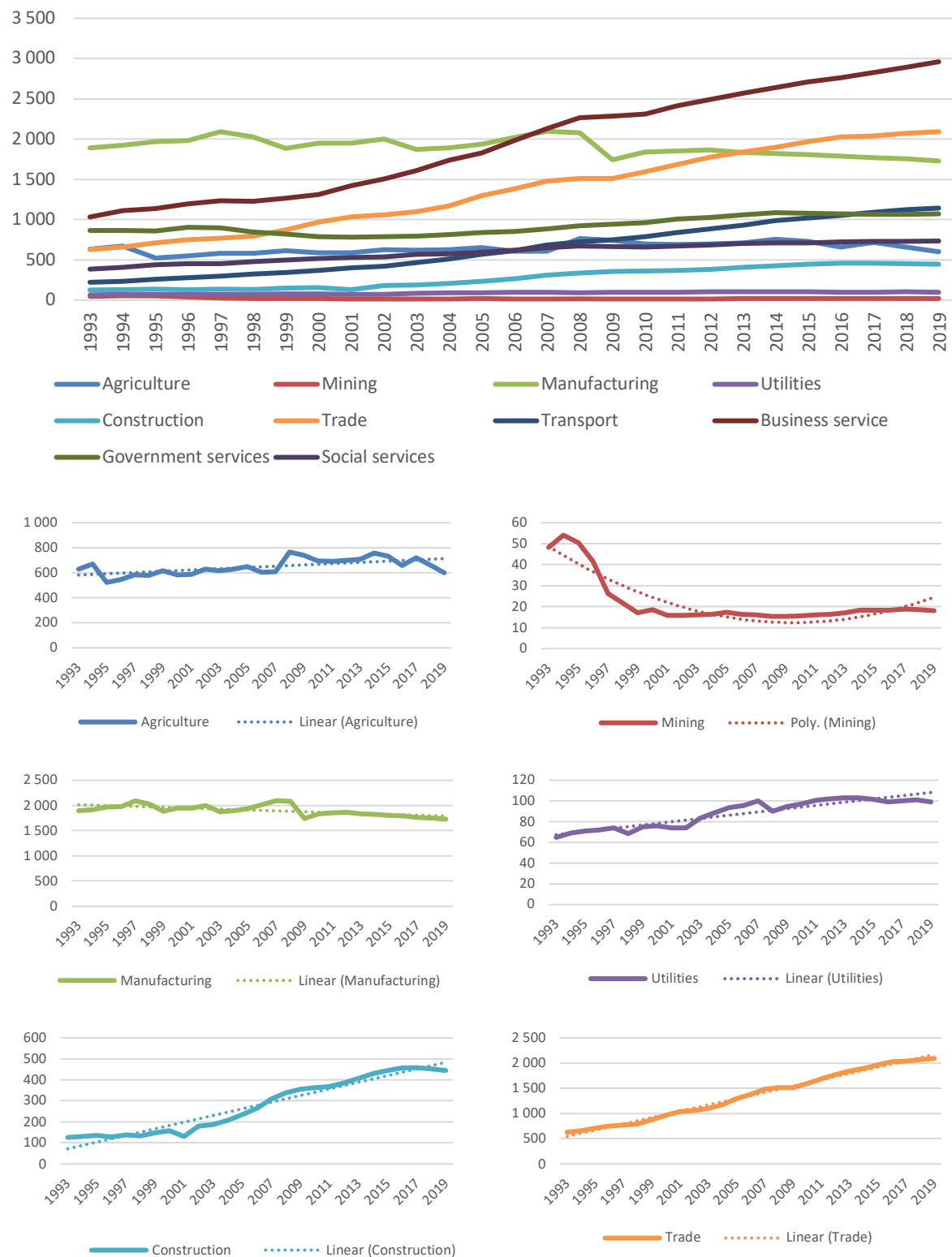
Table 3-15: GVA per annum per sector (R' million at 2010 constant prices)

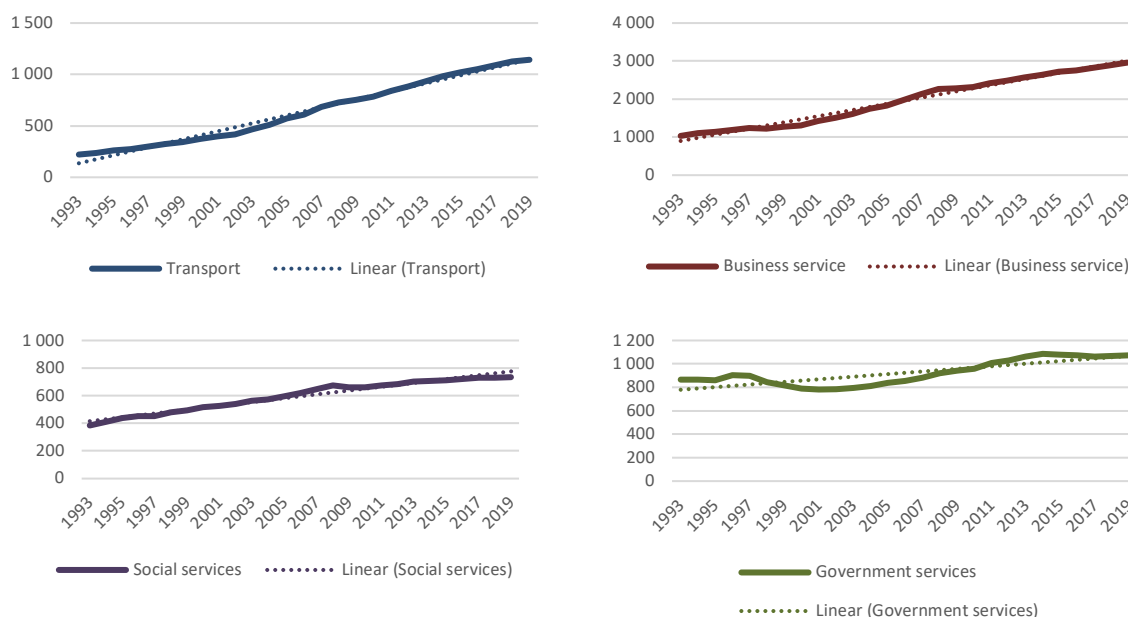
| GVA | Agriculture | Mining | Manufacturing | Utilities | Construction | Trade | Transport and Telecommunications | Business service | Social services | Government services | Total |
|----------------|-------------|---------|---------------|-----------|--------------|--------|----------------------------------|------------------|-----------------|---------------------|---------|
| 1993 | 630 | 48 | 1 892 | 65 | 126 | 628 | 221 | 1 031 | 868 | 385 | 5 893 |
| 1994 | 669 | 54 | 1 921 | 69 | 130 | 656 | 236 | 1 110 | 866 | 410 | 6 120 |
| 1995 | 523 | 50 | 1 968 | 71 | 135 | 708 | 260 | 1 134 | 861 | 438 | 6 149 |
| 1996 | 546 | 42 | 1 980 | 72 | 127 | 751 | 275 | 1 195 | 904 | 451 | 6 344 |
| 1997 | 583 | 26 | 2 091 | 74 | 138 | 766 | 298 | 1 231 | 898 | 450 | 6 556 |
| 1998 | 581 | 22 | 2 026 | 68 | 132 | 791 | 321 | 1 224 | 843 | 478 | 6 486 |
| 1999 | 615 | 17 | 1 882 | 75 | 147 | 873 | 343 | 1 266 | 819 | 496 | 6 533 |
| 2000 | 585 | 18 | 1 952 | 76 | 158 | 965 | 371 | 1 312 | 789 | 519 | 6 746 |
| 2001 | 589 | 16 | 1 947 | 74 | 130 | 1 034 | 398 | 1 418 | 781 | 529 | 6 916 |
| 2002 | 628 | 16 | 2 001 | 74 | 180 | 1 056 | 419 | 1 506 | 785 | 539 | 7 204 |
| 2003 | 618 | 16 | 1 872 | 84 | 186 | 1 100 | 466 | 1 607 | 795 | 566 | 7 311 |
| 2004 | 627 | 16 | 1 890 | 89 | 207 | 1 170 | 510 | 1 736 | 814 | 573 | 7 633 |
| 2005 | 649 | 17 | 1 938 | 93 | 235 | 1 296 | 571 | 1 828 | 838 | 595 | 8 062 |
| 2006 | 604 | 16 | 2 022 | 95 | 263 | 1 379 | 611 | 1 981 | 852 | 619 | 8 444 |
| 2007 | 609 | 16 | 2 097 | 100 | 309 | 1 478 | 683 | 2 132 | 883 | 649 | 8 957 |
| 2008 | 765 | 15 | 2 076 | 90 | 338 | 1 509 | 725 | 2 266 | 921 | 672 | 9 379 |
| 2009 | 742 | 15 | 1 741 | 95 | 355 | 1 510 | 752 | 2 287 | 940 | 662 | 9 100 |
| 2010 | 694 | 16 | 1 838 | 97 | 362 | 1 596 | 787 | 2 310 | 960 | 660 | 9 320 |
| 2011 | 691 | 16 | 1 855 | 100 | 369 | 1 684 | 840 | 2 415 | 1 005 | 673 | 9 647 |
| 2012 | 698 | 16 | 1 864 | 102 | 384 | 1 772 | 883 | 2 492 | 1 028 | 686 | 9 926 |
| 2013 | 709 | 17 | 1 835 | 103 | 409 | 1 840 | 931 | 2 567 | 1 061 | 701 | 10 171 |
| 2014 | 756 | 18 | 1 822 | 103 | 429 | 1 897 | 986 | 2 636 | 1 086 | 709 | 10 443 |
| 2015 | 730 | 18 | 1 808 | 102 | 444 | 1 966 | 1 018 | 2 713 | 1 080 | 713 | 10 592 |
| 2016 | 658 | 18 | 1 788 | 99 | 456 | 2 028 | 1 053 | 2 763 | 1 074 | 722 | 10 659 |
| 2017 | 719 | 19 | 1 766 | 100 | 458 | 2 042 | 1 089 | 2 828 | 1 064 | 729 | 10 814 |
| 2018 | 662 | 19 | 1 754 | 101 | 453 | 2 073 | 1 126 | 2 893 | 1 066 | 732 | 10 878 |
| 2019 | 601 | 18 | 1 728 | 99 | 444 | 2 091 | 1 143 | 2 960 | 1 073 | 734 | 10 893 |
| % contribution | 5,52% | 0,17% | 15,86% | 0,91% | 4,08% | 19,20% | 10,49% | 27,18% | 9,85% | 6,74% | 100,00% |
| Average growth | -0,18% | -62,61% | -0,33% | 2,04% | 9,76% | 8,97% | 16,07% | 7,19% | 0,91% | 3,50% | 3,26% |

The Stellenbosch Local Municipality has had an average annual economic growth rate of 3.26% during the period assessed. The largest contributing sectors to this growth are Business services (27.18%), Trade (19.20%) and Manufacturing (15.86%). Business services and trade are also two of the sectors that have shown the strongest growth. Manufacturing has been declining since 2008. During this time Business services overtook manufacturing as the leading economic sector.

Some sectors have shown a substantial decline. Mining has shown the largest decline (62,61%), but its base is small and insignificant to the assessment. More significant is the decline of the agriculture and manufacturing sectors which has shown an average annual decline of 0.18% and 0.33% respectively. These patterns are also illustrated in Figure 3-28 below.

Figure 3-28: GVA per sector





Source: Quantec 2019

3.3.2 Employment

Employment and the level of employment directly impact the long-term financial well-being of the government sector. Employment eventually translates into growth in the potential revenue base of the all spheres of government. On the other hand, employment and eventual unemployment challenges increase poverty and the demand for the government's social support programmes.

a. Labour force characteristics

Table 3-17 describes key labour force characteristics between 1995 and 2019. The following needs to be highlighted.

- While the population grew at 2.78% per annum over the period, the working-age population has grown by 3.25% per annum. That is almost 0.5% larger than the population growth rate.
- The ability of the economy to employ new job-seekers increased by 0.29% per annum. Where 79.3% of people in the economically active age could have been accommodated in the economy in 1995, this figure decreased to 69.2% in 2019.

Table 3-16: Labour absorption and participation

| | 1995 | 2000 | 2005 | 2010 | 2015 | 2019 | Average pa% |
|---------------------------------|---------|---------|---------|---------|---------|---------|-------------|
| Population - Total | 107 359 | 120 098 | 133 465 | 152 036 | 166 479 | 178 927 | 2,78% |
| Population - Working Age | 71 868 | 83 029 | 94 915 | 109 744 | 119 376 | 127 995 | 3,25% |
| Absorption rate | 66,94% | 69,13% | 71,12% | 72,18% | 71,71% | 71,54% | 0,29% |
| Not economically active | 14 876 | 19 992 | 26 474 | 37 171 | 35 314 | 39 426 | 6,88% |
| Labour force participation rate | 79,3 | 75,9 | 72,1 | 66,1 | 70,4 | 69,2 | -0,53% |

Source: Quantec 2019

b. Employment and skills levels

The workforce and its employment characteristics are important. The relationships between formal and informal employment and the employment of different skills levels give an indication of the general wellbeing and stress points in the local economy which eventually impacts the demand for and the ability of the council to deliver services

Table 3-17: Workforce characteristics

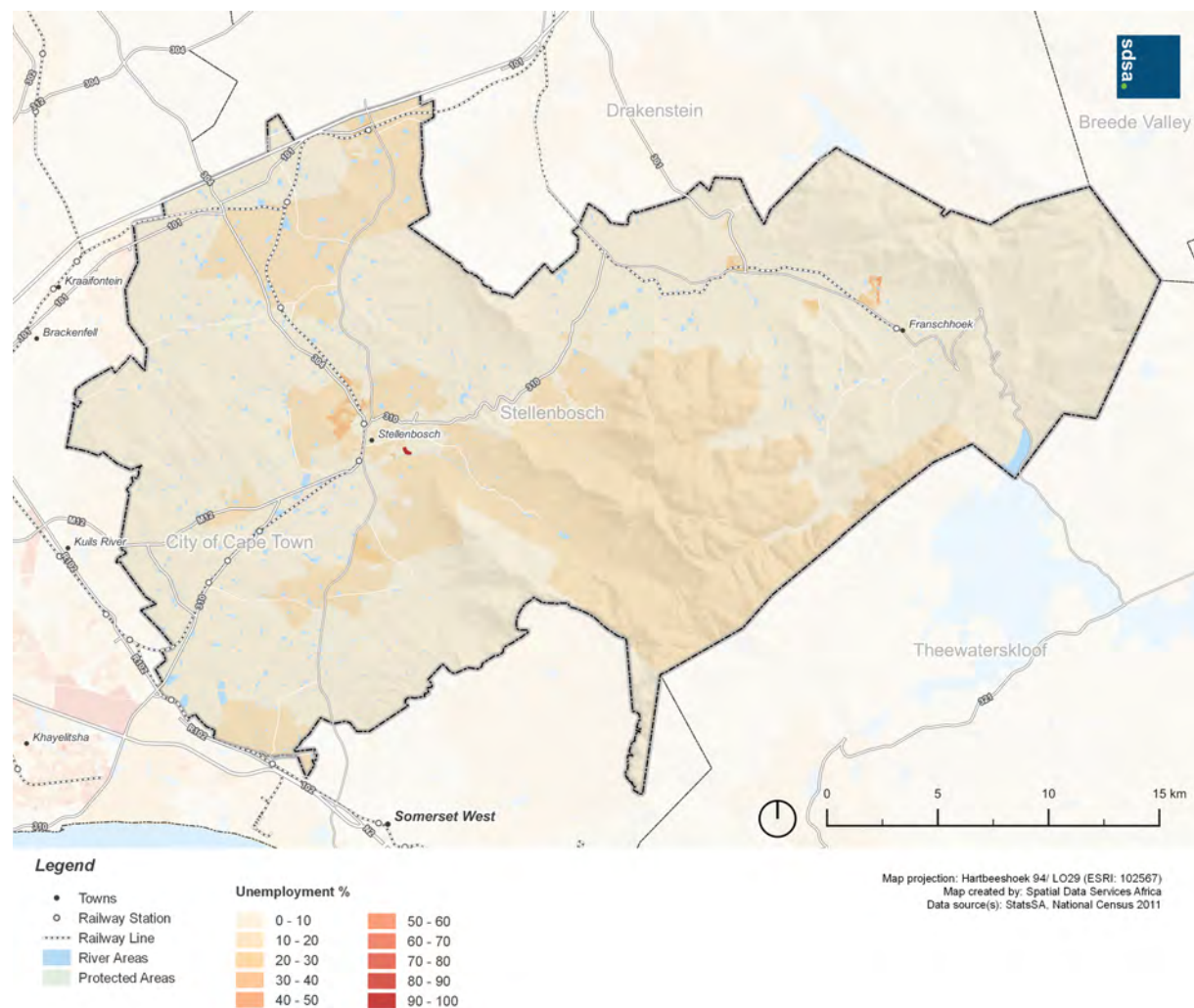
| | 1995 | 2000 | 2005 | 2010 | 2015 | 2019 | Average pa% |
|----------------------------------|--------|--------|--------|--------|--------|--------|-------------|
| Employed - Formal and informal | 55 762 | 60 836 | 63 148 | 65 732 | 76 550 | 78 594 | 1,71% |
| Employed - Formal - Total | 45 154 | 48 998 | 47 123 | 45 217 | 53 076 | 57 359 | 1,13% |
| Employed - Formal - Skilled | 9 255 | 9 521 | 10 077 | 10 621 | 12 417 | 13 719 | 2,01% |
| Employed - Formal - Semi-skilled | 15 865 | 17 116 | 18 007 | 18 538 | 22 474 | 25 127 | 2,43% |
| Employed - Formal - Low skilled | 20 034 | 22 361 | 19 039 | 16 058 | 18 185 | 18 513 | -0,32% |
| Employed - Informal | 10 608 | 11 838 | 16 025 | 20 515 | 23 474 | 21 235 | 4,17% |
| Unemployed | 1 230 | 2 201 | 5 293 | 6 841 | 7 513 | 9 976 | 29,63% |
| Unemployment rate (%) | 2,2 | 3,5 | 7,7 | 9,4 | 8,9 | 11,3 | 17,58% |

Source: Census 2011/MapAble 2020

A distinction is made between skilled, semi- or unskilled (low skilled) employment in the formal sector. The table shows that skilled people's employment is 0.77% lower than general population growth (2.78% per annum) at 2.01%, while semi-skilled employment increased by 2.43%. Unskilled employment decreased by 0.32% per annum. The net result is that total formal employment increased while by 1.13%. In 1995 there were an estimated 45 154 formal employed persons in the area, and the figure for 2019 is 57 359.

Employment within the informal sector has doubled since 1995. This represents an increase of 10 627 informal job opportunities since 1995. When the economically active people's growth is taken into account, only two options are remaining; they either find employment in the informal sector or remain unemployed. The informal sector experienced the most growth, with a 4.17% increase per annum and currently accounts for 37% of all employment. The figure for 1995 was only 23%. It shows the importance of informal employment in generating personal income. However, by definition, the informal sector is unrecorded and thus outside the scope of the municipal financial resource base and does not usually allow for direct cost recovery measures and taxation. Total employment increased by 1.71%, which is below the growth in the active economic population. The net effect increased in unemployment. The unemployment rate stood at 2.2% in 1995 and increased to 11.3% in 2019. This represents an annual growth rate of 17.6% per annum and an increase in the total amount of unemployed people.

Figure 3-29: The spatial distribution of unemployed 2011



Source: Statistics South Africa/SDSA

c. Level of education

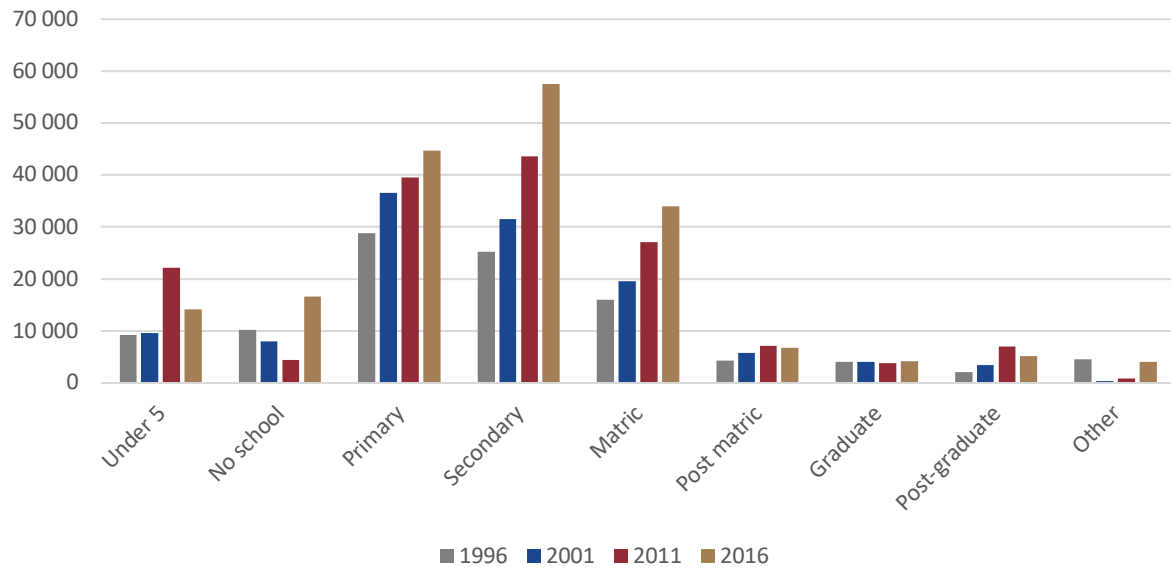
Education is pivotal in the development process. Skill levels are derivatives of levels of education. The next table shows the profile of the highest level of education for the area. The table and figure below indicate that the municipality has increased the total number of people with Matric and Post-Matric qualifications. The increase in education levels can both be the result of an expansion of education services in the municipality and the migration of skilled labourers into the municipality.

Table 3-18: The highest level of education

| | 1996 | 2001 | 2011 | 2016 |
|---------------|----------------|----------------|----------------|----------------|
| Under 5 | 9 240 | 9 584 | 22 172 | 14 178 |
| No school | 10 250 | 7 977 | 4 437 | 16 574 |
| Primary | 28 842 | 36 533 | 39 565 | 44 733 |
| Secondary | 25 307 | 31 556 | 43 569 | 57 569 |
| Matric | 16 016 | 19 571 | 27 110 | 34 004 |
| Post matric | 4 294 | 5 807 | 7 168 | 6 816 |
| Graduate | 4 010 | 4 111 | 3 813 | 4 238 |
| Post-graduate | 2 121 | 3 482 | 6 978 | 5 174 |
| Other | 4 555 | 357 | 883 | 4 088 |
| Total | 104 635 | 118 979 | 155 694 | 173 196 |

Source: Statistics South Africa/SDSA

Figure 3-30: Change in level of education



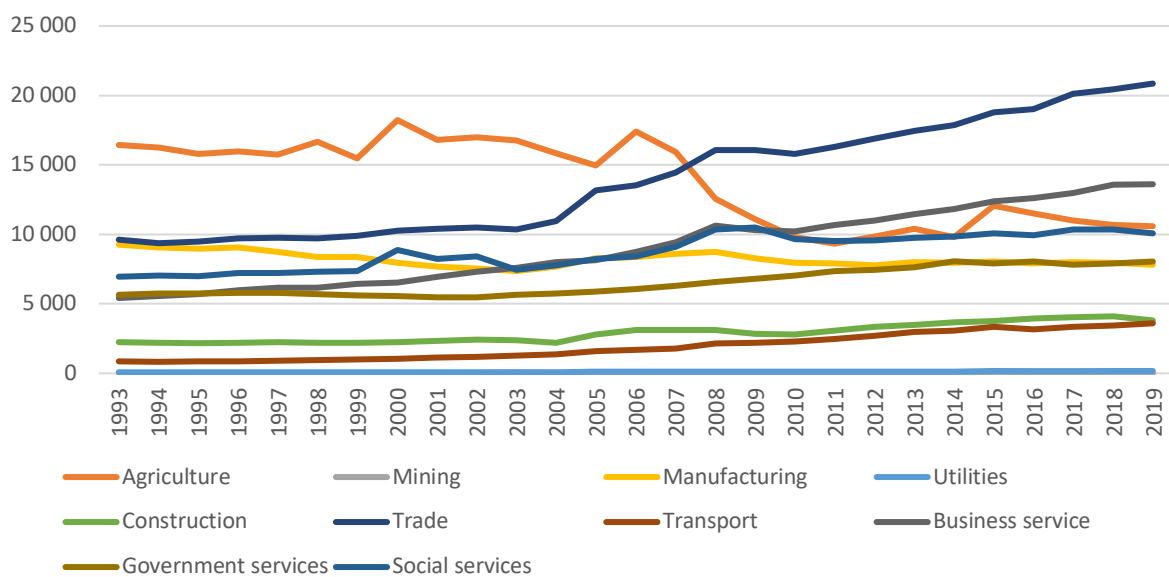
d. A change-perspective on employment and unemployment (Labour)

This section assesses the employment per sector and how it changed over time. The period under investigation stretches from 1993 to 2019. From 1993 to 2006, the Agricultural sector employed almost 30% of the labour force. After this period, there was a substantial decline with that figure falling to 13.5% in 2019. After 2003 the wholesale and retail trade sector started showing strong growth, and in 2008 trade overtook the agricultural sector in terms of employment. This trend has continued with the trade sector showing continuous growth. Around 2010 business services also surpassed the agricultural sector and as with wholesale and retail trade, shows strong growth. Social services, government services and the manufacturing sector each employ between 10% and 12% of the labour force. These sectors, along with construction and transport, all show slow but steady growth. Mining and utilities remain largely unchanged but account for less than 0.3% of the total labour force.

The annualised changes in employment per sector below show how much employment can fluctuate or the short-term. Therefore, it is appropriate to continuously monitor tendencies, but long-term trends remain important for strategic decision-making and planning.

These changes are reflected in Figure 3-31 below. Table 3-19 presents the percentage share overtime of each sector to the labour force, while Table 3-20 shows the extent of employment per sector.

Figure 3-31: Employment per sector



Source: Quantec 2020

Table 3-19: Share of labour force per sector

| | Agriculture | Mining | Manufacturing | Utilities | Construction | Trade | Transport | Business service | Government services | Social services |
|------|-------------|--------|---------------|-----------|--------------|--------|-----------|------------------|---------------------|-----------------|
| 1993 | 29,05% | 0,04% | 16,38% | 0,17% | 3,96% | 16,97% | 1,54% | 9,58% | 10,02% | 12,30% |
| 1994 | 28,94% | 0,04% | 16,13% | 0,16% | 3,92% | 16,68% | 1,47% | 9,95% | 10,21% | 12,51% |
| 1995 | 28,29% | 0,05% | 16,05% | 0,16% | 3,89% | 17,02% | 1,51% | 10,19% | 10,27% | 12,56% |
| 1996 | 28,03% | 0,05% | 15,93% | 0,16% | 3,85% | 17,08% | 1,54% | 10,50% | 10,16% | 12,69% |
| 1997 | 27,81% | 0,05% | 15,39% | 0,16% | 3,94% | 17,24% | 1,61% | 10,87% | 10,20% | 12,74% |
| 1998 | 29,15% | 0,04% | 14,66% | 0,17% | 3,82% | 16,99% | 1,67% | 10,75% | 9,97% | 12,78% |
| 1999 | 27,44% | 0,04% | 14,82% | 0,17% | 3,86% | 17,51% | 1,76% | 11,38% | 9,96% | 13,07% |
| 2000 | 29,97% | 0,04% | 13,08% | 0,15% | 3,67% | 16,89% | 1,71% | 10,77% | 9,12% | 14,60% |
| 2001 | 28,41% | 0,04% | 12,98% | 0,15% | 3,94% | 17,59% | 1,89% | 11,78% | 9,25% | 13,96% |
| 2002 | 28,34% | 0,04% | 12,57% | 0,15% | 4,03% | 17,53% | 1,97% | 12,18% | 9,17% | 14,02% |
| 2003 | 28,43% | 0,05% | 12,50% | 0,15% | 4,03% | 17,61% | 2,14% | 12,86% | 9,58% | 12,65% |
| 2004 | 26,57% | 0,05% | 12,85% | 0,15% | 3,71% | 18,37% | 2,26% | 13,40% | 9,64% | 13,00% |
| 2005 | 23,70% | 0,05% | 13,14% | 0,16% | 4,39% | 20,84% | 2,51% | 12,87% | 9,34% | 13,00% |
| 2006 | 25,81% | 0,05% | 12,40% | 0,16% | 4,59% | 20,08% | 2,49% | 12,97% | 8,99% | 12,49% |
| 2007 | 23,11% | 0,05% | 12,50% | 0,16% | 4,55% | 21,00% | 2,60% | 13,68% | 9,14% | 13,20% |
| 2008 | 17,86% | 0,06% | 12,44% | 0,18% | 4,42% | 22,84% | 3,04% | 15,07% | 9,36% | 14,74% |
| 2009 | 16,25% | 0,05% | 12,10% | 0,19% | 4,15% | 23,54% | 3,25% | 15,10% | 9,99% | 15,39% |
| 2010 | 14,93% | 0,04% | 12,14% | 0,19% | 4,28% | 24,05% | 3,50% | 15,52% | 10,67% | 14,69% |
| 2011 | 13,96% | 0,04% | 11,86% | 0,20% | 4,59% | 24,41% | 3,71% | 15,99% | 10,99% | 14,24% |
| 2012 | 14,30% | 0,04% | 11,32% | 0,20% | 4,87% | 24,58% | 3,96% | 16,00% | 10,84% | 13,90% |
| 2013 | 14,61% | 0,04% | 11,23% | 0,19% | 4,87% | 24,47% | 4,15% | 16,05% | 10,68% | 13,70% |
| 2014 | 13,54% | 0,04% | 11,01% | 0,20% | 5,09% | 24,72% | 4,24% | 16,37% | 11,15% | 13,64% |
| 2015 | 15,77% | 0,04% | 10,51% | 0,20% | 4,89% | 24,56% | 4,34% | 16,17% | 10,35% | 13,17% |
| 2016 | 15,07% | 0,04% | 10,37% | 0,21% | 5,17% | 24,90% | 4,14% | 16,50% | 10,56% | 13,04% |
| 2017 | 14,15% | 0,04% | 10,27% | 0,20% | 5,16% | 25,83% | 4,29% | 16,68% | 10,05% | 13,32% |
| 2018 | 13,59% | 0,04% | 10,12% | 0,20% | 5,21% | 26,00% | 4,36% | 17,25% | 10,07% | 13,16% |
| 2019 | 13,47% | 0,04% | 9,96% | 0,20% | 4,83% | 26,54% | 4,58% | 17,32% | 10,24% | 12,82% |

Table 3-20: The extent of employment per sector

| Employment | Agriculture | Mining | Manufacturing | Utilities | Construction | Trade | Transport | Business service | Government services | Social services | Total |
|----------------|-------------|--------|---------------|-----------|--------------|--------|-----------|------------------|---------------------|-----------------|---------|
| 1993 | 16 427 | 23 | 9 260 | 97 | 2 238 | 9 593 | 870 | 5 415 | 5 668 | 6 953 | 56 544 |
| 1994 | 16 243 | 23 | 9 053 | 92 | 2 202 | 9 361 | 825 | 5 583 | 5 731 | 7 022 | 56 135 |
| 1995 | 15 773 | 26 | 8 949 | 91 | 2 169 | 9 493 | 844 | 5 683 | 5 728 | 7 006 | 55 762 |
| 1996 | 15 957 | 26 | 9 068 | 91 | 2 194 | 9 722 | 877 | 5 978 | 5 786 | 7 226 | 56 925 |
| 1997 | 15 766 | 27 | 8 725 | 92 | 2 234 | 9 774 | 910 | 6 161 | 5 784 | 7 221 | 56 694 |
| 1998 | 16 652 | 24 | 8 376 | 95 | 2 185 | 9 705 | 953 | 6 140 | 5 698 | 7 302 | 57 130 |
| 1999 | 15 478 | 24 | 8 358 | 97 | 2 178 | 9 875 | 991 | 6 420 | 5 619 | 7 370 | 56 410 |
| 2000 | 18 233 | 24 | 7 957 | 92 | 2 233 | 10 277 | 1 040 | 6 551 | 5 547 | 8 882 | 60 836 |
| 2001 | 16 796 | 24 | 7 675 | 91 | 2 329 | 10 399 | 1 115 | 6 962 | 5 470 | 8 253 | 59 114 |
| 2002 | 16 970 | 24 | 7 525 | 90 | 2 414 | 10 500 | 1 179 | 7 293 | 5 491 | 8 396 | 59 882 |
| 2003 | 16 737 | 27 | 7 360 | 86 | 2 374 | 10 369 | 1 258 | 7 572 | 5 637 | 7 448 | 58 868 |
| 2004 | 15 848 | 31 | 7 664 | 89 | 2 214 | 10 956 | 1 350 | 7 993 | 5 748 | 7 755 | 59 648 |
| 2005 | 14 963 | 34 | 8 295 | 101 | 2 773 | 13 158 | 1 587 | 8 130 | 5 895 | 8 212 | 63 148 |
| 2006 | 17 422 | 31 | 8 371 | 105 | 3 096 | 13 555 | 1 678 | 8 755 | 6 068 | 8 431 | 67 512 |
| 2007 | 15 914 | 36 | 8 609 | 113 | 3 134 | 14 464 | 1 794 | 9 422 | 6 292 | 9 091 | 68 869 |
| 2008 | 12 570 | 39 | 8 758 | 126 | 3 109 | 16 073 | 2 139 | 10 609 | 6 587 | 10 374 | 70 384 |
| 2009 | 11 088 | 31 | 8 258 | 129 | 2 834 | 16 059 | 2 216 | 10 302 | 6 819 | 10 498 | 68 234 |
| 2010 | 9 811 | 29 | 7 977 | 126 | 2 812 | 15 811 | 2 298 | 10 202 | 7 012 | 9 654 | 65 732 |
| 2011 | 9 331 | 29 | 7 929 | 133 | 3 067 | 16 317 | 2 482 | 10 686 | 7 343 | 9 517 | 66 834 |
| 2012 | 9 826 | 30 | 7 778 | 136 | 3 346 | 16 891 | 2 721 | 10 997 | 7 453 | 9 554 | 68 732 |
| 2013 | 10 418 | 30 | 8 005 | 139 | 3 473 | 17 445 | 2 958 | 11 444 | 7 616 | 9 771 | 71 299 |
| 2014 | 9 793 | 31 | 7 961 | 143 | 3 683 | 17 877 | 3 069 | 11 841 | 8 066 | 9 864 | 72 328 |
| 2015 | 12 070 | 33 | 8 042 | 150 | 3 740 | 18 803 | 3 326 | 12 379 | 7 923 | 10 084 | 76 550 |
| 2016 | 11 505 | 34 | 7 920 | 158 | 3 951 | 19 010 | 3 163 | 12 594 | 8 060 | 9 953 | 76 348 |
| 2017 | 11 016 | 33 | 8 000 | 158 | 4 017 | 20 117 | 3 341 | 12 988 | 7 826 | 10 374 | 77 870 |
| 2018 | 10 694 | 31 | 7 965 | 156 | 4 103 | 20 460 | 3 432 | 13 577 | 7 925 | 10 358 | 78 701 |
| 2019 | 10 583 | 29 | 7 827 | 155 | 3 799 | 20 860 | 3 601 | 13 612 | 8 049 | 10 079 | 78 594 |
| % contribution | 13,47% | 0,04% | 9,96% | 0,20% | 4,83% | 26,54% | 4,58% | 17,32% | 10,24% | 12,82% | 100,00% |
| Average growth | -1,37% | 1,00% | -0,60% | 2,30% | 2,68% | 4,52% | 12,07% | 5,82% | 1,62% | 1,73% | 1,50% |

e. GVA and employment

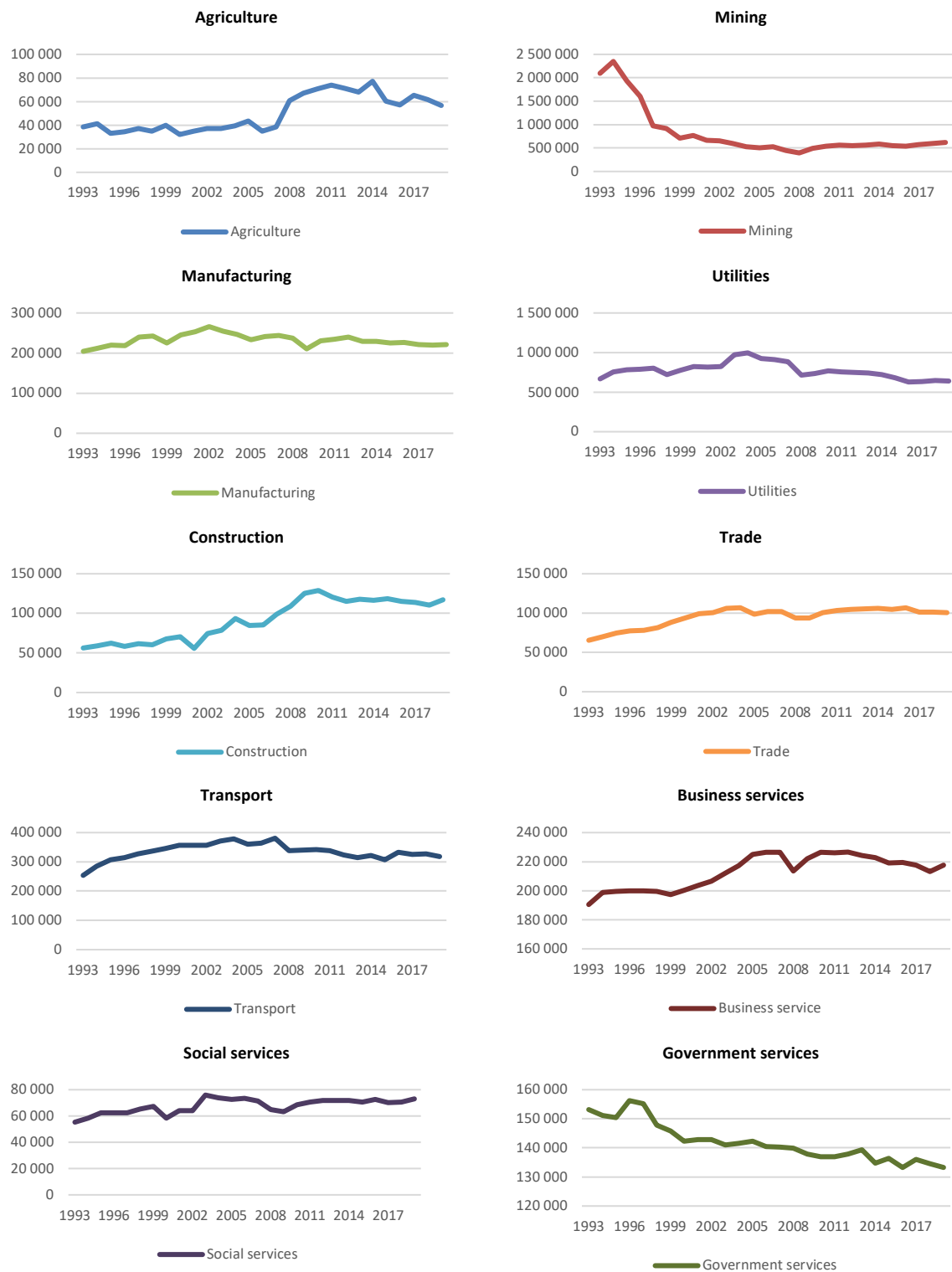
The last aspect of employment is its relation to GVA. The extent that the GVA/employment ratio change is an indicator of the extent to which a sector is capital intensive or at least its propensity to shed labour over the long-term.

Table 3-21: GVA per employment

| | Agriculture | Mining | Manufacturing | Utilities | Construction | Trade | Transport | Business service | Social services | Government services | Total |
|------|-------------|-----------|---------------|-----------|--------------|--------|-----------|------------------|-----------------|---------------------|-----------|
| 1993 | 38 360 | 2 100 174 | 204 305 | 668 299 | 56 143 | 65 416 | 253 734 | 190 486 | 153 184 | 55 304 | 1 741 399 |
| 1994 | 41 196 | 2 349 304 | 212 188 | 752 380 | 58 965 | 70 047 | 285 878 | 198 806 | 151 122 | 58 324 | 1 731 965 |
| 1995 | 33 135 | 1 937 346 | 219 906 | 780 022 | 62 286 | 74 538 | 307 611 | 199 628 | 150 397 | 62 575 | 1 695 286 |
| 1996 | 34 227 | 1 602 808 | 218 375 | 789 473 | 57 963 | 77 292 | 313 659 | 199 938 | 156 250 | 62 365 | 1 635 501 |
| 1997 | 36 984 | 972 667 | 239 614 | 804 348 | 61 717 | 78 417 | 327 688 | 199 873 | 155 171 | 62 338 | 1 674 702 |

| | Agriculture | Mining | Manufacturing | Utilities | Construction | Trade | Transport | Business service | Social services | Government services | Total |
|----------------|-------------|---------|---------------|-----------|--------------|---------|-----------|------------------|-----------------|---------------------|-----------|
| 1998 | 34 879 | 912 750 | 241 896 | 719 642 | 60 458 | 81 499 | 336 858 | 199 398 | 147 877 | 65 437 | 1 750 092 |
| 1999 | 39 706 | 708 125 | 225 212 | 772 247 | 67 644 | 88 367 | 345 852 | 197 204 | 145 825 | 67 305 | 1 754 932 |
| 2000 | 32 061 | 769 542 | 245 323 | 824 043 | 70 623 | 93 933 | 357 089 | 200 283 | 142 249 | 58 464 | 1 720 038 |
| 2001 | 35 046 | 663 292 | 253 733 | 815 901 | 55 721 | 99 477 | 356 789 | 203 700 | 142 845 | 64 061 | 1 737 140 |
| 2002 | 36 995 | 656 750 | 265 941 | 822 956 | 74 771 | 100 540 | 355 758 | 206 461 | 142 874 | 64 186 | 1 812 672 |
| 2003 | 36 904 | 592 963 | 254 376 | 973 116 | 78 444 | 106 116 | 370 781 | 212 236 | 141 083 | 75 945 | 1 847 331 |
| 2004 | 39 565 | 526 839 | 246 662 | 996 135 | 93 512 | 106 828 | 377 726 | 217 241 | 141 550 | 73 948 | 1 855 416 |
| 2005 | 43 384 | 507 206 | 233 637 | 924 990 | 84 720 | 98 526 | 359 907 | 224 822 | 142 219 | 72 512 | 1 826 426 |
| 2006 | 34 687 | 528 290 | 241 504 | 908 381 | 85 086 | 101 761 | 364 298 | 226 304 | 140 462 | 73 391 | 1 745 554 |
| 2007 | 38 299 | 444 222 | 243 559 | 884 867 | 98 570 | 102 162 | 380 847 | 226 327 | 140 341 | 71 402 | 1 776 198 |
| 2008 | 60 892 | 394 513 | 237 025 | 714 024 | 108 814 | 93 888 | 339 152 | 213 570 | 139 866 | 64 822 | 1 770 168 |
| 2009 | 66 916 | 497 323 | 210 827 | 733 783 | 125 408 | 94 006 | 339 290 | 221 978 | 137 918 | 63 092 | 1 782 552 |
| 2010 | 70 770 | 540 793 | 230 368 | 771 492 | 128 900 | 100 926 | 342 306 | 226 446 | 136 873 | 68 394 | 1 900 320 |
| 2011 | 74 039 | 557 586 | 233 931 | 754 917 | 120 230 | 103 186 | 338 245 | 225 952 | 136 900 | 70 729 | 1 906 598 |
| 2012 | 71 080 | 547 967 | 239 686 | 750 757 | 114 857 | 104 917 | 324 409 | 226 605 | 137 878 | 71 828 | 1 889 460 |
| 2013 | 68 029 | 566 833 | 229 239 | 740 583 | 117 633 | 105 446 | 314 636 | 224 289 | 139 345 | 71 715 | 1 878 949 |
| 2014 | 77 204 | 588 032 | 228 857 | 720 685 | 116 374 | 106 123 | 321 358 | 222 657 | 134 637 | 71 901 | 1 886 411 |
| 2015 | 60 503 | 554 091 | 224 786 | 678 113 | 118 671 | 104 543 | 306 216 | 219 151 | 136 356 | 70 712 | 1 783 321 |
| 2016 | 57 228 | 540 529 | 225 812 | 627 715 | 115 391 | 106 686 | 332 836 | 219 351 | 133 233 | 72 504 | 1 796 863 |
| 2017 | 65 263 | 569 606 | 220 745 | 634 506 | 114 026 | 101 486 | 325 991 | 217 765 | 135 995 | 70 274 | 1 779 390 |
| 2018 | 61 867 | 598 000 | 220 192 | 648 885 | 110 459 | 101 330 | 328 045 | 213 076 | 134 461 | 70 696 | 1 756 179 |
| 2019 | 56 829 | 622 724 | 220 738 | 640 413 | 116 979 | 100 263 | 317 391 | 217 480 | 133 321 | 72 861 | 1 763 119 |
| % contribution | 3.22% | 35.32% | 12.52% | 36.32% | 6.63% | 5.69% | 18.00% | 12.33% | 7.56% | 4.13% | 100.00% |
| Average growth | 1.85% | -2.71% | 0.31% | -0.16% | 4.17% | 2.05% | 0.96% | 0.55% | -0.50% | 1.22% | 0.05% |

Figure 3-32: GVA per employment opportunity at constant 2010 prices



The labour productivity of agriculture increased marginally mainly due to the historically labour intensive nature of agricultural activities in the municipality. It indicated that there were no large scale

shifts towards more capital intensive practices in the agricultural sector. Government services become more labour intensive and this correlates with the growth in government employment over the past two decades. All other sectors increased their GVA output per labour unit except for mining.

3.3.3 Drivers in the economy

Priority investment should support those economic sectors that drive local development and those sectors that it supports. The basis for finding the economic drivers in the municipality is a basic/non-basic analysis. The comparative advantage of a region indicates a relatively more competitive production function for a product or service in that specific economy (e.g. a local municipality) than in the aggregate economy it is compared to (e.g. a province). Therefore, the local economy produces a product or renders a service more efficiently than the province, for example.

An indication of the comparative advantage of an economy is its location quotient. A region's economy, for instance, has a location quotient larger (or smaller) than 1, or a comparative advantage (or disadvantage) in a particular sector, when the share of that sector in the specific economy is greater (less) than the share of the same sector in the aggregate economy.

Being a measure of comparative advantage, the location quotient effectively provides a tool used to identify key drivers within a local economy. It does so by employing an offset principle based on the employment figures within the various sub-sectors of the subject local and aggregate economy.

The analysis utilizes two main components, basic and non-basic activities:

- Basic activities generate a surplus (i.e. a location quotient larger than 1) with respect to the local economy and, as a result, can export its goods/services to bring in wealth from the outside.
- Non-basic activities support the basic activities and do not produce a surplus of goods/services (i.e. a location quotient smaller than 1).

The location quotient is expressed as a ratio between employment within a sub-sector of the economy divided by the total employment within the local/regional/national economy. A ratio greater than one, suggests that the specific economy employs proportionally more people within the local economy than the economy it is being compared to. As a result, it generates more than what can be consumed locally, and the sector is thus a net exporting sector. This implies that it generates income for the local economy (i.e. a comparative advantage and key driver). The opposite is then true for ratios smaller than one.

The tables below provide a comparative location quotient for the Stellenbosch Local Municipality.

Table 3-22: Basic/Non-basic ratios measured against the national economy in 2019

| | Agriculture | Mining | Manufacturing | Utilities | Construction | Trade | Transport | Business service | Government services | Community services |
|----------------|-------------|--------|---------------|-----------|--------------|-------|-----------|------------------|---------------------|--------------------|
| Western Cape | 1,52 | 0,03 | 1,10 | 0,79 | 1,12 | 1,06 | 1,08 | 1,38 | 0,64 | 1,13 |
| Cape Winelands | 3,63 | 0,02 | 1,09 | 0,66 | 1,39 | 1,18 | 0,94 | 1,13 | 0,57 | 1,30 |
| Witzenberg | 6,08 | 0,00 | 1,02 | 1,03 | 1,81 | 1,13 | 0,67 | 0,93 | 0,62 | 1,27 |
| Drakenstein | 2,72 | 0,03 | 1,07 | 0,78 | 1,61 | 1,13 | 0,84 | 1,20 | 0,60 | 1,46 |
| Stellenbosch | 2,29 | 0,02 | 1,18 | 0,40 | 1,12 | 1,27 | 1,10 | 1,19 | 0,58 | 1,12 |
| Breede Valley | 4,27 | 0,02 | 0,98 | 0,53 | 1,19 | 1,16 | 1,01 | 1,15 | 0,55 | 1,38 |
| Langeberg | 5,22 | 0,02 | 1,25 | 0,60 | 1,13 | 1,22 | 1,08 | 0,97 | 0,44 | 1,14 |

Within the context of the national economy, the Stellenbosch Municipality shows a comparative advantage in various sectors. It is only in mining, utilities and community services where the municipality does not show a good contribution. It is also interesting to note that the other local municipalities, the district and the province have similar profiles.

When comparative advantage is measured against the provincial economy in Table 3-23 below, the number of sectors where the municipality has a comparative advantage decrease. Agriculture, manufacturing, construction and trade show strong figures.

Table 3-23: Basic/Non-basic ratios measured against the provincial economy in 2019

| | Agriculture | Mining | Manufacturing | Utilities | Construction | Trade | Logistics | Business services | Government services | Community services |
|----------------|-------------|--------|---------------|-----------|--------------|-------|-----------|-------------------|---------------------|--------------------|
| Cape Winelands | 2,38 | 0,71 | 0,99 | 0,84 | 1,24 | 1,11 | 0,86 | 0,81 | 0,90 | 1,15 |
| Witzenberg | 4,00 | 0,10 | 0,92 | 1,31 | 1,62 | 1,06 | 0,62 | 0,67 | 0,98 | 1,12 |
| Drakenstein | 1,79 | 0,99 | 0,97 | 0,99 | 1,44 | 1,07 | 0,77 | 0,87 | 0,94 | 1,29 |
| Stellenbosch | 1,51 | 0,68 | 1,07 | 0,51 | 1,00 | 1,20 | 1,02 | 0,86 | 0,91 | 0,99 |
| Breede Valley | 2,80 | 0,76 | 0,88 | 0,68 | 1,06 | 1,09 | 0,93 | 0,83 | 0,86 | 1,21 |
| Langeberg | 3,43 | 0,57 | 1,13 | 0,76 | 1,01 | 1,15 | 0,99 | 0,70 | 0,70 | 1,00 |

Measured against the other municipalities within the district an interesting shift takes place. The municipality's strong agricultural advantage disappears, and a shift seems to take place with a focus on services sectors. This highlights the Stellenbosch municipality's role as a service centre in the larger district.

This assessment highlights and underlines the importance of recognising spatial differences and not treating the municipality as a uniform economic and demographic entity.

Table 3-24: Basic/Non-basic ratios measured against the district economy in 2019

| | Agriculture | Mining | Manufacturing | Utilities | Construction | Trade | Logistics | Business services | Government services | Community services |
|---------------|-------------|--------|---------------|-----------|--------------|-------|-----------|-------------------|---------------------|--------------------|
| Witzenberg | 1,68 | 0,15 | 0,93 | 1,57 | 1,30 | 0,95 | 0,72 | 0,83 | 1,09 | 0,97 |
| Drakenstein | 0,75 | 1,40 | 0,98 | 1,19 | 1,16 | 0,96 | 0,90 | 1,06 | 1,04 | 1,12 |
| Stellenbosch | 0,63 | 0,96 | 1,09 | 0,61 | 0,81 | 1,08 | 1,18 | 1,06 | 1,02 | 0,86 |
| Breede Valley | 1,18 | 1,08 | 0,90 | 0,81 | 0,86 | 0,98 | 1,07 | 1,02 | 0,96 | 1,06 |
| Langeberg | 1,44 | 0,80 | 1,15 | 0,91 | 0,81 | 1,03 | 1,15 | 0,86 | 0,78 | 0,87 |

3.3.4 Economic specialisation and vulnerability

The size of the economy and sectors driving the local economy are important. However, the local economy's vulnerability is equally important, and the economy's ability to sustain itself through economic cycles will determine sustainability at many levels of development and operations. Economic diversity is one of the major factors that determine risk. It simply implies that the more diverse an economy is, the more resilient it is when one or more sectors are affected by external change and pressures on the local economy. Diversity in an economy is measured through the tress index. A tress index of zero represents a totally diversified economy. On the other hand, the higher the index (closer to 100), the more concentrated or vulnerable the region's economy is to exogenous variables, such as adverse climatic conditions, commodity price fluctuations, etc.

Table 3-25: Tress index based on 22 sectors of the Standard Industrial Classification

| Geography | 1995 | 2000 | 2005 | 2010 | 2015 | 2016 | 2017 | 2018 | 2019 |
|----------------|------|------|------|------|------|------|------|------|------|
| South Africa | 37.4 | 35.9 | 36.4 | 37.8 | 39.4 | 40.1 | 39.6 | 40.1 | 40.9 |
| Western Cape | 46.2 | 47.2 | 48 | 48.7 | 49.5 | 50 | 49.8 | 50.4 | 51.2 |
| Cape Winelands | 47 | 45.1 | 43.5 | 42.3 | 42.5 | 42.9 | 42.9 | 43.3 | 44.2 |
| Witzenberg | 49.7 | 48.3 | 44.3 | 40.5 | 39.4 | 39 | 39.7 | 39.5 | 39.9 |
| Drakenstein | 50.7 | 48.6 | 45.7 | 43.4 | 42.6 | 43.5 | 43.1 | 43.9 | 45 |
| Stellenbosch | 53.8 | 51.8 | 49 | 47.7 | 47.7 | 48.4 | 48.1 | 48.9 | 49.8 |
| Breede Valley | 38.2 | 36.4 | 35.9 | 39.1 | 41.7 | 42.4 | 42.8 | 43.5 | 44.3 |
| Langeberg | 54.6 | 53.1 | 48.7 | 44.4 | 42.8 | 43.2 | 43.2 | 43.8 | 44.5 |

The municipality has become more diversified over time. This contrasts with the national and provincial economies that show a slight shift to more specialised economies. Although the figures suggest that the municipality has diversified it is still more specialised than the overall national economy.

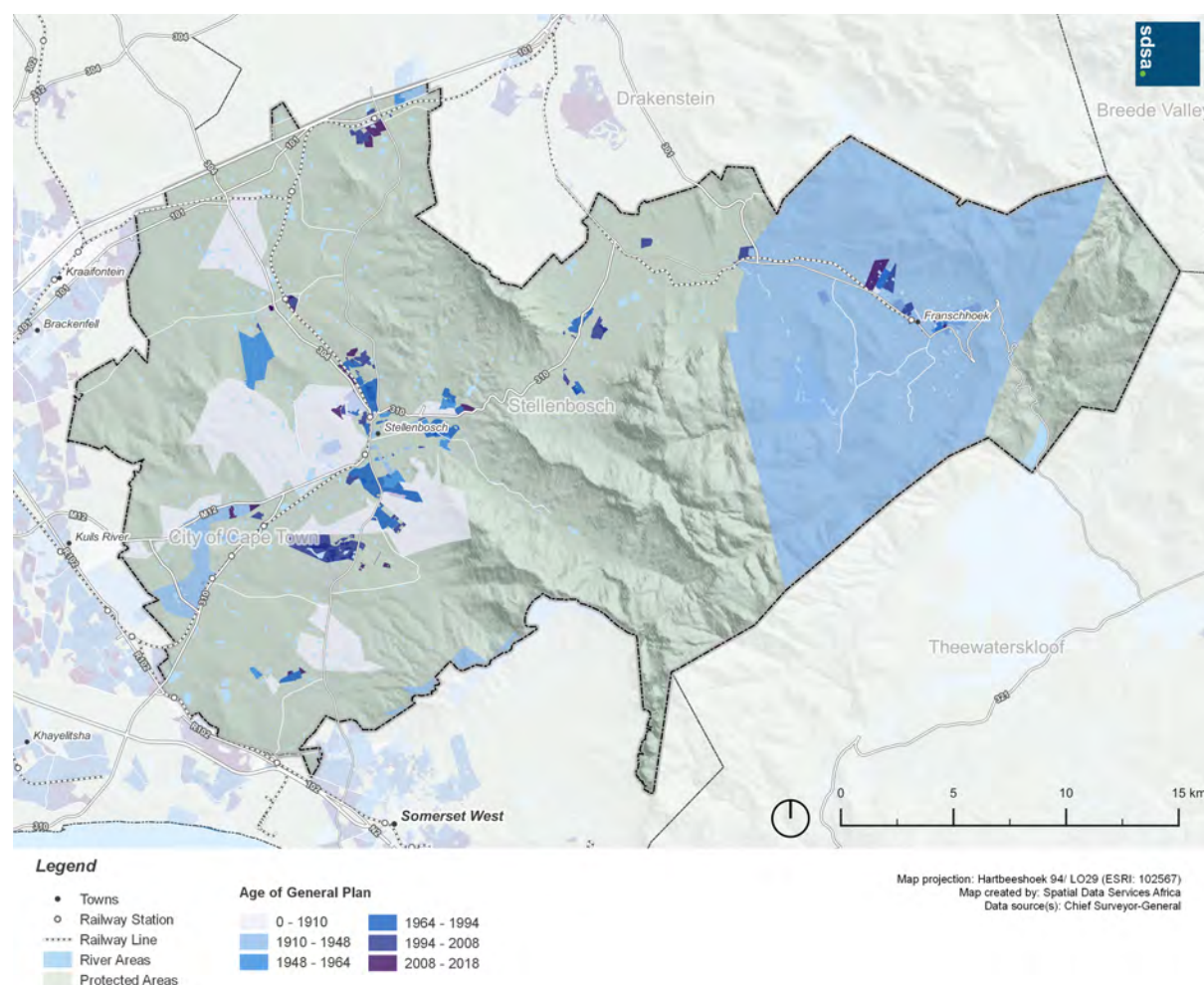
3.4 Spatial Profiling: Settlement dynamics

Stellenbosch is a combination of various changing systems. This is reflected in the growth and movement of people. This section shows at how, and to what extent, growth has taken place in the municipality and investigate the municipal areas' historical growth, its changing settlement patterns, and daily movement of people, to assess the spatial realities. This should give a picture of the alignment between the proposed spatial policies and the existing situation to determine if these policies are realistic and manageable.

3.4.1 Historical growth

The historical growth of the municipality is assessed by mapping the age of general plans. This gives some insight into the development structure and history of the municipality but also how some policies might have shaped the spatial structure of Stellenbosch.

Figure 3-33: Age of general plans



Source: Surveyor General

Many of the earliest registered general plans are related to farms. These areas are largely ignored in the assessment as it is more important to investigate the growth and expansion of the urban areas.

The outward expansion from towns such as Stellenbosch and Franschhoek is clear. This outward development is also linked to major road and rail infrastructure.

3.4.2 Settlement footprint

This section deals with land cover. The dataset has been derived from multi-seasonal Landsat 8 imagery, using operationally proven, semi-automated modelling procedures developed specifically for this dataset's generation, based on repeatable and standardised modelling routines. The data is at a 30m resolution, and as a result, the accuracy of the query results is affected accordingly.

3.4.3 Primary economic activities

The chapter dealing with the municipality's economic profile clearly showed the importance of primary economic activities and specifically agriculture. These activities cover 38% of the total area of the municipality. In general, there has been a 16% decrease in land cover related to primary economic activities from 1990 to 2014. Most of the prominent agricultural-related categories have shown a decrease. Smallholdings have increased by 123% from 187 hectares to 420 hectares.

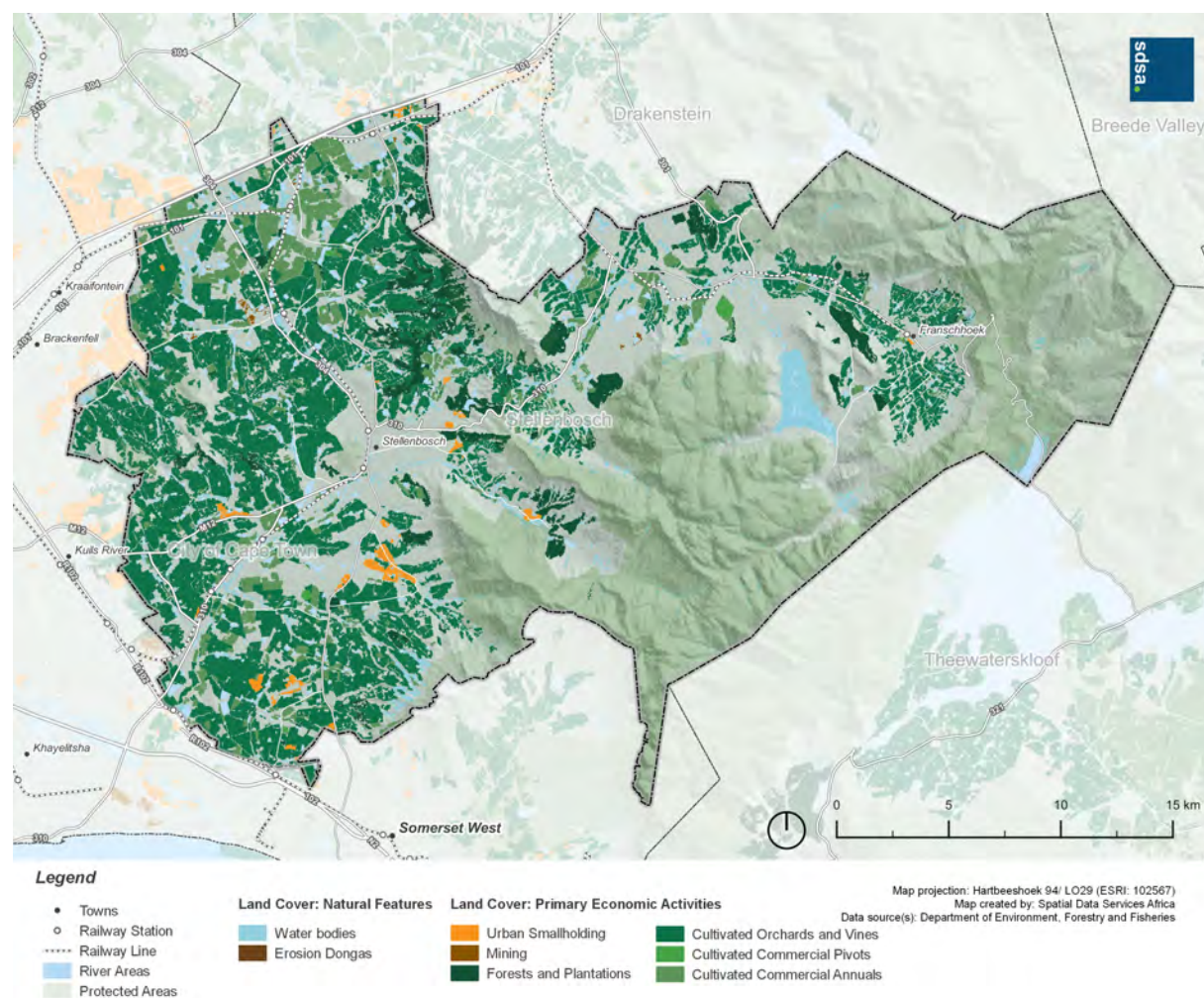
The large percentage changes of cultivated commercial pivots and mining can largely be ignored as these increases happened from a small or previously non-existent base.

Table 3-26: Land cover: Primary economic activities

| Land cover category | Extent of cover
1990 (ha) | % | Extent of cover
2014 (ha) | % | % change |
|------------------------------|------------------------------|--------------|------------------------------|--------------|---------------|
| Cultivated commercial fields | 4 216 | 11.0% | 3 992 | 11.9% | -5.3% |
| Cultivated commercial pivot | 1 | 0.0% | 84 | 0.3% | 8311.0% |
| Cultivated orchard and vines | 19 690 | 51.4% | 19 436 | 58.0% | -1.3% |
| Sugarcane | 0 | 0.0% | 0 | 0.0% | 0.0% |
| Small holdings | 187 | 0.5% | 420 | 1.3% | 123.8% |
| Subsistence farming | 0 | 0.0% | 0 | 0.0% | 0.0% |
| Forests & Plantations | 8 019 | 20.9% | 3 010 | 9.0% | -62.5% |
| Mining | 1 | 0.0% | 62 | 0.2% | 6063.0% |
| Total | 32 114 | 83.9% | 27 004 | 80.6% | -15.9% |

Source: SDSA based on Department of Environmental Affairs

Map 1: Landcover: Primary economic activities



Source: SDSA based on Department of Environmental Affairs

a. Human settlement activities

The following table lists the extent of land cover in the municipality related to human settlement activities. The results are expressed as hectares covered by a category, and the data for 1990 and 2014 is directly comparable.

Overall, the footprint of human settlement-related activities has increased by 39%. This is even though urban land cover only constitutes 3.1% of the municipality's total land area. In total, the land cover related to human settlement activities has increased by 5.5% over the period assessed.

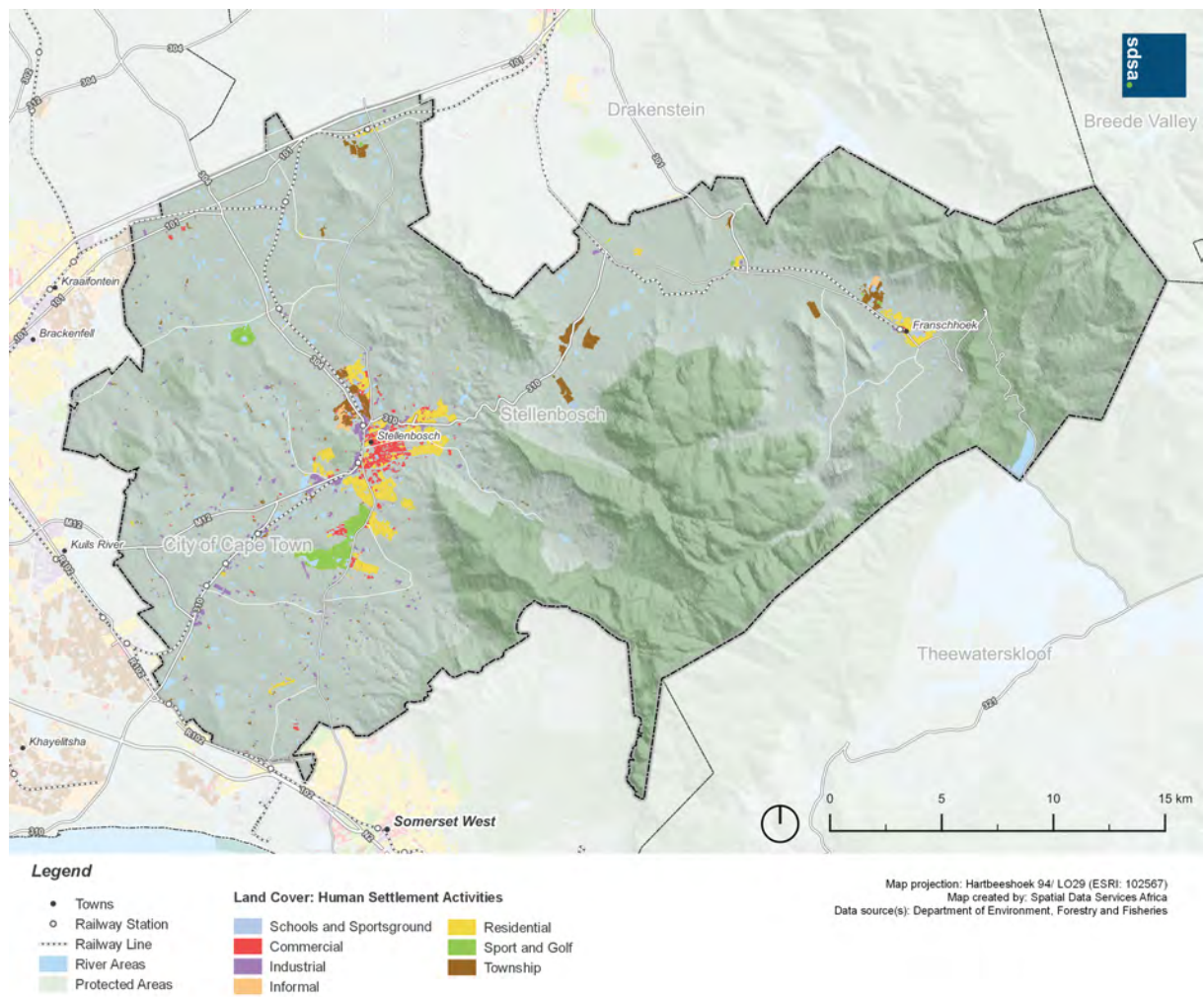
Urban commercial activities have grown by 3% while industrial activities decreased by over 10%. But the largest changes came in the land cover categories related to residential uses and activities. Its interesting to note a small decrease (3.6%) in the formal residential category. Urban informal and urban townships have shown big increases. Urban townships grew by 22% while the figures indicate that of informal activities increased by 52 hectares.

Table 3-27: Landcover: Human settlement activities

| Land cover category | Extent of cover
1990 (ha) | % | Extent of cover
2014 (ha) | % | % change |
|---------------------------|------------------------------|-------------|------------------------------|-------------|-------------|
| Urban built-up | 24 | 0.1% | 38 | 0.1% | 56.4% |
| Urban commercial | 340 | 0.9% | 350 | 1.0% | 3.0% |
| Urban industrial | 484 | 1.3% | 432 | 1.3% | -10.8% |
| Urban residential | 990 | 2.6% | 955 | 2.9% | -3.6% |
| Urban townships | 393 | 1.0% | 481 | 1.4% | 22.4% |
| Urban informal | 1 | 0.0% | 52 | 0.2% | 3957.5% |
| Rural villages | 0 | 0.0% | 0 | 0.0% | 0.0% |
| Urban sports and golf | 290 | 0.8% | 392 | 1.2% | 35.1% |
| School and sports grounds | 133 | 0.3% | 103 | 0.3% | -22.8% |
| Total | 2 656 | 6.9% | 2 802 | 8.4% | 5.5% |

Source: MapAble based on Department of Environmental Affairs

Figure 3-34: Land cover: Human settlement activities



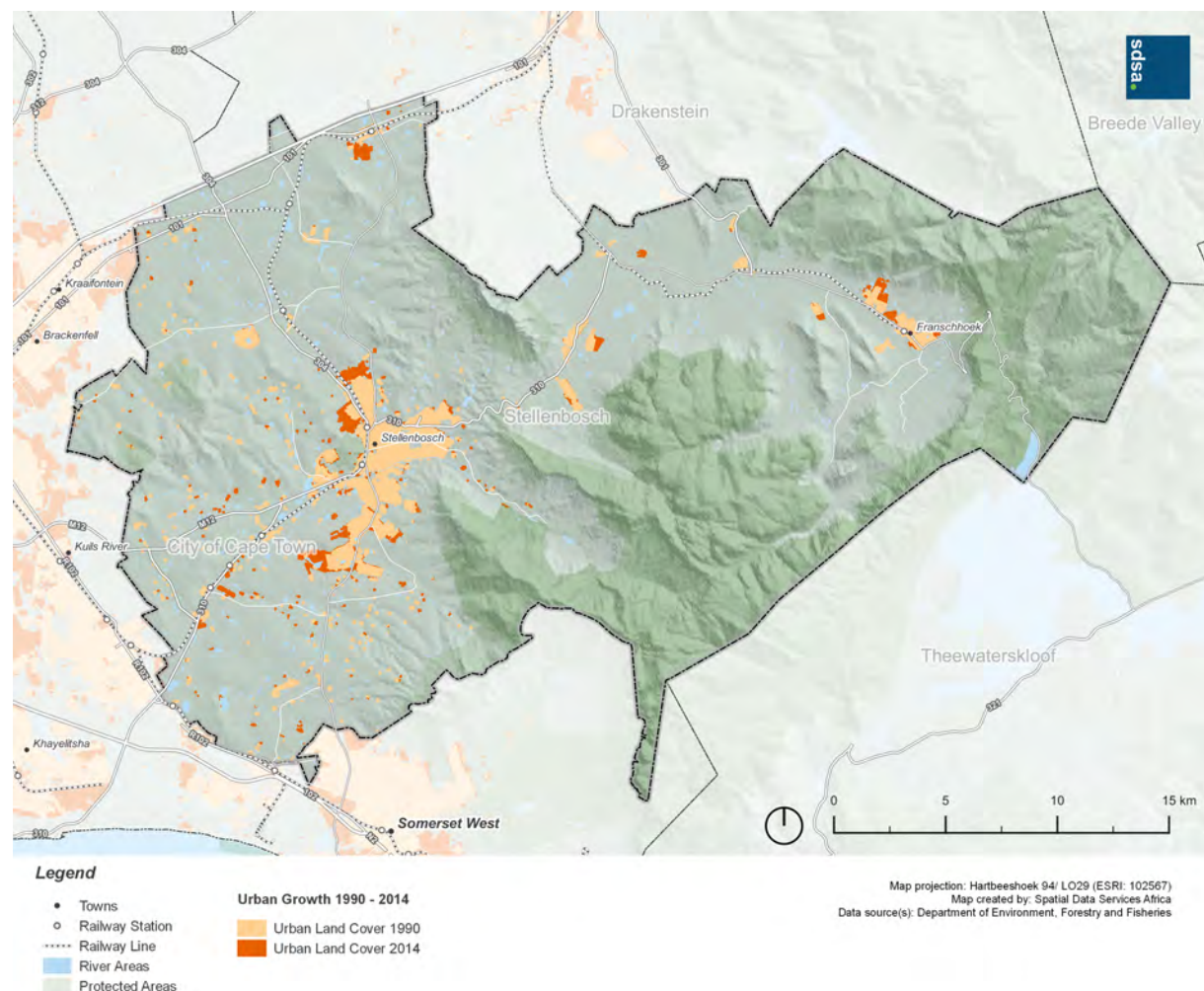
Source: SDSA based on Department of Environmental Affairs

3.4.4 Urban growth and expansion

Figure 3-35 below shows the physical expansion of urban-related growth in the municipality from 1990 to 2014. The map clearly indicates peripheral growth. In terms of area, this growth is rather small with a 5% increase in footprint from 2 656 Ha to 2 802 Ha.

However, this does not tell the entire story because the map does not show if densification has taken place or to what extent. Using the Quantec demographic data and relating it to the land cover in the same or closest year, one can estimate the urban density and how it has changed. Based on this, the density (people per hectare) in 1990 was 38.7 or 10.6 households per hectare. What is interesting is that if you compare that figure to 2014 the density increased to 58.8 people per hectare or 16.4 households per hectare. This means that although peripheral growth took place, the densification of existing urban areas took place at a faster rate. In terms of these figures, it implies that while urban land increased by 5%, the number of people increased by 60% resulting in 425 people being accommodated for every additional hectare developed, or in other words, new developments in this period took place at 122 households per hectare.

Figure 3-35: Settlement growth 1990 – 2014



Source: SDSA based on Department of Environmental Affairs

3.5 Access to social facilities

Social and community facilities are an important part of developing strong communities. As the population's size increases over time, this growth will put pressure on existing facilities and create a need for new social and community resources.

This section will provide an overview of the spatial distribution and, where available, counts of education facilities, health care facilities, and safety resources.

3.5.1 Education facilities

Education facilities include primary, secondary, combined and intermediate schools as listed in the database of the National Department of Education. A breakdown of the type of schools are as follows:

- 30 primary schools,
- 13 secondary schools
- 5 combined schools, and
- 1 intermediate schools

The teacher to learner ratio needs to be below 40. In general, very few schools exceed this ratio with most schools showing some capacity available.

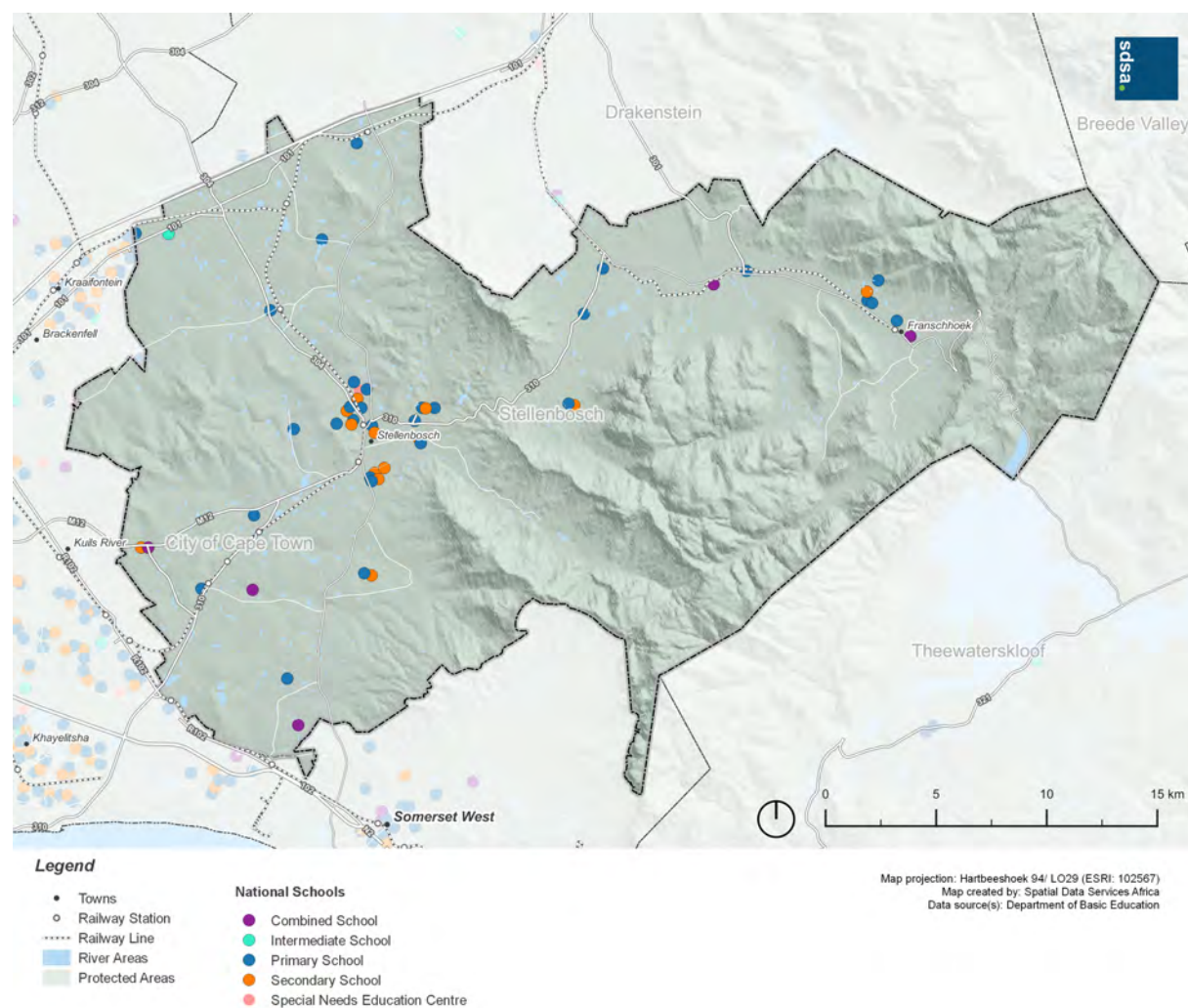
Most assessments use broad guidelines from the CSIR to determine the need for education facilities. These assessments are often done without taking into consideration the existing capacity of the facilities and ignore the distance metric that plays a critical role in the provision of education facilities. Another factor that is often disregarded is to assess the actual age groupings of the municipality's population. These factors all contribute to the need for these facilities.

Table 3-28: School in the Stellenbosch area

| School Type | Number of Schools | Total Learners | Total Teachers | Learners/Education |
|--------------|-------------------|----------------|----------------|--------------------|
| Primary | 30 | 18817 | 671 | 28.04 |
| Secondary | 13 | 9445 | 400 | 23.61 |
| Intermediate | 1 | 471 | 14 | 33.64 |
| Combined | 5 | 2508 | 249 | 10.07 |

Source: National Department of Education

Figure 3-36: Spatial distribution of education facilities



Source: MapAble based on National Department of Education

3.6 Health facilities

A distinction is made between public and private health facilities in the assessment. There is a total of 14 public health facilities and three private health facilities. Table 37 below shows the public health facilities in the area.

Table 3-29: Public health facilities in the Stellenbosch area

| Name of public health facility | Type of public health facility |
|------------------------------------|--------------------------------|
| Pad Clinic | Clinic |
| Bird Street Clinic | Clinic |
| Cloetesville CDC | Community Day Centre |
| Dirkie Uys Street Satellite Clinic | Satellite Clinic |
| Don and Pat Bilton Clinic | Clinic |
| Groendal Clinic | Clinic |
| Idas Valley Clinic | Clinic |
| Kayamandi Clinic | Clinic |
| Klapmuts Clinic | Clinic |
| Kylemore Clinic | Clinic |
| Rhodes Fruit Farm Satellite Clinic | Satellite Clinic |
| Stellenbosch EMS Station | EMS Station |
| Stellenbosch Hospital | District Hospital |
| Victoria Street Clinic | Clinic |

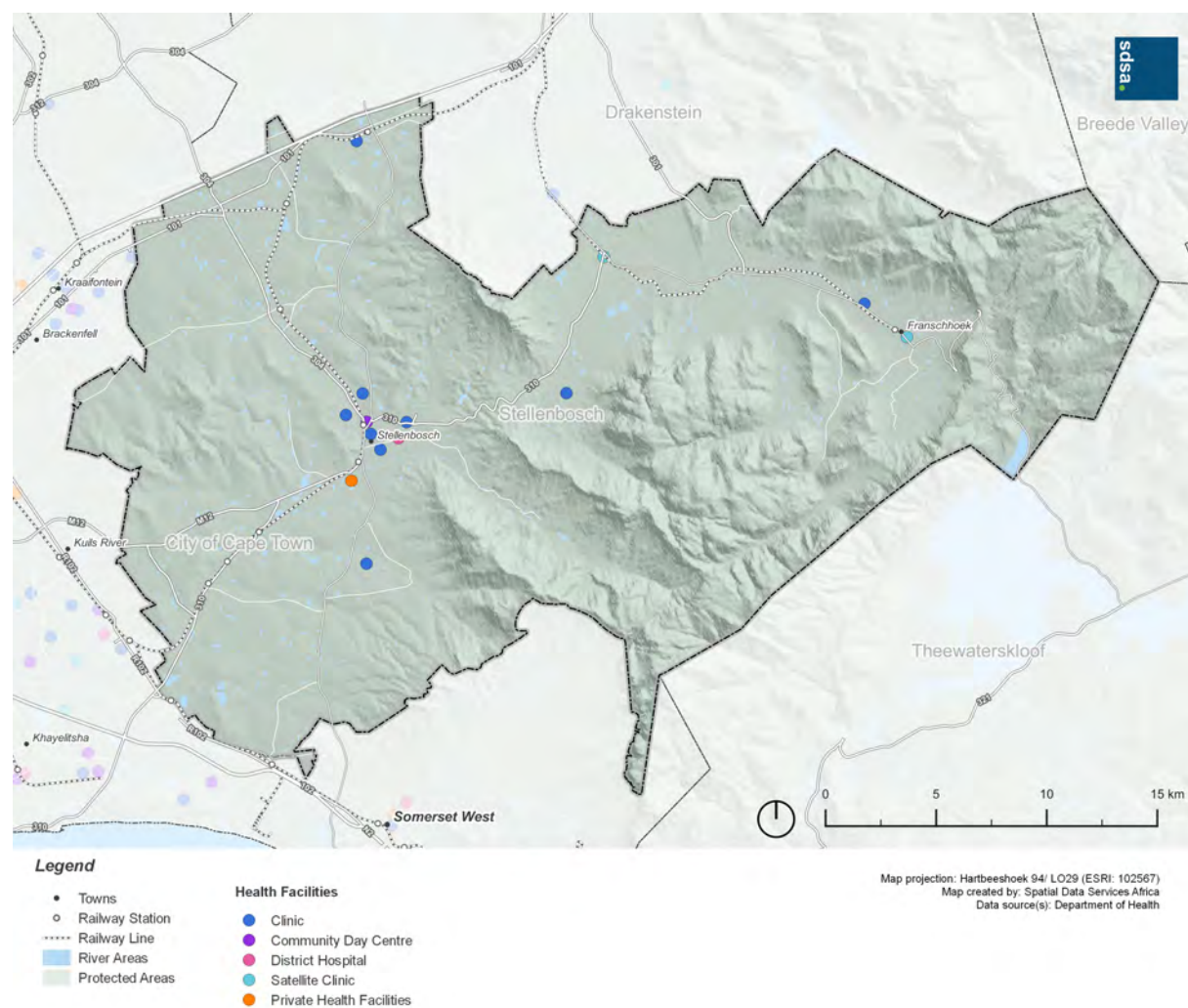
The tables below show the private facility and its ownership and also the beds per specialist function for each of the facilities.

| Name of private health facility | Private health group |
|---------------------------------|----------------------|
| Stellenbosch Medi-Clinic | Medi-Clinic |

The next table indicates the beds per specialist function in each of the facilities.

| Name of private health facility | Beds: Total | Beds: ICU | Beds: Pediatric | Beds: General | Beds: Neo-ICU | Beds: Special ICU | Beds: High care | Beds: Psychiatric | Beds: Day/Ward |
|---------------------------------|-------------|-----------|-----------------|---------------|---------------|-------------------|-----------------|-------------------|----------------|
| Stellenbosch Medi-Clinic | 90 | 3 | 7 | 75 | 1 | 0 | 4 | 0 | 0 |

Figure 3-37: Spatial distribution and density of public healthcare facilities

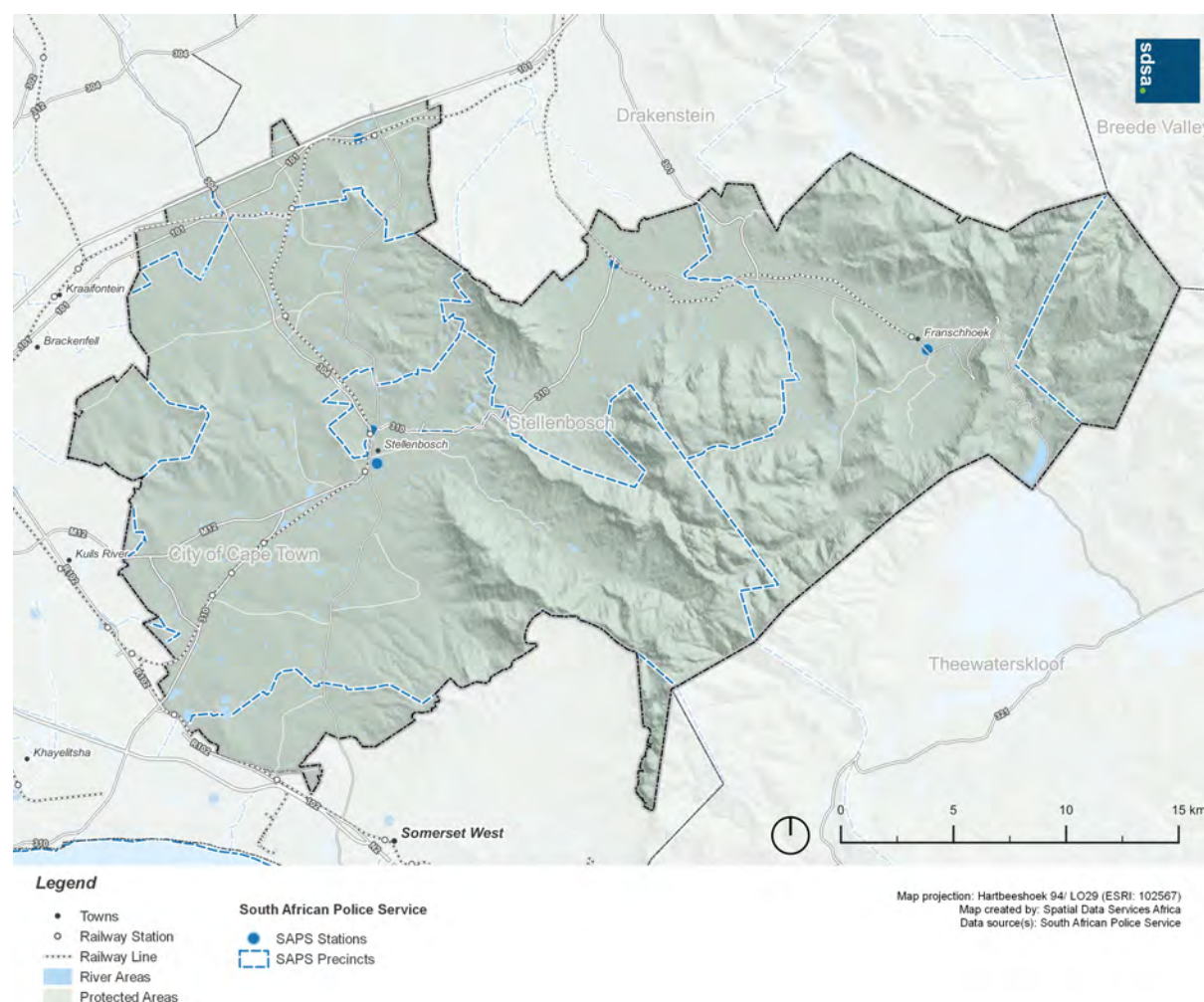


3.6.1 Safety and security

There are 5 SAPS stations in the area, however, the area is serviced by a total of 14 police precincts. Policies precinct boundaries do not align with municipal boundaries. The SAPS stations include:

- Cloetesville
- Franschhoek
- Groot Drakenstein
- Klipmuts
- Stellenbosch

Figure 3-38: Spatial distribution of SAPS stations and precincts

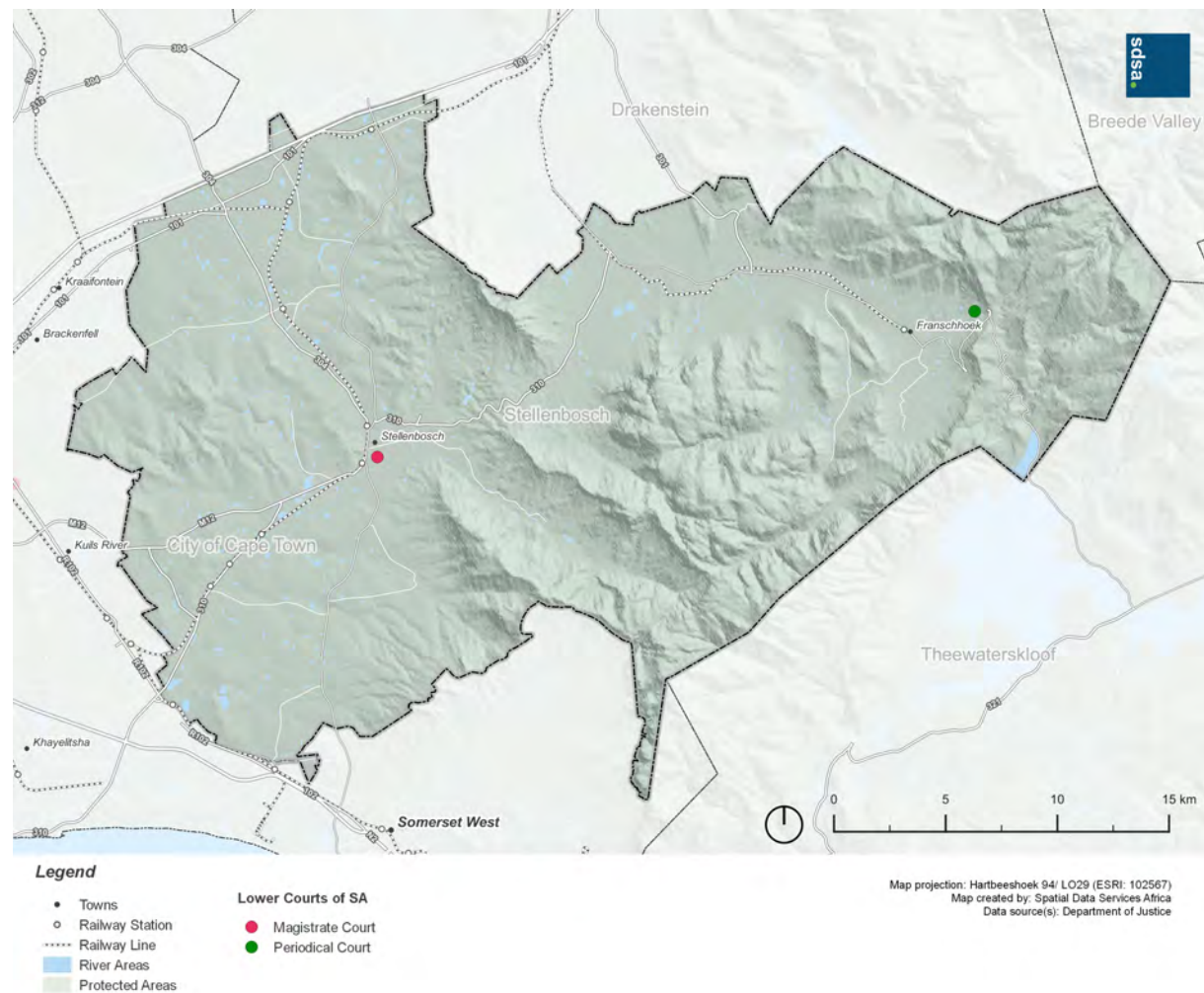


3.6.2 Courts

The courts of South Africa are the civil and criminal courts responsible for the administration of justice in South Africa. The total amount of lower courts in the municipality is 2.

| Type of court | Area/Office | Address |
|------------------|--------------|-------------------------------------|
| Magistrate Court | Stellenbosch | n/a |
| Periodical Court | Franschoek | Alexander Street, Stellenbosch 7600 |

Figure 3-39: Spatial distribution of lower courts



3.7 Access to services

Access to infrastructure services is a driving force for the betterment of all communities in South Africa. It is a core function of government, and since 1994, access to services for previously disadvantaged communities was emphasised to the extent that it becomes the driving force of most government delivery policies. Initial approaches were to meet the health requirements of the World Health Organisation and hence the adoptions of the so-called RDP standards, later referred to as access to basic services. However, these policies have evolved over time for many reasons, to the extent that many of the services currently contemplated by the government at all levels exceed the initial norms and standards.

3.7.1 Water services

Water services have been a very high priority in services delivery strategies over the past two decades. It is one of the key Millennium Goals adopted in 2000, which stated that countries should aim to halve people's proportion without access to safe drinking water and basic sanitation by 2015. In terms of these goals, at least 50% of households should have access to at least basic services. The table below shows the access to water has changed between 1996 and 2011

Table 3-30: Access to water services 1996, 2001 and 2011

| | | Full | Intermediate | Basic | Below Basic | None |
|------|-------|---------|--------------|---------|-------------|--------|
| 1996 | Total | 19,580 | 2,795 | 2,879 | 660 | 240 |
| | % | 74.86 % | 10.69 % | 11.01 % | 2.52 % | 0.92% |
| 2001 | Total | 25,005 | 4,066 | 2,706 | 3,143 | 245 |
| | % | 71.11 % | 11.56 % | 7.70 % | 8.94 % | 0.70 % |
| 2011 | Total | 31,337 | 3,521 | 6,231 | 1,835 | 404 |
| | % | 72.33 % | 8.13 % | 14.38 % | 4.24 % | 0.93 % |

Source: Census 2011

3.7.2 Sanitation services

Access to appropriate sanitation services is a very high health priority. Although sanitation services received a high priority from the government, there are always challenges and this service did not achieve the same level of success as improved access to water services. This section shows the sanitation access for the municipality.

Table 3-31: Access to sanitation services 1996, 2001 and 2011

| | | Full | Intermediate | Basic | Below Basic | None |
|------|-------|---------|--------------|--------|-------------|--------|
| 1996 | Total | 21,960 | NA | NA | 2,348 | 1,846 |
| | % | 83.96 % | NA | NA | 8.98 % | 7.06 % |
| 2001 | Total | 31,132 | 114 | 596 | 1,067 | 2,257 |
| | % | 88.53 % | 0.32 % | 1.69 % | 3.03 % | 6.42 % |
| 2011 | Total | 39,437 | 319 | 206 | 2,331 | 1,035 |
| | % | 91.02 % | 0.74 % | 0.48 % | 5.38 % | 2.39 % |

Source: Census 2011

3.7.3 Electricity services

Although electricity does not have the same implications for health as water and sanitation, access to electricity is very important for general development and especially education. Access to electricity

was therefore, always a high priority. The table below shows how access to electricity has changed since 1996. This table is based on access to lighting as a proxy for access to electricity.

Table 3-32: Access to electricity services 1996, 2001 and 2011

| | | Full access | No access | Total |
|------|-------|-------------|-----------|--------|
| 1996 | Total | 23,530 | 2,625 | 26,154 |
| | % | 89.96 % | 10.04 % | 100 % |
| 2001 | Total | 32,362 | 2,803 | 35,165 |
| | % | 92.03 % | 7.97 % | 100 % |
| 2011 | Total | 40,305 | 3,023 | 43,328 |
| | % | 93.02 % | 6.98 % | 100 % |

Source: Census 2011

3.7.4 Refuse removal

Solid waste management and refuse removal are important for health and environmental considerations. The table below shows how access to refuse removal services was reported in the previous three censuses.

Table 3-33: Access to refuse removal services 1996, 2001 and 2011

| | | Full | Intermediate | Basic | Below Basic | None |
|------|-------|---------|--------------|--------|-------------|--------|
| 1996 | Total | 19,946 | 257 | 2,415 | 2,632 | 905 |
| | % | 76.26 % | 0.98 % | 9.23 % | 10.06 % | 3.46 % |
| 2001 | Total | 28,643 | 561 | 1,320 | 4,442 | 2,257 |
| | % | 81.45 % | 1.60 % | 3.75 % | 12.63 % | 0.57 % |
| 2011 | Total | 37,672 | 1,068 | 1,347 | 2,053 | 1,188 |
| | % | 86.95 % | 2.46 % | 3.11 % | 4.74 % | 2.74 % |

Source: Census 2011

4 Land Budget & Demand Quantification

The objective of this section is to:

- Determine the land budget, and;
- Identify the investment required to service the growing population.

The capital investment emphasis within local government in South African over the past two decades has largely been on extending services to poor households. This is done in an environment where major population shifts have occurred, through accelerated urbanisation and decreased growth and even population declines in rural areas. However, extending access to services must be regarded as only one of three major investment areas that require attention in order to sustain or accelerate development and economic growth in any municipality. In this dynamic process, three components contributing to the demand for investment:

- The number of existing households without access to services;
- The need to renew existing infrastructure reaching the end of their economic useful life (EUL), and;
- The growth in households as a result of migration and household formation.

In South Africa, addressing backlogs was the key focus, while demand created through growth received indirect and mostly inadequate attention. Prioritising exiting backlogs and not addressing growth demands resulted and contributed to growing backlogs. Infrastructure practitioners always recognised asset renewal as a critical component to sustain service delivery. However, with the deteriorating state of infrastructure in municipalities and its impact on service delivery, asset renewal started to feature planning, financing and support strategies.

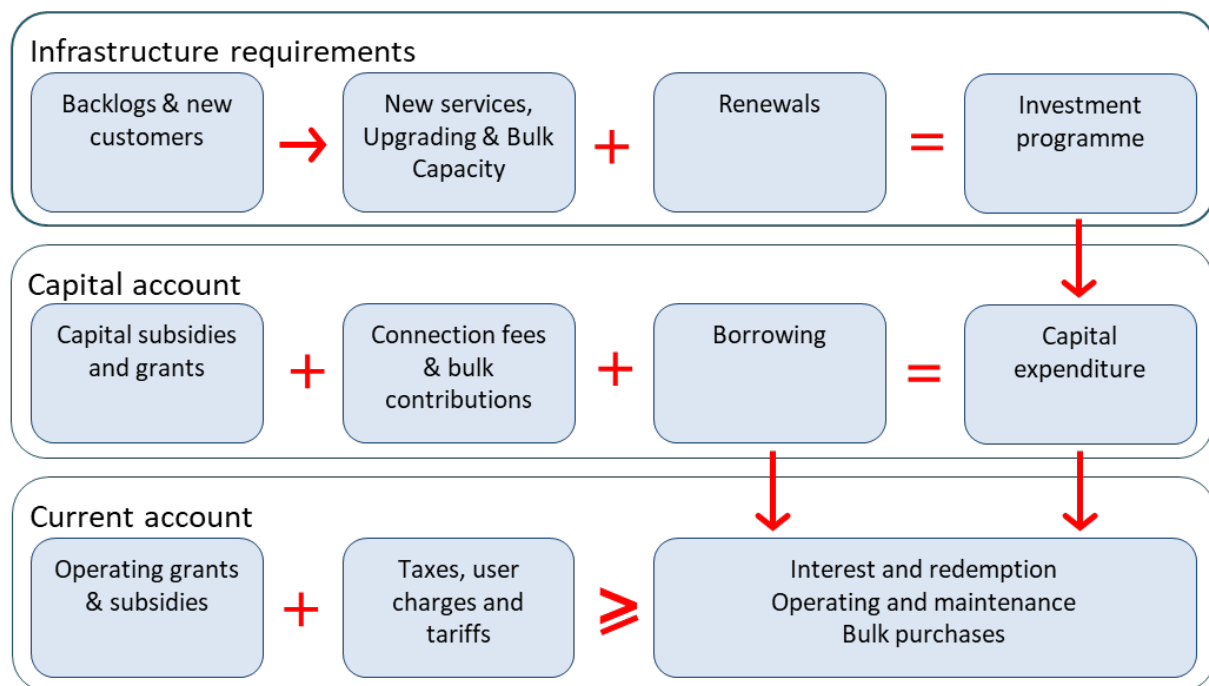
4.1 Investment demand and growth: The infrastructure planning equation

Long-term customer growth is usually one of the biggest drivers of investment demand. The ability to address annual customer growth ensures, at a minimum, that increases in backlogs do not occur. However, it adds to operating expenditure and the maintenance burden of a service provider that must offset income and revenue streams through appropriate cost recovery processes.

Figure 4-1 below shows the relationship and components of infrastructure and service delivery. Within this framework, the demand for infrastructure services (investment programme) is the sum of existing backlogs and household growth plus service upgrading requirements and asset renewals. Capital expenditure funds the investment programme. The capital expenditure adds interest and redemption, operating and maintenance, and bulks purchases costs to the current or operating account of the municipality. Capital subsidies and grants, connection and bulk service contributions, and borrowing funds the capital account.

Maintaining this equilibrium over the long term ensures financial sustainability. In terms of the CEF, the planning horizon is a minimum of ten years.

Figure 4-1: Infrastructure investment planning equation⁶



Investment demand is a function of three core processes, namely:

- The investment required to address backlogs in services access;
- Investment to address the required renewal of assets and renewal backlogs, and;
- The investments to address the demand created through growth.

The quantification of investment requirements is a detailed and very complicated process. The assessment below address all the elements necessary for the CEF process. Within the scope and timeframes of the project, it was, for example, not possible to assess the impact of existing infrastructure capacity. Available capacities will lower investment demands.

4.1.1 Dealing with infrastructure backlogs

The drive behind government infrastructure and service policies since 1994 was to eradicate backlogs. Many factors do affect the extent of backlogs and also the ability of municipalities to address the matter. The project brief did not allow for a backlogs study to determine the current size of the backlogs. However, the assessment of backlogs was made and addressed as part of the demand for capital investment.

Determining the extent of the backlog is difficult. There are conflicting figures on backlogs that cannot be reconciled. The following were considered:

- Census 2011 was the last comprehensive dataset on service access and backlogs.
- Backlogs reflect the total position in the Municipality irrespective of service areas or service server provider responsibilities.

⁶ [BC Gildenhuys, Creating a framework to develop revenue enhancement strategies and support asset management planning in a sustainable investment and service delivery environment \(2018\)](#)

- Service areas differ for each service. The service area for water and sanitation is not the same as that for electricity or refuse removal services or the municipality's responsibility for constructing and maintaining roads.
- The CEF addresses services in terms of the different functional areas, which implies no wall-to-wall service coverage; for example, the municipality may not provide reticulated water and sanitation services to farms. Within the project's scope and the timeframes, it was not possible to further explore this matter.
- Policy decisions directly impact the extent of the backlog, such as a policy position on the acceptability of backyard shacks as a housing typology. There are an estimated 4 530 backyard shacks in Stellenbosch. If backyard shacks represent an acceptable housing typology, then they are not part of the backlog. However, as the provincial housing policy suggests, they are indeed part of the backlog, then it adds an estimated R380 million to the capital requirements of the municipality. Policy decisions have a considerable impact on the municipality's finances and impact on capital and operating expenditure.

The sections and tables below show the backlog situation as calculated from the different censuses. It was impossible to desegregate any 2016 Community Survey figures or other official data source at a sub-municipal level.

a. Access to water services

Table 4-1: Change in access to water services per functional area per census

| Level of service | Census | Urban | | Rural | | Farms | | Total Area | |
|------------------|--------|--------|--------------|-------|--------------|-------|--------------|------------|--------------|
| | | Total | % for census | Total | % for census | Total | % for census | Total | % for census |
| Full | 1996 | 12 235 | 76% | 947 | 83% | 6 398 | 71% | 19 580 | 75% |
| | 2001 | 16 234 | 70% | 1 414 | 87% | 7 357 | 71% | 25 005 | 71% |
| | 2011 | 21 035 | 69% | 2 606 | 83% | 7 696 | 80% | 31 337 | 72% |
| Intermediate | 1996 | 1 100 | 7% | 126 | 11% | 1 569 | 17% | 2 795 | 11% |
| | 2001 | 2 134 | 9% | 133 | 8% | 1 799 | 17% | 4 066 | 12% |
| | 2011 | 2 192 | 7% | 413 | 13% | 916 | 10% | 3 521 | 8% |
| Basic | 1996 | 2 525 | 16% | 6 | 1% | 348 | 4% | 2 879 | 11% |
| | 2001 | 2 106 | 9% | 23 | 1% | 577 | 6% | 2 706 | 8% |
| | 2011 | 5 477 | 18% | 75 | 2% | 679 | 7% | 6 231 | 14% |
| Below Basic | 1996 | 82 | 1% | 43 | 4% | 535 | 6% | 660 | 3% |
| | 2001 | 2 578 | 11% | 52 | 3% | 513 | 5% | 3 143 | 9% |
| | 2011 | 1 628 | 5% | 26 | 1% | 181 | 2% | 1 835 | 4% |
| None | 1996 | 72 | 0% | 24 | 2% | 144 | 2% | 240 | 1% |
| | 2001 | 159 | 1% | 3 | 0% | 83 | 1% | 245 | 1% |
| | 2011 | 231 | 1% | 23 | 1% | 150 | 2% | 404 | 1% |

The table shows the following:

- Farms and rural nodes generally have better higher levels of services than the Municipality's urban component, and no access and access to less than basic services is also higher in the urban areas.
- The figures highlight the urban components' pressure, notwithstanding substantial increases in the number of households with service access.

The Municipality reported the following figures to Statistic South Africa (StatsSA) for the Non-Municipal Financial Census released in 2019.

Table 4-2: Number of consumer units receiving water services

| | Number of domestic consumer units served through a delivery point | | | | Total number of non-domestic consumer units receiving water services | Total number of consumer units receiving water services |
|------|---|----------------------------|----------------------------|--|--|---|
| | Inside the yard | Less than 200m from a yard | More than 200m from a yard | Total number of domestic consumer units receiving water services | | |
| 2017 | 39 044 | 6 231 | 1830 | 47 105 | 903 | 48 008 |
| 2018 | 41 623 | 9 699 | 0 | 51 322 | 903 | 52 225 |

According to these figures, there are no service backlogs in the Municipal area and access to full services increased by more than 32% in 8 years (time period 2011 - 2018). The figures show an increase from 31 337 households with access to full services in 2011 to 41 623 households in 2019. However, one should consider the fact that there are currently more than 15 000 informal and backyard structures in the municipal area.

b. Access to sanitation services

Access to sanitation follows a similar pattern to water services, and again, the pressure on the urban areas is evident. The number of households with below basic services is proportionally higher than in the urban areas. From the table, the policy to provide full services to all households is evident.

Table 4-3: Change in access to sanitation services per functional area per census

| | | Urban | | Rural | | Farms | | Total Area | |
|--------------|------|--------|------|-------|------|-------|------|------------|------|
| | | Total | % | Total | % | Total | % | Total | % |
| Full | 1996 | 14 121 | 88% | 968 | 84% | 6 871 | 76% | 21 960 | 84% |
| | 2001 | 21 031 | 91% | 1 456 | 90% | 8 645 | 84% | 31 132 | 89% |
| | 2011 | 28 532 | 93% | 2 760 | 88% | 8 145 | 85% | 39 437 | 91% |
| Intermediate | 1996 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| | 2001 | 25 | 0% | 3 | 0% | 86 | 1% | 114 | 0% |
| | 2011 | 56 | 0% | 12 | 0% | 251 | 3% | 319 | 1% |
| Basic | 1996 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| | 2001 | 168 | 1% | 8 | 0% | 420 | 4% | 596 | 2% |
| | 2011 | 41 | 0% | 7 | 0% | 158 | 2% | 206 | 0% |
| Below Basic | 1996 | 587 | 4% | 160 | 14% | 1 601 | 18% | 2 348 | 9% |
| | 2001 | 250 | 1% | 113 | 7% | 704 | 7% | 1 067 | 3% |
| | 2011 | 1 345 | 4% | 255 | 8% | 731 | 8% | 2 331 | 5% |
| None | 1996 | 1 306 | 8% | 19 | 2% | 521 | 6% | 1 846 | 7% |
| | 2001 | 1 737 | 7% | 44 | 3% | 476 | 5% | 2 257 | 6% |
| | 2011 | 587 | 2% | 109 | 3% | 339 | 4% | 1 035 | 2% |

The Statistic South Africa (StatsSA) for the Non-Municipal Financial Census released in 2019 shows the table below's figures. These figures confirm full services as the preferred service option. However, it shows only 40 373 households receiving services while the data on water services shows a total of 51 322 households in the municipal area. It is not possible to account for the more than 10 000 household discrepancy.

Table 4-4: Number of consumer units receiving sanitation services

| | Flush toilets connected to a public sewerage system | Flush toilets connected to septic tank | Bucket system | Ventilated improved pit latrines | Other | Total number of domestic consumer units receiving sanitation services | Total number of non-domestic consumer units receiving sanitation services | Total number of consumer units receiving sanitation services |
|------|---|--|---------------|----------------------------------|-------|---|---|--|
| 2017 | 37 939 | 1079 | 0 | 0 | 1 193 | 40 211 | 1024 | 41235 |
| 2018 | 38 027 | 1079 | 0 | 0 | 1 267 | 40 373 | 925 | 41298 |

c. Access to electricity services

Households without electricity totals about 7% of total households. The non-financial census does not report on access to electricity. Even though the percentage access improved, the available data shows that more people are without electricity in real terms. The current position cannot be confirmed, and backlogs used for modelling purposes were estimated as the percentages of the current households per functional areas shown in the table below.

Table 4-5: Change in access to electricity services per functional area per census

| | | Urban | | Rural | | Farms | | Total Area | |
|-----------|------|--------|-----|-------|-----|-------|-----|------------|-----|
| | | Total | % | Total | % | Total | % | Total | % |
| Full | 1996 | 14 646 | 91% | 1 065 | 93% | 7 819 | 87% | 23 530 | 90% |
| | 2001 | 21 253 | 92% | 1 570 | 97% | 9 539 | 92% | 32 362 | 92% |
| | 2011 | 28 472 | 93% | 2 990 | 95% | 8 843 | 92% | 40 305 | 93% |
| No Access | 1996 | 1 368 | 9% | 82 | 7% | 1 175 | 13% | 2 625 | 10% |
| | 2001 | 1 958 | 8% | 54 | 3% | 791 | 8% | 2 803 | 8% |
| | 2011 | 2 090 | 7% | 153 | 5% | 780 | 8% | 3 023 | 7% |

d. Access to refuse removal

The table confirms the focus on urban and rural nodes with only between 2% and 3% of the households without access.

Table 4-6: Change in access to refuse removal services per functional area per census

| | | Urban | | Rural | | Farms | | Total Area | |
|--------------|------|--------|-----|-------|-----|-------|-----|------------|-----|
| | | Total | % | Total | % | Total | % | Total | % |
| Full | 1996 | 15 145 | 95% | 1 024 | 89% | 3 777 | 42% | 19 946 | 76% |
| | 2001 | 21 877 | 94% | 1 528 | 94% | 5 238 | 51% | 28 643 | 81% |
| | 2011 | 29 068 | 95% | 2 990 | 95% | 5 614 | 58% | 37 672 | 87% |
| Intermediate | 1996 | 60 | 0% | 3 | 0% | 194 | 2% | 257 | 1% |
| | 2001 | 368 | 2% | 6 | 0% | 187 | 2% | 561 | 2% |
| | 2011 | 288 | 1% | 35 | 1% | 745 | 8% | 1 068 | 2% |
| Basic | 1996 | 317 | 2% | 46 | 4% | 2 052 | 23% | 2 415 | 9% |
| | 2001 | 324 | 1% | 17 | 1% | 979 | 9% | 1 320 | 4% |
| | 2011 | 561 | 2% | 16 | 1% | 770 | 8% | 1 347 | 3% |
| Below Basic | 1996 | 303 | 2% | 45 | 4% | 2 284 | 25% | 2 632 | 10% |
| | 2001 | 587 | 3% | 71 | 4% | 3 784 | 37% | 4 442 | 13% |
| | 2011 | 301 | 1% | 37 | 1% | 1 715 | 18% | 2 053 | 5% |
| None | 1996 | 189 | 1% | 28 | 2% | 688 | 8% | 905 | 3% |
| | 2001 | 1 737 | 7% | 44 | 3% | 476 | 5% | 2 257 | 6% |
| | 2011 | 344 | 1% | 65 | 2% | 779 | 8% | 1 188 | 3% |

e. The customer base for service delivery

The previous sections provide available base profiles of service access in the Municipality. The demand for services is a function of the Municipality's existing customer base's current profile and characteristics. There is a distinction between the following customer categories:

- Residential or domestic customers. Domestic customers are entitled to a range of social and community services from the municipality, irrespective of where they reside in the municipal area. However, the municipality focus its housing support in particular areas, and generally, people living on farms are excluded from the municipality delivered infrastructure and housing services. However, this does not absolve the municipality from its Constitutional obligation to ensure that these households have access to essential services. However, practically, service delivery focuses on the urban and rural nodes in the Municipality.

- Non-residential customers are all other customers that receive services from the Municipality, and the focus of service delivery is again on the urban and rural nodes. However, this does not exclude service delivery outside these areas. The demand for services is a derivative of socio-economic growth and changes.

For modelling purposes, the table below shows the distinction in the residential customer base between a "service population" (those who uses social and community services) and a "housing population", which is representative of the number of households that fall within the housing mandate of the municipality and Government. The next table shows the key numbers:

Table 4-7: Service demand and housing demand inputs to model demand

| | Service demand | Housing demand |
|---|----------------|----------------|
| Average household size | 3.32 | 3.08 |
| Base year population | 192 474 | 126 095 |
| Population growth rate | 1.58% | 1.76% |
| Population estimate at end of programme | 225 071 | 150 184 |
| Households | 59 078 | 40 940 |

The smaller number that constitutes the gross housing demand excludes the following:

- A total of 8 308 households in hostels and student residences
- The 1 456 households accommodated in institutions such as nursing homes, orphanages, etc.
- The 5 041 households residing on farms
- 3 323 "other" formal households that live outside the urban and rural areas on farms.

The housing demand includes backyard shacks.

f. The backlog profile

It is not possible to provide an exact number for backlogs. The available data is irreconcilable, and the figures are estimates based on available information.

Table 4-8: Assignment of levels of services for assessment purposes

| | Number of households | Comments |
|--|----------------------|---|
| Water services | | |
| House/building connection unlimited metered supply | 26 095 | This figure does not affect the outcomes of the assessment as they are fully serviced. Their impact reflects in asset renewal demand. |
| Communal standpipe less than 200m distance | 8 258 | It was assumed all informal structures in the urban and rural nodes have access to a communal standpipe within 200m of the residence |
| Waterpoint more than 200m distance | 2 057 | These are the informal structure outside the urban and rural nodes which the municipality will have to accommodate. |
| No formal service | 4 530 | These are the households currently residing in backyards |
| Water total | 40 490 | |
| Sanitation services | | |
| Waterborne sewerage to each stand 110mm connection | 23 481 | These are the total formal households in urban areas |
| Septic or conservancy tank with toilet structure | 2 535 | The households in rural nodes were assigned here. |
| Communal chemical toilet | 1 193 | The "other" category reported by the municipality to StatsSA were assumed to be in this category |
| No formal service | 13 731 | This is the balance of the households. |
| Sanitation total | 40 490 | |

| | | |
|---------------------------------|--------|---|
| Electricity services | | |
| Electricity connections | 26 095 | The total of all formal households in the urban and rural nodes |
| No formal services | 14 845 | Households in the urban and rural nodes not included above |
| Electricity total | 40 490 | |
| Refuse | | |
| Weekly kerbside waste removal | 26 016 | Assumed that all formal households receive a weekly refuse removal service |
| Communal waste collection point | 8 258 | All informal structures in the urban and rural nodes were included here. |
| No formal service | 6 666 | Households in the urban and rural nodes not included above |
| Refuse removal total | 40 490 | |
| Roads & stormwater | | |
| Paved 6.5 | 2 244 | These figures were derived from the data in the municipality's Roads Asset Management Plan. The figures remain an estimate. |
| Paved 5.5 | 21 181 | |
| Paved 4.5 | 2 535 | |
| Gravel/graded | 1 082 | |
| No service | 13 898 | |
| Roads & stormwater total | 40 940 | |

4.1.2 Asset renewals and renewal backlog

Asset renewals and renewal backlogs should be calculated from asset registers. Asset registers for the main infrastructure services were not available, and the figures used came from the municipality's unaudited financial statements for FY1920 ((See note 10 on page 59). The assets' valuation/cost was assumed to be equal to the current replacement cost (CRC), and carrying value is representative of the depreciated replacement cost (DRC) of the assets.

The general rule is that asset renewals should more or less be equal to the annual depreciation on assets based on their Economic Useful Life (EUL). Renewal backlogs is a function of the condition of an asset and renewal backlogs occur where an asset's Remaining Useful Life (RUL) is less than about 45% of its Current Replacement Cost (CRC).

Table 4-9: The municipality's asset base

| Asset group | Current replacement cost (CRC) | Depreciated replacement cost (DRC) | DRC as % of CRC | Renewal backlog | Renewal target years | % of CRC | CRC per serviced household | CRC per serviced household |
|--------------------|--------------------------------|------------------------------------|-----------------|-----------------|----------------------|----------|----------------------------|----------------------------|
| | R'000 | (R'000) | | (R) | n.a | | (R) | R'000 |
| Water | 1 706 353 | 1 326 747 | 77.8% | 0 | n.a | 32.5% | 27 209 | 46 865 |
| Sanitation | 1 127 953 | 971 838 | 86.2% | 0 | n.a | 21.5% | 17 986 | 41 455 |
| Electricity | 1 328 810 | 951 685 | 71.6% | 0 | n.a | 25.3% | 21 189 | 50 922 |
| Roads & Stormwater | 1 006 034 | 553 933 | 55.1% | 0 | n.a | 19.2% | 16 042 | 37 203 |
| Refuse removal | 81 220 | 51 145 | 63.0% | 0 | n.a | 1.5% | 1 295 | 2 370 |
| | 5 250 370 | 3 567 128 | 67.9% | 0 | n.a | 100.0% | 83 720 | 178 814 |

The municipality has a substantial asset base that amounts to an average of about R83 720 per household for the five major infrastructure services. However, the average cost per serviced households is R178 814. The high cost per household reflects the high levels of services in the municipal area.

The figures show that the municipality's assets are in excellent condition but that roads and stormwater may present challenges within the next few years if asset renewal is not addressed to the extent required. According to these figures, there are no renewal backlogs in the municipal area.

4.1.3 Demand created through growth

In the processes to determine the demand created through growth, four elements were addressed.

- Land demand created through growth expectations;
- Long-term capital requirements to meet the growing demand;
- Operating impact of capital expenditure, and;
- Consumption and use.

a. Land demand

Land demand is determined by norms standards that were applied to various land uses. A distinction was made between the demand for housing (residential demand) and demand for other land uses, including business, industrial, open space, community, and social facilities. Land demand for residential purposes was restricted to the urban and rural nodes. It was assumed that the Municipality would prioritise infrastructure services in these areas.

However, the land demand for the other uses is a function of thresholds to sustain them, and it was therefore calculated on the total growth demand in the municipal area. This is technically not 100% correct since the service function of these uses may exceed administrative boundaries. It gives recognition that factors outside its jurisdiction may determine development demand in a municipality. In this assessment, the long-term demand was only calculated based on growth expectations within the municipal area. It is not practical to separate Stellenbosch from its region.

b. Long-term capital expenditure

Long-term capital expenditure is a function of land demand and the growth in customers. The results show the incremental cost for bulk and reticulated infrastructure. The point of departure is the assignment of appropriate service levels to each user or customer category. This is essentially a policy matter. For the purposes of assessment, the municipality's current approach of providing a full level of service was adopted. This is one area where different approaches and policy options can be introduced to assess the impact of service level approaches on demand for capital and the operating impact thereof. The capital cost per service for each of the land use categories was calculated.

c. The operating impact of capital expenditure

It is relatively easy to calculate capital demand. However, the critical aspects are the long-term operating impact of capital expenditure. Furthermore, an over-investment in services that do not address affordability may lead to structural impediments where the Municipality will find it difficult to meet customers' operating obligations that cannot pay for services. This is usually one of the main contributors to cash flow constraints in municipalities. Operating cost is based on a life-cycle approach that considers both maintenance and operating costs. All costs are presented as marginal costs.

d. Consumption and use

Since consumptions and use norms and standards are used to calculate operating costs, the same values are used to calculate the demand for water, wastewater discharge, electricity consumption, the roads required and the solid waste volume and tonnage. The results are also presented as annual increments to reflect the impact of growth.

4.2 Modelling outcomes and growth impact forecasts

A development cost model⁷ was used to model and forecast long-term investment demand.

4.2.1 Population growth as the basis for modelling investment demand

As indicated earlier, the investment demand modelling is premised on population growth that translated into customer units. The first step was to do a population growth forecast. A forecast was done for the Municipality. (See the section of the socio-economic profile of the Municipality) This represents the growth of the service population. The housing population was calculated using the forecast for the whole Municipality and factoring the household characteristics of the urban and rural nodes into the equation.

The issues and challenges with reliable population and household figures were highlighted in the previous section on the socio-economic characteristics of the municipal area. In being consistent with a conservative approach, low population growth was accepted where the population would increase at an average rate of 1.4% per annum. There is, however, the possibility that this may even be lower. The following projection were used for modelling purposes

Table 4-10: Population as the basis for the assessment

| | Base | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|--------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Service population | 192 474 | 195 981 | 199 991 | 204 044 | 208 196 | 211 685 | 212 583 | 215 710 | 218 834 | 221 954 | 225 071 |
| Annual increment | | 3 507 | 4 009 | 4 054 | 4 152 | 3 489 | 3 308 | 3 127 | 3 124 | 3 120 | 3 117 |
| Housing population | 126 095 | 126 898 | 128 504 | 130 913 | 134 125 | 138 140 | 142 155 | 145 366 | 147 775 | 149 381 | 150 184 |
| Annual increment | | 2 592 | 2 963 | 2 996 | 3 068 | 2 578 | 2 445 | 2 311 | 2 308 | 2 306 | 2 303 |

4.2.2 Scenario assessment

The scenario applied for assessment tried to emulate the current policy and strategy choices of the Municipality as closely as possible. However, it is important to remember that this remains a modelling approach that crudely aims to replicate a very complicated system. It was, therefore, necessary to make some basic assumptions before the model was calibrated.

a. Assumptions and inputs on housing variables

As described above, the model uses the growth in population to determine housing demand as well as ancillary uses. However, there several key inputs that need to be considered. They are:

- Residential typologies;
- The residential mix in terms of stand sizes, and;
- Stand sizes assigned to the different typologies.

Housing typologies for the CEF are configured around low, medium and high-density residential development that includes different housing typologies. Stand, and households sizes were linked to

⁷ The Development Cost Model V15 is propriety model develop and applied by BC Gildenhuys and Associates over the past 20 years to address the land use and capital expenditure demand and the operating consequences thereof in municipal service delivery.

each of these typologies. Household sizes and cars per household were also considered in the model. The table below shows the input assumptions for housing typologies, stand sizes and household sizes.

Table 4-11: Assumptions on housing typologies, mix stand and household sizes

| Residential types | Residential mix | Stand sizes | Household size |
|-----------------------------------|-----------------|-------------|----------------|
| Single Residential: Low income | 20.0% | 250 | 4.11 |
| Single Residential: Medium income | 22.5% | 500 | 3.75 |
| Single Residential: High income | 15.5% | 850 | 3.00 |
| Medium Density: Low income | 15.0% | 5 000 | 3.50 |
| Medium Density: Medium income | 7.0% | 4 000 | 3.25 |
| Medium Density: High income | 5.0% | 3 000 | 2.90 |
| High Density: Low income | 2.5% | 5 000 | 3.00 |
| High Density: Medium income | 2.5% | 4 000 | 2.50 |
| High Density: High income | 5.0% | 3 000 | 2.10 |

Future backyard dwellers were included as part of the demand for capital expenditure in the equation. It was assumed that this would remain for the full assessment period although there are indications that household incomes have been decreasing.

b. Norms and standards for land use budgeting

The following land use norms and standards were used in the land use budgeting process.

Table 4-12: Land use budgeting norms and standards

| Land use | Provision unit | Provision norm - persons/cars/ children | Ruling stand size m2 |
|--|------------------------|---|----------------------|
| Residential | | | |
| Single Res: Low Inc | units per net ha (net) | 40 | 250 |
| Single Res: Med Inc | units per net ha (net) | 20 | 500 |
| Single Res: High Inc | units per net ha (net) | 12 | 850 |
| Medium Dens: Low Inc | units per net ha (net) | 40 | 2 000 |
| Medium Dens: Med Inc | units per net ha (net) | 30 | 3 000 |
| Medium Dens: High Inc | units per net ha (net) | 25 | 3 000 |
| High Dens: Low Inc | units per net ha (net) | 80 | 2 000 |
| High Dens: Med Inc | units per net ha (net) | 75 | 3 000 |
| High Dens: High Inc | units per net ha (net) | 60 | 3 000 |
| Backyard dwellings | units per household | 0 | 0 |
| Business | | | |
| 3rd Order commercial | m2 per capita | 2.00 | 2 000 |
| 2nd Order Commercial | m2 per capita | 3.00 | 5 000 |
| 1st Order Commercial | m2 per capita | 6.00 | 25 000 |
| Market/trading area | m2 per capita | 7.00 | 5 000 |
| Garages & filling stations | per 2500 cars | 1 | 2 000 |
| Industrial & commercial | | | |
| Light industrial | ha per 7500 people | 3 | 3 000 |
| Heavy industrial | ha per 5000 people | 3 | 10 000 |
| Commercial | ha per 5000 people | 3 | 10 000 |
| Public spaces: recreation | | | |
| Parks: public | ha per 1000 people | 0.33 | 5 000 |
| Parks: private | ha per 1000 people | 1 | 10 000 |
| Sports fields | per 1000 housing units | 3.5 | 10 000 |
| Stadiums | per 125000 people | 1 | 50 000 |
| Community facilities: municipal | | | |
| Municipal office | per 75000 people | 1.00 | 3 000 |
| Community hall | per 25000 people | 1.00 | 3 000 |
| Local library | per 50000 people | 1.00 | 1 500 |
| Primary health clinic | per 50000 people | 1.00 | 3 000 |
| Fire station & Ambulance | per 75000 people | 1.00 | 7 500 |

| Land use | Provision unit | Provision norm - persons/cars/ children | Ruling stand size m2 |
|------------------------------------|------------------------|---|----------------------|
| Ambulance station | per 75000 people | 1.00 | 3 000 |
| Cemeteries | ha per 5500 people | 1.00 | 20 000 |
| Public parking areas | m2 per capita | 0.20 | 3 000 |
| Market/trading area | ha per 10000 people | 1.00 | 7 500 |
| Taxi ranks | m2 per capita | 0.10 | 3 000 |
| Community facilities: other | | | |
| Post office | per 20000 people | 1.00 | 1 500 |
| Lower Court | per 100000 people | 1.00 | 2 000 |
| Post collection point | per 3000 housing units | 1.00 | 200 |
| Police station | per 80000 people | 1.00 | 5 000 |
| District hospital | per 300000 people | 1.00 | 50 000 |
| Community health centre | per 100000 people | 1.00 | 2 000 |
| Hospice | per 50000 people | 1.00 | 2 000 |
| Old age home | per 50000 people | 1.00 | 10 000 |
| Children's homes | per 200000 people | 1.00 | 5 000 |
| Thusong centre | per 70000 people | 1.00 | 10 000 |
| Place of worship | per 1000 people | 1.00 | 2 000 |
| Crèche | per 2800 people | 1.00 | 2 000 |
| Nursery school | per 5000 people | 1.00 | 3 000 |
| Primary school | per 6700 people | 1.00 | 32 000 |
| Secondary school | per 12400 people | 1.00 | 45 000 |
| After school centre | per 5000 people | 1.00 | 2 000 |
| ABET/Skills training | per 50000 people | 1.00 | 50 000 |

The norms and standards were derived from different sources. The main sources were the cadastre from the office of the Surveyor General, the CSIR norms and standards for social and community facilities and then also calculated from the current land cover in the Municipality. The approach was to calibrate the model on local data as far as possible.

c. Service levels

Service levels relate to the technology used to supply a customer with a service. It should not be confused with a service standard which represents the qualitative aspects of service delivery.

The following describes the levels of services (LOS) available for the modelling process.

Table 4-13: Levels of service options for water

| Level of services | Description |
|-------------------|--|
| LOS00 | No formal service |
| LOS01 | Water point more than 200m distance |
| LOS02 | Communal standpipe less than 200m distance |
| LOS03 | Yard tap connection (single tap) and or limited supply with a dry on-site system |
| LOS04 | Yard tap connection (single tap) and or limited supply linked to waterborne sanitation |
| LOS05 | House/building connection unlimited metered supply |
| LOS06 | Supply volume. is limited to 100mm connection, peak flow limited, and on-site storage required |
| LOS07 | All requirements met up to 150mm pipe, 150mm connection |

Table 4-14: Levels of service options for sanitation

| Level of services | Description |
|-------------------|---|
| LOS00 | No formal service |
| LOS01 | Bucket system |
| LOS02 | Unventilated pit latrines and soakaways |
| LOS03 | Ventilated improved pit (VIP) |
| LOS04 | Dry composting toilet |
| LOS05 | Communal chemical toilet |

| Level of services | Description |
|-------------------|---|
| LOS06 | Low flow (small bore) system with toilet structure |
| LOS07 | Septic or conservancy tank with toilet structure |
| LOS08 | Waterborne sewerage to each stand 110mm connection (no toilet structure) |
| LOS09 | Waterborne sewerage to each stand 110mm connection, with toilet structure |
| LOS10 | Waterborne sewer available, max connection size 150 mm or larger |
| LOS11 | Waterborne sewerage, discharge load is above normal limits. |

Table 4-15: Levels of service options for electricity

| Level of services | Description |
|-------------------|---|
| LOS00 | No electricity service |
| LOS01 | None grid electricity service |
| LOS02 | Grid-connected and metered - Single phase 230V up to 20A or 4.6 kVA |
| LOS03 | Grid-connected and metered - Single phase 230V up to 60A or 13.8kVA |
| LOS04 | Grid-connected and metered - Three phase / Multiphase 230/400V up to 150A or 100kVA |
| LOS05 | Grid-connected and metered - Bulk higher than 230/400V - not exceeding 11kV (at least 25 kVA) |
| LOS06 | Grid-connected and metered - Bulk - exceeding 11kV (at least 100 kVA) |

Table 4-16: Levels of service options for roads and stormwater

| Level of services | Description |
|-------------------|------------------------------|
| LOS00 | No service |
| LOS01 | Tracks (Graded) |
| LOS02 | Gravel within 500m |
| LOS03 | Gravel |
| LOS04 | Paved 4.5m |
| LOS05 | Paved 5.5m |
| LOS06 | Paved 6.5 |
| LOS07 | Paved heavy capacity of 7.5m |

Table 4-17: Levels of service options for refuse removal services

| Level of services | Description |
|-------------------|-------------------------------------|
| LOS00 | None |
| LOS01 | Communal waste collection point |
| LOS02 | Weekly kerbside waste removal |
| LOS03 | Bi-weekly kerbside waste removal |
| LOS04 | Bi-weekly waste removal from site 1 |
| LOS05 | Daily waste removal from site 1 |
| LOS06 | Bi-weekly waste removal from site 2 |
| LOS07 | Daily waste removal from site 2 |

Based on the available service level options, the following levels of services were assigned to the land uses in the development cost model. Changes in the levels of service do have significant impacts on the demand for capital and also the operating position of the municipality and hence its sustainability. The impact of different service level choices and resulting scenario were not tested as part of this report.

Table 4-18: Level of service assigned per land use

| | Water | Sanitation | Electricity | Roads & stormwater | Refuse removal |
|----------------------|-------|------------|-------------|--------------------|----------------|
| Residential | | | | | |
| Single Res: Low Inc | LOS05 | LOS09 | LOS02 | LOS04 | LOS02 |
| Single Res: Med Inc | LOS05 | LOS08 | LOS03 | LOS05 | LOS02 |
| Single Res: High Inc | LOS05 | LOS08 | LOS03 | LOS06 | LOS02 |
| Medium Dens: Low Inc | LOS05 | LOS09 | LOS02 | LOS04 | LOS02 |
| Medium Dens: Med Inc | LOS05 | LOS08 | LOS03 | LOS05 | LOS02 |

| | Water | Sanitation | Electricity | Roads & stormwater | Refuse removal |
|--|-------|------------|-------------|--------------------|----------------|
| Medium Dens: High Inc | LOS05 | LOS08 | LOS03 | LOS06 | LOS02 |
| High Dens: Low Inc | LOS05 | LOS09 | LOS02 | LOS04 | LOS02 |
| High Dens: Med Inc | LOS05 | LOS08 | LOS03 | LOS05 | LOS02 |
| High Dens: High Inc | LOS05 | LOS08 | LOS03 | LOS06 | LOS02 |
| Backyard dwellings | LOS00 | LOS00 | LOS00 | LOS00 | LOS00 |
| Business | | | | | |
| 3rd Order commercial | LOS05 | LOS08 | LOS04 | LOS06 | LOS05 |
| 2nd Order Commercial | LOS05 | LOS08 | LOS05 | LOS06 | LOS05 |
| 1st Order Commercial | LOS07 | LOS08 | LOS05 | LOS07 | LOS05 |
| Market/trading area | LOS07 | LOS08 | LOS05 | LOS07 | LOS07 |
| Garages & filling stations | LOS05 | LOS08 | LOS05 | LOS07 | LOS03 |
| Industrial & commercial | | | | | |
| Light industrial | LOS05 | LOS08 | LOS05 | LOS06 | LOS05 |
| Heavy industrial | LOS07 | LOS08 | LOS05 | LOS07 | LOS05 |
| Storage and warehouses | LOS05 | LOS08 | LOS05 | LOS06 | LOS04 |
| Public spaces: recreation | | | | | |
| Parks: public | LOS05 | LOS00 | LOS04 | LOS05 | LOS02 |
| Parks: private | LOS05 | LOS00 | LOS04 | LOS05 | LOS02 |
| Sports fields | LOS05 | LOS08 | LOS04 | LOS06 | LOS02 |
| Stadiums | LOS05 | LOS08 | LOS04 | LOS07 | LOS02 |
| Community facilities: municipal | | | | | |
| Municipal office | LOS05 | LOS08 | LOS04 | LOS07 | LOS02 |
| Community hall | LOS05 | LOS08 | LOS04 | LOS06 | LOS02 |
| Library | LOS05 | LOS08 | LOS04 | LOS06 | LOS02 |
| Primary health clinic | LOS05 | LOS08 | LOS04 | LOS06 | LOS02 |
| Fire station & Ambulance | LOS07 | LOS08 | LOS04 | LOS06 | LOS02 |
| Solid waste/Mini dump/depot | LOS05 | LOS08 | LOS04 | LOS06 | LOS02 |
| Cemeteries | LOS05 | LOS08 | LOS03 | LOS06 | LOS02 |
| Crematorium | LOS05 | LOS08 | LOS03 | LOS06 | LOS02 |
| Service utilities | LOS05 | LOS08 | LOS04 | LOS06 | LOS05 |
| Taxi ranks | LOS05 | LOS08 | LOS03 | LOS07 | LOS05 |
| Community facilities: other | | | | | |
| Post office | LOS05 | LOS08 | LOS05 | LOS06 | LOS02 |
| Lower Court | LOS05 | LOS08 | LOS04 | LOS06 | LOS02 |
| Post collection point | LOS05 | LOS08 | LOS04 | LOS06 | LOS02 |
| Police station | LOS05 | LOS08 | LOS05 | LOS06 | LOS02 |
| Hospital | LOS06 | LOS08 | LOS07 | LOS06 | LOS05 |
| Community health centre | LOS05 | LOS08 | LOS05 | LOS06 | LOS05 |
| Hospice | LOS05 | LOS08 | LOS05 | LOS06 | LOS02 |
| Old age home | LOS05 | LOS08 | LOS05 | LOS06 | LOS02 |
| Children's homes | LOS05 | LOS08 | LOS07 | LOS06 | LOS02 |
| Thusong centre | LOS05 | LOS08 | LOS08 | LOS06 | LOS02 |
| Place of worship | LOS05 | LOS08 | LOS05 | LOS06 | LOS02 |
| Crèche | LOS05 | LOS08 | LOS03 | LOS06 | LOS02 |
| Grade R / Nursery | LOS05 | LOS08 | LOS03 | LOS06 | LOS02 |
| Primary school | LOS05 | LOS08 | LOS05 | LOS06 | LOS02 |
| Secondary school | LOS05 | LOS08 | LOS04 | LOS06 | LOS02 |
| After school centre | LOS05 | LOS08 | LOS03 | LOS06 | LOS02 |
| Tertiary/Skills training centre | LOS06 | LOS08 | LOS05 | LOS06 | LOS02 |

4.2.3 The modelling outcomes

This section documents the results of the modelling process. The outcomes are presented as a high-level summary. It is important to note that the tables show incremental quantities, which includes all service elements and components. It is currently impossible to model the impact of major interventions such as building a new wastewater treatment work or significant investment to reconfigure the management of solid waste. Those aspects must be discounted in the project prioritisation process.

Although the results link the demand to a specific year, it is still important to take note of budgeting processes and the extent of lead times before project implementation can commence. The figures are indicative, annual demands and the actual demands will be reflected in the project prioritisation process as part of the project outputs.

a. Land use demand

Table 4-19 shows the summary of land use demand which is a result of the growth forecasts.

Table 4-19: Land use demand for the programme period 2019 to 2028

| | No of units | % of the total land | No of stand required | Area (ha) included |
|---------------------------------|-------------|---------------------|----------------------|--------------------|
| Residential | 8 049 | 35.68% | 4 058 | 282.39 |
| Single Res: Low Inc | 1 173 | 3.71% | 1 173 | 29.33 |
| Single Res: Med Inc | 1 445 | 9.13% | 1 445 | 72.27 |
| Single Res: High Inc | 1 245 | 13.37% | 1 245 | 105.79 |
| Medium Dens: Low Inc | 1 032 | 3.26% | 52 | 25.81 |
| Medium Dens: Med Inc | 519 | 2.19% | 43 | 17.29 |
| Medium Dens: High Inc | 415 | 2.10% | 55 | 16.61 |
| High Dens: Low Inc | 201 | 0.32% | 5 | 2.51 |
| High Dens: Med Inc | 241 | 0.41% | 8 | 3.21 |
| High Dens: High Inc | 574 | 1.21% | 32 | 9.56 |
| Backyard dwellings | 1 204 | 0.00% | 0 | 0.00 |
| Business | 106 | 7.48% | 106 | 56.50 |
| 3rd Order commercial | 32 | 0.82% | 32 | 6.40 |
| 2nd Order Commercial | 19 | 1.24% | 19 | 9.50 |
| 1st Order Commercial | 7 | 2.47% | 7 | 17.50 |
| Market/trading area | 45 | 2.88% | 45 | 22.50 |
| Garages & filling stations | 3 | 0.07% | 3 | 0.60 |
| Industrial & commercial | 421 | 24.71% | 421 | 193.50 |
| Light industrial | 325 | 12.36% | 325 | 97.50 |
| Heavy industrial | 48 | 6.18% | 48 | 48.00 |
| Storage and warehouses | 48 | 6.18% | 48 | 48.00 |
| Public spaces: recreation | 81 | 8.52% | 81 | 70.50 |
| Parks: public | 21 | 0.68% | 21 | 10.50 |
| Parks: private | 32 | 4.12% | 32 | 32.00 |
| Sports fields | 28 | 3.56% | 28 | 28.00 |
| Stadiums | 0 | 0.16% | 0 | 0.00 |
| Community facilities: municipal | 12 | 2.09% | 12 | 13.45 |
| Municipal office | 0 | 0.02% | 0 | 0.00 |
| Community hall | 1 | 0.05% | 1 | 0.30 |
| Library | 0 | 0.01% | 0 | 0.00 |
| Primary health clinic | 0 | 0.02% | 0 | 0.00 |
| Fire station & Ambulance | 0 | 0.04% | 0 | 0.00 |
| Solid waste/Mini dump/depot | 0 | 0.02% | 0 | 0.00 |
| Cemeteries | 5 | 1.50% | 5 | 10.00 |
| Crematorium | 2 | 0.08% | 2 | 0.60 |
| Service utilities | 3 | 0.31% | 3 | 2.25 |
| Taxi ranks | 1 | 0.04% | 1 | 0.30 |
| Community facilities: other | 38 | 5.00% | 38 | 28.75 |
| Post office | 1 | 0.03% | 1 | 0.15 |
| Lower Court | 0 | 0.01% | 0 | 0.00 |
| Post collection point | 0 | 0.01% | 0 | 0.00 |
| Police station | 0 | 0.03% | 0 | 0.00 |
| Hospital | 0 | 0.07% | 0 | 0.00 |
| Community health centre | 0 | 0.01% | 0 | 0.00 |
| Hospice | 0 | 0.02% | 0 | 0.00 |
| Old age home | 0 | 0.08% | 0 | 0.00 |
| Children's homes | 0 | 0.01% | 0 | 0.00 |

| | No of units | % of the total land | No of stand required | Area (ha) included |
|---------------------------------|-------------|---------------------|----------------------|--------------------|
| Thusong centre | 0 | 0.06% | 0 | 0.00 |
| Place of worship | 8 | 0.20% | 8 | 1.60 |
| Crèche | 11 | 0.29% | 11 | 2.20 |
| Grade R / Nursery | 6 | 0.25% | 6 | 1.80 |
| Primary school | 4 | 1.88% | 4 | 12.80 |
| Secondary school | 2 | 1.48% | 2 | 9.00 |
| After school centre | 6 | 0.16% | 6 | 1.20 |
| Tertiary/Skills training centre | 0 | 0.41% | 0 | 0.00 |
| Roads | | 18.49% | | 146.33 |

b. Summary of general elements

Table 4-20 and Table 4-21 show the context and main elements that define the expected level of capital and operating expenditure. The outcomes are shown per annum (refer to Table 4-20) and cumulative (refer to Table 4-21).

Table 4-20: Summary of totals per annum (annual increments)

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Service population | 3 507 | 4 009 | 4 054 | 4 152 | 3 489 | 3 308 | 3 127 | 3 124 | 3 120 | 3 117 |
| Housing population | 2 592 | 2 963 | 2 996 | 3 068 | 2 578 | 2 445 | 2 311 | 2 308 | 2 306 | 2 303 |
| Total area (ha) | 93 | 112 | 112 | 116 | 96 | 92 | 86 | 85 | 134 | 87 |
| Average stand size m2 | 1 421 | 1 486 | 1 461 | 1 474 | 1 457 | 1 470 | 1 455 | 1 434 | 2 213 | 1 469 |
| Population density (p/ha): | 37.8 | 35.7 | 36.2 | 35.7 | 36.3 | 35.8 | 36.3 | 36.7 | 23.3 | 35.7 |
| Household density (hh/ha): | 10.1 | 10.1 | 10.2 | 10.4 | 10.5 | 9.7 | 10.3 | 10.4 | 6.8 | 10.2 |
| Residential Cus | 935 | 1 136 | 1 139 | 1 207 | 1 011 | 898 | 889 | 881 | 907 | 895 |
| Other CUs: | 65 | 81 | 86 | 88 | 71 | 72 | 65 | 66 | 78 | 69 |
| Total customer units | 1 000 | 1 217 | 1 225 | 1 295 | 1 082 | 970 | 954 | 947 | 985 | 964 |
| Total no of stands | 652 | 757 | 767 | 789 | 659 | 628 | 592 | 593 | 604 | 594 |
| Roads area (ha) | 17.4 | 19.9 | 20.0 | 20.4 | 17.3 | 16.0 | 15.4 | 15.4 | 23.9 | 15.3 |
| Roads as % of total area | 18.8% | 17.7% | 17.8% | 17.6% | 18.0% | 17.4% | 17.8% | 18.1% | 17.9% | 17.6% |

Table 4-21: Summary of totals per annum (Cumulative)

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|----------------------------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|
| Service population | 3 507 | 7 517 | 11 570 | 15 722 | 19 211 | 22 519 | 25 647 | 28 770 | 31 890 | 35 007 |
| Housing population | 2 592 | 5 555 | 8 551 | 11 619 | 14 197 | 16 642 | 18 953 | 21 261 | 23 567 | 25 870 |
| Total area (ha) | 93 | 205 | 317 | 434 | 529 | 622 | 708 | 793 | 927 | 1 014 |
| Average stand size m2 | 1 421 | 2 907 | 4 368 | 5 842 | 7 299 | 8 769 | 10 224 | 11 658 | 13 871 | 15 341 |
| Population density (p/ha): | 37.8 | 36.6 | 36.5 | 36.3 | 36.3 | 36.2 | 36.2 | 36.3 | 34.4 | 34.5 |
| Household density (hh/ha): | 10.1 | 10.1 | 10.1 | 10.2 | 10.2 | 10.2 | 10.2 | 10.2 | 9.7 | 9.8 |
| Residential Cus | 935 | 2 071 | 3 209 | 4 416 | 5 427 | 6 325 | 7 213 | 8 094 | 9 001 | 9 895 |
| Other CUs: | 65 | 146 | 232 | 320 | 391 | 463 | 528 | 594 | 672 | 741 |
| Total customer units | 1 000 | 2 217 | 3 441 | 4 736 | 5 818 | 6 788 | 7 741 | 8 688 | 9 673 | 10 636 |
| Total no of stands | 652 | 1 409 | 2 176 | 2 965 | 3 624 | 4 252 | 4 844 | 5 437 | 6 041 | 6 635 |
| Roads area (ha) | 17.4 | 37.3 | 57.3 | 77.7 | 95.0 | 111.1 | 126.4 | 141.8 | 165.8 | 181.1 |
| Roads as % of total area | 18.8% | 18.2% | 18.1% | 17.9% | 17.9% | 17.9% | 17.9% | 17.9% | 17.9% | 17.9% |

c. Summary of capital expenditure per service

Table 4-22 and Table 4-23 show the required capital expenditure incrementally per annum (refer to Table 4-22) and cumulative per annum (refer to Table 4-23) to accommodate the forecasted demand.

Table 4-22: Incremental capital expenditure: All services (R'000)

| Year | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|--------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Growth investments | 247 418 | 306 251 | 308 371 | 324 468 | 267 768 | 245 983 | 239 142 | 239 555 | 246 190 | 244 902 |
| Access backlogs | 272 425 | 272 425 | 272 425 | 272 425 | 272 425 | 272 425 | 272 425 | 272 425 | 272 425 | 272 425 |
| Renewals | 97 466 | 102 519 | 108 846 | 115 207 | 121 868 | 127 304 | 132 401 | 137 298 | 142 271 | 147 275 |

| Year | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Renewal backlog | | | | | | | | | | |
| Total (R'000) | 617 308 | 681 194 | 689 642 | 712 100 | 662 060 | 645 711 | 643 968 | 649 278 | 660 886 | 664 602 |
| Water | | | | | | | | | | |
| Growth investments | 44 011 | 54 828 | 55 135 | 57 840 | 47 785 | 44 098 | 42 856 | 42 606 | 43 417 | 43 867 |
| Access backlogs | 39 012 | 39 012 | 39 012 | 39 012 | 39 012 | 39 012 | 39 012 | 39 012 | 39 012 | 39 012 |
| Renewals | 22 681 | 23 266 | 23 994 | 24 727 | 25 496 | 26 131 | 26 717 | 27 287 | 27 853 | 28 430 |
| Renewal backlog | | | | | | | | | | |
| Total | 105 705 | 117 106 | 118 142 | 121 579 | 112 293 | 109 241 | 108 586 | 108 906 | 110 283 | 111 310 |
| Sanitation | | | | | | | | | | |
| Growth investments | 40 863 | 51 844 | 50 964 | 54 009 | 46 044 | 39 672 | 39 939 | 38 651 | 41 699 | 41 196 |
| Access backlogs | 35 218 | 35 218 | 35 218 | 35 218 | 35 218 | 35 218 | 35 218 | 35 218 | 35 218 | 35 218 |
| Renewals | 26 881 | 27 854 | 29 090 | 30 304 | 31 591 | 32 689 | 33 634 | 34 586 | 35 507 | 36 501 |
| Renewal backlog | | | | | | | | | | |
| Total | 102 961 | 114 916 | 115 272 | 119 532 | 112 853 | 107 579 | 108 791 | 108 455 | 112 424 | 112 915 |
| Electricity | | | | | | | | | | |
| Growth investments | 69 194 | 84 273 | 85 356 | 89 811 | 73 677 | 69 203 | 66 255 | 66 846 | 69 265 | 67 596 |
| Access backlogs | 89 678 | 89 678 | 89 678 | 89 678 | 89 678 | 89 678 | 89 678 | 89 678 | 89 678 | 89 678 |
| Renewals | 26 231 | 27 597 | 29 261 | 30 945 | 32 718 | 34 173 | 35 539 | 36 847 | 38 166 | 39 534 |
| Renewal backlog | | | | | | | | | | |
| Total | 185 103 | 201 548 | 204 294 | 210 434 | 196 073 | 193 053 | 191 471 | 193 370 | 197 109 | 196 807 |
| Roads & Stormwater | | | | | | | | | | |
| Growth investments | 80 412 | 97 748 | 99 295 | 105 085 | 87 177 | 78 373 | 77 301 | 76 966 | 79 698 | 77 648 |
| Access backlogs | 107 753 | 107 753 | 107 753 | 107 753 | 107 753 | 107 753 | 107 753 | 107 753 | 107 753 | 107 753 |
| Renewals | 16 684 | 18 018 | 19 639 | 21 286 | 23 028 | 24 474 | 25 774 | 27 056 | 28 332 | 29 654 |
| Renewal backlog | | | | | | | | | | |
| Total | 204 850 | 223 519 | 226 687 | 234 124 | 217 959 | 210 601 | 210 829 | 211 775 | 215 784 | 215 056 |
| Refuse removal | | | | | | | | | | |
| Growth investments | 12 938 | 17 558 | 17 622 | 17 723 | 13 086 | 14 637 | 12 792 | 14 486 | 12 112 | 14 594 |
| Access backlogs | 763 | 763 | 763 | 763 | 763 | 763 | 763 | 763 | 763 | 763 |
| Renewals | 4 989 | 5 784 | 6 862 | 7 945 | 9 033 | 9 837 | 10 736 | 11 522 | 12 412 | 13 156 |
| Renewal backlog | | | | | | | | | | |
| Total | 18 690 | 24 105 | 25 247 | 26 431 | 22 882 | 25 237 | 24 291 | 26 771 | 25 287 | 28 513 |

Table 4-23: Capital expenditure (all services (R'000) (Cumulative)

| Year | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|--------------------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Growth investments | 247 418 | 553 669 | 862 041 | 1 186 509 | 1 454 277 | 1 700 260 | 1 939 402 | 2 178 957 | 2 425 148 | 2 670 050 |
| Access backlogs | 272 425 | 544 849 | 817 274 | 1 089 699 | 1 362 123 | 1 634 548 | 1 906 973 | 2 179 397 | 2 451 822 | 2 724 247 |
| Renewals | 97 466 | 199 984 | 308 830 | 424 037 | 545 905 | 673 209 | 805 610 | 942 907 | 1 085 178 | 1 232 453 |
| Renewal backlog | | | | | | | | | | |
| Total (R'000) | 617 308 | 1 298 503 | 1 988 145 | 2 700 245 | 3 362 305 | 4 008 017 | 4 651 984 | 5 301 262 | 5 962 148 | 6 626 750 |
| Water | | | | | | | | | | |
| Growth investments | 44 011 | 98 840 | 153 975 | 211 815 | 259 600 | 303 697 | 346 553 | 389 159 | 432 576 | 476 444 |
| Access backlogs | 39 012 | 78 025 | 117 037 | 156 050 | 195 062 | 234 075 | 273 087 | 312 100 | 351 112 | 390 125 |
| Renewals | 22 681 | 45 946 | 69 941 | 94 668 | 120 164 | 146 295 | 173 012 | 200 299 | 228 153 | 256 583 |
| Renewal backlog | | | | | | | | | | |
| Total | 105 705 | 222 811 | 340 953 | 462 532 | 574 826 | 684 067 | 792 653 | 901 559 | 1 011 841 | 1 123 151 |
| Sanitation | | | | | | | | | | |
| Growth investments | 40 863 | 92 706 | 143 670 | 197 679 | 243 723 | 283 395 | 323 333 | 361 984 | 403 683 | 444 879 |
| Access backlogs | 35 218 | 70 436 | 105 654 | 140 872 | 176 090 | 211 308 | 246 526 | 281 744 | 316 962 | 352 181 |
| Renewals | 26 881 | 54 735 | 83 825 | 114 129 | 145 721 | 178 409 | 212 044 | 246 630 | 282 137 | 318 637 |
| Renewal backlog | | | | | | | | | | |

| Year | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|-------------------------------|---------|---------|---------|---------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total | 102 961 | 217 877 | 333 149 | 452 681 | 565 534 | 673 113 | 781 903 | 890 358 | 1 002 782 | 1 115 697 |
| Electricity | | | | | | | | | | |
| Growth investments | 69 194 | 153 467 | 238 824 | 328 635 | 402 311 | 471 514 | 537 769 | 604 616 | 673 881 | 741 477 |
| Access backlogs | 89 678 | 179 355 | 269 033 | 358 710 | 448 388 | 538 066 | 627 743 | 717 421 | 807 098 | 896 776 |
| Renewals | 26 231 | 53 828 | 83 088 | 114 034 | 146 752 | 180 925 | 216 464 | 253 311 | 291 477 | 331 010 |
| Renewal backlog | | | | | | | | | | |
| Total | 185 103 | 386 651 | 590 945 | 801 379 | 997 452 | 1 190 505 | 1 381 976 | 1 575 347 | 1 772 456 | 1 969 263 |
| Roads & Stormwater | | | | | | | | | | |
| Growth investments | 80 412 | 178 160 | 277 455 | 382 540 | 469 717 | 548 090 | 625 391 | 702 357 | 782 055 | 859 703 |
| Access backlogs | 107 753 | 215 507 | 323 260 | 431 014 | 538 767 | 646 521 | 754 274 | 862 028 | 969 781 | 1 077 535 |
| Renewals | 16 684 | 34 702 | 54 341 | 75 627 | 98 655 | 123 129 | 148 903 | 175 959 | 204 291 | 233 946 |
| Renewal backlog | | | | | | | | | | |
| Total | 204 850 | 428 369 | 655 056 | 889 181 | 1 107 139 | 1 317 740 | 1 528 569 | 1 740 344 | 1 956 128 | 2 171 184 |
| Refuse removal | | | | | | | | | | |
| Growth investments | 12 938 | 30 495 | 48 117 | 65 840 | 78 926 | 93 563 | 106 355 | 120 841 | 132 953 | 147 547 |
| Access backlogs | 763 | 1 526 | 2 289 | 3 052 | 3 815 | 4 578 | 5 341 | 6 105 | 6 868 | 7 631 |
| Renewals | 4 989 | 10 773 | 17 635 | 25 580 | 34 613 | 44 450 | 55 187 | 66 709 | 79 120 | 92 276 |
| Renewal backlog | | | | | | | | | | |
| Total | 18 690 | 42 794 | 68 041 | 94 472 | 117 355 | 142 592 | 166 883 | 193 654 | 218 941 | 247 454 |

d. Summary of operating expenditure

One of the key elements that are often overlooked in capital investment planning is the operating consequences of capital investment. The next two tables show the forecasted operating and maintenance cost associated with the projected capital expenditure. It is an incremental cost and does not reflect on the revenue side and cost recovery strategies that the Municipality may apply.

Table 4-24: Incremental operating & maintenance expenditure: All services per annum (R'000)

| Year | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Growth investments | 29 588 | 37 107 | 37 443 | 39 002 | 31 308 | 30 341 | 28 592 | 29 619 | 29 130 | 29 979 |
| Access backlogs | 283 396 | 283 396 | 283 396 | 283 396 | 283 396 | 283 396 | 283 396 | 283 396 | 283 396 | 283 396 |
| Total (R'000) | 312 984 | 320 503 | 320 840 | 322 399 | 314 705 | 313 737 | 311 988 | 313 016 | 312 527 | 313 375 |
| Water | | | | | | | | | | |
| Growth investments | 619 | 772 | 776 | 814 | 672 | 621 | 603 | 600 | 611 | 618 |
| Access backlogs | 6 080 | 6 080 | 6 080 | 6 080 | 6 080 | 6 080 | 6 080 | 6 080 | 6 080 | 6 080 |
| Total | 6 699 | 6 853 | 6 857 | 6 894 | 6 752 | 6 702 | 6 684 | 6 680 | 6 691 | 6 699 |
| Sanitation | | | | | | | | | | |
| Growth investments | 2 411 | 3 020 | 2 989 | 3 166 | 2 678 | 2 343 | 2 340 | 2 285 | 2 442 | 2 398 |
| Access backlogs | 25 382 | 25 382 | 25 382 | 25 382 | 25 382 | 25 382 | 25 382 | 25 382 | 25 382 | 25 382 |
| Total | 27 793 | 28 402 | 28 371 | 28 548 | 28 060 | 27 725 | 27 722 | 27 667 | 27 824 | 27 780 |
| Electricity | | | | | | | | | | |
| Growth investments | 13 170 | 15 990 | 16 207 | 17 063 | 13 985 | 13 167 | 12 579 | 12 717 | 13 220 | 12 830 |
| Access backlogs | 169 735 | 169 735 | 169 735 | 169 735 | 169 735 | 169 735 | 169 735 | 169 735 | 169 735 | 169 735 |
| Total | 182 905 | 185 725 | 185 941 | 186 798 | 183 720 | 182 901 | 182 313 | 182 452 | 182 955 | 182 565 |
| Roads & Stormwater | | | | | | | | | | |
| Growth investments | 5 960 | 7 245 | 7 355 | 7 784 | 6 460 | 5 807 | 5 726 | 5 700 | 5 904 | 5 754 |
| Access backlogs | 77 075 | 77 075 | 77 075 | 77 075 | 77 075 | 77 075 | 77 075 | 77 075 | 77 075 | 77 075 |
| Total | 83 035 | 84 320 | 84 430 | 84 859 | 83 535 | 82 881 | 82 801 | 82 775 | 82 979 | 82 829 |
| Refuse removal | | | | | | | | | | |
| Growth investments | 7 428 | 10 080 | 10 117 | 10 175 | 7 513 | 8 403 | 7 344 | 8 317 | 6 953 | 8 379 |
| Access backlogs | 5 124 | 5 124 | 5 124 | 5 124 | 5 124 | 5 124 | 5 124 | 5 124 | 5 124 | 5 124 |

| Year | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total | 12 552 | 15 204 | 15 241 | 15 299 | 12 637 | 13 528 | 12 468 | 13 441 | 12 078 | 13 503 |

Table 4-25: Operating & maintenance expenditure: All services per annum (R'000) (Cumulative)

| Year | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|-------------------------------|---------|---------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Growth investments | 17 614 | 54 721 | 92 165 | 131 167 | 162 476 | 192 816 | 221 408 | 251 028 | 280 158 | 310 137 |
| Access backlogs | 283 396 | 566 793 | 850 189 | 1 133 585 | 1 416 981 | 1 700 378 | 1 983 774 | 2 267 170 | 2 550 567 | 2 833 963 |
| Total (R'000) | 301 010 | 621 514 | 942 354 | 1 264 752 | 1 579 457 | 1 893 194 | 2 205 182 | 2 518 198 | 2 830 725 | 3 144 100 |
| Water | | | | | | | | | | |
| Growth investments | 619 | 1 391 | 2 167 | 2 982 | 3 654 | 4 275 | 4 878 | 5 478 | 6 089 | 6 707 |
| Access backlogs | 6 080 | 12 161 | 18 241 | 24 321 | 30 402 | 36 482 | 42 563 | 48 643 | 54 723 | 60 804 |
| Total | 6 699 | 13 552 | 20 409 | 27 303 | 34 055 | 40 757 | 47 441 | 54 121 | 60 812 | 67 511 |
| Sanitation | | | | | | | | | | |
| Growth investments | 2 259 | 5 279 | 8 268 | 11 434 | 14 112 | 16 455 | 18 795 | 21 081 | 23 523 | 25 921 |
| Access backlogs | 25 382 | 50 764 | 76 146 | 101 528 | 126 911 | 152 293 | 177 675 | 203 057 | 228 439 | 253 821 |
| Total | 27 641 | 56 043 | 84 414 | 112 963 | 141 023 | 168 748 | 196 470 | 224 138 | 251 962 | 279 742 |
| Electricity | | | | | | | | | | |
| Growth investments | 8 981 | 24 971 | 41 178 | 58 241 | 72 226 | 85 393 | 97 972 | 110 689 | 123 909 | 136 739 |
| Access backlogs | 169 735 | 339 469 | 509 204 | 678 938 | 848 673 | 1 018 407 | 1 188 142 | 1 357 876 | 1 527 611 | 1 697 345 |
| Total | 178 715 | 364 440 | 550 381 | 737 179 | 920 899 | 1 103 800 | 1 286 113 | 1 468 565 | 1 651 519 | 1 834 084 |
| Roads & Stormwater | | | | | | | | | | |
| Growth investments | 5 428 | 12 673 | 20 028 | 27 811 | 34 271 | 40 078 | 45 804 | 51 504 | 57 408 | 63 162 |
| Access backlogs | 77 075 | 154 150 | 231 225 | 308 300 | 385 375 | 462 449 | 539 524 | 616 599 | 693 674 | 770 749 |
| Total | 82 503 | 166 823 | 251 252 | 336 111 | 419 646 | 502 527 | 585 328 | 668 103 | 751 083 | 833 911 |
| Refuse removal | | | | | | | | | | |
| Growth investments | 327 | 10 407 | 20 524 | 30 699 | 38 212 | 46 615 | 53 959 | 62 275 | 69 229 | 77 608 |
| Access backlogs | 5 124 | 10 249 | 15 373 | 20 498 | 25 622 | 30 746 | 35 871 | 40 995 | 46 120 | 51 244 |
| Total | 5 452 | 20 656 | 35 897 | 51 197 | 63 834 | 77 362 | 89 830 | 103 271 | 115 349 | 128 852 |

e. Summary of consumption and use

Service delivery is about consumption and use. The next two tables show the expected demand for water and electricity. Also, the estimated wastewater and solid waste generated was calculated. These number can be used to assess the impact of future demand on the existing capacities of bulk facilities.

Table 4-26: Incremental consumption and usage

| Year | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|-----------------------------------|------|------|------|------|------|------|------|------|------|------|
| Water (Ml/day)⁸ | | | | | | | | | | |
| Growth investments | 0.9 | 1.1 | 1.1 | 1.2 | 0.9 | 0.9 | 0.9 | 0.9 | 1.0 | 0.9 |
| Access backlogs | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 |
| Total | 1.8 | 2.0 | 2.0 | 2.1 | 1.8 | 1.8 | 1.8 | 1.8 | 1.9 | 1.8 |
| Sanitation (Ml/day) | | | | | | | | | | |
| Growth investments | 0.6 | 0.8 | 0.8 | 0.9 | 0.7 | 0.7 | 0.6 | 0.7 | 0.8 | 0.7 |
| Access backlogs | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |

⁸ Water consumption reflects net consumption based on delivery norms and standards. It excluded unaccount for water and waterlosses.

| Year | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total | 0.9 | 1.1 | 1.1 | 1.1 | 0.9 | 0.9 | 0.9 | 0.9 | 1.0 | 0.9 |
| Electricity (MWh/day) | | | | | | | | | | |
| Growth investments | 152.8 | 190.1 | 197.7 | 222.7 | 171.4 | 155.2 | 155.2 | 159.1 | 159.7 | 156.5 |
| Access backlogs | 41.5 | 41.5 | 41.5 | 41.5 | 41.5 | 41.5 | 41.5 | 41.5 | 41.5 | 41.5 |
| Total | 194.3 | 231.6 | 239.2 | 264.2 | 212.9 | 196.7 | 196.7 | 200.6 | 201.2 | 198.0 |
| Roads & Stormwater (km/a) | | | | | | | | | | |
| Growth investments | 11.5 | 14.0 | 14.1 | 14.9 | 12.5 | 11.2 | 11.0 | 10.9 | 11.3 | 11.1 |
| Access backlogs | | | | | | | | | | |
| Total | 11.5 | 14.0 | 14.1 | 14.9 | 12.5 | 11.2 | 11.0 | 10.9 | 11.3 | 11.1 |
| Refuse removal (tons/day) | | | | | | | | | | |
| Growth investments | 35.3 | 62.7 | 63.3 | 66.3 | 52.6 | 56.1 | 51.7 | 39.3 | 58.2 | 56.3 |
| Access backlogs | | | | | | | | | | |
| Total | 35.3 | 62.7 | 63.3 | 66.3 | 52.6 | 56.1 | 51.7 | 39.3 | 58.2 | 56.3 |
| Refuse removal (m3/day) | | | | | | | | | | |
| Growth investments | 70.7 | 125.5 | 126.8 | 132.8 | 105.5 | 112.5 | 103.5 | 78.7 | 116.6 | 112.7 |
| Access backlogs | | | | | | | | | | |
| Total | 70.7 | 125.5 | 126.8 | 132.8 | 105.5 | 112.5 | 103.5 | 78.7 | 116.6 | 112.7 |

Table 4-27: Cumulative consumption and usage

| Year | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|-----------------------------|-------|-------|-------|-------|---------|---------|---------|---------|---------|---------|
| Water (ML/day) ⁹ | | | | | | | | | | |
| Growth investments | 0.5 | 1.6 | 2.7 | 3.9 | 4.8 | 5.7 | 6.6 | 7.5 | 8.5 | 9.4 |
| Access backlogs | 0.9 | 1.8 | 2.7 | 3.6 | 4.6 | 5.5 | 6.4 | 7.3 | 8.2 | 9.1 |
| Total | 1.4 | 3.4 | 5.4 | 7.5 | 9.4 | 11.2 | 13.0 | 14.8 | 16.7 | 18.5 |
| Sanitation (ML/day) | | | | | | | | | | |
| Growth investments | 0.4 | 1.2 | 2.0 | 2.9 | 3.6 | 4.2 | 4.9 | 5.5 | 6.3 | 7.0 |
| Access backlogs | 0.2 | 0.5 | 0.7 | 1.0 | 1.2 | 1.4 | 1.7 | 1.9 | 2.2 | 2.4 |
| Total | 0.6 | 1.7 | 2.7 | 3.8 | 4.8 | 5.7 | 6.6 | 7.5 | 8.4 | 9.4 |
| Electricity (MWh/day) | | | | | | | | | | |
| Growth investments | 121.3 | 311.4 | 509.1 | 731.8 | 903.2 | 1 058.5 | 1 213.6 | 1 372.8 | 1 532.4 | 1 688.9 |
| Access backlogs | 41.5 | 83.0 | 124.5 | 166.0 | 207.5 | 249.0 | 290.6 | 332.1 | 373.6 | 415.1 |
| Total | 162.8 | 394.4 | 633.6 | 897.8 | 1 110.8 | 1 307.5 | 1 504.2 | 1 704.8 | 1 906.0 | 2 104.0 |
| Roads & Stormwater (km/a) | | | | | | | | | | |
| Growth investments | 10.7 | 24.6 | 38.8 | 53.7 | 66.2 | 77.3 | 88.3 | 99.3 | 110.6 | 121.7 |
| Access backlogs | | | | | | | | | | |
| Total | 10.7 | 24.6 | 38.8 | 53.7 | 66.2 | 77.3 | 88.3 | 99.3 | 110.6 | 121.7 |
| Refuse removal (tons/day) | | | | | | | | | | |
| Growth investments | 72.8 | 135.5 | 198.7 | 265.1 | 317.7 | 373.8 | 425.5 | 464.8 | 523.0 | 579.3 |
| Access backlogs | | | | | | | | | | |
| Total | 72.8 | 135.5 | 198.7 | 265.1 | 317.7 | 373.8 | 425.5 | 464.8 | 523.0 | 579.3 |
| Refuse removal (m3/day) | | | | | | | | | | |
| Growth investments | 70.7 | 196.2 | 323.0 | 455.9 | 561.3 | 673.9 | 777.3 | 856.1 | 972.7 | 1 085.4 |
| Access backlogs | | | | | | | | | | |
| Total | 70.7 | 196.2 | 323.0 | 455.9 | 561.3 | 673.9 | 777.3 | 856.1 | 972.7 | 1 085.4 |

4.2.4 Issues to be considered

The modelling was done against the backdrop of uncertainty and data limitations impacting the process and outcomes. The following should be considered.

⁹ Water consumption reflects net consumption based on delivery norms and standards. It excluded unaccount for water and waterlosses.

- Conflicting population sources necessitated an estimate. The availability of data and an appropriate system to track and monitor change is a challenge and may directly impact the ability of the municipality to quantify, measure and manage change and development.
- There a range of policy options regarding service levels, the rate of backlog eradication, dealing with backyard settlement and other issues that needs to be considered. This assessment of give a broad outline of current approach and policies within the municipality.
- There is not detailed bulk services capacity assessment data available. The extent of current bulk capacities is not known and may impact the estimates of capital expenditure.
- The recent announcement regarding changes in housing policies of the national government will have to be considered. It might have an impact on settlement and urbanisation pattern that will have to be monitored.
- Many of the current issues may lead to long term structural problems resulting from a long history of investment inappropriate service levels and the impact it had and will continue to have on the operations of the municipality.
- The current economic climate and the impact government interventions regarding COVID19 will have negative impact on the customer base and hence the ability to recover cost and sustain itself financially withing the framework of current delivery polices. Measure is required to continuously monitor the medium and long term impact on the municipality.

5 Integrated Infrastructure Investment Framework

The objectives of this section is to:

- Define the total planned capital expenditure within the municipal area.

The Integrated Infrastructure Investment Framework (IIIF) also referred to as the Capital Investment Framework (CIF), outlines the demand identified of capital projects within the Stellenbosch Local Municipality jurisdiction. It represents all capital projects identified across various sectors by various departments on one platform. Stellenbosch Local Municipality has recognised the following three realities:

- Firstly, that capital investment projects not only originate and/or are implemented by the local municipality;
- Secondly, that it is the mandate of other spheres of government to provide services, specifically infrastructure related services, and;
- Thirdly, that the IUDF calls for integrated planning and implementation.

Based on this above mentioned, the Stellenbosch aims to identify the total investment demand within the Stellenbosch Local Municipality jurisdiction. The IIIF therefore not only depicts capital investment projects identified from Stellenbosch, but also those capital investment projects from other spheres of government within the jurisdiction of Stellenbosch. Once other government entities' data is on the Consolidated Inter-Governmental Project Pipeline Platform, Stellenbosch Local Municipality has the ability to incorporate such projects to the Integrated Infrastructure Investment Framework and so the Capital Expenditure Framework. This will unlock the ability to:

- Develop an integrated urban form as guided by the National Development Plan and the Integrated Urban Development Framework;
- Reduce wasteful expenditure and so optimise capital investment; and
- Collaboratively invest in the urban form by different bodies of government.

The institutional process that can deliver an Integrated Infrastructure Investment Framework requires project specific information in order to consolidate the capital expenditure demand as identified by various bodies of government within the municipal jurisdiction. Each project should be adjoined with a set of minimum information to enable uniform appraisal through prioritisation. This is important for a number of reasons:

- A centralised record of all capital needs can be backed up regularly assuring a measure of redundancy and independence on the knowledge of individuals within the various technical departments;
- The centralised data can be called upon by those that are involved in the appraisal of the relative importance of the respective projects and the subsequent budgeting and tracking of those projects;
- It provides a collaborative space for departments to keep record of their needs and to lobby for an appropriate and responsive portion of the annual budget allocation;
- It also provides a platform where project commitments can be communicated to the municipality, and;
- It enables in year monitoring of capital project roll-out.

Project capturing allows for the logging of a new project even though that particular project may still be on a wish-list. In other words, not enough detail of the project is known for the candidate project to qualify to a complete project status. Importantly though, the project is recorded and as a result, recognised as a need by the planning authority.

The minimum information collected includes:

- Project Name;
- mSCOA Project Segment;
- Project location;
- Project beneficiary / affected area;
- Project budget, and;
- Alignment of project budgets with Organisational Objectives.

5.1 Capital expenditure planning: Process

Figure 5-1: From collaborative planning to implementation

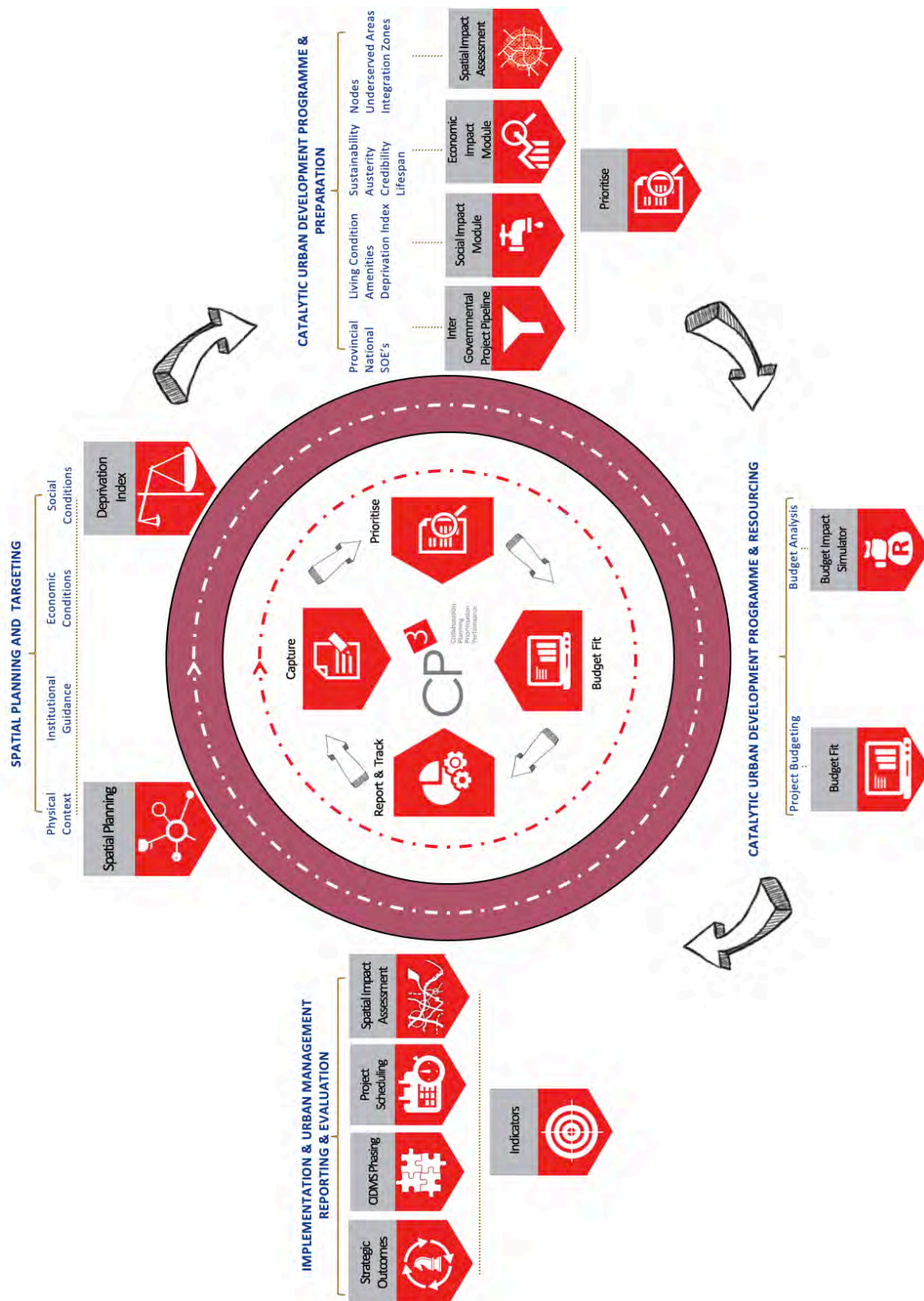


Figure 5-1 shows the ideal process of capital expenditure planning, prioritisation, implementation and tracking. The first step towards initiating the process is to accumulate project specific information.

This was achieved through collaboration with departments, annually, at Stellenbosch Local Municipality and making use of the Collaboration Planning Prioritisation Performance (CP3) tool.

The CP3 tool is a centralised decision support system, that is configured to the requirements and specific preferences of each client. In order to do this, it comprises of four modules. These four modules are able to facilitate the business processes that are associated with the capital planning environment within an organisation. The tool provides one place where all capital needs of the organisation reside and serves as a project preparation portal.

The role of CP3 in the capital planning environment has been recognised internationally and locally, as a fundamental tool to support in strategic alignment and decision making. The CP3 tool is critical in compiling a legitimate Capital Expenditure Framework – specifically when it comes to the following three abilities:

- The ability to simultaneously evaluate projects against a prioritisation model of the municipality;
- The ability to run various budget scenarios in collaboration with the municipality, and;
- The ability to spatially report on capital demand, and planned capital expenditure over various years, in terms of various attributes.

5.2 Planned capital expenditure

The current capital expenditure project pipeline of the municipality includes the current planned capital expenditure for the financial year 2021/2022 up to financial year 2030/2031. Even though the municipality does have sight of planned capital expenditure beyond that horizon, a ten year horizon will be used to align with CEF guidelines.

5.2.1 Planned capital expenditure: summary

The municipal capital expenditure process is based around a three-year budget cycle as per the Medium-Term Expenditure Framework (MTREF). This approach more often than not has a negative unintended consequence in that it limits municipalities to plan for the same short-term horizon. However, the introduction of the CEF has brought about a total capital expenditure view based on a 10-year horizon. In the long term, this will result in a better understanding of capital expenditure. However, there are efforts such as fostering institutional support of long-term planning, concerning sector plans, before a mature 10-year planning can be formed. This is inclusive of municipal IDP's that have a 5-year plan. The revision of longer-term planning will foster an understanding of the developmental direction that a municipality is undertaking. It is important to note, however, that the further one plans into the future, the more difficult it becomes to express a planned capital expenditure. It is for that reason that the total capital demand decreases as the years increase.

Table 5-1: 2021/2022 - 2030/2031 Total Planned Capital Expenditure

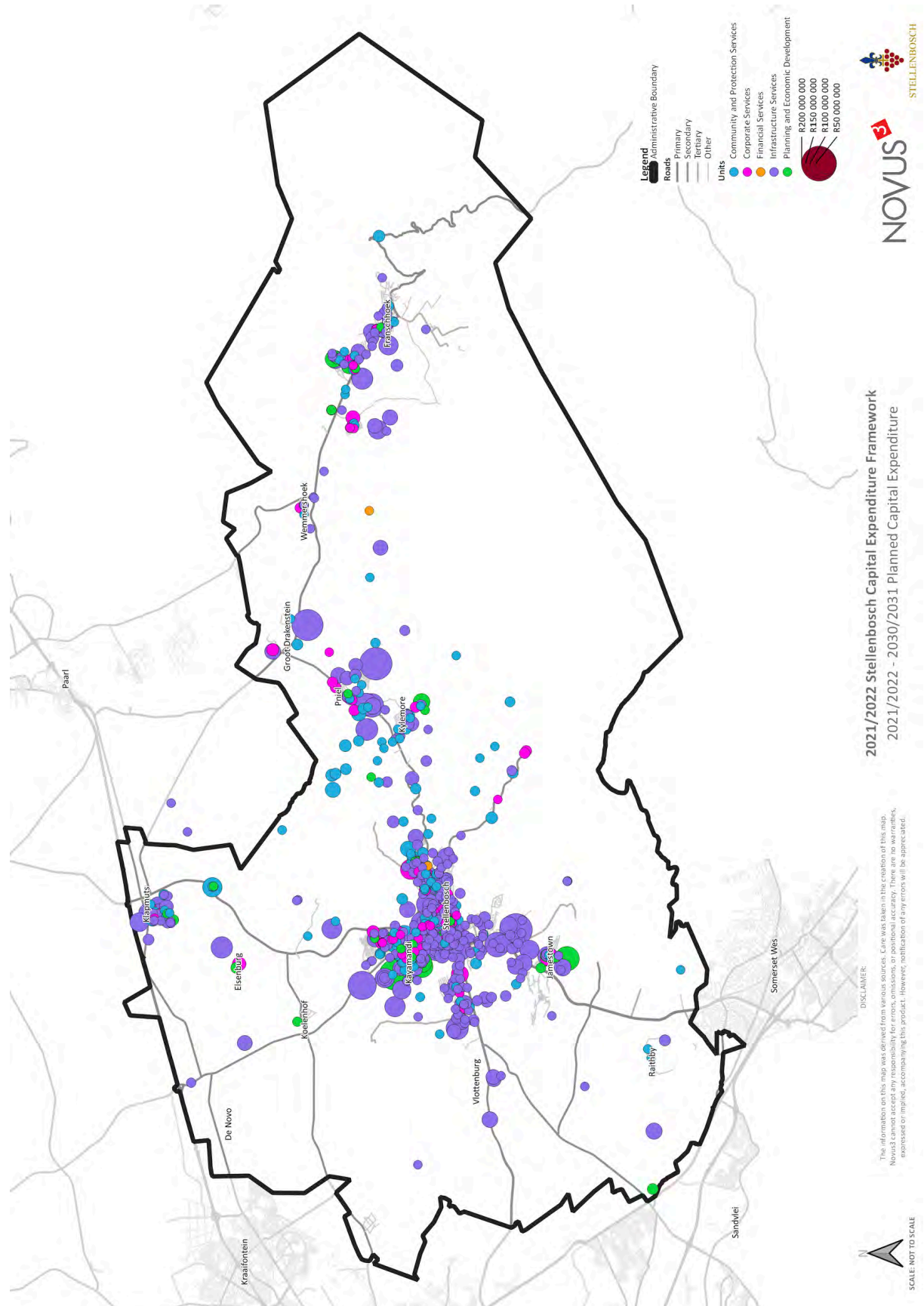
| Year | Total Planned Capital Expenditure | Total Planned Capital Expenditure % |
|-------------|-----------------------------------|-------------------------------------|
| 2021 / 2022 | R 1 471 328 211 | 22,35% |
| 2022 / 2023 | R 909 681 550 | 13,82% |
| 2023 / 2024 | R 720 959 363 | 10,95% |
| 2024 / 2025 | R 549 631 401 | 8,35% |
| 2025 / 2026 | R 548 338 364 | 8,33% |
| 2026 / 2027 | R 606 838 592 | 9,22% |
| 2027 / 2028 | R 544 582 074 | 8,27% |
| 2028 / 2029 | R 566 010 613 | 8,60% |

| Year | Total Planned Capital Expenditure | Total Planned Capital Expenditure % |
|-------------|-----------------------------------|-------------------------------------|
| 2029 / 2030 | R 409 408 322 | 6,22% |
| 2030 / 2031 | R 256 470 000 | 3,90% |
| Total | R6 583 248 491 | 100% |

Municipal capital demand provides a “blueprint” of needed spending not only for the three-year budget MTREF, but foreseeable future (in this instance, a 10-year horizon). Demand for capital on a more long-term commitment is based on the current revenue projects of the municipality. From Table 5-1, it is evident that the planned capital expenditure is made up of an average of 47% of the 10 year planned expenditure in the MTREF and decreases the further out of the MTREF one moves. This is indicative that capital demand budget in the outer years remains a guestimate. This illustrates that departments only have a better understanding and planning for projects that are occurring in the immediate future. There is an increased demand in the 2026/2027 financial year. The possible reasons for the slight increase (then again a decrease) is due to project phasing. The total planned capital expenditure amounts to R 6 583 248 491 during the 10 - year planning horizon.

Figure 5-2 illustrates the locations of each of the planned capital expenditure projects over the 10-year horizon within the municipality, at a unit level. The planned projects are clustered within the major towns; Stellenbosch town (integrated with Kayamandi), Klapmuts and Franschhoek. Stellenbosch town remains as the major settlement within the municipality as it comprises of a number of essential amenities, tourism attractions as well as government services that reach both locally and beyond the borders of the municipality. According to the Stellenbosch Municipality mSDF (2019), Klappmuts is characterised as a settlement for residential use and limited commercial and work-related activity. However, the decision by Distell Limited to relocate and consolidate many of its operations in Klappmuts is critical to commence municipal services. This is inclusive to the installation of bulk service infrastructure, including water, wastewater treatment, stormwater, electricity, and internal roads. Planned capital expenditure is also anticipated in the smaller settlements of the Dwars River Valley, inclusive of Pniel and Kylemore. There is significant development foreseen in the abovementioned areas over the short-to-medium term as well as over longer term development. The spatial targeting depiction in Figure 5-2 of the planned capital demand, is in line with the planned strategies of Stellenbosch municipality.

Figure 5-2: 2021/2022 - 2030/2031 Total Planned Expenditure



5.2.2 Planned capital per Unit and Department

Table 5-2 and Figure 5-3 indicate Stellenbosch's Planned Capital Expenditure over the 10-year horizon expressed in Units. Infrastructure Services boasts 72% of the planned capital expenditure. A key strategic objective of the Cape Winelands District Municipality (CWDM) is to promote sustainable infrastructure services and a transport system that fosters social and economic opportunities. This prompts a continuous budget for the provision and upgrading of services throughout the Stellenbosch Municipal area. Figure 5-4 illustrate the Unit to Department split of projects within the Stellenbosch Municipality jurisdiction. Water and Wastewater Services: Water and Sanitation are collectively at 21%. Electrical Services is at 20% of the planned capital expenditure for the 10-year horizon and 12% is assigned to Transport Services. The Corporate Services planned capital expenditure amounts to 10% while Community and Protection Services as well as Planning and Economic Development are at 9% respectively.

Although there is a request for funding under Financial Services and Municipal Manager units, the overall planned capital expenditure is less than 1% of the total demand. This is logical, in that the projects that fall under this unit relate to operational costs and not capital expenditure. The planned capital expenditure in this instance is the provision of infrastructure-based and housing services. Long-term infrastructure capital planning is therefore imperative, in order to ensure sustainable development for the city as well as help direct the objectives in facilitating spatial transformation.

Table 5-2: 2021/2022 - 2030/2031 planned capital per unit

| Year | Community and Protection Services | Corporate Services | Financial Services | Infrastructure Services | Municipal Manager | Planning and Economic Development | Grand Total |
|--------------|-----------------------------------|----------------------|--------------------|-------------------------|-------------------|-----------------------------------|------------------------|
| 2021 / 2022 | R 128 579 194 | R 69 990 000 | R 200 000 | R 1 148 881 217 | R 44 000 | R 123 633 800 | R 1 471 328 211 |
| 2022 / 2023 | R 66 809 000 | R 86 590 000 | R 200 000 | R 700 623 550 | R 49 000 | R 55 410 000 | R 909 681 550 |
| 2023 / 2024 | R 57 640 000 | R 62 040 000 | R - | R 553 652 763 | R - | R 47 626 600 | R 720 959 363 |
| 2024 / 2025 | R 57 280 000 | R 41 240 000 | R - | R 407 363 001 | R - | R 43 748 400 | R 549 631 401 |
| 2025 / 2026 | R 60 777 000 | R 63 990 000 | R - | R 389 201 964 | R - | R 34 369 400 | R 548 338 364 |
| 2026 / 2027 | R 82 640 000 | R 46 140 000 | R - | R 417 768 592 | R - | R 60 290 000 | R 606 838 592 |
| 2027 / 2028 | R 27 160 000 | R 46 040 000 | R - | R 388 527 074 | R - | R 82 855 000 | R 544 582 074 |
| 2028 / 2029 | R 54 920 000 | R 93 800 000 | R - | R 338 263 613 | R - | R 79 027 000 | R 566 010 613 |
| 2029 / 2030 | R 41 930 000 | R 57 270 000 | R - | R 226 893 322 | R - | R 83 315 000 | R 409 408 322 |
| 2030 / 2031 | R 2 030 000 | R 68 300 000 | R - | R 180 860 000 | R - | R 5 280 000 | R 256 470 000 |
| Total | R 579 765 194 | R 635 400 000 | R 400 000 | R 4 752 035 097 | R 93 000 | R 615 555 200 | R 6 583 248 491 |
| % | 9% | 10% | 0% | 72% | 0% | 9% | 100% |

Figure 5-3: 2021/2022 - 2030/2031 planned capital per unit and department

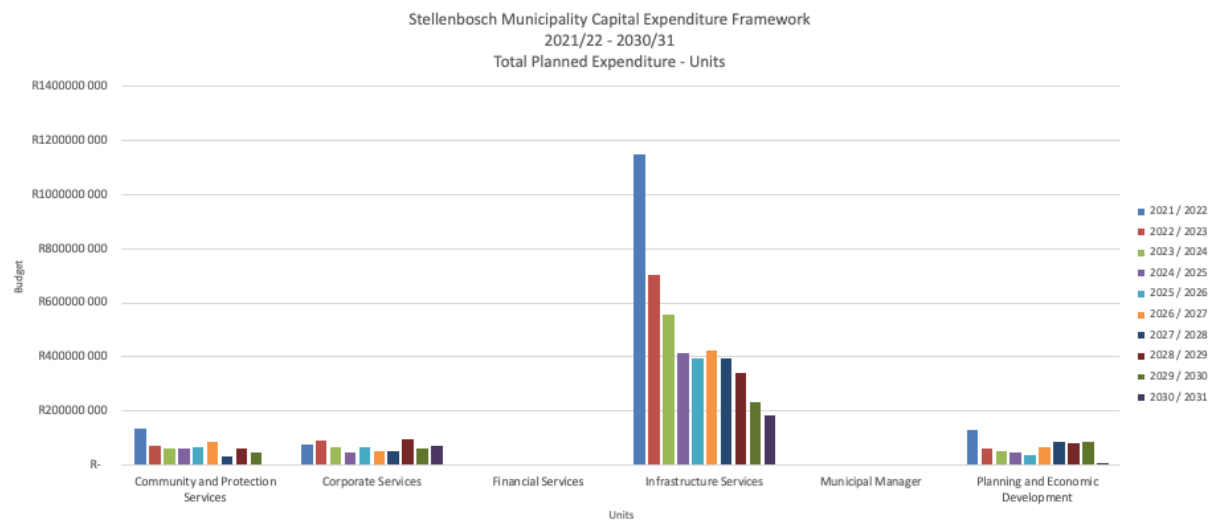
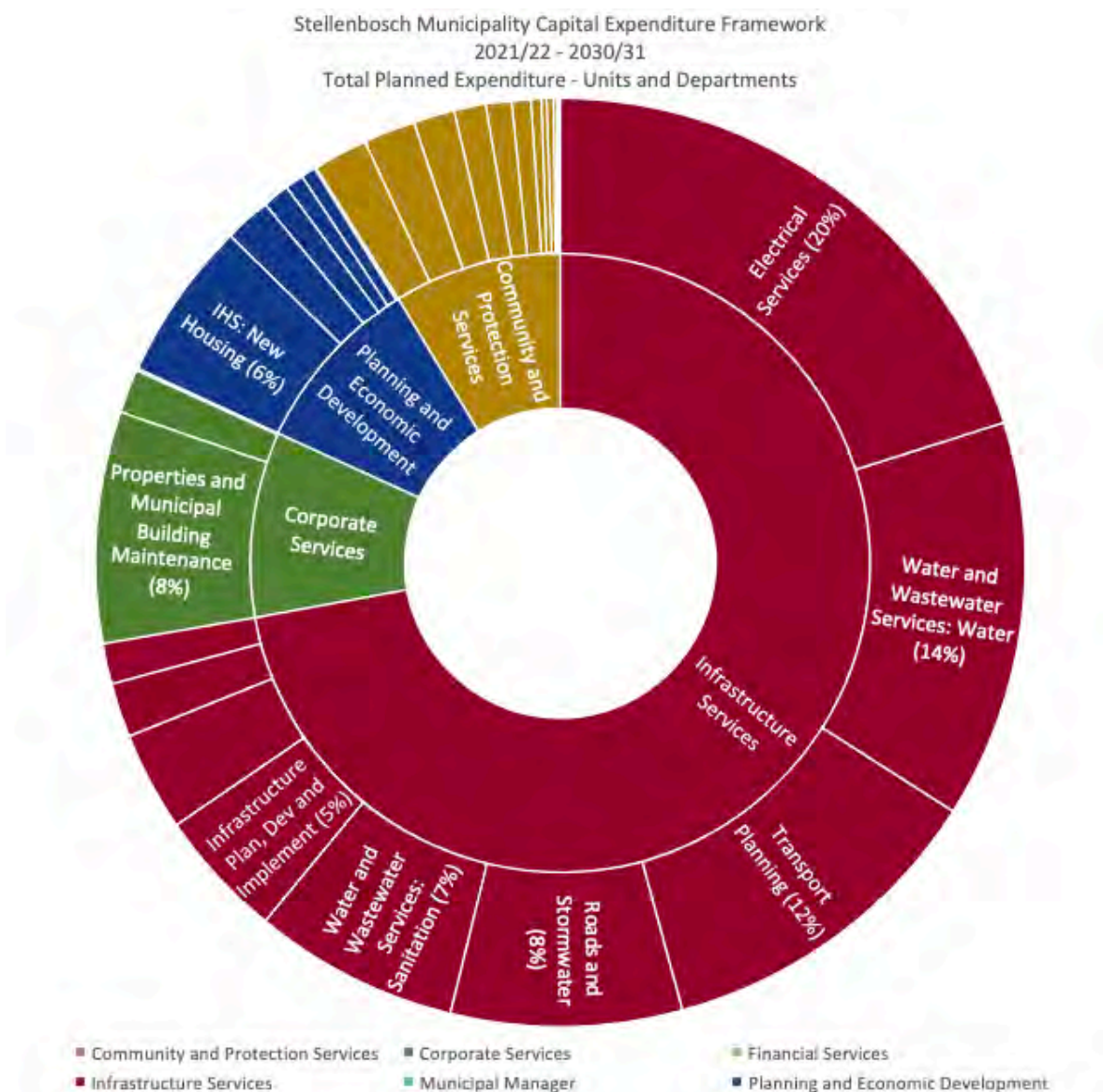


Figure 5-4 2021/2022 - 2030/2031 planned capital per unit and department



a. Planned Capital Expenditure: Community and Protection Services

The departments that fall within the Community and Protection Services unit are inclusive of Environmental Management: Implementation and Urban Forestry, which make up a combined total of 23% of the planned capital demand budget. The Stellenbosch Municipality landscape boasts unique and critical biodiversity and agricultural areas, which provide life-supporting ecosystem services. The Parks and Cemeteries as well as Sports Grounds and Picnic Sites departments, each have a total of 21% of the planned capital budget. The provision of open spaces and community facilities is an integral part of developing strong communities as well as healthy environmental considerations within the municipality. With the likely population increase in Stellenbosch Municipality, the pressure on existing facilities will create a need for new social and community resources over the analysis period. According to the Stellenbosch IDP (2017-2022), a strategic focus area of the Stellenbosch Municipality is that of a “Safe Valley”, with the aim of developing and implementing situational crime prevention strategies. This aids in explaining the 17% planned capital budget in the Law Enforcement and Security department.

It is worth noting that the intense fluctuating nature of the Community and Protection Services’ planned total capital expenditure in the outer years (id est. 2027/28 – 2030/31) is indicative of the necessity to understand and planning for the long-term in order to respond adequately to the municipality’s needs.

Figure 5-5: 2021/22 – 2030/31 planned capital expenditure: Community and Protection Services

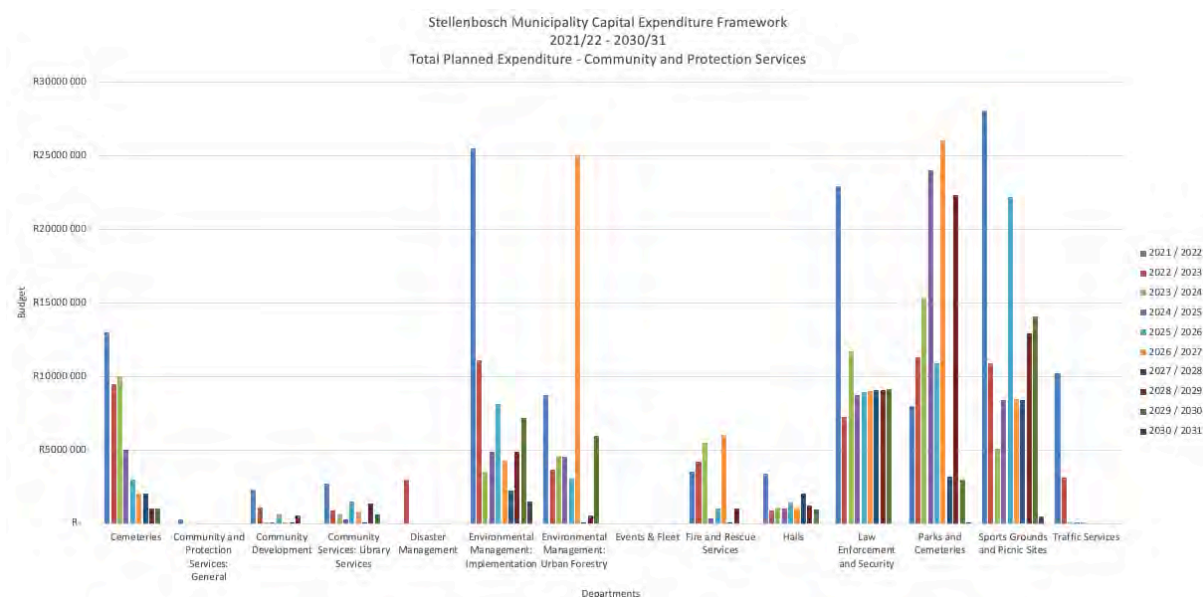


Table 5-3: 2021/22 – 2030/31 planned capital expenditure: Community and Protection Services

| Departments | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|--|--------------|--------------|--------------|-------------|-------------|-------------|
| Cemeteries | R 13 000 000 | R 9 500 000 | R 10 000 000 | R 5 000 000 | R 3 000 000 | R 2 000 000 |
| Community and Protection Services: General | R 250 000 | R - | R - | R - | R - | R - |
| Community Development | R 2 285 000 | R 1 110 000 | R 55 000 | R 60 000 | R 607 000 | R 50 000 |
| Community Services: Library Services | R 2 705 000 | R 860 000 | R 630 000 | R 260 000 | R 1 500 000 | R 800 000 |
| Disaster Management | R - | R 3 000 000 | R - | R - | R - | R - |
| Environmental Management: Implementation | R 25 478 694 | R 11 100 000 | R 3 550 000 | R 4 900 000 | R 8 150 000 | R 4 250 000 |

| Departments | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|--|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Environmental Management: Urban Forestry | R 8 750 000 | R 3 630 000 | R 4 610 000 | R 4 530 000 | R 3 030 000 | R 25 030 000 |
| Events & Fleet | R - | R - | R - | R - | R - | R - |
| Fire and Rescue Services | R 3 500 000 | R 4 200 000 | R 5 500 000 | R 350 000 | R 1 000 000 | R 6 000 000 |
| Halls | R 3 400 000 | R 850 000 | R 1 100 000 | R 1 000 000 | R 1 420 000 | R 1 020 000 |
| Law Enforcement and Security | R 22 950 000 | R 7 250 000 | R 11 700 000 | R 8 700 000 | R 8 950 000 | R 9 000 000 |
| Parks and Cemeteries | R 8 000 500 | R 11 280 000 | R 15 390 000 | R 24 040 000 | R 10 910 000 | R 26 020 000 |
| Sports Grounds and Picnic Sites | R 28 050 000 | R 10 900 000 | R 5 075 000 | R 8 400 000 | R 22 170 000 | R 8 470 000 |
| Traffic Services | R 10 210 000 | R 3 129 000 | R 30 000 | R 40 000 | R 40 000 | R - |
| Grand Total | R 128 579 194 | R 66 809 000 | R 57 640 000 | R 57 280 000 | R 60 777 000 | R 82 640 000 |

| Departments | 2027/28 | 2028/29 | 2029/30 | 2030/31 | Total | Total % |
|--|---------------------|---------------------|---------------------|--------------------|----------------------|-------------|
| Cemeteries | R 2 000 000 | R 1 000 000 | R 1 000 000 | R - | R 46 500 000 | 8% |
| Community and Protection Services: General | R - | R - | R - | R - | R 250 000 | 0% |
| Community Development | R 60 000 | R 570 000 | R - | R - | R 4 797 000 | 1% |
| Community Services: Library Services | R 50 000 | R 1 360 000 | R 600 000 | R - | R 8 765 000 | 2% |
| Disaster Management | R - | R - | R - | R - | R 3 000 000 | 1% |
| Environmental Management: Implementation | R 2 250 000 | R 4 850 000 | R 7 200 000 | R 1 500 000 | R 73 228 694 | 13% |
| Environmental Management: Urban Forestry | R 30 000 | R 560 000 | R 5 980 000 | R - | R 56 150 000 | 10% |
| Events & Fleet | R - | R - | R - | R - | R - | 0% |
| Fire and Rescue Services | R 100 000 | R 1 000 000 | R - | R - | R 21 650 000 | 4% |
| Halls | R 2 050 000 | R 1 220 000 | R 950 000 | R - | R 13 010 000 | 2% |
| Law Enforcement and Security | R 9 050 000 | R 9 100 000 | R 9 150 000 | R - | R 95 850 000 | 17% |
| Parks and Cemeteries | R 3 200 000 | R 22 320 000 | R 2 950 000 | R 30 000 | R 124 140 500 | 21% |
| Sports Grounds and Picnic Sites | R 8 370 000 | R 12 940 000 | R 14 100 000 | R 500 000 | R 118 975 000 | 21% |
| Traffic Services | R - | R - | R - | R - | R 13 449 000 | 2% |
| Grand Total | R 27 160 000 | R 54 920 000 | R 41 930 000 | R 2 030 000 | R 579 765 194 | 100% |

b. Planned Capital Expenditure: Corporate Services

The Corporate Services unit makes up 10% of the planned capital expenditure within the Stellenbosch Municipality. The Properties and Municipal Building Maintenance department's capital budget request is 84%, Information and Communications Technology (ICT) is at 15% and Strategic Corporate Services: General's planned capital demand is 1%. It is worth noting that the services provided within this unit are that of essential service delivery services. However, in order to have a complete view on capital expenditure, it is vital to understand the entire capital demand over the analysis period.

Figure 5-6: 2021/22 – 2030/31 planned capital expenditure: Corporate Services

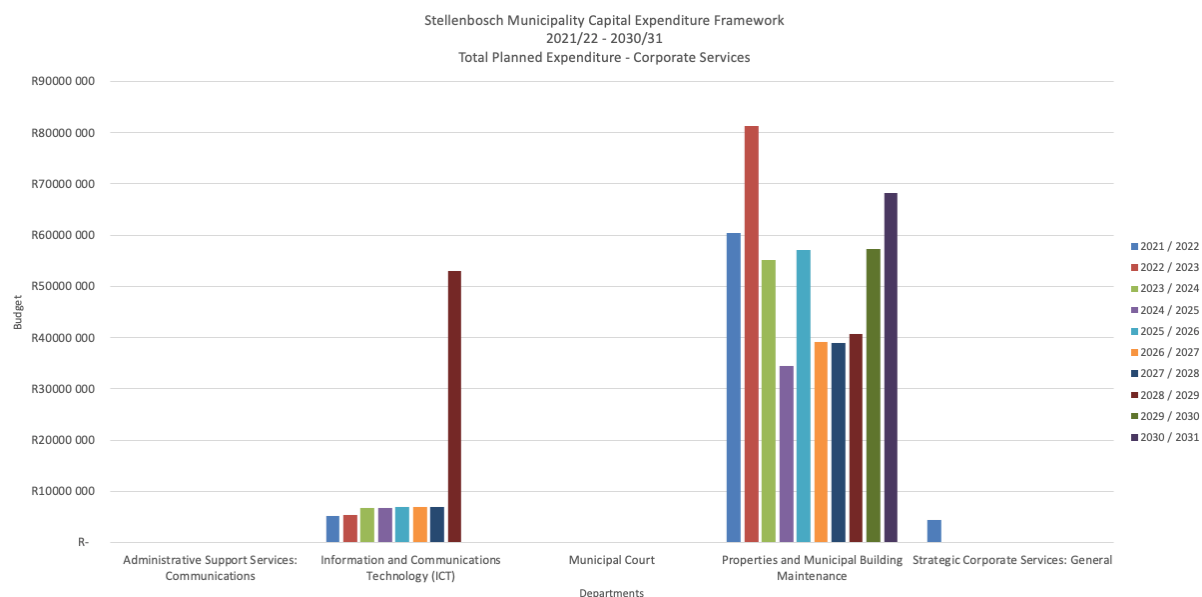


Figure 5-7: 2021/22 – 2030/31 planned capital expenditure: Corporate Services

| Departments | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Administrative Support Services: Communications | R - | R - | R - | R - | R - | R - |
| Information and Communications Technology (ICT) | R 5 200 000 | R 5 300 000 | R 6 800 000 | R 6 800 000 | R 6 900 000 | R 6 900 000 |
| Municipal Court | R - | R - | R - | R - | R - | R - |
| Properties and Municipal Building Maintenance | R 60 390 000 | R 81 290 000 | R 55 240 000 | R 34 440 000 | R 57 090 000 | R 39 240 000 |
| Strategic Corporate Services: General | R 4 400 000 | R - | R - | R - | R - | R - |
| Grand Total | R 69 990 000 | R 86 590 000 | R 62 040 000 | R 41 240 000 | R 63 990 000 | R 46 140 000 |

| Departments | 2027/28 | 2028/29 | 2029/30 | 2030/31 | Total | Total % |
|---|---------------------|---------------------|---------------------|---------------------|----------------------|-------------|
| Administrative Support Services: Communications | R - | R - | R - | R - | R - | 0% |
| Information and Communications Technology (ICT) | R 7 000 000 | R 53 000 000 | R - | R - | R 97 900 000 | 15% |
| Municipal Court | R - | R - | R - | R - | R - | 0% |
| Properties and Municipal Building Maintenance | R 39 040 000 | R 40 800 000 | R 57 270 000 | R 68 300 000 | R 533 100 000 | 84% |
| Strategic Corporate Services: General | R - | R - | R - | R - | R 4 400 000 | 1% |
| Grand Total | R 46 040 000 | R 93 800 000 | R 57 270 000 | R 68 300 000 | R 635 400 000 | 100% |

c. Planned Capital Expenditure: Infrastructure Services

The Electrical Services department makes up a total of 28% of the Infrastructure Services unit. The department shows a significant capital demand in the 2021/2022 MTREF, in comparison to other departments. Distell Limited's decision to relocate and consolidate many of its operations in Klapmuts is critical to commence municipal bulk service infrastructure, inclusive of electrical infrastructure service. There is 29% of the total planned capital expenditure that is geared towards Water and

Wastewater department, where 19% is aimed at the Water division and 10% at the Sanitation division. Stellenbosch municipality is faced with the challenge of an annual household growth rate exceeding the municipality's ability to provide piped water to households. There is also an increased socio-economic concern of water supply infrastructure being in disrepair as well as maintenance backlogs in poorer areas. The sanitation infrastructure is in a poor or very poor condition and according to the Stellenbosch IDP (2017-2022), the condition backlog is in the order of R250 million. It is for these reasons that serious remedial investment is required. Bulk water supply capital budget has been planned for the 2021/2022 and 2022/2023 financial years, in accordance to the IDP. This can also be seen in Table 5-4, where the capital budget in the abovementioned financial years are significantly higher for the Water and Wastewater department, in comparison to the other years in the 10-year analysis period. Stellenbosch municipality has also unveiled the new Wastewater Treatment Works, which is the biggest bulk infrastructure project in Stellenbosch to date. The municipality has begun with upgrades at several other wastewater treatment facilities, as this will assist in response to the growing population demands.

It is worth noting that that time of reporting, the infrastructure master plans for the municipality, particularly that of; Water, Stormwater and Electricity have last been drafted over 10-years ago. In order to have a sufficient capital planning budget, the redrafting of these plans is essential, as the current plans are inadequate in terms of providing clear direction as to the interventions required or further development to be undertaken. 16% of the planned capital demand is geared towards the Transport Planning department. A strategic goal of the Integrated Urban Development Framework (IUDF) is that of spatial integration, to forge new spatial forms in settlement, transport and social and economic areas. With regards to Stellenbosch Municipality, there is a need for improvement on integrated transport and a focus on Non-Motorised Transport (NMT) and public transport to ensure user convenience and less dependence on the private vehicle. Catalytic developments such as the Adam Tas Corridor and the Klappmuts Development are key drivers of a sustainable transport approach. The Roads and Stormwater department makes up a total of 11% of the capital budget planning. Annually, the municipality tries to respond to the various road infrastructure Stellenbosch IDP (2017-2022). The remainder of the departments in the Infrastructure Services unit, serve as a support. It is for this reason that the total capital demand of the departments is relatively low, in comparison to the abovementioned departments. However, in order to have a complete view on capital expenditure, it is vital to understand the entire capital demand for all departments, over the analysis period.

Figure 5-8: 2021/22 – 2030/31 planned capital expenditure: Infrastructure Services

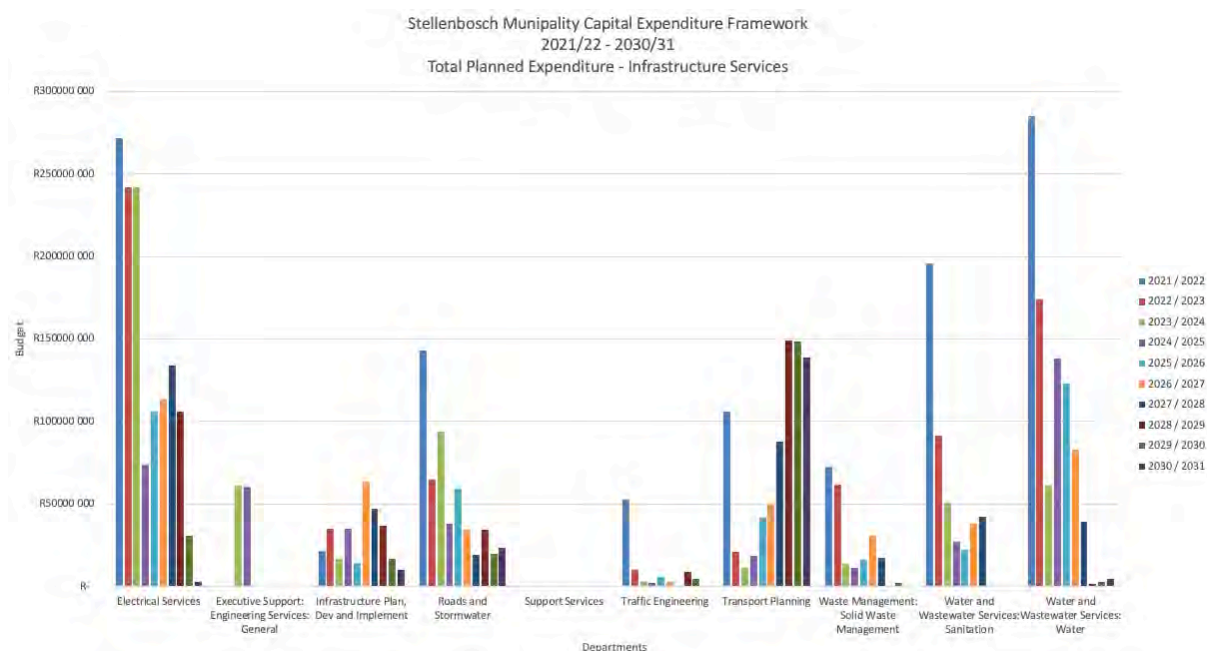


Table 5-4: 2021/22 – 2030/31 planned capital expenditure: Infrastructure Services

| Departments | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|--|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Electrical Services | R 271 828 800 | R 241 905 550 | R 241 932 263 | R 73 988 001 | R 105 903 464 | R 113 605 592 |
| Executive Support: Engineering Services: General | R 375 000 | R 60 000 | R 60 910 000 | R 60 700 000 | R 300 000 | R 300 000 |
| Infrastructure Plan, Dev and Implement | R 21 464 582 | R 35 000 000 | R 16 645 500 | R 35 325 000 | R 14 578 500 | R 63 828 000 |
| Roads and Stormwater | R 143 050 000 | R 64 750 000 | R 93 750 000 | R 38 250 000 | R 59 200 000 | R 34 600 000 |
| Support Services | R - | R - | R - | R - | R - | R - |
| Traffic Engineering | R 52 516 802 | R 10 400 000 | R 2 950 000 | R 2 600 000 | R 6 000 000 | R 3 000 000 |
| Transport Planning | R 106 100 000 | R 21 400 000 | R 11 450 000 | R 18 900 000 | R 41 720 000 | R 49 935 000 |
| Waste Management: Solid Waste Management | R 72 845 000 | R 61 890 000 | R 14 015 000 | R 11 700 000 | R 16 150 000 | R 31 050 000 |
| Water and Wastewater Services: Sanitation | R 195 534 431 | R 91 200 000 | R 51 100 000 | R 27 500 000 | R 22 400 000 | R 38 250 000 |
| Water and Wastewater Services: Water | R 285 166 602 | R 174 018 000 | R 60 900 000 | R 138 400 000 | R 122 950 000 | R 83 200 000 |
| Grand Total | R 1 148 881 217 | R 700 623 550 | R 553 652 763 | R 407 363 001 | R 389 201 964 | R 417 768 592 |

| Departments | 2027/28 | 2028/29 | 2029/30 | 2030/31 | Total | Total % |
|--|---------------|---------------|---------------|---------------|-----------------|---------|
| Electrical Services | R 134 197 074 | R 106 048 613 | R 31 013 322 | R 2 900 000 | R 1 323 322 680 | 28% |
| Executive Support: Engineering Services: General | R 300 000 | R 250 000 | R - | R - | R 123 195 000 | 3% |
| Infrastructure Plan, Dev and Implement | R 47 330 000 | R 36 755 000 | R 17 120 000 | R 10 000 000 | R 298 046 582 | 6% |
| Roads and Stormwater | R 19 350 000 | R 34 600 000 | R 19 850 000 | R 23 350 000 | R 530 750 000 | 11% |
| Support Services | R - | R - | R - | R - | R - | 0% |
| Traffic Engineering | R 500 000 | R 8 900 000 | R 4 750 000 | R - | R 91 616 802 | 2% |
| Transport Planning | R 87 750 000 | R 148 810 000 | R 148 760 000 | R 138 660 000 | R 773 485 000 | 16% |

| Departments | 2027/28 | 2028/29 | 2029/30 | 2030/31 | Total | Total % |
|---|----------------------|----------------------|----------------------|----------------------|------------------------|-------------|
| Waste Management: Solid Waste Management | R 17 600 000 | R 600 000 | R 2 100 000 | R 600 000 | R 228 550 000 | 5% |
| Water and Wastewater Services: Sanitation | R 42 300 000 | R 300 000 | R 300 000 | R 350 000 | R 469 234 431 | 10% |
| Water and Wastewater Services: Water | R 39 200 000 | R 2 000 000 | R 3 000 000 | R 5 000 000 | R 913 834 602 | 19% |
| Grand Total | R 388 527 074 | R 338 263 613 | R 226 893 322 | R 180 860 000 | R 4 752 035 097 | 100% |

d. Planned Capital Expenditure: Planning and Economic Development

The Planning and Economic Development unit's total planned capital budget amounts to R 615 555 200, as indicated in Table 5-2. Linked to the Planning and Economic Development unit are objectives relating, but not limited to spatial planning and land-use management, community development, local economic development, housing and informal settlement upgrade and management. Hence, Table 5-5 shows that IHS: New Housing and Informal Settlements departments make up a total of the bulk of the unit's planned capital expenditure, at 66%. Stellenbosch municipality released their Draft Integrated Human Settlement Plan (IHSP) in 2018, in order to address the residential component of the municipality. This plan is closely linked to the municipal IDP and mSDF. The housing pipeline is premised on a 10-year horizon and serves as planning and budgeting tool for the implementation of Human Settlements initiatives. The period of 10 financial years provides a comprehensive list of housing projects and programmes with quantitative data on the projects' goals. It is for this reason that a steady spread of capital budget can be observed for the IHS departments, in Table 5-5. The capital demand in the Spatial Planning: Planning and Development department fluctuates over the analysis period. Departments with significantly lower capital demand in the analysis period are inclusive of the Administrative Support at 10% and Economic Development and Tourism at 7% of the total unit's demand. It is worth noting the Economic Development 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 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. However, initiatives within the department could be improved on a more longer-term planning horizon.

Figure 5-9: 2021/22 – 2030/31 planned capital expenditure: Planning & Economic Development

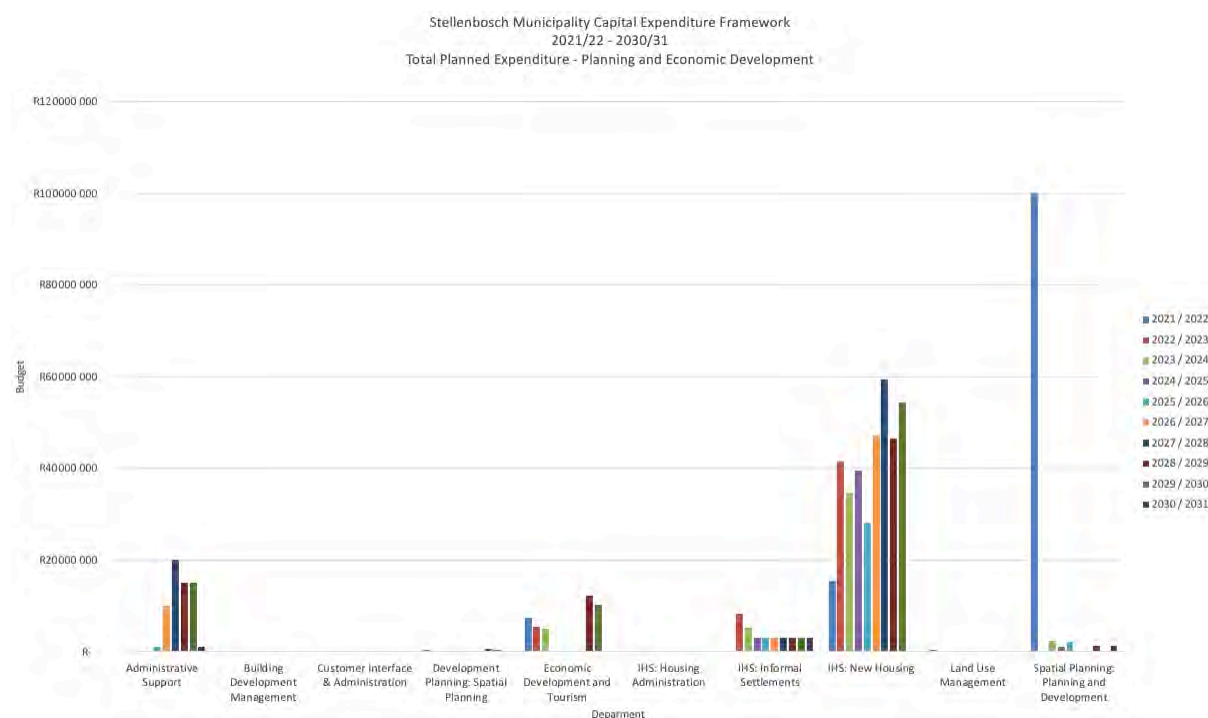


Table 5-5: 2021/22 – 2030/31 planned capital expenditure: Planning & Economic Development

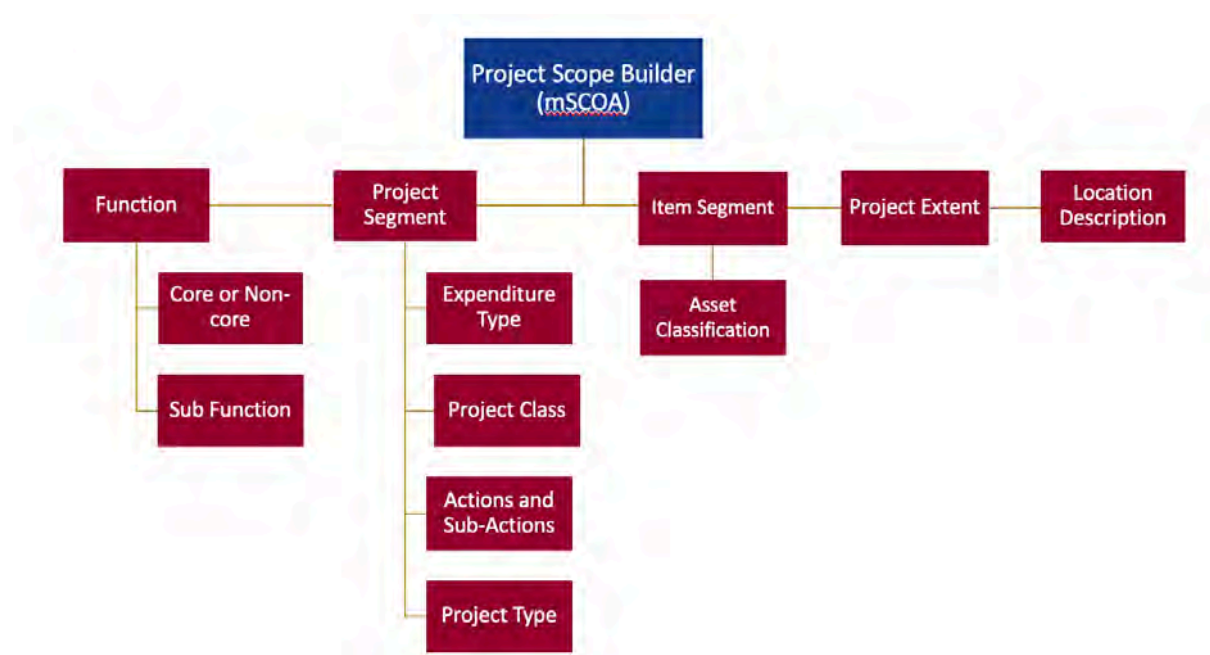
| Departments | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|--|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Administrative Support | R - | R - | R - | R - | R 1 000 000 | R 10 000 000 |
| Building Development Management | R - | R - | R - | R - | R - | R - |
| Customer Interface & Administration | R - | R - | R - | R - | R - | R - |
| Development Planning: Spatial Planning | R 375 000 | R - | R 255 000 | R 45 000 | R - | R - |
| Economic Development and Tourism | R 7 380 000 | R 5 500 000 | R 5 000 000 | R - | R - | R - |
| IHS: Housing Administration | R 35 000 | R 40 000 | R - | R - | R - | R - |
| IHS: Informal Settlements | R - | R 8 270 000 | R 5 250 000 | R 3 020 000 | R 3 025 000 | R 3 025 000 |
| IHS: New Housing | R 15 508 800 | R 41 600 000 | R 34 774 000 | R 39 524 500 | R 28 230 200 | R 47 265 000 |
| Land Use Management | R 335 000 | R - | R - | R - | R - | R - |
| Spatial Planning: Planning and Development | R 100 000 000 | R - | R 2 347 600 | R 1 158 900 | R 2 114 200 | R - |
| Grand Total | R 123 633 800 | R 55 410 000 | R 47 626 600 | R 43 748 400 | R 34 369 400 | R 60 290 000 |

| Departments | 2027/28 | 2028/29 | 2029/30 | 2030/31 | Total | Total % |
|--|---------------------|---------------------|---------------------|--------------------|----------------------|-------------|
| Administrative Support | R 20 000 000 | R 15 000 000 | R 15 000 000 | R 1 000 000 | R 62 000 000 | 10% |
| Building Development Management | R - | R 80 000 | R 35 000 | R - | R 115 000 | 0% |
| Customer Interface & Administration | R - | R 100 000 | R - | R - | R 100 000 | 0% |
| Development Planning: Spatial Planning | R - | R 647 000 | R 380 000 | R - | R 1 702 000 | 0% |
| Economic Development and Tourism | R 300 000 | R 12 145 000 | R 10 370 000 | R - | R 40 695 000 | 7% |
| IHS: Housing Administration | R - | R - | R - | R - | R 75 000 | 0% |
| IHS: Informal Settlements | R 3 025 000 | R 3 030 000 | R 3 030 000 | R 3 030 000 | R 34 705 000 | 6% |
| IHS: New Housing | R 59 530 000 | R 46 500 000 | R 54 500 000 | R - | R 367 432 500 | 60% |
| Land Use Management | R - | R 275 000 | R - | R - | R 610 000 | 0% |
| Spatial Planning: Planning and Development | R - | R 1 250 000 | R - | R 1 250 000 | R 108 120 700 | 18% |
| Grand Total | R 82 855 000 | R 79 027 000 | R 83 315 000 | R 5 280 000 | R 615 555 200 | 100% |

5.3 Planned capital: Asset action and type demand

National Treasury has implemented Integrated Financial Management and Internal Control System processes for local government. Key to this is the implementation of the Regulation of a Standard Chart of Accounts, commonly referred to as the Municipal Standard Chart of Accounts (mSCOA). mSCOA makes provision for a uniform and standardised financial transaction classification framework as per the Municipal Regulations and Standard Chart of Accounts as gazetted on 22 April 2014 (Gazette No 37577). The Municipal Chart of Accounts is classified within the segment as indicated in Figure 5-10.

Figure 5-10: mSCOA segment classification



Typically, within the Project Class, projects identified as “Infrastructure” and can be further classified as “engineering type” services as a secondary project class. These are inclusive of Electricity, Water and Sanitation as well as Roads and Storm-water type services. They display some or all of the following characteristics:

- Part of a system/ Network;
- Specific in nature and do not have alternative uses;
- Immovable, and;
- Subject to constraints at disposal.

Projects that fall under the “non-infrastructure” category are projects of a capital nature, identified by management. For example, procurement of a new bus fleet for use as urban transport. Housing and Human Settlements also fall within the “non-infrastructure” category.

The project Action and Sub-Action component of the Project Segment within mSCOA, is an umbrella term that includes a “New” or “Existing” project. Sub-actions for an “Existing” project include “Upgrade” or “Renewal”. For ease of reference the category descriptions are as follows:

- New: Capital projects to provide new assets to meet the current and future growth demands;
- Existing: Capital projects to provide an upgrade or renewal to asset in order to meet the current and future demands;
- Existing - Upgrade: Upgrade projects are generated according to the requirement for the replacement of a part of an asset component with the aim to increase the current capacity of the asset, and;
- Existing - Renewal: Replacing of existing infrastructure that has reached a Remaining Useful Life (RUL) of zero, while providing the same capacity and service.

Figure 5-11 and Table 5-6 indicate the asset type classification of the capital expenditure within the municipality. Figure 5-11: Planned capital expenditure per mSCOA action segment

Figure 5-11: Planned capital expenditure per mSCOA action segment

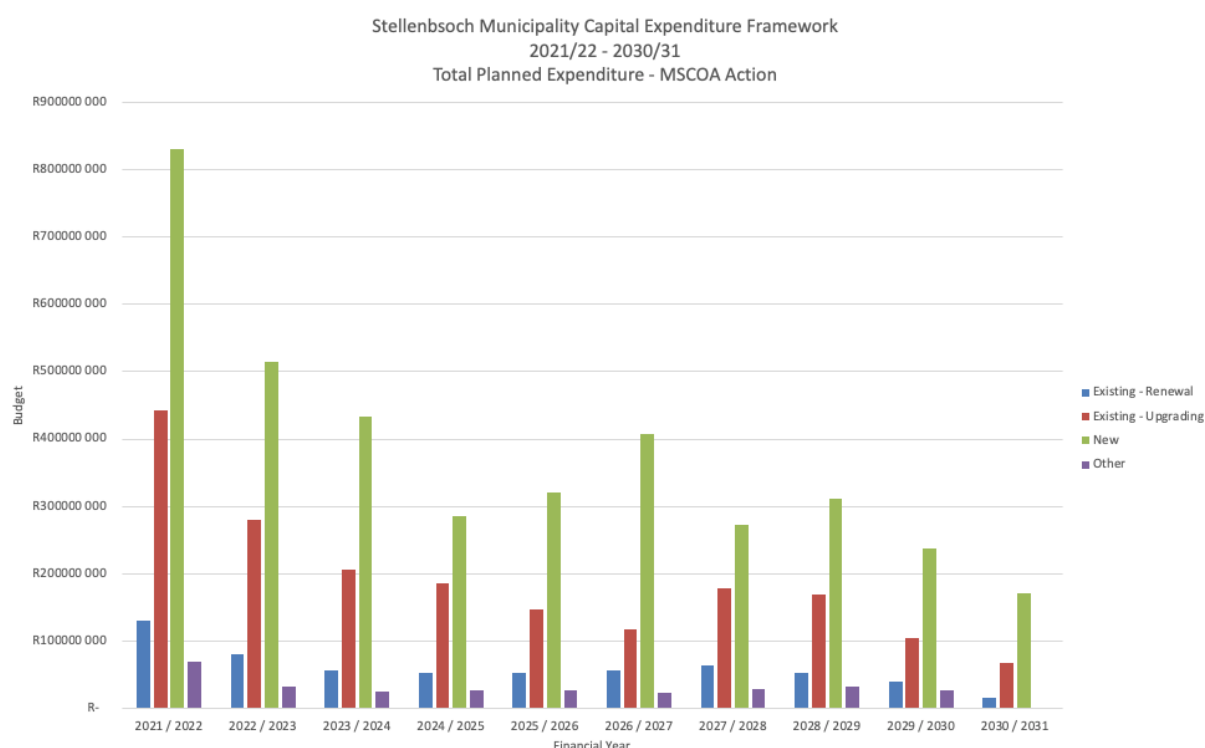


Table 5-6: Planned capital expenditure per mSCOA action segment

| Year | Existing - Renewal | Existing - Upgrading | New | Other | Grand Total |
|--------------|----------------------|------------------------|------------------------|----------------------|------------------------|
| 2021 / 2022 | R 129 825 038 | R 442 380 727 | R 830 015 446 | R 69 107 000 | R 1 471 328 211 |
| 2022 / 2023 | R 80 769 144 | R 280 928 000 | R 515 132 986 | R 32 851 420 | R 909 681 550 |
| 2023 / 2024 | R 56 025 581 | R 206 624 000 | R 433 303 432 | R 25 006 350 | R 720 959 363 |
| 2024 / 2025 | R 52 089 348 | R 185 154 500 | R 285 488 590 | R 26 898 963 | R 549 631 401 |
| 2025 / 2026 | R 52 693 599 | R 146 520 000 | R 321 515 993 | R 27 608 772 | R 548 338 364 |
| 2026 / 2027 | R 57 284 009 | R 118 290 000 | R 407 083 975 | R 24 180 608 | R 606 838 592 |
| 2027 / 2028 | R 64 922 862 | R 178 570 000 | R 272 239 013 | R 28 850 199 | R 544 582 074 |
| 2028 / 2029 | R 53 120 425 | R 168 385 644 | R 311 707 315 | R 32 797 229 | R 566 010 613 |
| 2029 / 2030 | R 40 492 140 | R 103 860 000 | R 238 306 182 | R 26 750 000 | R 409 408 322 |
| 2030 / 2031 | R 16 650 000 | R 67 320 000 | R 171 550 000 | R 950 000 | R 256 470 000 |
| Total | R 603 872 146 | R 1 898 032 871 | R 3 786 342 932 | R 295 000 541 | R 6 583 248 491 |
| % | 9% | 29% | 58% | 4% | 100% |

The proportion of New to Existing asset planned capital expenditure remains relatively constant throughout the 10-year analysis period. The majority of assets in terms of planned capital expenditure

is geared towards New assets at 58%. Characteristically, new assets should amount to between 10% to 20% of the municipality's capital expenditure demand. This contributes to an increasing rates base, but also reflects on the expansion of the urban footprint of Stellenbosch. The Upgrading of Existing assets is at 29% and Renewal of Existing assets is at 9%. This highlights the underlying dilemma regarding maintenance and upgrading backlogs within the municipality. Stellenbosch municipality is challenged in meeting the current demand for services and the further expansion of the current built footprint will dissipate the municipality's ability to maximise the use and productivity of existing infrastructure.

5.4 Planned capital expenditure: Discipline based analysis

The discipline-based analysis is a method of showing the types of assets to be developed or planned for. This enables a deduction on the planning intention of the municipality over the ten-year period. Please note that this is only considering sector plans and not necessarily the IDP needs of future years. Asset types in this instance has been compiled, based on the mSCOA project segment category per project. Please refer to Table 5-7, for the mSCOA type category and discipline-based relationship.

Table 5-7: mSCOA - Type Category and Discipline relationship

| Discipline | MSCOA - Type Category |
|------------------|---|
| Community Assets | Community Assets |
| Electricity | Electrical Infrastructure |
| Other | Biological or Cultivated Assets |
| Other | Computer Equipment |
| Other | Expanded Public Works Programme |
| Other | Furniture and Office Equipment |
| Other | Heritage Assets |
| Other | Indigent and Cultural Management and Services |
| Other | Information and Communication Infrastructure |
| Other | Intangible Assets |
| Other | Investment Properties |
| Other | Machinery and Equipment |
| Other | Meter Conversion and Replacement |
| Other | Other Assets |
| Other | Spatial Planning |
| Other | Strategic Management and Governance |
| Other | (blank) |
| Roads | Roads Infrastructure |
| Roads | Transport Assets |
| Sanitation | Sanitation Infrastructure |
| Solid Waste | Solid Waste Infrastructure |
| Stormwater | Storm water Infrastructure |
| Water Supply | Water Supply Infrastructure |

Assets related to the Other discipline totals 45% of the planned capital demand budget. This is inclusive of but not limited to Computer Equipment, Machinery and Equipment, Intangible Assets as well as Furniture and Office Equipment. These assets are not directly revenue generating. The infrastructure-based disciplines make up the other 45% of the capital demand. The Electricity discipline at 17%, Water Supply at 15%, Sanitation is at 7% and Roads and Solid Waste make are each at 3% of the budget respectively.

Figure 5-12: Planned capital expenditure: Discipline based analysis

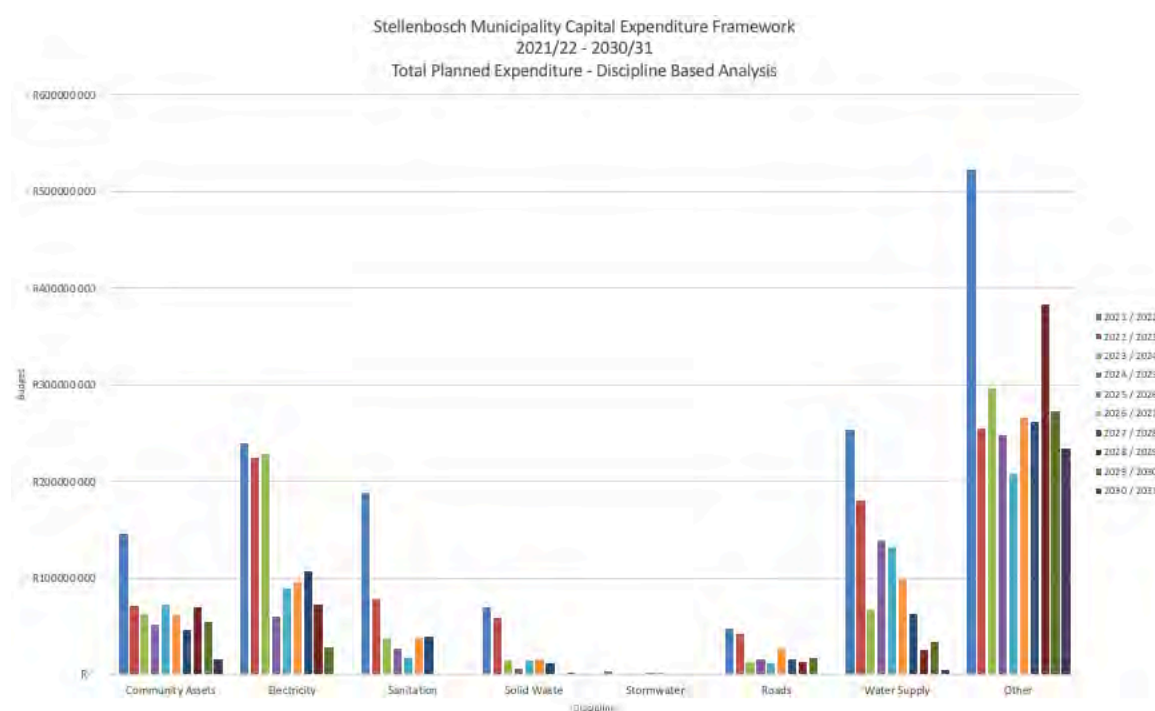


Table 5-8: Planned capital expenditure: Discipline based analysis

| Discipline | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|------------------|-----------------|---------------|---------------|---------------|---------------|---------------|
| Community Assets | R 145 419 194 | R 71 705 000 | R 62 380 000 | R 51 630 000 | R 73 000 000 | R 62 060 000 |
| Electricity | R 239 545 791 | R 223 842 880 | R 228 503 978 | R 60 118 908 | R 89 435 599 | R 96 295 236 |
| Sanitation | R 188 884 431 | R 77 600 000 | R 38 700 000 | R 27 750 000 | R 17 250 000 | R 38 500 000 |
| Solid Waste | R 70 500 000 | R 59 500 000 | R 14 100 000 | R 6 500 000 | R 14 300 000 | R 15 500 000 |
| Stormwater | R 4 000 000 | R - | R 200 000 | R 200 000 | R 2 200 000 | R 2 100 000 |
| Roads | R 48 040 000 | R 42 040 000 | R 13 835 000 | R 15 740 000 | R 12 553 060 | R 26 557 164 |
| Water Supply | R 253 022 900 | R 179 868 000 | R 67 030 000 | R 139 270 000 | R 131 980 000 | R 99 280 000 |
| Other | R 521 915 895 | R 255 125 670 | R 296 210 385 | R 248 422 493 | R 207 619 705 | R 266 546 192 |
| Grand Total | R 1 471 328 211 | R 909 681 550 | R 720 959 363 | R 549 631 401 | R 548 338 364 | R 606 838 592 |

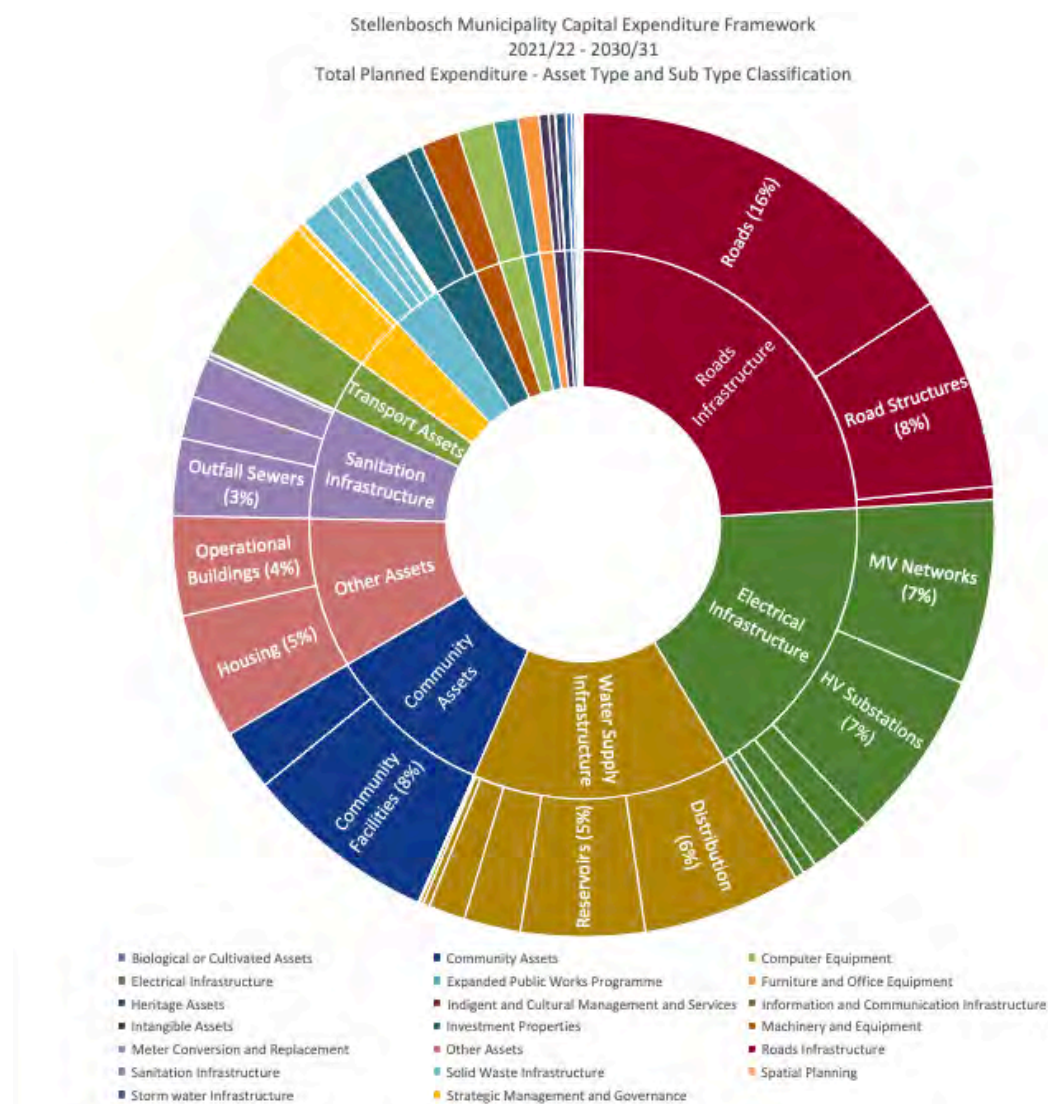
| Departments | 2027/28 | 2028/29 | 2029/30 | 2030/31 | Total | Total % |
|------------------|---------------|---------------|---------------|---------------|-----------------|---------|
| Community Assets | R 46 700 000 | R 69 245 000 | R 54 950 000 | R 16 300 000 | R 653 389 194 | 10% |
| Electricity | R 106 637 972 | R 72 995 810 | R 27 933 276 | R - | R 1 145 309 450 | 17% |
| Sanitation | R 39 550 000 | R 550 000 | R 550 000 | R 600 000 | R 429 934 431 | 7% |
| Solid Waste | R 11 300 000 | R 500 000 | R 2 000 000 | R 500 000 | R 194 700 000 | 3% |
| Stormwater | R 100 000 | R 100 000 | R 100 000 | R 100 000 | R 9 100 000 | 0% |
| Roads | R 15 611 302 | R 13 810 472 | R 17 507 000 | R 30 000 | R 205 723 998 | 3% |
| Water Supply | R 62 820 000 | R 25 830 000 | R 33 820 000 | R 5 000 000 | R 997 920 900 | 15% |
| Other | R 261 862 800 | R 382 979 331 | R 272 548 046 | R 233 940 000 | R 2 947 170 517 | 45% |
| Grand Total | R 544 582 074 | R 566 010 613 | R 409 408 322 | R 256 470 000 | R 6 583 248 491 | 100% |

5.5 Planned capital expenditure: Asset type analysis

The planned capital expenditure analysis by mSCOA asset classification, is shown in Figure 5-13 and Table 5-9 respectively. From Figure 5-13 it is evident that Roads Infrastructure makes up three quarters of the total planned expenditure of the municipality. Electrical Infrastructure and Water Supply Infrastructure collectively make up a significant total planned capital expenditure within the municipality. It can be deduced that the majority of planning in terms of capital expenditure lends itself towards establishing infrastructure services and top structures, followed by supporting services

such as community assets. Collectively, the mix of services work towards a complex and integrated urban space and human settlements.

Figure 5-13: Planned capital expenditure – asset type and sub type classification



For a detailed view of the asset types planned for, as part of the planned capital expenditure, please refer to the summary sheet; Table 5-9. It is important to take note of the following:

- Each project that is being planned for by the municipality are classified in terms of the latest mSCOA – namely version 6.4, and;
- Some asset type strings, or in other words, asset type classifications, do not go down to the same level of categorisation – hence the term “lowest level – not applicable” on the sheet. This does not mean there is a lack of data, but rather a lack of a request or an option to capture more detail per project.

Table 5-9: Total planned capital expenditure per asset type captured on CP3

| Type / Sub-type | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 |
|---|--------------|--------------|--------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|
| (lowest level – not applicable) | R22 907 000 | R8 076 420 | R2 200 000 | R2 100 000 | R2 100 000 | R100 000 | R100 000 | R157 000 | R25 100 000 | R0 |
| (lowest level – not applicable) | R22 907 000 | R8 076 420 | R2 200 000 | R2 100 000 | R2 100 000 | R100 000 | R100 000 | R157 000 | R25 100 000 | R0 |
| Biological or Cultivated Assets | R4 950 000 | R1 000 000 | R3 250 000 | R550 000 | R1 350 000 | R1 500 000 | R1 000 000 | R100 000 | R600 000 | R100 000 |
| (lowest level- not applicable) | R4 950 000 | R1 000 000 | R3 250 000 | R550 000 | R1 350 000 | R1 500 000 | R1 000 000 | R100 000 | R600 000 | R100 000 |
| Community Assets | R145 419 194 | R71 705 000 | R62 380 000 | R51 630 000 | R73 000 000 | R62 060 000 | R46 700 000 | R69 245 000 | R54 950 000 | R16 300 000 |
| Community Facilities | R116 608 694 | R61 405 000 | R55 630 000 | R31 520 000 | R52 850 000 | R40 060 000 | R40 300 000 | R40 245 000 | R43 450 000 | R14 550 000 |
| Sport and Recreation Facilities | R28 810 500 | R10 300 000 | R6 750 000 | R20 110 000 | R20 150 000 | R22 000 000 | R6 400 000 | R29 000 000 | R11 500 000 | R1 750 000 |
| Computer Equipment | R4 905 000 | R4 700 000 | R6 150 000 | R6 150 000 | R6 250 000 | R6 250 000 | R6 350 000 | R53 050 000 | R50 000 | R0 |
| (lowest level – not applicable) | R4 905 000 | R4 700 000 | R6 150 000 | R6 150 000 | R6 250 000 | R6 250 000 | R6 350 000 | R53 050 000 | R50 000 | R0 |
| Electrical Infrastructure | R239 545 791 | R223 842 880 | R228 503 978 | R60 118 908 | R89 435 599 | R96 295 236 | R106 637 972 | R72 995 810 | R27 933 276 | R0 |
| Capital Spares | R2 150 000 | R3 122 500 | R2 420 875 | R2 149 006 | R2 861 357 | R2 663 061 | R3 010 020 | R3 409 023 | R0 | R0 |
| HV Substations | R114 455 200 | R150 731 200 | R167 777 210 | R1 759 900 | R110 000 | R110 000 | R110 000 | R110 000 | R110 000 | R0 |
| HV Switching Station | R0 | R0 | R0 | R0 | R0 | R0 | R1 000 000 | R1 000 000 | R1 000 000 | R0 |
| HV Transmission Conductors | R8 600 000 | R8 480 000 | R18 792 000 | R13 500 000 | R14 310 000 | R13 662 000 | R0 | R0 | R0 | R0 |
| LV Networks | R13 600 000 | R7 022 500 | R2 920 875 | R3 749 000 | R25 181 857 | R27 813 061 | R2 660 020 | R5 934 667 | R0 | R0 |
| MV Networks | R80 959 738 | R52 190 738 | R35 243 018 | R37 596 002 | R45 590 135 | R50 645 026 | R97 307 903 | R55 792 120 | R25 342 140 | R0 |
| MV Substations | R19 780 853 | R2 295 942 | R1 350 000 | R1 365 000 | R1 382 250 | R1 402 088 | R2 550 029 | R6 750 000 | R1 481 136 | R0 |
| Expanded Public Works Programme | R500 000 | R500 000 | R500 000 | R500 000 | R500 000 | R500 000 | R500 000 | R500 000 | R500 000 | R0 |
| Project | R500 000 | R500 000 | R500 000 | R500 000 | R500 000 | R500 000 | R500 000 | R500 000 | R500 000 | R0 |
| Furniture and Office Equipment | R4 685 800 | R3 968 000 | R3 304 000 | R3 524 500 | R2 028 000 | R26 578 000 | R1 375 000 | R1 615 000 | R6 565 000 | R580 000 |
| (lowest level – not applicable) | R4 685 800 | R3 968 000 | R3 304 000 | R3 524 500 | R2 028 000 | R26 578 000 | R1 375 000 | R1 615 000 | R6 565 000 | R580 000 |
| Heritage Assets | R5 000 000 | R3 000 000 | R2 000 000 | R2 000 000 | R2 000 000 | R2 000 000 | R4 000 000 | R2 450 000 | R2 000 000 | R2 000 000 |
| Historic Buildings | R5 000 000 | R3 000 000 | R2 000 000 | R2 000 000 | R2 000 000 | R2 000 000 | R4 000 000 | R2 000 000 | R2 000 000 | R2 000 000 |
| Indigent and Cultural Management and Services | R0 | R250 000 | R250 000 | R250 000 | R250 000 | R250 000 | R250 000 | R250 000 | R250 000 | R250 000 |
| (lowest level – not applicable) | R0 | R250 000 | R250 000 | R250 000 | R250 000 | R250 000 | R250 000 | R250 000 | R250 000 | R250 000 |
| Information and Communication Infrastructure | R2 070 000 | R800 000 | R1 050 000 | R700 000 | R2 400 000 | R700 000 | R700 000 | R200 000 | R150 000 | R0 |
| Capital Spares | R1 470 000 | R100 000 | R350 000 | R0 | R1 700 000 | R0 | R0 | R200 000 | R150 000 | R0 |
| Distribution Layers | R600 000 | R700 000 | R700 000 | R700 000 | R700 000 | R700 000 | R700 000 | R0 | R0 | R0 |
| Intangible Assets | R21 144 602 | R3 210 000 | R3 110 000 | R3 400 000 | R3 600 000 | R3 900 000 | R2 800 000 | R780 000 | R1 100 000 | R0 |
| Computer Software and Applications | R1 700 000 | R2 200 000 | R2 000 000 | R2 300 000 | R2 500 000 | R2 500 000 | R2 700 000 | R200 000 | R0 | R0 |
| Licences and Rights | R18 944 602 | R1 010 000 | R910 000 | R800 000 | R1 100 000 | R1 100 000 | R100 000 | R580 000 | R300 000 | R0 |
| Unspecified | R500 000 | R0 | R200 000 | R300 000 | R0 | R300 000 | R0 | R0 | R800 000 | R0 |
| Investment Properties | R13 600 000 | R23 350 000 | R6 000 000 | R9 000 000 | R7 500 000 | R17 000 000 | R16 500 000 | R17 950 000 | R3 750 000 | R51 000 000 |

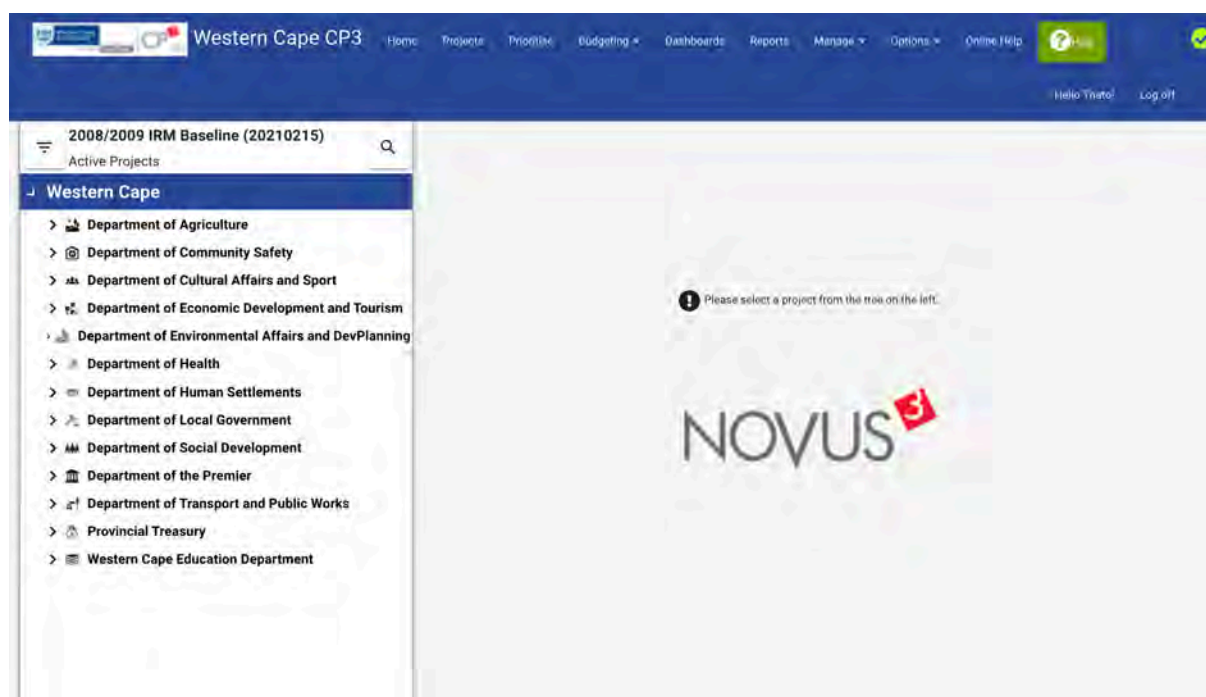
| Type / Sub-type | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Non-revenue Generating | R7 000 000 | R19 000 000 | R2 000 000 | R2 000 000 | R6 000 000 | R2 000 000 | R1 500 000 | R1 850 000 | R1 750 000 | R0 |
| Revenue Generating | R6 600 000 | R4 350 000 | R4 000 000 | R7 000 000 | R1 500 000 | R15 000 000 | R15 000 000 | R16 100 000 | R2 000 000 | R51 000 000 |
| Machinery and Equipment | R16 901 009 | R8 385 000 | R14 729 597 | R9 324 527 | R16 303 054 | R14 056 054 | R8 107 591 | R3 977 591 | R7 053 046 | R0 |
| (lowest level- not applicable) | R16 901 009 | R8 385 000 | R14 729 597 | R9 324 527 | R16 303 054 | R14 056 054 | R8 107 591 | R3 977 591 | R7 053 046 | R0 |
| Meter Conversion and Replacement | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R100 000 | R0 | R0 |
| (lowest level – not applicable) | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R100 000 | R0 | R0 |
| Other Assets | R146 275 000 | R70 661 250 | R52 310 438 | R49 424 503 | R23 704 679 | R58 206 530 | R60 880 010 | R63 349 511 | R39 920 000 | R18 400 000 |
| Housing | R3 050 000 | R49 750 000 | R35 000 000 | R30 500 000 | R8 580 000 | R52 000 000 | R54 000 000 | R46 420 000 | R29 120 000 | R17 200 000 |
| Operational Buildings | R143 225 000 | R20 911 250 | R17 310 438 | R18 924 503 | R15 124 679 | R6 206 530 | R6 880 010 | R16 929 511 | R10 800 000 | R1 200 000 |
| Roads Infrastructure | R133 277 484 | R110 900 000 | R183 300 000 | R141 950 000 | R114 875 200 | R112 175 000 | R131 300 000 | R206 710 000 | R184 610 000 | R160 910 000 |
| Road Furniture | R14 500 000 | R6 500 000 | R4 500 000 | R0 | R750 000 | R500 000 | R2 000 000 | R2 000 000 | R0 | R0 |
| Road Structures | R58 550 000 | R40 800 000 | R30 300 000 | R300 000 | R18 075 000 | R43 450 000 | R26 150 000 | R93 890 000 | R92 640 000 | R92 340 000 |
| Roads | R60 227 484 | R63 600 000 | R148 500 000 | R141 650 000 | R96 050 200 | R68 225 000 | R103 150 000 | R110 820 000 | R91 970 000 | R68 570 000 |
| Sanitation Infrastructure | R188 884 431 | R77 600 000 | R38 700 000 | R27 750 000 | R17 250 000 | R38 500 000 | R39 550 000 | R550 000 | R550 000 | R600 000 |
| Capital Spares | R0 | R200 000 | R200 000 | R250 000 | R250 000 | R250 000 | R300 000 | R300 000 | R300 000 | R350 000 |
| Outfall Sewers | R68 000 000 | R17 000 000 | R12 000 000 | R14 000 000 | R15 000 000 | R36 000 000 | R37 000 000 | R0 | R0 | R0 |
| Pump Station | R1 000 000 | R1 500 000 | R1 500 000 | R3 250 000 | R1 750 000 | R2 000 000 | R2 000 000 | R0 | R0 | R0 |
| Reticulation | R41 500 000 | R32 500 000 | R20 000 000 | R10 000 000 | R0 | R0 | R0 | R0 | R0 | R0 |
| Toilet Facilities | R0 | R0 | R0 | R250 000 | R250 000 | R250 000 | R250 000 | R250 000 | R250 000 | R250 000 |
| Wastewater Treatment Works | R78 384 431 | R26 400 000 | R5 000 000 | R0 | R0 | R0 | R0 | R0 | R0 | R0 |
| Solid Waste Infrastructure | R70 500 000 | R59 500 000 | R14 100 000 | R6 500 000 | R14 300 000 | R15 500 000 | R11 300 000 | R500 000 | R2 000 000 | R500 000 |
| Capital Spares | R3 500 000 | R2 000 000 | R1 000 000 | R0 | R0 | R0 | R0 | R0 | R0 | R0 |
| Electricity Generation Facilities | R6 000 000 | R21 300 000 | R1 500 000 | R1 000 000 | R300 000 | R1 200 000 | R1 700 000 | R0 | R0 | R0 |
| Landfill Sites | R32 000 000 | R22 500 000 | R3 000 000 | R1 500 000 | R1 500 000 | R6 000 000 | R6 000 000 | R500 000 | R2 000 000 | R500 000 |
| Waste Drop-off Points | R500 000 | R700 000 | R7 600 000 | R3 500 000 | R6 000 000 | R7 300 000 | R2 400 000 | R0 | R0 | R0 |
| Waste Processing Facilities | R0 | R0 | R0 | R0 | R6 000 000 | R0 | R0 | R0 | R0 | R0 |
| Waste Separation Facilities | R500 000 | R1 000 000 | R1 000 000 | R500 000 | R500 000 | R500 000 | R1 000 000 | R0 | R0 | R0 |
| Waste Transfer Stations | R28 000 000 | R12 000 000 | R0 | R0 | R0 | R500 000 | R200 000 | R0 | R0 | R0 |
| Spatial Planning | R0 | R500 000 | R2 547 600 | R1 258 900 | R1 545 200 | R0 | R0 | R0 | R0 | R0 |
| (lowest level – not applicable) | R0 | R500 000 | R2 547 600 | R1 258 900 | R1 545 200 | R0 | R0 | R0 | R0 | R0 |
| Storm water Infrastructure | R4 000 000 | R0 | R200 000 | R200 000 | R2 200 000 | R2 100 000 | R100 000 | R100 000 | R100 000 | R100 000 |
| Attenuation | R1 000 000 | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 |
| Storm water Conveyance | R3 000 000 | R0 | R200 000 | R200 000 | R2 200 000 | R2 100 000 | R100 000 | R100 000 | R100 000 | R100 000 |
| Strategic Management and Governance | R45 700 000 | R15 825 000 | R15 508 750 | R18 290 063 | R23 213 572 | R23 330 608 | R28 000 199 | R31 790 229 | R900 000 | R700 000 |
| Administrative Strategy and Planning | R0 | R100 000 | R100 000 | R0 | R0 | R0 | R0 | R0 | R0 | R0 |
| Feasibility Studies | R17 500 000 | R900 000 | R200 000 | R300 000 | R0 | R0 | R200 000 | R1 000 000 | R200 000 | R0 |
| Master plan | R28 200 000 | R14 825 000 | R15 208 750 | R17 990 063 | R23 213 572 | R23 330 608 | R27 800 199 | R30 790 229 | R700 000 | R700 000 |

| Type / Sub-type | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 |
|---------------------------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Transport Assets | R48 040 000 | R42 040 000 | R13 835 000 | R15 740 000 | R12 553 060 | R26 557 164 | R15 611 302 | R13 810 472 | R17 507 000 | R30 000 |
| (lowest level – not applicable) | R48 040 000 | R42 040 000 | R13 835 000 | R15 740 000 | R12 553 060 | R26 557 164 | R15 611 302 | R13 810 472 | R17 507 000 | R30 000 |
| Water Supply Infrastructure | R253 022 900 | R179 868 000 | R67 030 000 | R139 270 000 | R131 980 000 | R99 280 000 | R62 820 000 | R25 830 000 | R33 820 000 | R5 000 000 |
| Boreholes | R4 850 000 | R700 000 | R1 050 000 | R750 000 | R0 | R0 | R0 | R50 000 | R0 | R0 |
| Bulk Mains | R35 000 000 | R5 000 000 | R1 000 000 | R15 000 000 | R25 000 000 | R15 000 000 | R0 | R0 | R0 | R0 |
| Capital Spares | R500 000 | R300 000 | R230 000 | R230 000 | R230 000 | R280 000 | R280 000 | R280 000 | R280 000 | R0 |
| Dams and Weirs | R0 | R0 | R1 000 000 | R1 000 000 | R2 000 000 | R2 000 000 | R2 000 000 | R2 000 000 | R3 000 000 | R5 000 000 |
| Distribution | R100 422 900 | R125 368 000 | R37 000 000 | R32 540 000 | R39 000 000 | R40 500 000 | R25 540 000 | R2 500 000 | R2 540 000 | R0 |
| Reservoirs | R59 000 000 | R29 000 000 | R20 500 000 | R60 500 000 | R36 500 000 | R37 000 000 | R30 500 000 | R21 000 000 | R28 000 000 | R0 |
| Water Treatment Works | R53 250 000 | R19 500 000 | R6 250 000 | R29 250 000 | R29 250 000 | R4 500 000 | R4 500 000 | R0 | R0 | R0 |
| Grand Total | R1 371 328 211 | R909 681 550 | R720 959 363 | R549 631 401 | R548 338 364 | R606 838 592 | R544 582 074 | R566 010 613 | R409 408 322 | R256 470 000 |

5.6 Inter-Governmental Project Pipeline

The IIIF chapter outlined the demand identified of capital projects within the Stellenbosch Municipality jurisdiction. It represented all capital projects that were identified across various sectors by various departments on the CP3 platform. In working towards an inter-governmental project pipeline, the Stellenbosch Collaboration Project Prioritisation and Performance Platform, was used in conjunction with the Western Cape Collaboration Project Prioritisation and Performance Platform.

Figure 5-14: Western Cape Collaboration Project Prioritisation and Performance Platform



The establishment of an inter-governmental pipeline enables the following objectives:

- Establishing an integrated public planning network;
- View different entities of government planned intervention spatially; and,
- Identify clear and obvious overlap or expenditure that is not in line with any other public entity's strategic vision or spatial targeting.

5.6.1 Planned capital expenditure: Provincial Analysis

It can be deduced from Figure 5-15 as well as Table 5-10 that there are existing and/or planned provincial projects that are within the Stellenbosch Municipality jurisdiction. These projects make up 3% of the total provincial projects and emanate from various departments within the municipality. A total of 45% of projects lie outside the Stellenbosch boundary and 52% of projects within the Western Cape CP3 system have not been mapped. The unmapped projects account for over half of the planned expenditure within the Western Cape province. In order to have sight of the province's spatial agenda and a clearer view of the intergovernmental projects, a re-evaluation of the spatial data completion of these projects is a requisite on the CP3 system.

Figure 5-15:Planned capital expenditure: Provincial analysis

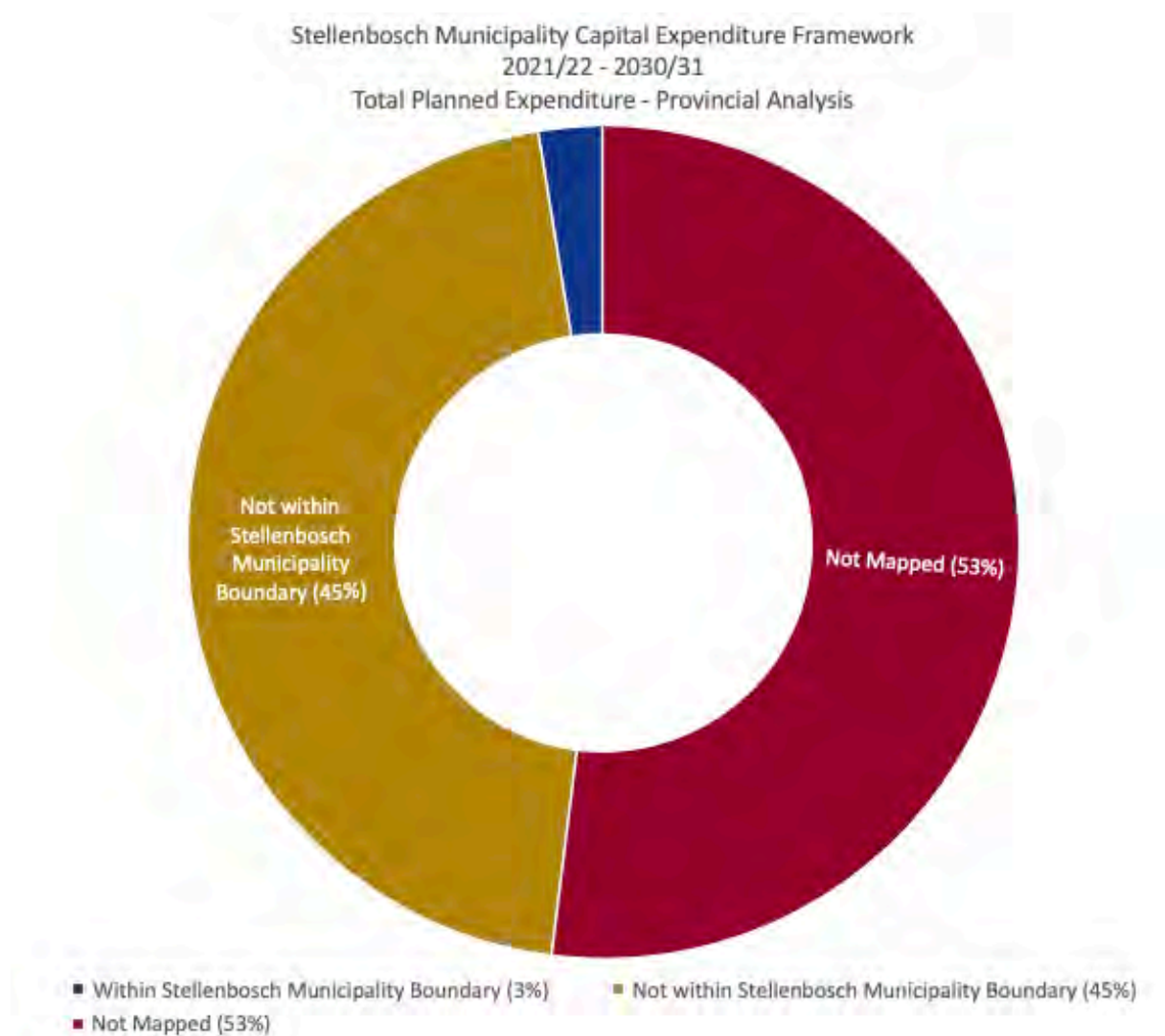


Table 5-10: Planned capital expenditure: Provincial analysis

| Status | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|---|-----------------|-----------------|-----------------|---------------|---------------|---------------|
| Within Stellenbosch Municipality Boundary | R 118 308 179 | R 105 390 513 | R 35 000 000 | R - | R - | R - |
| Not within Stellenbosch Municipality Boundary | R 1 095 694 234 | R 974 075 707 | R 847 962 758 | R 586 075 134 | R 492 311 095 | R 424 890 674 |
| Not Mapped | R 1 618 961 696 | R 1 524 187 859 | R 847 442 696 | R 343 706 943 | R 194 868 307 | R194 868 307 |
| Grand Total | R 2 832 964 109 | R 2 603 654 079 | R 1 730 405 454 | R 929 782 077 | R 687 179 402 | R 619 758 981 |

| Status | 2027/28 | 2028/29 | 2029/30 | 2030/31 | Total | Total % |
|---|---------------|---------------|---------------|-------------|------------------|---------|
| Within Stellenbosch Municipality Boundary | R - | R - | R - | R - | R 258 698 692 | 3% |
| Not within Stellenbosch Municipality Boundary | R 108 936 734 | R 108 936 734 | R 1 636 734 | R 1 636 734 | R 4 642 156 538 | 45% |
| Not Mapped | R 194 868 307 | R 194 868 307 | R 194 868 307 | R - | R 5 308 640 729 | 52% |
| Grand Total | R 303 805 041 | R 303 805 041 | R 196 505 041 | R 1 636 734 | R 10 209 495 959 | 100% |

5.6.2 Planned capital expenditure: Provincial analysis

The Figure 5-16 and Table 5-11 illustrate the Western Cape Province's projects, that are located with the Stellenbosch municipal boundary. It is important to note that the capital expenditure of these projects limited to only 2021/22_MTREF and do not show a 10-year capital demand. This shows that municipal-provincial institutional arrangements that seek to address joint planning challenges appear weak and intermittent. The departments with the most spending in the identified wards are the Transport, Education and Health departments. As part of the Provincial Sustainable Transport Programme (PSTP) the Western Cape Department of Transport and Public Works identified Stellenbosch as a priority Municipality for the development of a sustainable transport system. This is in line with the municipality's plans for the development of an efficient public transport system and infrastructure to improve non-motorised transport, as stated in the IDP. Health and Education are also a major contributor to the general quality of life in Stellenbosch municipality and the overall Western Cape province.

Figure 5-16: Total planned capital expenditure: Provincial analysis within Stellenbosch boundary

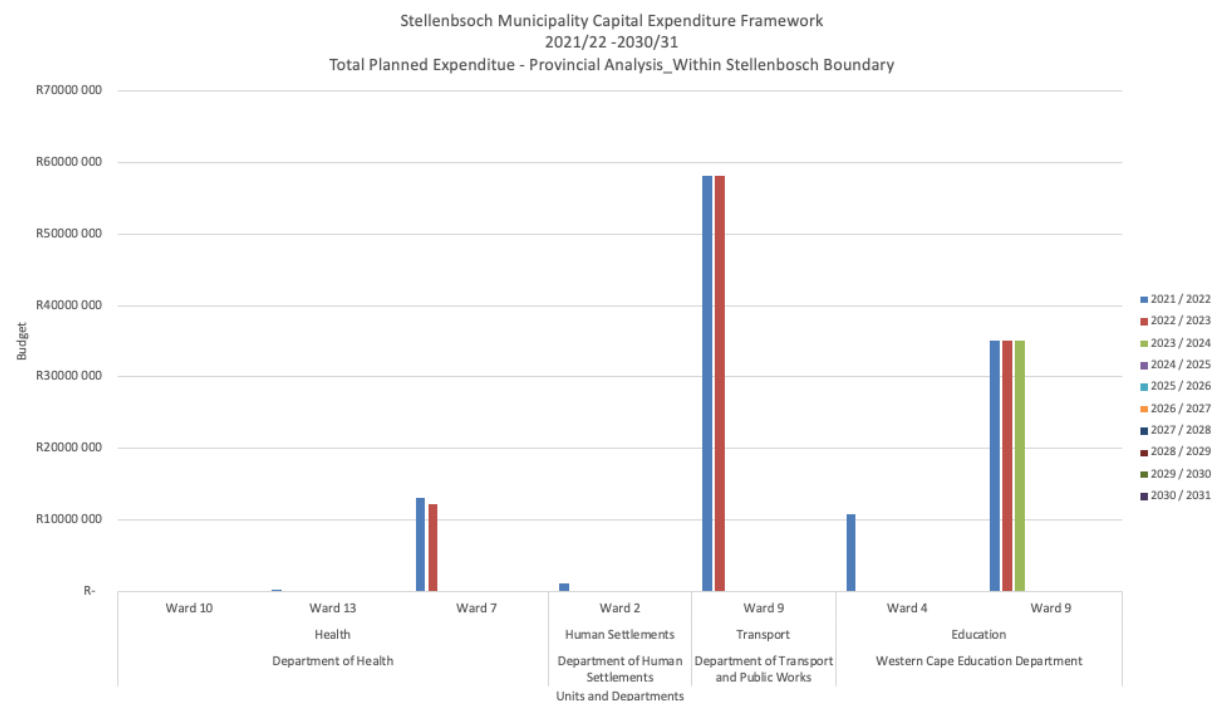
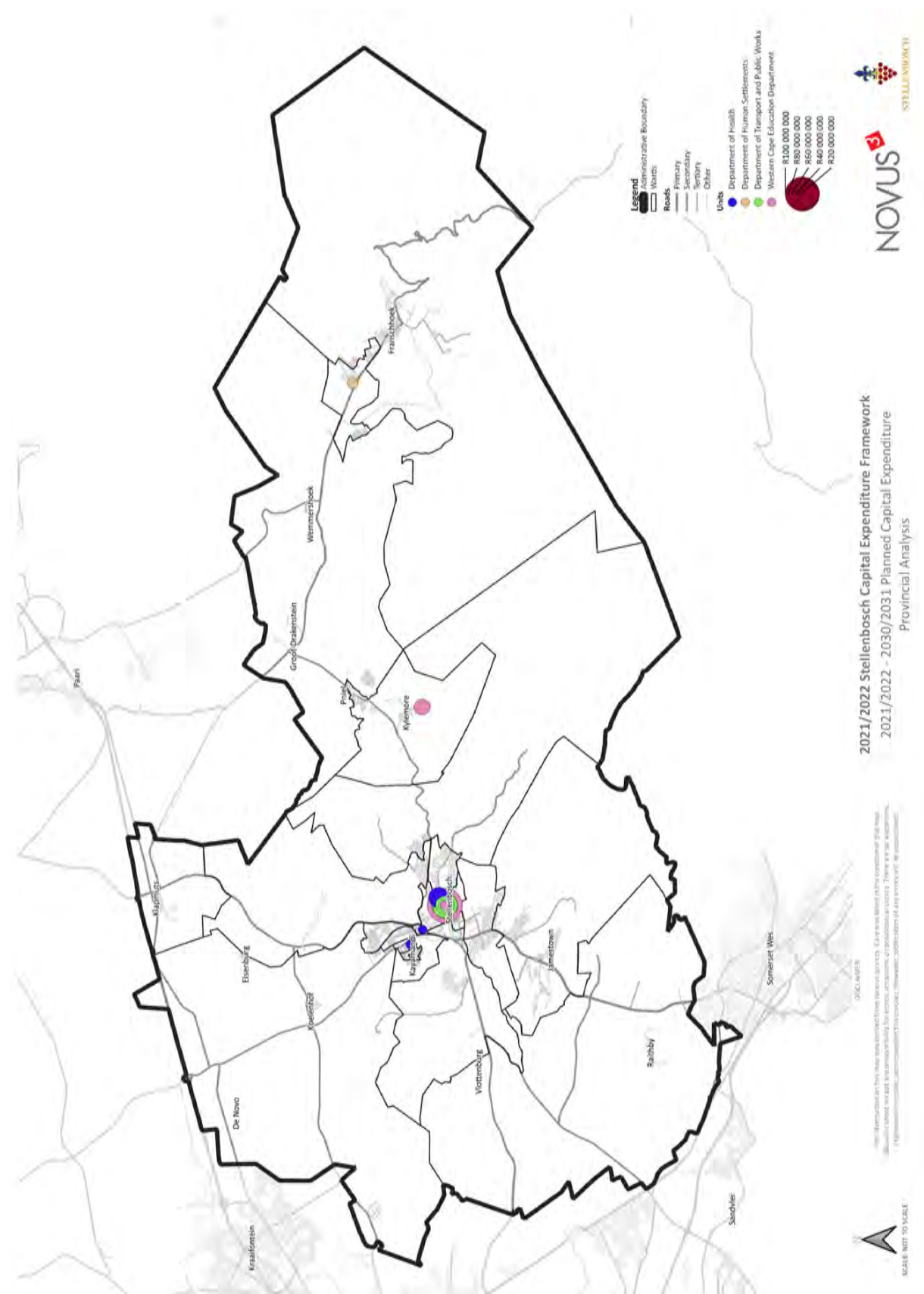


Table 5-11: Total planned capital expenditure: Provincial analysis within Stellenbosch boundary

| Departments | Ward | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|--|---------|----------------------|----------------------|---------------------|------------|------------|
| Department of Health | Ward 10 | R - | R - | R - | R - | R - |
| Department of Health | Ward 13 | R 100 000 | R - | R - | R - | R - |
| Department of Health | Ward 7 | R 13 073 000 | R 12 300 000 | R - | R - | R - |
| Department of Human Settlements | Ward 2 | R 1 200 000 | R - | R - | R - | R - |
| Department of Transport and Public Works | Ward 9 | R 58 090 513 | R 58 090 513 | R - | R - | R - |
| Western Cape Education Department | Ward 4 | R 10 844 666 | R - | R - | R - | R - |
| Western Cape Education Department | Ward 9 | R 35 000 000 | R 35 000 000 | R - | R - | R - |
| Grand Total | | R 118 308 179 | R 105 390 513 | R 35 000 000 | R - | R - |

| Departments | Department | 2027/28 | 2028/29 | 2029/30 | 2030/31 | Total |
|--|-------------------|------------|------------|------------|------------|----------------------|
| Department of Health | Health | R - | R - | R - | R - | R - |
| Department of Health | Health | R - | R - | R - | R - | R 100 000 |
| Department of Health | Health | R - | R - | R - | R - | R 25 373 000 |
| Department of Human Settlements | Human Settlements | R - | R - | R - | R - | R 1 200 000 |
| Department of Transport and Public Works | Transport | R - | R - | R - | R - | R 116 181 026 |
| Western Cape Education Department | Education | R - | R - | R - | R - | R 10 844 666 |
| Western Cape Education Department | Education | R - | R - | R - | R - | R 105 000 000 |
| Grand Total | | R - | R - | R - | R - | R 258 698 692 |

Figure 5-17: Total planned capital expenditure: Provincial analysis within Stellenbosch (spatial)



6 Long Term Financial Model Outcome

The objectives of this section is to:

- recommend strategies and policies that will maximise the probability of the municipality's financial sustainability into the future.
- forecasting future cash flows and affordable capital expenditure based on the municipality's historic performance and the environment in which it operates.

6.1 Financial model high-level outline

Figure 6-1: Financial Model Process



In forecasting the affordability envelope it is important to consider the four sources of capital funding available to the municipality, being:

- Capital grants from the fiscus, informed and affected by the National budget and macro-economic environment;
- Capital contributions by developers;
- Optimal and affordable external borrowings, informed by an analysis against financial sustainability parameters and ratios, including gearing levels, liquidity levels and the debt servicing capacity of the municipality; and

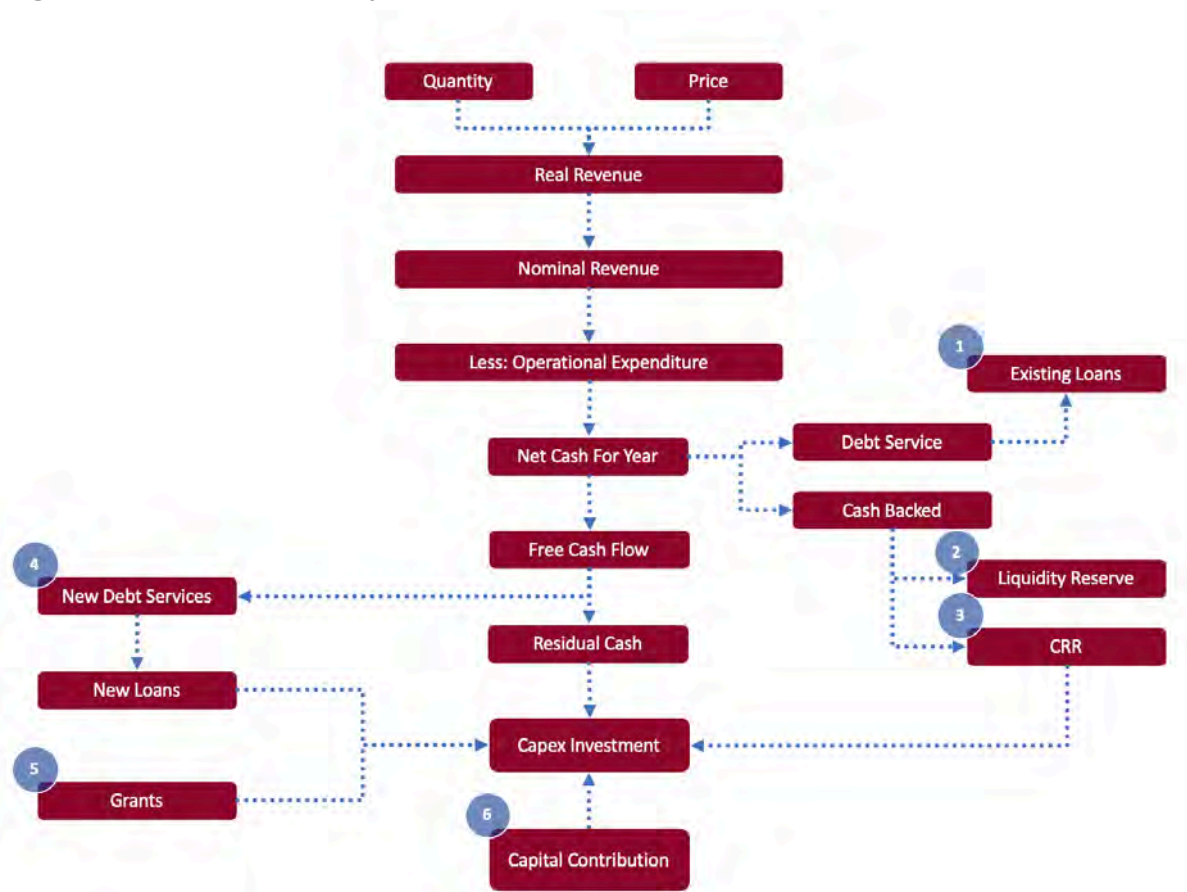
- Own cash resources of the municipality, from either cash-backed capital replacement reserves or annual residual cash generated by the municipality.

To recommend the most optimal funding mix between external borrowings and own cash resources, it is important to forecast the cash generated by the municipality (net cash for the year) in each of the next 10 years by considering the difference between:

- inflows from revenue (a function of quantity and price) and applying a reasonable collection rate and inflation expectations; and
- outflows of cash to staff and suppliers in the form of operating expenses of the municipality.

The net cash should first and foremost be utilised for servicing of existing loans and funding of cash backed reserves. Any free cash flow remaining after this would be available to service new debt, with the residual cash being utilised as part of own cash resources funding capital expenditure. These principles are depicted in the figure below.

Figure 6-2: Financial model Input



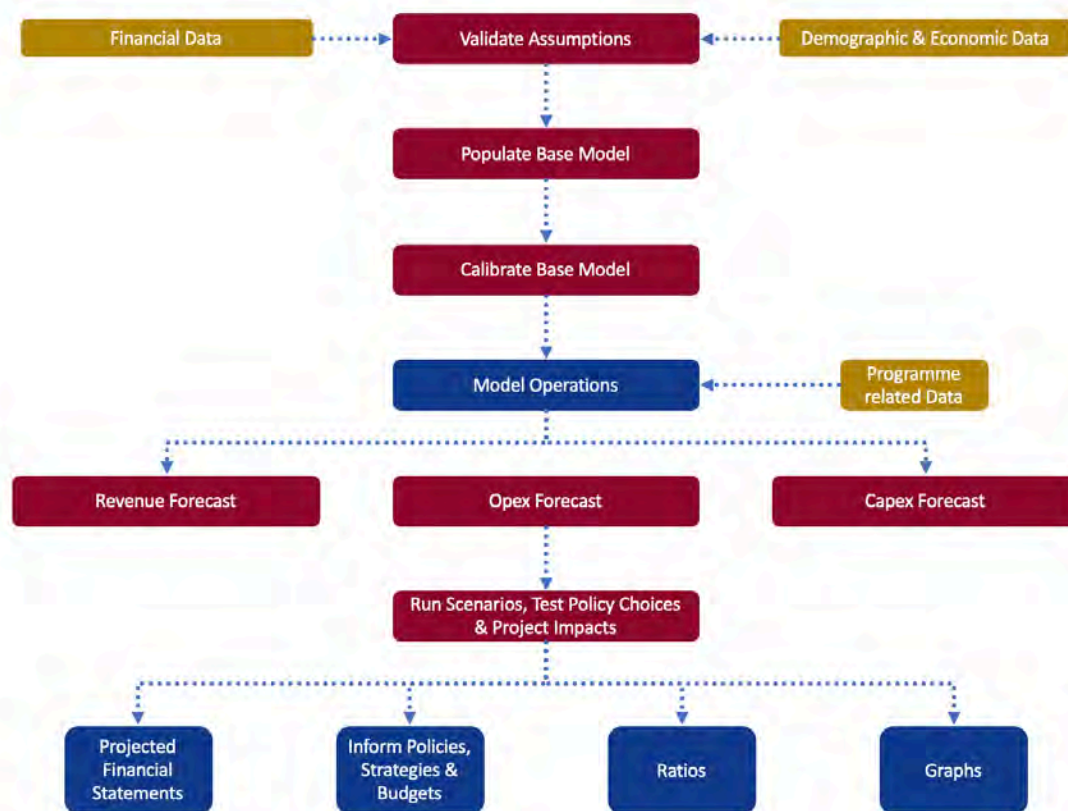
6.1.1 Financial Model High Level Outline

The long-term financial model used for this section of the Capital Expenditure Framework is populated with the latest information of Stellenbosch Local Municipality and is used to make a base case financial forecast. The figure below illustrates the outline of the model.

The model was adapted for the purpose of this update in that no large infrastructure projects have yet been assessed. Once the capital prioritisation exercise has been completed, we shall include

selected projects to determine the impact on the long-term financial position of the municipality. For now, the capital budget as presented in the MTREF¹⁰ was included and used to forecast an affordable future capex programme.

Figure 6-3: Financial model high level outline



6.1.2 Financial Model Detailed Elements

As a basis, the Long-Term Financial Model relies on the input of reliable data and reasonable assumptions. The data utilised and key assumptions in the model are mainly informed by an independent financial assessment, which entails:

- a historic demographic-, economic- and household infrastructure perspective, which was based on the latest available information as published in the latest Municipal Economic Review and Outlook (MERO);
- a historic financial analysis updated with the information captured in the municipality's draft annual financial statements of 30 June 2020;
- the 2019/20 to 2022/23 MTREF budget and associated worksheets data;
- the capital budget as presented in the 2021/2022 to 2023/2024 draft MTREF; and

¹⁰ MTREF 2021/2 – 2023/4 used was not approved at the time of preparing this report.

- information gathered from market research, National Treasury related circulars, other strategic documents of the municipality (including the IDP, master plans etc), from experience gained in the sector and other relevant sources.

The outcomes of the independent financial assessment and the key assumptions made are discussed in more detail below.

6.2 Updated Historic Financial Assessment

6.2.1 Financial Position

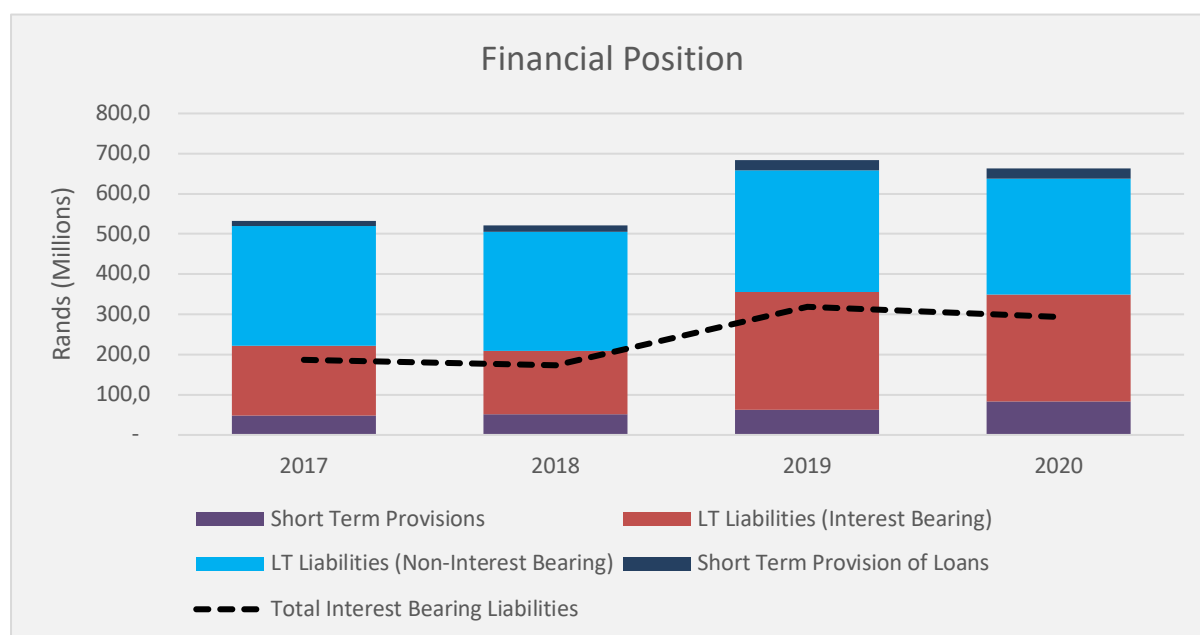
The financial position of Stellenbosch remained positive throughout the 4 years of assessment. As at 30 June 2020, Stellenbosch's balance sheet reflected a Total Asset position of R 6.4 billion, increasing from R 5.8 billion at the end of the 2017 financial year.

Stellenbosch's low gearing ratio of 17.7% and a positive debt coverage ratio (cash generated from operations/debt service) of 4.0 indicate that long-term interest-bearing liabilities levels are contained. Total interest-bearing liabilities were R 292.9 million at the end of 2020, decreasing from R 318.8 million in 2018/19.

Table 6-1: Interest Bearing vs Non-Interest-Bearing Liabilities R(m)

| | 2017
R(m) | 2018
R(m) | 2019
R(m) | 2020
R(m) |
|---------------------------------------|--------------|--------------|--------------|--------------|
| Short Term Provisions | 48,45 | 50,68 | 62,02 | 83,17 |
| LT Liabilities (Interest Bearing) | 173,30 | 158,80 | 292,93 | 266,18 |
| LT Liabilities (Non-Interest Bearing) | 298,39 | 296,64 | 303,53 | 287,83 |
| Short Term Portion of Loans | 13,08 | 14,50 | 25,87 | 26,75 |
| Total Interest-Bearing Liabilities | 186,39 | 173,30 | 318,80 | 292,93 |

Figure 6-4: Interest Bearing vs Non Interest-Bearing Liabilities



a. Current Liabilities

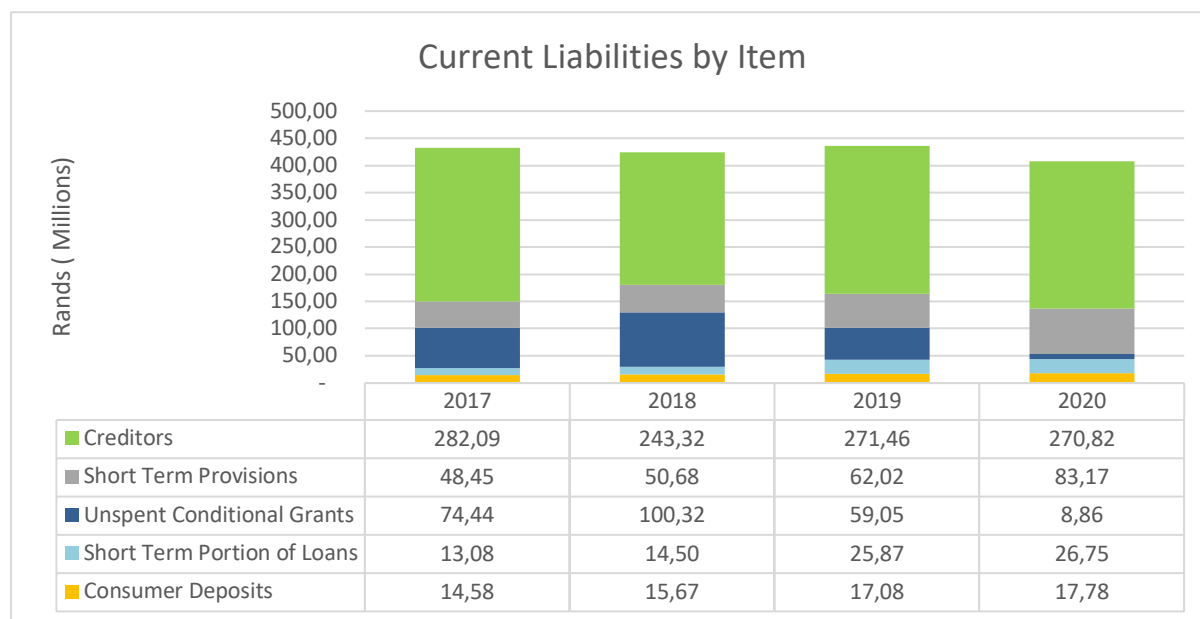
Current Liabilities decreased to R 407.4 million in 2020 from R435.5 million in 2019 (6% decrease). The decrease in unspent conditional grants of 85% (between 2016/17 and 2019/20) was the main contributing factor to the decrease in current liabilities.

Consumer deposits had increased at a consistent rate over the prior year (4%).

Table 6-2: Current Liabilities by Item R(m)

| | 2017
R(m) | 2018
R(m) | 2019
R(m) | 2020
R(m) |
|-----------------------------|--------------|--------------|--------------|--------------|
| Consumer Deposits | 14,58 | 15,67 | 17,08 | 17,78 |
| Short Term Portion of Loans | 13,08 | 14,50 | 25,87 | 26,75 |
| Unspent Conditional Grants | 74,44 | 100,32 | 59,05 | 8,86 |
| Short Term Provisions | 48,45 | 50,68 | 62,02 | 83,17 |
| Creditors | 282,09 | 243,32 | 271,46 | 270,82 |

Figure 6-5: Current Liabilities in Total



b. Current Assets

Current cash had decreased significantly from the prior year mainly due to the increase in capital expenditure of R612 million of which 50.8% came from own funding. In order to meet this capital funding requirement, the municipality had to reduce short term investments with R 91.5 million as well as cash with R 58.3 million.

The reduction in short term investments have been on a reducing trend since 2016/17 to 2019/20.

The decrease in consumer debtors between 2018/19 and 2019/20 of R 30.9 million relates to a significant decrease in the Electricity accrual from R67 million in 2018/19 to R13.5 million in 2019/20. The negative variance in the accrual is due to the cut-off for meter readings at the end of June. A further contributor to the decrease was bad debt written off during 2019/20 of R 123.2 million.

Table 6-3: Current Assets by Item

| | 2017
R(m) | 2018
R(m) | 2019
R(m) | 2020
R(m) |
|---------------------------------|--------------|--------------|--------------|--------------|
| Net Consumer Debtors | 233,34 | 228,44 | 213,47 | 182,55 |
| Other Debtors | 47,92 | 60,48 | 62,90 | 43,17 |
| Inventories | 40,57 | 41,69 | 64,56 | 64,07 |
| Short Term Investments | 575,42 | 505,62 | 398,16 | 306,64 |
| Current Cash | 46,32 | 20,68 | 169,49 | 111,20 |
| Total Cash and Cash Equivalents | 621,74 | 526,30 | 567,65 | 417,84 |

Figure 6-6: Current Assets by Item

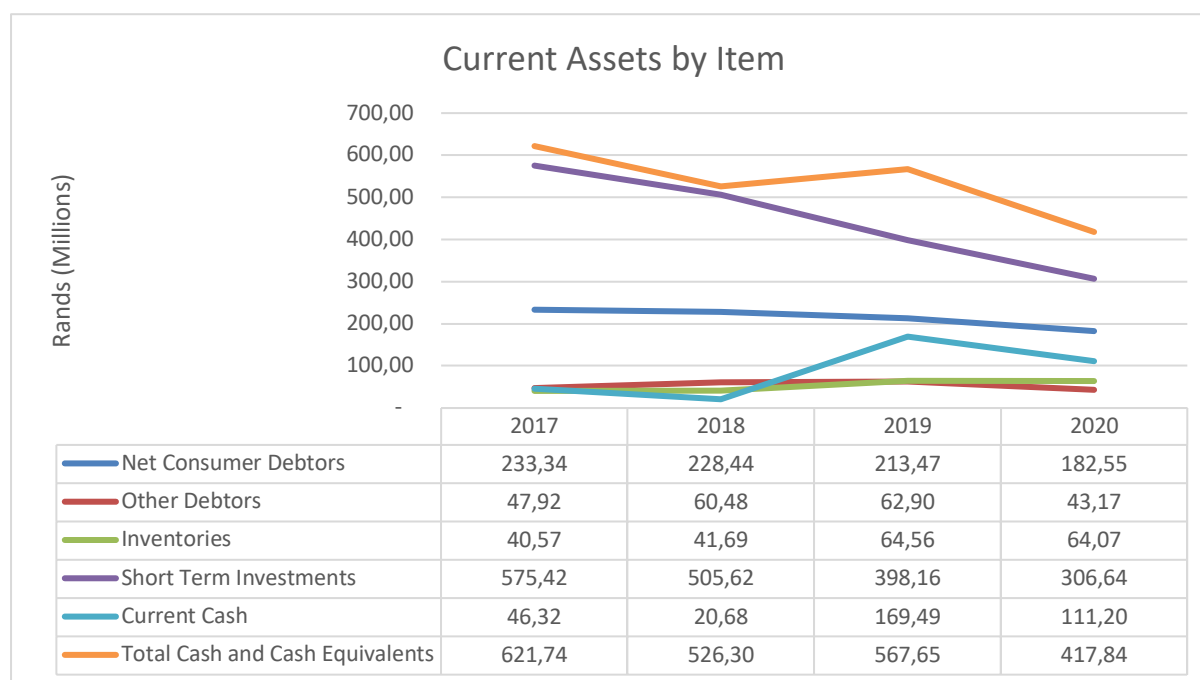
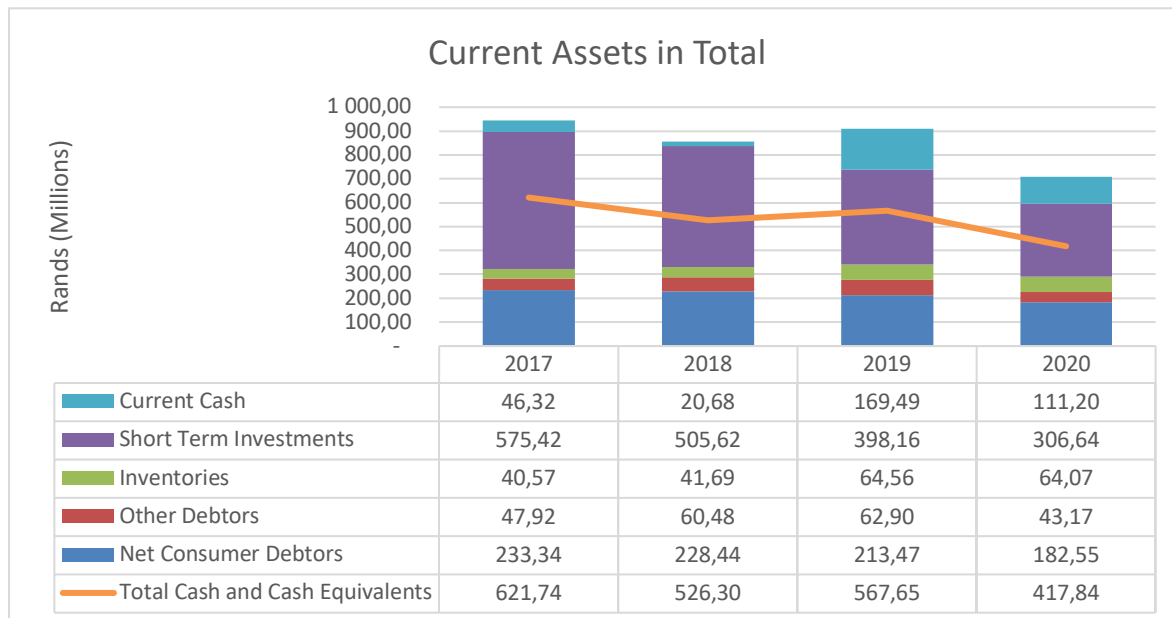


Table 6-4: Current Assets in Total

| | 2017
R(m) | 2018
R(m) | 2019
R(m) | 2020
R(m) |
|----------------------|--------------|--------------|--------------|--------------|
| Net Consumer Debtors | 233,34 | 228,44 | 213,47 | 182,55 |

| | | | | |
|---------------------------------|--------|--------|--------|--------|
| Other Debtors | 47,92 | 60,48 | 62,90 | 43,17 |
| Inventories | 40,57 | 41,69 | 64,56 | 64,07 |
| Short Term Investments | 575,42 | 505,62 | 398,16 | 306,64 |
| Current Cash | 46,32 | 20,68 | 169,49 | 111,20 |
| Total Cash and Cash Equivalents | 621,74 | 526,30 | 567,65 | 417,84 |

Figure 6-7: Current Assets in Total

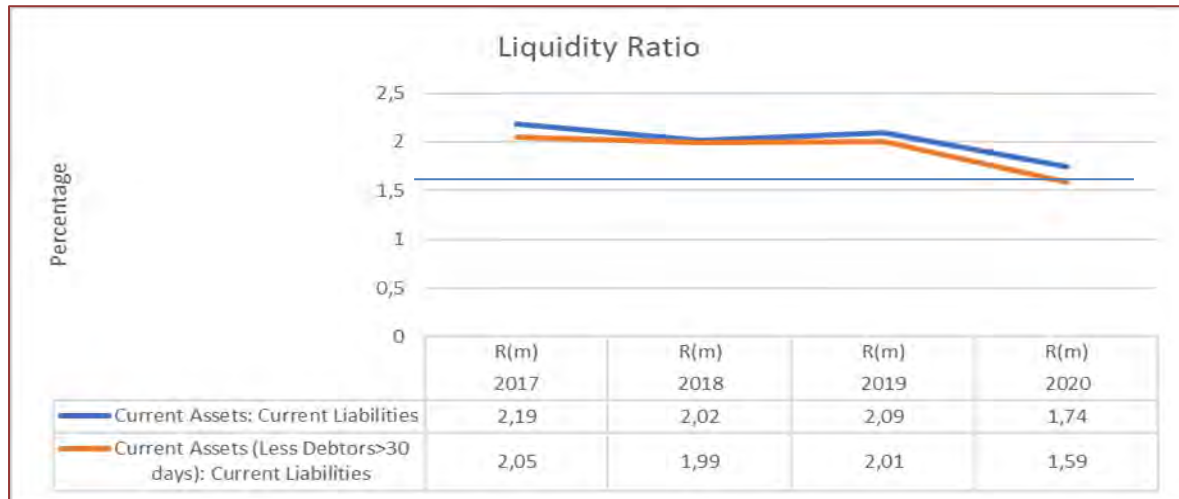


c. Liquidity Ratio

Although in a decline, the municipality remains in a healthy liquidity position of 1.74:1 as at the end of 2019/20 and is consistent with the 2018/19 trend. The liquidity position remains healthy at 1.59:1 when debtors older than 30 days are excluded.

Table 6-5: Liquidity Ratio (%)

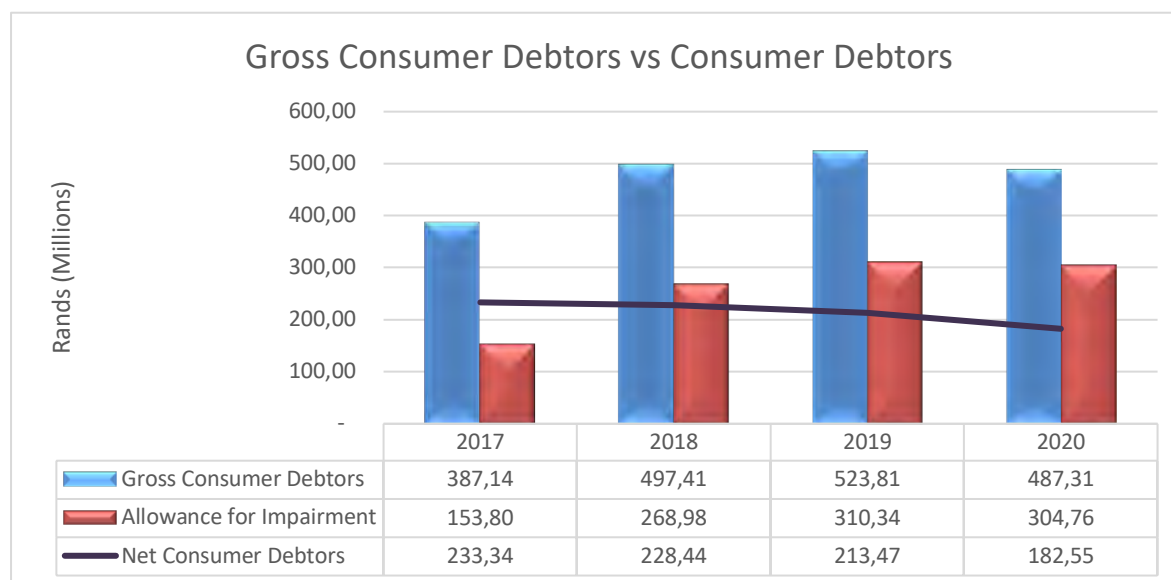
| | 2017
R(m) | 2018
R(m) | 2019
R(m) | 2020
R(m) |
|--|--------------|--------------|--------------|--------------|
| Current Assets: Current Liabilities | 2,19 | 2,02 | 2,09 | 1,74 |
| Current Assets (Less Debtors>30 days): Current Liabilities | 2,05 | 1,99 | 2,01 | 1,59 |

Figure 6-8: Liquidity Ratio

d. Net Consumer Debtors

Net Consumer Debtors decreased to R 182.5 million in 2019/20, due to bad debts written off during 2018/19 (R 105 million) and 2019/20 (R 123 million).

Figure 6-9: Gross Consumer Debtors vs. net Consumer Debtors

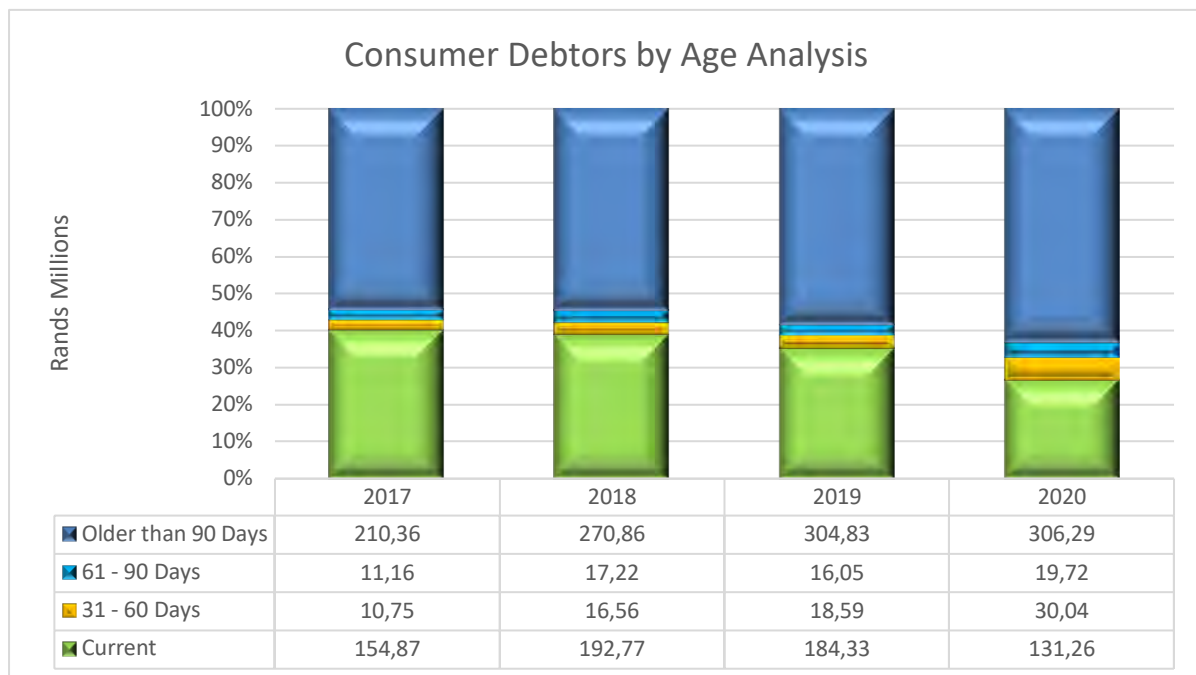


e. Debtors Age Profile

The Debtors Age Profile for the 2019/20 financial year indicates that 63% of Gross Consumer Debtors being older than 90 days. The provision does not sufficiently cover debtors older than 90 days as prescribed by National Treasury. Current debtors represent 27% of the debtor's book. It is anticipated that the reduction in economic activity due to the lockdown imposed as a result of the COVID-19 pandemic will have a severe negative impact on the Stellenbosch Municipal's economy and as a result a significant impact on the citizens ability to pay for services.

Table 6-6: Consumer Debtors by Age Analysis

| | 2017
R(m) | 2018
R(m) | 2019
R(m) | 2020
R(m) |
|--------------------|--------------|--------------|--------------|--------------|
| Current | 154,87 | 192,77 | 184,33 | 131,26 |
| 31 - 60 Days | 10,75 | 16,56 | 18,59 | 30,04 |
| 61 - 90 Days | 11,16 | 17,22 | 16,05 | 19,72 |
| Older than 90 Days | 210,36 | 270,86 | 304,83 | 306,29 |
| Total | 387,14 | 497,41 | 523,81 | 487,31 |

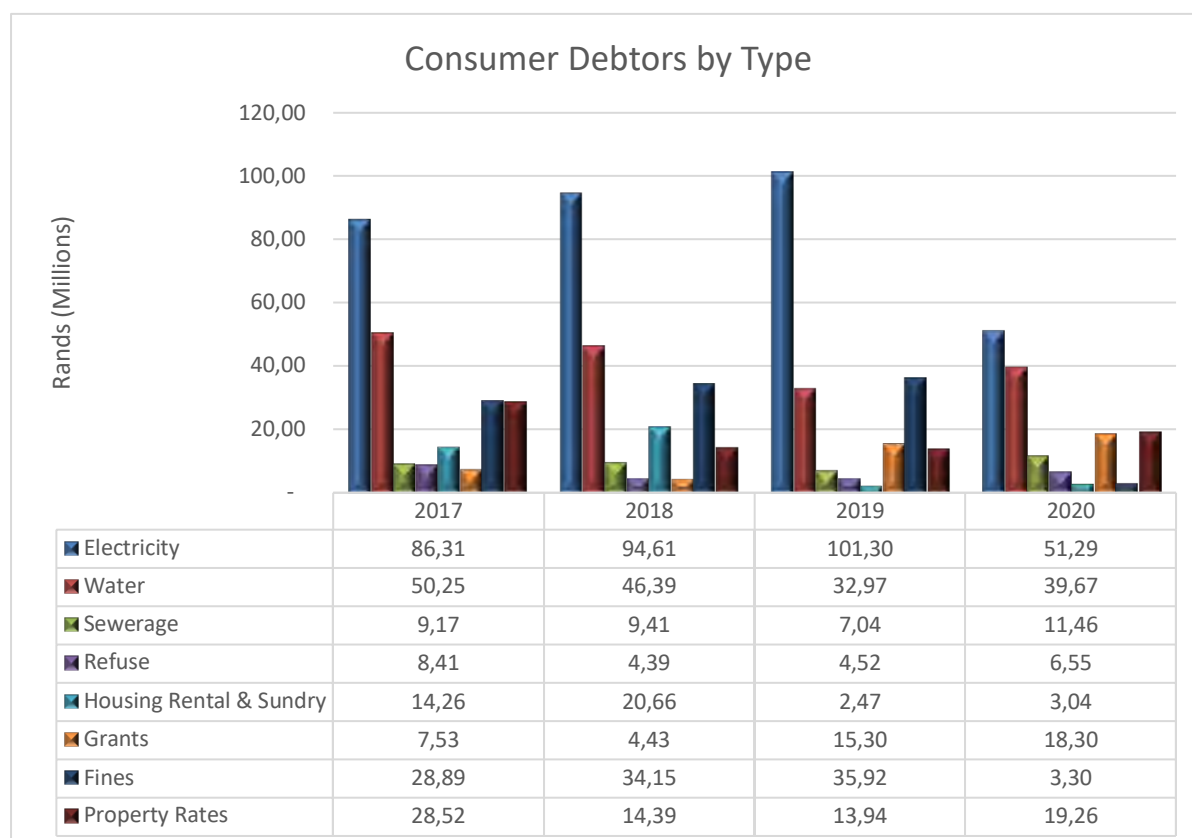
Figure 6-10: Consumer Debtors by Age Analysis

f. Consumer Debtors by type

Net consumer debtors have a declining trend from the 2016/17 financial year (R 233 million) to the 2019/20 financial year (R 183 million). Debtors relating to electricity are still the major contributor to debtors, as expected, with water and rates also significant contributors to the overall balance.

Table 6-7: Consumer Debtors by Type

| | 2017
R(m) | 2018
R(m) | 2019
R(m) | 2020
R(m) |
|-------------------------|--------------|--------------|--------------|--------------|
| Electricity | 86,31 | 94,61 | 101,30 | 51,29 |
| Water | 50,25 | 46,39 | 32,97 | 39,67 |
| Sewerage | 9,17 | 9,41 | 7,04 | 11,46 |
| Refuse | 8,41 | 4,39 | 4,52 | 6,55 |
| Housing Rental & Sundry | 14,26 | 20,66 | 2,47 | 3,04 |
| Grants | 7,53 | 4,43 | 15,30 | 18,30 |
| Fines | 28,89 | 34,15 | 35,92 | 3,30 |
| Property Rates | 28,52 | 14,39 | 13,94 | 19,26 |
| Total | 233,34 | 228,44 | 213,47 | 152,86 |

Figure 6-11: Consumer Debtors by Type

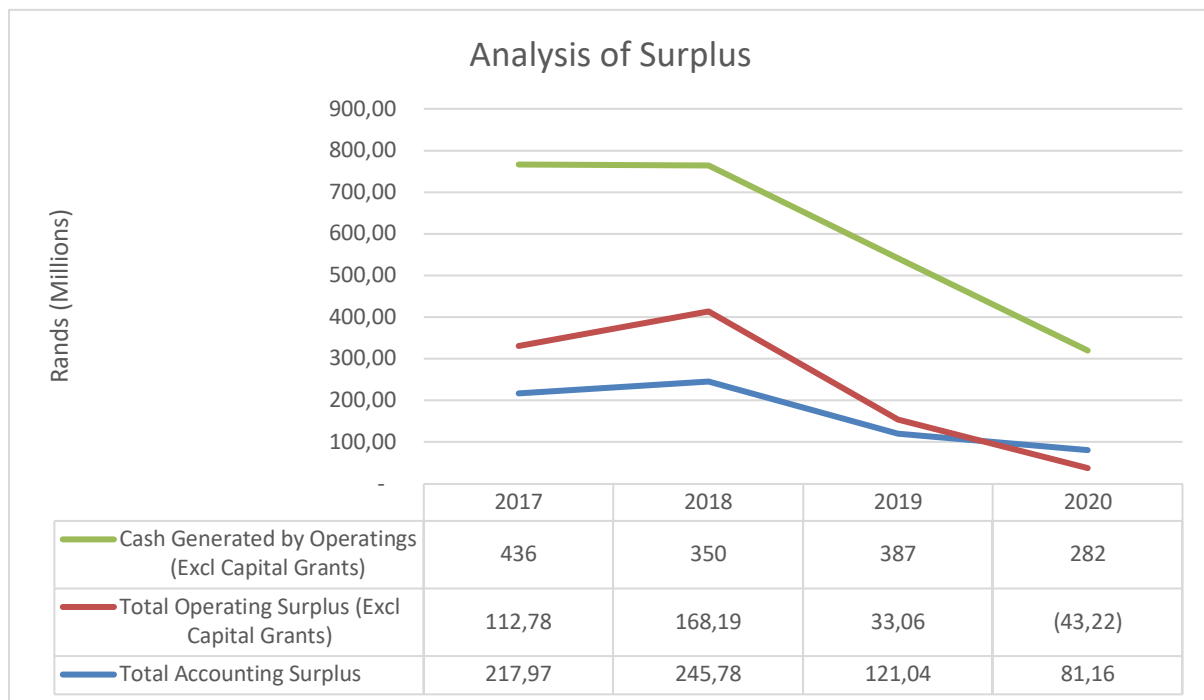
6.2.2 Financial Performance

Stellenbosch realised an Accounting Surplus of R 81.15 million in 2019/20, decreasing from R 121 million at the end of the 2018/19 financial year. The decrease in accounting surplus was mainly driven by an increase in total operating expenditure of R 153 million (9%), above the R113 million (6%) increase in total income.

When capital grants are excluded from total income, the operating surplus is eroded and an operating loss of R43.20 million is reflected in the 2019/20 financial year.

Table 6-8: Analysis of Surplus

| | 2017
R(m) | 2018
R(m) | 2019
R(m) | 2020
R(m) |
|---|--------------|--------------|--------------|--------------|
| Total Accounting Surplus | 217,97 | 245,78 | 121,04 | 81,16 |
| Total Operating Surplus (Excl. Capital Grants) | - 105,18 | - 77,59 | - 87,98 | - 124,37 |
| Cash Generated by Operations (Excl. Capital Grants) | 436 | 350 | 387 | 282 |

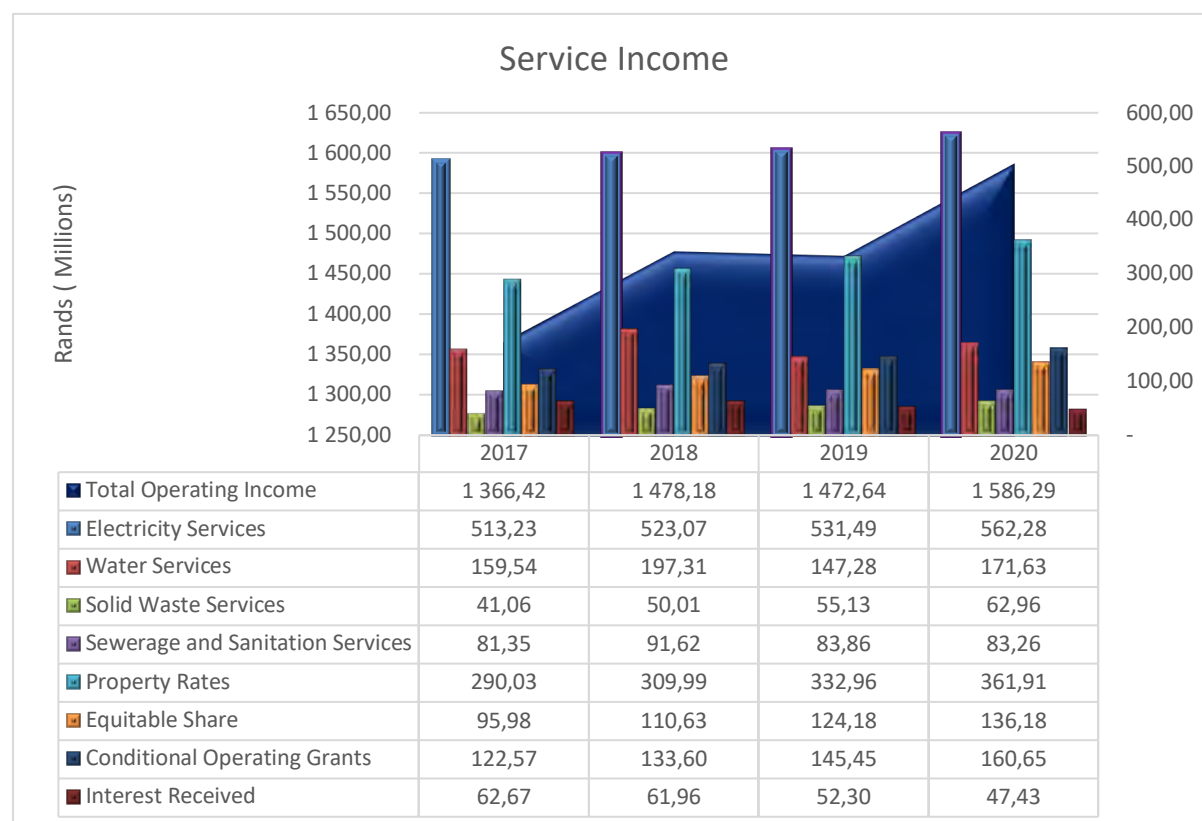
Figure 6-12: Analysis of Surplus

The Municipality experienced above inflation revenue growth for the 2019/20 year of 7.7%. Income from Electricity Services and Property Rates remained the biggest drivers of Total Operating Income, with a combined contribution of 58%. Income from Water Services (11%) and Equitable Share (9%) are also key contributors.

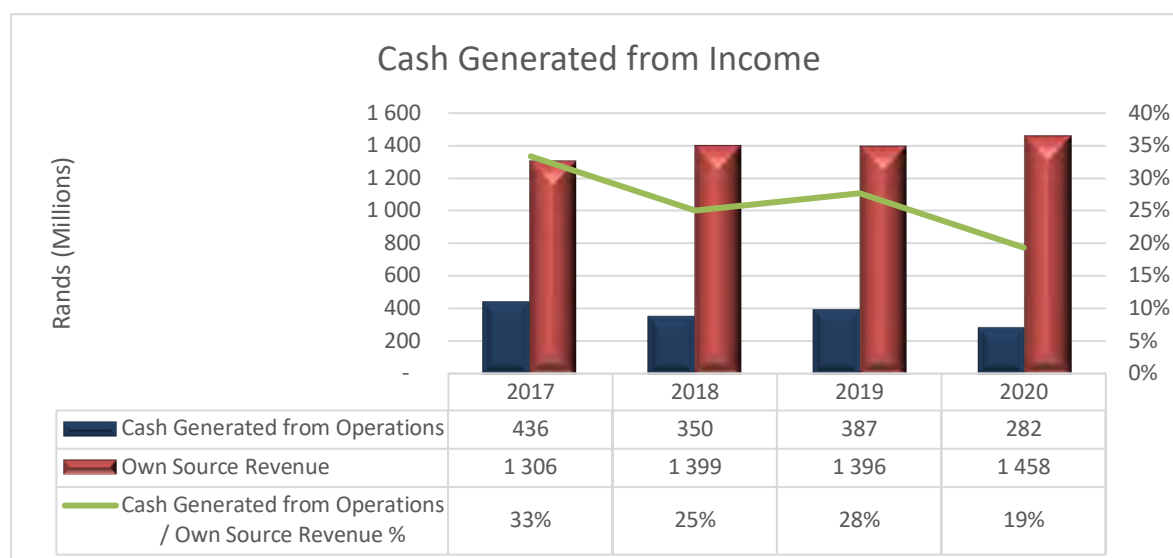
Water services revenue increased by 16.5% from the prior year due to the lifting of the water restrictions.

Table 6-9: Contribution per Income Source

| | 2017
R(m) | 2018
R(m) | 2019
R(m) | 2020
R(m) |
|----------------------------------|--------------|--------------|--------------|--------------|
| Electricity Services | 513,23 | 523,07 | 531,49 | 562,28 |
| Water Services | 159,54 | 197,31 | 147,28 | 171,63 |
| Solid Waste Services | 41,06 | 50,01 | 55,13 | 62,96 |
| Sewerage and Sanitation Services | 81,35 | 91,62 | 83,86 | 83,26 |
| Property Rates | 290,03 | 309,99 | 332,96 | 361,91 |
| Equitable Share | 95,98 | 110,63 | 124,18 | 136,18 |
| Conditional Operating Grants | 122,57 | 133,60 | 145,45 | 160,65 |
| Interest Received | 62,67 | 61,96 | 52,30 | 47,43 |
| Total Operating Income | 1 366,42 | 1 478,18 | 1 472,64 | 1 586,29 |

Figure 6-13: Contribution per Income source**Table 6-10: Cash Generated from Income**

| | 2017
R(m) | 2018
R(m) | 2019
R(m) | 2020
R(m) |
|---|--------------|--------------|--------------|--------------|
| Cash Generated from Operations | 436 | 350 | 387 | 282 |
| Own Source Revenue | 1 306 | 1 399 | 1 396 | 1 458 |
| Cash Generated from Operations / Own Source Revenue % | 33% | 25% | 28% | 19% |

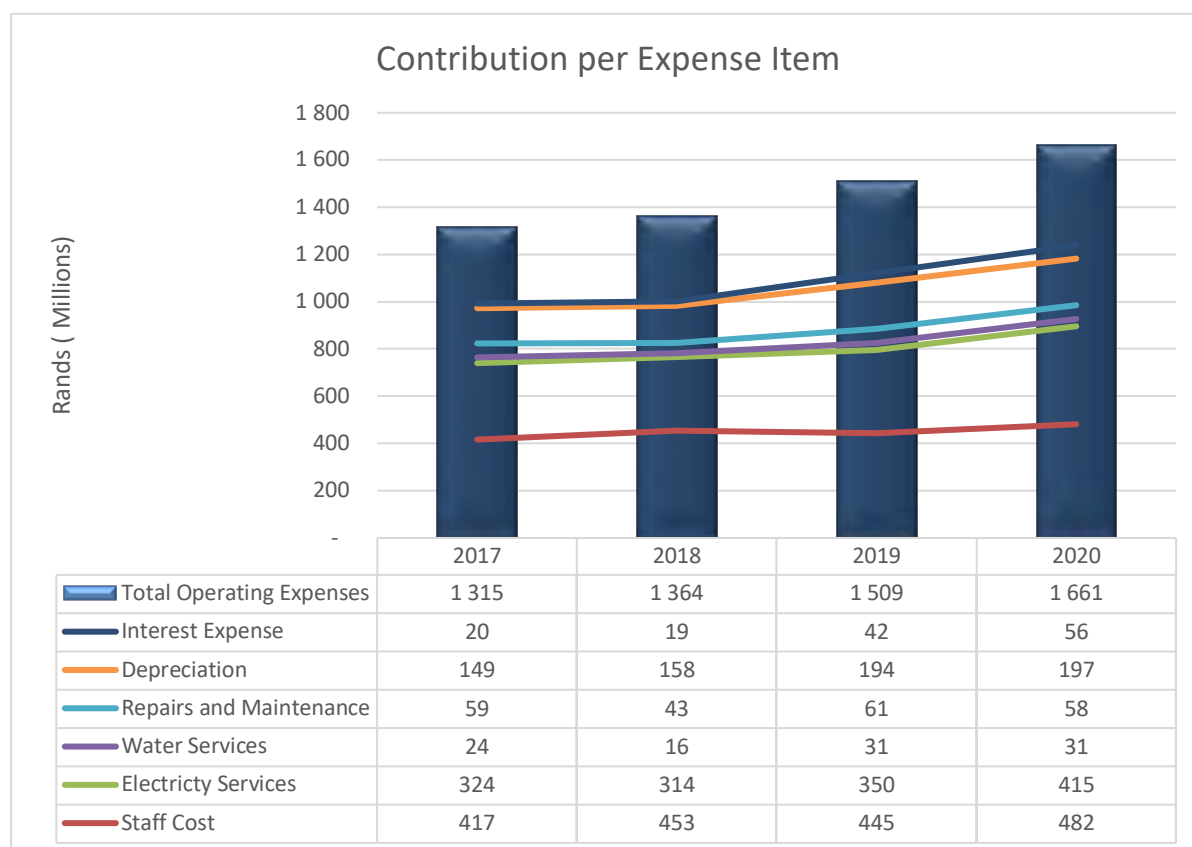
Figure 6-14: Cash Generated from Operations / Own Source Revenue

Staff Costs, Electricity Bulk Purchases and Depreciation represent 66% of Total Operating Expenses. The annual increases in staff costs were in line with inflation, with an average increase of 5% in the past 3 years.

Electricity Services, represents the second largest expense after staff costs. Over the short term, expected steep increases in bulk electricity prices may narrow historic margins, lead to increased electricity theft and cause both businesses and higher income households to consider alternative energy sources. This will further reduce electricity sales. The increase in Water Services from the 2017/18 to the 2018/19 financial year of R 14.5 million was as a result of the lifting of water restrictions post the drought experienced in the Western Cape. Water services remained consistent from 2018/19 to 2019/20 with only a 1% increase.

Table 6-11: Contribution per Expense Item

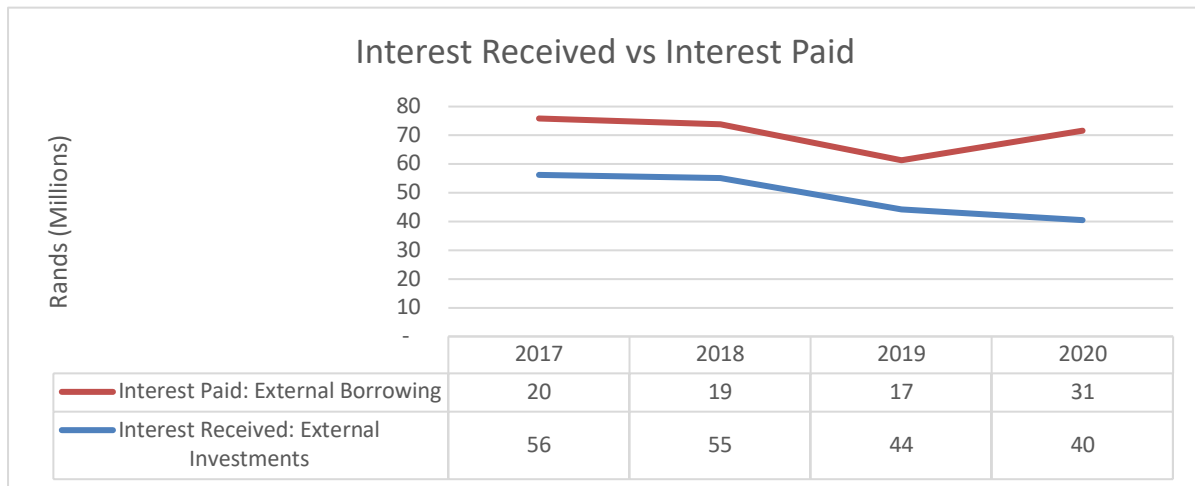
| | 2017
R(m) | 2018
R(m) | 2019
R(m) | 2020
R(m) |
|--------------------------|--------------|--------------|--------------|--------------|
| Total Operating Expenses | 1 315 | 1 364 | 1 509 | 1 661 |
| Staff Cost | 417 | 453 | 445 | 482 |
| Electricity Services | 324 | 314 | 350 | 415 |
| Water Services | 24 | 16 | 31 | 31 |
| Repairs and Maintenance | 59 | 43 | 61 | 58 |
| Depreciation | 149 | 158 | 194 | 197 |
| Interest Expense | 20 | 19 | 42 | 56 |

Figure 6-15: Contribution per Expense Item

Interest received from external investments exceeded interest paid on external borrowings throughout the assessment period, resulting in R 9.4 million net interest inflow during the 2019/20 financial year. The decrease in interest received from the 2018/19 to the 2019/20 financial year was due to a decrease in Short-term Investments. The increase of 82% interest paid indicates that there is an increase in utilisation of external borrowings.

Table 6-12: Interest Received vs Interest Paid

| | 2017
R(m) | 2018
R(m) | 2019
R(m) | 2020
R(m) |
|---|--------------|--------------|--------------|--------------|
| Interest Received: External Investments | 56 | 55 | 44 | 40 |
| Interest Paid: External Borrowing | 20 | 19 | 17 | 31 |

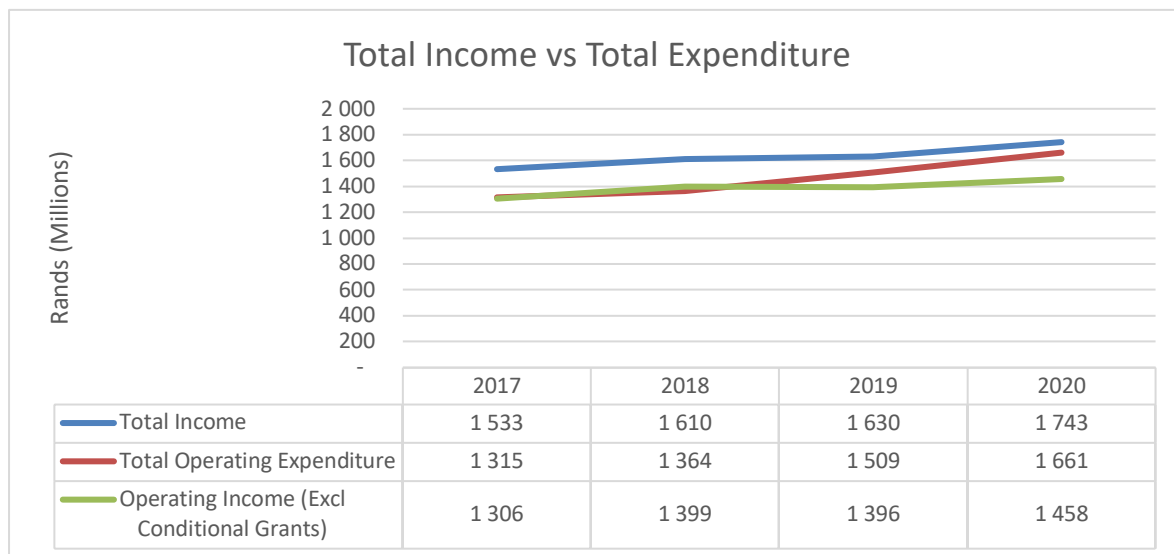
Figure 6-16: Interest Received vs Interest Paid

Stellenbosch Local Municipality has recorded steady growth in both total income and total expenditure over the 4-year period under review. Total operating income increased to R 1.74 billion against a total operating expenditure of R 1.66 billion.

The gap between total income and total operating expenditure has notably decreased since 2017/18, resulting in income to somewhat stagnate and operating expenditure increased.

Table 6-13: Total Income vs Total Expenditure

| | 2017
R(m) | 2018
R(m) | 2019
R(m) | 2020
R(m) |
|---|--------------|--------------|--------------|--------------|
| Total Income | 1 533 | 1 610 | 1 630 | 1 743 |
| Total Operating Expenditure | 1 315 | 1 364 | 1 509 | 1 661 |
| Operating Income (Excluding Conditional Grants) | 1 306 | 1 399 | 1 396 | 1 458 |

Figure 6-17: Total Income vs Total Expenditure**Table 6-14: Contribution per Key Income Source (Rm)**

| | 2017
R(m) | 2018
R(m) | 2019
R(m) | 2020
R(m) |
|----------------------------------|--------------|--------------|--------------|--------------|
| Electricity Services | 38% | 35% | 36% | 35% |
| Water Services | 12% | 13% | 10% | 11% |
| Solid Waste Services | 3% | 3% | 4% | 4% |
| Sewerage and Sanitation Services | 6% | 6% | 6% | 5% |
| Property Rates | 21% | 21% | 23% | 23% |
| Equitable Share | 7% | 7% | 8% | 9% |
| Conditional Operating Grants | 9% | 9% | 10% | 10% |
| Interest Received | 5% | 4% | 4% | 3% |

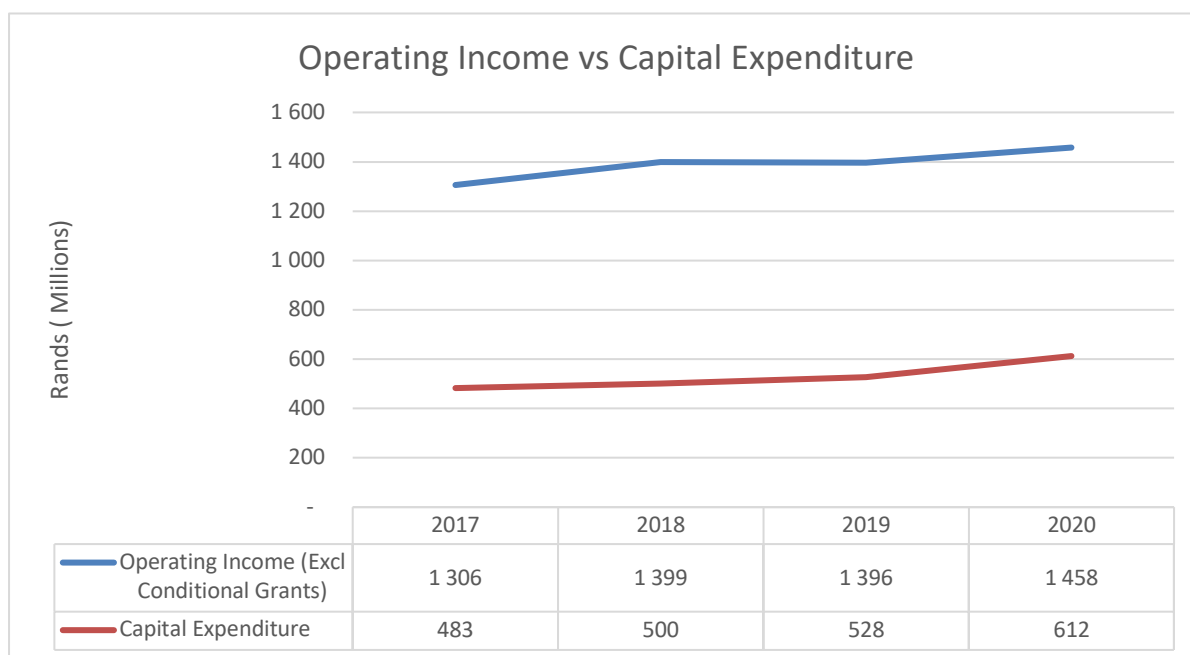
Table 6-15: Contribution per Key Expenditure Item (Rm)

| | 2017
R(m) | 2018
R(m) | 2019
R(m) | 2020
R(m) |
|-------------------------|--------------|--------------|--------------|--------------|
| Staff Cost | 32% | 33% | 29% | 29% |
| Electricity Services | 25% | 23% | 23% | 25% |
| Water Services | 2% | 1% | 2% | 2% |
| Repairs and Maintenance | 4% | 3% | 4% | 4% |
| Depreciation | 11% | 12% | 13% | 12% |
| Interest Expense | 1% | 1% | 3% | 3% |

6.2.3 Cash Flow and Capital Expenditure

The financial performance from the prior years allows the municipality to remain in a strong position to maintain and increase capital expenditure with a timeous investment in capital asset replacement.

Total capital expenditure has been increasing from 2016/17 throughout 2019/20. However, total operating income had been increasing by a greater marginal increase than capital expenditure, hence showing stability in the Capital Funding Mix. The Capital Funding Mix of Stellenbosch, in previous periods has been reliant on the municipality's own Cash Reserves. Noteworthy is that external borrowings have been utilised in the period of review.

Figure 6-18: Total Operating Income vs Capital Expenditure**Table 6-16: Annual Capital Funding Mix**

| | 2017
R(m) | 2018
R(m) | 2019
R(m) | 2020
R(m) |
|--|--------------|--------------|--------------|--------------|
|--|--------------|--------------|--------------|--------------|

| | | | | |
|----------------------------------|-----|-----|-----|-----|
| Government transfers recognised | 118 | 93 | 92 | 144 |
| Public contributions & donations | 13 | 8 | – | |
| Cash/Internal Funds | 351 | 40 | 276 | 311 |
| External Borrowing | – | – | 160 | 157 |
| Capital Budget Data | 483 | 500 | 528 | 612 |

Figure 6-19: Annual Capital Funding Mix

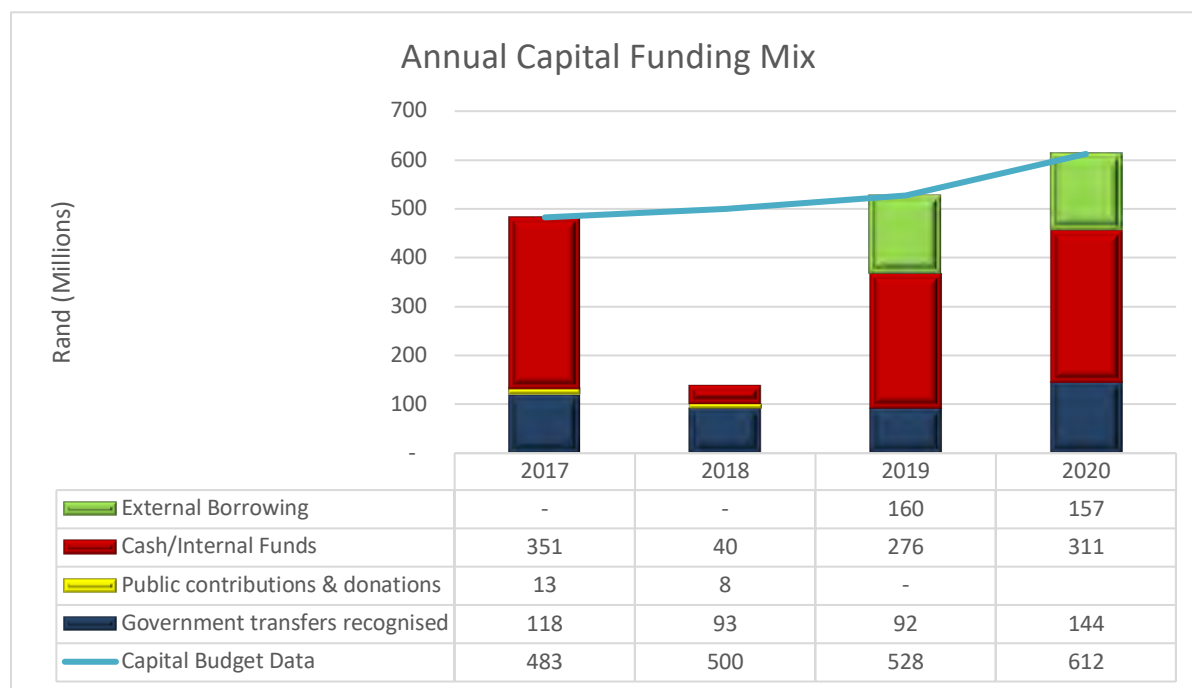
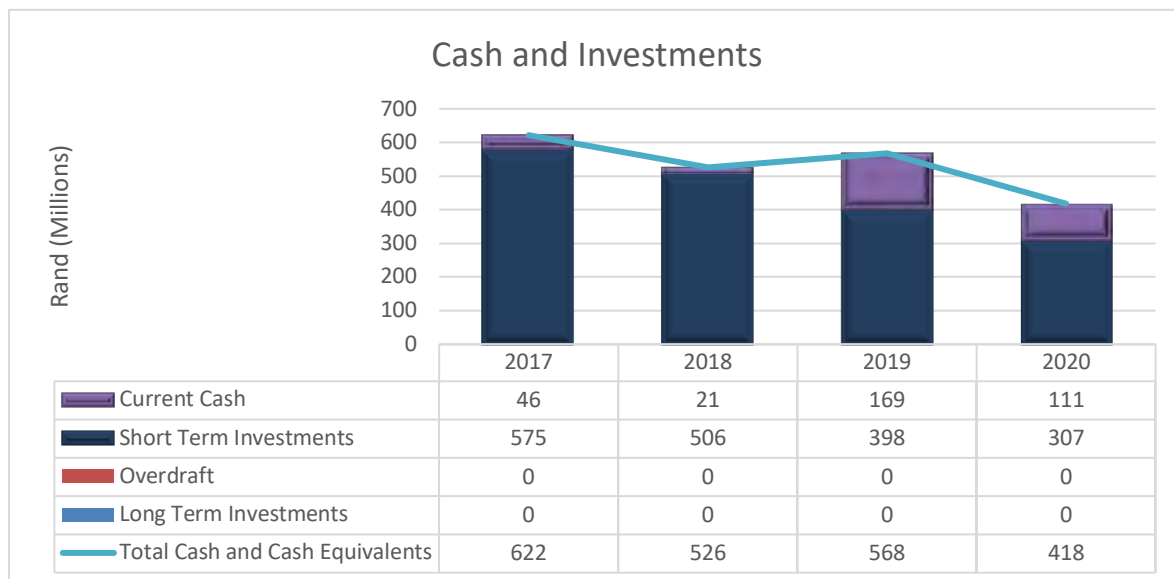
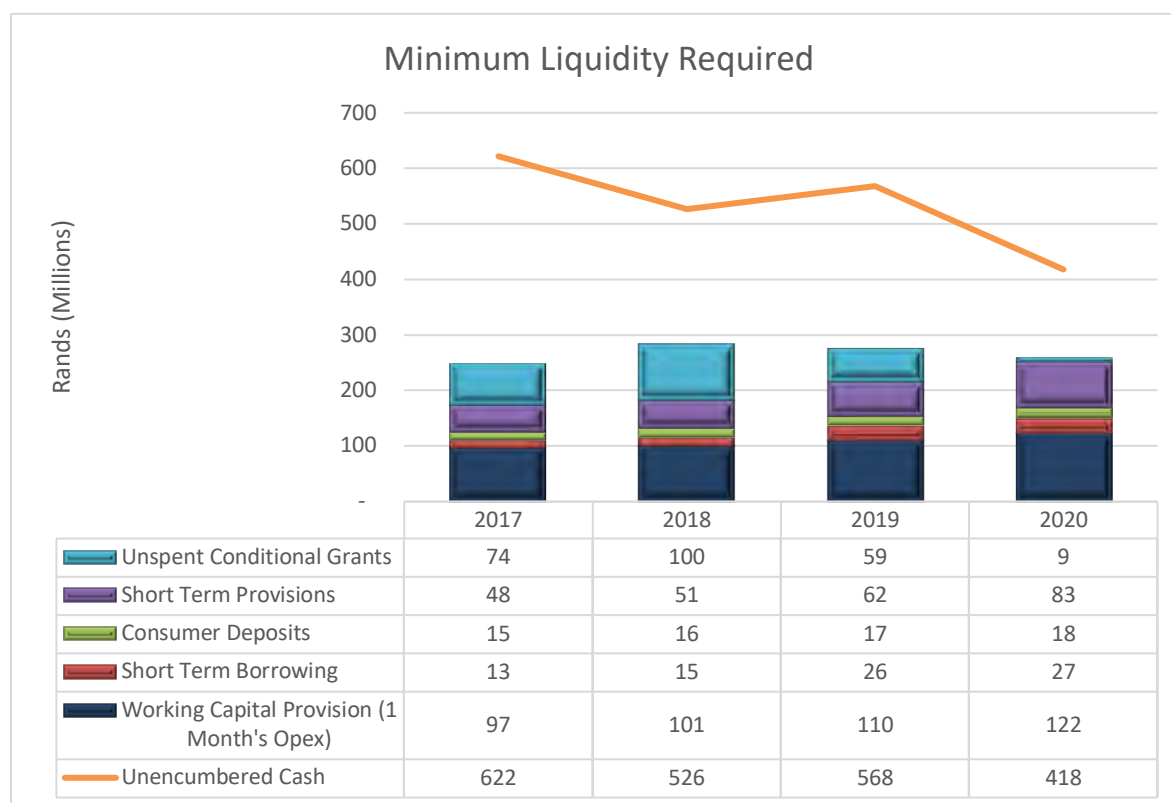


Table 6-17: Cash and Investments

| | 2017
R(m) | 2018
R(m) | 2019
R(m) | 2020
R(m) |
|---------------------------------|--------------|--------------|--------------|--------------|
| Long Term Investments | 0 | 0 | 0 | 0 |
| Overdraft | 0 | 0 | 0 | 0 |
| Short Term Investments | 575 | 506 | 398 | 307 |
| Current Cash | 46 | 21 | 169 | 111 |
| Total Cash and Cash Equivalents | 622 | 526 | 568 | 418 |

Figure 6-20: Cash and Investments**Table 6-18: Minimum Liquidity Required**

| | 2017
R(m) | 2018
R(m) | 2019
R(m) | 2020
R(m) |
|--|--------------|--------------|--------------|--------------|
| Working Capital Provision (1 Month's Opex) | 97 | 101 | 110 | 122 |
| Short Term Borrowing | 13 | 15 | 26 | 27 |
| Consumer Deposits | 15 | 16 | 17 | 18 |
| Short Term Provisions | 48 | 51 | 62 | 83 |
| Unspent Conditional Grants | 74 | 100 | 59 | 9 |
| Unencumbered Cash | 622 | 526 | 568 | 418 |

Figure 6-21: Minimum Liquidity Required

Total cash and cash equivalents decreased from R 621.7 million in 2017 to R 417.8 million in 2020. This level of cash insufficiently covers the minimum liquidity requirements which includes Short Term Provisions of R 83.2 million, Unspent Conditional Grants and Receipts of R 8.8 million, Cash-backed reserves of R 259.6 million and Working capital provision (including one month's operational expenditure) of R 112.2 million. The cash shortfall was R (46.04) million at the end of the 2020 financial year, decreased from the highest level of R 224.5 million in 2017.

The cash coverage ratio (including working capital) remained positive at 3.4 as at the end of the 2020 financial year.

Table 6-19: Minimum Liquidity Requirements

| | 2017
R(m) | 2018
R(m) | 2019
R(m) | 2020
R(m) |
|---|--------------|---------------|---------------|--------------|
| Unspent Conditional Grants | 74.4 | 100.3 | 59.05 | 8.8 |
| Short Term Provisions | 48.5 | 50.7 | 62.02 | 83.2 |
| Funds, Reserves & Trust Funds (Cash Backed) | 184.4 | 126.02 | 170.4 | 259.6 |
| Total | 307.3 | 277.02 | 291.47 | 351.6 |
| Uncommitted Cash | 621.7 | 526.3 | 567.7 | 417.8 |
| Cash Coverage Ratio (excl. Working Capital) | 4.7 | 4.7 | 5.2 | 3.6 |
| Working Capital Provision (1 Month's Opex) | 90.01 | 89.9 | 98.5 | 112.2 |
| Cash Coverage Ratio (incl. Working Capital) | 4.3 | 4.3 | 4.8 | 3.4 |
| Minimum Liquidity Required | 397.2 | 366.8 | 389.9 | 463.8 |
| Cash Surplus/(Shortfall) | 224.5 | 159.4 | 177.7 | (46.04) |

6.3 Outcome of the Independent Financial Assessment

6.3.1 Statement of financial position assumptions

The following assumptions have been made to arrive at the parameters used to forecast beyond the Medium-Term Revenue and Expenditure Framework (MTREF):

- The payment ratio for property rates, service charges and other debtors has been set at 95% for the period 2020/21 to 2029/31. This will only be achieved if a concerted effort is made to collect all collectible outstanding debtors and the debtor database is cleansed to ensure that all data is verified and correct. Stellenbosch Local Municipality (SLM) needs to collect debtors far more efficiently and effectively with information that is accurate and current and by so doing increase revenue levels to allow for increased borrowing, capital investment and infrastructure management. Going forward all future operating budgets should provide for the correct amount for debt impairment.
- The creditor payment period has been set at 30 days, which is in terms of the Municipal Finance Management Act (MFMA), Section 65(2)(e) which states that creditors should be paid within 30 days of receiving the relevant invoice or statement.
- Depreciation of assets has been set at 5% of the total of Property, Plant and Equipment (PPE) for the period 2020/21 to 2029/31. This has been set slightly higher than the trend up to 2019/20.

6.3.2 Statement of financial performance assumptions

The following assumptions have been made to arrive at the parameters used to forecast beyond the Medium-Term Revenue and Expenditure Framework (MTREF):

- CPIX of 3.3% for the year 2020/21, 3.9% for 2021/22, 4.2% for 2022/23 and 4.4% for 2023/24 to 2029/31. The base being as per National Treasury, MFMA Circular No. 99, Municipal Budget Circular for the 2020/21 MTREF.
- Employee costs have been escalated by 3.3% for the years 2020/21, 3.9% for 2021/22, 4.2% for 2022/23 and 4.4% for the period 2023/24 to 2029/31. This assumption however could change depending on agreements made at the South African Local Government Bargaining municipality.
- Bulk purchases have been escalated by 9.5% for 2020/21, 6.4% for the period 2021/22, 6.6% for 2022/23 and 4.4% for the period 2023/24 to 2029/31.
- Repairs and maintenance have been escalated in line with CPIX, as indicated above, for the years 2020/21 to 2029/31.
- Property rates have been escalated by 10.1% for the year 2020/21 and 6.5% for the years 2021/22 to 2022/23 and 4.4% from 2023/24 to 2029/31.
- Service charges have been escalated by 5.0% for the year 2020/21, 6.6% for 2021/22, 7.3% for 2022/23 and 4.4% for the years 2023/24 to 2029/31, with the latter years being in line with the CPIX assumptions.
- In respect of rates and service charges the household growth has been estimated to increase by 1.8% per year for the period 2020/21 to 2029/31.
- Economic growth is predicted to be 0.5% for 2020/21, 0.6% for 2021/22, 0.7% for 2022/23, 0.8% for 2023/24, 0.9% for 2024/25 and 1.0% for the years 2025/26 to 2029/31.

6.3.3 Capital budget and assumptions

The following assumptions have been made to arrive at the parameters used to forecast beyond the Medium-Term Revenue and Expenditure Framework (MTREF):

- The capital budget has been decreased from R 460.6 mil in 2020/21 to R423.4 mil in 2029/31 a decrease of 9% over the projected period.
- The financing mix for the period 2020/21 to 2022/23 was set inline with MTREF and 2023/24 to 2029/31 is in the region of 23.0% Government Grants, 40% Own Funding and 37% External Borrowings.

6.4 Impact of assumptions and recommendations

The following key findings are based on a review of the audited financial statements for the 2017/18 and 2018/19 financial years, unaudited financial statements for 2019/20, budget for 2020/21 and the projections from 2021/22 to 2029/31, using the assumptions in Section 6.4.1 above. The results are reflected in the tables set out in Annexures A to D below which projects the long-term financial strategy from the 2020/21 to the 2029/31 financial years. The analysis is done using the Ratios and Norms as set out in National Treasury MFMA Circular No. 71.

Capital expenditure is projected to decrease from 24.6% of total expenditure in 2018/19 to 12.2% in 2029/31. The norm in terms of Circular 71 is 10 to 20%, so SLM with the reduction of capital expenditure falls into the range of the norm in the period 2020/21 through to 2029/31. The mix of the financing of capital expenditure from 2020/21 to 2029/31 is sound with a good mix between own funding, borrowings and grants.

Repairs and maintenance actual expenditure for the period 2017/18 to 2019/20 was in the region of 1.0% of total assets, while the norm is 8%. In the projected long-term financial strategy from 2020/21 to 2029/31 the ratio increases from 1.6% to 2.0%. It is necessary to make additional cash available to be allocated to repairs and maintenance. If further cash is not found to undertake repairs and maintenance the services to the communities could deteriorate, which will result in the non-payment of debtors and/ or protests. The planned spend on repairs and maintenance needs to be monitored to ensure assets are kept in a sound condition to ensure efficient and effective services are provided to the citizens of SLM.

Debtor management and the collection rate of debtors in 2017/18 was 96.8% and this decreased to 93.5% in 2019/20 while the norm is 95%. A collection rate of 95% was used for the purpose of the long-term financial strategy. This is the most important initiative to sustain the positive cash flow of SLM, as if the debtors are not collected there will be less cash to undertake the delivery of an efficient and effective service to the communities of SLM. Revenue collection strategies will need to be maintained to achieve the projected payment ratio slightly above the norm for the period from 2020/21 to 2029/31 (ranging between 95.1% and 95.2%).

Cash to cost coverage for the period 2020/21 to 2029/31 fluctuates between 1.8 and 5.1 months and generally is in an upward trend. The good positive cash flow experienced in the past needs to be maintained to achieve the projected cash to cost coverage ratios mentioned above.

Liability management ratios which relate to interest and redemption payments and total borrowings are below the norms, however the Capital Cost ratio remains low due to the low gearing but increase throughout the 10 year forecast period to 7.1% which is within the norm. SLM with its projected capital budget which will decrease over the projected period is on the right track to getting the total

borrowings ratio within the norm of 45% by 2029/31. Capital expenditure however should be carefully considered and be in line with the Integrated Development Plan (IDP). Where possible capital expenditure should be channeled towards revenue generating infrastructure and PPE. The assumption as regards projected new borrows is an interest rate of 9.7% over a period of 10 years.

Electricity distribution losses is set at 8% from 2020/21 to 2029/31 and are within the norm of 7 to 10%. Water distribution losses were set at 23% in line with the previous trend and within the norm of 15-30%. SLM should continue maintaining its infrastructure as they have in the past to ensure they achieve the projected figures. However, the repairs and maintenance budgeted figures which are below the norm could impact negatively on the distribution loss projected figures if the required maintenance is not carried out to the electricity and water infrastructure.

Creditors' payment period is set at 30 days during the period 2020/21 to 2029/31. This is inline with the MFMA, Section 65(2)(e) which states that creditors should be paid within 30 days of receiving the relevant invoice or statement. The historical creditors' payment ratio was above the 30 days norm. We reduced short term investments to fund the cash flow required to bring the creditors' payment ratio back to the 30 days norm. Provision should be made in future budgets or surplus funds should be utilised to provide funds to make sure all creditors are paid within 30 days. This is more than likely due to the accrual of creditors at the end of the financial year. However, where at all possible creditors should be paid within 30 days in compliance with the MFMA.

Irregular expenditure is high and has an increasing trend as per the below table. There were no Fruitless and Wasteful and Unauthorised expenditure recorded.

Table 5: Irregular, Fruitless and Wasteful and Unauthorised Expenditure

| Year | Irregular Expenditure
R. | Fruitless and Wasteful
Expenditure
R. | Unauthorised Expenditure
Balance
R. |
|---------|-----------------------------|---|---|
| 2017/18 | R 34 736 802 | - | - |
| 2018/19 | R 39 223 925 | - | - |
| 2019/20 | R 63 548 476 | - | - |

These numbers should be reduced to ensure there are funds available for the provision of services to the communities serviced by SLM.

Contracted services fluctuate from 12.9% in 2020/21 to 11.9% in 2029/31 and this is well above the norm of 2 to 5%. All contracts should be scrutinised to ascertain whether the service is required and if so whether SLM is getting value for money or if the service could be done by SLM staff. If it is established that the contracted service is not required, the contract should be terminated.

Staff remuneration is within the norm of 25 to 40% of total operating expenditure and was 30.1% in 2019/20. The projections show that for the 10-year period, it stays within the norm fluctuating between 31.6% to 32.6%. However, this should be considered along with contracted services. The organogram should be assessed to evaluate whether all the posts are relevant or new posts should be added to ensure SLM has the human resources to provide efficient and effective services to its communities.

As regards grant dependency for both the capital and operating budgets SLM is not overly dependent on grants with the capital budget being in the region of 73.9% to 76.8% own funded while the operating budget is own funded in the 85.2% to 86.9% region.

The budget implementation indicators for both capital and operating budgets for the period 2017/18 to 2019/20 are all above 85% which is a good indicator even though the norm is 95 to 100%. However, the budget implementation indicators for the electricity, water, refuse, sanitation and waste water

show high percentages for the surpluses for these services. This is due to all expenditure not being matched to the revenue which is easily identifiable. Going forward and with the introduction of mSCOA this anomaly should be rectified.

The SLM has for the years 2017/18 to 2019/20 had an operating surplus and for the projected period it is estimated that each year will achieve a surplus. This indicates good financial management which should continue to ensure the financial viability of SLM.

The financial situation of SLM is healthy however the matters reflected under Section 6.6 should be considered which could enhance the services supplied throughout the municipal area and could also enhance the liquidity of SLM.

6.5 Recommendations as regards areas of concern that may require implementation

The impact of the action points below on the long-term financial strategy of the Municipality by the Management of SLM could have a positive impact on the projected financial well-being of SLM, if implemented. The goal is to improve the financial management of SLM to enhance the required services to its communities.

6.5.1 Creditor and expenditure management

Spending on repairs and maintenance is very low and if necessary, should be increased annually to the stage where the amount spent is equal to or greater than the norm of 8% of PPE. Budget savings need to be found to ensure this happens.

Calculated creditor payment days for the historical financial years are in the region of 60 days. Liquidity needs to be improved or surplus cash used to ensure payment within 30 days in compliance with the MFMA in this regard.

A cost-benefit analysis needs to be performed on contracted services. Each service agreement for contractor services should be assessed and where it is considered that the agreement is not beneficial to SLM the agreement should be terminated with the view to reducing operating expenditure. If the service is necessary and can be done in-house the contract should be terminated.

Supply Chain Management - To minimise irregular expenditure, supply chain management processes should be compliant with legislation, regulations and policies. The necessary policies and standard operating procedures should be put in place, implemented and monitored. The regularisation of the irregular expenditure should take place and if necessary, steps should be taken to reclaim any monies which might be due to SLM.

6.5.2 Capital expenditure management

The capital budget needs to be aligned to SLMs infrastructure needs and aligned to the IDP and where possible capital expenditure should be channeled towards revenue generating infrastructure and PPE.

To obtain a holistic and credible long-term financial strategy the above recommendations need to be implemented, if necessary, by SLM with workable solutions to any challenges that may exist and the outcomes should provide sufficient funds to provide efficient and effective services to the communities served by SLM.

6.5.3 Strengths

- Strong balance sheet & liquidity position; low gearing;
- Strong cashflows from own operations and limited reliance on transfers from national and provincial treasuries;
- Diversified economy with educational infrastructure;
- Aggressive addressing of backlogs; and
- High-quality financial and institutional governance evidenced by among others, clean audits.

6.5.4 Weaknesses

- Own cash reserves decreasing due to heavy reliance on own cash resources to fund its capital programme and the low reliance on utilisation of external borrowing;
- Urban limits & difficulties to densify;
- Repairs and Maintenance – below National Treasury Norm;
- Creditors payment period above the National Treasury Norm; and
- High levels of unspent conditional grants since 2017.

6.6 Key Assumptions

The following key assumptions were used in the Long-Term Financial Model:

Table 6-20: Key assumptions used in the LTFM

| Assumption Analyses Report | | Assumptions – Percentage Increase/ (Decrease) per year | | | | | | | | | | | Commentary |
|----------------------------|--|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---|
| | | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | |
| 1 | CPIX | 3.3% | 3.9% | 4.2% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | CPIX of 3.3% for the year 2020/21, 3.9% for 2021/22, 4.2% for 2022/23 and 4.4% for 2023/24 to 2030/31. The base being as per National Treasury, MFMA Circular No. 99, Municipal Budget Circular for the 2020/21 MTREF |
| 2 | Employee Cost Escalation | 3.3% | 3.9% | 4.2% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | Employee costs have been escalated by 3.3% for the years 2020/21, 3.9% for 2021/22, 4.2% for 2022/23 and 4.4% for the period 2023/24 to 2030/31. This assumption however could change depending on agreements made at the South African Local Government Bargaining municipality. |
| 3 | Bulk Purchases (Average Water + Electricity) | 9.5% | 6.4% | 6.6% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | Bulk purchases have been escalated by 9.5% for 2020/21, 6.4% for the period 2021/22, 6.6% for 2022/23 and 4.4% for the period 2023/24 to 2030/31, as agreed with SLM. |
| 4 | Repairs & Maintenance | 3.3% | 3.9% | 4.2% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | Repairs and maintenance have been escalated by CPIX for the years 2020/21 to 2030/31. |
| 5 | Capital Budget Growth | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | Capital budget growth has been set at 1.5% for the period 2020/21 to 2030/31 as agreed with SLM. |
| 6 | Economic Growth GDP | 0.5% | 0.6% | 0.7% | 0.8% | 0.9% | 1% | 1% | 1% | 1% | 1% | 1% | Economic growth is predicted to be 0.5% for 2020/21, 0.6% for 2021/22, 0.7% for 2022/23, 0.8% for 2023/24, 0.9% for 2024/25 and 1.0% for the years 2025/26 to 2030/31. |
| 7 | Estimated Property Rates Budget % | 10.1% | 6.5% | 6.5% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | Property rates have been escalated by 10.1% for the year 2020/21 and 6.5% for the years 2021/22 to 2022/23 and 4.4% from 2023/24 to 2030/31. |

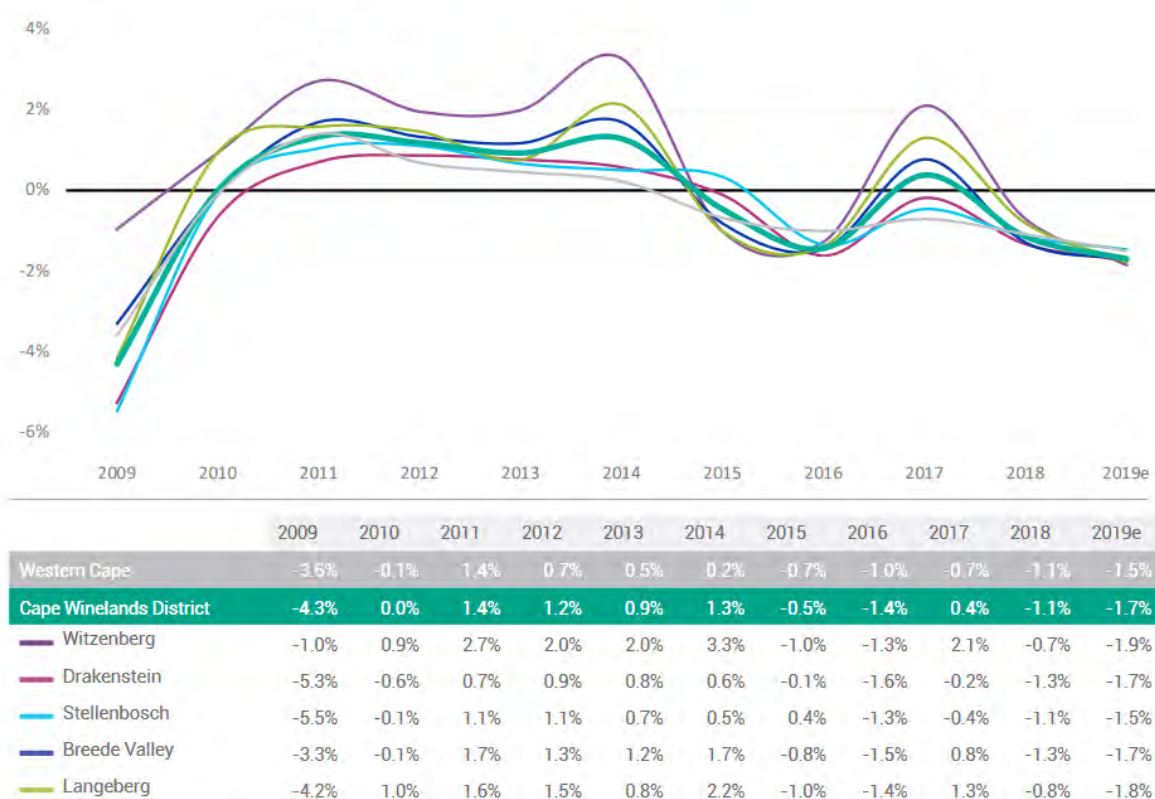
| Assumption Analyses Report | | Assumptions – Percentage Increase/ (Decrease) per year | | | | | | | | | | | |
|----------------------------|-----------------------------|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---|
| | | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | Commentary |
| 8 | Estimated Services Budget % | 5.0% | 6.6% | 7.3% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | Service charges have been escalated by 5.0% for the year 2020/21, 6.6% for 2021/22, 7.3% for 2022/23 and 4.4% for the years 2023/24 to 2029/30, with the latter years being in line with the CPIX assumptions. |
| 9 | Household Growth Rate | 1.8% | 1.8% | 1.8% | 1.8% | 1.8% | 1.8% | 1.8% | 1.8% | 1.8% | 1.8% | 1.8% | In respect of rates and service charges the household growth has been estimated to increase by 1.8% per year for the period 2020/21 to 2030/31. |
| 10 | Collection Rate | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | 95% | The payment ratio for property rates, service charges and other debtors has been set at 95% for the period 2020/21 to 2030/31. This will only be achieved if a concerted effort is made to collect all collectible outstanding debtors and the debtor database is cleansed to ensure that all data is verified and correct. |
| 11 | Creditor Payment Period | 30 Days | 30 Days | 30 Days | 30 Days | 30 Days | 30 Days | 30 Days | 30 Days | 30 Days | 30 Days | 30 Days | The creditor payment period has been set at 30 days. . |
| 12 | Depreciation of assets | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | Depreciation of assets has been set at 5% in line with the trend up to 2019/20. |

6.7 Future Revenues

6.7.1 Municipal Area GDPR and COVID-19 Impact

An increase in real GDP per capita, i.e. GDP per person, is experienced only if the real economic growth rate exceeds the population growth rate. Even though real GDP per capita reflects changes in the overall wellbeing of the population, not everyone within an economy will earn the same amount of money as estimated by the real GDP per capita indicator. At R62'000 in 2018, Stellenbosch's real GDP per capita is well above that of the Cape Winelands District's figure of R50'000 as well as that of the Western Cape.¹¹

GDPR PER CAPITA GROWTH, Cape Winelands District, 2009 – 2019



Source: Quantec Research, 2020 (e denotes estimate)

It is anticipated that the reduction in economic activity due to the lockdown imposed as a result of the COVID-19 pandemic will have a severe negative impact on the Stellenbosch municipal economy. The GDPR is expected to experience the highest contraction in the Cape Winelands District (7.6 per cent) in 2020 but is expected to recover somewhat by 4.3 per cent in 2021.¹²

¹¹ Western Cape Government: Socio Economic Profile https://www.westerncape.gov.za/provincial-treasury/files/atoms/files/SEP-LG%202020%20-%20WC024%20Stellenbosch%20Municipality_0.pdf

¹² Western Cape Government: Municipal Economic Review and Outlook 2020 [https://www.westerncape.gov.za/provincial-treasury/files/atoms/files/Mero%202020%20Single%20pages%20\(20%20Oct\)_compressed2.pdf](https://www.westerncape.gov.za/provincial-treasury/files/atoms/files/Mero%202020%20Single%20pages%20(20%20Oct)_compressed2.pdf)

The leading contributor to GDP in the Stellenbosch municipal area is the finance, insurance, real estate and business services sector, with a contribution of 21.6 per cent in 2018. Other notable contributors to GDP in the region are the wholesale and retail trade, catering and accommodation sector (20.7 per cent) and the manufacturing sector (16.4 per cent). Despite its small contribution to GDP (5.6 per cent), the agriculture, forestry and fishing sector is an important driver of the Stellenbosch municipal area's economy, as agro-processing accounts for a large proportion of the manufacturing sector's activities.

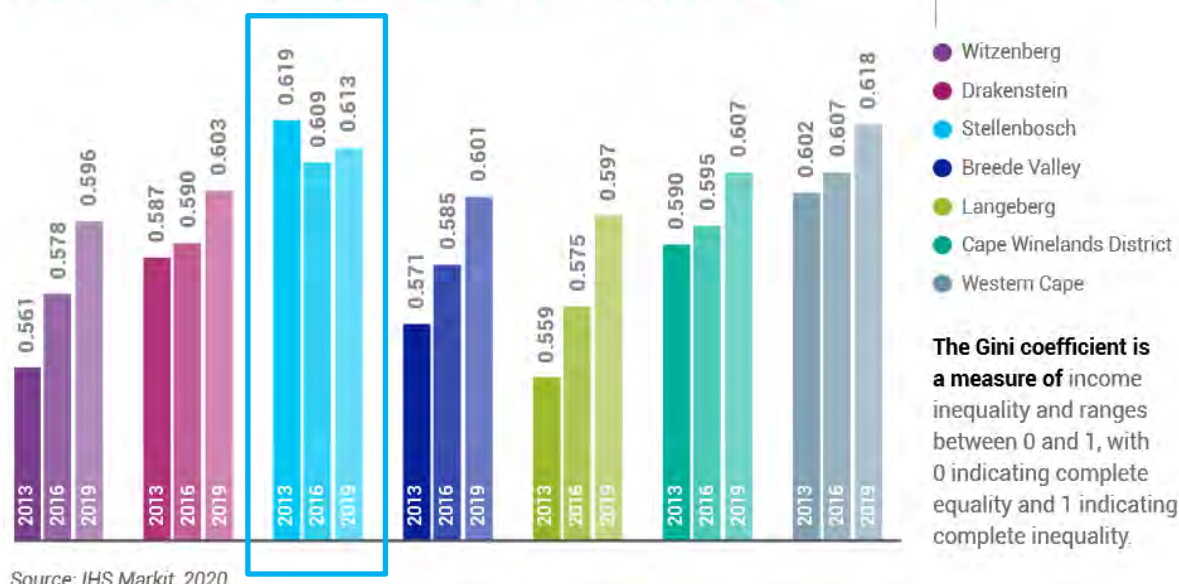
6.7.2 Municipal Revenues

Over the forecast period the municipality generates positive cash flow from operations and maintains a positive Accounting Surplus. The Total Operating Surplus (excluding grants) is negative up to 2031.

Improvements in revenue are ascribed to (i) tariff increases (ii) increased sales and (iii) additional revenue sources and importantly, (iv) sustained revenue-collection rates of 95%. We forecast sustained Operating Surpluses throughout the 10-year period.

The Stellenbosch municipal region is not immune to national and provincial socio-economic conditions. The Stellenbosch municipal area had the highest Gini coefficient (0.613) in 2019 compared with the CWD and municipal areas within the CWD. Although the Gini coefficient in the Stellenbosch municipal area was high in 2019, the income inequality in the municipal area improved from 2013 (0.619). While the Gini coefficient of the Stellenbosch municipal area decreased in 2016, there was persistent growth of the Gini coefficient between 2013 and 2019 in all the other municipal areas. The persistent growth is indicative of how the municipal areas have become more unequal over the years and indicative of increasingly unequal distribution of income towards the higher-income individuals.

GINI COEFFICIENTS, Cape Winelands District, 2013 - 2019



6.8 Affordable Future Capital Investment

The total affordable capital expenditure for the 10-year planning period amounts to R 4 087 million. This 10-year amount was calculated by the Long-Term Financial Model:

- by relying on and maintaining the capital programme and funding mix over the MTREF period up to 2020/21 (3 years), as contained in the latest approved MTREF budget of Stellenbosch; and
- forecasting the optimal capital programme and funding mix, taking several indicators and parameters into account, for the next 7 years of the forecast period.

The annual affordable envelope, which entails the forecast capital expenditure and proposed funding mix per annum is dealt with in detail in the next section of this report.

6.8.1 MTREF Capital Funding Mix

Stellenbosch Municipality's MTREF budget 2020/21 – 2022/23 expects a capital budget amounting to R1.293 billion and funded as follows:

Table 6-21: 3-Year MTREF Funding Mix

| | Total
R(m) | 2020/21
R(m) | 2021/22
R(m) | 2022/23
R(m) |
|--------------|------------------|-----------------|-----------------|-----------------|
| Loans | 444 000 | 144 000 | 140 000 | 160 000 |
| Cash | 533 386 | 196 453 | 164 427 | 172 506 |
| Grants | 316 123 | 120 126 | 95 295 | 100 702 |
| Total | 1 293 509 | 460 579 | 399 722 | 433 208 |

The Long-Term Financial Model accommodated the increased Borrowing of R444m, Internally Generated Funding of R533 m and Capital Grants of R316m for the MTREF period of 3 years to 2022/23 and allowed the model to calculate the future funding mix. Here we note the potential impact of the strong liquidity position on capital expenditure. Following sustained increases in the capital expenditure since 2020, this now declines over the MTREF-period to about R433m in 2022/23. To keep pace with anticipated population growth and ongoing investment in new infrastructure as well as upgrading and renewal projects, we increased the capital expenditure by 1.5% per year from 2022/23 over the planning period. The municipality has both sufficient own resources and capacity to borrow, allowing it to accelerate capital investment, despite the decreased grant transfers. (Fluctuations in grant amounts due to the allocation of housing grants for top structures and for infrastructure in different years.)

The capital expenditure budget of the municipality is financially feasible. Due to the healthy liquidity position, the budgeted capital expenditure can be implemented. Cash available is sufficient to cover the minimum recommended liquidity level to cater for unspent conditional grants, short term provisions, and working capital. These findings are illustrated in the graphs below.

The municipality mainly relies on own reserves to fund the capital expenditure. The strong financial and liquidity position of the municipality allows it to accelerate the capital investment programmes which can be supported by borrowing.

6.8.2 10-Year Capital Funding Mix

Table 6-22: 10-Year Capital Funding Mix

| Source | Rm | % |
|------------------------------------|-------|-----|
| Public & Developers' Contributions | 0 | 0% |
| Capital Grants | 966 | 24% |
| Financing | 1 476 | 36% |

| Source | Rm | % |
|-------------------------|-------|------|
| Cash Reserves and Funds | 1 646 | 40% |
| Cash Shortfall | 0 | 0% |
| Capital Expenditure | 4 087 | 100% |

Due to the prevailing national fiscal constraint, reliance on grant funding in future is probably doubtful and the amount of capital transfers in this latest estimate, when compared to previous estimates, has declined.

A balanced funding mix, incorporating a conservative level of external borrowing, will preserve Stellenbosch's own cash resources and will improve long term financial sustainability. Equally important is the average duration at which external borrowing are obtained in the market and the impact that this may have on liquidity and gearing levels.

6.9 Scenarios

In the scenario analysis we developed two basic scenarios to compare to the Base Case. The Base Case reflects the model forecast. The Upside and Downside Scenarios were developed by adjusting (upwards and downwards, respectively) 5 variables as follows:

Table 6-23: Variables assessed in a Scenario Analysis

| Variable | Base Case | Upside | Downside |
|---|----------------|--------|----------|
| | % of Base Case | | |
| Employee related cost escalation (Margin above Base Case) | 100% | 80% | 120% |
| Bulk cost escalation (Margin above Base Case) | 100% | 80% | 120% |
| Bad Debt Written Off (% of Base Case) | 100% | 80% | 120% |
| Property Rates escalation (Margin above Base Case) | 100% | 120% | 80% |
| Services Tariff escalation (Margin above Base Case) | 100% | 120% | 80% |

The impact of these adjustments was measured on 10 selected financial metrics for the R 3 999 million capital expenditure between 2021/22 and 2030/31. We noted the following outcomes:

- Average Annual Increase in Revenue differs only marginally on the upside but has a severe impact on the downside;
- The impact on percentage increases in Expenditure is marginally on both scenarios;
- Cash generated by Operations ranges between –R 2 996 million and R 5 312 million;
- The cash position after 10 years remains very healthy at R 919 million in the base case. In the down-side case this amount is in deficit of R 233 million; and
- The great variation of outcome for a realistic combination of input variables, demonstrates the need to manage the municipality's finances with care and discipline.

Table 6-24: Outcome of Scenario Analysis

| Outcome | Base Case | Upside | Down Side |
|--|-----------|---------|-----------|
| Average annual % increase in Revenue | 4.7% | 5.3% | 4.2% |
| Average annual % increase in Expenditure | 4.8% | 4.3% | 5.3% |
| Accounting Surplus accumulated during Planning Period (Rm) | R 1 415 | R 2 663 | R 168 |
| Cash generated by Operations during Planning Period (Rm) | R 4 332 | R 5 312 | R 2 996 |
| Average annual increase in Gross Consumer Debtors | 10.7% | 10.9% | 10.5% |
| Capital investment programme during Planning Period (Rm) | R 3 999 | R 3 999 | R 3 999 |

| Outcome | Base Case | Upside | Down Side |
|--|-----------|---------|-----------|
| External Loan Financing during Planning Period (Rm) | R 1 488 | R 1 632 | R 1 843 |
| Cash and Cash Equivalents at the end of the Planning Period (Rm) | R 919 | R 2 078 | R (233) |
| Gearing at the end of the Planning Period | 27.3% | 22.5% | 38.5% |
| Debt Coverage | 2.6 | 3.9 | 1.2 |

6.10 Ratio Analysis

The Base Case forecast ratios are presented below. The model provides comfort that the municipality is sustainable in future - on condition that it operates within the assumed benchmarks set in the financial plan.

Table 6-25: Outcome of Future Ratio Analysis

| Ratio Analysis Report | | | Audit
ed | Audit
ed | Restat
ed | Draf
t AFS | Projected | | | | | | | | | | |
|----------------------------------|---|--------------|-------------|-------------|--------------|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | Norm | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| FINANCIAL POSITION | | | | | | | | | | | | | | | | | |
| Asset Management/
Utilisation | | | | | | | | | | | | | | | | | |
| 1 | Capital Expenditure to
Total Expenditure | 10% -
20% | 24.1% | 24.1% | 24.6% | 26.9
% | 19.5
% | 16.5
% | 15.1
% | 14.5
% | 14.2
% | 13.8
% | 13.5
% | 13.2
% | 12.9
% | 12.5
% | 12.2
% |
| 2 | Impairment of
Property. Plant and
Equipment. Investment
Property and Intangible
assets (Carrying Value) | 0% | 0.1% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

| Ratio Analysis Report | | | Audit ed | Audit ed | Restat ed | Draf t AFS | Projected | | | | | | | | | | |
|-----------------------|--|---------|----------|----------|-----------|------------|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | Norm | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| 3 | Repairs and Maintenance as a % of Property. Plant and Equipment and Investment Property (Carrying Value) | 8% | 0.8% | 0.8% | 1.1% | 1.0% | 1.6% | 1.7% | 1.7% | 1.7% | 1.7% | 1.8% | 1.8% | 1.8% | 1.9% | 1.9% | 2.0% |
| Debtors Management | | | | | | | | | | | | | | | | | |
| 1 | Collection Rate | 95% | 96.8% | 96.8% | 93.3% | 93.5 % | 95.2 % | 95.2 % | 95.1 % | 95.1 % | 95.1 % | 95.1 % | 95.1 % | 95.1 % | 95.1 % | 95.1 % | 95.1 % |
| 2 | Bad Debts Written-off as % of Provision for Bad Debt | 100% | 17.8% | 17.8% | 33.9% | 40.4 % | 20.3 % | 18.7 % | 17.4 % | 16.2 % | 15.2 % | 14.3 % | 13.6 % | 12.9 % | 12.4 % | 11.9 % | 11.4 % |
| 3 | Net Debtors Days | 30 days | 71.1 | 71.1 | 67.7 | 53.6 | 41.9 | 44.4 | 46.7 | 50.1 | 53.5 | 56.7 | 59.8 | 62.7 | 65.5 | 68.2 | 70.8 |
| Liquidity Management | | | | | | | | | | | | | | | | | |

| Ratio Analysis Report | | | Audit
ed | Audit
ed | Restat
ed | Draf
t AFS | Projected | | | | | | | | | | | |
|-----------------------|---|------------------|-------------|-------------|--------------|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------|
| | | | Norm | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| 1 | Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants) | 1 - 3 Mont
hs | 4.7 | 4.7 | 5.2 | 3.6 | 1.8 | 1.9 | 2.2 | 2.5 | 2.8 | 3.2 | 3.5 | 3.9 | 4.3 | 4.7 | 5.1 | |
| 2 | Current Ratio | 1.5 -
2:1 | 2.02 | 2.02 | 2.09 | 1.74 | 1.99 | 2.03 | 2.15 | 2.29 | 2.43 | 2.58 | 2.74 | 2.91 | 3.08 | 3.27 | 3.47 | |
| Liability Management | | | | | | | | | | | | | | | | | | |
| 1 | Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure | 6% -
8% | 2.3% | 2.3% | 1.1% | 3.4% | 4.1% | 5.2% | 5.9% | 6.3% | 6.5% | 6.7% | 6.8% | 6.9% | 7.0% | 7.1% | 7.1% | |
| 2 | Debt (Total Borrowings) / Revenue | 45% | 10.8% | 10.8% | 19.6% | 16.8
% | 20.3
% | 24.0
% | 26.4
% | 28.7
% | 30.5
% | 31.9
% | 33.0
% | 33.7
% | 34.2
% | 34.5
% | 34.6
% | |
| FINANCIAL PERFORMANCE | | | | | | | | | | | | | | | | | | |

| Ratio Analysis Report | | | Audit ed | Audit ed | Restat ed | Draf t AFS | Projected | | | | | | | | | | |
|-----------------------|--|-----------|----------|----------|-----------|------------|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------|
| | Norm | | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| Efficiency | | | | | | | | | | | | | | | | | |
| 1 | Net Operating Surplus Margin | >=0% | 15.3% | 15.3% | 7.4% | 4.7% | 5.9% | 5.0% | 5.3% | 5.3% | 5.4% | 5.4% | 5.4% | 5.4% | 5.4% | 5.4% | 5.4% |
| Distribution Losses | | | | | | | | | | | | | | | | | |
| 1 | Electricity Distribution Losses (Percentage) | 7% - 10% | 5.7% | 5.7% | 7.6% | 9.7% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% |
| 2 | Water Distribution Losses (Percentage) | 15% - 30% | 21.7% | 21.6% | 28.0% | 20.5 % | 23.0 % | 23.0 % | 23.0 % | 23.0 % | 23.0 % | 23.0 % | 23.0 % | 23.0 % | 23.0 % | 23.0 % | 0.0% |
| Revenue Management | | | | | | | | | | | | | | | | | |
| 1 | Growth in Number of Active Consumer Accounts | None | | | | | | | | | | | | | | | |

| Ratio Analysis Report | | | Audit ed | Audit ed | Restat ed | Draf t AFS | Projected | | | | | | | | | | |
|------------------------|--|---------|----------|----------|-----------|------------|-----------|------|------|------|------|------|------|------|------|------|------|
| | | Norm | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| 2 | Revenue Growth (%) | 5.0% | 5.0% | 5.0% | 1.2% | 6.9% | 15.9 % | 5.0% | 7.2% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% |
| 3 | Revenue Growth (%) - Excluding capital grants | 5.0% | 7.3% | 7.3% | 0.6% | 5.0% | 17.4 % | 6.6% | 7.3% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% |
| Expenditure Management | | | | | | | | | | | | | | | | | |
| 1 | Creditors Payment Period (Trade Creditors) | 30 days | 76.7 | 76.7 | 76.9 | 63.6 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 |
| 2 | Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure | 0% | 2.5% | 2.5% | 4.2% | 2.4% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

| Ratio Analysis Report | | | Audit ed | Audit ed | Restat ed | Draf t AFS | Projected | | | | | | | | | | | |
|-----------------------|---|-----------|----------|----------|-----------|------------|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | | Norm | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| 3 | Remuneration as % of Total Operating Expenditure | 25% - 40% | 34.5% | 34.5% | 30.7% | 30.1 % | 31.6 % | 32.1 % | 32.5 % | 32.5 % | 32.6 % | 32.6 % | 32.6 % | 32.6 % | 32.6 % | 32.6 % | 32.6 % | 32.6 % |
| 4 | Contracted Services % of Total Operating Expenditure | 2% - 5% | 6.0% | 6.0% | 6.0% | 7.5% | 12.9 % | 12.1 % | 11.9 % | 11.9 % | 11.9 % | 11.9 % | 11.9 % | 11.9 % | 11.9 % | 11.9 % | 11.9 % | 11.9 % |
| Grant Dependency | | | | | | | | | | | | | | | | | | |
| 1 | Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure | None | 79.8% | 79.8% | 82.6% | 76.4 % | 73.9 % | 76.2 % | 76.8 % | 76.8 % | 76.8 % | 76.8 % | 76.8 % | 76.8 % | 76.8 % | 76.8 % | 76.8 % | 76.8 % |
| 2 | Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure | None | 79.8% | 79.8% | 52.3% | 50.8 % | 42.7 % | 41.1 % | 39.8 % | 39.8 % | 39.8 % | 39.8 % | 39.8 % | 39.8 % | 39.8 % | 39.8 % | 39.8 % | 39.8 % |

| Ratio Analysis Report | | Audit
ed | Audit
ed | Restat
ed | Draf
t AFS | Projected | | | | | | | | | | |
|-----------------------|---|-------------|-------------|--------------|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Norm | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| 3 | Own Source Revenue
to Total Operating
Revenue (Including
Agency Revenue) | None | 86.9% | 86.9% | 85.7% | 83.6
% | 85.2
% | 87.0
% | 86.9
% | 86.9
% | 86.9
% | 86.9
% | 86.9
% | 86.9
% | 86.9
% | 86.9
% |

6.11 Outcome of the Long Term Financial Model

6.11.1 The socio-economic base and future revenue

- Strong economic base and diversified economy, but rapid increase in migration to the municipal area placing pressure on existing infrastructure;
- However – national conditions also impact on the municipality – with the negative impact of COVID-19 on the global economy only moderate growth forecast over the forecast period;
- A key structural weakness can now be identified: as economic growth rates slow, which might have a negative on revenue collection to extract additional revenue for ever-growing needs;
- To pursue and sustain progressive / redistributive / pro-poor policies – it is essential that the economic base expands and critically, job creation (especially at entry-level) accelerates; and
- Over the forecast period – we still see scope for tariff increases (broadly aligned with CPI) and for more progressive tariff structures.

6.11.2 Capital investment

- Stellenbosch embarked on an aggressive capex programme since 2014 – largely funded from own resources but reduced capital expenditure from R612m in 2019/20 to R381m in 2023/24 in the latest MTREF Capital Budget;
- As the population continues to increase, the municipality needs to deal with normalising historic settlement patterns to accommodate new migrants and improve access to and mobility within the municipal area;
- Although the total budgeted investment returns to the R388 million p.a. level over the MTREF period, we envisage a moderate growth-rate in capex over the forecast period. This is to ensure capital investment keeps pace with population growth and continues to address backlogs;
- We have introduced a conservative borrowing programme which remains well within the prudential limits (Gearing Ratio of 23.9% at the end of the MTREF budget and 29.8% at the end of the 10-year forecast);
- More spatial and economic modelling is required for a comprehensive perspective on the long-term corridor development and spatial settlement patterns in the municipal area;
- Significant "high-impact projects" can be modelled to determine long-term financial impact of such projects on the financial position of the municipality; and
- Despite continued use of own resources and a depletion of cash reserves, the liquidity metrics remain positive over the forecast period.

6.11.3 Scenario analysis

- The generic scenario analysis forecast reasonable logical outcomes; and
- One aspect worth noting is the gearing ratio which is 24.7% and 40.5% for the up- and downside scenarios respectively.

6.12 Projected Financial Statements

Financial Position

Figure 6-22: Projected Financial Statements

| Statement of Financial Position | | Budget | | | | | | | | | | | | | | |
|--|-------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Description | AFS | AFS | AFS | AFS | AFS | Budget | Budget + 1 | Budget + 2 | Budget + 3 | Budget + 4 | Budget + 5 | Budget + 6 | Budget + 7 | Budget + 8 | Budget + 9 | Budget + 10 |
| Figures in Rand thousand | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| ASSETS | | | | | | | | | | | | | | | | |
| Current assets | | | | | | | | | | | | | | | | |
| Cash and Cash Equivalents | | 46,317 | 20,683 | 169,491 | 111,202 | 64,420 | 90,632 | 149,354 | 218,843 | 295,031 | 377,250 | 466,615 | 564,334 | 671,594 | 789,574 | 919,447 |
| Short term investment | | 575,418 | 505,618 | 398,164 | 306,637 | 191,252 | 191,252 | 191,252 | 191,252 | 191,252 | 191,252 | 191,252 | 191,252 | 191,252 | 191,252 | 191,252 |
| Consumer debtors | | 233,342 | 228,437 | 213,471 | 182,552 | 182,313 | 184,708 | 191,086 | 197,962 | 205,141 | 212,635 | 220,460 | 228,629 | 237,157 | 246,060 | 255,355 |
| Other debtors | | 47,920 | 60,481 | 62,896 | 43,173 | 55,699 | 59,430 | 63,414 | 66,205 | 69,118 | 72,159 | 75,334 | 78,648 | 82,109 | 85,722 | 89,494 |
| Current portion of long-term receivables | | 2,121 | 1,600 | 1,631 | 2,801 | 2,893 | 3,006 | 3,133 | 3,270 | 3,414 | 3,564 | 3,721 | 3,885 | 4,056 | 4,234 | 4,421 |
| Inventory | | 40,569 | 41,690 | 64,558 | 64,074 | 66,189 | 68,770 | 71,658 | 74,811 | 78,103 | 81,540 | 85,127 | 88,873 | 92,783 | 96,866 | 101,128 |
| Total current assets | | 945,688 | 858,510 | 910,210 | 710,439 | 562,767 | 597,799 | 669,897 | 752,343 | 842,058 | 938,400 | 1,042,510 | 1,155,621 | 1,278,951 | 1,413,708 | 1,561,097 |
| Non current assets | | | | | | | | | | | | | | | | |
| Deferred Tax | | | | | | | | | | | | | | | | |
| Investment Property | | 423,623 | 421,148 | 412,767 | 412,514 | 412,514 | 412,514 | 412,514 | 412,514 | 412,514 | 412,514 | 412,514 | 412,514 | 412,514 | 412,514 | 412,514 |
| Property, plant and equipment | | 4,462,141 | 4,760,711 | 5,051,777 | 5,261,476 | 5,516,427 | 5,699,310 | 5,859,220 | 6,006,285 | 6,148,757 | 6,286,268 | 6,418,432 | 6,544,843 | 6,665,074 | 6,778,676 | 6,885,180 |
| Other non-current assets | | 3,513 | 2,158 | 4,208 | 5,150 | 5,320 | 5,528 | 5,760 | 6,013 | 6,278 | 6,554 | 6,842 | 7,143 | 7,458 | 7,786 | 8,129 |
| Total non current assets | | 4,889,276 | 5,184,017 | 5,468,752 | 5,679,141 | 5,934,262 | 6,117,352 | 6,277,495 | 6,424,812 | 6,567,549 | 6,705,337 | 6,837,789 | 6,964,501 | 7,085,046 | 7,198,976 | 7,305,822 |
| TOTAL ASSETS | | 5,834,964 | 6,042,527 | 6,378,962 | 6,389,580 | 6,497,028 | 6,715,151 | 6,947,391 | 7,177,156 | 7,409,607 | 7,643,737 | 7,880,299 | 8,120,122 | 8,363,997 | 8,612,685 | 8,866,919 |
| NET ASSETS AND LIABILITIES | | | | | | | | | | | | | | | | |
| LIABILITIES | | | | | | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | | | | | | |
| Bank overdraft | | | | | | | | | | | | | | | | |
| Borrowing | | 13,084 | 14,502 | 25,870 | 26,753 | 41,018 | 50,847 | 59,962 | 68,056 | 75,552 | 82,513 | 88,995 | 95,050 | 100,724 | 106,058 | 111,090 |
| Trade and other payables | | 282,087 | 243,316 | 271,462 | 270,824 | 128,241 | 126,585 | 130,797 | 134,638 | 139,441 | 144,561 | 149,891 | 155,441 | 161,219 | 167,235 | 173,499 |
| Provisions | | 48,455 | 50,683 | 62,018 | 83,172 | 85,917 | 89,268 | 93,017 | 97,110 | 101,383 | 105,843 | 110,501 | 115,363 | 120,439 | 125,738 | 131,270 |
| Vat Liability | | | | | | | | | | | | | | | | |
| Unspent Conditional Grants | | 74,439 | 100,324 | 59,046 | 8,863 | 8,863 | 8,863 | 8,863 | 8,863 | 8,863 | 8,863 | 8,863 | 8,863 | 8,863 | 8,863 | 8,863 |
| Consumer Deposits | | 14,577 | 15,674 | 17,078 | 17,785 | 18,371 | 18,978 | 19,604 | 20,251 | 20,919 | 21,609 | 22,323 | 23,059 | 23,820 | 24,606 | 25,418,248 |
| Total current liabilities | | 432,642 | 424,499 | 435,473 | 407,397 | 282,409 | 294,540 | 312,243 | 328,917 | 346,157 | 363,389 | 380,572 | 397,775 | 415,064 | 432,500 | 450,141 |
| Non current liabilities | | | | | | | | | | | | | | | | |
| Borrowing | | 173,302 | 158,800 | 292,930 | 266,178 | 369,160 | 457,627 | 539,660 | 612,504 | 679,966 | 742,613 | 800,954 | 855,451 | 906,516 | 954,524 | 999,812 |
| Provisions | | 298,392 | 296,636 | 303,532 | 287,825 | 297,324 | 308,919 | 321,894 | 336,057 | 350,844 | 366,281 | 382,397 | 399,223 | 416,788 | 435,127 | 454,273 |
| Deferred income | | | | | | | | | | | | | | | | |
| Other Non current Liabilities | | | | | | | | | | | | | | | | |
| Consumer deposits | | | | | | | | | | | | | | | | |
| Total non current liabilities | | 471,694 | 455,436 | 596,463 | 554,003 | 666,483 | 766,546 | 861,554 | 948,561 | 1,030,810 | 1,108,894 | 1,183,351 | 1,254,673 | 1,323,305 | 1,389,652 | 1,454,084 |
| TOTAL LIABILITIES | | 904,336 | 879,935 | 1,031,936 | 961,400 | 948,893 | 1,061,086 | 1,173,797 | 1,277,479 | 1,376,967 | 1,472,283 | 1,563,924 | 1,652,449 | 1,738,369 | 1,822,151 | 1,904,225 |
| NET ASSETS | | | | | | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | | 4,930,628 | 5,162,592 | 5,347,026 | 5,428,181 | 5,548,136 | 5,654,065 | 5,773,595 | 5,899,677 | 6,032,640 | 6,171,454 | 6,316,375 | 6,467,673 | 6,625,628 | 6,790,533 | 6,962,694 |
| Reserves | | | | | | | | | | | | | | | | |
| NET ASSETS | | 4,930,628 | 5,162,592 | 5,347,026 | 5,428,181 | 5,548,136 | 5,654,065 | 5,773,595 | 5,899,677 | 6,032,640 | 6,171,454 | 6,316,375 | 6,467,673 | 6,625,628 | 6,790,533 | 6,962,694 |
| TOTAL NET ASSETS and LIABILITIES | | 5,834,964 | 6,042,527 | 6,378,962 | 6,389,580 | 6,497,028 | 6,715,151 | 6,947,391 | 7,177,156 | 7,409,607 | 7,643,737 | 7,880,299 | 8,120,122 | 8,363,997 | 8,612,685 | 8,866,919 |

Financial Performance

| Financial Performance (revenue and expenditure) | | | | | | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Description | AFS | AFS | AFS | Budget | Budget + 1 | Budget + 2 | Budget + 3 | Budget + 4 | Budget + 5 | Budget + 6 | Budget + 7 | Budget + 8 | Budget + 9 | Budget + 10 |
| R thousand | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| Property rates | 309,989 | 332,958 | 361,912 | 392,239 | 417,735 | 444,889 | 464,464 | 484,901 | 506,236 | 528,511 | 551,765 | 576,043 | 601,389 | 627,850 |
| Property rates - penalties & collection charges | | | | — | — | — | — | — | — | — | — | — | — | — |
| Service charges | 862,001 | 817,760 | 880,126 | 1,072,778 | 1,159,693 | 1,254,248 | 1,309,435 | 1,367,050 | 1,427,200 | 1,489,997 | 1,555,557 | 1,624,001 | 1,695,458 | 1,770,058 |
| Rental of facilities and equipment | 14,992 | 17,891 | 13,601 | 16,292 | 17,270 | 18,307 | 19,113 | 19,953 | 20,831 | 21,748 | 22,705 | 23,704 | 24,747 | 25,836 |
| Interest earned - external investments | 55,110 | 44,272 | 40,472 | 37,870 | 34,522 | 29,358 | 30,650 | 31,998 | 33,406 | 34,876 | 36,411 | 38,013 | 39,685 | 41,431 |
| Interest earned - outstanding debtors | 6,849 | 8,025 | 6,954 | 13,281 | 14,211 | 15,206 | 15,875 | 16,574 | 17,303 | 18,064 | 18,859 | 19,689 | 20,555 | 21,459 |
| Dividends received | | | | — | — | — | — | — | — | — | — | — | — | — |
| Fines | 114,767 | 118,046 | 99,993 | 140,881 | 149,335 | 158,297 | 165,262 | 172,534 | 180,125 | 188,051 | 196,325 | 204,963 | 213,981 | 223,397 |
| Licences and permits | 6,757 | 5,044 | 4,413 | 5,503 | 5,834 | 6,184 | 6,456 | 6,740 | 7,037 | 7,346 | 7,670 | 8,007 | 8,359 | 8,727 |
| Agency services | 2,521 | 4,400 | 3,976 | 2,931 | 3,107 | 3,293 | 3,438 | 3,589 | 3,747 | 3,912 | 4,084 | 4,264 | 4,451 | 4,647 |
| Government grants and subsidies - operating | 133,601 | 145,451 | 160,652 | 178,107 | 181,180 | 197,574 | 206,267 | 215,343 | 224,818 | 234,710 | 245,037 | 255,819 | 267,075 | 278,826 |
| Government grants and subsidies - capital | 77,588 | 87,982 | 124,374 | 120,129 | 95,295 | 100,702 | 105,133 | 109,759 | 114,588 | 119,630 | 124,894 | 130,389 | 136,126 | 142,116 |
| Other revenue | 25,125 | 47,787 | 46,089 | 39,408 | 42,181 | 45,152 | 47,139 | 49,213 | 51,378 | 53,639 | 55,999 | 58,463 | 61,035 | 63,721 |
| Public contributions and donations | | | | — | — | — | — | — | — | — | — | — | — | — |
| Gains on disposal of PPE | 427 | 52 | 33 | — | — | — | — | — | — | — | — | — | — | — |
| Sale of Housing Stock | | | | — | — | — | — | — | — | — | — | — | — | — |
| Rendering of Services | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Total Revenue | 1,609,728 | 1,629,667 | 1,742,596 | 2,019,419 | 2,120,363 | 2,273,210 | 2,373,231 | 2,477,653 | 2,586,670 | 2,700,484 | 2,819,305 | 2,943,354 | 3,072,862 | 3,208,068 |
| Employee related costs | 453,022 | 444,711 | 481,583 | 579,439 | 623,493 | 676,723 | 706,499 | 737,585 | 770,038 | 803,920 | 839,293 | 876,222 | 914,775 | 955,025 |
| Remuneration of councillors | 17,308 | 18,272 | 19,121 | 21,133 | 22,401 | 23,745 | 24,790 | 25,881 | 27,019 | 28,208 | 29,449 | 30,745 | 32,098 | 33,510 |
| Debt impairment | 120,430 | 128,744 | 116,673 | 74,007 | 76,008 | 78,072 | 81,507 | 85,093 | 88,838 | 92,746 | 96,827 | 101,088 | 105,536 | 110,179 |
| Depreciation and Amortisation Expense | 157,550 | 193,789 | 197,275 | 205,628 | 214,881 | 224,550 | 234,430 | 244,745 | 255,514 | 266,757 | 278,494 | 290,748 | 303,540 | 316,896 |
| Finance charges/interest paid | 18,775 | 41,788 | 56,004 | 51,349 | 64,710 | 77,154 | 80,549 | 84,093 | 87,793 | 91,656 | 95,689 | 99,899 | 104,295 | 108,884 |
| Bulk purchases | 329,679 | 380,671 | 445,621 | 482,196 | 516,151 | 552,501 | 576,811 | 602,191 | 628,687 | 656,349 | 685,229 | 715,379 | 746,855 | 779,717 |
| Other materials | 36,046 | 31,593 | 19,937 | 41,706 | 44,101 | 46,229 | 48,263 | 50,387 | 52,604 | 54,918 | 57,335 | 59,857 | 62,491 | 65,241 |
| Contracted services | 82,028 | 90,894 | 125,161 | 245,478 | 244,744 | 255,781 | 267,035 | 278,785 | 291,051 | 303,858 | 317,227 | 331,185 | 345,758 | 360,971 |
| Grants and subsidies paid | 6,261 | 9,129 | 10,855 | 10,069 | 10,600 | 11,200 | 11,693 | 12,207 | 12,744 | 13,305 | 13,891 | 14,502 | 15,140 | 15,806 |
| General expenses | 91,972 | 98,789 | 129,511 | 97,636 | 102,173 | 108,256 | 113,019 | 117,992 | 123,184 | 128,604 | 134,262 | 140,170 | 146,337 | 152,776 |
| Loss on disposal of PPE | | 5,112 | | — | — | — | — | — | — | — | — | — | — | — |
| Repairs and maintenance | 43,056 | 60,923 | 58,292 | 90,823 | 95,172 | 99,469 | 102,553 | 105,732 | 110,384 | 115,241 | 120,311 | 125,605 | 131,132 | 136,901 |
| Collection costs | | | | — | — | — | — | — | — | — | — | — | — | — |
| Fair value adjustments | 796 | 351 | 635 | — | — | — | — | — | — | — | — | — | — | — |
| Gain as a result of donated animals and new births | | | | — | — | — | — | — | — | — | — | — | — | — |
| Income from equity accounted investments | | | | — | — | — | — | — | — | — | — | — | — | — |
| Share of (deficit)/surplus of associate accounted for under the equity method | — | | | — | — | — | — | — | — | — | — | — | — | — |
| Taxation | | | | — | — | — | — | — | — | — | — | — | — | — |
| Impairment losses | 7,029 | 3,863 | 73 | — | — | — | — | — | — | — | — | — | — | — |
| Cost of Housing Sold | — | — | 700 | — | — | — | — | — | — | — | — | — | — | — |
| Discontinued operations | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Total Expenditure | 1,363,953 | 1,508,629 | 1,661,441 | 1,899,464 | 2,014,434 | 2,153,680 | 2,247,149 | 2,344,690 | 2,447,857 | 2,555,562 | 2,668,007 | 2,785,399 | 2,907,957 | 3,035,907 |
| Surplus/(Deficit) - before tax | 245,776 | 121,038 | 81,155 | 119,955 | 105,929 | 119,530 | 126,082 | 132,963 | 138,814 | 144,921 | 151,298 | 157,955 | 164,905 | 172,161 |
| Taxation | | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Surplus/(Deficit) for the year | | 121,038 | 81,155 | 119,955 | 105,929 | 119,530 | 126,082 | 132,963 | 138,814 | 144,921 | 151,298 | 157,955 | 164,905 | 172,161 |

■ Cash Flow

| Cash Flows | | Budget | | | | | | | | | | | | | | |
|--|------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Description | AFS | AFS | AFS | AFS | AFS | Budget | Budget + 1 | Budget + 2 | Budget + 3 | Budget + 4 | Budget + 5 | Budget + 6 | Budget + 7 | Budget + 8 | Budget + 9 | Budget + 10 |
| R thousand | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | | | | | | | | | |
| Cash receipts: Ratepayers and other | | 1,087,671 | 1,179,109 | 1,219,346 | 1,342,944 | 1,596,264 | 1,716,752 | 1,845,920 | 1,926,923 | 2,011,707 | 2,100,223 | 2,192,632 | 2,289,108 | 2,389,829 | 2,494,981 | 2,604,761 |
| Cash receipts: Government - operating | | 264,644 | 237,075 | 270,320 | 240,161 | 178,107 | 181,180 | 197,574 | 206,267 | 215,343 | 224,818 | 234,710 | 245,037 | 255,819 | 267,075 | 278,826 |
| Cash receipts: Government - capital | | | | | | 120,129 | 95,295 | 100,702 | 105,133 | 109,759 | 114,588 | 119,630 | 124,894 | 130,389 | 136,126 | 142,116 |
| Cash payments: Suppliers and employees | | (953,297) | (1,102,601) | (1,129,714) | (1,310,475) | (1,713,461) | (1,651,856) | (1,759,840) | (1,834,509) | (1,913,101) | (1,997,172) | (2,085,062) | (2,176,821) | (2,272,616) | (2,372,627) | (2,477,039) |
| Cash generated from operations | - | 399,018 | 313,583 | 359,952 | 272,630 | 181,038 | 341,371 | 384,356 | 403,814 | 423,708 | 442,457 | 461,910 | 482,219 | 503,421 | 525,555 | 548,663 |
| Interest | | 56,219 | 55,110 | 44,272 | 40,472 | 51,151 | 48,733 | 44,564 | 46,525 | 48,572 | 50,709 | 52,940 | 55,270 | 57,702 | 60,240 | 62,891 |
| Finance charges | | (19,627) | (18,775) | (17,033) | (31,150) | (51,349) | (64,710) | (77,154) | (80,549) | (84,093) | (87,793) | (91,656) | (95,689) | (99,899) | (104,295) | (108,884) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | - | 435,610 | 349,918 | 387,190 | 281,952 | 180,840 | 325,394 | 351,766 | 369,790 | 388,187 | 405,373 | 423,194 | 441,800 | 461,223 | 481,501 | 502,671 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | | | | | | |
| Proceeds on disposal of PPE | | 2,244 | 998 | 1,968 | 33 | - | - | - | - | - | - | - | - | - | - | - |
| Decrease/(increase) in Investments | | (95,418) | 69,801 | 107,454 | 91,526 | 115,385 | - | - | - | - | - | - | - | - | - | - |
| Decrease (Increase) in non-current debtors | | (1,164) | | | | (92) | (113) | (126) | (138) | (144) | (150) | (157) | (164) | (171) | (178) | (186) |
| Decrease/(increase) in other non-current assets | | | | | | (170) | (207) | (232) | (253) | (265) | (276) | (288) | (301) | (314) | (328) | (343) |
| Payment: Capital assets | | (410,203) | (433,266) | (493,304) | (405,931) | (460,579) | (397,764) | (384,460) | (381,495) | (387,217) | (393,025) | (398,921) | (404,905) | (410,978) | (417,143) | (423,400) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | - | (504,542) | (362,468) | (383,881) | (314,371) | (345,456) | (398,084) | (384,819) | (381,886) | (387,626) | (393,452) | (399,366) | (405,369) | (411,463) | (417,649) | (423,929) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | | | | | | |
| Current | | | | | | | | | | | | | | | | |
| Repayment of other current term liabilities | | (12,766) | (13,084) | | (25,870) | (26,753) | (41,018) | (50,847) | (59,962) | (68,056) | (75,552) | (82,513) | (88,995) | (95,050) | (100,724) | (106,058) |
| (Decrease) / increase in Consumer deposits | | | | | | 587 | 606 | 626 | 647 | 668 | 690 | 713 | 737 | 761 | 786 | 812 |
| (Decrease)/increase in unspent conditional grants | | | | | | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds from loans and borrowing | | | | 145,498 | | 144,000 | 139,314 | 141,996 | 140,900 | 143,014 | 145,159 | 147,336 | 149,546 | 151,790 | 154,066 | 156,377 |
| NET CASH FLOWS FROM/USED FINANCING ACTIVITIES | - | (12,766) | (13,084) | 145,498 | (25,870) | 117,834 | 98,903 | 91,774 | 81,585 | 75,626 | 70,298 | 65,537 | 61,288 | 57,501 | 54,129 | 51,131 |
| NET INCREASE/ (DECREASE) IN CASH HELD | - | (81,699) | (25,634) | 148,807 | (58,289) | (46,782) | 26,212 | 58,722 | 69,489 | 76,188 | 82,219 | 89,365 | 97,718 | 107,260 | 117,980 | 129,873 |
| Cash/cash equivalents at the year begin: | | 128,016 | 46,317 | 20,683 | 169,491 | 111,202 | 64,420 | 90,632 | 149,354 | 218,843 | 295,031 | 377,250 | 466,615 | 564,334 | 671,594 | 789,574 |
| Cash/cash equivalents at the year end: | - | 46,317 | 20,683 | 169,491 | 111,202 | 64,420 | 90,632 | 149,354 | 218,843 | 295,031 | 377,250 | 466,615 | 564,334 | 671,594 | 789,574 | 919,447 |

7 Affordability envelope

The objective of this section is to:

- determine the affordable future capital expenditure and proposed capital funding mix (affordability envelope) of the municipality over the next 10 years.

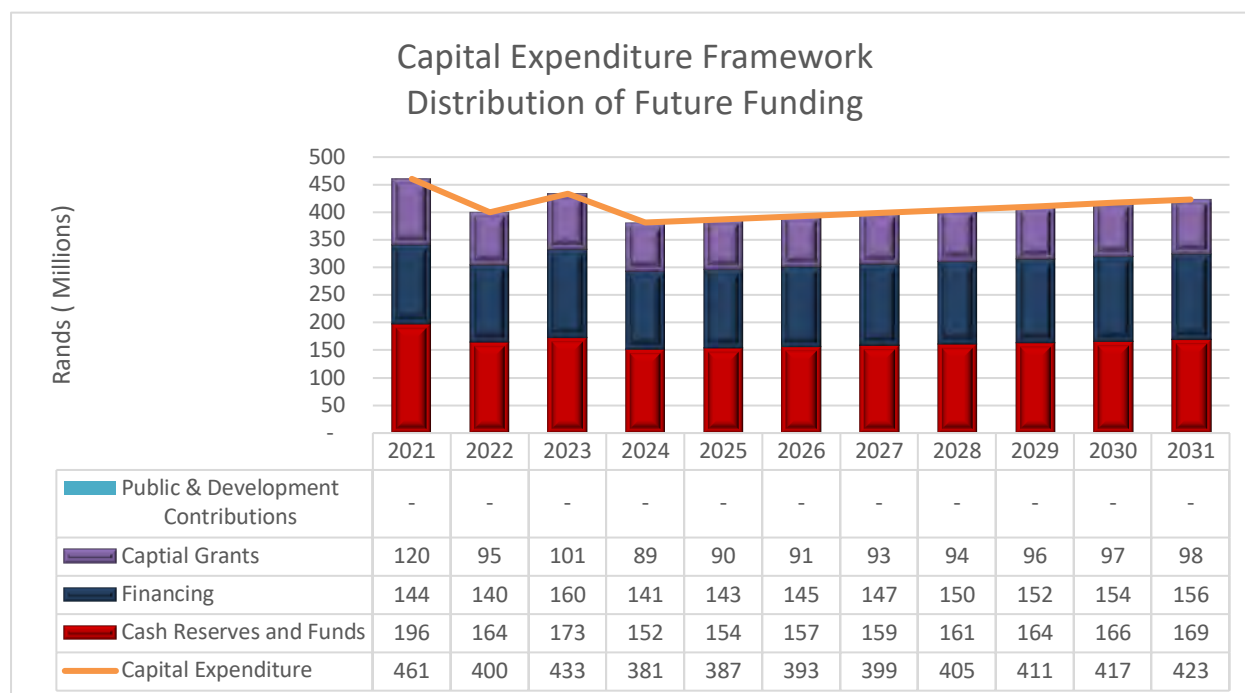
The affordability envelope, or otherwise stated, the funding envelope is the result of the Long Term Financial Strategy. The aim of the Long Term Financial Model is to define a set of parameters to which the municipality can roll out capital expenditure projects. The key parameter of interest for the budget scenario process to continue is the total capital expenditure that is deemed as affordable per year.

The purpose of this section is therefore to take the results of the Long Term Financial Strategy and to indicate what should be actively used to guide capital investment through the budget scenario template – better defined as the total available capital expenditure budget per year.

7.1 A Sustainable Funding Mix

The annual funding mix proposed by the model, given the approved budget and optimal forecast thereafter, is illustrated by the graph below.

Figure 7-1: Distribution of Future Funding



7.1.1 Liquidity and Capital Replacement Reserve

For purposes of the projections in this report the minimum required liquidity level caters for unspent conditional grants, reserves, short term provisions, consumer deposits and 1 month's working capital. The municipality exceeds the minimum liquidity requirement over the MTREF-period and throughout the planning period.

Noteworthy though, is the decrease in liquidity over the MTREF period. Sufficient cash remains available to fund capital projects required with further potential for borrowing. The municipal bank balance recovers above the minimum required in later years Capital Expenditure Framework period.

Figure 7-2: Bank balance vs Minimum Liquidity Required Proposed Cash Backed Reserves

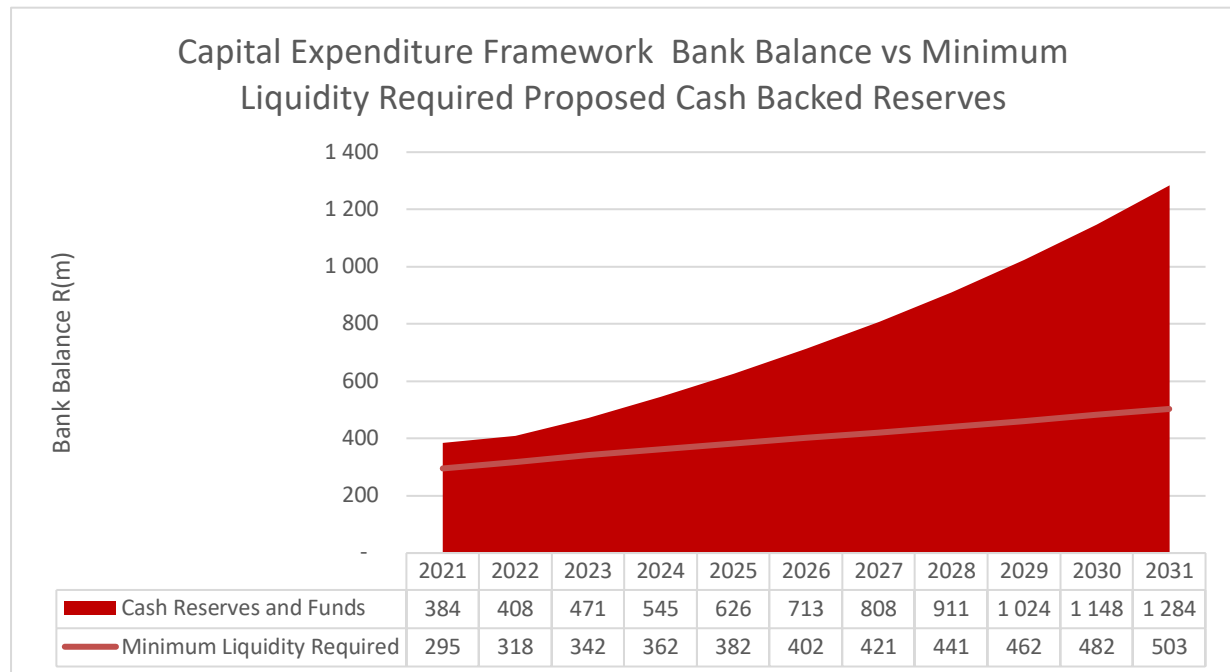
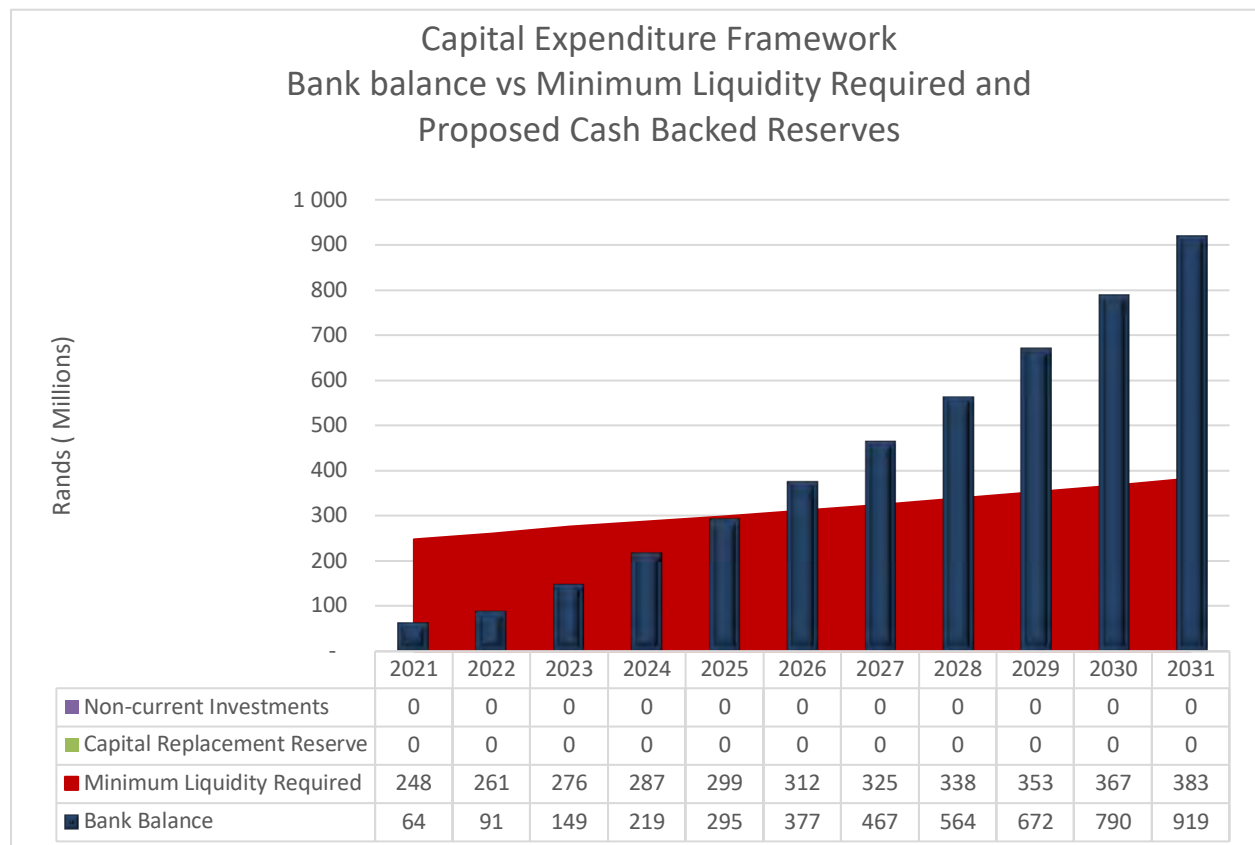


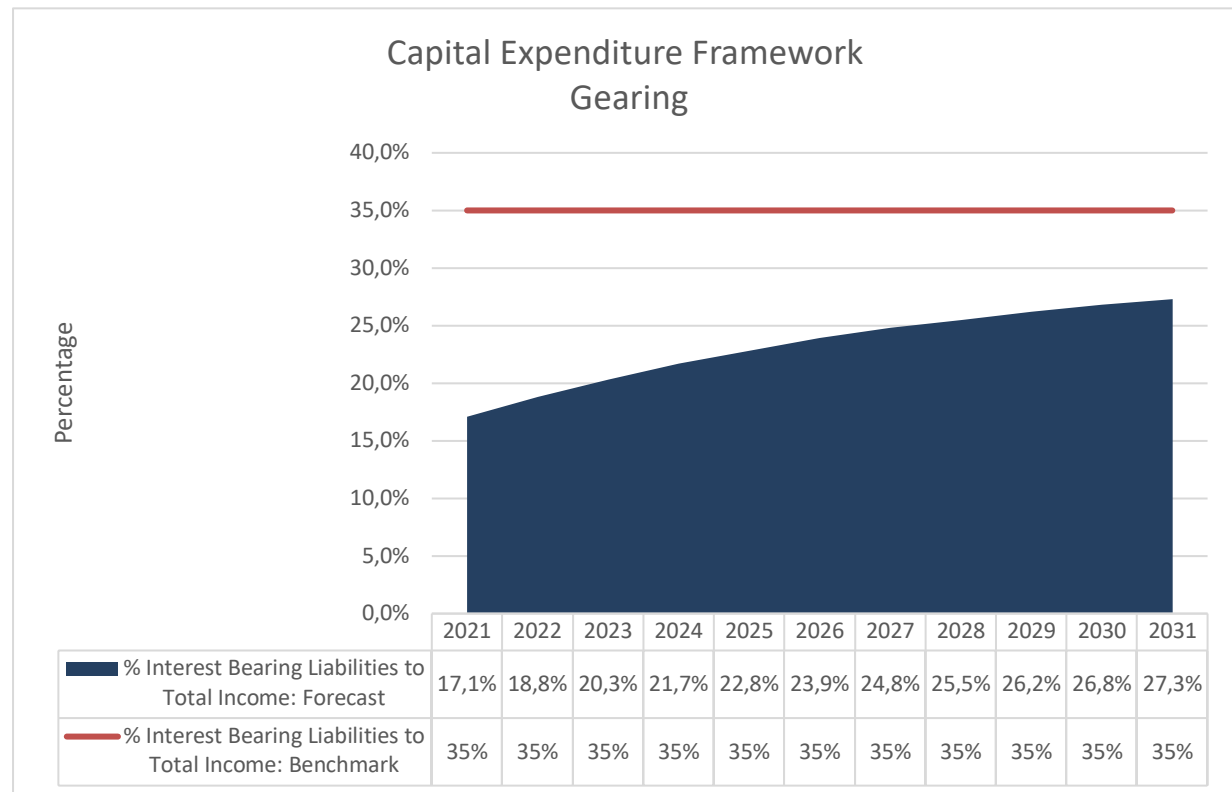
Figure 7-3: Bank balance vs Minimum Liquidity Required



7.1.2 Gearing

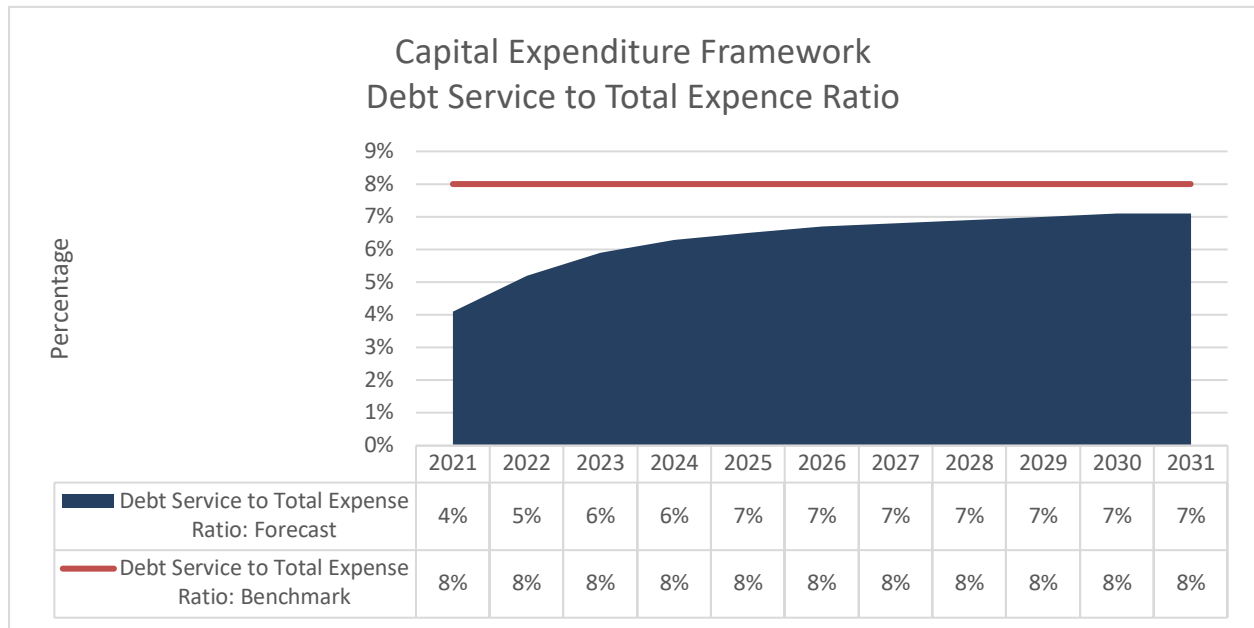
The ratio of Long-Term Interest-Bearing Liabilities to Income is illustrated in the graph below. The Stellenbosch Local Municipality has a debt policy which sets the gearing-level to 35%. The model forecast that gearing increases from 2023/24 and peaks at 27.3% during 2030/31, but never breaches this level. This level of gearing is within both its policy and National Treasury guidelines.

Figure 7-4: Gearing



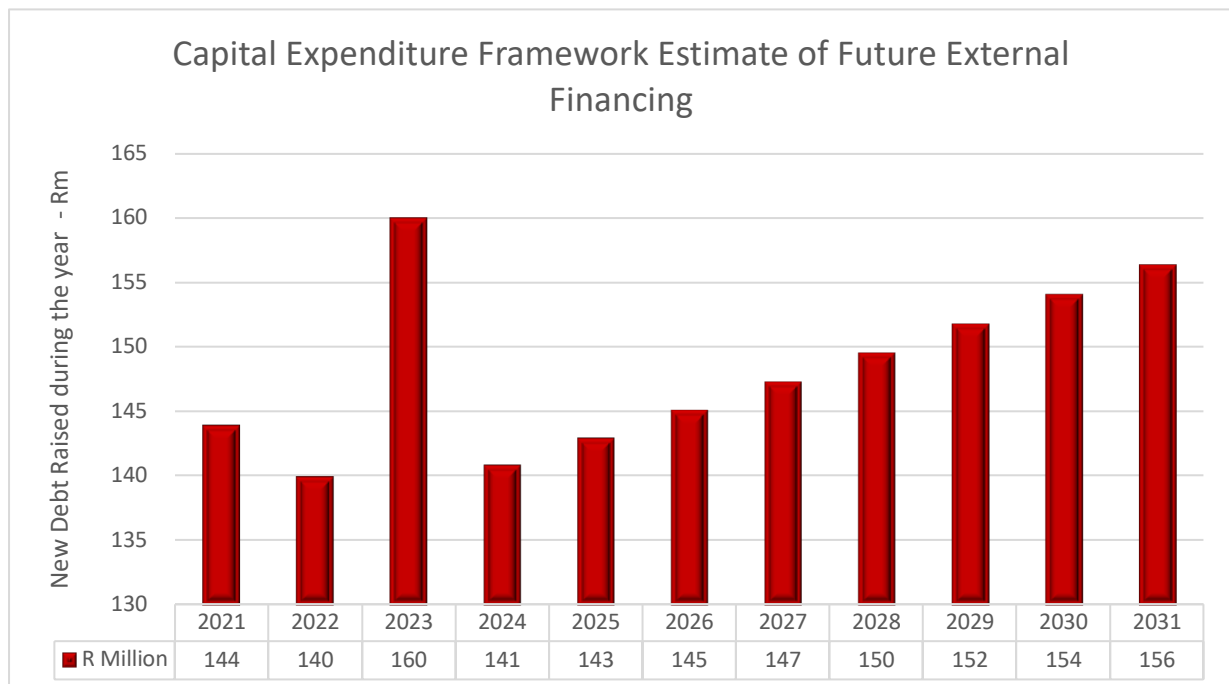
Based on the forecast External Financing requirement, the Debt Service to Total Expense Ratio never breaches the 8% benchmark over the planning period.

Figure 7-5: Debt Service tot Total Expense Ratio



The amount of annual external financing is estimated to be distributed as follows:

Figure 7-6: Estimate of Future External Financing



7.1.3 Capital Need and Affordability Envelope by Year

A summary of the capital need and affordability envelope by year is presented in the table below:

Table 7-1: Capex need

| Year | Total Planned Capital Expenditure | Total Planned Capital Expenditure % |
|--------------|-----------------------------------|-------------------------------------|
| 2021 / 2022 | R 1 471 328 211 | 22,35% |
| 2022 / 2023 | R 909 681 550 | 13,82% |
| 2023 / 2024 | R 720 959 363 | 10,95% |
| 2024 / 2025 | R 549 631 401 | 8,35% |
| 2025 / 2026 | R 548 338 364 | 8,33% |
| 2026 / 2027 | R 606 838 592 | 9,22% |
| 2027 / 2028 | R 544 582 074 | 8,27% |
| 2028 / 2029 | R 566 010 613 | 8,60% |
| 2029 / 2030 | R 409 408 322 | 6,22% |
| 2030 / 2031 | R 256 470 000 | 3,90% |
| Total | R6 583 248 491 | 100,00% |

The table above includes all capital projects captured by departments projected for the 10 year period of the Capital Expenditure Framework.

What the planned capital expenditure analysis illustrates is that:

- Near future is more predictable than the distant future;
- Insufficient demand captured across the ten year horizon;
- In total, the capital demand is equal to R5.8 billion, subject to what is affordable within the financial envelope available.

It is apparent that whilst good progress has been made to plan ahead over a longer period, more careful upfront planning, extension of master plan periods and upfront capturing of pending and approved projects must bear relevance.

Capital expenditure fluctuates annually in line with the needs identified.

Table 7-2: Affordability Envelope

| Year | 2021
R(m) | 2022
R(m) | 2023
R(m) | 2024
R(m) | 2025
R(m) | 2026
R(m) | 2027
R(m) | 2028
R(m) | 2029
R(m) | 2030
R(m) | 2031
R(m) |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Public & Developers' Contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Grants | 120 | 95 | 101 | 89 | 90 | 91 | 93 | 94 | 96 | 97 | 98 |
| Financing | 144 | 140 | 160 | 141 | 143 | 145 | 147 | 150 | 152 | 154 | 156 |
| Capital Expenditure | 461 | 398 | 384 | 381 | 387 | 393 | 399 | 405 | 411 | 417 | 423 |

7.1.4 Proposed Amendments to MTREF Capital Programme and Associated Funding Mix

Whereas the current approved MTREF reflect a decrease in capital expenditure until 2021, the total capital spend over the next 10 years come to R4.0 billion, which is affordable to Stellenbosch LM. The LTFM indicates that should there be a need for Stellenbosch to accelerate the capital spend over the

MTREF, but still within an affordable envelope over the next ten years, such an acceleration would be possible with increased external borrowing.

8 Project prioritisation

The objectives of this section is to:

- Define the capital expenditure prioritisation rationale, and;
- Express the project prioritisation results in relation to the strategy of the municipality.

The Stellenbosch Local Municipality commissioned the utilisation of a capital budget prioritisation framework, which are based on the fundamental principles as set out in the PESTLE method for prioritisation and as endorsed by the National Department of Monitoring and Evaluation.

The Stellenbosch Capital Prioritisation Model (CPM) is a systematic and objective methodology that provides a way to rank or sort a diverse set of projects into an order of importance based on each project's alignment to the strategic, spatial, social, economic, environmental and financial objectives of the municipality. The CPM identifies each project's relative importance by deriving a numerical value representative of the project's priority.

The CPM provides a means for ranking projects based on criteria or principles that are the most important to focus on first in terms of meeting the municipality's overarching developmental objectives and strategies. This also assists in promoting co-ordinated and aligned departmental planning and budgeting.

The aim of Stellenbosch Local Municipality is to utilise the prioritisation methodology as a scientific basis for capital expenditure decision making, as a framework for institutional strategic planning, and as a vehicle to give effect to various planning ideology albeit either spatial, infrastructure or financial in nature.

This position of Stellenbosch is not unprecedented and is founded in sound legislated processes, both from a planning and budgeting perspective – as explained in the introduction of the CEF. To reiterate, various legislative mechanisms necessitate a prioritisation log-frame to assign scarce resource.

Historically, Stellenbosch Local Municipality has primarily considered the rateability of an asset – in other words the extent to which the asset contributes to the expansion of the municipal rates base. In recent years, starting 2015/16, Stellenbosch Local Municipality employed the prioritisation methodology explained in this section – fundamentally a Multi Criteria Assessment (MCA) framework, where the rateability of an asset is but one variable that is considered to determine the priority of a capital project.

This section will discuss not only the rationale for prioritisation but will set out the framework and associated results after employing the CPM. It will therefore comprise of:

- The South African reality;
- The need for rationalised prioritisation;
- The design principles for prioritisation;
- The design elements for prioritisation;
- The Stellenbosch Capital prioritisation model high level approach;
- The Stellenbosch Capital prioritisation model detailed criteria;
- Capital prioritisation model application, and;
- Capital prioritisation model results.

8.1 The South African reality

In South Africa, the capital expenditure of a municipality should primarily be driven by the IDP. SPLUMA, as explained in the introduction of this document, furthermore, compels authorities to formulate a prioritisation rationale as part of the municipality's overall strategy and spatial transformation agenda. The meaningful allocation of capital expenditure for municipalities is however a challenging balancing act that must seek to address:

- Infrastructure backlogs;
- The restoration of human dignity;
- The creation of a safe and secure environment;
- The provision of basic services;
- The maintenance of existing assets;
- The protection of our heritage and environment;
- The creation of sustainable job opportunities;
- The boosting and creation of economic activities/opportunities, and;
- Strategically investing into a growing, sustainable, liveable and globally competitive city environment.

A prioritisation methodology is therefore required that will consider qualitative, quantitative and spatial priorities as articulated by municipality's strategic as well as technical leadership, and as enshrined by municipality's various strategic plans. It is recognised that the planning environment is continuously changing in response to new challenges and new dynamics are introduced constantly due to a variety of reasons. The process of prioritisation, therefore, must possess of the ability to comprehensively on-board new issues for consideration and easily, and most importantly, transparently bring on board and represent to the changing needs of the municipality.

The need for a mechanism to drive the strategic, yet equitable, allocation of capital within the municipality stems from the following realities:

- **Urbanisation, immigration and growth:** "The State of South African Cities" report produced by the South African Cities Network (SACN) in 2016, report that South African Cities are inundated by rapid urbanisation. A significant number of the population within South African municipalities has low levels of education resulting in high unemployment, very low incomes and poor living standards. There are not enough job opportunities for unskilled labourers in the economy to address this issue adequately. Because of this urbanisation, municipalities must deal with a relentless demand for infrastructure and services. Unconstrained urbanization and population growth have resulted in the demand for infrastructure and services outstripping the financial resources of municipalities. Given the limited resources to address these needs, prioritisation of capital expenditure has become a factor of critical importance. Typical prioritisation metrics used in this regard includes the consideration of a project with respect to the Urban Edge, or the identification of Priority Development Areas (PDAs) or Spatial Targeted Investment Areas (STIAs) in terms of the mSDF.
- **The importance of the city and regional economy:** One of the main drivers of economic sustainability is the creation of job-opportunities. Affecting economic changes requires a multi-pronged approach involving a range of interventions across a number of industries. From a capital expenditure perspective though, the process of prioritisation can benefit from the sophistication

of a complex, macro-economic econometric model. Typical prioritisation metrics used in this regard includes Job creation (opportunities - per R1m capex).

- **Increasing maintenance burden:** Municipalities are faced with the conundrum of balancing spatial, social and economic transformation, whilst maintaining the existing asset base of the city. Spatial, social and economic transformation is often associated with the provision of new, quality infrastructure in support of liveable communities either in newly demarcated development areas or as part of upgrading severely marginalized communities, with a poor service provision history and a backlog of service delivery demands. A balanced approach to capital spending, focusing partially on the provision of new infrastructure, whilst maintaining the existing asset base and revenue stream is important. A fundamental consideration of all capital expenditure therefore must include the estimated operating expenditure burden that will result from the capital that is being spent. The operating expenditure burden is inevitable – a situation can however arise whereby the operating expenditure continues to grow to the extent that it starts to impact on the available capital expenditure. Typical prioritisation metrics used in this regard is the lifespan of a specific asset or the rateability of the asset.
- **Coordination and Inter-dependency:** Capital project preparation is often undertaken in a non-integrated way in that the different departments, divisions and agencies plan and budget for capital projects in isolation from each other. This is not necessarily intended, it is simply a consequence of a large, multi-disciplinary organisation. Departments often have their own priorities and their own methods of determining such priorities. These methods vary in terms of sophistication and detail. The provision of municipal infrastructure requires integrated project planning and preparation. Therefore, a decision support system, which facilitates the coordination and integration between planning and infrastructure provision on a project preparation as well as an institutional level is critical.
- **Competing Interests:** Although basic services infrastructure (i.e. water, sanitation, electricity and solid waste management) is often as high on the community delivery agenda as social facilities and amenities (i.e. clinics, libraries, community facilities etc.), these different infrastructure types do not always receive equitable capital allocation. Often, income generating capital expenditure (i.e. capital spent on infrastructure which can yield some form of monetary return) receives larger quantities of capital budget than non-income generating infrastructure. A decision support system, which allows for scenario testing in relation to the ratio of income generating and non-income generating capital expenditure, taking into account the impact that this would have on the city's financial sustainability is required.
- **Spatial transformation agenda:** The spatial vision of South African municipalities seeks to transform the developmental landscape to become a more inclusive, efficient and equitable. Consequently, capital spending should be earmarked to drive the spatial transformation agenda which in turn will result in a spatially transformed and economically sustainable city structure. A decision support system, which enables capital project prioritisation, reporting and tracking quantitatively, qualitatively and spatially, is required to ensure that capital spending is focused on strategic spatial structuring areas to achieve the desired city spatial form. Typical prioritisation metrics used in this regard is the spatial consideration of the mSDF.

The complexity and interdependency of these issues is very challenging, and each year, new considerations and priorities are introduced. The need for a scientifically based tool to facilitate complex decision making of this nature, is evident.

8.2 The need for rationalised prioritisation

The need for a rationalised prioritisation methodology is embedded in legislation. In addition, a defensible prioritisation methodology is becoming the preferred response when considering the daunting and increasingly complex realities facing urban and rural environments today, and other developmental and resource constraint pressures facing decision makers.

There are three fundamental criteria that further bolsters the need for a rationalised prioritisation methodology that should be applied to scarce resources. These fundamental criteria, irrespective of the context are essential for successful prioritisation.

If these criteria are met, a prioritisation methodology can be justifiably applied to cast light on the complex decision making environment, assisting decision makers to deal with seemingly daunting pressures, including the compliance of legislation and the ability to defend decisions on a scientific basis.

Any organisation with the following three criteria, needs a methodology for prioritisation:

- The organisation has a defined strategy or goal-set;
- The organisation has the intention and a mandate to implement the strategy or goal-set, and;
- The organisation is faced with a resource constraint within which to execute the strategy (i.e. resource limitations).

Stellenbosch Local Municipality adheres to the fundamental criteria outlined above and consequently has a need for prioritisation in that:

- Stellenbosch Local Municipality has a formal strategic document, in the form of the Integrated Development Plan, with supporting strategic positions such as the LTFP, Technical Master Plans and the Spatial Development Framework;
- Stellenbosch Local Municipality has the mandate to implement the above-mentioned strategic documentation in order to achieve the goals of the National Development Plan 2030 through the delivery of specific services and assets, and;
- Stellenbosch Local Municipality, as with the majority of municipal entities in South Africa, has limited financial resources through which to implement the demand for capital investment in its jurisdiction.

It is therefore necessary for the Stellenbosch Local Municipality continue to use the prioritisation mechanism to navigate the trade-offs and strategic decision making required for the execution of its strategy within the resource limitations it is facing.

8.3 Design principles for prioritisation

The following principles have shown to be central to successful prioritisation:

- Scientific – measurable criteria based on best practice to produce defensible results;
- Participative – obtain key stakeholder buy-in in the criteria and weighting applied
- Transparent – complex enough to yield credible results but simple enough to be explained to all stakeholders;
- Adaptable – flexible model design to allow for immediate changes, and;
- Collaborative – to harness institutional knowledge.

8.3.1 A scientific prioritisation approach

In the process of prioritisation, the importance of a multitude of considerations must be emphasized. Although it is commonly accepted that the municipality's IDP should be the primary driver of priorities, there are however many other metrics that should be considered in the process. This is done through a multi-criteria weighted approach. Some of these considerations are briefly highlighted.

The first fundamental to consider is funding that is available for implementation and how this capital is sourced. This informs of the affordability of implementing the list of capital needs. In a municipal environment, capital is sourced from a number of places. Among these sources are bonds and loans. The affordability and the debt thresholds set by the MFMA are important considerations in this process.

Technical inputs stemming from the municipality's asset management system or from other technical reports or processes represent another important aspect to consider in the process of prioritisation. These technical inputs often do not align optimally with IDP objectives but are important all the same due to age, wear or other important reasons. Other technical aspects such as the technical interdependence of projects also play an important role. This will have the consequence that projects that appear to be of a lower priority, may be elevated in importance if they are enablers of other, important projects.

The economic, socio-economic and environmental impacts also represent impact lenses that casts an important perspective on project impacts. There are various methods and models to determine these impacts to varying degrees of accuracy. Within a service delivery framework, it is essential that these elements be included in the prioritisation process.

Lastly and very importantly, the spatial alignment of a project to a municipality's strategic or political objectives needs to be included in prioritisation process. The assumption is often erroneously made that these spatial aspects are adequately captured by the IDP process. The reality is however more complex and dynamic. Spatial priorities are often revealed throughout the IDP cycle by new processes such as the development of Spatial Development Frameworks (mSDFs).

8.3.2 A participative prioritisation approach

The prioritisation process facilitated by a system, should be easy to understand and interpret whilst allowing for accessibility and input by its users on any level of detail required. Given the diverse range of different departments and divisions within the typical South African municipality and the divergent needs stemming from each department, it is essential that the prioritisation methodology lends itself towards participation and allows for easy calibration by key decision makers.

8.3.3 A transparent prioritisation approach

In order to ensure the transparency of a prioritisation model and methodology, it is critically important to ensure that such a model is scalable, adaptable and flexible. A model can be measured as scalable if the same methodology can be applied on a small number of projects as well as a large number of projects, with relatively the same input effort, and ensuring a reliability in the results.

A model can be considered adaptable, if its content, methodology and outcome can be fully explained, and consequently changed at the request of the user. Adaptability relates to the ability of the model to adapt – either to the client's needs, i.e., what is considered as a priority, or to changing realities, or

to any other factor that might be considered necessary to change the prioritised direction of the municipality.

A model can be regarded as flexible, if it can accommodate different data inputs and different evaluation criteria.

8.3.4 A system-based approach

One of the most recognised methods to evaluate various options in line with principles or strategic positions, is a multi-criteria decision-making framework. It requires the set-up of specific principles, linked to distinguishable criteria and a set of options carrying attribute data related to the criteria.

If a human was to manually calculate the outcome of each option, assuming 3 000 options, and 12 criteria, then it will take a human about 51 years to complete a single task. The power of a system based, not an excel-based prioritisation tool, enables a human to make the same set of calculations in 9 minutes or less depending on processing power. This enables strategists and decision makers to focus efforts on making the right decisions based on several scenarios and trade-off, not hampered by computational power.

8.3.5 A collaborative approach

In environments characterised by silo-oriented organisational management, collaboration brings a viable remedy for the ills spawned from the previous configuration. Some of those viable remedies, that if implemented correctly can not only change decision making, but overall organisation behaviour, includes:

- Facilitates reaching agreement on priorities and key issues;
- Establish a platform for conversations about what is important;
- Guide, co-ordinate and align the municipal budget;
- Provides for a transparent and rationalised budget process;
- Helps collective prioritising of complex or unclear issues;
- Provides a quick and easy, yet consistent, method for evaluating options;
- Takes some of the emotion out of the process, and;
- Quantifies the decision with numeric rankings.

8.4 Design elements for prioritisation

8.4.1 CPM mathematical framework

The prioritisation process should be easy to understand and interpret whilst allowing for accessibility and input by its users on any level of detail required. Given the diverse range of different role-players within the municipality and the divergent needs stemming from each, it was deemed essential that the methodology lends itself towards participation and allows for easy calibration by key decision-makers.

To fully take into account all factors relevant in deciding which projects to receive priority, the Utility Analysis Method is used that takes all the relevant system constraints into account.

“Utility analysis is in effect a semi-quantitative means of ‘trading off’ the effects of implementing any given scheme, that is, the relative desirability of achieving a given set of goals and objectives and the degree to which this target system is fulfilled, are combined to

give a measure of how far each scheme will go in meeting all or any of the goals and objectives, and so provides the answer to the question of the effectiveness of the scheme. The distinguishing feature of utility analysis is that it can handle financial, quantitative and qualitative effects simultaneously. Consequently, all of the impacts or effects of a project which can be envisaged can be included in the analysis."

Evaluation of Transportation Projects – Utility Analysis; JV Baxa; January 1981; CSIR

Utility analysis provides a structured input mechanism for the decision-maker and indicates the overall effectiveness with which alternatives will satisfy the complex target system. The process begins by defining the problem in a structured way. As already mentioned, the problem definition can incorporate diverse inputs which cover quantitative, qualitative and spatial factors.

The starting point for a utility analysis is to define the goals that should ultimately be addressed by the modelling. For each of these goals and subsequent objectives then must be established. Each objective requires a specific input, which will be modelled based on a predetermined method or value function, to provide an output. The following basic steps apply:

- Define the relative preferences for each goal that was set out;
- Define relative preferences for each objective that was set out, and;
- Weight each criterion that was set up to reflect their relative importance.

By following these steps, each alternative (or in the case of capital prioritisation – each project) can be 'scored' to attain a measurement of performance that can be translated into several points system with which each criterion is weighted, as indicated on the matrix of utilities, is normalised to a number between 0 and 100.

The complexity of the number of variables that have to be taken into account in the model from the municipality's point of view requires that the model methodology be adapted to allow for more than one level of "objectives". Importantly, these objectives all contribute towards a fundamental set of goals defined at the start of the utility analysis process.

These goals possess the ability to influence how projects will be rated rather dramatically, by their hierarchical importance relative to objectives and criteria on the utility analysis. The benefit of this is that the municipality now can fix the fundamental considerations on this level, to ensure that it manifests in prudent financial management whilst still ensuring that the transformation as contained in the various municipal strategies, manifests itself at this level.

Figure 8-1 the basic structure of the model. More about the actual criteria that will be used is discussed later in this document.

The diagram illustrates a hierarchical structure for a Vision, decomposed into Goals, Objectives, and Criteria, with associated weights and signs.

- Vision** (Weight: 100%)
 - Goal 1** (Weight: 35%)
 - Objective 1** (Weight: 30%)
 - Criteria 1** (Weight: 40%, Sign: -)
 - Criteria 2** (Weight: 30%, Sign: -)
 - Criteria 3** (Weight: 30%, Sign: -)
 - Objective 2** (Weight: 70%)
 - Criteria 4** (Weight: 100%, Sign: -)
 - Goal 2** (Weight: 65%)
 - Objective 3** (Weight: 100%)
 - Criteria 5** (Weight: 100%, Sign: +)
 - Objective 4** (Weight: 100%)
 - Criteria 6** (Weight: 100%, Sign: +)

Signs (+/-) indicate the direction of impact or relationship between the elements.

This approach offers a significant advantage in that the “principles” of prioritisation becomes important debating points, instead of individual merits projects. Projects emanating from different departments do not have a mutual or common ground to enable a meaningful one-to-one comparison. Using this model though provides a platform where all projects, irrespective of their origin or sophistication, is subjected to the same principles.

Choosing the right objectives becomes important. Fortunately, a lot of thought and research have been put into this already, and the proverbial wheel does not need to be reinvented. Some of the basic elements of priority can be onboarded and sculpted for the specific purpose of this plan. A method that was first invented in 1967 at Harvard University is called the PESTLE method. PESTLE is a mnemonic which in its expanded form denotes:

- **P** for **P**olitical;
- **E** for **E**conomic;
- **S** for **S**ocial;
- **T** for **T**echnological;
- **L** for **L**egal, and;
- **E** for **E**nvironmental.

The method provides a bird's eye view of the whole environment that is appraised from many different angles that one wants to check and keep a track of while contemplating a certain idea/plan. The method has been tested and honed over the past decade at many of South Africa's municipality's and metros with good outcomes.

8.4.3 Evidence Based Planning

The key advantage of following the utility analysis using the PESTLE criteria as described in the previous sections, is that the input rely heavily on evidence-based data. When looking at evidence-based data, as opposed to raw data it is crucial to understand data. Raw data has no intrinsic meaning of its own. Evidence-based data implies a verification of a data element, a hypothesis, a viewpoint. Still, this data has no value. It is only through tools such as the utility based analysis that this data is interpreted – objectively – with the output being an evidence-based data element that can inform decision making based on the process it has gone through.

As an example, if the data shows that a certain area has a significant backlog in water infrastructure, one may be tempted to simply invest in water infrastructure to mitigate this issue. The utility analysis compels the decision maker to hypothesize the consideration of additional data to make a decision as to which of the priorities are more important. If this approach highlights the area with water infrastructure backlog to further benefit climate-change objectives as well as the economic enhancement of the agricultural sector, the decision has moved from a data decision towards an evidence-based decision.

An evidence base in the appraisal stage helps decision-makers in the following ways:

- Standardized, evidence-based methods and considerations are used (PESTLE approach);
- The most up to date, available spatial data are used as input to make;
- It improves transparency, accountability, and value;
- It improves quality of decision-making, and;
- It improves the outcomes for the ultimate beneficiaries of the strategy - the communities.

Evidence based decision making is receiving a lot of attention in the medical industry lately, as the same principles of data usage and decision making is propelling certain sectors forwards. Quoting from a paper published for BMJ Best Practice by Caroline Blaine:

"It [An evidence-based approach] requires us to be sceptical, to question our knowledge and beliefs, to identify the key questions, and to not be afraid to admit we don't have all the answers."

8.4.4 Multi-Criteria Assessment Framework Criterion Consideration

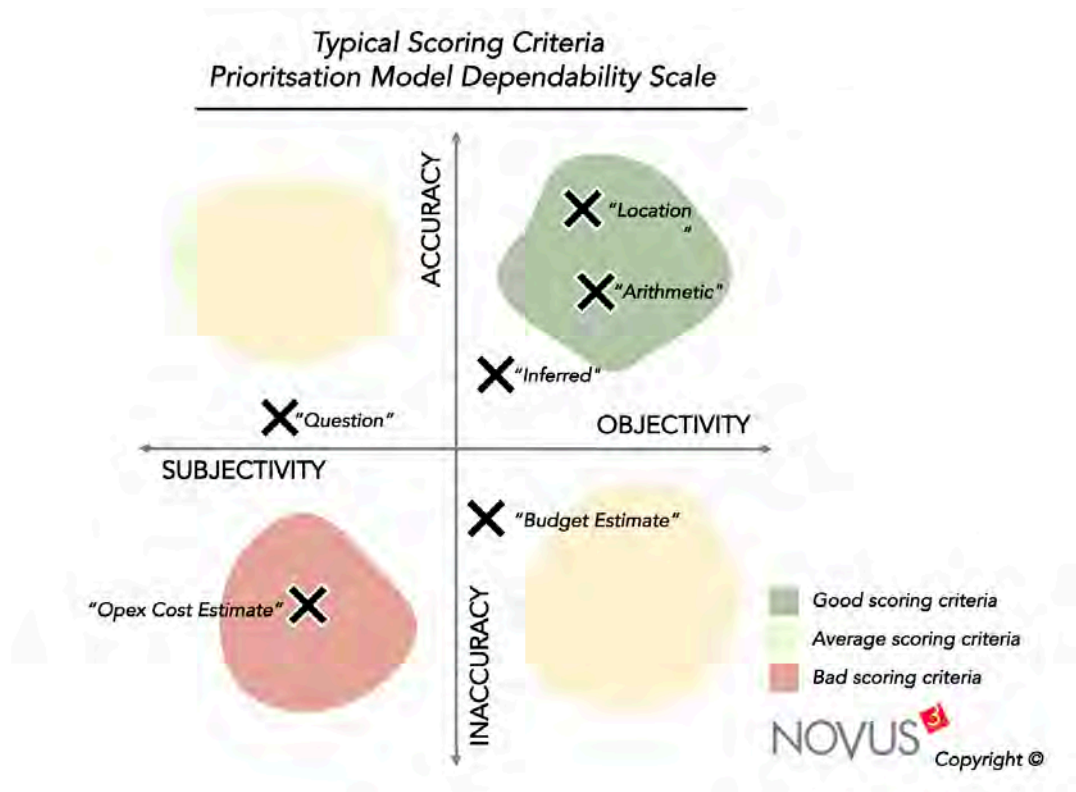
When compiling a multi-criteria assessment framework, and when introducing new criterion to assist in decision making, it is important to understand three elements. This includes:

- Firstly, what the model seeks to achieve;
- Secondly, what the nature of the criteria is, and;
- Thirdly, what the available data is and how it is collected.

From Figure 8-2, a four quadrant, two axel system shows the two scales used to evaluate a scoring criteria. The x-axis shows a measure of objectivity. The more objective a criteria is the better the criteria is to achieve the desired goal assuming a logical alignment between the criteria and the goal. The y-axis shows a measure of accuracy. The less accurate a criteria is, the less desirable a criteria is to measure a goal.

- **Intent:** This figure is based on the premise that a prioritisation model constructed for strategic decision making, planning and budgeting in the public sector seeks to achieve objective, repeatable and accurate measures in prioritisation. The more objective and accurate a measure, the more reliable, and the more valid results a model will generate.
- **Nature of criteria:** This figure shows that the nature of a criteria is important in achieving objectivity, and accuracy. A calculated response mechanism, say a mathematical formula, will always give the same answer if the same input is given. This characteristic is deemed as desirable in the context of the DDM. A question, however, say a rating between two elements, or a scale-based expression of an opinion, will not necessarily always result in the same answer – even from the same person. This unstable nature of decision making is fatal in a strategic decision-making process and should be minimised.
- **Available data:** If data is available based on calculations, sound quantitative and qualitative data – it is deemed as more desirable in the context of capital planning decision making. If data of a specific question is not available in the participating population of projects, then unfair discrimination will occur, resulting in an undesirable outcome.

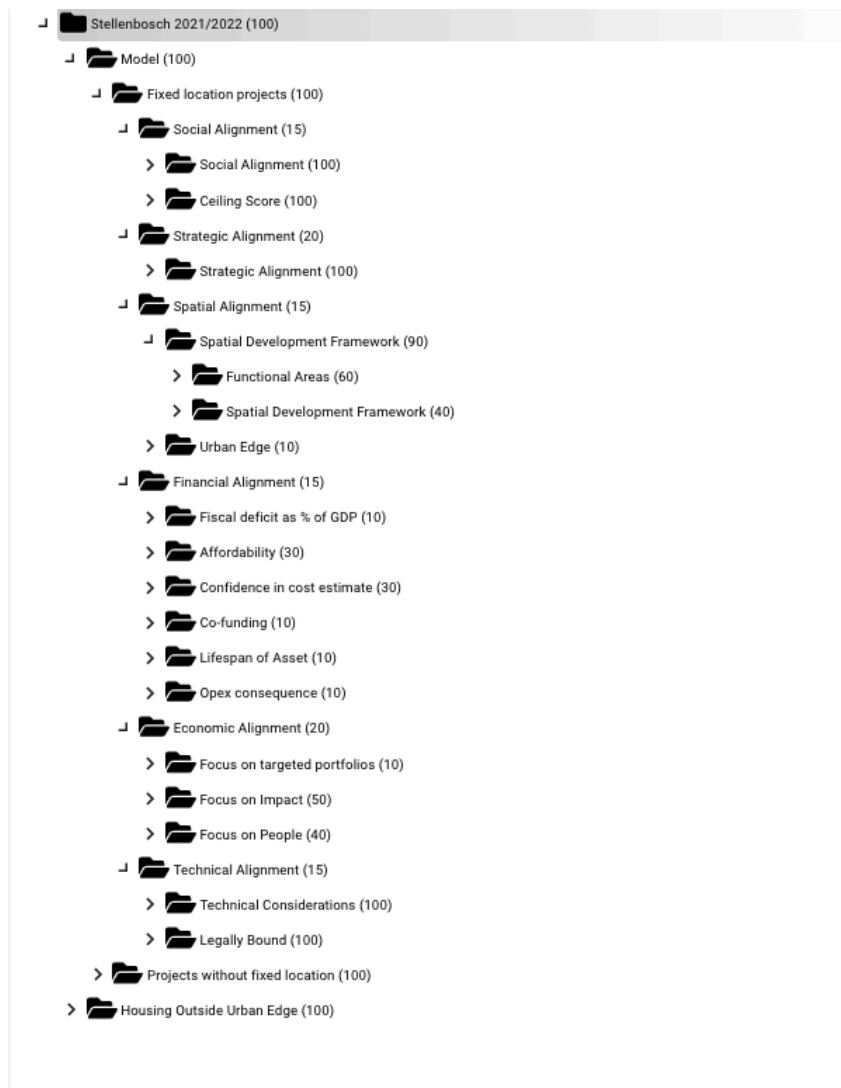
Figure 8-2: Prioritisation model dependability scale



8.5 Stellenbosch Capital Prioritisation Model - high-level structure

The following part of this document will show how the prioritisation model works. It should be noted that this part of this section will start at the high level model structure, followed by a detailed layout of how each branch of the multi criteria decision making tool is used to evaluate projects. The following figure displays a typical Prioritisation for Stellenbosch, as developed in CP3.

Figure 8-3: Screenshot of the prioritisation model that is used



The CPM allows for projects to be ranked or scored between two mutually exclusive branches, namely:

- Model;
- Housing Outside Urban Edge.

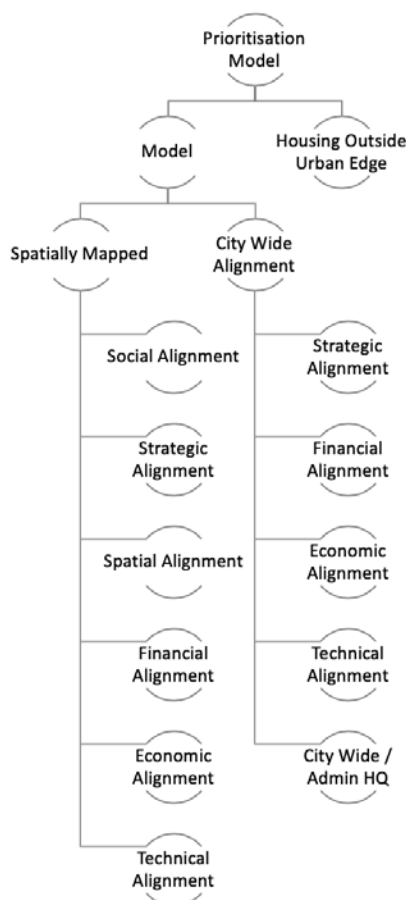
The “Model” allows for projects to be ranked or scored between two mutually exclusive branches, namely:

- Spatially Mapped;
- City Wide; or
- Administrative Head Quarters.

These two model branches are mutually exclusive, which means that any project can only pass through one of the two branches and can never be scored on both branches. Projects which have spatial locations (i.e. works and affected areas) are evaluated through the “Spatially Mapped” branch of the model, whereas unmapped projects marked under the MSCOA regional segment as “City Wide” or “Admin HQ” are evaluated through the “City Wide / Admin HQ” branch of the model. This distinction

is made so that City Wide and Admin HQ projects are not artificially penalised under the “Spatial” branch of the prioritisation model.

Figure 8-4: Capital Prioritisation Model High level Structure



Once it has been determined whether a project is **spatially mapped**, the project evaluation takes place according to the following themes or goals:

- Social alignment;
- Strategic alignment;
- Spatial alignment;
- Financial alignment;
- Economic alignment; and
- Technical alignment.

Once it has been determined whether a project is **city wide or Admin HQ**, the project evaluation takes place according to the following themes or goals:

- Social alignment;
- Strategic alignment;

- Financial alignment;
- Economic alignment; and
- Technical alignment.

It is evident from the high-level tree structure above that the “Spatial alignment” theme is only utilised under the “Spatially Mapped” scorecard.

The “Housing Outside Urban Edge” branch excludes all housing projects that are partially or totally outside the Urban Edge of Stellenbosch.

8.6 Stellenbosch Capital Prioritisation Model - Detailed Criteria

The following sections should be read in conjunction with Annexure 4: Prioritisation model. The annexure provides a more detailed description for each scoring criteria, whereas this section provides an overview of the scoring criteria branches.

The capital prioritisation model criteria will be discussed in more detail under the five (5) themes of the model, namely:

- Strategic alignment;
- Spatial alignment;
- Financial alignment;
- Economic alignment;
- Social alignment; and
- Technical alignment.

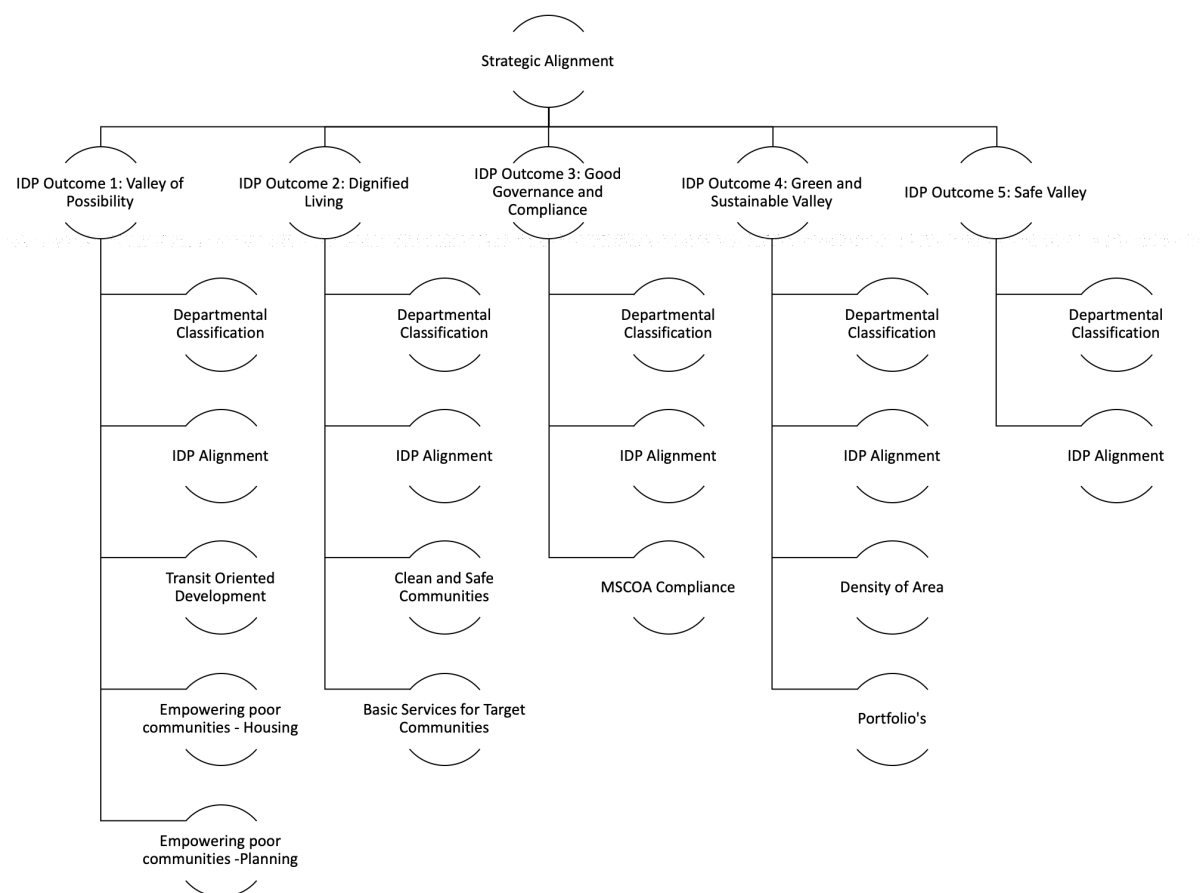
8.6.1 Strategic Alignment

The strategic alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget aligns with the organisations developmental objectives as well as strategic outcomes set out in the strategic guiding document of the municipality. The policy alignment score is calculated within five distinct categories¹³, namely:

- IDP Outcome 1: Valley of Possibility;
- IDP Outcome 2: Dignified Living;
- IDP Outcome 3: Good Governance and Compliance;
- IDP Outcome 4: Green and Sustainable Valley; and
- IDP Outcome 5: Safe Valley.

¹³ These categories are aligned with the IDP Outcomes.

Figure 8-5: Capital Prioritisation Model: Strategic Alignment



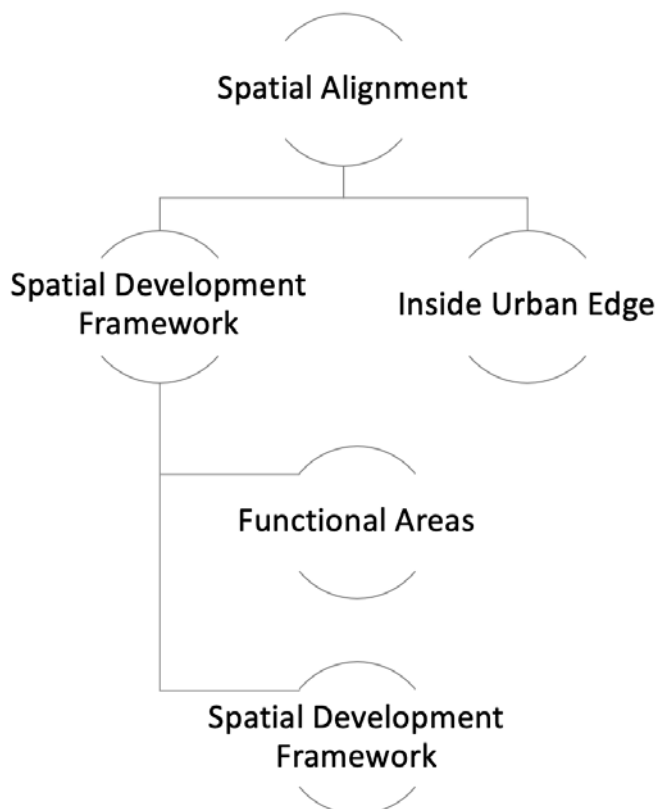
8.6.2 Spatial Alignment

The spatial alignment goal or theme of the prioritisation model evaluates the degree to which projects aligns with the spatial development framework and other spatial targeting objectives set out in various strategic documents of the municipality (i.e. IDP, mSDF, CIF etc.). The alignment of projects to the spatial targeting areas of the municipality are scored according to the following criteria:

- Spatial Development Framework; and
- Inside Urban Edge.

These criteria measured under these sub-branches seek to ensure that projects within the municipal budget align with the spatial structure or spatial development objectives of the municipality.

Figure 8-6: Capital Prioritisation Model: Spatial Alignment

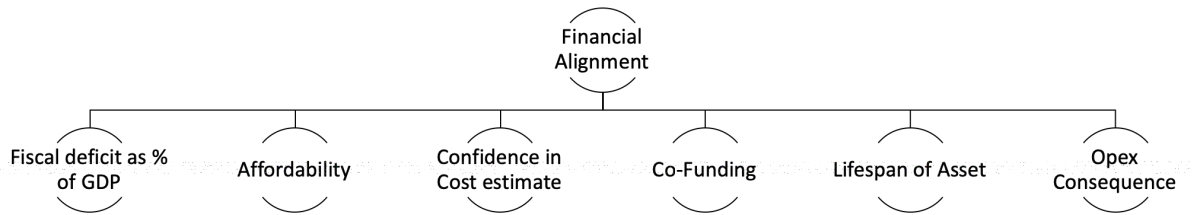


8.6.3 Financial Alignment

The financial alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget are considered to be credible, affordable, funded, applied to expand the rateable asset base and improving the fiscal position of the municipality. The financial alignment score is calculated within six distinct categories, namely:

- Fiscal deficit as % of GDP;
- Affordability;
- Confidence in Cost Estimate;
- Co-Funding;
- Lifespan of asset; and
- Opex Consequence.

Figure 8-7: Capital Prioritisation Model Financial Alignment



8.6.4 Economic Alignment

The economic alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget contributes to the growth of the municipal economy and improves the economic position of the residents within the municipality.

A macro-economic impact model (EIM) was developed for the municipality specifically to make use of the data from the CP3 system. The econometric model is specific for the municipality and draws from a sophisticated range of financial data, regional data, and population data sourced from StatsSA. As such, the EIM generates values for the impact of individual and portfolio capital projects in terms of a set of economic, socio-economic and fiscal indicators – for the City as a whole, as well as a selection of key sub-regions or ‘main places’.

The EIM is based on the outputs of a comprehensive suite of econometric models. The workings of the EIM are dynamic and consider the indirect City-wide impacts of projects and programmes – not only the localised ward-specific impact.

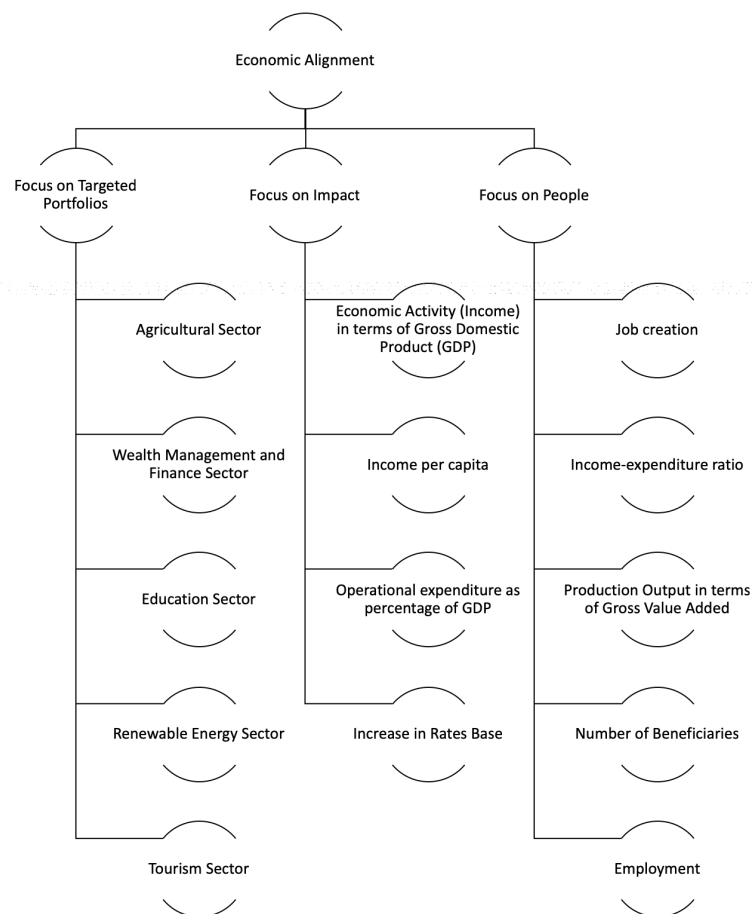
The EIM therefore captures the iterative, dynamic impacts of all of the role-players within the economy – households, business, government, foreign sector, as well as the full economic flow of goods, services, factors and money is accounted for, and an iterative computational process is utilised.

The outputs from the economic model is further augmented spatially by evaluating the alignment of the project’s location and affected area, with geographic areas that were graded across the entire municipal area in terms of its economic impact in a separate economic study that was conducted for this purpose.

The economic alignment score is calculated within two distinct categories, namely:

- Focus on targeted portfolios;
- Focus on impact; and
- Focus on people.

Figure 8-8: Capital Prioritisation Model: Economic Alignment



8.6.5 Social Alignment

The social alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipality aligns with servicing of areas with the highest demand and where the most vulnerable communities are situated.

The social alignment score is calculated within two distinct categories, namely:

- Services; and
- Deprivation Index.

8.6.6 Technical Alignment

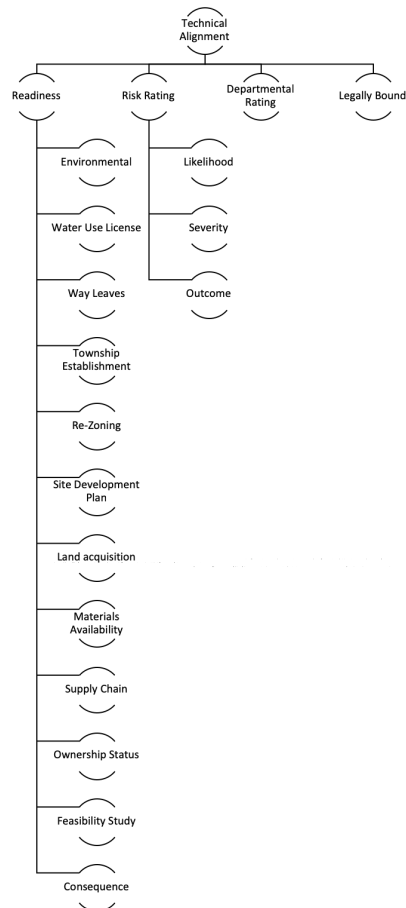
The technical alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget aligns with the asset management plans, analysis and modelling of the technical or utility services departments as well as the sustainability goals of the municipality, and most importantly, whether the project is ready to be implemented (i.e. all statutory and governance requirements have been met).

The technical alignment score is calculated within four distinct categories, namely:

- Implementation readiness;

- Risk Rating;
- Departmental Rating; and
- Legally Bound.

Figure 8-9: Capital Prioritisation Model: Technical Alignment



8.7 Capital Prioritisation Model - application

By applying the following steps, each alternative in terms of criteria and projects can be scored to attain a measurement of performance that can be translated into a number of points per criteria, per project. The points system with which each criterion is weighted, as indicated on the matrix of utilities, is a number between 0 and 100 – where 0 is low and 100 is high.

8.7.1 Step 1: Define the relative preferences for each goal that was set out

Relative preferences, expressed as weights, are best determined in a consultative manner, where key stakeholders debate which goals are more important to pursue than others. In some instances of prioritisation, it does happen that all goals are weighted equally – implying that all goals are of exact similar importance.

8.7.2 Step 2: Define relative preferences for each objective that was set out

Each goal is achieved by a set of objectives. However, some objectives – if achieved – can better contribute to a goal than other. Therefore, indicating that some objectives are more important, and should contribute more to the potential total score of a project being subjected to the prioritisation framework.

This approach offers a significant advantage in that the “principles” of prioritisation becomes important debating points, instead of individual merits of projects. Projects emanating from different departments do not have “common ground” to enable a meaningful one-to-one comparison. Using this model though, provides a platform where all projects, irrespective of their origin or sophistication, is subjected to the same principles.

8.7.3 Step 3: Set-up each criterion to evaluate relative importance

Each objective is measured by a set of criteria. These can be directly translated from a performance indicator framework, or as traditionally used, be defined by a series of measures using spatial, qualitative or quantitative measures. Of importance in this step, is that no unfair discrimination occurs. In other words, each project subject to the criterion must have an equal opportunity to compete in that criterion’s test. This is achieved by using evaluation criteria that can be defined for each project (Scope, cost, duration, readiness, environmental impact, population impacted, contribution to GDP etc).

8.7.4 Step 4: Data collection & standardisation: project data

A further important factor to keep in mind is the availability of suitable data to measure each project against. If the base data is not readily available, a proxy criterion should be sought that would still address the main issue on is attempting to appraise.

Typical data required per project for useful prioritisation includes, but are not limited to:

- Project Name
- Implementing department
- Project Scope (Similar to MSCOA Classification)
- Spatial details (GPS Coordinates)
- Project cost

- Project readiness
- Strategic alignment

8.7.5 Step 5: Calculate score

After defining the criteria that will be used in a prioritisation model, determining its relative weights, determining the evaluation criterion, and setting up a project portfolio, this step entails subjecting the set of projects to the multi-criteria assessment framework by using the different project attributes – the result being a relative ranking of projects indicating the most important to least important projects.

8.7.6 Step 6: Assess outcome

As with any model, this step enables the decision maker to calibrate the model to ensure that the model is reliable in its results, and provides justifiable validity to the outcome of the model.

8.8 Capital Prioritisation Model Results

The relative ranking, as a result of the applied Capital Prioritisation Model (CPM), which will be used to contribute to the budget scenario routine are discussed in detail in the next sub section.

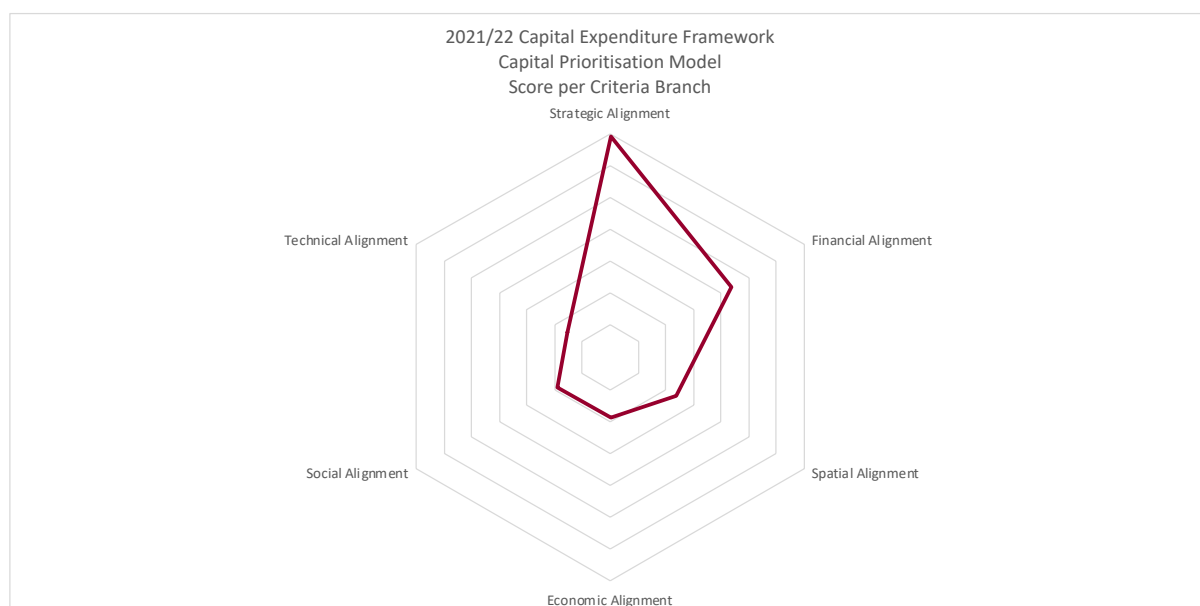
8.8.1 Scores per prioritisation branch

The CPM results shows that projects are best aligned with the strategic branch of the model. This could be attributed to the fact that the strategic branch of the model is firstly weighted the most with respect to the total score in comparison with the other branches, and secondly because of the relative number of opportunities to score, in other words the number of criteria set below the strategic alignment branch.

The second best aligned branch, that is projects aligned with the CPM, are financial alignment. This shows that even before the LTFP is considered, the prioritisation model already factors in financial realities.

The third noteworthy observation to make, is the low level of technical alignment. This is a function of the weighting allocated to the technical branch of the CPM.

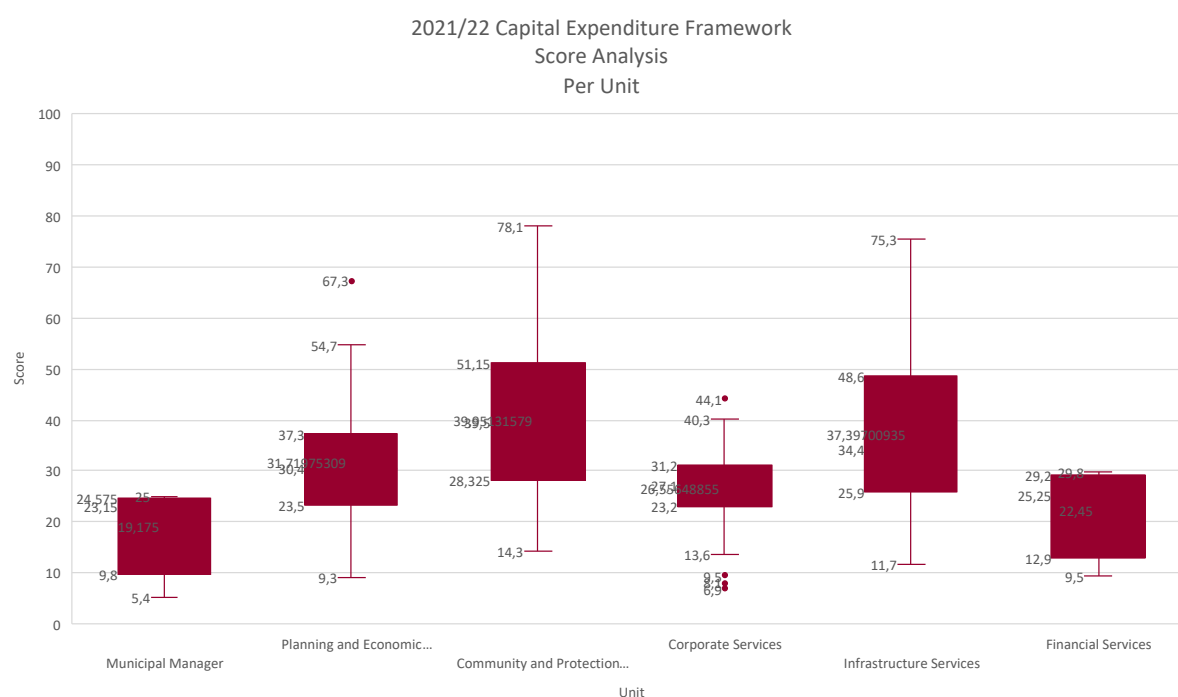
Figure 8-10: Score per Criteria Branch



8.8.2 Scores per Unit

A box and whisker diagram are used to summarise a range of results per a unit. The box component of the diagram shows where the projects that scored between the 25th and 75th percentile scored of the specific unit. The average score of the unit is depicted by the “x”. The ends of the whiskers are the maximum and minimum scores. Projects scoring between the minimum value and the 25th percentile are arranged along the bottom whisker, and projects scoring between the maximum value and the 75th percentile are arranged along the top whisker and the box.

Figure 8-11: Prioritisation model results – score per unit



When evaluating a box and whisker diagram, it is possible to make a value judgement on the intent of the model, and whether it is achieved. The box and whisker diagram differentiates score distribution between directorates, and within directorates.

Comparing between directorates, it is possible to see that infrastructure services and community protection services scores the highest, and are the best spread in terms of scores within the directorate. This aligns with the strategic intent of the CPM for Stellenbosch and shows that in terms of project readiness, and alignment a clear pipeline has been defined.

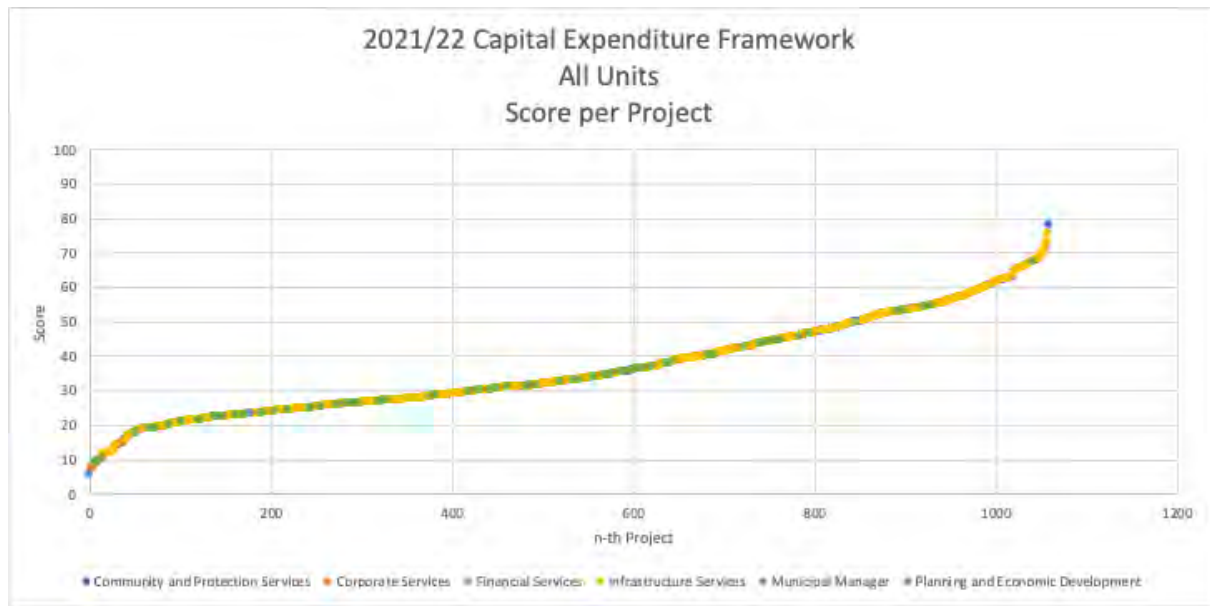
8.8.3 Scores per Department

A prioritisation model's purpose is to indicate a relative ranking between projects. When a relative ranking between projects has been determined, it is possible to indicate which projects are more important than others. Even though a prioritisation model is an objective application of an evaluation and comparison framework, it could still be subject to subjectivity in the form of unfair criteria, or unfair weightings. To statistically defend such a model, is to consider the spread of the model outputs, i.e. scores.

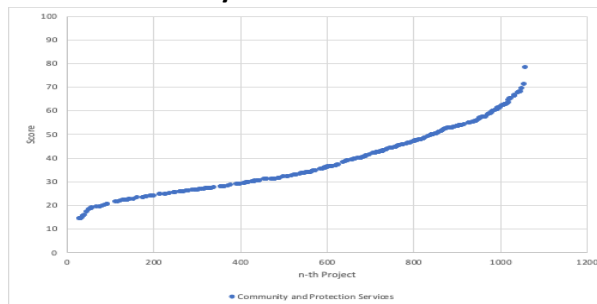
The score distribution per project should estimate a gradual and continual increase of number of projects with respect to the score. This means, that one would not expect incremental bunching of projects, say 400 of the 1200 project scoring below 30, and the remainder between 80 and 100. In such a case, the prioritisation model would be extremely biased, and polarising. Therefore, the more equally spread the project scores are, the more fair a prioritisation model was set up for the project population.

From the series of diagrams below, one can see that the main form of the score distribution adopts a gradual increase, in particular projects related to infrastructure services. What is interesting to note that there are no project scoring higher than 50 for the department of corporate services, and that the projects within planning and economic development increase in score at an increasing rate – the former can be attributed to the fact that the model is spatially and infrastructure driven, and the latter can be attributed to data completion and alignment – especially within the housing department.

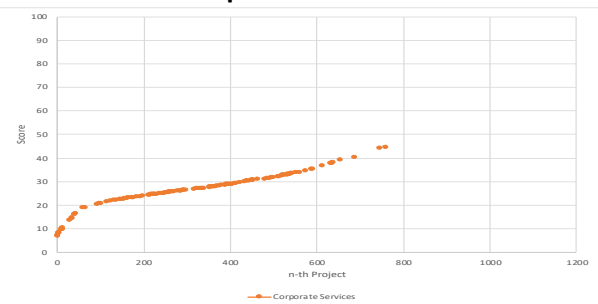
Figure 8-12: Project Score Distribution – per score



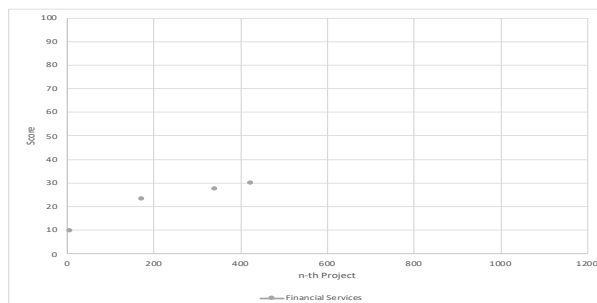
Community and Protection Services



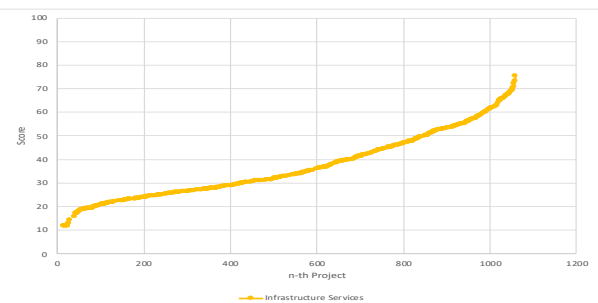
Corporate Services



Financial Services



Infrastructure Services



Municipal Manager

Planning and Economic Development

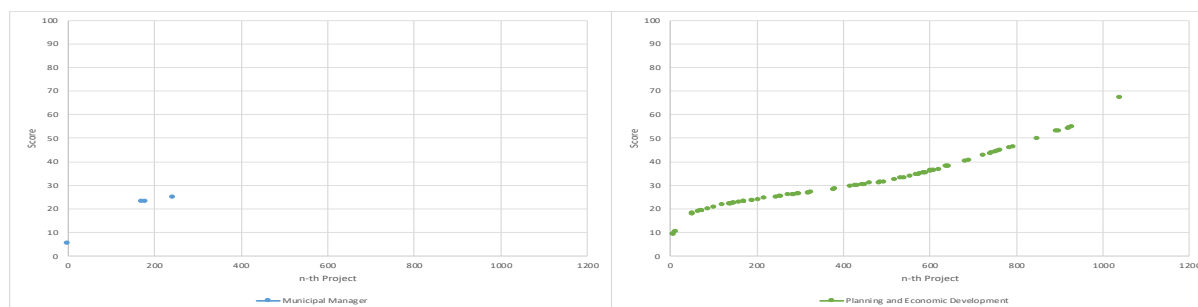


Figure 8-13: Prioritisation model results – Score per department

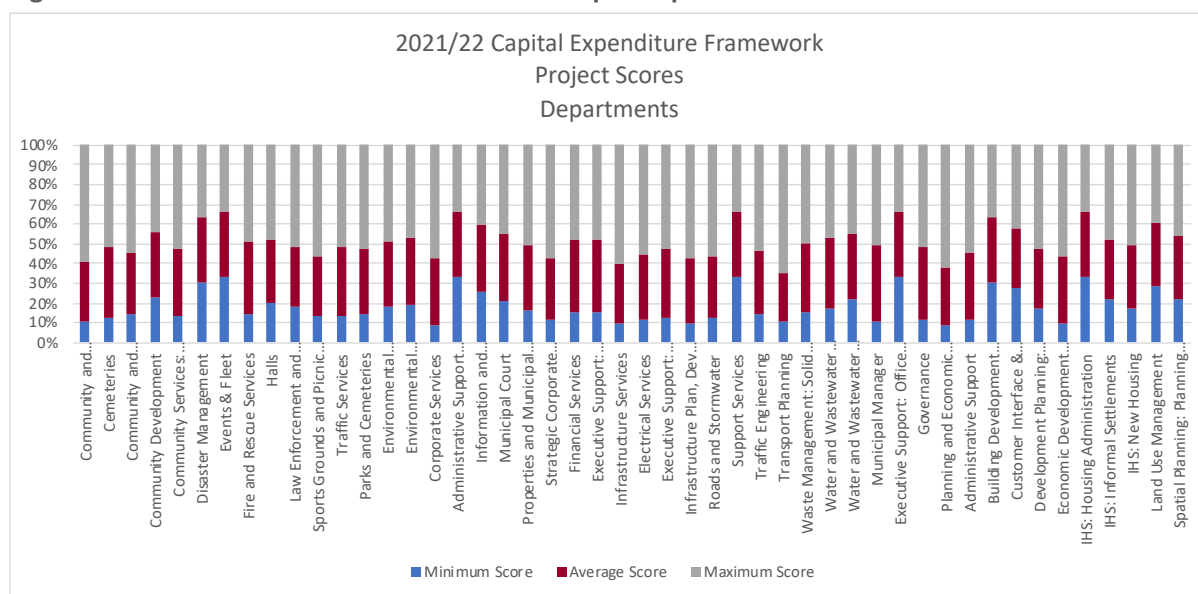


Table 8-1: Prioritisation model results

| Unit / Department | Minimum Score | Maximum Score | Average Score |
|---|---------------|---------------|---------------|
| Community and Protection Services | 14,3 | 78,1 | 40,0 |
| Cemeteries | 14,3 | 58,5 | 39,9 |
| Community and Protection Services: General | 14,7 | 55,6 | 31,7 |
| Community Development | 30,9 | 59,0 | 44,6 |
| Community Services: Library Services | 14,3 | 54,6 | 35,2 |
| Disaster Management | 52,9 | 62,4 | 56,7 |
| Events & Fleet | 40,0 | 40,0 | 40,0 |
| Fire and Rescue Services | 20,2 | 69,3 | 53,7 |
| Halls | 22,1 | 53,6 | 36,8 |
| Law Enforcement and Security | 24,7 | 71,2 | 43,2 |
| Sports Grounds and Picnic Sites | 14,3 | 62,2 | 33,5 |
| Traffic Services | 20,2 | 78,1 | 53,6 |
| Parks and Cemeteries | 15,5 | 54,9 | 34,3 |
| Environmental Management: Urban Forestry | 23,1 | 62,7 | 43,4 |
| Environmental Management: Implementation | 25,6 | 62,9 | 45,6 |
| Corporate Services | 6,9 | 44,5 | 26,6 |
| Administrative Support Services: Communications | 9,5 | 9,6 | 9,6 |
| Information and Communications Technology (ICT) | 20,6 | 32,2 | 26,3 |
| Municipal Court | 9,5 | 20,2 | 14,9 |
| Properties and Municipal Building Maintenance | 14,5 | 44,5 | 28,5 |
| Strategic Corporate Services: General | 6,9 | 33,1 | 17,9 |
| Financial Services | 9,5 | 29,8 | 22,5 |
| Executive Support: Financial Services: General | 9,5 | 29,8 | 22,5 |
| Infrastructure Services | 11,7 | 75,3 | 37,4 |

| Unit / Department | Minimum Score | Maximum Score | Average Score |
|--|---------------|---------------|---------------|
| Electrical Services | 14,2 | 65,4 | 38,5 |
| Executive Support: Engineering Services: General | 12,9 | 54,2 | 35,8 |
| Infrastructure Plan, Dev and Implement | 11,7 | 69,4 | 39,5 |
| Roads and Stormwater | 11,7 | 54,5 | 30,8 |
| Support Services | 37,0 | 37,0 | 37,0 |
| Traffic Engineering | 17,6 | 65,9 | 40,1 |
| Transport Planning | 11,7 | 73,3 | 28,7 |
| Waste Management: Solid Waste Management | 20,4 | 67,0 | 47,3 |
| Water and Wastewater Services: Sanitation | 27,9 | 75,3 | 55,7 |
| Water and Wastewater Services: Water | 34,8 | 72,0 | 52,7 |
| Municipal Manager | 5,4 | 25,0 | 19,2 |
| Executive Support: Office of the Municipal Manager | 23,3 | 23,3 | 23,3 |
| Governance | 5,4 | 25,0 | 17,8 |
| Planning and Economic Development | 9,3 | 67,3 | 31,7 |
| Administrative Support | 9,3 | 42,6 | 26,0 |
| Building Development Management | 19,2 | 22,8 | 20,4 |
| Customer Interface & Administration | 22,2 | 34,8 | 24,6 |
| Development Planning: Spatial Planning | 18,2 | 54,3 | 31,0 |
| Economic Development and Tourism | 9,3 | 52,9 | 31,9 |
| IHS: Housing Administration | 32,5 | 32,5 | 32,5 |
| IHS: Informal Settlements | 31,3 | 67,3 | 42,6 |
| IHS: New Housing | 18,9 | 54,7 | 34,9 |
| Land Use Management | 26,0 | 35,2 | 29,2 |
| Spatial Planning: Planning and Development | 21,6 | 45,8 | 31,5 |
| Grand Total | 5,4 | 78,1 | 36,2 |

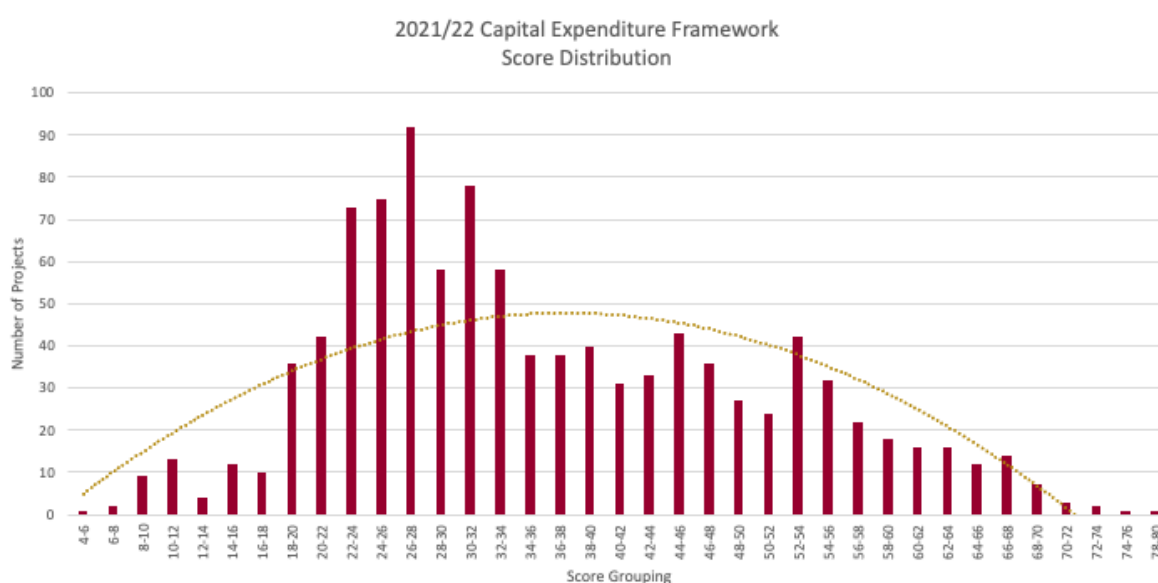
8.8.4 Scores distribution per project

The project scores emanating from the Stellenbosch CPM approximates a normal distribution, which is indicative of the following:

- The prioritisation model is not bias towards any project;
- The prioritisation model evaluates projects on a scientific basis, and;

The fundamental data captured for projects is sufficient for a prioritisation.

Figure 8-14: Project Score Distribution – per number of projects in score category



8.8.5 Scores distribution: Spatial distribution

One of the key benefits of the prioritisation model is that it enables alphanumeric and spatial data analytics, which means that spatial inputs are used to prioritise projects. Spatial prioritisation and budget alignment is not only a prerequisite in terms of SPLUMA, but it is also a policy imperative for the IUDF – therefore, spatially-based prioritisation enables true spatial targeting.

Considering the spatial parameters used in the CPM, it is not surprising to see that projects within the FAs, and PDAs scored higher than projects in the commercial farming areas. This is as a result of the increased emphasis and weighting on these criteria within the CPM. It is important to take note of the following when interpreting the spatial distribution of project prioritisation scores:

- Projects' geo-referenced locations are captured on CP3 as either a point, line or polygon geometry;
- Project geo-referenced locations were reduced to the centroid of each project location for aggregation and displaying purposes, and;
- Project score distribution locations are therefore an approximation of a project's location, and not an absolute indication of the project's location or implementation area.

From the spatial distribution of projects in Stellenbosch it is clear that the priority areas does influence the total score of the projects. It is also clear, that Klapmuts, Franschoek and Kayamandi – all areas within the urban edge – does enjoy a higher score value than the rest. Likewise, Stellenbosch central and in particular the Adam Tas Corridor, are hosts of some of the highest scoring projects. However, to think of prioritisation in terms of location is one dimensional. When cross relating the spatial distribution with the different branches of the prioritisation model it is possible to conclude the following:

- A concentration of high scoring projects in the central part of Stellenbosch with regard to financial alignment highlights the principle that it is better from a financial point of view to invest in areas closer to the city centre. This supports the bid-rent theory where investment closer to the urban nexus is more financially sound from an efficiency point of view, than further from the urban nexus.
- From an economic point of view, investment is better in areas associated to places of living and places of working. From the spatial view of the economic alignment branch, it is clear that projects closer to the access points enjoy a higher score, and a higher concentration of scores.
- Social alignment focus dominantly on population distribution. The prioritisation model shows spatially that investment in areas focussed on the spatial population pattern are highlighted.
- Urban structuring mechanisms is a key driver that adds to the total score per project. In terms of the spatial alignment branch, it clearly shows the bias engineered into the prioritisation model from a spatial targeting principle vantage point.
- Strategic alignment is more inclusive, and this shows spatially. A lesser degree of concentration and differentiation across the jurisdiction of the municipality, shows that from a strategic point of view, the municipality does prioritise all areas.
- Projects scoring good in terms of technical alignment correlates with firstly the older parts of the municipality, such as the central nexus of the municipality, and secondly with the recently newly developed, or under construction parts of the municipality.

Figure 8-15: Spatial expression of prioritisation branches

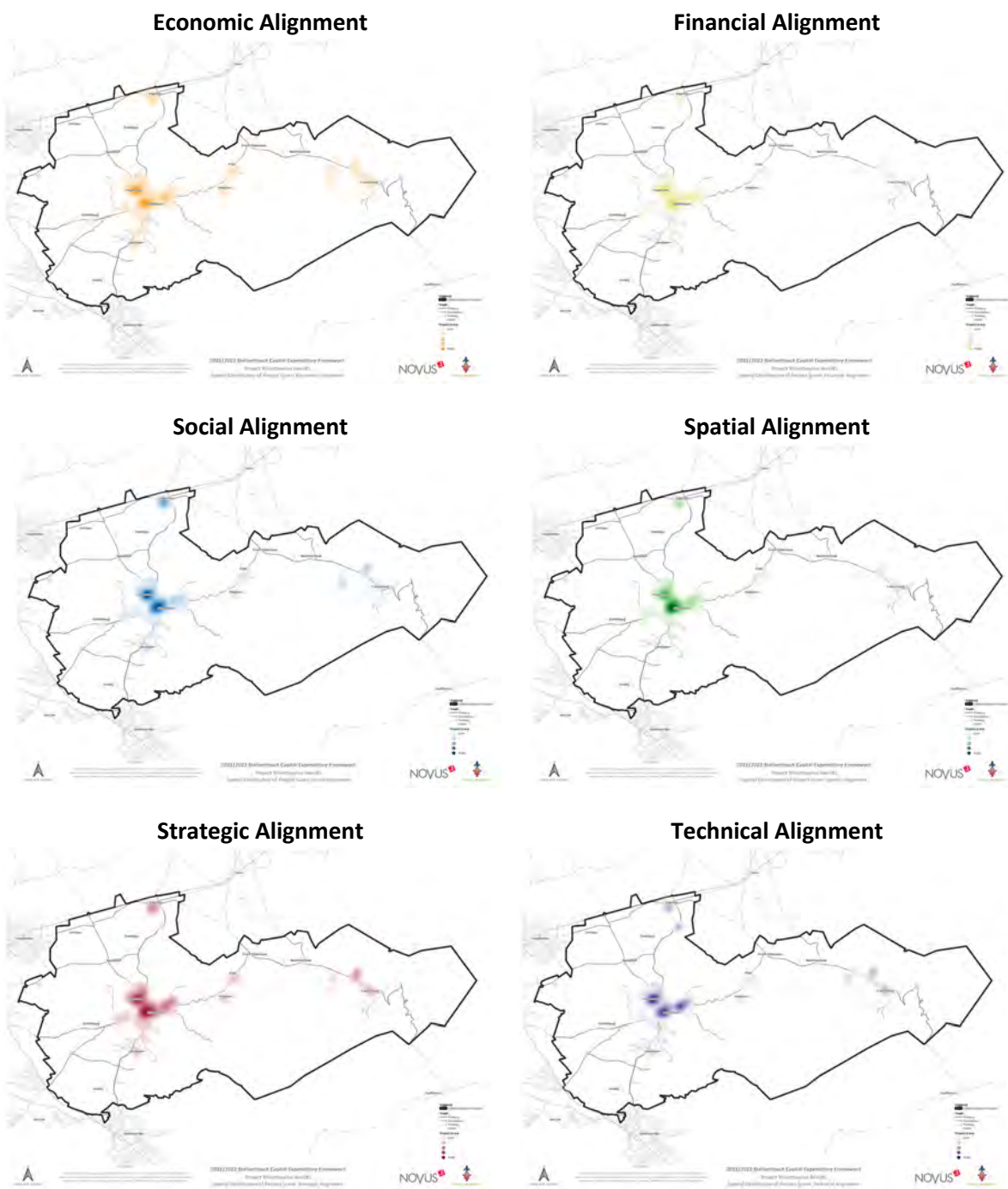
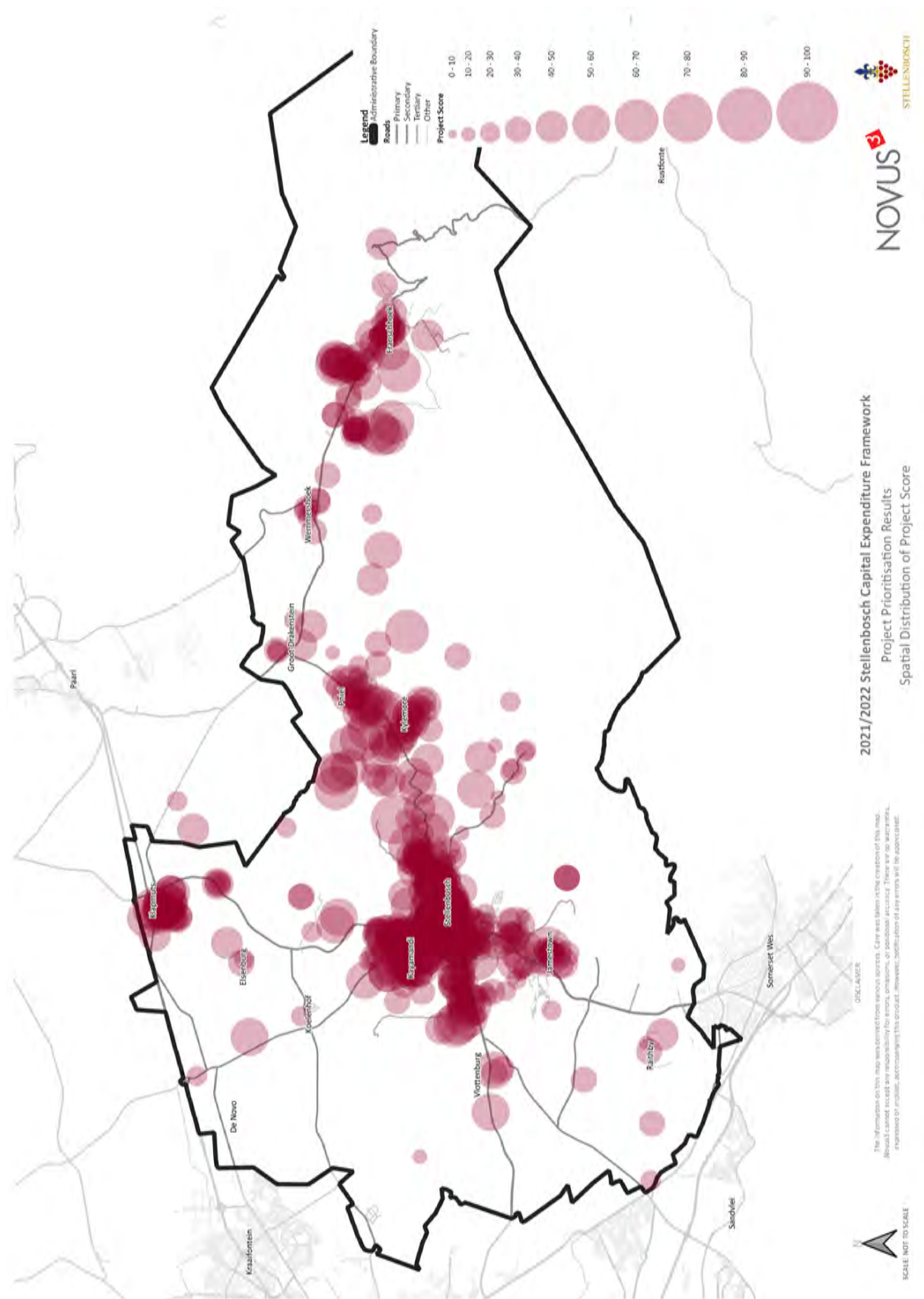


Figure 8-16: Project Prioritisation Results – Spatial



9 Budget scenario

The objectives of this section is to:

- Define the budget determination process;
- Unpack the budget in terms of modelled demand;
- Unpack the budget in terms of planned capital expenditure, and;
- Unpack the budget in terms of affordability.

Developing a budget scenario builds on the information gathered throughout the annual capital planning process and applies a systematic approach to determining which projects should be included in the 10-year capital expenditure framework, together with the annual draft budget, based on a set of pre-defined rules and scenario parameters.

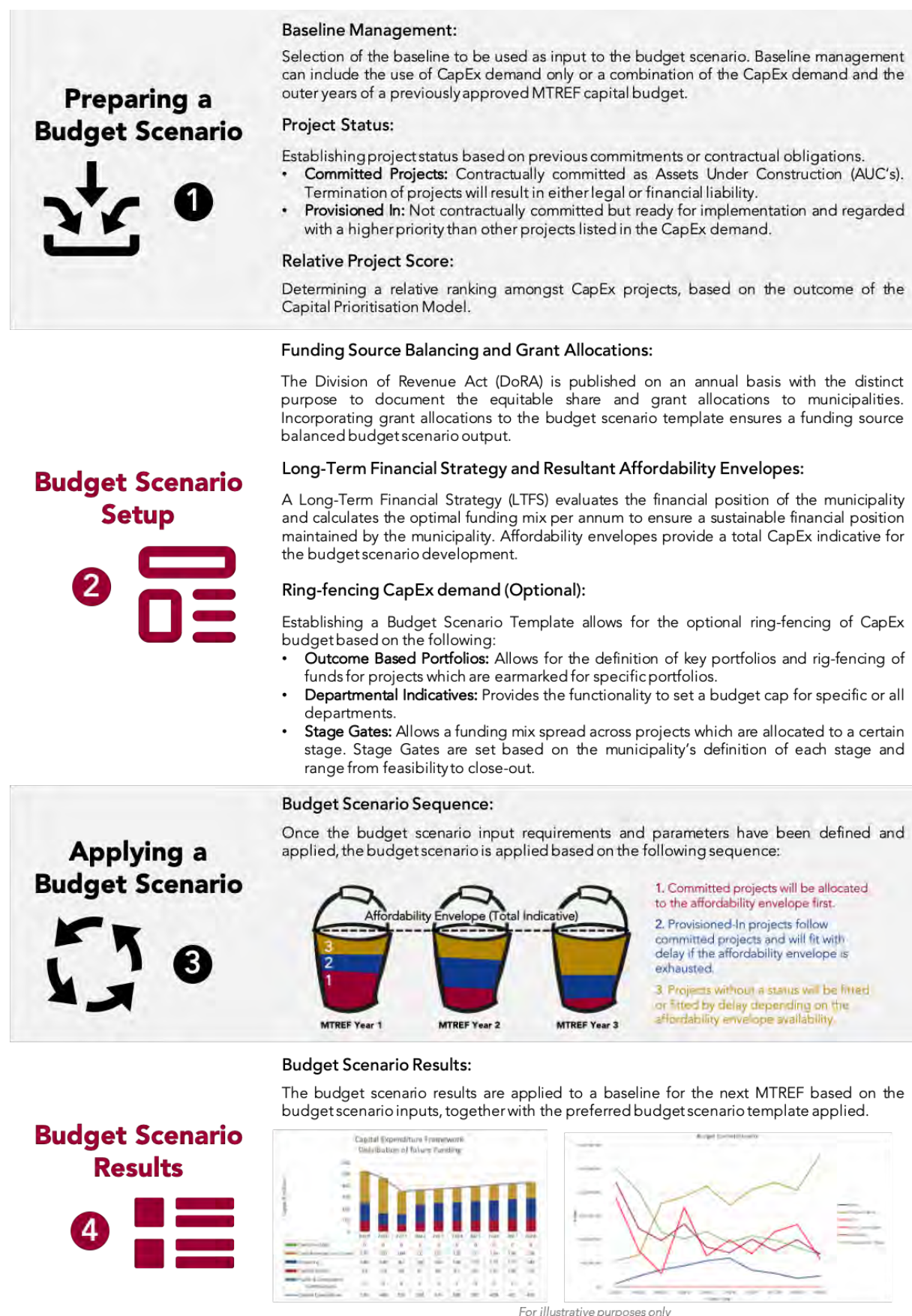
The Stellenbosch Local Municipality makes use of the budget scenario methodology to determine the draft Medium Term Revenue and Expenditure Framework (MTREF) capital budget annually, and applies the outcomes of the above mentioned sections to prepare for the development of a budget scenario through:

- Assessing the outcomes of the demand quantification process and including this as part of the annual capital planning process;
- Preparing an integrated infrastructure investment framework for input to the budget scenario and determining the capital demand across a 10-year planning horizon;
- Aligning the outcomes of the Long-Term Financial Model (LTFM) to the budget scenario parameters, in order to determine sustainable affordability envelopes across a 10-year planning horizon;
- Ensuring a balanced and sustainable funding mix based on the annual publication of the Division of Revenue Act (DoRA) and building a budget scenario template which aligns to the total funding source availability as documented for the MTREF, and;
- Determining a relative ranking of importance for projects identified as part of the integrated infrastructure investment framework, through incorporating the outcomes of the Stellenbosch Capital Prioritisation Model (CPM) to the budget scenario preparation process.

The following section is structured based on the budget scenario development process, as outlined in Figure 9-1 below, and includes the following:

- Preparing for a budget scenario through managing the baseline used as input to the budget scenario (Section 9.1.1), followed by allocating a project status (Section 9.1.2) and obtaining a relative project score from the Stellenbosch CPM (Section 9.1.3);
- Establishing budget scenario parameters as set out in the annual publication of the DoRA together with the prescribed grant allocations (Section 9.2.1) and including a view on affordability envelopes spanning across a 10-year horizon as calculated by the LTFM (Section 9.2.2). When establishing a budget scenario template optional ring-fencing of budget can also be applied based on outcome-based portfolios, departmental indicatives or stage gates (Section 9.2.3);
- Applying a budget scenario and the sequence in which capital budget is allocated based on the budget scenario preparation data and parameters (Section 9.3.1), and;
- Analysing the budget scenario results (Section 9.4) and applying these results as a draft MTREF capital budget for implementation.

Figure 9-1: Budget scenario development process



9.1 Preparing for a Budget Scenario

To initiate the process of applying a budget scenario, a number of input variables should be prepared. These variables provide the content of the budget scenario and how the budget scenario parameters are applied, in order to achieve a draft capital budget. These include:

- Baseline management;
- Project status, and;
- Relative project score.

9.1.1 Baseline Management

As part of the annual capital planning process, a baseline is generated for purposes of outlining projects and the capital demand required to implement these projects. Planned capital expenditure is captured according to a specific financial year in which a certain project may require budget and outlines the total lifecycle cost for each project. The source of funding is also captured in conjunction with the capital amount and includes own funding, borrowings or grant funding.

Baseline management refers to the creation and selection of a baseline as input to the budget scenario to allow for the consideration of the planned capital expenditure as captured through the planning process, together with a view on the planned capital expenditure or capital demand across a 10-year planning horizon and project statuses (refer to Section 9.1.2). During the budget scenario development process, the input baseline can be engineered based on the preference of a municipality to include either one of the following options:

- A demand only baseline which includes the capital demand budget as originally captured; or
- A combination of the capital demand budget captured and the outer years of a previously approved MTREF capital budget.

The Stellenbosch Local Municipality makes use of the second option and prepares a baseline which combines the outer years of the previously approved capital adjustment budget and the demand budget as captured during the capital planning process.

9.1.2 Project Status

Project status is considered as a first priority during the application of the budget scenario. The allocation of a projects status considers projects which are earmarked as Assets Under Construction (AUC's); committed projects from previous original or adjusted capital budgets and projects which are ready for implementation. A status is allocated to selected projects during the baseline management process and can include one of the following:

- **Committed** - Includes projects identified as AUC's, which are contractually committed, and previously formed part of either the approved capital budget or adjusted capital budget. Termination of a committed project will result in either legal or financial liability for the municipality. Given commitments made on these projects, the budget scenario methodology regards these projects as non-negotiable, irrespective of the CPM project score. Furthermore, projects with a committed status will be fitted to the budget scenario template based on the financial year in which budget is requested (refer to Section 9.3.1).
- **Provisioned-In** - Includes projects which previously formed part of either the approved capital budget or adjusted capital budget but not identified as contractually committed AUC's. Projects

classified as provisioned-in include projects which are ready for implementation, but without contractual commitments in place. Termination of a provisioned-in project will not result in either legal or financial liability for the municipality. The budget scenario methodology regards these projects as having a higher priority than projects without a status, however the implementation timeframes are negotiable to an extent. Projects which form part of this category will be fitted to the budget scenario template based on the financial year in which budget is required, but only if there is sufficient capital budget available (refer to Section 9.3.1).

9.1.3 Relative Project Score

The Stellenbosch CPM is a systematic and objective methodology that provides a way to rank or sort a diverse set of projects into an order of importance based on each project's alignment to the strategic, spatial, social, economic, environmental and financial objectives of the municipality. The CPM identifies each project's relative importance by deriving a numerical value representative of the project's priority in terms of the municipality's strategic direction..

As part of the budget scenario preparation process, the Stellenbosch CPM is applied to the input baseline to obtain an order of importance for projects and capital demand captured during the planning process. The relative importance of projects determines which projects will be allocated budget within the parameters of the budget scenario. For more information on how relative project scores are applied to the budget scenario refer to Section 9.3 below.

9.2 Budget scenario setup

To prepare a budget scenario template, budget scenario parameters are applied to establish a rule set in which planned capital expenditure is applied.

The budget scenario template defines the available capital budget for the MTREF and is distributed according to the grant allocations as documented within the DoRA. Although the DoRA indicates a total available capital budget for the MTREF, the outcomes of the LTFM determine a 10-year affordability envelope.

In addition to defining the overall total available budget and the distribution thereof per funding source, optional ring-fencing of capital budget can also be applied per outcomes-based portfolios, departmental level or stage gates.¹⁴

9.2.1 Funding Source Balancing and Grant Allocations

The DoRA is published on an annual basis with the distinct purpose to document the equitable share and grant allocations to municipalities. Although the publication dates may differ annually, the DoRA publication will set out all the external available capital funding for a municipality emanating from national and provincial budgets. Typical funding sources for a municipal capital budget documented through the DoRA publication include:

- Public Transport Infrastructure Systems Grant (PTIS);
- Neighbourhood Development Partnership Grant (NDPG);
- Urban Settlements Development Grant (USDG);

¹⁴ The ring-fencing mechanism of the budget scenario tool is not utilized by Stellenbosch LM.

- Integrated National Electrification Programme (INEP);
- Community Library Services (CLS);
- Social Infrastructure Grant (SIG);
- LG SETA Discretionary Allocation, and;
- Integrated City Development Grant (ICDG).

It is important to note that not all projects are eligible to utilise all of the funding sources as documented within the DoRA publication. An example of this includes the PTIS grant which is only applicable to public transport orientated infrastructure and the INEP grant which is only applicable to electrification programmes.

Although the budget scenario template outlines the total capital budget and source of funding as documented within the DORA publication, together with internal capital funding sources, funding source alignment should be undertaken prior to publishing a final capital budget. The process of funding source balancing ensures the correct alignment of capital budget as outlined within the grant conditions.

9.2.2 Long-Term Financial Model and Resultant Affordability Envelopes

As part of National Treasury's Budget Reporting Regulations and Templates, the Stellenbosch Local Municipality submits all internally generated capital funding as determined through the use of a Long-Term Financial Model (LTFM). Internal capital budget funding typically comprises of the following funding sources:

- Own Municipal Funding: Funding generated from municipality revenue (i.e. rates and taxes);
- Public Contributions and Donations: Donations and bulk services contributions for capital expenditure to provide additional bulk capacity to service new developmental demand;
- Capital Replacement Reserves (CRR): Savings by the municipality for deferred capital expenditure to maintain the existing municipal asset base, and;
- Borrowings: External loans from the financial markets or bonds issued by the municipality to the financial markets.

Based on the outcome of the LTFM, a Funding Envelope is established which evaluates amongst others the municipality's financial position. This includes a view on the optimal funding mix per annum which aids the municipality in maintaining a desirable financial position.

9.2.3 Ring-fencing CapEx Demand

During the budget scenario process, a municipality might choose to ring-fence a portion of the total available capital budget based on preference or to ensure that certain types of projects receive budget irrespective of project status or project score. Developing a budget scenario template allows for the inclusion of an additional set of rules whereby the capital budget amount is defined as per the following options:

- **Outcome-based portfolios** – Outcome-based portfolios are defined as part of the baseline management process, whereby projects can be categorised or grouped into a set of pre-defined portfolios. For example, suppose the municipality executives decide that 15% of the total municipal budget must be ring-fenced for repairs and maintenance of existing assets. The budget scenario template could be used to ring-fence 15% of the total capital budget for a portfolio called "Repairs and Maintenance". During the baseline management process, projects are classified as

contributing to the “Repairs and Maintenance” portfolio by virtue of the MSCOA project segment classification. When applying the budget scenario projects classified as part of the “Repairs and Maintenance” portfolio will be fitted based on project status, followed by the relative project score, until the budget amount allocated for the “Repairs and Maintenance” portfolio has been depleted.

- **Departmental Indicatives** – Defining a capital budget amount on a departmental level can be applied in instances where some projects have difficulty in effectively competing for capital budget owing to the nature of the project. For example, capital investments in the form of computer equipment or the procurement of vehicles may struggle to compete on a CPM score basis with utility services projects such as water and sanitation or electricity. Departmental budget amounts will be ring-fenced per department and only projects which are earmarked to form part of those departments may compete for the budget amount as specified. When applying the budget scenario, projects which belong to the specified departments will be fitted to the departmental budget amount based on project status, followed by the relative project score, until the allocated budget amount has been depleted.
- **Stage Gates** – Stage Gates are defined as part of the baseline management process, whereby projects are allocated to different stages based on the implementation progress or status of the project. For example, suppose the municipality executives decide that 10% of the total municipal budget must be ring-fenced for projects within Stage Gate 9: Project Close-Out. The budget scenario template could be used to ring-fence 10% of the total capital budget for Stage Gate 9 projects. When applying the budget scenario projects classified as “Stage Gate 9” will be fitted based on project status, followed by the relative project score, until the budget amount allocated for “Stage Gate 9” has been depleted.

9.3 Applying a Budget Scenario

Section 9.1 outlined the preparation of the budget scenario input variables which included the baseline management process, allocation of project status and the calculation of the relative project score based on the outcome of the Stellenbosch CPM. These input variables should be in place before a budget scenario can be applied, as this provides the content of the budget scenario together with the sequence in which projects are allocated budget.

In addition to the budget scenario input variables the budget scenario template should be defined as described in Section 9.2, in order to provide the framework in which the budget scenario is applied. The budget scenario template provides the total available capital amounts as set out for each parameter including the available capital amount per funding source together with the total affordability envelope across a 10-year planning horizon.

The following section is structured according to the sequence in which projects are fitted to the budget scenario template, which results in a 10-year capital expenditure framework of which the first three years comprise of the draft capital budget. It is important to note that Section 9.3 builds on the outcomes for Section 9.1 and 9.2 and cannot be regarded as a section on its own.

9.3.1 Budget Scenario Sequence

Once the input baseline and variables are prepared, the budget scenario template is selected. When applying the budget scenario, projects and requested capital budget is fitted to the budget scenario template based on an established budget scenario routine. The sequence in which the budget scenario routine is applied indicates which projects will be allocated budget and in which financial year. Projects included in the draft capital budget will be assigned a budget scenario status in order of the following:

1. **Committed Projects** receive first priority within the budget scenario sequence, given the contractual commitments as described in Section 9.1.2 above. Committed projects will be fitted to the capital budget, within the financial year that budget is requested (no delays may be applied) and may exceed the total available budget as allocated within the budget scenario template.



2. **Provisioned-In Projects** receive second priority within the budget scenario, given the priority status above projects without a status assigned (Section 9.1.2). Provision-In projects will only be fitted to the capital budget if budget is available but will not be allowed to exceed the total available budget as allocated within the budget scenario template. If there is available budget to fit a provisioned-in project, it will be fitted without delay.



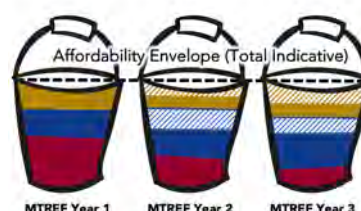
3. **Provisioned-In Projects – Fitted with Delay** include projects which have been allocated a provisioned in status, but due to unavailability of budget within the budget scenario template, the budget requested is fitted with a delay. Fitted with delay allocates the requested budget amount to the first financial year in which additional budget is available.



4. **Projects Fitted** include projects which have been fitted to the budget scenario, based on the relative project score (Section 9.1.3). Projects with a higher ranking and without a status will only be fitted to the capital budget if budget is available, but will not be allowed to exceed the total available budget as allocated within the budget scenario template



5. **Projects Fitted with Delay** include projects which have been fitted to the budget scenario, based on the relative project score, but due to unavailability of budget within the budget scenario template the budget requested is fitted with a delay. Fitted with delay allocates the requested budget amount to the first financial year in which additional budget is available.



6. **No Fit** includes projects which have not been fitted to the budget scenario. This can be due to very low relative project scores or due to budget availability constraints within the budget scenario template.
7. **No Fit – Zero Budget** includes projects which have not requested budget.



9.3.2 Negotiated adjustments (Force-in / Force-out)

Once a draft capital budget has been developed using the budget scenario process, the portfolio of projects which make up the draft capital budget needs to undergo a number of municipal approvals.

It is inconceivable that any portfolio of capital projects, which has been prepared in a complex multi-disciplinary collaborative framework will meet all the expectations. Therefore, a negotiated adjustment process is accommodated in the budget scenario process whereby projects can be added or removed from the portfolio of capital projects based on motivations and representations made during budget forums.

9.4 Budget Scenario Results Analysis

Sections 9.1, 9.2 and 9.3 outlined the process of preparing for a budget scenario, establishing a budget scenario template and applying a budget scenario template. The following section is structured to analyse the results of the 2021/22 budget scenario which consists of the overall planned capital expenditure as captured through the planning process.

9.4.1 Planned Capital Expenditure Review

The overall planned capital expenditure is estimated at R6,7 Bn across the planning period, subsequent to the second capital demand capturing cycle. This, although already in excess of the affordable capital expenditure forecasted, only represents planned capital expenditure as captured in the CP3 system. Table 9-1 outlines the total planned capital expenditure per annum.

Table 9-1: Planned Capital Expenditure and Affordable Capital Expenditure

| Year | Planned Capital Expenditure | % |
|--------------|-----------------------------|-------------|
| 2021/2022 | R1 539 451 125 | 23% |
| 2022/2023 | R963 681 550 | 14% |
| 2023/2024 | R722 959 363 | 11% |
| 2024/2025 | R551 631 401 | 8% |
| 2025/2026 | R550 338 364 | 8% |
| 2026/2027 | R610 338 592 | 9% |
| 2027/2028 | R553 582 074 | 8% |
| 2028/2029 | R579 010 613 | 9% |
| 2029/2030 | R434 408 322 | 6% |
| 2030/2031 | R264 470 000 | 4% |
| Total | R6 769 871 405 | 100% |

The total planned capital expenditure should be considered in light of an affordable capital programme of R 3 970 million, as forecast by the Long-Term Financial Model taking into account the 2020/21 Capital Expenditure Framework of Stellenbosch.

9.4.2 Budget Scenario Results

Table 9-2 outlines the capital budget results per fit status after the budget scenario has been applied, refer to the budget scenario development process (Figure 9-1). As outcome to the budget scenario, 66% of the total capital demand has been assigned to the financial year in which budget was originally requested.

Table 9-2: Budget Scenario Results by Fit Status

| Budget Scenario Status | Total during analysis period | Total % |
|------------------------------------|------------------------------|-------------|
| Fitted | R308 176 026 | 5% |
| Fitted with delay | R867 854 182 | 15% |
| No Fit | R1 039 943 644 | 18% |
| No Fit - Zero Budget In Fit Period | R0 | 0% |
| Project Committed | R3 447 325 601 | 61% |
| Total | R5 663 299 453 | 100% |

Based on the results outlined above, 61% of the total capital demand is marked as committed, which indicates the ratio of projects which received priority during the allocation of the available funding envelope. In line with the budget scenario sequence (Section 9.3.1), a smaller amount of the available funding envelope is thus available for projects without a project status. Due to this, 15% of the capital demand has been fitted with delay and a further 18% of the capital demand was not fitted to the available funding envelope.

Figure 9-2: Budget Scenario Status Over Time

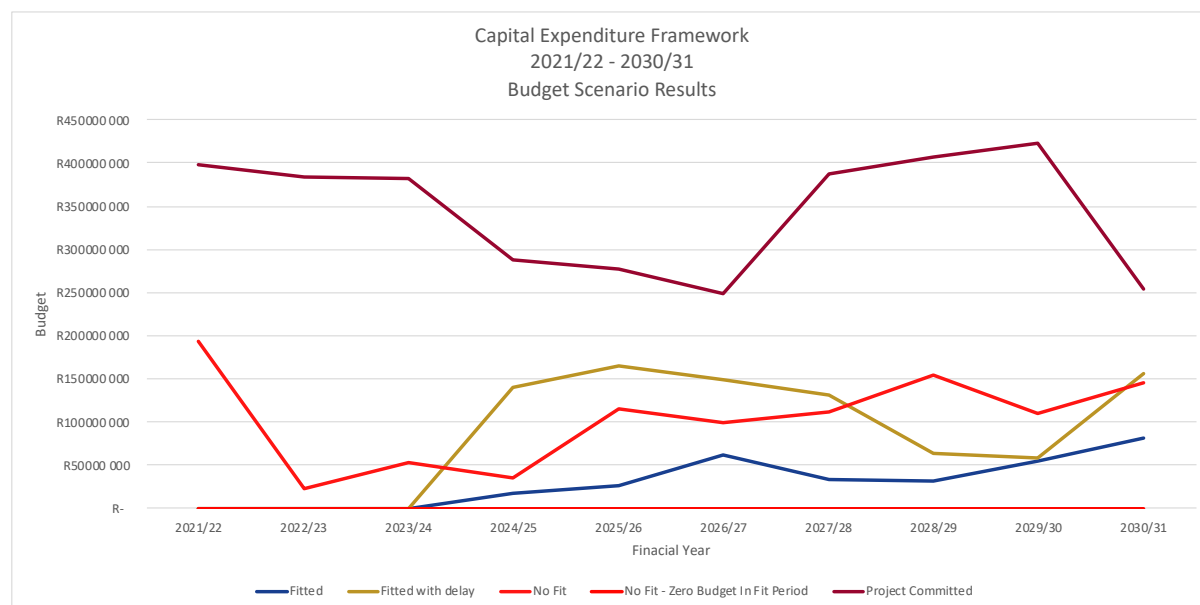


Figure 9-2 indicates the budget scenario results, per status, as applied across the 10-year affordability horizon and can be interpreted based on the status definitions as described in Section 9.3.1 above:

- **Committed:** Projects in construction phase will have contractual commitments and cannot be fit at any other stage without having a negative impact on the municipality. These projects therefore are allocated budget in the year in which budget is requested, and not at a later stage over the 10-year period. These projects also have a long-term effect on the budget scenario, due to the commitment of the available affordability envelope.

- **Fitted:** Between the fourth and sixth financial year there is an increase in capital demand that is fitted. This is because of the finalisation of projects with a committed status. Once the commitments have been served, the funding envelope opens up capacity to fit new projects.
- **Fitted with delay:** In the first two financial years almost no capital expenditure is allocated to projects with delay. That is because there is no capacity in year one and two, and a Fit with Delay status can only be assigned to projects that are delayed. Fit with Delay budget gradually increase as the funding envelope opens up, and then decrease as the capital demand decrease.
- **No Fit:** Projects that do not fit are projects with the lowest score. This means that projects with higher score was fitted with delay. Once the funding envelopes has been depleted, these projects – the no fit projects – are not included in the budget scenario. It has a high proportion of the capital demand in the first year, as the low scoring projects in this year compete with high capital demand assigned to statuses such as committed and provisioned in. It decreases sharply as more capital is fitted with delay.
- **No Fit – Zero Budget:** Even though these projects do not ask for any capital demand, they have been conceptualised and will reach a point of maturity in the next ten years where they will have a capital demand. It is therefore important to have sight of these projects on one single platform, together with the rest of the project pipeline.

Figure 9-3: Planned Capital Expenditure vs Funding Envelope vs Budget Scenario Results

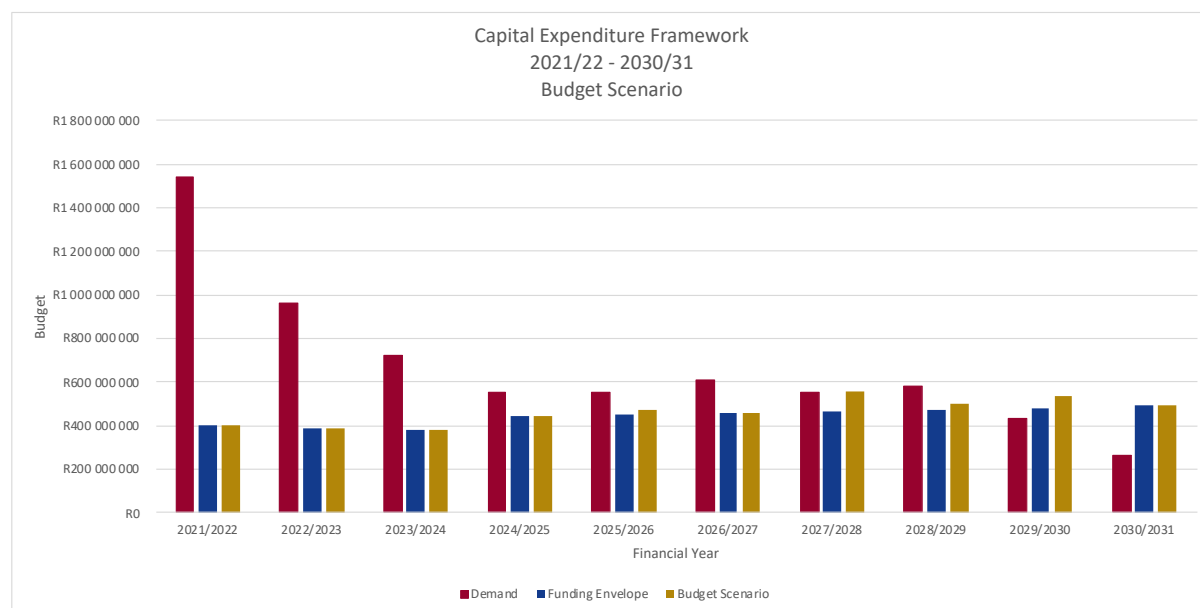


Table 9-3: Planned Capital Expenditure vs Funding Envelope vs Budget Scenario Results

| Financial Year | Demand | Funding Envelope | Budget Scenario |
|----------------|-----------------------|------------------------|------------------------|
| 2021/2022 | R1 539 451 125 | R 397 763 924 | R 397 763 924 |
| 2022/2023 | R963 681 550 | R 384 460 268 | R 384 444 768 |
| 2023/2024 | R722 959 363 | R 381 494 643 | R 381 524 643 |
| 2024/2025 | R551 631 401 | R 446 301 712 | R 446 300 868 |
| 2025/2026 | R550 338 364 | R 452 996 237 | R 468 956 537 |
| 2026/2027 | R610 338 592 | R 459 791 181 | R 459 789 028 |
| 2027/2028 | R553 582 074 | R 466 688 049 | R 554 125 454 |
| 2028/2029 | R579 010 613 | R 473 688 369 | R 502 730 966 |
| 2029/2030 | R434 408 322 | R 480 793 695 | R 537 316 790 |
| 2030/2031 | R264 470 000 | R 490 409 569 | R 490 402 831 |
| Total | R6 769 871 405 | R 4 434 387 647 | R 4 623 355 809 |

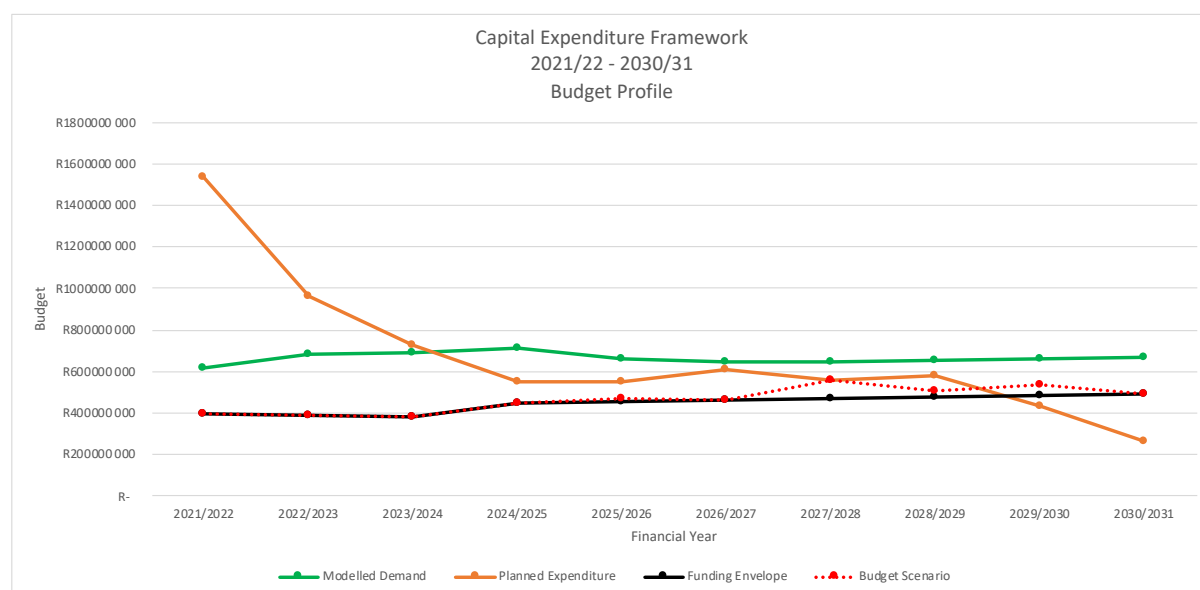
Figure 9-3 and Table 9-3 above indicate the following: Table 9-3: Planned Capital Expenditure vs Funding Envelope vs Budget Scenario Results

- Planned capital expenditure exceed the desired funding envelope up to 2028/29 after which the available capital in terms of the funding envelope exceed the demand. The first four years has the highest proportion between planned capital expenditure and the funding envelope. This is because of the nature of forward planning and project budget estimation – project managers have more clarity and certainty on how much a project will cost in the near future versus a period further than that.
- In 2021/2022 the funding envelope is fitted a 100%. This means that the funding envelope is achieved, and that the municipality is planning to spend within the affordable funding envelope.

9.4.3 Budget Scenario Profile

The budget profile is a culmination of the CEF, where the Modelled Demand, the Planned Capital Expenditure, the Funding Envelope and the Budget Scenario is compared over time.

Figure 9-4: Budget Profile



Based on the budget profile depicted in Figure 9-4 the following can be deduced:

- **Modelled Demand:** The modelled demand does exceed the funding envelope. This means that the municipality is spending less than what is required from a modelled infrastructure perspective – based on the current service standards of the municipality.
- **Planned Capital Expenditure:** The planned capital expenditure is significantly higher than what is affordable for the first three years and exceeds what is minimum requirements as per the modelled demand in terms of providing for the growing population of the municipality. This means that in the long run, the municipality will have to revisit planned infrastructure in order to ensure a suitable project pipeline that firstly respond the modelled infrastructure demand and secondly to what is affordable.
- **Funding Envelope:** The funding envelope that was proposed as per the Long-Term Financial Plan remains relatively constant across the 10-year affordability horizon with a slight increase from the fourth financial year and onwards. The reduction in affordability for the MTREF compared to previous years can be attributed to the economic impact of the COVID-19 pandemic together with reduced grant allocations.
- **Budget Scenario:** The budget scenario uses the funding envelope as guidance to fit projects to the affordable budget. The budget scenario aligns with the funding envelope, until 2026/27 where the budget scenario starts to exceed what is affordable in the municipality. This calls for a review of project specific budgetary planning, and potentially innovative means to deliver the same infrastructure but at a more affordable price.

[illegible]

From Figure 9-5 above it can be seen that the spatial investment paradigm has realised through the prioritisation and budget scenario methodology:

- Klapmuts: Most projects in this area either has no budget requested or are fit with delay. This highlights the fact that this future expansion node of Stellenbosch will enjoy capital expenditure, but the majority thereof will realise later on.
- Koelenhof: The Koelenhof node development is still in concept phase. One this area has a clear spatial vision, the municipality can respond with capital projects required to facilitate such expansion.
- Vlottenburg: The potential that boasts within this area is unprecedented. It is for that reason that most of the capital projects within the Vlottenburg area has been fit as per the budget scenario module of CP3.
- Stellenbosch Central: It is clear from the figure above that Stellenbosch central is house of a variety of projects, and so a variety of fit statuses is assigned to this part of the municipality.
- Franschoek: Small capital projects within the Franschoek area has been fitted to the Capital Expenditure Framework. The majority has been fitted with delay which means that other projects across the municipality has been prioritised and fitted to the budget first.

Table 9-4: Capital Expenditure Framework - Budget Scenario Results

| Unit/Department | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Community and Protection Services | R35 464 370 | R24 144 500 | R24 985 000 | R46 755 000 | R55 347 000 | R36 210 000 | R46 210 000 | R46 580 000 | R84 140 000 | R54 500 000 |
| Cemeteries | R6 000 000 | R7 000 000 | R9 000 000 | R500 000 | R0 | R0 | R8 000 000 | R9 000 000 | R10 000 000 | R5 000 000 |
| Community and Protection Services: General | R250 000 | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 |
| Community Development | R135 000 | R50 000 | R55 000 | R2 260 000 | R607 000 | R50 000 | R60 000 | R570 000 | R0 | R0 |
| Community Services: Library Services | R1 970 000 | R180 000 | R200 000 | R100 000 | R0 | R800 000 | R300 000 | R1 265 000 | R880 000 | R1 930 000 |
| Disaster Management | R600 000 | R0 | R1 500 000 | R0 | R0 | R0 | R0 | R0 | R0 | R0 |
| Environmental Management: Implementation | R5 124 347 | R5 400 000 | R1 800 000 | R12 500 000 | R8 000 000 | R7 950 000 | R700 000 | R3 750 000 | R4 000 000 | R2 270 000 |
| Environmental Management: Urban Forestry | R1 700 000 | R2 130 000 | R250 000 | R4 450 000 | R6 700 000 | R1 630 000 | R5 130 000 | R2 310 000 | R25 530 000 | R1 280 000 |
| Events & Fleet | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 |
| Fire and Rescue Services | R4 945 023 | R500 000 | R3 000 000 | R350 000 | R1 000 000 | R6 000 000 | R100 000 | R1 000 000 | R0 | R0 |
| Halls | R150 000 | R150 000 | R0 | R250 000 | R1 000 000 | R1 000 000 | R750 000 | R2 300 000 | R2 300 000 | R2 000 000 |
| Law Enforcement and Security | R4 700 000 | R2 450 000 | R1 900 000 | R6 650 000 | R6 500 000 | R7 000 000 | R7 050 000 | R7 100 000 | R7 150 000 | R19 500 000 |
| Parks and Cemeteries | R4 840 000 | R3 310 500 | R2 750 000 | R2 150 000 | R14 300 000 | R4 230 000 | R16 220 000 | R7 900 000 | R23 330 000 | R13 820 000 |
| Sports Grounds and Picnic Sites | R4 850 000 | R2 750 000 | R900 000 | R10 000 000 | R17 200 000 | R7 550 000 | R7 900 000 | R11 350 000 | R10 950 000 | R8 700 000 |
| Traffic Services | R200 000 | R224 000 | R3 630 000 | R7 545 000 | R40 000 | R0 | R0 | R35 000 | R0 | R0 |
| Corporate Services | R38 997 000 | R31 290 000 | R43 590 000 | R29 590 000 | R47 640 000 | R88 890 000 | R56 940 000 | R106 150 000 | R71 270 000 | R71 650 000 |
| Administrative Support Services: | | | | | | | | | | |
| Communications | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 |
| Information and Communications Technology (ICT) | R4 700 000 | R4 800 000 | R5 000 000 | R6 800 000 | R6 900 000 | R6 900 000 | R7 000 000 | R53 000 000 | R0 | R0 |
| Municipal Court | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 |
| Properties and Municipal Building Maintenance | R29 897 000 | R26 490 000 | R38 590 000 | R22 790 000 | R40 740 000 | R81 990 000 | R49 940 000 | R53 150 000 | R71 270 000 | R71 650 000 |
| Strategic Corporate Services: General | R4 400 000 | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 |
| Financial Services | R200 000 | R200 000 | R210 000 | R0 | R0 | R0 | R0 | R0 | R0 | R0 |
| Executive Support: Financial Services: | | | | | | | | | | |
| General | R200 000 | R200 000 | R210 000 | R0 | R0 | R0 | R0 | R0 | R0 | R0 |
| Infrastructure Services | R393 924 754 | R344 611 268 | R351 473 643 | R361 171 368 | R398 366 337 | R388 755 128 | R514 680 254 | R446 566 610 | R430 441 790 | R460 867 831 |
| Electrical Services | R71 801 853 | R59 371 268 | R85 510 643 | R195 785 686 | R186 713 337 | R106 242 128 | R119 910 254 | R95 626 610 | R192 611 790 | R67 197 400 |
| Executive Support: Engineering Services: | | | | | | | | | | |
| General | R75 000 | R75 000 | R50 000 | R0 | R300 000 | R60 500 000 | R60 400 000 | R625 000 | R50 000 | R710 000 |
| Infrastructure Plan, Dev and Implement | R39 774 148 | R53 720 000 | R17 100 000 | R6 135 682 | R18 608 000 | R36 228 000 | R57 670 000 | R41 905 000 | R24 170 000 | R32 891 000 |
| Roads and Stormwater | R77 250 000 | R44 350 000 | R20 550 000 | R30 800 000 | R42 500 000 | R42 000 000 | R18 250 000 | R27 500 000 | R17 750 000 | R75 750 000 |
| Support Services | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 |
| Traffic Engineering | R12 300 000 | R13 000 000 | R4 900 000 | R7 900 000 | R8 500 000 | R6 000 000 | R1 000 000 | R15 050 000 | R4 050 000 | R950 000 |

| Unit/Department | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Transport Planning | R20 300 000 | R10 300 000 | R2 600 000 | R6 900 000 | R26 245 000 | R39 085 000 | R77 150 000 | R121 610 000 | R125 860 000 | R123 985 000 |
| Waste Management: Solid Waste Management | R7 873 753 | R28 745 000 | R23 445 000 | R24 150 000 | R13 650 000 | R18 850 000 | R14 350 000 | R20 600 000 | R4 650 000 | R6 400 000 |
| Water and Wastewater Services: Sanitation | R84 700 000 | R60 500 000 | R97 500 000 | R43 400 000 | R40 400 000 | R27 650 000 | R71 750 000 | R47 250 000 | R6 800 000 | R56 484 431 |
| Water and Wastewater Services: Water | R79 850 000 | R74 550 000 | R99 818 000 | R46 100 000 | R61 450 000 | R52 200 000 | R94 200 000 | R76 400 000 | R54 500 000 | R96 500 000 |
| Municipal Manager | R44 000 | R49 000 | R56 000 | R0 | R0 | R0 | R0 | R0 | R0 | R0 |
| Executive Support: Office of the Municipal Manager | R44 000 | R49 000 | R56 000 | R0 | R0 | R0 | R0 | R0 | R0 | R0 |
| Governance | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 |
| Planning and Economic Development | R122 398 800 | R7 640 000 | R15 150 000 | R44 024 500 | R82 299 200 | R44 673 900 | R47 625 200 | R58 267 000 | R61 035 000 | R48 225 000 |
| Administrative Support | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R1 000 000 |
| Building Development Management | R185 000 | R100 000 | R100 000 | R0 | R0 | R0 | R0 | R80 000 | R35 000 | R0 |
| Customer Interface & Administration | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R100 000 | R0 | R0 |
| Development Planning: Spatial Planning | R375 000 | R0 | R0 | R0 | R0 | R0 | R0 | R647 000 | R380 000 | R255 000 |
| Economic Development and Tourism | R6 060 000 | R100 000 | R3 150 000 | R4 500 000 | R4 500 000 | R0 | R300 000 | R14 145 000 | R10 370 000 | R3 000 000 |
| IHS: Housing Administration | R235 000 | R190 000 | R0 | R0 | R0 | R0 | R0 | R0 | R0 | R0 |
| IHS: Informal Settlements | R0 | R0 | R0 | R8 000 000 | R5 000 000 | R2 750 000 | R2 750 000 | R2 770 000 | R2 750 000 | R3 020 000 |
| IHS: New Housing | R15 208 800 | R7 125 000 | R11 800 000 | R31 524 500 | R72 230 200 | R40 765 000 | R43 030 000 | R39 000 000 | R47 500 000 | R39 700 000 |
| Land Use Management | R205 000 | R125 000 | R100 000 | R0 | R0 | R0 | R0 | R275 000 | R0 | R0 |
| Spatial Planning: Planning and Development | R100 130 000 | R0 | R0 | R0 | R569 000 | R1 158 900 | R1 545 200 | R1 250 000 | R0 | R1 250 000 |
| Grand Total | R591 028 924 | R407 934 768 | R435 464 643 | R481 540 868 | R583 652 537 | R558 529 028 | R665 455 454 | R657 563 610 | R646 886 790 | R635 242 831 |

10 CEF spatial targeting analysis

The objectives of this section is to:

- Provide context to the degree of spatial targeting relative to the Functional Areas, for a 10 year period
- Provide context to the degree of spatial targeting relative to the Priority Development Areas, for a 10 year period
- Provide detailed breakdown on the capital expenditure framework, for a 10 year period

The policies plans and programmes of any sphere of government are part of a basic methodology developed in public administration for the rational performance of governmental functions entrusted by law to the Government. The policies, plans and programmes stand in a tiered or hierarchical relationship with one another:

- At the first level in this hierarchy lies the formulation of a governmental policy, which in essence identifies the desired outcome or goal of the governmental functions in question which the particular sphere of government is entrusted with;
- The second level in this hierarchy consists of the development of a plan, setting out the preferred strategy or pathway by means whereof the desired outcome or goal of the governmental functions in question will be pursued; in other words, the plan at this level manifests a strategic choice at a high level between the various options available for realising the adopted policy, inter alia taking into account the availability of resources; and
- At the third level in this hierarchy then follows the identification of programmes, each of which details how various aspects of the approved plan will be implemented so that the desired outcomes or goals of the governmental functions in question can be achieved and the objectives of the adopted policy can be realised.

Within the context of this methodology, these three instruments (policies, plans and programmes) operate on a higher level of strategic assessment and decision-making. At the next level different projects are the implementation agents of programmes. Given the focus by government policy such as the National Development Plan, the Integrated Urban Development Framework and the Spatial Development Framework on spatial targeting, spatial justice, and spatial transformation projects are allocated to area-based programmes to ensure an integrated view on project roll out and true integrated spatial development. To take a disciplinary based view of programmes revert planning methodology back to a per-line-function mentality within the municipality and so move away from the integrational effort of the IUDF and CEF, and toward the historic silo-based planning style. This section will focus on the spatial, and otherwise defined, implications of the budget scenario developed in the previous section. The spatial analysis is on Stellenbosch's Functional Areas (FAs), Priority Development Areas (PDAs) and Wards. Within the three categories of analysis, please take note of the following:

- Duplication of a project budget is possible as geometric shape could possibly overlap, which result in double calculation, and;
- No intersect refers to a portion of projects that falls outside the functional areas' jurisdiction.

10.1 FA capital expenditure targeting

For this part of the section, the 2021/2022 capital expenditure framework has been expressed in terms of the FAs over the 10-year horizon. It seeks to identify the degree of spatial targeting achieved by the municipality. Table 10-1 indicates that 43% of the capital expenditure is occurring in the Urban Node functional area. In its current planning, the municipality focuses its growth stimulation within its urban nodes. The Rural Area and Rural Node functional areas total 24% of the capital expenditure. The implications of the municipality's rural area landscapes are rural (farming)-based developments, and do not make up a large portion of capital expenditure. A total of 22% of the capital expenditure is at City Wide level and 7% is targeted to the municipality's Administrative Head Quarters.

Figure 10-1: Capital expenditure per FA

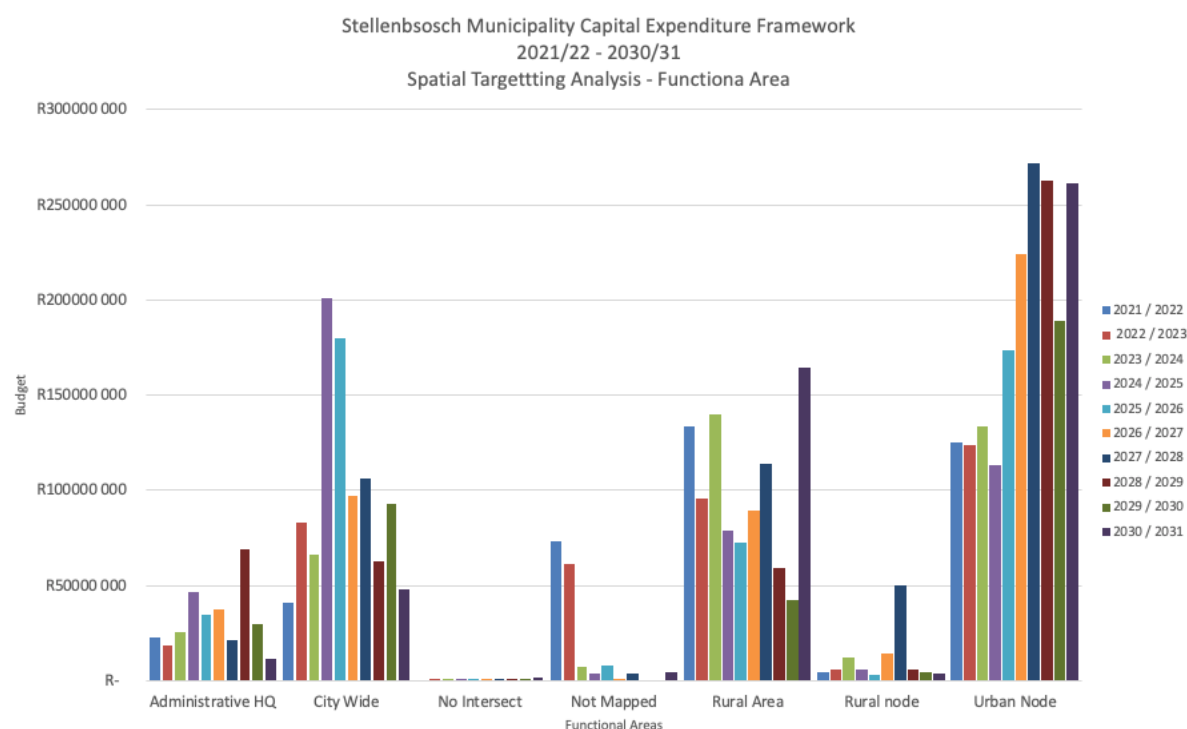
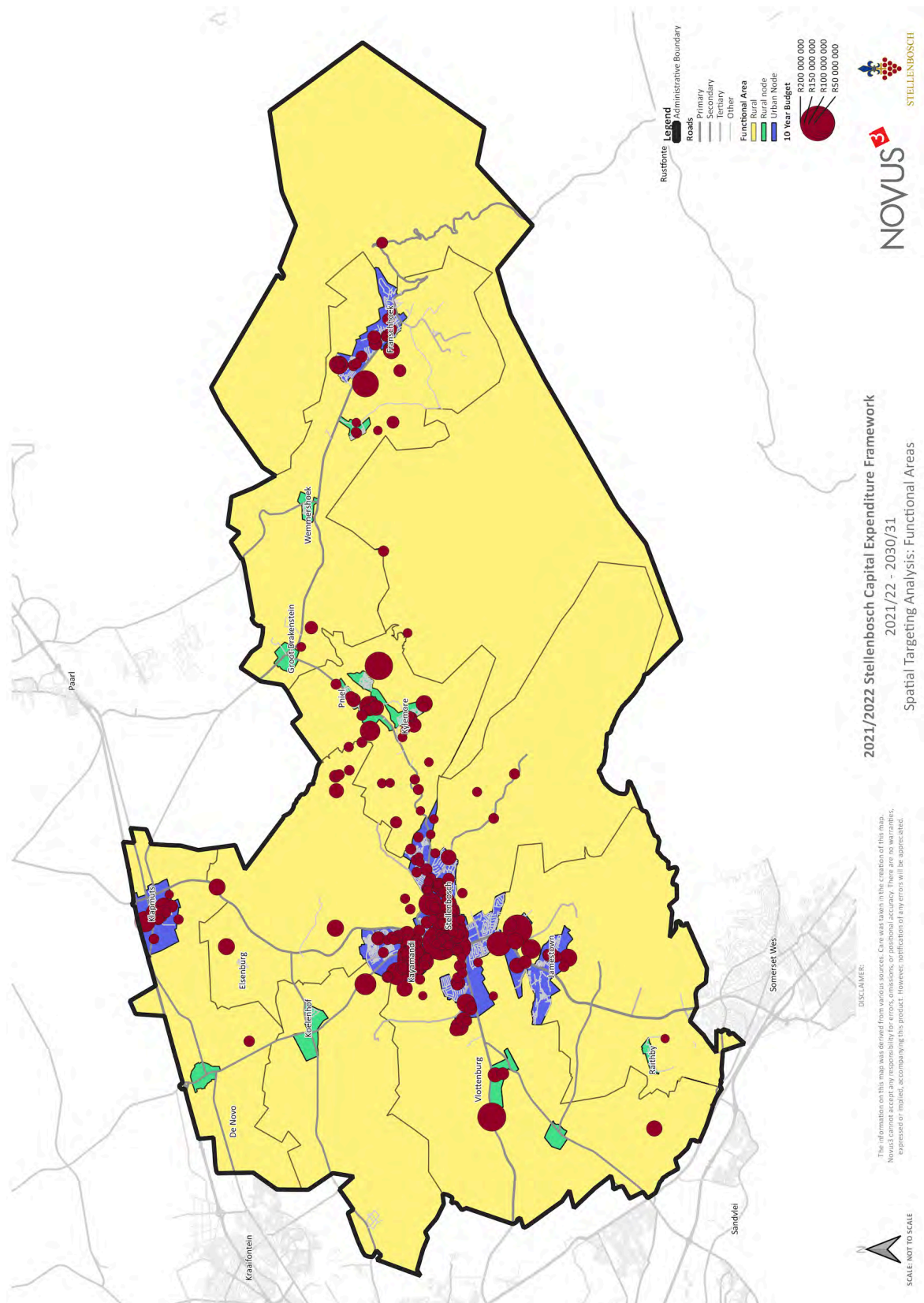


Table 10-1: Capital expenditure per FA (2021/22 - 2030/31)

| Functional Areas | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Admin HQ | R 22 232 800 | R 18 069 000 | R 25 186 000 | R 45 914 500 | R 33 903 000 | R 36 733 000 |
| City Wide | R 40 667 753 | R 82 555 768 | R 65 426 375 | R 200 232 623 | R 179 623 265 | R 96 321 764 |
| No Intersect | R - | R 189 822 | R 133 758 | R 421 054 | R 335 831 | R 328 588 |
| Not Mapped | R 72 638 000 | R 60 630 000 | R 7 000 000 | R 3 400 000 | R 7 550 000 | R 550 000 |
| Rural Area | R 133 226 166 | R 94 852 053 | R 139 136 841 | R 78 350 214 | R 72 260 660 | R 88 671 639 |
| Rural Node | R 4 168 444 | R 4 978 016 | R 11 475 857 | R 5 116 810 | R 2 588 645 | R 13 801 278 |
| Urban Node | R 124 831 449 | R 123 172 782 | R 133 170 874 | R 112 869 524 | R 172 699 385 | R 223 388 357 |
| Grand Total | R 397 764 613 | R 384 447 441 | R 381 529 705 | R 446 304 725 | R 468 960 786 | R 459 794 626 |

| Functional Areas | 2027/28 | 2028/29 | 2029/30 | 2030/31 | Total | Total % |
|------------------|---------------|---------------|---------------|---------------|-----------------|---------|
| Admin HQ | R 21 050 000 | R 68 488 060 | R 29 152 164 | R 10 616 302 | R 311 344 826 | 7% |
| City Wide | R 105 588 635 | R 61 841 044 | R 92 323 998 | R 47 236 876 | R 971 818 101 | 22% |
| No Intersect | R 65 482 | R 293 770 | R 455 639 | R 853 942 | R 3 077 885 | 0% |
| Not Mapped | R 3 000 000 | R - | R - | R 4 200 000 | R 158 968 000 | 4% |
| Rural Area | R 113 215 205 | R 58 907 781 | R 41 441 302 | R 163 656 553 | R 983 718 414 | 22% |
| Rural Node | R 49 263 893 | R 5 112 113 | R 3 683 805 | R 3 420 859 | R 103 609 721 | 2% |
| Urban Node | R 271 255 920 | R 261 821 427 | R 188 761 822 | R 260 418 300 | R 1 872 389 841 | 43% |
| Grand Total | R 563 439 136 | R 456 464 195 | R 355 818 730 | R 490 402 832 | R 4 404 926 788 | 100% |

Figure 10-2: FA capital expenditure spatial targeting analysis



10.2 PDAs capital expenditure targeting

For this part of the section, the 2021/2022 capital expenditure framework has been expressed in terms of the PDAs, over the 10-year horizon. It seeks to identify the degree of spatial targeting achieved by the municipality. The PDA's are derived from the Stellenbosch mSDF and spatialises the focus of the municipality in terms of development priorities. This analysis are more focussed on specific developmental alignment with the municipality's spatial vision. Table 10-2 is indicative of a total of 46% of the capital expenditure is not directly spatial targeted towards PDA's as 25% is allocated to the Rest of the Municipality PDA and the other 21% spatial targeting is at a City Wide level. A total of 25% of the capital expenditure is towards the Residential PDA's such as Stellenbosch North, Klapmuts and Ida's Valley. Intensive mix use development makes a total 8% of the capital expenditure's PDA spatial targeting. Figure 10-4 is shows that the Tourism, commercial, residential PDA is primarily located in Franschhoek. Some capital expenditure occurs in that area because Franschhoek falls within the municipality's urban node and it is *"regarded as the second most significant settlement in the municipality, after Stellenbosch town"* (Stellenbosch mSDF 2019, p.75). Please note that the Commercial/ mixed use node PDA has a capital expenditure of less than R100. This is due to the location of the project(s) works locations that have hit the boundary of the PDA, therefore contributing to the budget count in that PDA.

Figure 10-3: Capital expenditure per PDA

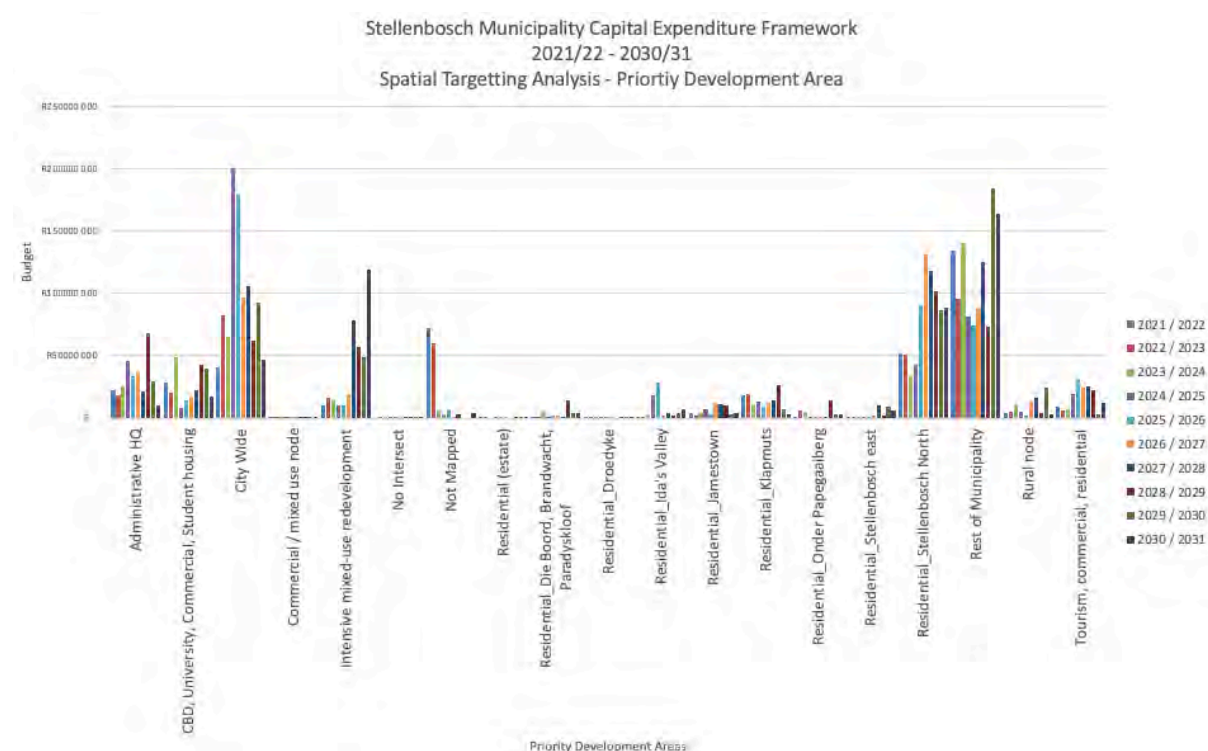


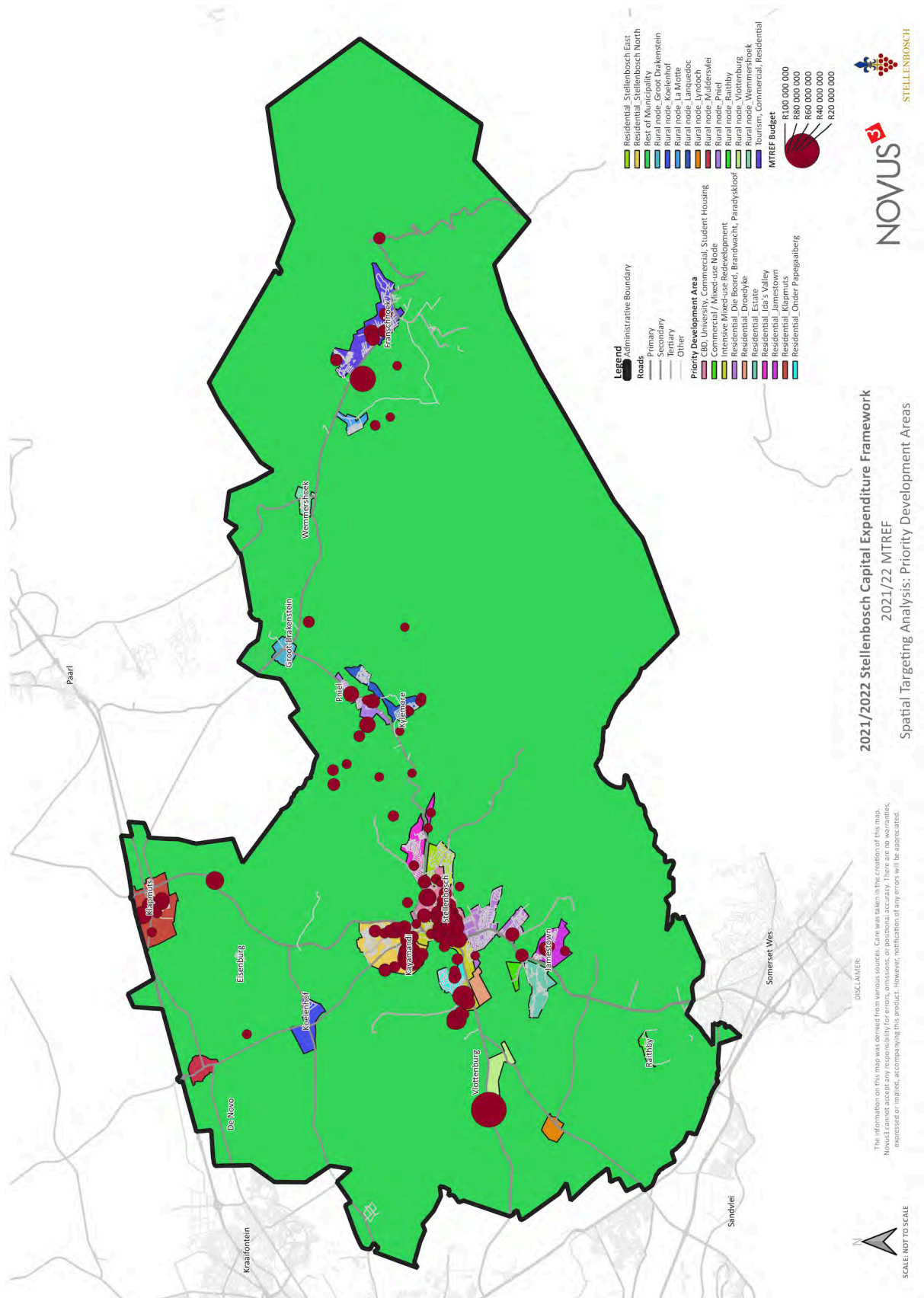
Table 10-2: Capital expenditure per PDA (2021/22 – 2030/31)

| PDA | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|--|--------------|--------------|--------------|---------------|---------------|--------------|
| Administrative HQ | R 22 232 800 | R 18 069 000 | R 25 186 000 | R 45 914 500 | R 33 903 000 | R 36 733 000 |
| CBD, University, Commercial, Student housing | R 28 194 439 | R 20 790 567 | R 49 167 135 | R 8 533 586 | R 14 450 762 | R 17 758 658 |
| City Wide | R 40 667 753 | R 82 555 768 | R 65 426 375 | R 200 232 623 | R 179 623 265 | R 96 321 764 |
| Commercial / mixed use node | R 5 687 | R 2 689 | R 1 214 | R 3 724 | R 1 991 | R 1 991 |
| Intensive mixed-use redevelopment | R 10 030 214 | R 15 914 918 | R 14 810 478 | R 9 809 229 | R 10 188 965 | R 19 637 358 |
| No Intersect | R - | R 171 859 | R 134 935 | R 375 602 | R 291 055 | R 282 194 |

| PDA | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Not Mapped | R 72 638 000 | R 60 630 000 | R 7 000 000 | R 3 400 000 | R 7 550 000 | R 550 000 |
| Residential (estate) | R 17 343 | R 5 896 | R - | R 14 537 | R 7 292 | R 17 954 |
| Residential_Die Boord, Brandwacht, Paradyskloof | R 176 073 | R 657 539 | R 5 200 893 | R 1 613 975 | R 1 701 945 | R 2 333 891 |
| Residential_Droedyke | R 7 276 | R 2 474 | R 9 081 | R 261 432 | R 273 772 | R 261 513 |
| Residential_Ida's Valley | R 130 475 | R 1 002 666 | R 3 369 324 | R 18 390 820 | R 28 472 289 | R 1 681 426 |
| Residential_Jamestown | R 3 667 778 | R 2 350 355 | R 3 917 739 | R 7 230 754 | R 3 615 397 | R 11 914 294 |
| Residential_Klapmuts | R 18 250 000 | R 19 062 118 | R 11 021 389 | R 13 021 655 | R 9 017 449 | R 12 046 980 |
| Residential_Onder Papegaaiberg | R 1 061 797 | R 5 701 234 | R 5 172 044 | R 691 735 | R 727 385 | R 694 689 |
| Residential_Stellenbosch east | R 492 372 | R 268 247 | R 97 351 | R 1 463 364 | R 1 260 564 | R 2 010 787 |
| Residential_Stellenbosch North | R 52 218 737 | R 50 635 163 | R 34 084 497 | R 42 663 094 | R 90 479 277 | R 131 829 023 |
| Rest of Municipality | R 134 650 405 | R 96 069 053 | R 140 505 138 | R 81 597 518 | R 74 269 549 | R 89 004 031 |
| Rural node | R 4 168 444 | R 4 978 016 | R 11 475 860 | R 5 116 817 | R 2 588 648 | R 13 801 279 |
| Tourism, commercial, residential | R 9 252 235 | R 6 311 133 | R 7 472 296 | R 19 711 120 | R 31 841 581 | R 24 122 545 |
| Grand Total | R 397 861 828 | R 385 178 696 | R 384 051 747 | R 460 046 086 | R 490 264 185 | R 461 003 379 |

| PDA | 2027/28 | 2028/29 | 2029/30 | 2030/31 | Total | Total % |
|---|----------------------|----------------------|----------------------|----------------------|------------------------|-------------|
| Administrative HQ | R 21 050 000 | R 68 488 060 | R 29 152 164 | R 10 616 302 | R 311 344 826 | 7% |
| CBD, University, Commercial, Student housing | R 22 358 047 | R 43 071 835 | R 39 319 051 | R 17 379 495 | R 261 023 574 | 6% |
| City Wide | R 105 588 635 | R 61 841 044 | R 92 323 998 | R 47 236 876 | R 971 818 101 | 21% |
| Commercial / mixed use node | R 84 | R 1 959 | R 2 735 | R 1 278 | R 23 351 | 0% |
| Intensive mixed-use redevelopment | R 78 889 995 | R 56 808 692 | R 49 146 000 | R 118 961 080 | R 384 196 929 | 8% |
| No Intersect | R 52 081 | R 257 177 | R 384 136 | R 771 654 | R 2 720 693 | 0% |
| Not Mapped | R 3 000 000 | R - | R - | R 4 200 000 | R 158 968 000 | 3% |
| Residential (estate) | R - | R 7 497 | R 63 242 | R 166 992 | R 300 753 | 0% |
| Residential_Die Boord, Brandwacht, Paradyskloof | R 53 811 | R 14 783 489 | R 4 160 195 | R 4 375 025 | R 35 056 835 | 1% |
| Residential_Droedyke | R - | R 29 285 | R 10 133 | R 4 770 | R 859 735 | 0% |
| Residential_Ida's Valley | R 3 754 991 | R 2 444 858 | R 3 999 191 | R 7 501 029 | R 70 747 069 | 2% |
| Residential_Jamestown | R 11 081 967 | R 10 654 735 | R 3 617 995 | R 4 316 868 | R 62 367 882 | 1% |
| Residential_Klapmuts | R 13 833 262 | R 26 868 122 | R 7 124 547 | R 3 127 392 | R 133 372 914 | 3% |
| Residential_Onder Papegaaiberg | R 1 048 787 | R 14 052 334 | R 3 289 871 | R 3 013 235 | R 35 453 113 | 1% |
| Residential_Stellenbosch east | R 9 942 075 | R 2 250 953 | R 9 184 104 | R 5 823 802 | R 32 793 619 | 1% |
| Residential_Stellenbosch North | R 118 488 500 | R 101 997 633 | R 86 956 764 | R 88 657 042 | R 798 009 730 | 17% |
| Rest of Municipality | R 125 510 560 | R 73 835 818 | R 183 913 638 | R 164 356 630 | R 1 163 712 341 | 25% |
| Rural node | R 16 446 765 | R 3 801 162 | R 24 122 183 | R 3 420 859 | R 89 920 033 | 2% |
| Tourism, commercial, residential | R 25 828 370 | R 22 333 566 | R 3 474 589 | R 12 013 127 | R 162 360 562 | 3% |
| Grand Total | R 556 927 930 | R 503 528 218 | R 540 244 536 | R 495 943 456 | R 4 675 050 063 | 100% |

Figure 10-4: PDA capital expenditure spatial targeting analysis



10.3 Ward-based capital expenditure targeting

The 2021/2022 capital expenditure framework has been expressed in terms of ward-based spatial targeting over the 10-year horizon. It seeks to identify the degree of spatial targeting achieved by the municipality. Figure 10-5 and Table 10-1 are indicative of capital spent within specified wards, where the total of the capital distribution is 69% over 21 wards, out of a possible 22. A total of 21% of the capital expenditure is at a City-Wide level and not spatially targeted to a specific ward – but rather all of the wards. Figure 10-6 illustrates that the ward-based capital expenditure of the municipality is targeted towards Stellenbosch Town, Klapmuts, Kayamadi, Jamestown and Franschhoek. However, the capital expenditure in these areas might vary in strategic priority and needs. Therefore, the prioritisation and budget scenario mechanisms applied to this analysis help ensure a more targeted and relevant address of capital expenditure throughout the municipality.

Figure 10-5: Capital expenditure per Ward

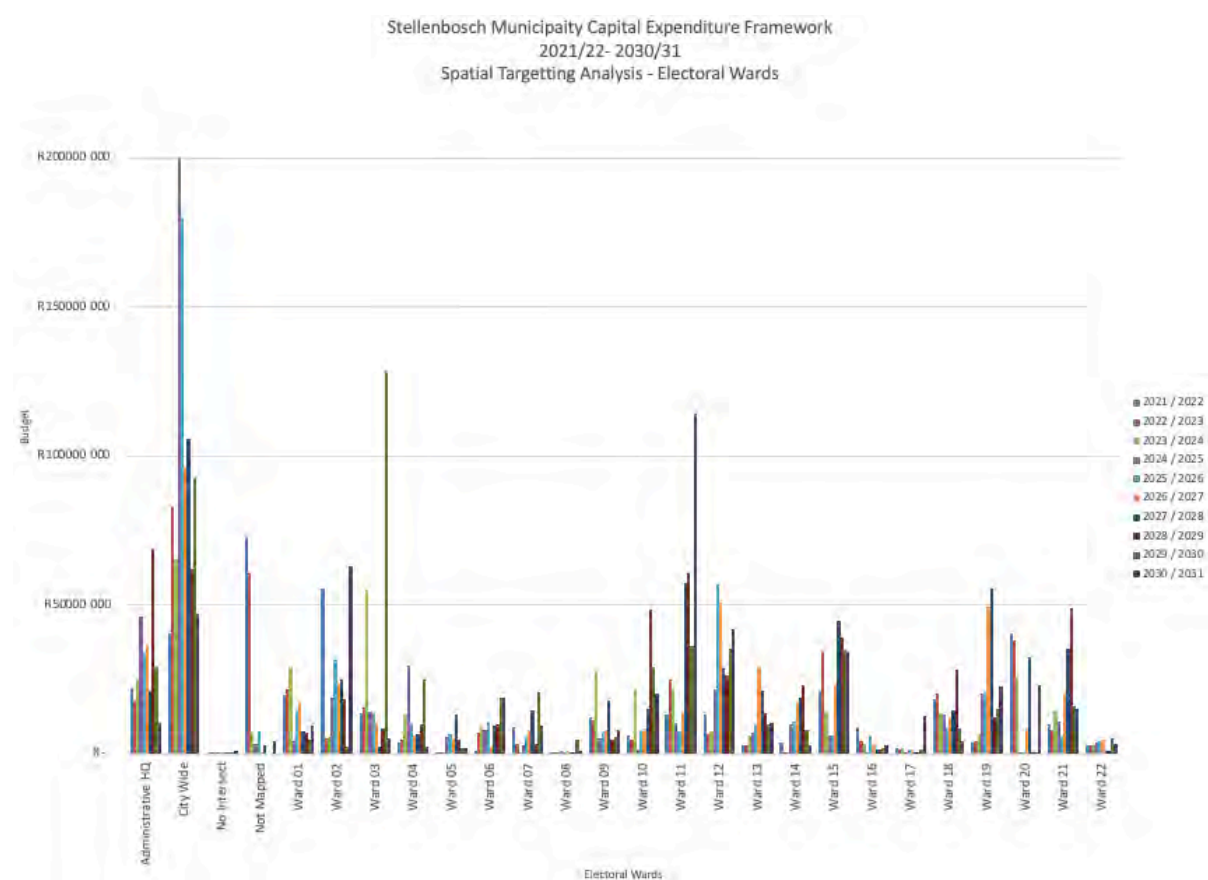


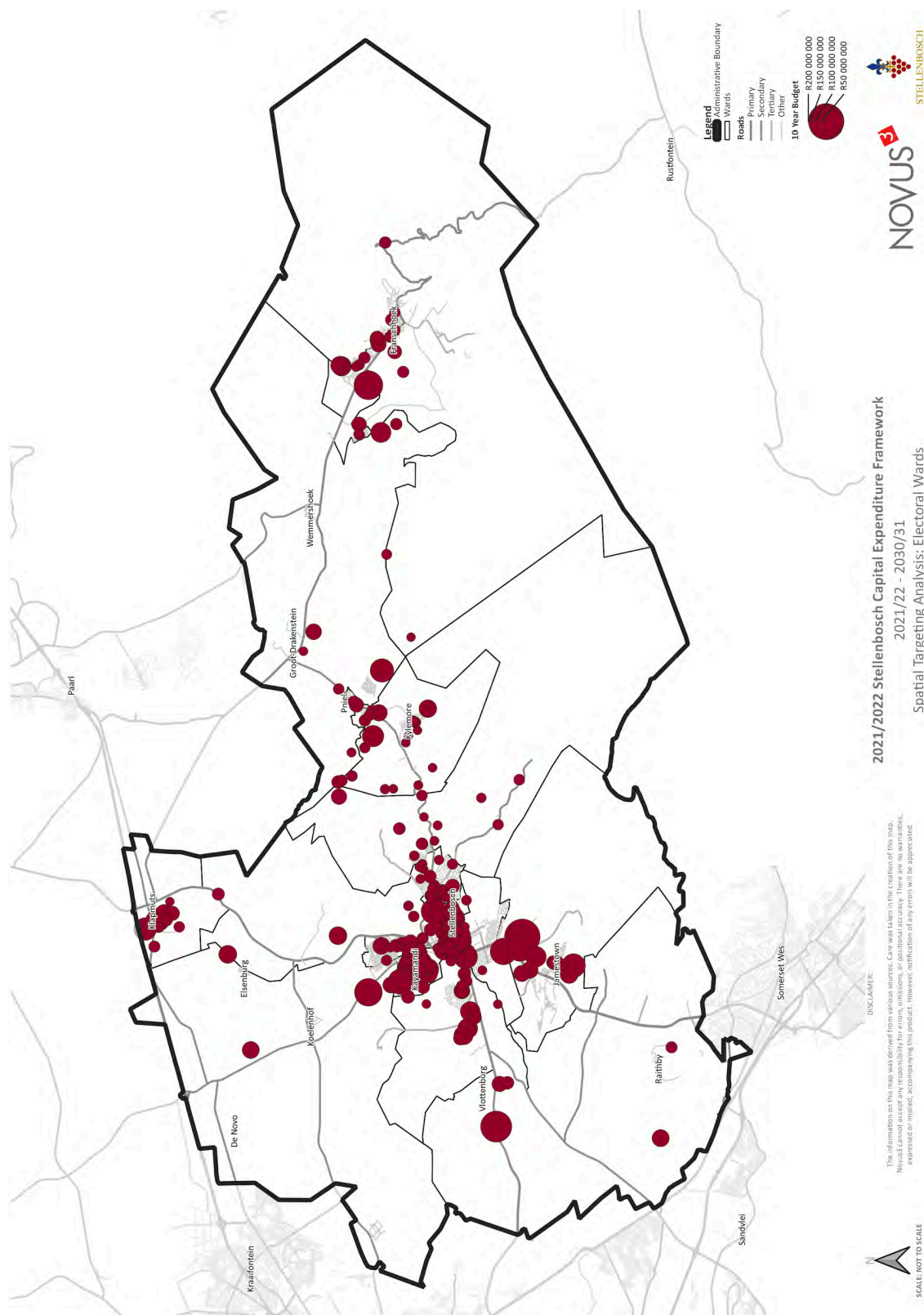
Table 10-3: Capital expenditure per Ward (2021/22 – 2030/31)

| Electoral Wards | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|-----------------|--------------|--------------|--------------|---------------|---------------|--------------|
| Admin HQ | R 22 232 800 | R 18 069 000 | R 25 186 000 | R 45 914 500 | R 33 903 000 | R 36 733 000 |
| City Wide | R 40 667 753 | R 82 555 768 | R 65 426 375 | R 200 232 623 | R 179 623 265 | R 96 321 764 |
| No Intersect | R - | R 189 909 | R 134 762 | R 426 681 | R 340 965 | R 332 104 |
| Not Mapped | R 72 638 000 | R 60 630 000 | R 7 000 000 | R 3 400 000 | R 7 550 000 | R 550 000 |
| Ward 01 | R 19 642 663 | R 21 836 337 | R 29 170 298 | R 4 377 315 | R 14 436 968 | R 17 538 445 |
| Ward 02 | R 55 352 107 | R 5 106 554 | R 5 900 011 | R 18 738 711 | R 31 388 018 | R 23 550 071 |
| Ward 03 | R 13 695 329 | R 15 421 241 | R 55 222 929 | R 14 015 085 | R 13 839 088 | R 10 426 798 |
| Ward 04 | R 3 860 584 | R 4 740 979 | R 13 358 158 | R 29 844 842 | R 10 557 572 | R 6 023 127 |
| Ward 05 | R 228 237 | R 473 721 | R 730 549 | R 5 766 415 | R 6 549 300 | R 5 115 886 |
| Ward 06 | R 1 045 255 | R 6 884 932 | R 9 482 951 | R 8 274 405 | R 10 904 273 | R 2 566 650 |
| Ward 07 | R 8 971 008 | R 3 159 086 | R 626 755 | R 2 969 301 | R 5 891 129 | R 8 202 479 |
| Ward 08 | R 439 979 | R 547 919 | R 65 164 | R 943 610 | R 744 611 | R 884 383 |
| Ward 09 | R 12 371 054 | R 11 379 534 | R 27 581 034 | R 5 291 524 | R 6 938 964 | R 8 123 729 |

| | | | | | | |
|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Ward 10 | R 5 996 741 | R 4 917 110 | R 21 521 813 | R 1 634 632 | R 8 014 005 | R 8 606 253 |
| Ward 11 | R 13 081 799 | R 24 913 635 | R 22 196 320 | R 10 443 754 | R 7 619 170 | R 14 361 483 |
| Ward 12 | R 13 357 332 | R 6 586 174 | R 7 804 637 | R 21 641 482 | R 56 798 639 | R 50 693 087 |
| Ward 13 | R 3 044 192 | R 2 917 285 | R 6 334 048 | R 6 950 568 | R 9 824 327 | R 28 968 089 |
| Ward 14 | R 3 841 598 | R 330 290 | R 578 021 | R 9 741 590 | R 10 668 477 | R 17 229 633 |
| Ward 15 | R 21 187 554 | R 34 235 417 | R 14 109 545 | R 6 397 630 | R 6 051 723 | R 23 110 831 |
| Ward 16 | R 8 821 146 | R 4 119 937 | R 3 355 274 | R 560 522 | R 5 960 992 | R 3 413 350 |
| Ward 17 | R 1 736 671 | R 1 642 410 | R 2 132 797 | R 328 562 | R 1 672 499 | R 1 527 846 |
| Ward 18 | R 18 337 675 | R 20 144 879 | R 13 593 937 | R 13 090 603 | R 9 075 741 | R 12 325 741 |
| Ward 19 | R 3 814 781 | R 4 493 759 | R 6 672 045 | R 20 060 775 | R 20 667 536 | R 49 276 316 |
| Ward 20 | R 40 303 724 | R 38 253 981 | R 26 000 000 | R 566 078 | R 282 542 | R 8 996 539 |
| Ward 21 | R 10 030 522 | R 8 141 943 | R 14 489 097 | R 10 719 847 | R 5 556 792 | R 20 059 287 |
| Ward 22 | R 3 065 420 | R 2 752 974 | R 2 852 127 | R 3 975 060 | R 4 096 944 | R 4 852 139 |
| Grand Total | R 397 861 828 | R 385 178 696 | R 384 051 747 | R 460 046 086 | R 490 264 185 | R 461 003 379 |

| Electoral Wards | 2027 / 2028 | 2028 / 2029 | 2029 / 2030 | 2030 / 2031 | Total | Total % |
|--------------------|----------------------|----------------------|----------------------|----------------------|------------------------|-------------|
| Admin HQ | R 21 050 000 | R 68 488 060 | R 29 152 164 | R 10 616 302 | R 311 344 826 | 7% |
| City Wide | R 105 588 635 | R 61 841 044 | R 92 323 998 | R 47 236 876 | R 971 818 101 | 21% |
| No Intersect | R 65 849 | R 293 859 | R 455 896 | R 856 869 | R 3 096 894 | 0% |
| Not Mapped | R 3 000 000 | R - | R - | R 4 200 000 | R 158 968 000 | 3% |
| Ward 01 | R 7 397 789 | R 7 245 557 | R 4 943 643 | R 9 439 776 | R 136 028 792 | 3% |
| Ward 02 | R 25 006 095 | R 18 371 324 | R 2 360 990 | R 63 107 132 | R 248 881 012 | 5% |
| Ward 03 | R 2 311 376 | R 8 361 558 | R 128 858 639 | R 5 266 630 | R 267 418 673 | 6% |
| Ward 04 | R 6 539 744 | R 9 772 423 | R 25 085 292 | R 2 220 667 | R 112 003 389 | 2% |
| Ward 05 | R 13 069 525 | R 4 966 180 | R 1 953 354 | R 2 187 040 | R 41 040 208 | 1% |
| Ward 06 | R 9 545 140 | R 10 075 987 | R 18 862 157 | R 19 068 042 | R 96 709 792 | 2% |
| Ward 07 | R 14 772 743 | R 3 315 042 | R 20 548 340 | R 9 501 721 | R 77 957 605 | 2% |
| Ward 08 | R 663 890 | R 188 294 | R 4 781 229 | R 871 172 | R 10 130 250 | 0% |
| Ward 09 | R 18 125 027 | R 4 965 841 | R 5 923 014 | R 7 902 758 | R 108 602 478 | 2% |
| Ward 10 | R 15 301 001 | R 48 248 786 | R 28 950 767 | R 20 436 026 | R 163 627 134 | 4% |
| Ward 11 | R 57 559 414 | R 60 660 421 | R 35 990 308 | R 113 915 778 | R 360 742 082 | 8% |
| Ward 12 | R 28 788 620 | R 26 523 755 | R 35 277 693 | R 42 010 521 | R 289 481 939 | 6% |
| Ward 13 | R 21 103 372 | R 13 817 362 | R 9 749 394 | R 10 196 239 | R 112 904 876 | 2% |
| Ward 14 | R 19 020 497 | R 23 175 696 | R 8 259 042 | R 3 052 682 | R 95 897 526 | 2% |
| Ward 15 | R 44 603 460 | R 38 972 756 | R 34 985 755 | R 34 125 258 | R 257 779 928 | 6% |
| Ward 16 | R 1 390 331 | R 1 410 695 | R 2 068 651 | R 2 855 396 | R 33 956 294 | 1% |
| Ward 17 | R 60 830 | R 763 471 | R 1 451 711 | R 12 957 586 | R 24 274 382 | 1% |
| Ward 18 | R 14 768 492 | R 28 253 598 | R 8 516 936 | R 4 206 970 | R 142 314 572 | 3% |
| Ward 19 | R 55 389 204 | R 12 075 344 | R 15 161 164 | R 22 603 634 | R 210 214 560 | 5% |
| Ward 20 | R 32 518 258 | R 197 392 | R 436 784 | R 23 242 104 | R 170 797 402 | 4% |
| Ward 21 | R 35 284 834 | R 48 749 066 | R 15 973 054 | R 14 942 529 | R 183 946 970 | 4% |
| Ward 22 | R 1 201 334 | R 997 458 | R 5 246 818 | R 3 383 125 | R 32 423 398 | 1% |
| Grand Total | R 554 125 458 | R 501 730 970 | R 537 316 792 | R 490 402 836 | R 4 622 361 081 | 100% |

Figure 10-6: Ward-based capital expenditure spatial targeting analysis



10.4 Discipline-based capital expenditure analysis

Table 10-4 is indicative of the Electricity and “Other” discipline that make up 20% of the capital expenditure in the 10-year analysis period. Capital expenditure in the Electricity discipline fluctuates

greatly throughout the analysis period. This could be as a result of projects that are indeed “programmes”, a cluster of projects, within the discipline. The impact thereof is the significant amount(s) of capital expenditure. In order to ensure financial sustainability and have a more realistic spread over the 10-year horizon outer-year expenditure should be revised. The Roads and Water Supply disciplines make up 18% of the capital expenditure respectively and Sanitation is 11%. The abovementioned disciplines make up the majority of infrastructure-led capital spending – which correlates with the infrastructure focus of the municipality. Of concern is that no asset type that relates to Storm water is noted; however, this could be a function of classification, rather than actual projects not having any capital in this regard. Often storm water management is included as part of road design. Community Assets discipline makes up 7%, and the Solid Waste and Transport disciplines make up 3% of the capital expenditure respectively, the second being attributed to the inter-governmental approach to waste management.

Figure 10-7: Capital expenditure by service delivery category

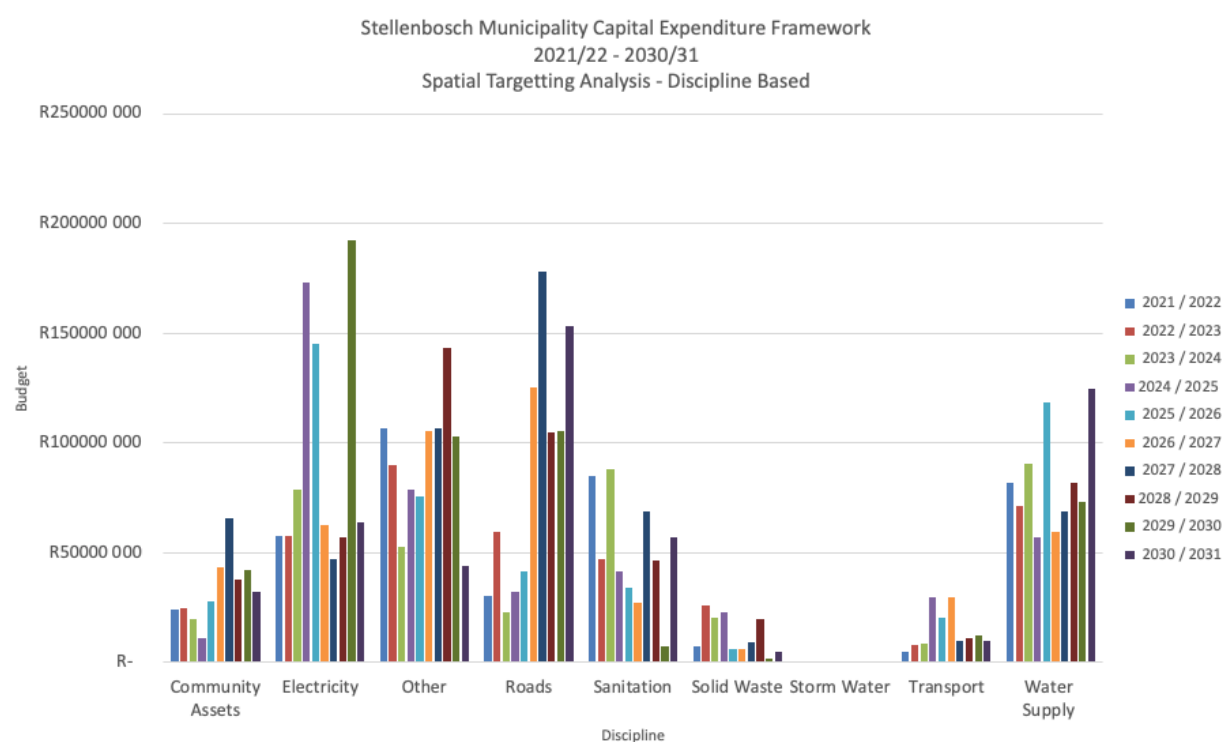


Table 10-4: Capital expenditure by service delivery category

| Disciplines | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Community Assets | R 24 224 347 | R 24 690 500 | R 19 930 000 | R 10 900 000 | R 27 750 000 | R 43 350 000 |
| Electricity | R 57 351 853 | R 57 859 268 | R 78 891 643 | R 173 319 614 | R 145 438 515 | R 62 791 985 |
| Other | R 106 942 823 | R 89 905 000 | R 52 485 000 | R 78 570 572 | R 75 717 822 | R 105 172 043 |
| Roads | R 30 170 248 | R 9 290 000 | R 22 550 000 | R 32 360 682 | R 41 700 200 | R 125 125 000 |
| Sanitation | R 84 700 000 | R 47 300 000 | R 88 300 000 | R 41 700 000 | R 34 200 000 | R 27 500 000 |
| Solid Waste | R 7 628 753 | R 25 900 000 | R 20 200 000 | R 23 100 000 | R 5 800 000 | R 6 300 000 |
| Storm Water | R - | R - | R - | R - | R - | R - |
| Transport | R 4 700 000 | R 8 100 000 | R 8 400 000 | R 29 500 000 | R 20 100 000 | R 29 950 000 |
| Water Supply | R 82 045 900 | R 71 400 000 | R 90 768 000 | R 56 850 000 | R 118 250 000 | R 59 600 000 |
| Grand Total | R 397 763 924 | R 384 444 768 | R 381 524 643 | R 446 300 868 | R 468 956 537 | R 459 789 028 |

| Disciplines | 2027 / 2028 | 2028 / 2029 | 2029 / 2030 | 2030 / 2031 | Total | Total % |
|------------------|---------------|---------------|---------------|---------------|---------------|---------|
| Community Assets | R 65 950 000 | R 37 685 000 | R 42 040 000 | R 32 460 000 | R 328 979 847 | 7% |
| Electricity | R 47 131 025 | R 57 035 944 | R 192 432 042 | R 64 008 997 | R 936 260 886 | 20% |
| Other | R 106 554 429 | R 143 416 962 | R 103 077 584 | R 44 103 101 | R 905 945 336 | 20% |
| Roads | R 177 890 000 | R 104 620 000 | R 105 120 000 | R 153 245 000 | R 852 071 130 | 18% |
| Sanitation | R 69 000 000 | R 46 500 000 | R 7 050 000 | R 56 734 431 | R 502 984 431 | 11% |

| | | | | | | |
|--------------------|----------------------|----------------------|----------------------|----------------------|------------------------|-------------|
| Solid Waste | R 9 100 000 | R 19 500 000 | R 2 000 000 | R 5 000 000 | R 124 528 753 | 3% |
| Storm Water | R - | R - | R - | R 200 000 | R 200 000 | 0% |
| Transport | R 9 500 000 | R 11 243 060 | R 12 367 164 | R 10 071 302 | R 143 931 526 | 3% |
| Water Supply | R 69 000 000 | R 81 730 000 | R 73 230 000 | R 124 580 000 | R 827 453 900 | 18% |
| Grand Total | R 554 125 454 | R 501 730 966 | R 537 316 790 | R 490 402 831 | R 4 622 355 809 | 100% |

The discipline-based budget split has been compiled based on the mSCOA project segment category per project. Please refer to Table 10-5.

Table 10-5: mSCOA – Project type category and discipline relationship

| Discipline | MSCOA - Type Category |
|------------------|---|
| Community Assets | Community Assets |
| Electricity | Electrical Infrastructure |
| Other | Biological or Cultivated Assets |
| Other | Computer Equipment |
| Other | Expanded Public Works Programme |
| Other | Furniture and Office Equipment |
| Other | Heritage Assets |
| Other | Indigent and Cultural Management and Services |
| Other | Information and Communication Infrastructure |
| Other | Intangible Assets |
| Other | Investment Properties |
| Other | Machinery and Equipment |
| Other | Meter Conversion and Replacement |
| Other | Other Assets |
| Other | Spatial Planning |
| Other | Strategic Management and Governance |
| Other | (blank) |
| Roads | Roads Infrastructure |
| Transport | Transport Assets |
| Sanitation | Sanitation Infrastructure |
| Solid Waste | Solid Waste Infrastructure |
| Stormwater | Storm water Infrastructure |
| Water Supply | Water Supply Infrastructure |

10.5 Asset type capital expenditure analysis

The capital budget analysis by mSCOA asset classification, is shown in the figure below. From the diagram, it is clear that the Roads Infrastructure asset group represents the majority portion of the 10-year capital expenditure. The Water supply and Electrical Infrastructure groups make up the other large capital spending of the municipality, while Community Assets, Other Assets and Transport Asset types benefits the least. There are some asset type strings, specifically asset type classifications that do not go down to the same level of categorisation - hence the term “lowest level – not applicable” on the sheet. This does not mean there is a lack of data, but rather a lack of a request or an option to capture more detail per project.

[illegible]

The IUDF guides municipalities to reconfigure urban spaces, from the inherited segregated spatial structure form to an integrated and optimally functional built environment. In order to do that noteworthy steps should be taken toward redeveloping and reconfiguring the spatial structure of today. One step towards achieving the vision of the IUDF is to identify the capital expenditure towards non-poor poor communities. The CEF guidelines, in this regard, claims that a municipality should have the ability to report on the ratio of capital expenditure in non-poor and poor areas. This is however a difficult task for the following reasons:

- The definition of “non-poor”: “poor” is not clear;
- Municipal wide information that relates to metrics qualifying one as “indigent” is not commonly available;
- Various criticism exists for only using income as a measure as it does not necessarily relate to elements such as housing structures, access to services, levels of services, education, population density, household dynamics etc;
- The majority of data sources relies on pseudo-realistic interpretations of the number of people within a specific area, and;
- By framing the question of non-poor: poor expenditure with respect to the current urban form, together with the principle to increase capital expenditure in non-poor areas, forces the municipality to perpetuate the segregates’ spatial structure.

Regardless of the technical pitfalls noted above, it is still possible to take a relative simplistic view on where the non-poor and poor population is situated within the municipality, followed by where the capital expenditure occurs which enables the municipality to determine the non-poor: poor capital expenditure ratio.

10.6.1 Stepwise process to calculate the non-poor: poor capital expenditure ratio

The following section plot out the process used to calculate the non-poor: poor capital expenditure ratio.

- Step 1: Generate 500m hexagon grid
- Step 2: Determine household distribution
- Step 3: Identify households per hexagon
- Step 4: Calculate household income ratio per hexagon
- Step 5: Calculate capital expenditure per hexagon
- Step 6: Calculate capital expenditure per income class

10.6.2 Non-poor: poor capital expenditure ratio

The following section will discuss the results after applying the poor vs non poor calculation methodology. The most significant finding of the results is that over the next ten years, for every rand spent on the non-poor, a rand will be spent on the vulnerable areas and communities of Stellenbosch. This trend holds true from the 2021/22_MTREF throughout the 10-year analysis period. The years 2022/23, 2024/25, 206/27 and 2028/29 see a slight increase in spending towards the poor population. However, in 2030/31, there is a slightly lesser spend. Overall, the ratio illustrates a good indication of an integrated planning approach and equitable expenditure – specifically deriving from the principles of spatial targeting.

Figure 10-9: Non-Poor: Poor capital expenditure ratio

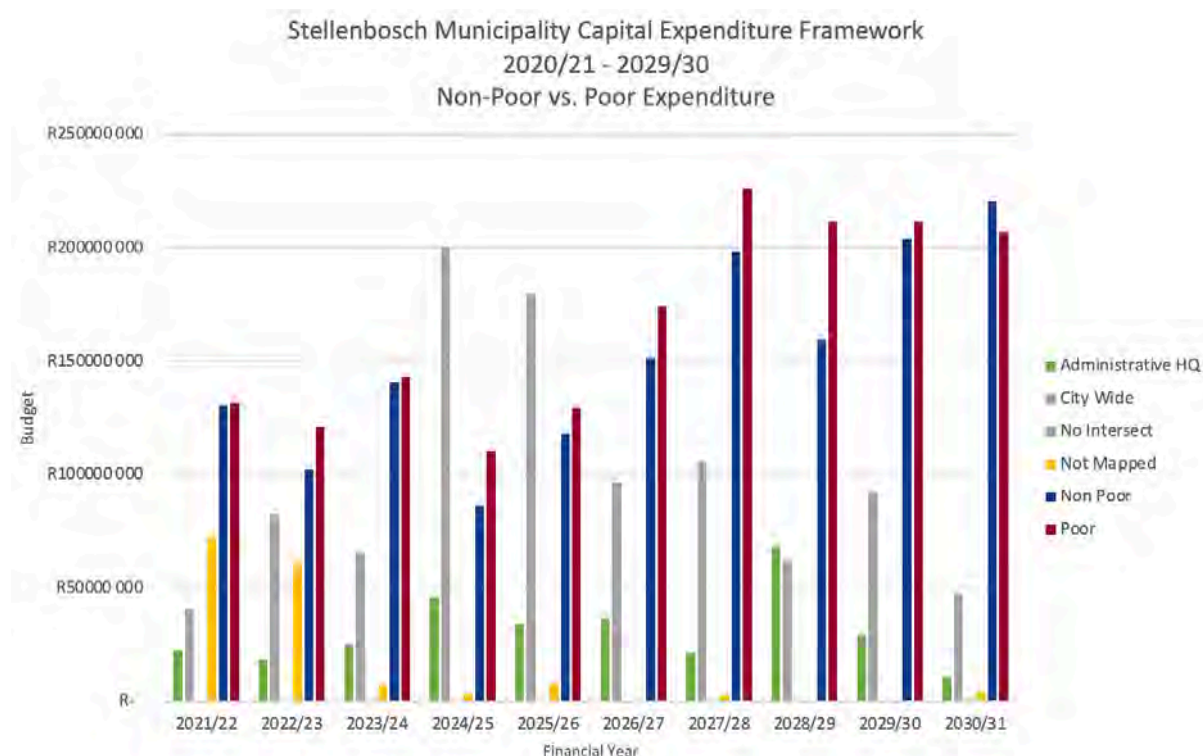


Table 10-6: Non-Poor: Poor capital expenditure ratio

| Status | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Admin HQ | R 22 232 800 | R 18 069 000 | R 25 186 000 | R 45 914 500 | R 33 903 000 | R 36 733 000 |
| City Wide | R 40 667 753 | R 82 555 768 | R 65 426 375 | R 200 232 623 | R 179 623 265 | R 96 321 764 |
| No Intersect | R 1 | R 126 483 | R 1 558 | R 328 808 | R 265 390 | R 265 391 |
| Not Mapped | R 72 638 000 | R 60 630 000 | R 7 000 000 | R 3 400 000 | R 7 550 000 | R 550 000 |
| Non-Poor | R 130 709 590 | R 101 976 266 | R 140 704 234 | R 86 248 800 | R 118 154 907 | R 151 486 415 |
| Poor | R 131 515 782 | R 121 087 252 | R 143 206 477 | R 110 176 138 | R 129 459 977 | R 174 432 463 |
| Grand Total | R 397 763 927 | R 384 444 769 | R 381 524 643 | R 446 300 869 | R 468 956 539 | R 459 789 032 |
| Non-Poor: Poor | 1: 1 | 1: 1,2 | 1: 1 | 1: 1,3 | 1: 1,1 | 1: 1,2 |

| Status | 2027 / 2028 | 2028 / 2029 | 2029 / 2030 | 2030 / 2031 | Total | Total % |
|-----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|---------------|
| Admin HQ | R 21 050 000 | R 68 488 060 | R 29 152 164 | R 10 616 302 | R 311 344 826 | 7% |
| City Wide | R 105 588 635 | R 61 841 044 | R 92 323 998 | R 47 236 876 | R 971 818 101 | 21% |
| No Intersect | R 55 220 | R 250 944 | R 372 143 | R 729 523 | R 2 395 460 | 0% |
| Not Mapped | R 3 000 000 | R - | R - | R 4 200 000 | R 158 968 000 | 3% |
| Non-Poor | R 198 341 808 | R 159 429 218 | R 203 808 717 | R 220 712 267 | R 1 511 572 221 | 33% |
| Poor | R 226 089 793 | R 211 721 701 | R 211 659 769 | R 206 907 868 | R 1 666 257 219 | 36% |
| Grand Total | R 554 125 455 | R 501 730 967 | R 537 316 791 | R 490 402 836 | R 4 622 355 827 | 100% |
| Non-Poor: Poor | 1: 1,1 | 1: 1,3 | 1: 1 | 1: 0,9 | 1: 1,1 | 1: 1,1 |

11 Capital expenditure implementation plan

The objective of this section is to:

- Provide insight in the implementation component of the CEF through a breakdown of the 3-year MTREF budget.

11.1 2021/2022 – 2023/24 Budget Analysis

Once the ten year Capital Expenditure Framework has been set up as a result of the prioritisation and budget scenario process, a three year Capital Expenditure Implementation follows. In order to manage the Capital Expenditure Implementation; National Government, through the MFMA has established the Medium Term Revenue and Expenditure Framework (MTREF). The MTREF is a rolling three-year expenditure planning tool and defines the expenditure priorities for a period of three years.

This section depicts the first three years of implementation. It shows an estimation of the following implementation frameworks, however, one must take into cognisance of the fact that the municipal planning and implementation process is ongoing and that the implementation framework will be adjusted as new capital demand is introduced to the Capital Expenditure Framework.

It is important to note that the Capital Expenditure Framework process must be aligned with the municipal budgeting process. This document will be submitted for approval with the final MTREF budget. The first three years therefore aligns at 100% with the MTREF budget.

11.1.1 2021/2022 MTREF Capital Budget by Financial year

The budget analysis will be done in terms of the total Capital Expenditure Framework. In some instance capital expenditure in the MTREF might seem without a context, but understanding that the budget is drafted with a ten year Capital Expenditure Framework in mind, it will be easier to rationalise several findings.

Given that the whole budgeting process up to this point has been done with the assistance of the CP3 platform, it is now possible to analyse the budget not only in terms of the total Capital Expenditure Framework, but also in terms of key project related information. It is therefore essential to plan on a project level – this enables the grouping and analysis of several project attributes.

Figure 11-1 shows a consistent spread of capital budget allocation over the three financial years within the MTREF. The outer year is the smallest amount of the MTREF, with the highest probability of change. The slightly higher capital budget for the 2021/2022 financial year, might be an indication of capital projects not being implemented during the 2020/2021 financial year due to COVID-19 or the maturity level of the project that can be implemented now due to various other reasons. The commitment of capital projects within the first year will have an impact on the following financial years, and capital projects should therefore be well planned to prevent the pressure on the following financial years. The reducing total capital expenditure planned in the analysis period signals a risk averse strategy of the municipality regarding the uncertainty brought about by COVID-19 and takes into account the ability to recover on investments to be made for the next three years. This aligns with the financial strategy of the municipality.

Figure 11-1: 2021/2022 MTREF Capital Budget per financial year

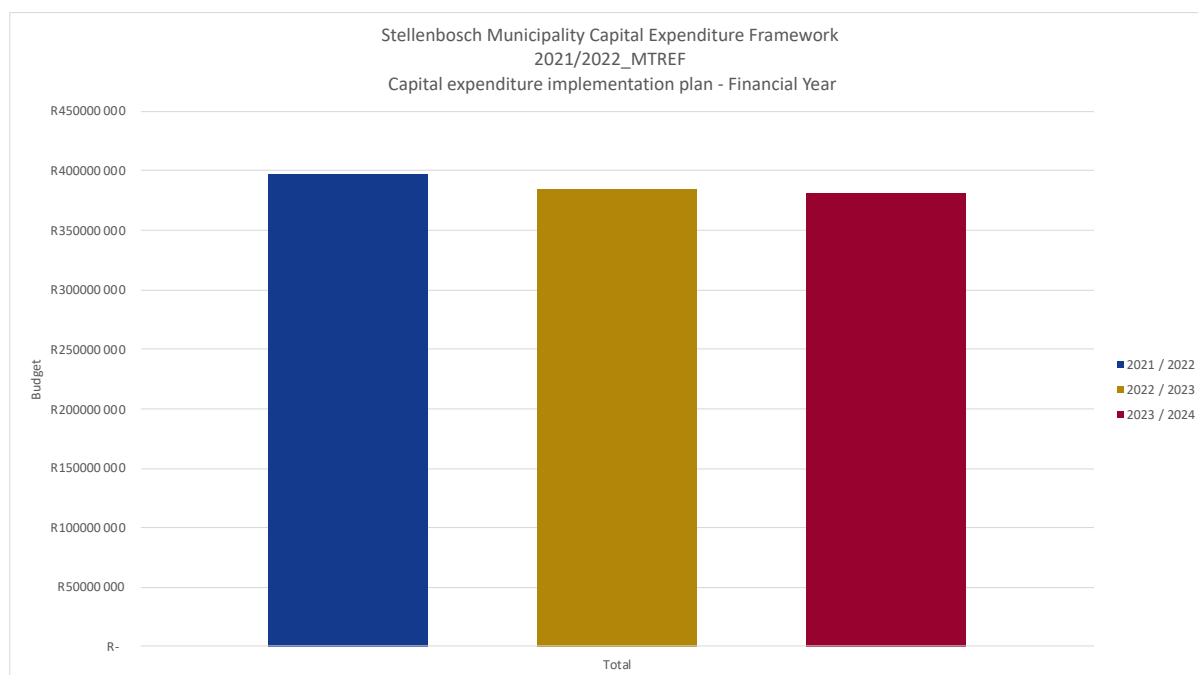


Table 11-1: MTREF Capital Budget per financial year

| Financial Year | Total | % of Total MTREF |
|----------------|-----------------------|------------------|
| 2021 / 2022 | R397 763 924 | 34,18% |
| 2022 / 2023 | R384 444 768 | 33,04% |
| 2023 / 2024 | R381 524 643 | 32,78% |
| Total | R1 163 733 335 | 100,00% |

11.1.2 2021/2022 MTREF Capital Budget by Unit

From Figure 11-2 the MTREF Capital budget allocation towards Infrastructure services is the highest overall towering over the other units within the organisation. The Infrastructure Services unit by tradition and nature has the most 'expensive' capital projects and the current budget allocation is true to this reality. However, it should be noted that the impact of capital projects should also be measured from an Economic Impact, spatial targeting and needs perspective and not just in terms of quantity of capital investment. The quality measure of each capital projects is as important as the capital investment amount of budget allocations within the respective units of the organisation.

Figure 11-2: 2021/2022 MTREF Capital Budget by Unit

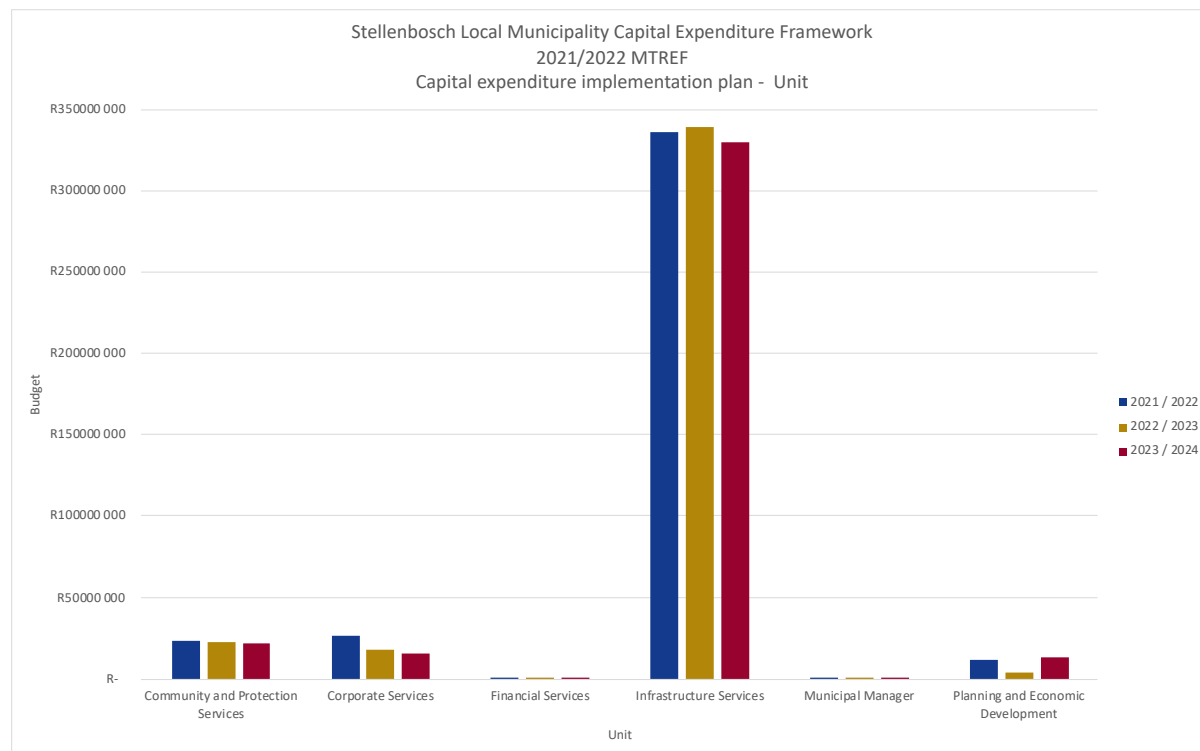


Table 11-2: 2021/2022 MTREF Capital budget by Unit

| Unit / Department | 2021 / 2022 | 2022 / 2023 | 2023 / 2024 | MTREF Total | % of Total |
|--|-------------|-------------|-------------|-------------|------------|
| Community and Protection Services | R23 274 370 | R22 644 500 | R22 085 000 | R68 003 870 | 5,84% |
| Cemeteries | R1 000 000 | R7 000 000 | R9 000 000 | R17 000 000 | 1,46% |
| Community and Protection Services: General | R- | R- | R- | R- | 0,00% |
| Community Development | R135 000 | R50 000 | R55 000 | R240 000 | 0,02% |
| Community Services: Library Services | R470 000 | R180 000 | R200 000 | R850 000 | 0,07% |
| Disaster Management | R600 000 | R- | R1 500 000 | R2 100 000 | 0,18% |
| Environmental Management: Implementation | R5 124 347 | R5 400 000 | R1 800 000 | R12 324 347 | 1,06% |
| Environmental Management: Urban Forestry | R1 700 000 | R2 080 000 | R250 000 | R4 030 000 | 0,35% |
| Events & Fleet | R- | R- | R- | R- | 0,00% |
| Fire and Rescue Services | R4 945 023 | R500 000 | R3 000 000 | R8 445 023 | 0,73% |
| Halls | R150 000 | R150 000 | R- | R300 000 | 0,03% |
| Law Enforcement and Security | R4 700 000 | R2 450 000 | R1 900 000 | R9 050 000 | 0,78% |
| Parks and Cemeteries | R3 100 000 | R3 260 500 | R2 500 000 | R8 860 500 | 0,76% |
| Sports Grounds and Picnic Sites | R1 150 000 | R1 350 000 | R- | R2 500 000 | 0,21% |
| Traffic Services | R200 000 | R224 000 | R1 880 000 | R2 304 000 | 0,20% |
| Corporate Services | R26 557 000 | R17 800 000 | R15 550 000 | R59 907 000 | 5,15% |
| Admin. Support Services: Communications | R- | R- | R- | R- | 0,00% |
| Info and Communications Technology (ICT) | R4 700 000 | R4 800 000 | R5 000 000 | R14 500 000 | 1,25% |
| Municipal Court | R- | R- | R- | R- | 0,00% |

| Unit / Department | 2021 / 2022 | 2022 / 2023 | 2023 / 2024 | MTREF Total | % of Total |
|--|---------------------|---------------------|---------------------|-----------------------|----------------|
| Properties and Municipal Building Maintenance | R21 857 000 | R13 000 000 | R10 550 000 | R45 407 000 | 3,90% |
| Strategic Corporate Services: General | R- | R- | R- | R- | 0,00% |
| Financial Services | R200 000 | R200 000 | R210 000 | R610 000 | 0,05% |
| Executive Support: Financial Services: General | R200 000 | R200 000 | R210 000 | R610 000 | 0,05% |
| Infrastructure Services | R336 174 754 | R339 361 268 | R330 223 643 | R1 005 759 665 | 86,43% |
| Electrical Services | R71 801 853 | R59 371 268 | R85 510 643 | R216 683 764 | 18,62% |
| Executive Support: Engineering Services: General | R75 000 | R75 000 | R50 000 | R200 000 | 0,02% |
| Infrastructure Plan, Dev and Implement | R39 274 148 | R53 720 000 | R17 100 000 | R110 094 148 | 9,46% |
| Roads and Stormwater | R36 750 000 | R39 100 000 | R2 300 000 | R78 150 000 | 6,72% |
| Support Services | R- | R- | R- | R- | 0,00% |
| Traffic Engineering | R9 300 000 | R13 000 000 | R2 900 000 | R25 200 000 | 2,17% |
| Transport Planning | R6 550 000 | R10 300 000 | R1 600 000 | R18 450 000 | 1,59% |
| Waste Management: Solid Waste Management | R7 873 753 | R28 745 000 | R23 445 000 | R60 063 753 | 5,16% |
| Water and Wastewater Services: Sanitation | R84 700 000 | R60 500 000 | R97 500 000 | R242 700 000 | 20,86% |
| Water and Wastewater Services: Water | R79 850 000 | R74 550 000 | R99 818 000 | R254 218 000 | 21,85% |
| Municipal Manager | R44 000 | R49 000 | R56 000 | R149 000 | 0,01% |
| Executive Support: Office of the Municipal Manager | R44 000 | R49 000 | R56 000 | R149 000 | 0,01% |
| Governance | R- | R- | R- | R- | 0,00% |
| Planning and Economic Development | R11 513 800 | R4 390 000 | R13 400 000 | R29 303 800 | 2,52% |
| Administrative Support | R- | R- | R- | R- | 0,00% |
| Building Development Management | R185 000 | R100 000 | R100 000 | R385 000 | 0,03% |
| Customer Interface & Administration | R- | R- | R- | R- | 0,00% |
| Development Planning: Spatial Planning | R- | R- | R- | R- | 0,00% |
| Economic Development and Tourism | R2 680 000 | R100 000 | R3 150 000 | R5 930 000 | 0,51% |
| IHS: Housing Administration | R135 000 | R40 000 | R- | R175 000 | 0,02% |
| IHS: Informal Settlements | R- | R- | R- | R- | 0,00% |
| IHS: New Housing | R8 258 800 | R4 025 000 | R10 050 000 | R22 333 800 | 1,92% |
| Land Use Management | R125 000 | R125 000 | R100 000 | R350 000 | 0,03% |
| Spatial Planning: Planning and Development | R130 000 | R- | R- | R130 000 | 0,01% |
| Grand Total | R397 763 924 | R384 444 768 | R381 524 643 | R1 163 733 335 | 100,00% |

11.1.3 2021/2022 MTREF Capital budget by mSCOA Expenditure Type

The largest portion of the capital budget is allocated towards Infrastructure capital projects at 71% of the total MTREF capital budget. This highlights the focus of development enhancing capital expenditure within Stellenbosch, enabling the municipality to provide infrastructure services to all people within Stellenbosch.

Figure 11-3: 2021/2022 MTREF Capital budget by mSCOA Expenditure Type

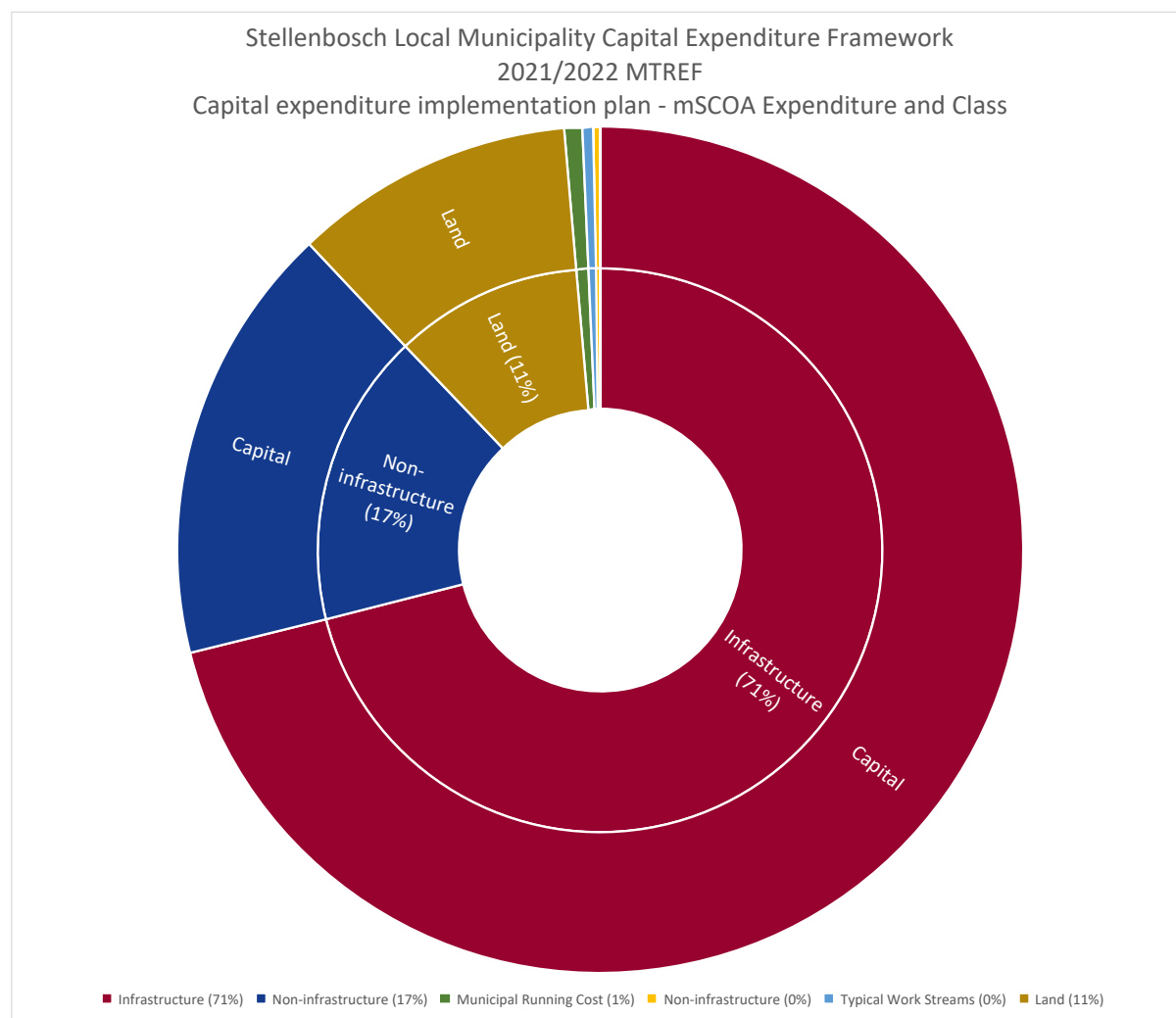


Table 11-3: 2021/2022 MTREF Capital budget by mSCOA Expenditure Type

| Expenditure Type | 2021 / 2022 | 2022 / 2023 | 2023 / 2024 | MTREF Total | % of Total |
|------------------------|---------------------|---------------------|---------------------|-----------------------|----------------|
| Capital | R327 475 924 | R329 764 768 | R365 817 643 | R1 023 058 335 | 88% |
| Infrastructure | R263 396 754 | R262 549 268 | R301 409 643 | R827 355 665 | 71% |
| Non-infrastructure | R64 079 170 | R67 215 500 | R64 408 000 | R195 702 670 | 17% |
| Operational | R1 800 000 | R5 300 000 | R8 707 000 | R15 807 000 | 1% |
| Maintenance | R- | R- | R- | R- | 0% |
| Municipal Running Cost | R100 000 | R1 700 000 | R6 307 000 | R8 107 000 | 1% |
| Non-infrastructure | R1 000 000 | R1 000 000 | R1 000 000 | R3 000 000 | 0% |
| Typical Work Streams | R700 000 | R2 600 000 | R1 400 000 | R4 700 000 | 0% |
| Land | R68 488 000 | R49 380 000 | R7 000 000 | R124 868 000 | 11% |
| Non-infrastructure | R- | R- | R- | R- | 0% |
| Land | R68 488 000 | R49 380 000 | R7 000 000 | R124 868 000 | 11% |
| Grand Total | R397 763 924 | R384 444 768 | R381 524 643 | R1 163 733 335 | 100,00% |

11.1.4 2021/2022 MTREF Capital budget by Functional Area

The MTREF capital budget indicates a large amount towards the Rural functional area and consistently over the three financial years within the Urban node. The Rural Functional area is the largest functional area per square kilometre of the identified functional areas, and the spread of the investment within the Rural Functional area can be seen throughout the municipal jurisdiction. Thus, the large amount allocated within the Rural functional area might not produce high impact outcomes but rather indicate that the Rural Functional area is served from a capital investment perspective. Based on the overall percentage of the MTREF capital budget allocation, Urban Node has 32,75% of the total MTREF, highlighting the development focus of the municipality towards urban areas investments. This signals high potential high impact investment relative to the area of the Urban Nodes.

A portion of 12% is not Mapped and 16% is City Wide projects. The 2022/2023 financial year indicates a high amount allocated towards City wide projects, further investigation should be done to enable better spatial targeting of site-specific investment and reducing the non-spatial budgeted amounts.

Capital projects that are spatial referenced provides the municipality with a better understanding of investment and strengthens the future planning of specific areas. Future capital projects should be spatially reference to a larger percentage to ensure spatial targeting of the capital budget and project and area specific investment. The 5,63% capital budget allocation within the MTREF towards Administrative HQ is reasonable.

Figure 11-4: 2021/2022 MTREF Capital budget by Functional area

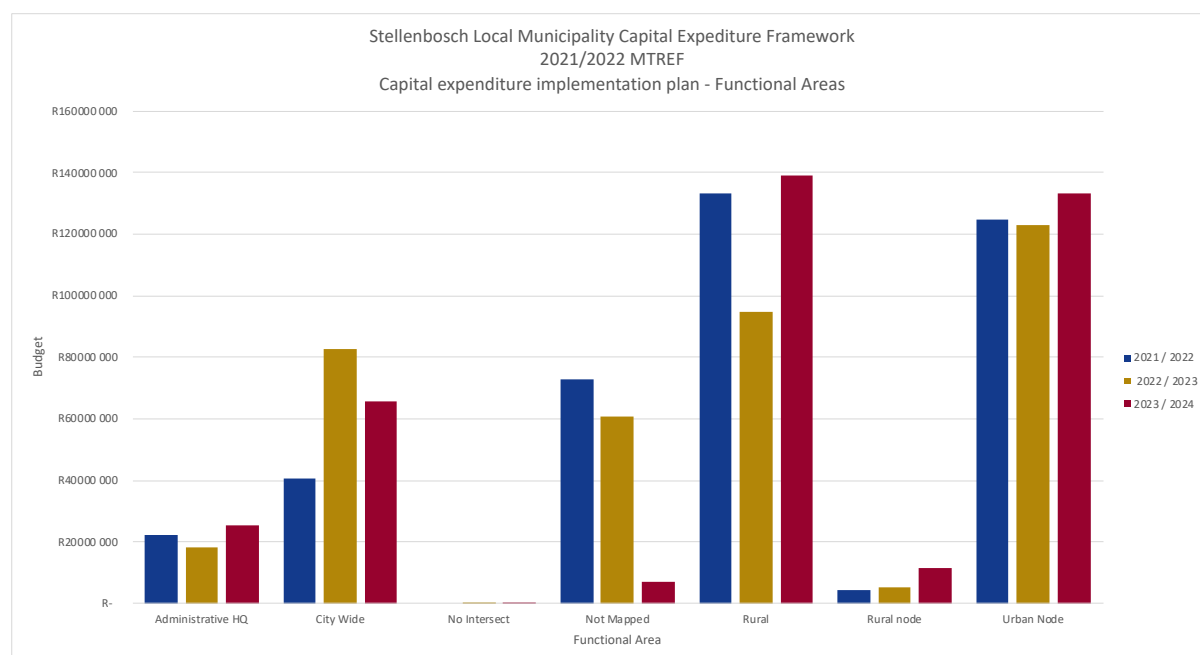
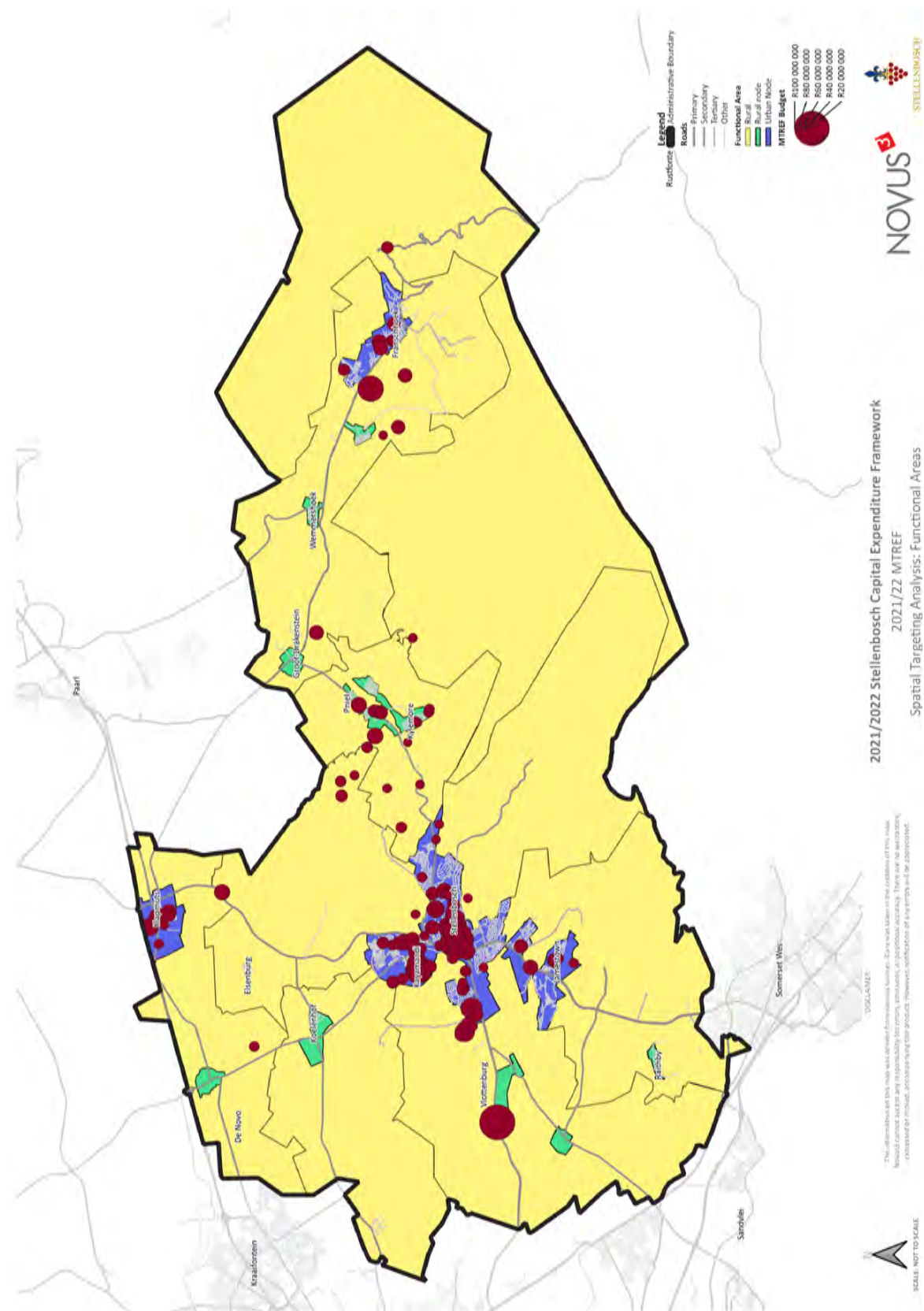


Table 11-4: 2021/2022 Capital budget by Functional area

| Functional Areas | 2021 / 2022 | 2022 / 2023 | 2023 / 2024 | MTREF Total | % of Total |
|--------------------|---------------------|---------------------|---------------------|-----------------------|----------------|
| Administrative HQ | R22 232 800 | R18 069 000 | R25 186 000 | R65 487 800 | 5,63% |
| City Wide | R40 667 753 | R82 555 768 | R65 426 375 | R188 649 896 | 16,21% |
| No Intersect | R0 | R189 822 | R133 758 | R323 580 | 0,03% |
| Not Mapped | R72 638 000 | R60 630 000 | R7 000 000 | R140 268 000 | 12,05% |
| Rural | R133 226 166 | R94 852 053 | R139 136 841 | R367 215 060 | 31,55% |
| Rural node | R4 168 444 | R4 978 016 | R11 475 857 | R20 622 317 | 1,77% |
| Urban Node | R124 831 449 | R123 172 782 | R133 170 874 | R381 175 105 | 32,75% |
| Grand Total | R397 764 613 | R384 447 441 | R381 529 705 | R1 163 741 758 | 100,00% |

Figure 11-5: 2021/2022 MTREF Capital budget Spatial Targeting - Functional Areas



11.1.5 2021/2022 MTREF Capital budget by Priority development area

The capital budget based on the Priority development area's spatial layer depicted in Figure 11-6 shows the budget allocation per priority development area within Stellenbosch. The priority development areas that have reasonable investments amounts are, CBD, University, Commercial, Student housing with 8,41% in the total MTREF. Residential Stellenbosch North has 11,73% of the total MTREF budget allocation. The focus of most of the capital projects within this priority development area is towards better infrastructure services and the formalisation of residential areas, enabling a better Stellenbosch for all residents.

Residential Klipmuts with 4,14% of the total MTREF budget allocation indicates the development drive towards better service delivery and opening of future development potential in the area. The highest amount of MTREF capital budget is outside the priority development areas, a future effort should be made to ensure targeted investments within the priority development areas or additional Priority development areas should be considered. Some of the capital projects outside of the priority development areas may have a positive influence on the priority development areas as it may relate to large infrastructure projects that cannot be located within the demarcated areas but serves these areas with water/ sanitation or electricity in terms of capacity upgrades and improved quality of services.

Figure 11-6: 2021/2022 MTREF Capital budget by Priority development area

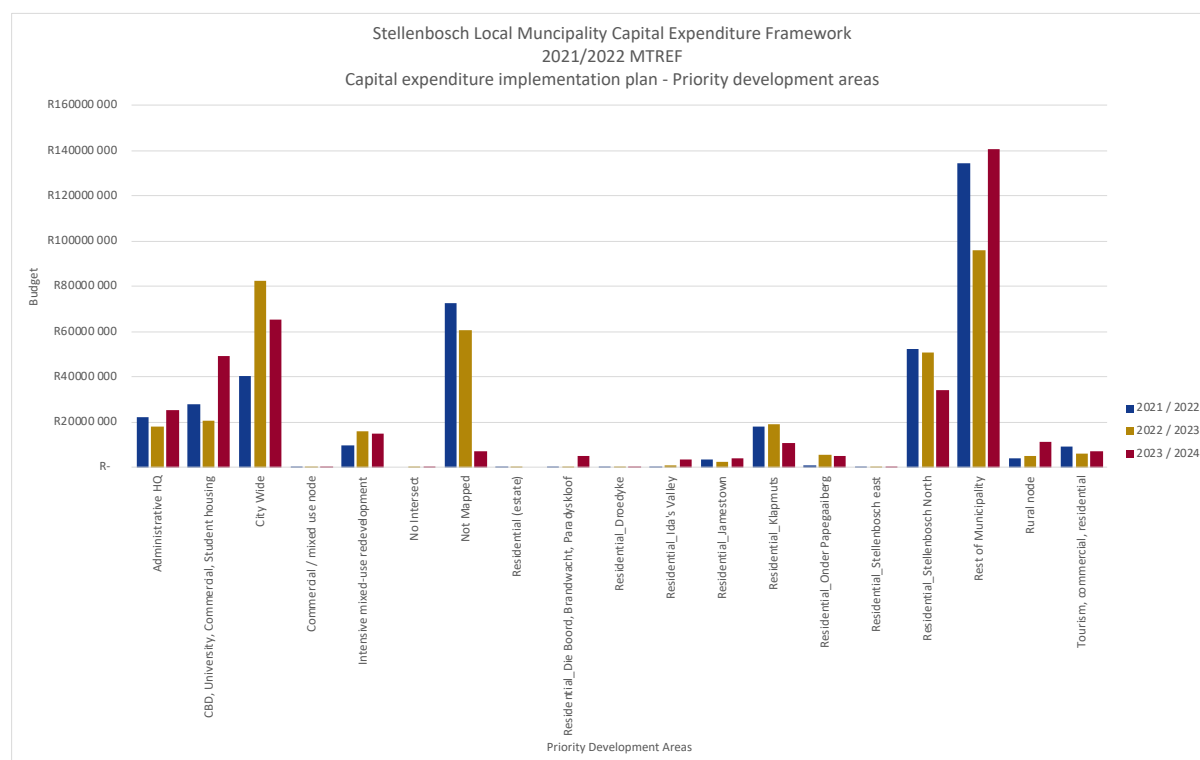


Table 11-5: 2021/2022 MTREF Capital Budget by Priority development area

| Priority Development Area | 2021 / 2022 | 2022 / 2023 | 2023 / 2024 | Total | % Total |
|--|-------------|-------------|-------------|--------------|---------|
| Administrative HQ | R22 232 800 | R18 069 000 | R25 186 000 | R65 487 800 | 5,61% |
| CBD, University, Commercial, Student housing | R28 194 439 | R20 790 567 | R49 167 135 | R98 152 141 | 8,41% |
| City Wide | R40 667 753 | R82 555 768 | R65 426 375 | R188 649 896 | 16,16% |
| Commercial / mixed use node | R5 687 | R2 689 | R1 214 | R9 589 | 0,00% |
| Intensive mixed-use redevelopment | R10 030 214 | R15 914 918 | R14 810 478 | R40 755 610 | 3,49% |
| No Intersect | R0 | R171 859 | R134 935 | R306 794 | 0,03% |

| Priority Development Area | 2021 / 2022 | 2022 / 2023 | 2023 / 2024 | Total | % Total |
|---|---------------------|---------------------|---------------------|-----------------------|----------------|
| Not Mapped | R72 638 000 | R60 630 000 | R7 000 000 | R140 268 000 | 12,02% |
| Residential (estate) | R17 343 | R5 896 | R- | R23 240 | 0,00% |
| Residential_Die Boord, Brandwacht, Paradyskloof | R176 073 | R657 539 | R5 200 893 | R6 034 504 | 0,52% |
| Residential_Droedyke | R7 276 | R2 474 | R9 081 | R18 830 | 0,00% |
| Residential_Ida's Valley | R130 475 | R1 002 666 | R3 369 324 | R4 502 465 | 0,39% |
| Residential_Jamestown | R3 667 778 | R2 350 355 | R3 917 739 | R9 935 872 | 0,85% |
| Residential_Klapmuts | R18 250 000 | R19 062 118 | R11 021 389 | R48 333 507 | 4,14% |
| Residential_Onder Papegaaiberg | R1 061 797 | R5 701 234 | R5 172 044 | R11 935 075 | 1,02% |
| Residential_Stellenbosch east | R492 372 | R268 247 | R97 351 | R857 970 | 0,07% |
| Residential_Stellenbosch North | R52 218 737 | R50 635 163 | R34 084 497 | R136 938 397 | 11,73% |
| Rest of Municipality | R134 650 405 | R96 069 053 | R140 505 138 | R371 224 596 | 31,81% |
| Rural node | R4 168 444 | R4 978 016 | R11 475 860 | R20 622 320 | 1,77% |
| Tourism, commercial, residential | R9 252 235 | R6 311 133 | R7 472 296 | R23 035 664 | 1,97% |
| Grand Total | R397 861 828 | R385 178 696 | R384 051 747 | R1 167 092 272 | 100,00% |

[illegible]

11.1.6 2021/2022 MTREF Capital budget by electoral wards

With a view on the MTREF budget within the electoral wards layer of Stellenbosch Local Municipality, the ward with the largest amount allocated within the MTREF is ward 20. Ward 20 is located on the western border of the municipality with Vlorentburg part of this ward. Vlorentburg has 2 large infrastructure projects boosting the infrastructure investment in the area and providing need additional infrastructure to the area. These large projects also enables future development potential to the area. Ward 3 has a reasonable amount of the capital budget allocated towards the upgrading of Wemmershoek Waste Water treatment works as the largest capital project within this ward. Ward 2 has a large amount of capital allocated within the 2021/2022 financial year, with the Upgrading of the Pniel waste water treatment works as the main capital contributor.

Figure 11-8: 2021/2022 MTREF Capital budget by electoral wards

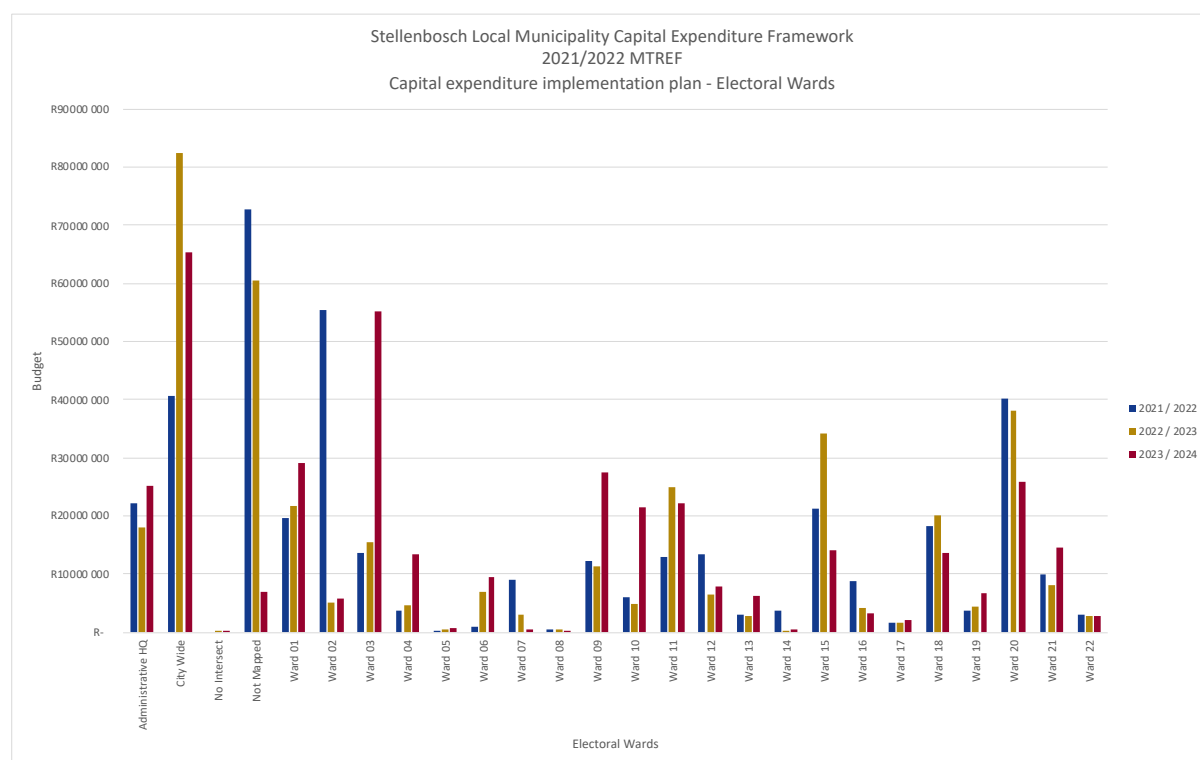


Table 11-6: 2021/2022 Capital budget by electoral wards

| Wards | 2021 / 2022 | 2022 / 2023 | 2023 / 2024 | MTREF Total | % of Total |
|--------------|-------------|-------------|-------------|--------------|------------|
| Admin HQ | R22 232 800 | R18 069 000 | R25 186 000 | R65 487 800 | 5,63% |
| City Wide | R40 667 753 | R82 555 768 | R65 426 375 | R188 649 896 | 16,21% |
| No Intersect | R0 | R189 909 | R134 762 | R324 671 | 0,03% |
| Not Mapped | R72 638 000 | R60 630 000 | R7 000 000 | R140 268 000 | 12,05% |
| Ward 01 | R19 642 663 | R21 836 337 | R29 170 298 | R70 649 298 | 6,07% |
| Ward 02 | R55 352 107 | R5 106 554 | R5 900 011 | R66 358 671 | 5,70% |
| Ward 03 | R13 695 329 | R15 421 241 | R55 222 929 | R84 339 500 | 7,25% |
| Ward 04 | R3 860 584 | R4 740 979 | R13 358 158 | R21 959 721 | 1,89% |
| Ward 05 | R228 237 | R473 721 | R730 549 | R1 432 507 | 0,12% |
| Ward 06 | R1 045 255 | R6 884 932 | R9 482 951 | R17 413 137 | 1,50% |
| Ward 07 | R8 971 008 | R3 159 086 | R626 755 | R12 756 849 | 1,10% |
| Ward 08 | R439 979 | R547 919 | R65 164 | R1 053 062 | 0,09% |
| Ward 09 | R12 371 054 | R11 379 534 | R27 581 034 | R51 331 622 | 4,41% |
| Ward 10 | R5 996 741 | R4 917 110 | R21 521 813 | R32 435 664 | 2,79% |
| Ward 11 | R13 081 799 | R24 913 635 | R22 196 320 | R60 191 754 | 5,17% |
| Ward 12 | R13 357 332 | R6 586 174 | R7 804 637 | R27 748 143 | 2,38% |
| Ward 13 | R3 044 192 | R2 917 285 | R6 334 048 | R12 295 524 | 1,06% |
| Ward 14 | R3 841 598 | R330 290 | R578 021 | R4 749 909 | 0,41% |

| Wards | 2021 / 2022 | 2022 / 2023 | 2023 / 2024 | MTREF Total | % of Total |
|--------------------|---------------------|---------------------|---------------------|-----------------------|----------------|
| Ward 15 | R21 187 554 | R34 235 417 | R14 109 545 | R69 532 515 | 5,97% |
| Ward 16 | R8 821 146 | R4 119 937 | R3 355 274 | R16 296 356 | 1,40% |
| Ward 17 | R1 736 671 | R1 642 410 | R2 132 797 | R5 511 877 | 0,47% |
| Ward 18 | R18 337 675 | R20 144 879 | R13 593 937 | R52 076 491 | 4,47% |
| Ward 19 | R3 814 781 | R4 493 759 | R6 672 045 | R14 980 586 | 1,29% |
| Ward 20 | R40 303 724 | R38 253 981 | R26 000 000 | R104 557 705 | 8,98% |
| Ward 21 | R10 030 522 | R8 141 943 | R14 489 097 | R32 661 562 | 2,81% |
| Ward 22 | R3 065 420 | R2 752 974 | R2 852 127 | R8 670 520 | 0,75% |
| Grand Total | R397 763 925 | R384 444 771 | R381 524 646 | R1 163 733 342 | 100,00% |

11.2 2021/2022 – 2023/2024 MTREF Project List

Table 11-7: 2021/2022 - 2023/2024 MTREF Project List

| Project Name | 2021/2022 | 2022/2023 | 2023/2024 |
|---|-------------|-------------|-------------|
| 101 Bulk water Supply Pipe Line & Pumpstations: Franschhoek | R- | R- | R10 000 000 |
| 102.5 Bulk water Supply Pipe : Cloetesville/ Idas Valley | R- | R1 000 000 | R1 000 000 |
| 103 Bulk Water Supply Pipeline & Reservoir - Jamestown | R10 000 000 | R9 000 000 | R9 000 000 |
| 104 Bulk water supply pipe and Reservoir: Kayamandi | R- | R- | R2 000 000 |
| 105 Bulk water supply Klappmuts | R15 000 000 | R5 000 000 | R- |
| 107 Bulk Water Supply Pipe: Idas Valley/Papegaaiberg and Network Upgrades | R- | R- | R1 000 000 |
| 108 Water Treatment Works: Idasvalley | R- | R- | R15 000 000 |
| 109 Water Treatment Works: Paradyskloof and Associated works | R- | R500 000 | R5 000 000 |
| 110 Bulk Sewer Outfall: Jamestown | R6 400 000 | R- | R- |
| 111 Sewerpipe Replacement: Dorp Straat | R- | R- | R20 000 000 |
| 113 Sewer Pumpstation & Telemetry Upgrade | R100 000 | R1 500 000 | R2 000 000 |
| 114 Sewerpipe Replacement | R- | R4 000 000 | R7 000 000 |
| 116 Chlorination Installation: Upgrade | R- | R500 000 | R750 000 |
| 117 Water Conservation & Demand Management | R3 000 000 | R3 000 000 | R3 000 000 |
| 118 Reservoirs and Dam Safety | R- | R1 500 000 | R2 000 000 |
| 119 New Developments Bulk Water Supply WC024 | R- | R1 000 000 | R3 000 000 |
| 120 Waterpipe Replacement | R4 000 000 | R4 000 000 | R4 000 000 |
| 121 Water Telemetry Upgrade | R750 000 | R1 500 000 | R1 500 000 |
| 122 Furniture, Tools and Equipment : Reticulation | R100 000 | R150 000 | R150 000 |
| 123 Upgrade and Replace Water Meters | R2 000 000 | R2 500 000 | R2 500 000 |
| 125 Update Water Masterplan and IMQS | R1 000 000 | R1 000 000 | R1 000 000 |
| 131 Update Sewer Masterplan and IMQS | R- | R500 000 | R500 000 |
| 150 Upgrade of WWTW: Pniel & Decommissioning Of Franschhoek | R48 000 000 | R- | R- |
| 151 Upgrade of WWTW: Klappmuts | R- | R10 000 000 | R6 000 000 |
| 152 Upgrade of WWTW Wemmershoek | R30 000 000 | R30 000 000 | R30 000 000 |
| 153 Extension Of WWTW: Stellenbosch | R- | R- | R6 000 000 |
| 154 Refurbish Plant & Equipment - Raithby WWTW | R- | R5 000 000 | R- |
| 160 Furniture, Tools and Equipment : Sanitation | R200 000 | R300 000 | R300 000 |
| 162 Upgrade Auto-Samplers | R- | R200 000 | R200 000 |
| Access to Basic Services | R1 745 900 | R600 000 | R2 000 000 |
| Ad-Hoc Provision of Streetlighting | R2 000 000 | R2 150 000 | R2 843 375 |
| Adam Tas Road | R- | R750 000 | R- |
| Adam Tas Transit Oriented Development (3500) | R- | R- | R3 500 000 |
| Adhoc Reconstruction Of Roads (WC024) | R2 000 000 | R2 000 000 | R- |
| Air and Noise Control: FTE | R100 000 | R100 000 | R- |
| Airconditioners | R300 000 | R300 000 | R300 000 |
| Alcohol Screeners | R- | R30 000 | R30 000 |
| Alternative Energy | R15 000 000 | R1 500 000 | R1 500 000 |
| Artificial grass on parks and gardens | R- | R- | R300 000 |
| Automatic Meter Reader | R- | R400 000 | R400 000 |
| Basic Improvements: Langrug | R2 490 248 | R- | R- |
| Bicycle Lockup Facilities | R200 000 | R200 000 | R- |
| Bien don 66/11kV substation new (new development and demand) | R1 200 000 | R1 000 000 | R35 000 000 |
| Body Cams | R- | R75 000 | R- |
| Bridge Construction | R30 000 000 | R30 000 000 | R- |
| Buildings & Facilities Electrical Supply - Stellenbosch | R- | R412 000 | R412 000 |
| Bulk Sewer Upgrade: Dwarsriver Area (Kylemore, Boschendal, Pniel) | R- | R- | R6 000 000 |
| Cable replacement 66kV oil MN - US - MK | R- | R- | R480 000 |
| Cloetesville - University New 66kV cable | R- | R- | R450 000 |
| Cloetesville Bulk Sewer Upgrade | R- | R- | R1 000 000 |
| Comprehensive Integrated Transport Plan | R600 000 | R1 000 000 | R600 000 |
| Computer – Hardware/Equipment | R50 000 | R50 000 | R50 000 |
| Cycle Plan - Design & Implementation | R500 000 | R500 000 | R- |
| Design and implement electronic Urban Forestry management tool | R- | R250 000 | R250 000 |
| Disaster management incident command vehicle | R- | R- | R1 500 000 |
| Droe Dyke (1000) | R- | R- | R2 000 000 |

| Project Name | 2021/2022 | 2022/2023 | 2023/2024 |
|--|-------------|-------------|-------------|
| DSM Geyser Control | R- | R100 000 | R100 000 |
| Dwarsriver Bulk Supply Augmentation and Network Upgrades | R- | R- | R7 518 000 |
| Effluent Recycling of Waste Water 10MI per day | R- | R500 000 | R- |
| Electricity Network: Pniel | R3 500 000 | R3 500 000 | R3 000 000 |
| Endler & Martinson Street Intersection Upgrade | R1 000 000 | R1 000 000 | R- |
| Energy Balancing Between Metering and Mini-Substations | R- | R250 000 | R250 000 |
| Energy Efficiency and Demand Side Management | R- | R1 000 000 | R1 000 000 |
| Enkanini Planning and Implementation (Roads and Basic Services) | R1 500 000 | R- | R3 000 000 |
| Erf 64, Kylemore (±171 services & ± 171 units) | R200 000 | R- | R- |
| Erf 7001 and other possible sites for mix-used development in Cloetessville | R1 000 000 | R1 000 000 | R1 000 000 |
| Establishment of Informal Trading Sites: George Blake Street | R2 500 000 | R- | R- |
| Expansion of the landfill site (New cells) | R2 000 000 | R10 000 000 | R10 000 000 |
| Extension of Cemetery Infrastructure | R1 000 000 | R7 000 000 | R9 000 000 |
| Facilities upgrade- Nursery | R- | R50 000 | R- |
| Fencing on Various Parks and Gardens | R- | R- | R200 000 |
| Formalize skip areas in Franschhoek and Kayamandi | R- | R500 000 | R- |
| Franschhoek Langrug (1900) UISP ERF 3229 | R4 500 000 | R17 880 000 | R- |
| Franschhoek Sewer Network Upgrade | R- | R6 000 000 | R6 000 000 |
| Freight Strategy for Stellenbosch & Franschhoek | R- | R200 000 | R- |
| Furniture Tools & Equipment | R150 000 | R150 000 | R- |
| Furniture Tools and Equipment | R415 000 | R300 000 | R355 000 |
| Furniture Tools and Equipment: Property Management | R250 000 | R500 000 | R250 000 |
| Furniture, Tools & Equipment | R385 000 | R300 000 | R250 000 |
| Furniture, Tools & Equipment | R300 000 | R300 000 | R310 000 |
| Furniture, tools & equipment | R200 000 | R200 000 | R200 000 |
| Furniture, Tools and Equipment | R252 800 | R124 000 | R156 000 |
| Furniture, Tools and Equipment : Solid Waste | R45 000 | R45 000 | R45 000 |
| Furniture, Tools and Equipment : Tr&Stw | R250 000 | R500 000 | R300 000 |
| Furniture, Tools and Equipment : Traffic Engineering | R100 000 | R100 000 | R100 000 |
| Furniture, Tools and Equipment: Housing Administration | R135 000 | R40 000 | R- |
| General System Improvements - Franschhoek | R2 000 000 | R2 000 000 | R2 000 000 |
| General Systems Improvements - Stellenbosch | R3 521 000 | R3 542 126 | R3 600 000 |
| Hiking Trails in Nature Areas | R- | R1 000 000 | R- |
| Housing Projects | R- | R- | R500 000 |
| Industrial Effluent Monitoring | R- | R1 500 000 | R1 500 000 |
| Infrastructure Improvement - Franschhoek | R1 500 000 | R1 500 000 | R1 500 000 |
| Install and Upgrade CCTV/ LPR Cameras In WC024 | R1 000 000 | R1 000 000 | R1 000 000 |
| Install Computerized Access Security Systems and CCTV Cameras At Municipal Buildings | R500 000 | R500 000 | R500 000 |
| Installation of cricket nets | R150 000 | R150 000 | R- |
| Integrated National Electrification Programme (Enkanini) | R18 000 000 | R6 000 000 | R6 000 000 |
| Integrated Waste Management Plan | R- | R100 000 | R- |
| Irrigation Systems | R- | R100 000 | R- |
| Jamestown South Transport Network | R3 000 000 | R- | R- |
| Jamestown: Housing (Phase 2, 3 & 4) | R500 000 | R- | R- |
| Jan Marais Nature Reserve: Upgrading and maintenance of the reserve | R750 000 | R2 000 000 | R- |
| Jan Marais Upgrade: Remove Existing Tx 1 and 2 and replace with 20MVA units | R8 000 000 | R500 000 | R500 000 |
| Kayamandi Bulk Sewer | R- | R- | R5 000 000 |
| Kayamandi Town Centre: Planning (±700 units) | R3 000 000 | R3 000 000 | R6 000 000 |
| Kayamandi Watergang Basic Services | R6 500 000 | R- | R- |
| Kayamandi: Upgrading of Makapula Hall | R2 000 000 | R- | R- |
| Kayamandi: Zone O (±711 services) | R4 680 000 | R32 140 000 | R9 000 000 |
| Kayamandi(Costa grounds)new substation 66/11 kV 2x 20MVA | R- | R- | R300 000 |
| Klapmuts Bulk Sewer Upgrade | R- | R1 000 000 | R4 000 000 |
| Kwarentyn Sub cables: 11kV 3 core 185mmsq PILC(Table19) copper cabling, 3.8km | R5 700 000 | R- | R- |
| Landfill Gas To Energy | R2 000 000 | R8 000 000 | R6 000 000 |
| Laterra SS | R8 371 553 | R427 286 | R- |
| Law Enforcement Tools and Equipment | R750 000 | R300 000 | R- |
| Law Enforcement: Vehicle Fleet | R2 000 000 | R- | R- |
| Libraries: Small Capital | R100 000 | R- | R- |
| Library Books | R170 000 | R180 000 | R- |

| Project Name | 2021/2022 | 2022/2023 | 2023/2024 |
|---|-------------|-------------|-------------|
| Local Economic Development Hub Jamestown | R- | R- | R3 000 000 |
| Main road intersection improvements: Helshoogte rd/La Colline | R- | R3 000 000 | R- |
| Main road intersection improvements: R44 / Helshoogte | R100 000 | R100 000 | R- |
| Main Road Intersection Improvements: R44 / Merriman Street | R500 000 | R3 000 000 | R- |
| Main Road Intersection Improvements: Strand / Adam Tas / Alexander | R1 000 000 | R3 000 000 | R- |
| Main substation - Tx upgrade: Remove Existing Tx 2 and 3 and replace with 10MVA units from Jan Marais | R- | R27 571 200 | R- |
| Mascot for Junior Training Centre | R- | R14 000 | R- |
| Meter Panels | R- | R500 000 | R400 000 |
| Mini Waste drop-off facilities at inf. Settlements | R- | R100 000 | R200 000 |
| Mobile Radios | R100 000 | R- | R- |
| Mont Rochelle Nature Reserve: Upgrade of Facilities. | R1 504 347 | R- | R1 000 000 |
| Neighborhood Watch Safety equipment | R300 000 | R500 000 | R250 000 |
| Network Cable Replace 11 Kv | R- | R3 000 000 | R3 000 000 |
| New Reservoir & Pipeline: Vlothenburg | R40 000 000 | R38 000 000 | R26 000 000 |
| Non-Motorised Transport Implementation | R1 000 000 | R1 000 000 | R1 000 000 |
| Northern Extension: Feasibility | R2 000 000 | R- | R- |
| Northern Extension: Phase 2 Sanitation Infrastructure | R- | R- | R2 000 000 |
| Northern Extension: Phase 2 Water Infrastructure | R4 000 000 | R5 000 000 | R- |
| Papegaaiberg Nature Reserve | R870 000 | R- | R- |
| Pathways on Parks & gardens | R100 000 | R200 000 | R- |
| Pedestrian and Cycle paths Design and Phased implementation | R500 000 | R- | R- |
| Pedestrian Crossing Implementation | R300 000 | R300 000 | R300 000 |
| Pniel: Furniture, Tools and Equipment | R- | R- | R20 000 |
| Procure recovery (breakdown rollback) vehicle | R- | R- | R1 750 000 |
| Public Transport Facilities Adhoc Upgrades | R- | R2 000 000 | R- |
| Public Transport Infrastructure (Public Transport Shelters & Embayments) | R400 000 | R500 000 | R- |
| Public Transport Service (Inclusive of Disabled) | R500 000 | R- | R- |
| Public WI-FI Network | R600 000 | R700 000 | R700 000 |
| Purchase and Replacement of Computer/software and Peripheral devices | R600 000 | R600 000 | R800 000 |
| Purchasing of land | R2 700 000 | R500 000 | R- |
| Rapid Response Vehicle | R- | R- | R2 500 000 |
| Re-design of Bergzicht Public Transport Facility | R1 500 000 | R2 500 000 | R- |
| Re-Surface of Netball/Tennis Courts | R- | R550 000 | R- |
| Recreational Equipment Sport | R50 000 | R50 000 | R- |
| Replace Ineffective Meters & Energy Balance of mini-substations | R250 000 | R- | R- |
| Rescue equipment | R300 000 | R300 000 | R300 000 |
| Rescue Vehicle | R600 000 | R- | R- |
| Reseal Roads - Jamestown & Technopark | R- | R1 100 000 | R- |
| Reseal Roads - Klampmuts, Raithby, Meerlust, Wemmershoek, Lamotte, Maasdorp | R- | R1 000 000 | R- |
| Reseal Roads - Kylemore & Surrounding | R- | R1 000 000 | R- |
| Reseal Roads - Stellenbosch CBD | R2 500 000 | R2 500 000 | R- |
| Reseal Roads- Franschhoek CBD | R2 000 000 | R1 000 000 | R2 000 000 |
| Road Transport Safety Master Plan - WC024 | R500 000 | R- | R- |
| Sight Screens/Pitch Covers Sports Grounds | R100 000 | R100 000 | R- |
| Signalisation implementation | R500 000 | R500 000 | R500 000 |
| Skips (5,5kl) | R200 000 | R200 000 | R200 000 |
| Small Capital: Fte Electrical Engineering Services | R500 000 | R500 000 | R500 000 |
| SMART Parks Development | R2 000 000 | R2 000 000 | R2 000 000 |
| Sound Equipment | R- | R5 000 | R- |
| Sport: Community Services Special Equipment | R200 000 | R300 000 | R- |
| Spray/Water Parks | R- | R10 500 | R- |
| Stellenbosch Idas Valley (166) FLISP ERF 9445 | R11 288 000 | R- | R- |
| Stellenbosch NMT: Jamestown - new sidewalks | R1 000 000 | R- | R- |
| Storage Containers: Fertilisers & Pesticides. | R- | R30 000 | R- |
| Street Refuse Bins | R500 000 | R500 000 | R- |
| Structural Improvement: General | R1 000 000 | R1 000 000 | R2 000 000 |
| Structural improvements at the Van der Stel Sport grounds | R2 600 000 | R1 000 000 | R- |
| Structural Upgrade: Jamestown Ward Office and Library | R1 000 000 | R1 000 000 | R- |

| Project Name | 2021/2022 | 2022/2023 | 2023/2024 |
|---|---------------------|---------------------|---------------------|
| Structural Upgrade: Kayamandi Corridor | R1 000 000 | R500 000 | R- |
| Structural Upgrade: Heritage Building | R1 807 000 | R3 000 000 | R2 000 000 |
| Substation 66kV equipment, control, VT's, CT's, Isolator links and cable terminals | R- | R1 950 000 | R2 184 000 |
| Switchgear - Stellenbosch Town | R- | R- | R14 334 268 |
| Switchgear 66kV US - MN - Outdoor Breakers(66kV) | R- | R- | R4 807 000 |
| System Control Centre & Upgrade Telemetry, Fiber optic cables, smart grid | R1 559 300 | R1 568 656 | R500 000 |
| Taxi Rank Upgrade - Franschhoek | R100 000 | R- | R- |
| Taxi Rank: Klapmuts | R250 000 | R250 000 | R- |
| Tour Bus Parking | R- | R400 000 | R- |
| Traffic Calming Projects: Implementation | R500 000 | R300 000 | R300 000 |
| Traffic Management Improvement Programme | R1 000 000 | R1 000 000 | R1 000 000 |
| Traffic Signal Control: Installation and Upgrading of Traffic Signals and Associated Components | R500 000 | R500 000 | R500 000 |
| Transfer Station: Stellenbosch Planning and Design | R1 000 000 | R3 000 000 | R3 000 000 |
| Universal Access Implementation | R300 000 | R200 000 | R200 000 |
| University substation upgrade 66/11kV 20MVA Trfr x 3 | R- | R- | R450 000 |
| Update Electrical Master document | R700 000 | R- | R- |
| Update Roads Master Plan for WC024 | R- | R1 000 000 | R- |
| Upgrade and Expansion of IT Infrastructure Platforms | R3 500 000 | R3 500 000 | R3 500 000 |
| Upgrade of Irrigation System | R50 000 | R200 000 | R- |
| Upgrade of Sport Facilities | R600 000 | R- | R- |
| Upgrade office space: Simonsberg Road | R800 000 | R- | R- |
| Upgrade Refuse disposal site (Existing Cell)- Rehab | R928 753 | R- | R- |
| Upgrading Fencing | R200 000 | R200 000 | R1 000 000 |
| Upgrading of Koelenhof Water Scheme | R- | R500 000 | R5 000 000 |
| Upgrading of New Office Space: Ryneveld Street | R9 000 000 | R5 000 000 | R- |
| Upgrading of Parks | R1 000 000 | R1 000 000 | R- |
| Upgrading of Stellenbosch Fire Station | R4 445 023 | R- | R- |
| Upgrading of swimmingpool | R50 000 | R- | R- |
| Upgrading of The Steps/Orlean Lounge | R8 000 000 | R3 000 000 | R- |
| Upgrading of Traffic Offices: Stellenbosch | R- | R- | R5 000 000 |
| Upgrading: Cloetesville Library | R200 000 | R- | R180 000 |
| Urban Forestry : Fleet vehicles | R1 500 000 | R- | R- |
| Urban Forestry Furniture, Tools and Equipment | R- | R500 000 | R- |
| Urban Forestry Specialized equipment | R- | R1 200 000 | R- |
| Urban Greening: Beautification: Main Routes and Tourist Routes | R200 000 | R- | R- |
| Vehicles | R- | R2 000 000 | R3 000 000 |
| Waste Biofuels | R- | R300 000 | R- |
| Waste Management Software | R- | R200 000 | R- |
| Waste Minimization Projects | R500 000 | R500 000 | R- |
| Waste to Energy - Implementation | R500 000 | R3 000 000 | R1 000 000 |
| Waste to Energy - Planning | R200 000 | R300 000 | R- |
| Workshop : FTE | R100 000 | R- | R- |
| Workshop: Specialized equipment | R1 000 000 | R1 500 000 | R- |
| Workshop: Community Services Tractors | R- | R800 000 | R800 000 |
| WSDP (tri-annually) | R- | R400 000 | R400 000 |
| Grand Total | R397 763 924 | R384 444 768 | R381 524 643 |

12 Annexure

12.1 Annexure 1: Prioritisation model

Annexure 1: Prioritisation Model

The capital prioritisation model criteria will be discussed in more detail under the five (5) themes of the model, namely:

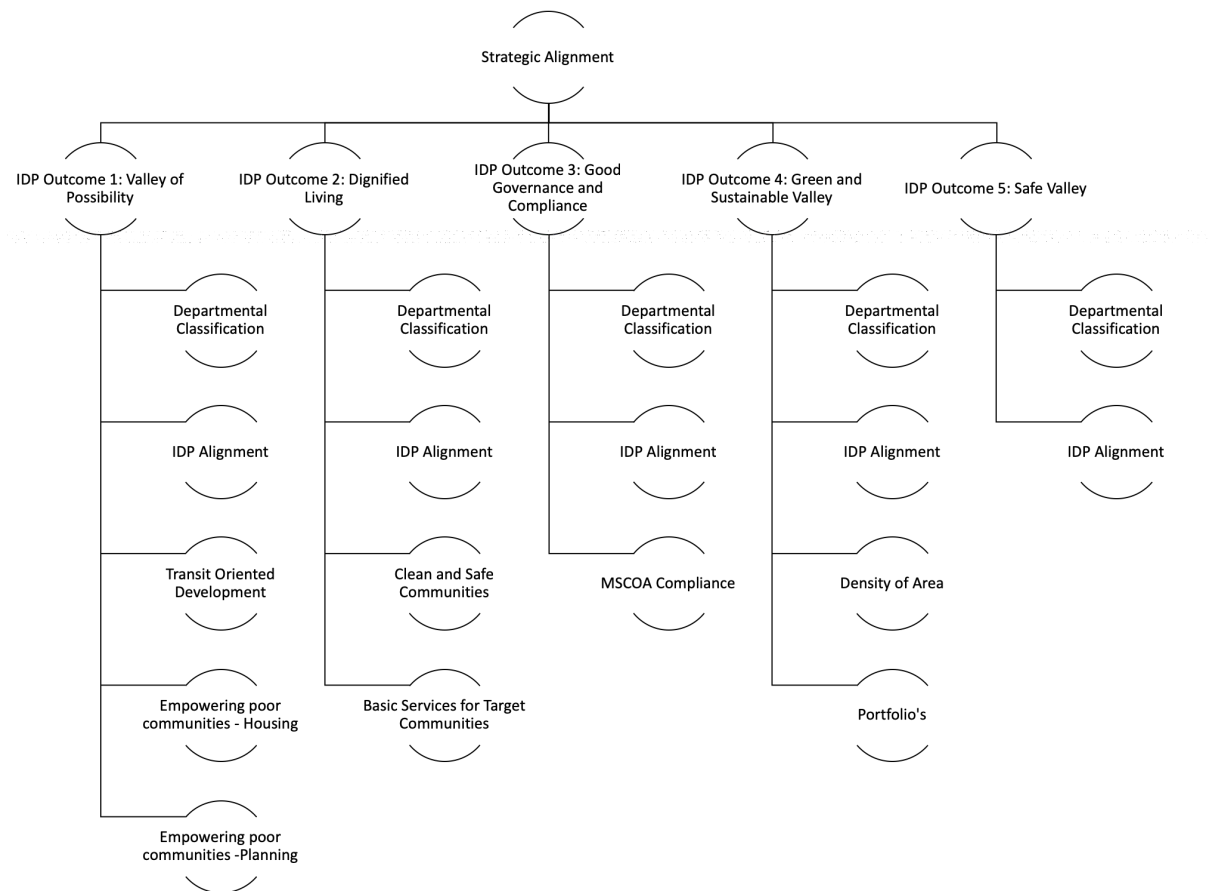
- Strategic alignment;
- Spatial alignment;
- Financial alignment;
- Economic alignment;
- Social alignment; and
- Technical alignment.

12.1.1 Strategic Alignment

The strategic alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget aligns with the organisations developmental objectives as well as strategic outcomes set out in the strategic guiding document of the municipality. The policy alignment score is calculated within five distinct categories¹⁵, namely:

- IDP Outcome 1: Valley of Possibility;
- IDP Outcome 2: Dignified Living;
- IDP Outcome 3: Good Governance and Compliance;
- IDP Outcome 4: Green and Sustainable Valley; and
- IDP Outcome 5: Safe Valley.

¹⁵ These categories are aligned with the IDP Outcomes.

Figure 12-1: Capital Prioritisation Model: Strategic Alignment**a. IDP Outcome 1: Valley of Possibility****Table 12-1: Scoring Criteria - Departmental Classification**

| Category | Description |
|-----------------------|---|
| Definition | Specific departments' mandate is to deliver specific services. Those services correlates with the definition of this IDP outcome. |
| Branch Weight | 20 |
| Input Variable | The department by which the project is owned. |
| Process | =if(x in ("Community and Protection Services","Infrastructure Services","Planning and Economic Development"),100,0) |
| Mathematical Operator | Value achieved by the project is passed through to the parent scoring branch. |

Table 12-2: IDP Alignment

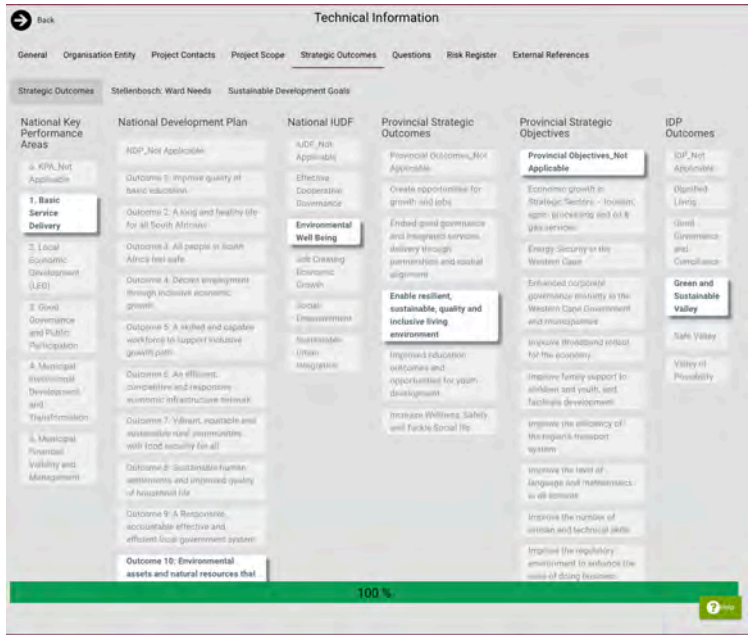
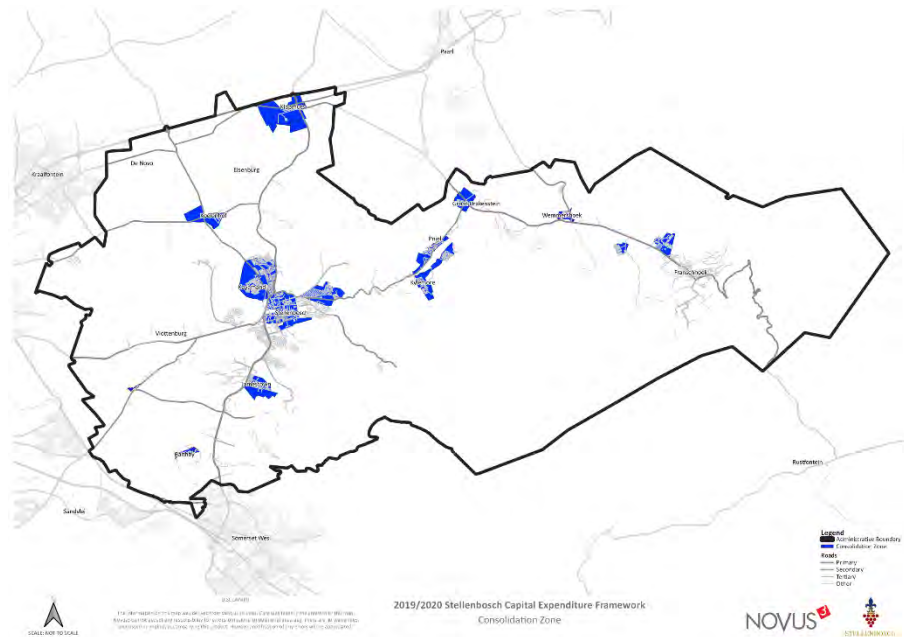
| Category | Description |
|-----------------------|---|
| Definition | IDP alignment measures the alignment of a project with respect to the different IDP outcomes. |
| Branch Weight | 10 |
| Input Variable |  <p>The screenshot shows a 'Technical Information' window with a 'Strategic Outcomes' tab selected. It displays a grid of outcomes from the National Development Plan, National IDP, Provincial Strategic Outcomes, and Provincial Strategic Objectives, mapped to IDP Outcomes. A green bar at the bottom indicates a 100% alignment score.</p> |
| Process | If a project aligns in terms of this specific IDP outcome, it scores 100% on this branch, if not, it scores 0 on this branch. |
| Mathematical Operator | Maximum value achieved by the project is passed through to the parent scoring branch. |

Table 12-3: Scoring Criteria - Transit Oriented Development

| Category | Description |
|---------------|---|
| Definition | Transit Oriented Development (TOD) aims to identify a hierarchy of Investment priority areas towards deification and mixed-use investments. |
| Branch Weight | The different TOD zones have been weighted differently, as they contribute differently to the priority of the municipality: |

| Category | Description |
|----------|--------------------------------|
| | TOD Consent ration Zones: 100% |
| | TOD Promotion Zones: 75% |
| | TOD Supportive Zones: 50% |

Input Variable



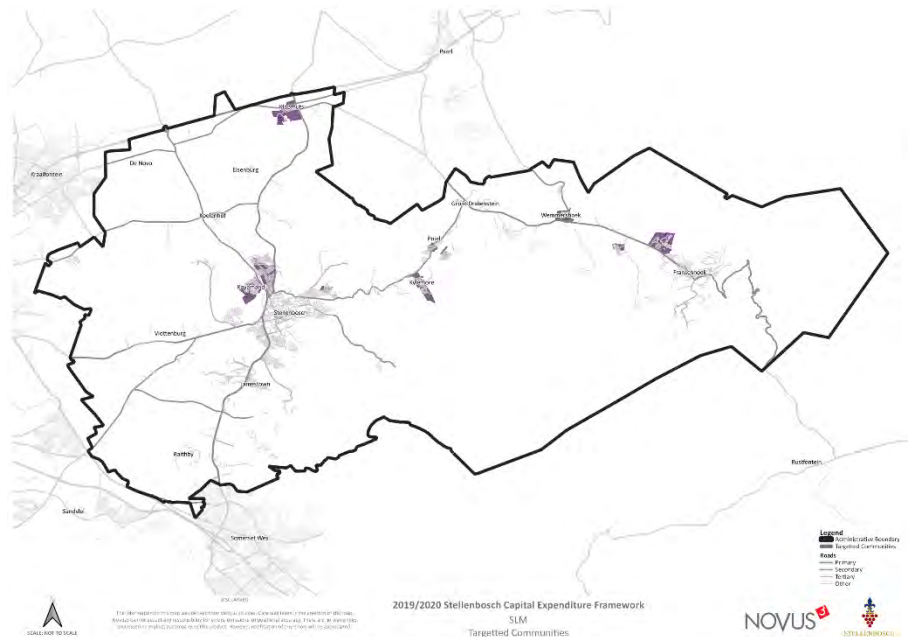
| | |
|-----------------------|--|
| Process | If the spatial intersect returns a result where a project intersect with the TOD zone, the maximum possible score is returned and passed through to the parent branch. |
| Mathematical Operator | Maximum value achieved by the project is passed through to the parent scoring branch. |

Table 12-4: Scoring Criteria - Empowering Poor Communities - Housing

| Category | Description |
|---------------|--|
| Definition | The provision of quality housing across a range of housing typologies and tenure options is a key focus for the municipality. Therefore, given the focus on providing housing stock, the relevant departments are given additional priority based on the fact that they are responsible for meeting the housing stock mandate of the municipality. |
| Branch Weight | 40 |

Table 12-5: Scoring Criteria - Empowering Poor Communities - Planning

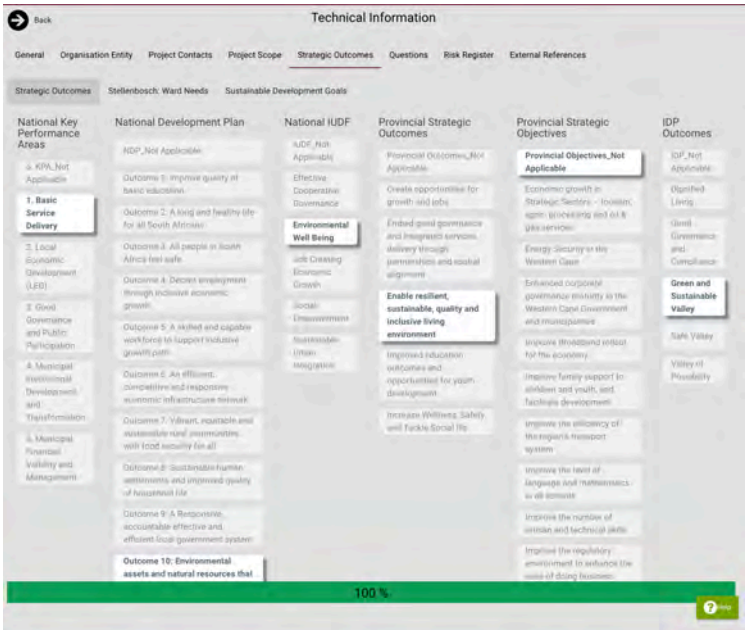
| Category | Description |
|-----------------------|--|
| Definition | Local economic development is a key enabler of possibilities. By identifying projects of this nature, within poor communities, the maximum return on investment will be achieved. |
| Branch Weight | 40 |
| Input Variable | <p>The following departments are pre-filtered during this scoring test, so that only the relevant projects are eligible to score on this branch:</p> <p>Development Planning: Spatial Planning</p> <p>Spatial Planning: Planning and Development</p> <p>A further spatial test is conducted, to see if the said departments' projects are within targeted communities.</p> |
| Process | All planning project receive additional score based on their alignment with the municipality's mandate of empowering poor communities. |
| Mathematical Operator | Maximum value achieved by the project is passed through to the parent scoring branch. |



b. IDP Outcome 2: Dignified Living
Table 12-6: Scoring Criteria - Departmental Classification

| Category | Description |
|-----------------------|--|
| Definition | Specific departments' mandate is to deliver specific services. Those services correlate with the definition of this IDP outcome. |
| Branch Weight | 20 |
| Input Variable | The department by which the project is owned. |
| Process | =if (x in ("Infrastructure Services", "Community and Protection Services"),100,0) |
| Mathematical Operator | Value achieved by the project is passed through to the parent scoring branch. |

Table 12-7: Scoring Criteria - IDP Alignment

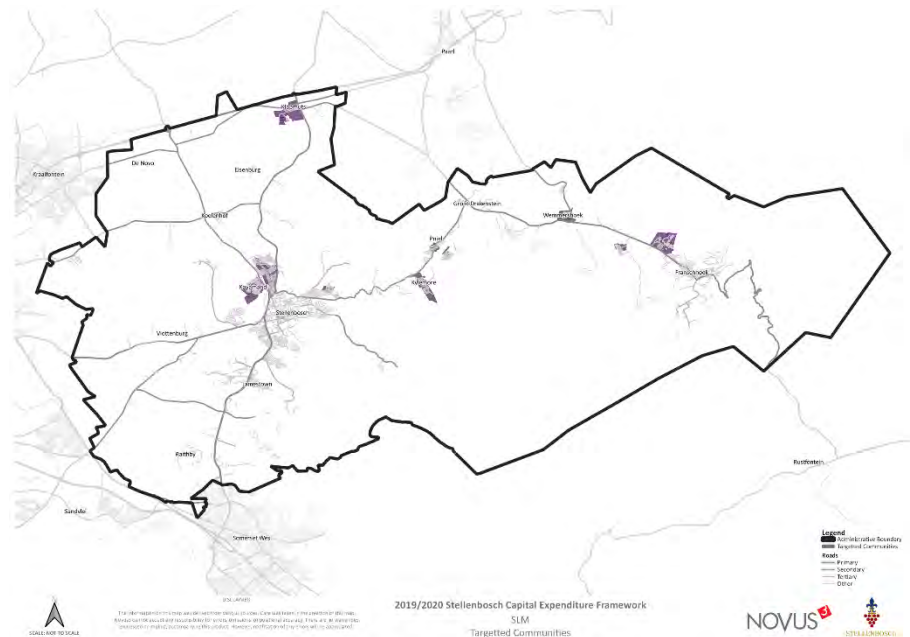
| Category | Description |
|----------------|---|
| Definition | IDP alignment measures the alignment of a project with respect to the different IDP outcomes. |
| Branch Weight | 10 |
| Input Variable |  |

| Category | Description |
|-----------------------|---|
| Process | If a project aligns in terms of this specific IDP outcome, it scores 100% on this branch, if not, it scores 0 on this branch. |
| Mathematical Operator | Maximum value achieved by the project is passed through to the parent scoring branch. |

Table 12-8: Scoring Criteria - Clean and safe target communities

| Category | Description |
|----------------|--|
| Definition | A component of being able to live in a dignified manner, is providing one of man's most basic need – safety. By prioritising specific departments responsible for safety and cleanliness, within specific areas, a clean and safe community will be achieved. |
| Branch Weight | 50 |
| Input Variable | <p>The following departments, with projects within the area depicted below are eligible to score on this branch:</p> <p>Traffic Engineering</p> <p>Waste Management: Solid Waste Management</p> <p>Parks, Rivers and Area Cleaning</p> <p>Fire and Rescue Services</p> <p>Law Enforcement and Security</p> |

| Category | Description |
|----------|-------------|
|----------|-------------|



| | |
|-----------------------|---|
| Process | The following departments receive additional score based on their mandate and their works location. |
| Mathematical Operator | Maximum value achieved by the project is passed through to the parent scoring branch. |

Table 12-9: Scoring Criteria - Basic Services for target communities

| Category | Description |
|----------------|--|
| Definition | Basic service delivery is one of the most important targets of the municipality, as well as national government. |
| Branch Weight | 50 |
| Input Variable | <p>The following units enjoys the opportunity to score on this branch:</p> <p>Infrastructure Services</p> <p>Planning and Economic Development</p> <p>The said units' projects must be within these areas:</p> |

Table 12-11: Scoring Criteria - IDP Alignment

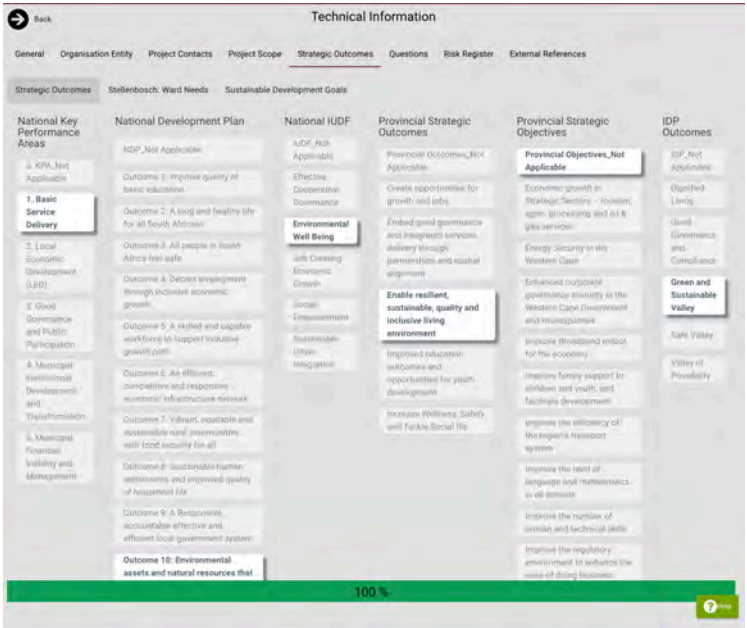
| Category | Description |
|-----------------------|---|
| Definition | IDP alignment measures the alignment of a project with respect to the different IDP outcomes. |
| Branch Weight | 10 |
| Input Variable |  |
| Process | If a project aligns in terms of this specific IDP outcome, it scores 100% on this branch, if not, it scores 0 on this branch. |
| Mathematical Operator | Maximum value achieved by the project is passed through to the parent scoring branch. |

Table 12-12: Scoring Criteria - MSCOA Compliance

| Category | Description |
|---------------|---|
| Definition | mSCOA is an institutional arrangement set out by national Treasury intended for amongst other to instil good governance practices within the municipality. It represents a business process focus, that standardises all municipal accounting practices and reporting across the country. In order to be mSCOA compliant, a project must contain several segments of information. |
| Branch Weight | 60 |

| Category | Description |
|-----------------------|--|
| Input Variable | Functional Segment (20)
Item Segment (20)
Project Segment (20)
Regional Segment (20)
Cost Segment (20) |
| Process | If a project contains the lowest level GUID information on the following segments, it will be eligible to score. |
| Mathematical Operator | The sum of all the values achieved by the project is passed through to the parent scoring branch. |

d. IDP Outcome 4: Green and Sustainable Valley

Table 12-13: Scoring Criteria - Departmental Classification

| Category | Description |
|-----------------------|--|
| Definition | Specific departments' mandate is to deliver specific services. Those services correlate with the definition of this IDP outcome. |
| Branch Weight | 20 |
| Input Variable | The department by which the project is owned. |
| Process | =if(x in ("Environmental Management: Urban Greening","Environmental Management: Nature Conservation","Disaster Management","Parks, Rivers and Area Cleaning"),100,0) |
| Mathematical Operator | Value achieved by the project is passed through to the parent scoring branch. |

Table 12-14: Scoring Criteria - IDP Alignment

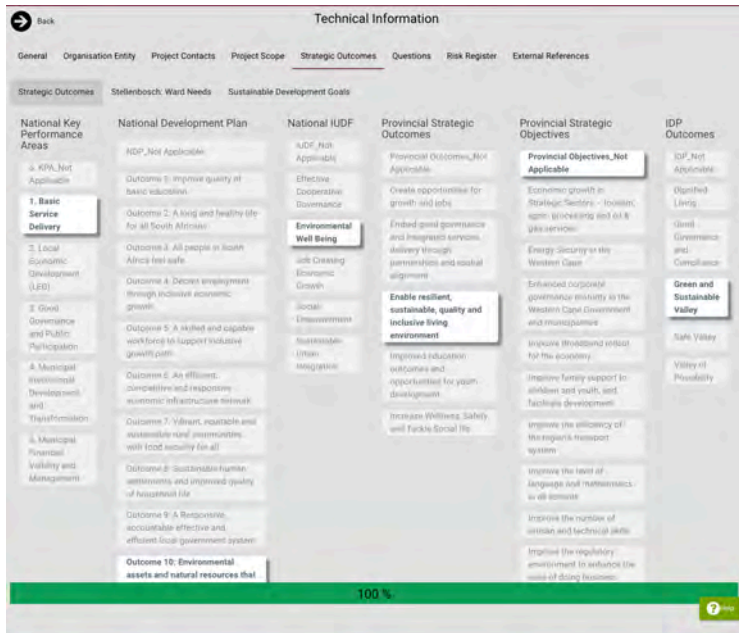
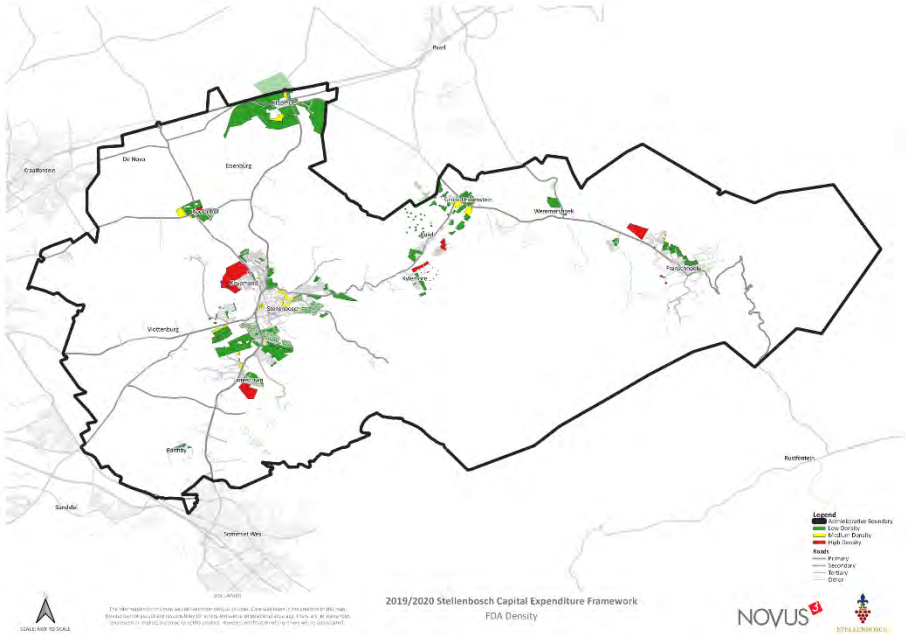
| Category | Description |
|-----------------------|---|
| Definition | IDP alignment measures the alignment of a project with respect to the different IDP outcomes. |
| Branch Weight | 20 |
| Input Variable |  |
| Process | If a project aligns in terms of this specific IDP outcome, it scores 100% on this branch, if not, it scores 0 on this branch. |
| Mathematical Operator | Maximum value achieved by the project is passed through to the parent scoring branch. |

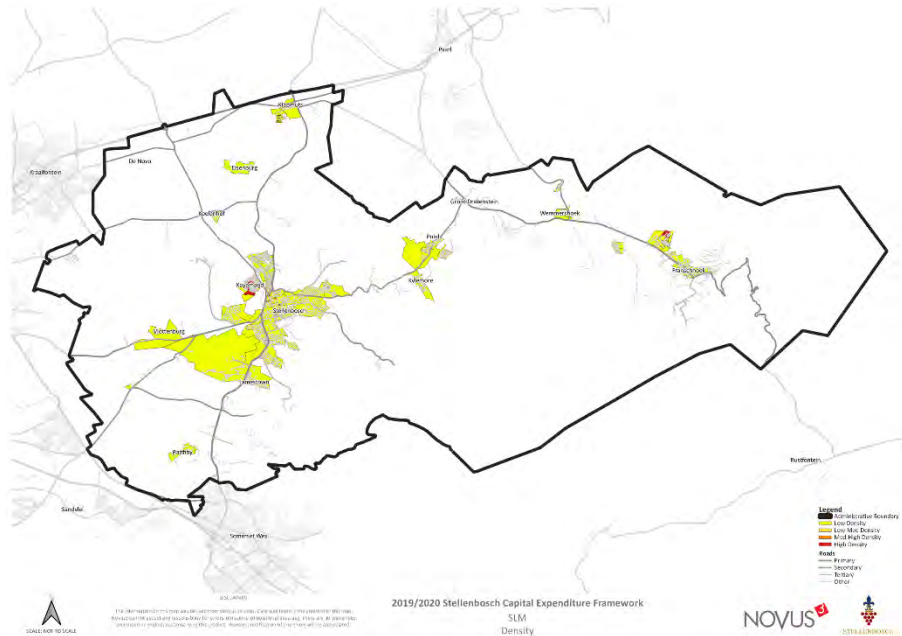
Table 12-15: Scoring Criteria - Density of Area

| Category | Description |
|---------------|---|
| Definition | The density of the area is a function of number of people per delineated area, usually expressed as dwelling units per hectare. |
| Branch Weight | 60 |

| Category | Description |
|----------------|---|
| Input Variable | <p>The location of a project is evaluated at the hand of three key spatial filters, each with a variation of importance. These include:</p> <p>Future Development Areas (80)</p> <p>High (100)</p> <p>Medium (75)</p> <p>Low (50)</p> |
| |  <p>Current Density Map (100)</p> <p>High Density (>80 units/ha) (100)</p> <p>Medium to High Density (>60 & <80 units/Ha) (80)</p> <p>Low to Medium Density (>40 & <60 units/Ha) (60)</p> <p>Low Density (<40 units/Ha) (40)</p> |

Category

Description

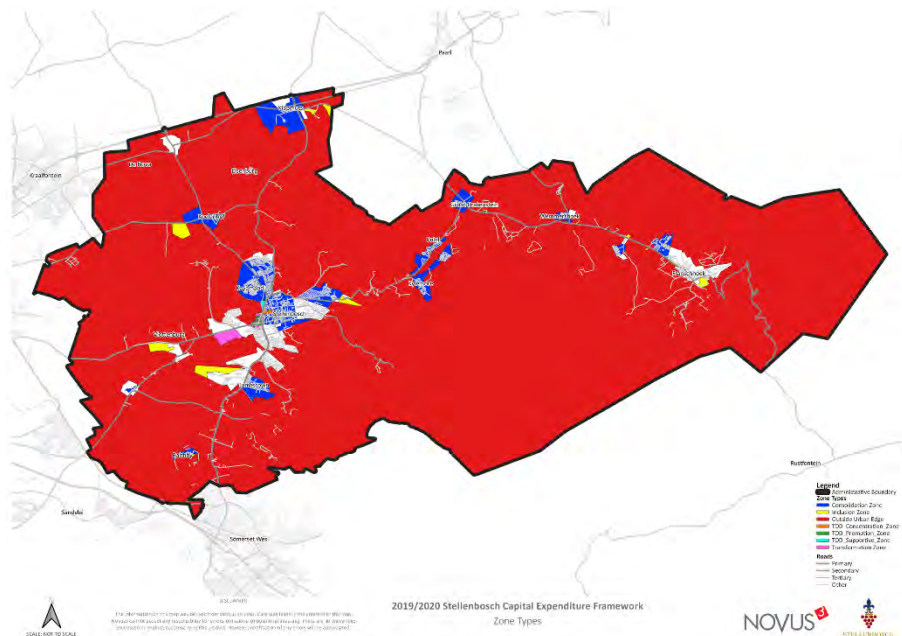


TOD (100)

Concentration Zone (100)

Promotion Zone (75)

Supportive Zone (50)



Process

If a projects' work location are within the above mentioned areas, it will score and be eligible to score.

| Category | Description |
|-----------------------|---|
| Mathematical Operator | Maximum value achieved by the project is passed through to the parent scoring branch. |

Table 12-16: Scoring Criteria - Portfolio

| Category | Description |
|-----------------------|---|
| Definition | A portfolio of projects is a specific grouping of projects all aligned with a similar characteristic or mandate. In this case, four portfolios are used to test this branch of the prioritisation model. |
| Branch Weight | 30 |
| Input Variable | Projects belonging the following portfolios are eligible to score on this branch.

Public Transport Portfolio (100)

NMT Portfolio (100)

Renewable energy Portfolio (100)

Carbon Offset Portfolio (100) |
| Process | If a project is part of a specific portfolio, it is eligible to score on this branch. |
| Mathematical Operator | Maximum value achieved by the project is passed through to the parent scoring branch. |

e. IDP Outcome 5: Safe Valley**Table 12-17: Scoring Criteria - Departmental Classification**

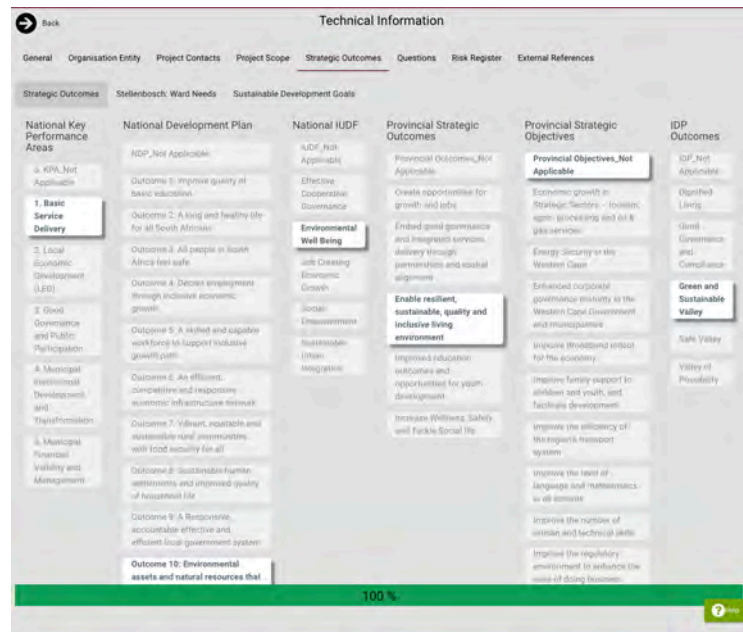
| Category | Description |
|----------------|---|
| Definition | Specific departments' mandate is to deliver specific services. Those services correlates with the definition of this IDP outcome. |
| Branch Weight | 65 |
| Input Variable | The department by which the project is owned. |
| Process | =if(x in ("Community and Protection Services"),100,0) |

| Category | Description |
|-----------------------|---|
| Mathematical Operator | Value achieved by the project is passed through to the parent scoring branch. |

Table 12-18: Scoring Criteria - IDP Alignment

| Category | Description |
|---------------|---|
| Definition | IDP alignment measures the alignment of a project with respect to the different IDP outcomes. |
| Branch Weight | 65 |

Input Variable



The screenshot displays the 'Technical Information' section of the IDP Alignment tool. It features a navigation bar with tabs: General, Organisation Entity, Project Contacts, Project Scope, Strategic Outcomes (selected), Questions, Risk Register, and External References. Below the navigation bar, there are three main columns: 'Strategic Outcomes', 'National Development Plan', and 'National IUDF'. The 'Strategic Outcomes' column lists various outcomes such as '1. Basic Service Delivery', '2. Local Economic Development (LED)', '3. Civil Governance and Public Participation', '4. Municipal Environmental Development and Transformation', '5. Municipal Financial Viability and Management', '6. KPM, Not Applicable', 'Outcome 1: Improve quality of basic education', 'Outcome 2: A long and healthy life for all South Africans', 'Outcome 3: All people in South Africa feel safe', 'Outcome 4: Decent employment through inclusive economic growth', 'Outcome 5: A skilled and capable workforce to support inclusive growth', 'Outcome 6: An efficient, competitive and responsive economic infrastructure network', 'Outcome 7: Vibrant, sustainable and accessible rural communities with food security for all', 'Outcome 8: Sustainable human settlements and improved quality of life', 'Outcome 9: A responsive, accountable and efficient local government system', and 'Outcome 10: Environmental assets and natural resources that'. The 'National Development Plan' column lists 'NDP, Not Applicable', 'Outcome 1: Improve quality of basic education', 'Outcome 2: A long and healthy life for all South Africans', 'Outcome 3: All people in South Africa feel safe', 'Outcome 4: Decent employment through inclusive economic growth', 'Outcome 5: A skilled and capable workforce to support inclusive growth', 'Outcome 6: An efficient, competitive and responsive economic infrastructure network', 'Outcome 7: Vibrant, sustainable and accessible rural communities with food security for all', 'Outcome 8: Sustainable human settlements and improved quality of life', 'Outcome 9: A responsive, accountable and efficient local government system', and 'Outcome 10: Environmental assets and natural resources that'. The 'National IUDF' column lists 'IUDF, Not Applicable', 'Effective Cooperative Governance', 'Environmental Well Being', 'Job Creation', 'Economic Growth', 'Social Inclusion', 'Sustainable', 'Urban', 'Inclusive', and 'Integrative'. The 'Provincial Strategic Outcomes' column lists 'Provincial Outcomes, Not Applicable', 'Create opportunities for growth and jobs', 'Embed good governance and integrated services, delivery through partnerships and social alignment', 'Enable resilient, sustainable, quality and inclusive living environment', 'Improve education outcomes and opportunities for youth development', 'Promote Wellbeing, Safety and Public Social Life', 'Provincial Strategic Objectives' (selected), 'Provincial Objectives, Not Applicable', 'Economic growth in Strategic Sectors - tourism, agri, growing and all 8 key services', 'Energy Security in the Western Cape', 'Enhanced municipal governance capacity in the Western Cape Government and municipalities', 'Improve broadband access for the economy', 'Improve family support in children and youth, and facilities development', 'Improve the efficiency of the region's transport system', 'Improve the level of language and mathematics skills', 'Improve the number of artisan and technical skills', and 'Improve the regulatory environment to enhance the rate of doing business'. The 'IDP Outcomes' column lists 'IDP, Not Applicable', 'Identified Living', 'Good Governance and Council', 'Green and Sustainable Valley', 'Safe Valley', 'Valley of Prosperity', and '100 %'.

| | |
|-----------------------|---|
| Process | If a project aligns in terms of this specific IDP outcome, it scores 100% on this branch, if not, it scores 0 on this branch. |
| Mathematical Operator | Maximum value achieved by the project is passed through to the parent scoring branch. |

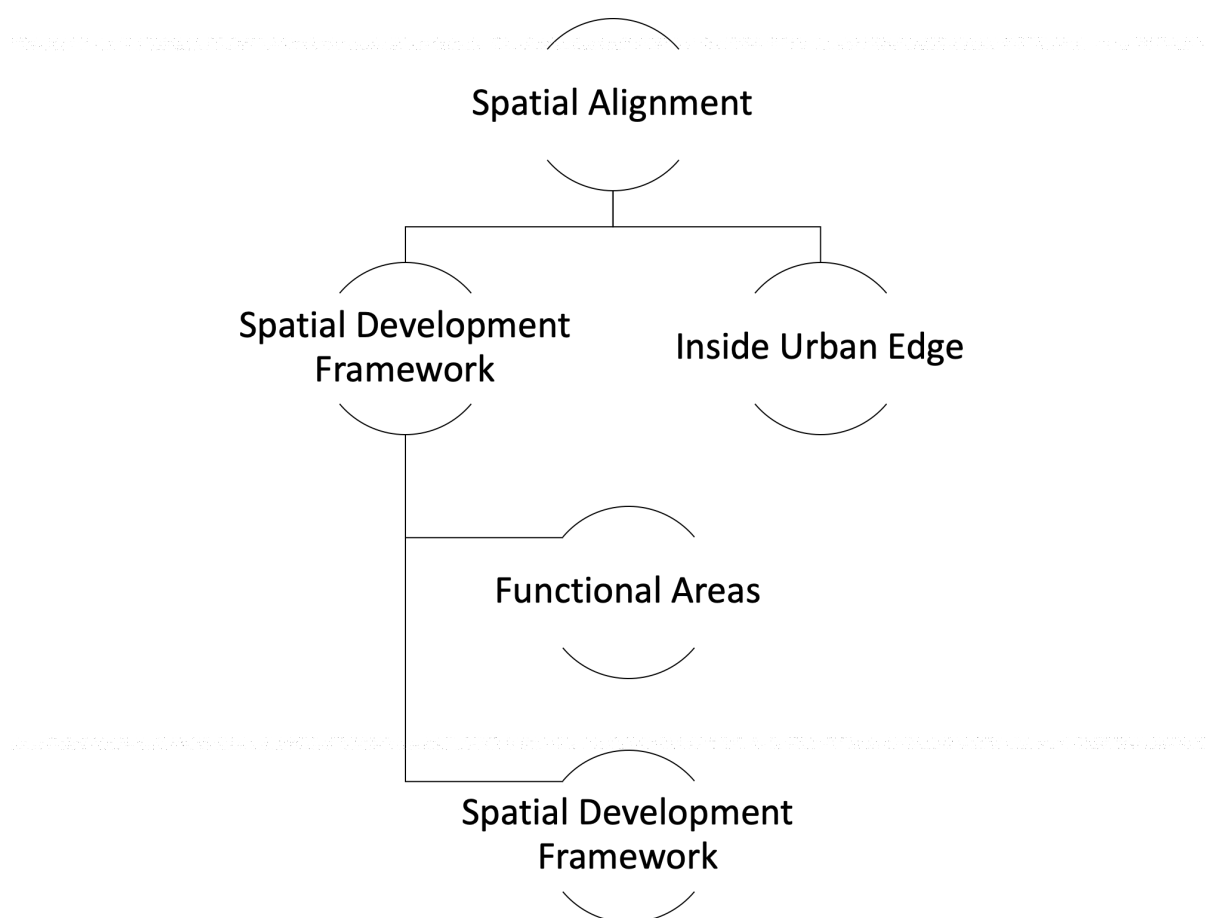
12.1.2 Spatial Alignment

The spatial alignment goal or theme of the prioritisation model evaluates the degree to which projects aligns with the spatial development framework and other spatial targeting objectives set out in various strategic documents of the municipality (i.e. IDP, mSDF, CIF etc.). The alignment of projects to the spatial targeting areas of the municipality are scored according to the following criteria:

- Spatial Development Framework; and
- Inside Urban Edge.

These criteria measured under these sub-branches seek to ensure that projects within the municipal budget align with the spatial structure or spatial development objectives of the municipality.

Figure 12-2: Capital Prioritisation Model: Spatial Alignment



a. Spatial Development Framework

Table 12-19: Scoring Criteria - Functional Areas

| Category | Description |
|-----------------------|---|
| Definition | The IUDF requires specific focus on functional areas within the municipality. These boundaries are determined not by the jurisdictional boundary of the municipality, but rather the economic effect of a certain node within the municipality. |
| Branch Weight | 60 |
| Input Variable | <p>The four Functional areas have been defined as:</p> <p>Klapmuts (50)</p> <p>Koelenhof (50)</p> <p>Vlottenburg (50)</p> <p>Stellenbosch Central (50)</p> |
| Process | If a project's works location is within one of the functional areas it will be partially elevated on this branch. If it is within more than one, it will be elevated in totality. |
| Mathematical Operator | Maximum value achieved by the project is passed through to the parent scoring branch. |

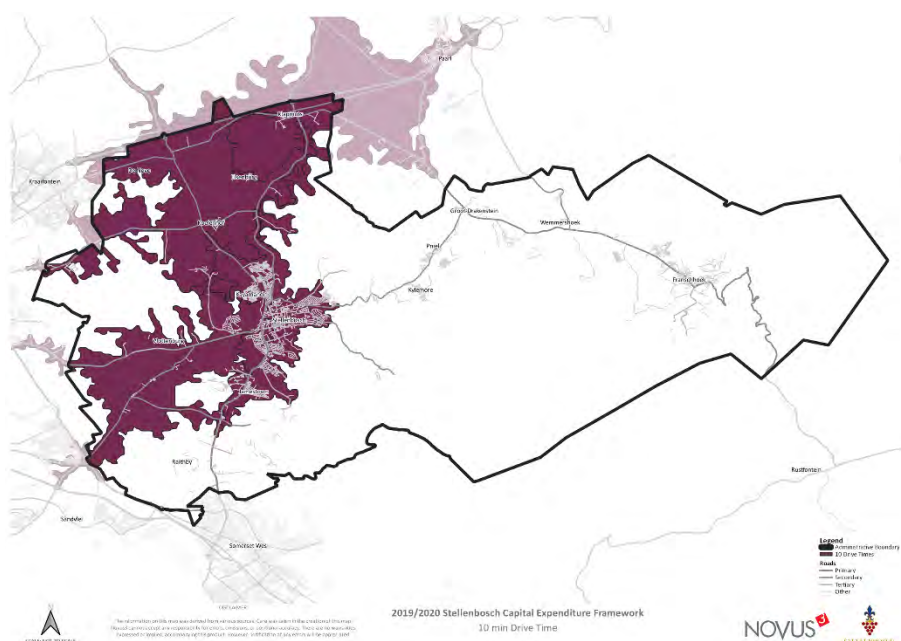
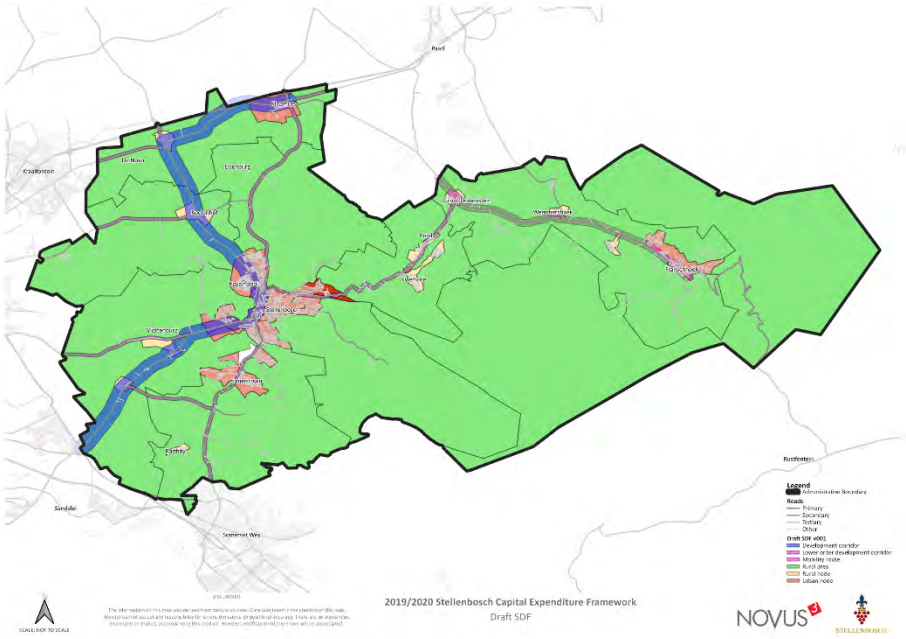


Table 12-20: Scoring Criteria - Spatial Development Framework

| Category | Description |
|-----------------------|--|
| Definition | The spatial Development Framework is the strategic guiding document of the municipality. A hierarchy of nodes has been defined in which development must be promoted in order to control urban sprawl, and to ensure effective and efficient investment. |
| Branch Weight | 40 |
| Input Variable |  |
| Process | If a project is within the identified areas, it will enjoy a relative elevation of its score on this branch. |
| Mathematical Operator | Maximum value achieved by the project is passed through to the parent scoring branch. |

b. Inside Urban Edge**Table 12-21: Scoring Criteria - Urban Edge**

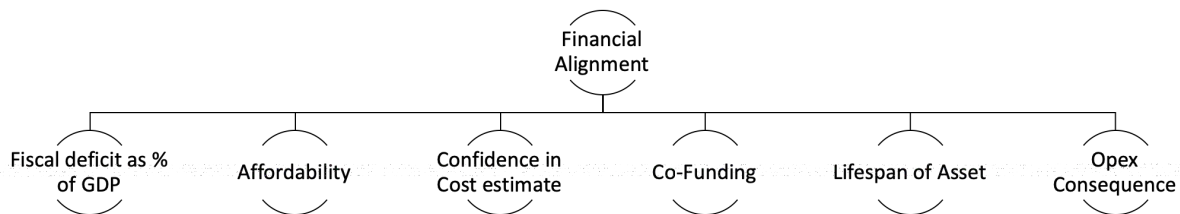
| Category | Description |
|---------------|---|
| Definition | Urban sprawl is a real issue in South African municipalities and should be managed in such a way that development correlates with the strategic vision of the city; in a sustainable, yet integrated fashion. |
| Branch Weight | 10 |

12.1.3 Financial Alignment

The financial alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget are considered to be credible, affordable, funded, applied to expand the rateable asset base and improving the fiscal position of the municipality. The financial alignment score is calculated within six distinct categories, namely:

- Fiscal deficit as % of GDP;
- Affordability;
- Confidence in Cost Estimate;
- Co-Funding;
- Lifespan of asset; and
- Opex Consequence.

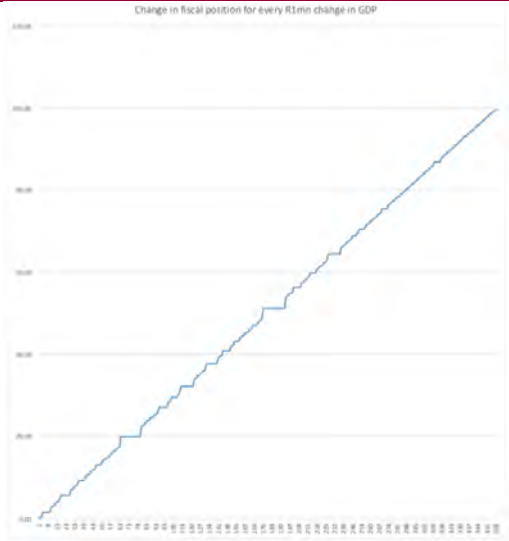
Figure 12-3: Capital Prioritisation Model Financial Alignment



a. Fiscal deficit as % of GDP

Table 12-22: Scoring Criteria - Change in fiscal position

| Category | Description |
|----------------|--|
| Definition | <p>The 'fiscal deficit to GDP ratio'-indicator measures changes in the deficit position of the City/Province relative to changes in economic activity, which again is a result of the project/programme/portfolio of projects. The indicator number will always be very small, but need to be interpreted as the % improvement (if positive) or deterioration (if negative) of the deficit relative to GDP.</p> <p>The indicator is expressed as the change in fiscal deficit position (measured in terms of R'000) for every R1m change in GDP. Example: a number of 0.00001 need to be interpreted as a R10000 improvement in the fiscal position, i.e. a R10000 decline in the deficit of the City/Province per R1m GDP gains. Therefore, in the case where a project results in R50 mil additional GDP, the deficit should decline with R500 000.</p> <p>However, the primary value of the fiscal indicator is (1) to determine whether the project/programme will have a POSITIVE impact on the fiscal position, i.e. result in a decline in the deficit, and (2) to compare various projects in terms of their impact on the City's (Province's) financial position.</p> |
| Branch Weight | 10 |
| Input Variable | Economic Impact Model Outputs |
| Process | <p>The indicator calculated by the EIM is normalised by multiplying the calculated EIM value (percentage points) with a common denominator namely a million. This normalises the indicator to Rand per R1mil GDP increase. The last step in the process is to rank the actual outcomes linearly from most positive to least positive. This results in the typical graph shown below. The project with the highest score, scores 100 and the project with the lowest score, scores 0. The rest of the projects scores proportional to their rank.</p> |

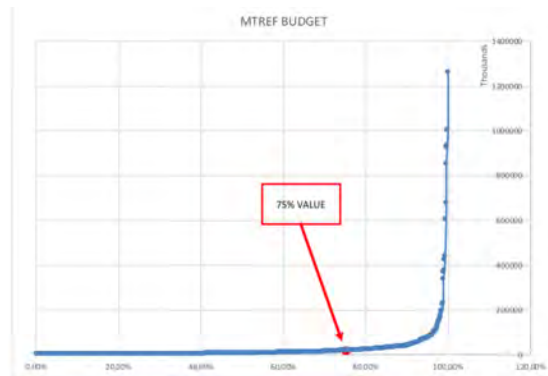
| Category | Description |
|-----------------------|--|
| |  |
| Mathematical Operator | Ranked value achieved by the project is passed through to the parent scoring branch. |

b. Affordability

Table 12-23: Scoring Criteria - Affordability (75th Percentile Test)

| Category | Description |
|------------|---|
| Definition | <p>With “Affordability”, all the project budget demands summed over the MTREF period is plotted from smallest to largest. The 75th percentile value is calculated across this range of values. This value is used as an approximation of what may be considered as the turning point in the budget range beyond which project can be considered to become increasingly expensive. The term “expensive” is used with great circumspection and should not be used beyond the context of this model. It simply is an indicator representative of the specific range of budget values that were requested over the MTREF for this specific budget cycle.</p> <p>Projects that are “cheaper” than the 75th percentile does not have a great variance in requested budgets and can all be drawn in a relatively flat curve on a graph as shown on the graph below. Projects that are more expensive than the 75th percentile, increases in budget exponentially and rapidly has the “crowding out” effect. “Crowding out” means that a single “expensive” project budget may “crowd out” numerous smaller project budgets. In terms of service delivery, having more projects visibly being implemented often has a greater impact than one “mega project”. There are of course many exceptions to this assumption. This criterion simply penalises – from a purely financial budgeting perspective – projects that are excessively expensive.</p> |

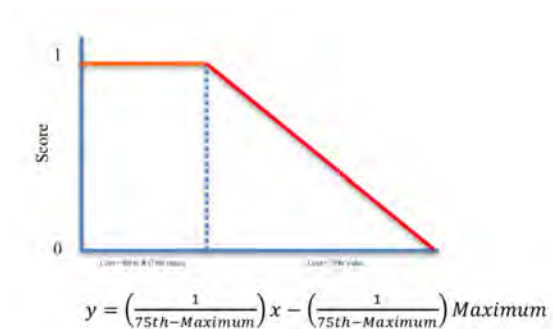
| Category | Description |
|----------|---|
| | It must be kept in mind that this is simply one criteria out of many in the model, and does not have an overriding effect. Contextually though, when looking at the financial planning aspects of a municipality purely, without consideration of anything else, the “expensiveness” of a project is a fundamental consideration. |



Branch Weight 30

Input Variable The input values for this criterion is the total capital budget requested over the MTREF, the 75th percentile of all capital budget requests over the MTREF and the maximum capital budget request over the MTREF.

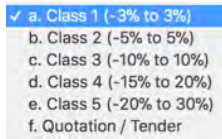
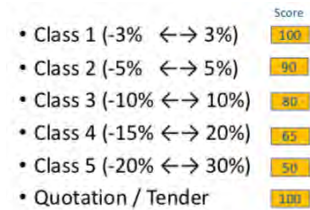
Process Score = 100 if calculated value ≤ 75th percentile of MTREF
 The score decays from 100 to zero using linear regression for any MTREF budget that is more expensive than the 75th percentile MTREF budget (over the entire range of budgets for all projects).



Mathematical Operator Calculated value achieved by the project is passed through to the parent scoring branch.

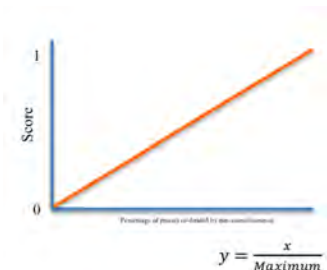
c. Confidence in Cost Estimate

Table 12-24: Scoring Criteria - Confidence in Cost Estimate

| Category | Description |
|-----------------------|---|
| Definition | <p>The “Credibility” of the budget that is being asked for, is measured in by testing the credibility or accuracy of the cost estimate as well as the estimated lifespan of the asset for which funding is requested. The scale provided for the evaluation of budget estimate accuracy, is the scale provided by National Treasury in terms of their CIDMS guidelines. Better accuracy is awarded as well as a longer estimated lifespan of the asset under evaluation.</p> <p>The project owner needs to indicate the accuracy of the budget estimate based on the following scale:</p>  |
| Branch Weight | 30 |
| Input Variable | The input variables are taken from the predetermined drop-down list representing the National Treasury prescribed ranges as contained in their CIDMS guidelines. |
| Process | <p>The scoring mechanism takes the form of a stepping function with each option carrying a representative score.</p>  |
| Mathematical Operator | Ranked value achieved by the project is passed through to the parent scoring branch. |

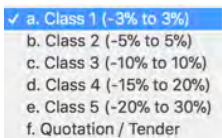
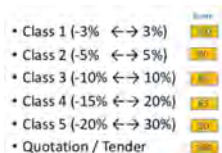
d. Co-Funding

Table 12-25: Scoring Criteria - Co-funding

| Category | Description |
|-----------------------|---|
| Definition | <p>The “Co-Funding” criterion appraises how much of the requested capital is funded by sources other than the municipality’s own funds. The more co-funding by other sources, the more the project will score under this criterion. The logic behind this is two-fold. Firstly, the more external funding is used, the lesser is the burden on municipality’s own ability to fund the project. Secondly, some of the co-funding sources within a municipal environment is conditional and there are often time-limitations or conditions to these external sources.</p> <p>Therefore, if the funding is not utilised, the opportunity or availability of the funding expires or lapses. From a budgeting and planning perspective, a project that may be slightly lower down the ranks of priorities, but that has other sources of funding, may be prioritised more in order to gain the benefit from its implementation and the availability of funding to do so.</p> |
| Branch Weight | 10 |
| Input Variable | The input values for this criterion is the total capital budget requested over the MTREF and the percentage of co-funding over the MTREF. |
| Process |  <p>A maximum score of 100 is achieved under this criterion of the project is 100% co-funded by other sources. The more co-funding, the better the score here.</p> |
| Mathematical Operator | Calculated value achieved by the project is passed through to the parent scoring branch. |

e. Lifespan of asset

Table 12-26: Scoring Criteria - Lifespan of Asset

| Category | Description |
|-----------------------|---|
| Definition | The “Credibility” of the budget that is being asked for, is measured in by testing the credibility or accuracy of the cost estimate as well as the estimated lifespan of the asset for which funding is requested. The scale provided for the evaluation of budget estimate accuracy, is the scale provided by National Treasury in terms of their CIDMS guidelines. Better accuracy is awarded as well as a longer estimated lifespan of the asset under evaluation. |
| Branch Weight | 10 |
| Input Variable | <p>The input variables are taken from the predetermined drop-down list representing the National Treasury prescribed ranges as contained in their CIDMS guidelines.</p>  |
| Process | <p>The scoring mechanism takes the form of a stepping function with each option carrying a representative score.</p>  |
| Mathematical Operator | Ranked value achieved by the project is passed through to the parent scoring branch. |

f. Opex Consequence

Table 12-27: Scoring Criteria - OpEx Consequence

| Category | Description |
|------------|---|
| Definition | Municipalities are faced with the conundrum of balancing spatial, social and economic transformation, whilst maintaining the existing asset base of the city. Spatial, social and economic transformation is often associated with the provision of new, quality infrastructure in support of liveable communities either in newly demarcated development areas or as part of upgrading severely marginalized communities, with a poor service provision history and a backlog of service delivery demands. |

| Category | Description |
|----------------|--|
| | A balanced approach to capital spending, focusing partially on the provision of new infrastructure, whilst maintaining the existing asset base and revenue stream is important. A fundamental consideration of all capital expenditure therefore must include the estimated OpEx burden that will result from the capital that is being spent. The OpEx burden is inevitable – a situation can however arise whereby the OpEx continues to grow to the extent that it starts to impact on the available CapEx. |
| Branch Weight | 10 |
| Input Variable | The input variables are taken from the predetermined drop-down list on CP3. |



Process

Mathematical Operator The highest score value on this branch that is achieved is passed through.

12.1.4 Economic Alignment

The economic alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget contributes to the growth of the municipal economy and improves the economic position of the residents within the municipality.

A macro-economic impact model (EIM) was developed for the municipality specifically to make use of the data from the CP3 system. The econometric model is specific for the municipality and draws from a sophisticated range of financial data, regional data, and population data sourced from StatsSA. As such, the EIM generates values for the impact of individual and portfolio capital projects in terms of a set of economic, socio-economic and fiscal indicators – for the City as a whole, as well as a selection of key sub-regions or ‘main places’.

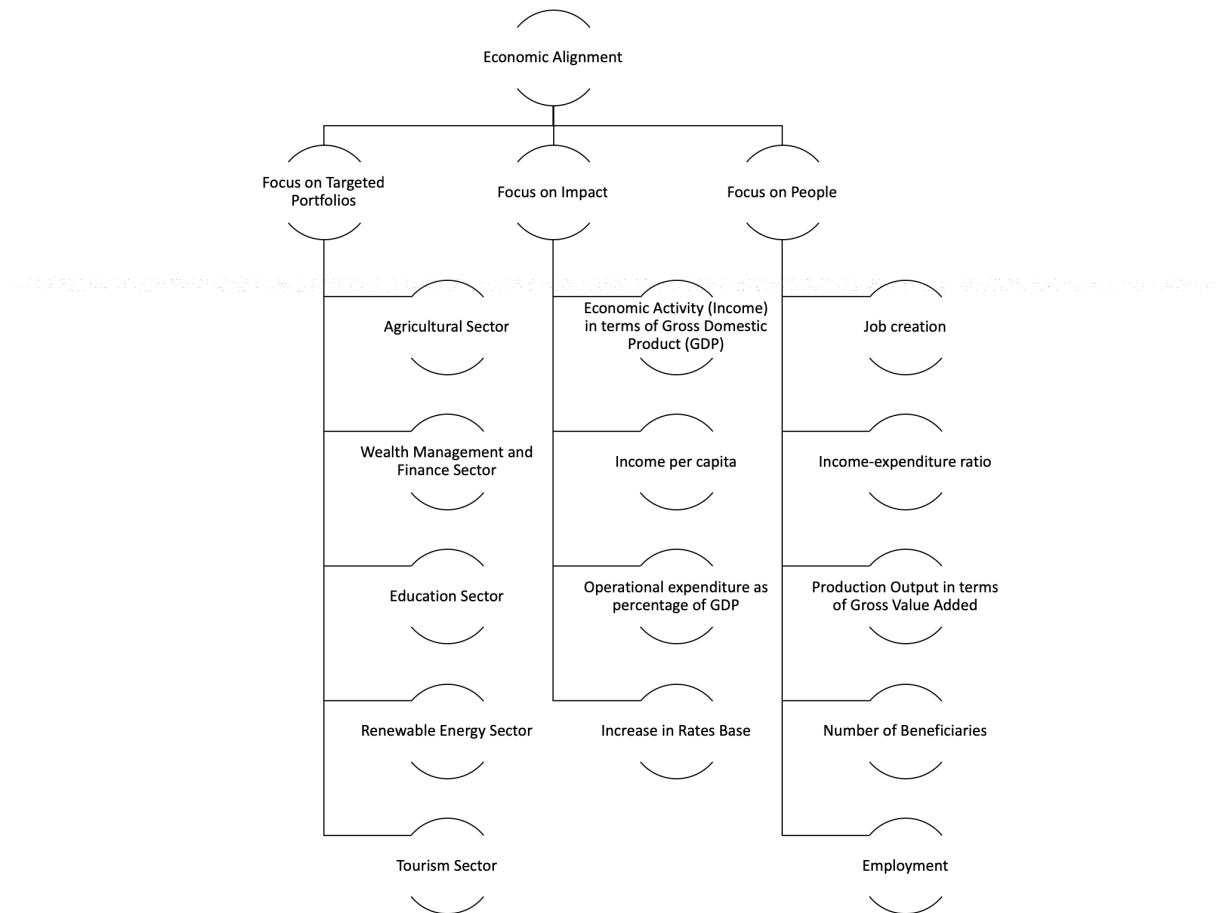
The EIM is based on the outputs of a comprehensive suite of econometric models. The workings of the EIM are dynamic and consider the indirect City-wide impacts of projects and programmes – not only the localised ward-specific impact.

The EIM therefore captures the iterative, dynamic impacts of all of the role-players within the economy – households, business, government, foreign sector, as well as the full economic flow of goods, services, factors and money is accounted for, and an iterative computational process is utilised.

The outputs from the economic model is further augmented spatially by evaluating the alignment of the project’s location and affected area, with geographic areas that were graded across the entire municipal area in terms of its economic impact in a separate economic study that was conducted for this purpose.

The economic alignment score is calculated within two distinct categories, namely:

- Focus on targeted portfolios;
- Focus on impact; and
- Focus on people.

Figure 12-4: Capital Prioritisation Model: Economic Alignment**a. Focus on targeted portfolios****Table 12-28: Scoring Criteria - Targeted Portfolios**

| Category | Description |
|----------------|---|
| Definition | A portfolio of projects is a specific grouping of projects all aligned with a similar characteristic or mandate. In this case, four portfolios are used to test this branch of the prioritisation model. |
| Branch Weight | 10 |
| Input Variable | Projects belonging to the following portfolios are eligible to score: <ul style="list-style-type: none"> Agriculture Sector Wealth Management and Finance Sector Education Sector Renewable Energy Sector |

| Category | Description |
|-----------------------|---|
| | Tourism Sector |
| Process | If a project is part of a specific portfolio, it is eligible to score on this branch. |
| Mathematical Operator | Maximum value achieved by the project is passed through to the parent scoring branch. |

b. Focus on impact

Table 12-29: Scoring Criteria - Economic Activity (Income) in terms of GDP

| Category | Description |
|----------------|--|
| Definition | <p>GDP measures/represents the value of economic activity (income) that has been generated across ALL industries as a result of the project/programme/portfolio of projects. It takes into account the value of taxes and subsidies on both production and consumption goods/services. As such, the GDP figure is presented at 'market price' value. It is measured in nominal Rand, i.e. at current prices. The number represents the TOTAL, NET impact of the project, i.e. taking into account the 'winners' and 'losers' in the economy; the benefits and costs associated with the project.</p> <p>The number is not 'time'-bound, in the sense that the GDP figure represents the full impact, once the project investment/spending has had time to 'mature', i.e. the investment/spending impact has filtered ('rippled') through the economy and the feedback have stabilised. As such, the number is an indicating of the net POTENTIAL income impact of the project/programme, assuming no other interventions/interruptions, etc.</p> <p>The GDP indicator is valuable in comparing the relative impact of different projects/programmes or portfolios of projects, in terms of the additional economic activity that they 'unlock' for every Rand invested and/or spent over the project implementation time-line. The GDP-indicator also provides a measure of the 'net tax revenue' available to government, but also the 'net tax burden' on producers and consumers.</p> |
| Branch Weight | 25 |
| Input Variable | Economic Impact Model Outputs |
| Process | The indicator calculated by the EIM is normalised by dividing the calculated EIM value with a common denominator namely the capital requested over the MTREF. This is done as a necessary step to establish comparability between projects and wards. The last step in the process is to rank the actual |

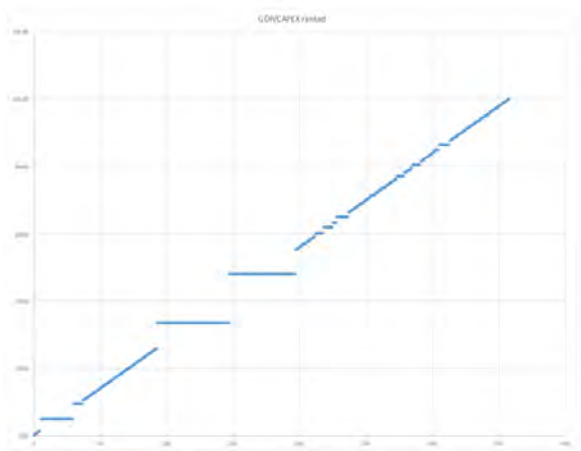
| Category | Description |
|-----------------------|--|
| | outcomes linearly from most positive to least positive. This results in the typical graph shown below. |
| |  |
| Mathematical Operator | Ranked value achieved by the project is passed through to the parent scoring branch. |

Table 12-30: Scoring Criteria - Income per capita

| Category | Description |
|----------------|---|
| Definition | The “Income per Capita” indicator measures the Rand value of income (through GDP) per member of the population. It links the changes in economic activity (on the back of ‘matured’ implementation of the project spending on the GDP to household income and therefore presents a measure for income distribution as well as the effectiveness of the project in achieving socio-economic gains. |
| Branch Weight | 25 |
| Input Variable | Economic Impact Model Outputs |
| Process | The indicator calculated by the EIM is normalised by dividing the calculated EIM value with a common denominator namely the capital requested over the MTREF. This normalises the indicator to Rand per R1bn capital spending. The last step in the process is to rank the actual outcomes linearly from most positive to least positive. This results in the typical graph shown below. |

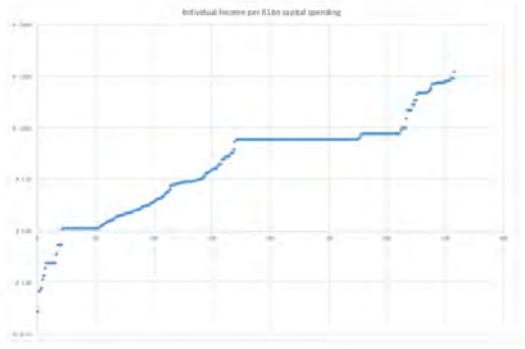
| Category | Description |
|-----------------------|--|
| |  |
| Mathematical Operator | Ranked value achieved by the project is passed through to the parent scoring branch. |

Table 12-31: Scoring Criteria - Operational expenditure as percentage of GDP

| Category | Description |
|------------|---|
| Definition | <p>The 'operational expenditure to GDP'-indicator measures the impact of the project/programme/portfolio of projects on the operational expenditure of the City/Province, which include the wage bill impact of the project(s).</p> <p>Again, the indicator number will be very small, and also need to be interpreted as the % increase (if positive) in government expenditure relative to the project's income gains. The indicator is expressed in terms of a R'000 (thousand rand) increase in operational expenditure for every R1m change in GDP associated with the project(s). Therefore, a number of 0.00002 need to be interpreted as a R20000 increase in operational expenditure per R1m project income (GDP gains). In the case of a R50 mil additional GDP, the operational expenditure is expected to increase with R100 000.</p> <p>However, this number need to be interpreted along with the previous fiscal-indicator. The fiscal indicator ALREADY incorporates the changes in operational expenditure. Therefore, in the case where the fiscal deficit-indicator is positive (i.e. a decline in deficit), while the operational indicator is also positive (i.e. increase in expenses), the implication is that the income and potential revenue gains for the City/Province is larger than the increased and associated operational expense.</p> <p>This indicator is therefore valuable in (1) planning with respect to operational expenditure, (2) making the business case for high- impact investment</p> |

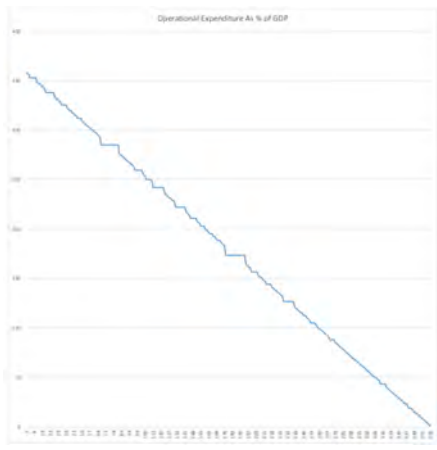
| Category | Description |
|-----------------------|--|
| | projects, which over time (maturity) generate sufficient income to cover the associated increased operational expenditure, and (3) compare project(s) with respect to their relative impact on the City's (Province's) financial position. |
| Branch Weight | 25 |
| Input Variable | Economic Impact Model Outputs |
| Process | <p>It is not necessary to normalise this indicator as is the case with the other Economic Impact Model indicators. The indicator value is already reflected as a percentage of GDP. The values for the database is normally ranked as depicted below.</p>  |
| Mathematical Operator | Ranked value achieved by the project is passed through to the parent scoring branch. |

Table 12-32: Scoring Criteria - Increase in Rates Base

| Category | Description |
|------------|---|
| Definition | <p>The "Increase in rates base" evaluates whether a project's implementation will contribute towards rates and taxes directly or not. From a purely financial perspective, if a project's implementation will directly lead to increased rates and taxes that would be collected by the municipality, this will be beneficial.</p> <p>In order to determine whether a project will contribute to rates and taxes, it has to be ascertained whether the project represents a service (e.g. the provision of electricity) that can be levied from the end-user. Here, the benefit of the data that can be harvested from the MSCOA classification process is evident. The MSCOA classification assists to determine whether</p> |

| Category | Description |
|-----------------------|--|
| | the funding applied for is for new infrastructure or for the upgrading of existing infrastructure in order to improve capacities. |
| Branch Weight | 25 |
| Input Variable | <p>A two-tier test is applied to determine to what extent the existing rates base or asset base is protected and expanded. The first test which is applied is based on the MSCOA project action and sub-action relating to the MSCOA Project Segment. The following categories are tested:</p> <p>New rateable infrastructure: MSCOA project action = "New"</p> <p>Upgrading of existing rateable infrastructure: MSCOA project sub- action = "Upgrading"</p> <p>Maintenance of rateable infrastructure: MSCOA project sub-action = "Renewal"</p> <p>The following category weights are applied:</p> <p>New rateable infrastructure = 100</p> <p>Upgrading of existing rateable infrastructure = 75</p> <p>Maintenance of rateable infrastructure = 50</p> <p>Once the projects have been pre-filtered for new, upgrading or renewal actions, a second test is performed to ascertain whether the project is from one of the following departments:</p> <p>Energy</p> <p>Water</p> <p>Sanitation</p> |
| Process | If a project is requesting capital and it emanates from one of the departments that provides infrastructure that directly leads towards an increase in the rates and taxes that can be collected, the project will score fully under this criterion. |
| Mathematical Operator | Scored value achieved by the project is passed through to the parent scoring branch. |

c. Focus on people

Table 12-33: Scoring Criteria - Job creation

| Category | Description |
|-----------------------|---|
| Definition | <p>The “Job Creation” indicator represents the number of people that may become employed across all industries as a result of the project. It distinguishes between “job-opportunities” and “job-absorption” – these are distinctly different. Job opportunities measures the total number of potential jobs that may be generated across all industries on the back of matured implementation. Job absorption is the number of jobs that may be occupied across all industries. The job absorption figure adjusts (lowers) the job opportunities figure for structural unemployment, i.e. the percentage of the labour force that are unemployable for reasons of lack of skills, socio-economic impediments, etc.</p> |
| Branch Weight | 20 |
| Input Variable | Economic Impact Model Outputs |
| Process | <p>The indicator calculated by the EIM is normalised by dividing the calculated EIM value with a common denominator namely the capital requested over the MTREF. This is done as a necessary step to establish comparability between projects and wards. The result is presented as jobs created per R1m capital spent. The last step in the process is to rank the actual outcomes linearly from most positive to least positive. This results in the typical graph shown below.</p> |
| Mathematical Operator | <p>Ranked value achieved by the project is passed through to the parent scoring branch.</p> |

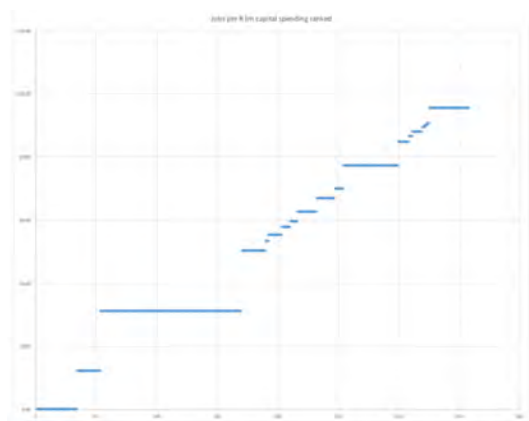


Table 12-34: Scoring Criteria - Income-expenditure ratio

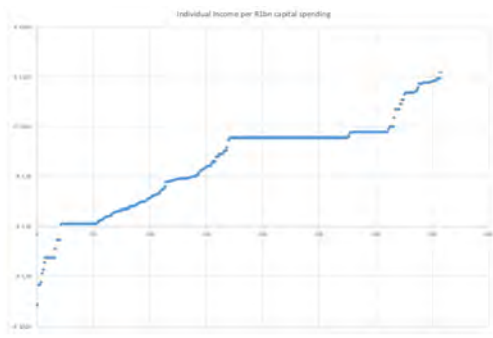
| Category | Description |
|-----------------------|---|
| Definition | The “Income to expenditure ratio” indicator is an indicator of surplus income of potential savings per household. This is a direct “wealth measure”. It expresses the potential income gains relative to the higher spending behaviour on the back of changes in economic activity. This indicator therefore measures the impact/effectiveness of the investment/spending portfolio in increasing households’ propensity to save. As such, the indicator is also a measure of ‘wealth’ improvement associated with the project. |
| Branch Weight | 20 |
| Input Variable | Economic Impact Model Outputs |
| Process | <p>The indicator calculated by the EIM is normalised by multiplying the calculated EIM value with a common denominator namely the GDP value. This normalises the indicator to Rand per R1bn GDP increase. The last step in the process is to rank the actual outcomes linearly from most positive to least positive. This results in the typical graph shown below.</p>  |
| Mathematical Operator | Ranked value achieved by the project is passed through to the parent scoring branch. |

Table 12-35: Scoring Criteria - Production Output in terms of GVA)

| Category | Description |
|------------|--|
| Definition | Gross Value Addition (GVA) measures/represents the value of economic activity (income) that has been generated across ALL industries as a result of the project/programme/portfolio of projects. It does not take into account the value of taxes and subsidies on both production and consumption goods/services. As such, the GVA figure is presented at ‘market price’ value. It is measured in nominal Rand, i.e. at current prices. |

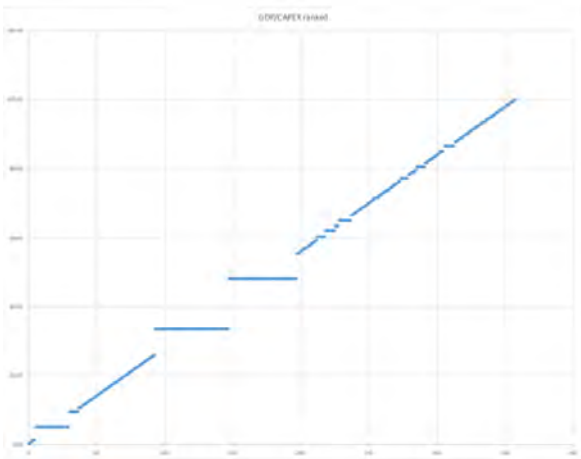
| Category | Description |
|-----------------------|---|
| | <p>The number represents the TOTAL, NET impact of the project, i.e. taking into account the 'winners' and 'losers' in the economy; the benefits and costs associated with the project. The number is not 'time'-bound, in the sense that the GVA figure represents the full impact, once the project investment/spending has had time to 'mature', i.e. the investment/spending impact has filtered ('rippled') through the economy and the feedback have stabilised. As such, the number is an indicating of the net POTENTIAL income impact of the project/programme, assuming no other interventions/interruptions, etc.</p> <p>The GVA indicator is valuable in comparing the relative impact of different projects/programmes or portfolios of projects, in terms of the additional economic activity that they 'unlock' for every Rand invested and/or spent over the project implementation time-line.</p> |
| Branch Weight | 20 |
| Input Variable | Economic Impact Model Outputs. |
| Process | <p>The indicator calculated by the EIM is normalised by dividing the calculated EIM value with a common denominator namely the capital requested over the MTREF. This is done as a necessary step to establish comparability between projects and wards. The last step in the process is to rank the actual outcomes linearly from most positive to least positive. This results in the typical graph shown below.</p>  |
| Mathematical Operator | Ranked value achieved by the project is passed through to the parent scoring branch. |

Table 12-36: Scoring Criteria - Number of Beneficiaries

| Category | Description |
|-----------------------|---|
| Definition | The spatial analysis capability of the CP3 system, in combination with the affected area that is drawn for each project, is used to automatically deduct the number of beneficiaries that will be impacted or benefitted by the project. From an economic perspective, the more people that are affected by an investment, the larger the impact should be on the economy. |
| Branch Weight | 20 |
| Input Variable | Project affected area |
| Process | <p>The number of beneficiaries of the Statistics South Africa Census 2011 is loaded onto the CP3 system at small area level. The proportional spatial intersect of the project's affected area and the Census 2011 small area layer is calculated. The sum of the population in the intersected Census 2011 small area layer is divided by the maximum population affected by any project in the CP3 database in order to create a beneficiary population index. Projects are therefore ranked from highest number of beneficiaries impacted to the lowest number of beneficiaries impacted. The above calculation is expressed by the following mathematical equation:</p> $Y = (x / \text{Max Affected Area Population}) * 100$ |
| Mathematical Operator | Maximum value achieved by the project is passed through to the parent scoring branch. |

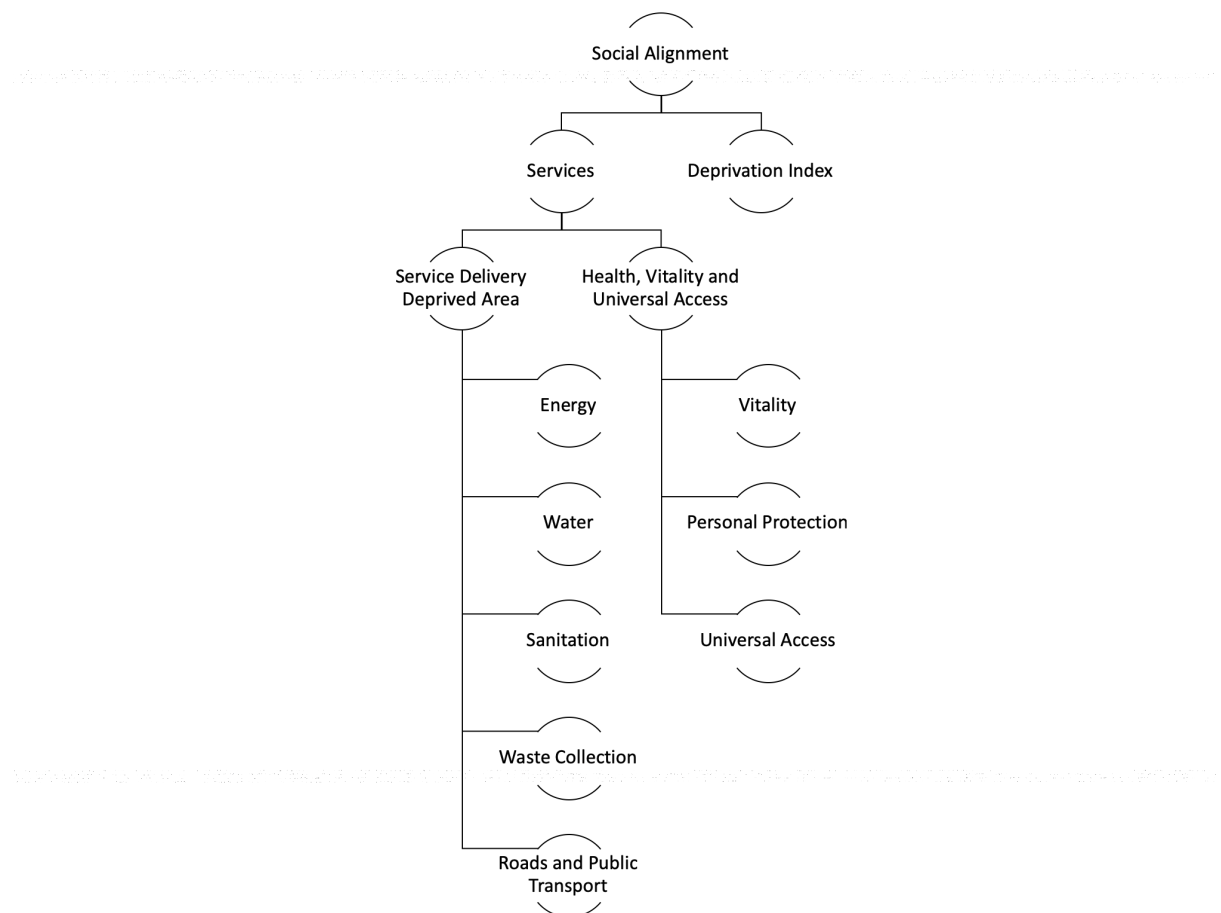
12.1.5 Social Alignment

The social alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipality aligns with servicing of areas with the highest demand and where the most vulnerable communities are situated.

The social alignment score is calculated within two distinct categories, namely:

- Services; and
- Deprivation Index.

Figure 12-5: Capital Prioritisation Model: Social Alignment



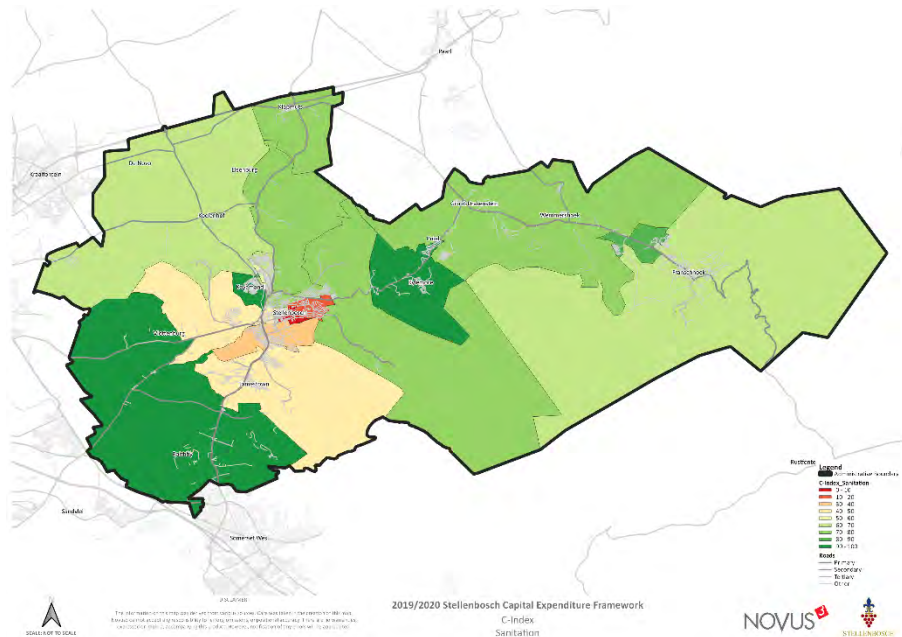
a. Services

Table 12-37: Scoring Criteria - Service Delivery Deprived Areas

| Category | Description |
|------------|---|
| Definition | Basic Service delivery is one of the most important priorities of local government. Basic services such as Energy, Water, Sanitation, Waste Collection, Roads and Public transport is key in establishing a desired social environment. |

| Category | Description |
|---------------|-------------|
| Branch Weight | 100 |

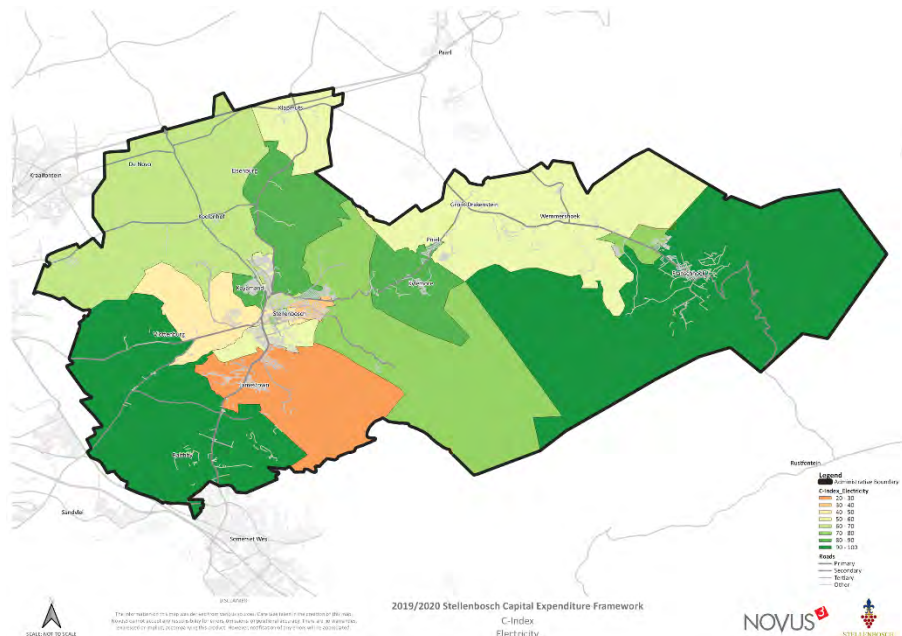
Input Variable



Services within deprived areas are prioritised on this branch.

A combination of Department and service deprived area are used to calculate the score of projects with respect to this branch. The combinations include:

Department of Electrical services + Works location within deprived areas

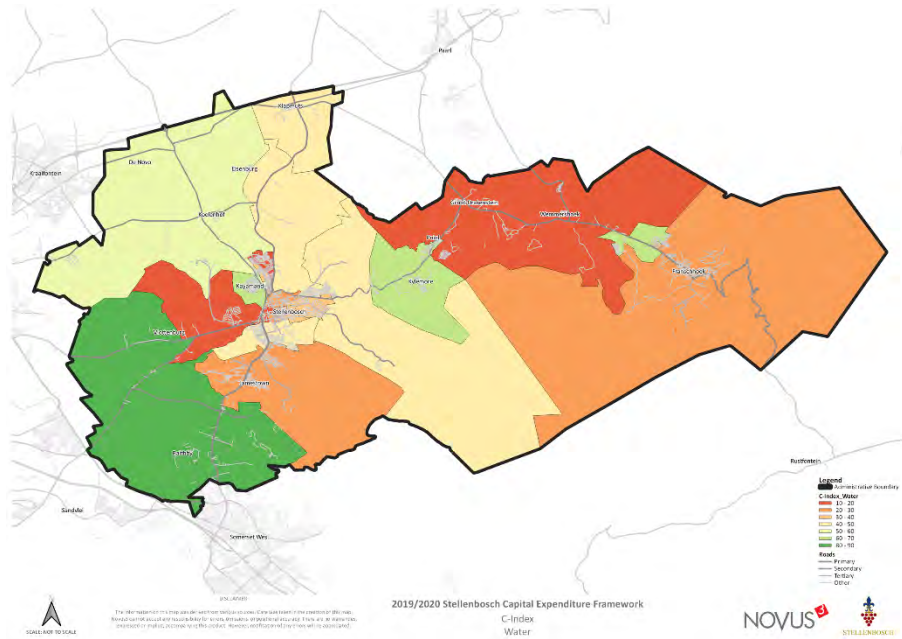


Department of Water and wastewater services + Works location within deprived areas

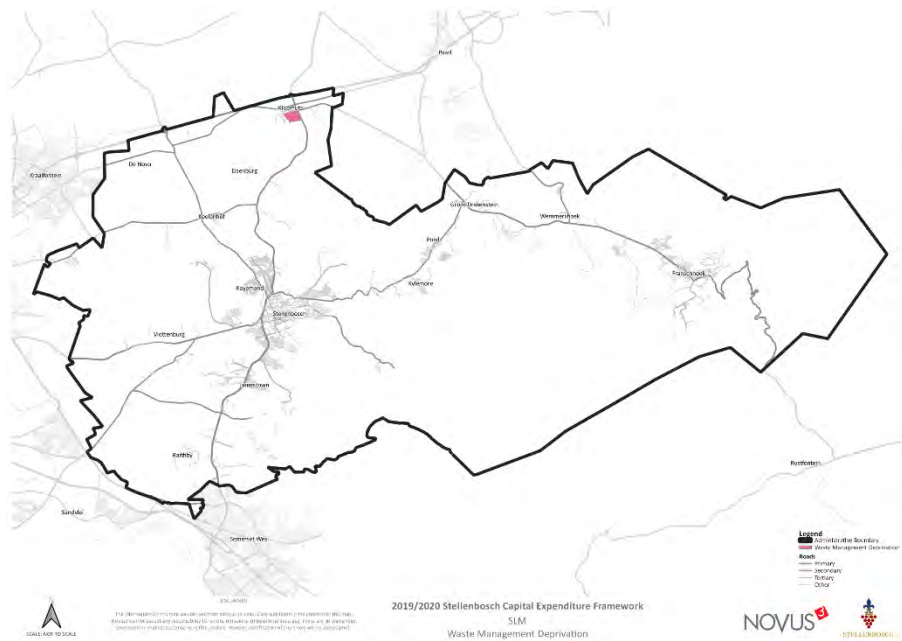
Category

Description

Department of Water and wastewater services + Works location within deprived areas



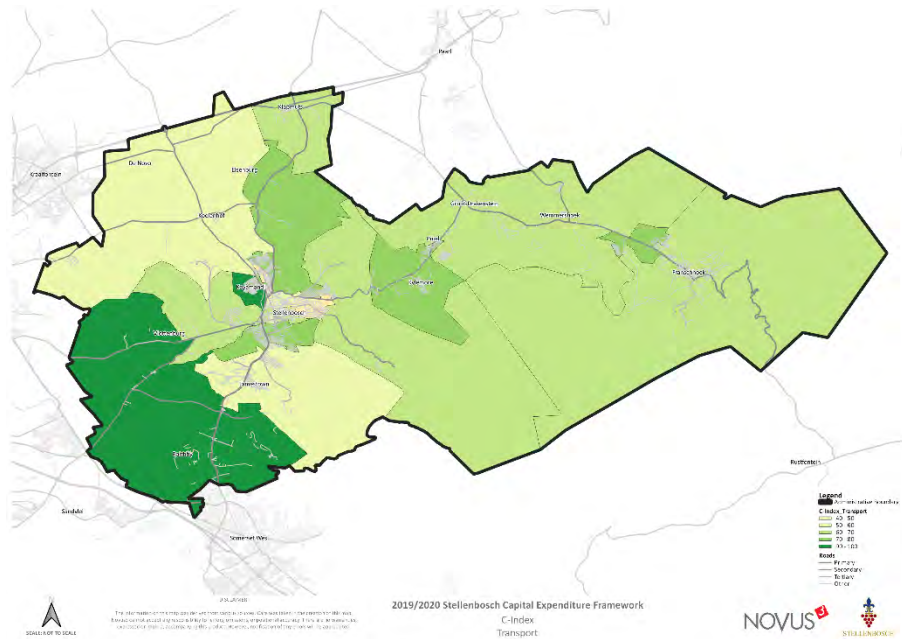
Department of Waste Management: Solid Waste Management + Works location within deprived areas



Department of Roads and Stormwater as well as Transport Planning+ Works location within areas identified as poverty pockets

Category

Description



Process

If a project contributes to one of the sub branches, it scores the maximum available value on this branch.

Mathematical Operator

Maximum value achieved by the project is passed through to the parent scoring branch.

Table 12-38: Scoring Criteria - Health Vitality and Universal Access

| Category | Description |
|----------------|--|
| Definition | Health, Vitality and Universal Access focusses on projects that contribute to the socially vulnerable. It specifically focus on departments that are geared towards the upliftment of the socially vulnerable. |
| Branch Weight | 75 |
| Input Variable | Departments:

Water and Wastewater Services: Water

Water and Wastewater Services: Sanitation

Waste Management: Solid Waste Management

Community Safety |

| Category | Description |
|-----------------------|---|
| | Disaster Management |
| | Fire and Rescue Services |
| | Law Enforcement and Security |
| | Traffic Services |
| | Traffic Engineering |
| | Portfolios: |
| | Health |
| | Universal Access |
| Process | If a project is owned by the above-mentioned department, and/or falls within the identified portfolios it will be eligible to score on this branch. |
| Mathematical Operator | Maximum value achieved by the project is passed through to the parent scoring branch. |

b. Deprivation Index

Table 12-39: Scoring Criteria - Deprivation Index

| Category | Description |
|------------|---|
| Definition | <p>Deprivation Index serves to elevate project scores which impact underserved areas as described in the National Treasury Urban Network Structure. The Deprivation Index is a spatial layer calculated from Statistics South Africa data at small area level for the Census 2011, which provides an indication of the level of impoverishment or lack of services across the municipality. The Deprivation Index considers the following indicators:</p> <p>Household Income (25%)</p> <p>Household Size (5%)</p> <p>Household Dwelling Type (5%)</p> <p>Household Cooking (10%)</p> <p>Household Heat (5%)</p> <p>Household Light (5%)</p> <p>Household Piped Water (20%)</p> <p>Household Toilet (20%)</p> |

| Category | Description |
|-----------------------|---|
| | Household Refuse Disposal (5%) |
| Branch Weight | 70 |
| Input Variable | Project works location is used as the input to test the deprivation index score of each project based on the deprivation layer or area returned based on the spatial intersect between project works location and deprivation index areas. |
| Process | The higher the deprivation index value and consequently the level of poverty or lack of access to basic services. Projects with works locations overlapping or intersecting with areas with low levels of service delivery will receive elevated score. |
| Mathematical Operator | Maximum value achieved by the project is passed through to the parent scoring branch. |

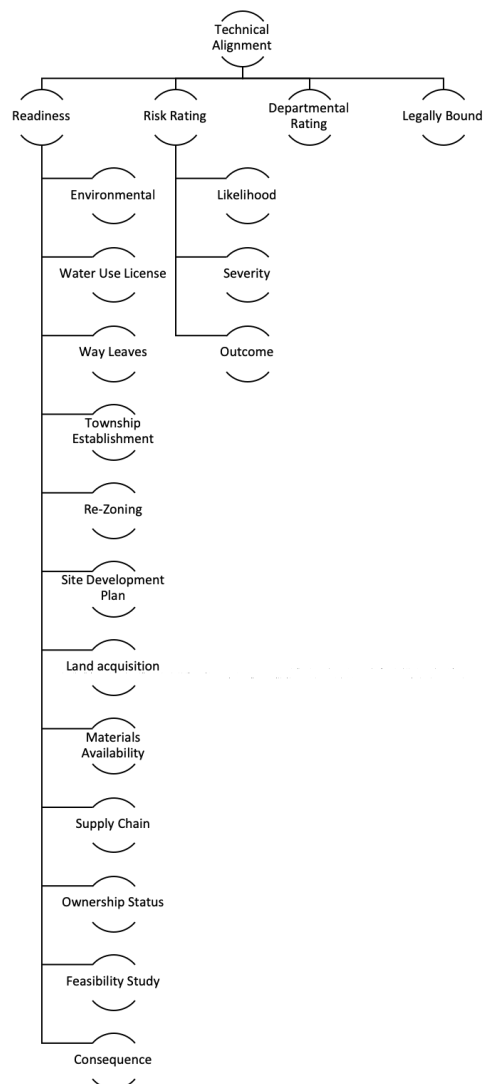
12.1.6 Technical Alignment

The technical alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget aligns with the asset management plans, analysis and modelling of the technical or utility services departments as well as the sustainability goals of the municipality, and most importantly, whether the project is ready to be implemented (i.e. all statutory and governance requirements have been met).

The technical alignment score is calculated within four distinct categories, namely:

- Implementation readiness;
- Risk Rating;
- Departmental Rating; and
- Legally Bound.

Figure 12-6: Capital Prioritisation Model: Technical Alignment

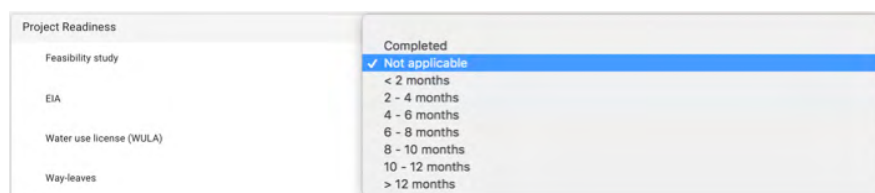


a. **Implementation readiness**

Table 12-40: Scoring Criteria - Project Readiness

| Category | Description |
|----------------|---|
| Definition | <p>The project readiness criteria seeks to determine whether a project will be in a position to spend the allocated budget within the financial year in which the budget is requested. In other words, if a project still needs a record of decision on an Environmental Impact Assessment once the project budget has been awarded to the project, it may take between 6-8 months for the record of decision to be finalised. Therefore, the project will only realistically be able to start during the 2nd or 3rd quarter of the financial year. Projects with outstanding project readiness criteria are therefore penalised over projects that have all compliance documentation and approvals in place.</p> |
| Branch Weight | 47 |
| Input Variable | <p>A number of project readiness question categories are required to be filled in for each project, namely:</p> <ul style="list-style-type: none"> Feasibility study EIA Water use license (WULA) Way-leaves Township establishment Rezoning Site development plan Land acquisition Ownership status Materials availability Supply chain / procurement Project readiness comment / motivation Geotechnical Study <p>Evidence of completion or compliance to any of these project readiness categories required documentation to be uploaded to the system as proof.</p> |

| Category | Description |
|----------|--|
| Process | <p>The readiness score of a project is calculated as the minimum score achieved across all project readiness questions. Each of the project readiness categories allow for a standard set of responses, namely:</p> <p>Duration of time to meet compliance: < 2 months = 100</p> <p>Duration of time to meet compliance: 2 - 4 months = 90</p> <p>Duration of time to meet compliance: 4 - 6 months = 80</p> <p>Duration of time to meet compliance: 6 - 8 months = 50</p> <p>Duration of time to meet compliance: 8 - 10 months = 30</p> <p>Duration of time to meet compliance: 10 - 12 months = 10</p> <p>Duration of time to meet compliance: > 12 months = 0</p> <p>Duration of time to meet compliance: Completed = 100</p> <p>Duration of time to meet compliance: Not applicable = 100</p> <p>An example of the question categories and drop-down selections on the system is shown below:</p> |



| | |
|-----------------------|---|
| Mathematical Operator | <p>Minimum value achieved by the project achieved across all branches is passed through to the parent scoring branch. This is because project readiness is a compliance or governance test, so if for example and EIA is still required, the score of the project should be penalised, hence the minimum value is carried over.</p> |
|-----------------------|---|

b. Risk Rating

Table 12-41: Scoring Criteria - Risk Rating

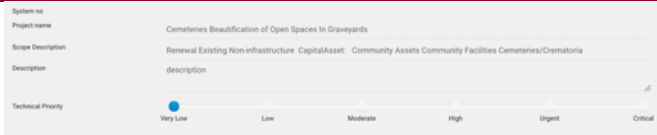
| Category | Description |
|------------|--|
| Definition | <p>Risk management is an important aspect of capital planning. Understanding the risk mitigated by a project lead to a better understanding of a project and its</p> |

| Category | Description |
|-----------------------|--|
| | relevance to the municipality. By considering a likelihood criteria – ranging from improbable to frequent – and a severity index – ranging from negligible to catastrophic – it is possible to identify the outcome should a project not be implemented. |
| Branch Weight | 6 |
| Input Variable |  |
| Process | Once a risk and his likelihood and severity has been determined, an outcome is derived which carries a weighting on this branch. A project that qualifies for a specific outcome will be assigned that specific value. |
| Mathematical Operator | Maximum value achieved by the project is passed through to the parent scoring branch. |

c. Departmental Rating

Table 12-42: Scoring Criteria - Departmental Rating

| Category | Description |
|----------------|---|
| Definition | The departmental rating incorporates the relative importance bestowed on each project by the originating department. A score out of 100 is asked and can be entered by means of a slider. Departments that do not introduce enough variability in their department's project scores are penalised somewhat. This is to prevent that a department marking all their projects as "100" or critical does not get an unfair advantage over departments that rates their projects honestly (i.e. numerous project scores ranging from 0 to 100). |
| Branch Weight | 47 |
| Input Variable | The department technical rating is captured using a project priority rating slider for each project on the technical section of the project capturing screen. |

| Category | Description |
|----------|--|
| |  |

Process The departmental rating score is a normalised score per project based on the range between the department's minimum project rating and maximum project rating. The above calculation is expressed by the following mathematical equation:

$$Y_{project} = \left(\frac{(TPR_{project} - TPR_{Dept\ min})}{(TPR_{dept\ max} - TPR_{Dept\ min})} \right) \times \left(\frac{(TPR_{Dept\ Max} - TPR_{Dept\ min})}{(TPR_{dept\ max})} \right) \times 100$$

Where:

Y = project score

TPR = Technical priority rating (between 0 and 100)

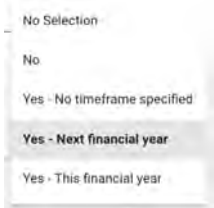
Dept_Min = lowest department project technical rating

Dept_Max = highest department project technical rating

Mathematical Operator Maximum value achieved by the project is passed through to the parent scoring branch.

d. Legally Bound

Table 12-43: Scoring Criteria - Legally Bound

| Category | Description |
|----------------|---|
| Definition | Projects that originate from some sort of legal obligation are being prioritised due to the negative downstream impact of not implementing such projects. |
| Branch Weight | 100 |
| Input Variable | Project owners must indicate whether a project has any legal obligation. |
| |  |

| Category | Description |
|-----------------------|---|
| Process | If a project is related to any legal obligation, then it will be eligible to score on this branch of the scoring model. |
| Mathematical Operator | Maximum value achieved by the project is passed through to the parent scoring branch. |



END

| | |
|-----|--|
| 8.4 | TABLING OF THE DRAFT ANNUAL REPORT 2019/20 |
|-----|--|

Collaborator No: 704227
File No: 3/4/5/2/32 X 8/1/2/6
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: Council, 31 March 2021

1. SUBJECT: TABLING OF THE DRAFT ANNUAL REPORT 2019/20

2. PURPOSE

- a) To table to Council the Draft Annual Report 2019/20 for consideration and to be released for public comment; and
- b) Furthermore, it is also the purpose of this submission to, after adoption of the Draft Annual Report 2019/20 by Council, to refer the Draft Annual Report 2019/20 to the Municipal Public Accounts Committee (MPAC) to fulfil the role of an Oversight Committee and to make a recommendation to Council as contemplated in terms of Section 129(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

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

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

The commencement of the external audit process was delayed, as a result of the COVID-19 pandemic in 2020, which has had an impact in the timelines of finalising the Draft Annual Report. Council should therefore also take notice that the Auditor General of South Africa (AGSA) has not concluded, at the time of this submission to Council, its audit on the Annual Financial Statements 2019/20 and on the Annual Performance Report 2019/20.

5. RECOMMENDATIONS

- (a) that Council takes note of the Draft Annual Report 2019/20;
- (b) that Council takes note that the Municipal Manager will make the Draft Annual Report 2019/20 public for comment on the official website of the Stellenbosch Municipality and at the offices of the municipality for a period of 21 days; the public will be invited through the local print media to provide written inputs / comments on the draft report on or before 26 April 2021, at 23:59;
- (c) that Council refer the Draft Annual Report 2019/20 (**ANNEXURE B**) to the MPAC to consider the Draft Annual Report 2019/20 and to make recommendations to Council as contemplated in terms of Section 129(1) of the MFMA;

- (d) that Council takes note of the proposed dates for the MPAC / Oversight meetings, where the Draft Annual Report 2019/20 will be discussed, as detailed in Annexure A hereto. These dates are subject to change. Final dates will be published on the municipality's website and in the local media; and
- (e) that Council approves the MPAC's mandate to co-opt two members of the public with expertise in specific fields to assist and advise the Committee;

Rates for additional nominated community members as per Treasury Regulation 20.2.2. The once-off preparation tariff was used as a guide since the national Treasury does not have guidance in that regard. Consultation must take place to decide if the rate will remain the same.

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

- (f) that Council approve that the co-opted members can be remunerated in line with the recommendations of National Treasury Regulation in this regard;
- (g) that Council takes notice that the AGSA has not yet concluded its audit on the Annual Financial Statements 2019/20 and the Annual Performance Report 2019/20; and
- (h) that Council takes notice that the AGSA audit outcome will be made available to Council as soon as it is available.

6. DISCUSSION

6.1 Background

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

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

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

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

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

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

Council should also take notice that the Draft Annual Report 2019/20 is also submitted to Council in accordance with Section 127(3)(a) of the MFMA which provides as follows:

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

Therefore, Council should take notice that the Draft Annual Report 2019/20 is submitted to Council within seven months after the financial year (taking notice of the ministerial exemption), thereby satisfying Section 127(2) of the MFMA.

Furthermore, Council should also take notice that the Draft Annual Report 2019/20 is complete as it contains all relevant information and all the core components listed in Section 121(3) of the MFMA. However, due to the AGSA not having completed its audit on the Annual Financial Statements 2019/20 and on the Annual Performance Report 2019/20, the AGSA's audit report as contemplated in terms of Section 121(3)(b) and (d) is not available and could not be annexed to the Draft Annual Report 2019/20. The AGSA informed Council in February 2021 of the fact that the audit is running late (Council Agenda Item 7.2 of 24 February 2021). Said letter is attached hereto as Annexure C. Directly linked to the AGSA's audit report, any corrective measures as contemplated in terms of Section 121(3)(g) could also not be included in the Draft Annual Report 2019/20, at the time of this submission to Council.

These outstanding components of the Draft Annual Report 2019/20 will be submitted to Council as soon as the AGSA completed the audit on the Annual Financial Statements 2019/20 and the Annual Performance Report 2019/20 of the municipality.

6.2 Financial Implications

There are no financial implications beyond that which was approved in the 2020/21 MTREF Budget.

6.3 Legal Implications

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

- (a) *the annual financial statements of the municipality, and in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1);*
- (b) *the Auditor-General's audit report in terms of section 126(3) on those financial statements;*
- (c) *the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act;*
- (d) *the Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act;*
- (e) *an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges;*
- (f) *an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)(b) for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year;*
- (g) *particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d);*
- (h) *any explanations that may be necessary to clarify issues in connection with the financial statements;*
- (i) *any information as determined by the municipality;*
- (j) *any recommendations of the municipality's audit committee; and*
- (k) *any other information as may be prescribed.*

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

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

6.4 Staff Implications

This report has no additional staff implications to the municipality.

6.5 Risk Implication

None.

6.6 Comments from Senior Management**(i) Director: Community and Protection Services**

Supported

(ii) Chief Financial Officer

Supported

(iii) Director: Infrastructure Services

Supported

(iv) Director: Corporate Services

Supported

(v) Director: Planning and Economic Development

Supported

(vi) Comments from the Municipal Manager

Supported

ANNEXURES

Annexure A: Schedule of MPAC Meetings on the Draft Annual Report 2019/20

Annexure B: Draft Annual Report 2019/20

Annexure C: AGSA Letter regarding extension

FOR FURTHER DETAILS CONTACT:

| | |
|-----------------|---------------------------------------|
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| POSITION | Senior Manager: Governance |
| DIRECTORATE | Municipal Manager |
| CONTACT NUMBERS | 021 808 8035 |
| E-MAIL ADDRESS | shireen.devisser@ Stellenbosch.gov.za |
| REPORT DATE | 24 March 2021 |

ANNEXURE A



DRAFT MPAC MEETING SCHEDULE TO REVIEW THE DRAFT ANNUAL REPORT 2019/20

| Date | Time | Chapters to be discussed | Officials required |
|----------------------|----------------------|---|---|
| 09 April 2021 | 09:00 – 12:00 | Review of Chapters 1, 2, 3 | MM and Directors |
| 13 April 2021 | 09:00 – 12:00 | Review of Chapter 4,5,6 | MM and Directors |
| 15 April 2021 | 09:00 – 11:00 | Public Hearing | MM and Directors |
| 20 April 2021 | 09:00 – 10:00 | Feedback discussion | Directorate: Infrastructure Services
MM, Director: Infrastructure Services and Snr Managers |
| | 10:00 – 11:00 | Feedback discussion | Directorate: Corporate Services
MM, Director: Corporate Services and Snr Managers |
| 22 April 2021 | 09:00 – 10:00 | Feedback discussion | Directorate: Community and Protection Services
MM, Director: Community and Protection Services and Snr Managers |
| | 10:00 – 11:00 | Feedback discussion | Directorate: Financial Services
MM, CFO and Snr Managers |
| | 11:00 – 12:00 | Feedback discussion | Directorate: Planning and Economic Development
MM, Director: Planning and Economic Development and Snr Managers |
| 03 May 2021 | 09:00 – 10:00 | Finalising and signing of Oversight Report on the Annual Report 2019/20 | MM and Directors |

Geraldine Mettler
Municipal Manager

ANNEXURE B



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY



STELLENBOSCH MUNICIPALITY
DRAFT ANNUAL REPORT
2019/20 Financial Year

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

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List of Abbreviations

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

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

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

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

CHAPTER 1: EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1 COMPONENT A: EXECUTIVE MAYOR'S FOREWORD



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

Throughout all our interaction, our residents expressed the need for ongoing provision of dignified living spaces, safer communities, more economic opportunities, excellent and sustainable service delivery and the redressing of past

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ADV GESIE VAN DEVENTER
EXECUTIVE MAYOR

1.2 COMPONENT B: EXECUTIVE SUMMARY

1.2.1 MUNICIPAL MANAGER'S OVERVIEW



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

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

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

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

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

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

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

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

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

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

Thank you Stellenbosch.

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

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

GERALDINE METTLER
MUNICIPAL MANAGER

1.2.2 INTRODUCTION

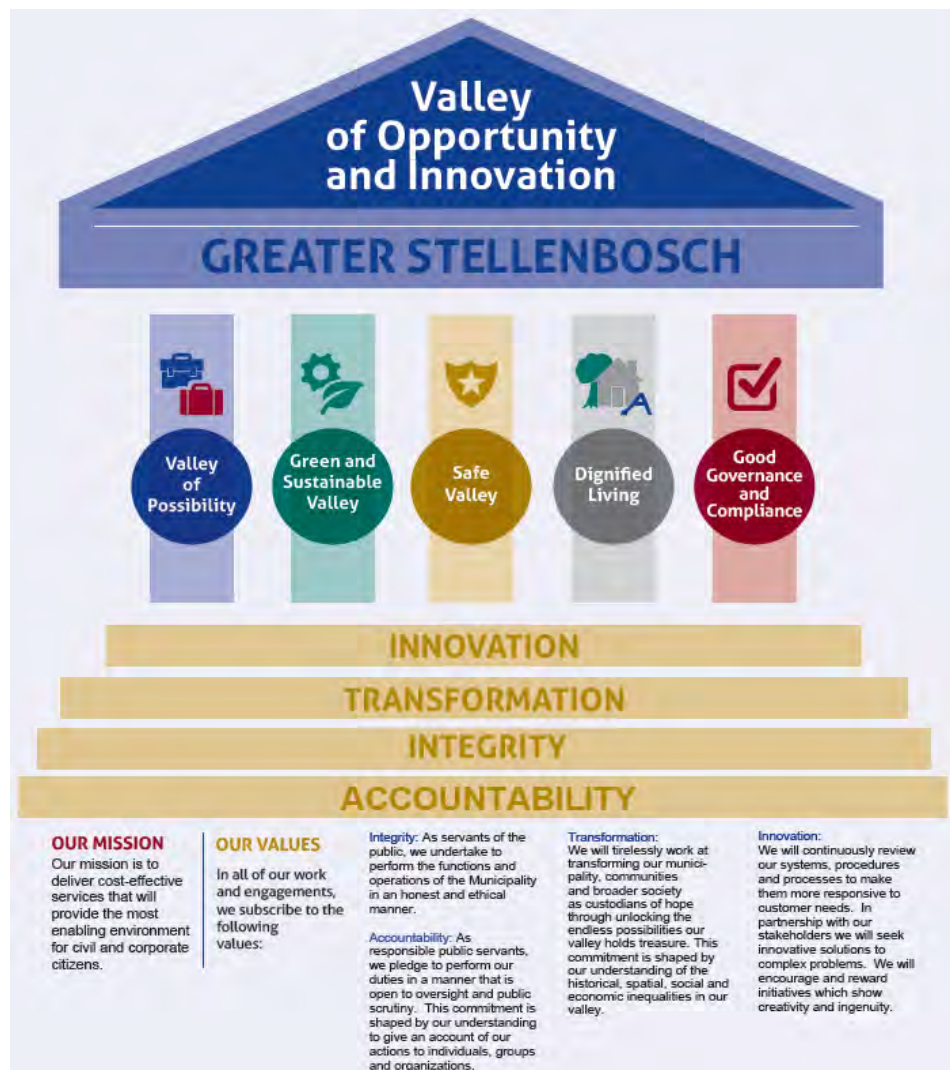
This report addresses the performance of the Stellenbosch Municipality, in the Western Cape, South Africa, in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities.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

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

1.2.3 VISION, MISSION AND VALUES OF THE STELLENBOSCH MUNICIPALITY

The figure below illustrates our overarching strategy of Stellenbosch Municipality.

Figure 1:1: House of Values



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

VISION

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

MISSION

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

VALUES

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

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

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

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

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

1.2.4 STRATEGIC FOCUS AREAS

1.2.4.1 Strategic Focus Area 1: Valley of Possibility

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

1.2.4.2 Strategic Focus Area 2: Green and Sustainable Valley

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

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

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

1.2.4.3 Strategic Focus Area 3: Safe Valley

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

1.2.4.4 Strategic Focus Area 4: Dignified Living

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

1.2.4.5 Strategic Focus Area 5: Good Governance and Compliance

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

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

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

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

1.2.5 CORE PRINCIPLES IN EXECUTING THE STRATEGY

Shared work between political leadership, the administration and community.

The municipality encompasses three core components:

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

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

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

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

1.2.6 ALIGNMENT WITH INSTITUTIONAL STRUCTURES AND PROCESSES

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

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

1.2.7 DEMOGRAPHIC AND SOCIO-ECONOMIC INFORMATION

1.2.7.1 Municipal Geographical Information

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

This convergence of environmental resources, scenic quality and business opportunities has two other mutually reinforcing spin-offs: The largest number of JSE-listed companies based in any small South African town have their headquarters in Stellenbosch and the town is home to a disproportionately high number of corporate CEOs and executives, which in turn means that it is able to sustain a comparatively high level of economic activity and consumer services for a town of its size. This results in other benefits throughout the value-add chain and for employment. The municipal area covers approximately 900 km². The municipality's area of jurisdiction includes the towns of Stellenbosch and Franschhoek, as well as a number of rural hamlets such as Wemmershoek, La Motte, De Novo, Kylemore, Pniel, Johannesdal, Languedoc, Groot Drakenstein, Muldersvlei, Klappmuts, Elsenburg, Raithby, Jamestown, Koelenhof and Vloottenburg (most with a population of less than 5 000). Apart from formal settlement areas, the municipal area also includes a number of informal settlements.

Stellenbosch town is the second oldest town in South Africa, dating back to 1679 when an island in the Eerste River was named Stellenbosch by the then Governor of the Cape, Simon van der Stel. The first farming activities in the area were started in 1679. Today, the area has become primarily known for its extraordinary wines and fruits. The towns of Stellenbosch and Franschhoek are renowned for various architectural styles such as Dutch, Georgian and Victorian, which reflect its heritage and traditions, but also divisions of the past.

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

1.2.7.2 Wards

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

Table 1:1 Municipal Wards

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

Source: StatsSA

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

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

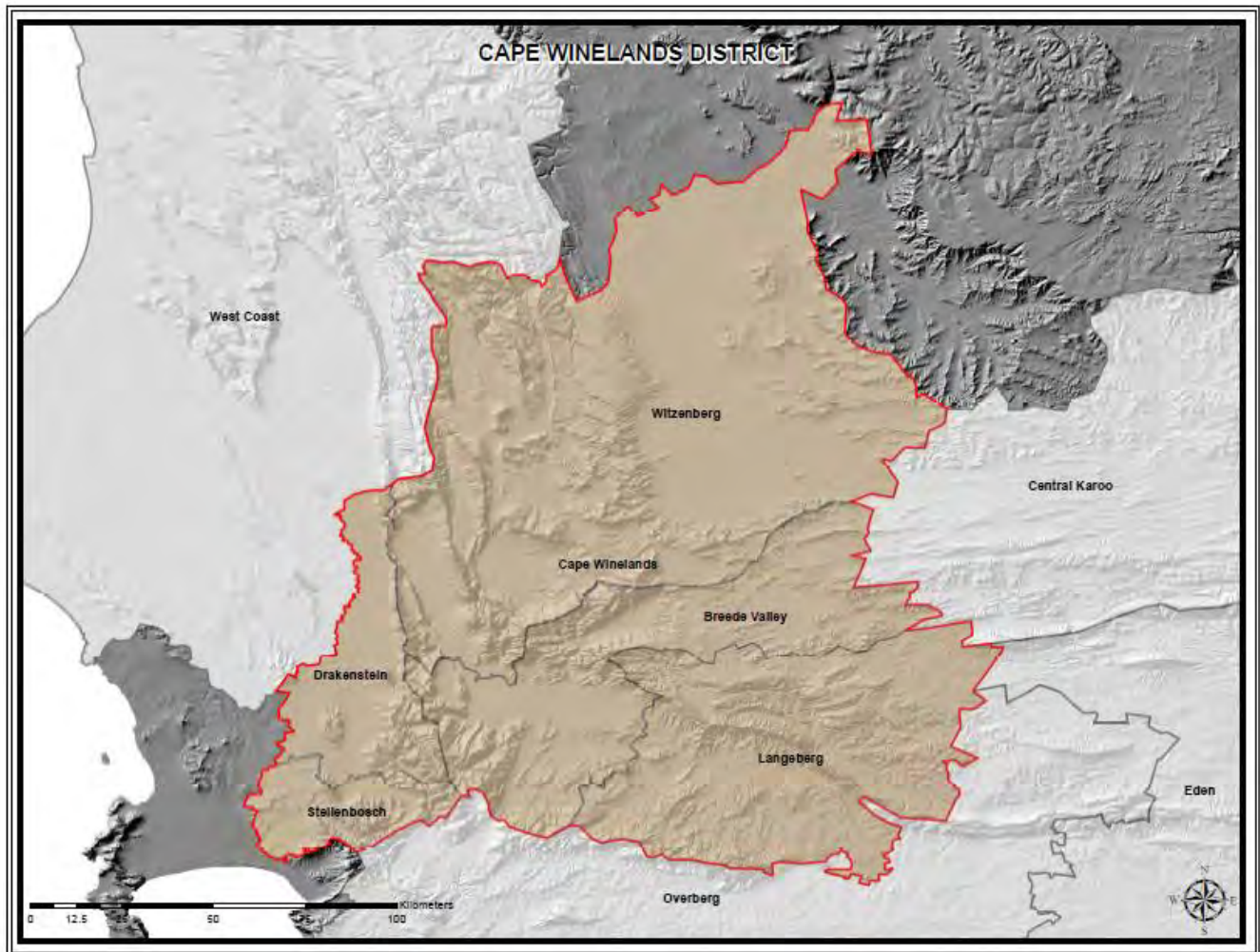


Source: Western Cape provincial Spatial Development Framework

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

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

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



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

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

Figure 1:4: Locality map of Municipal Boundaries



Stellenbosch Local Municipality is located in the heart of the Cape Winelands and adjacent to the City of Cape Town and Drakenstein Municipality. As a local authority Stellenbosch Municipality governs the towns of Stellenbosch, Franschhoek and Pniel, and the surrounding rural areas. The area covers 831 square kilometres and adjoins the City of Cape Town (CCT) to the west and south and the Breede Valley, Drakenstein and Theewaterskloof Municipalities to the east and north. Functionally, SM forms part of the Greater Cape Town metropolitan area.

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

1.2.7.3 State of the Greater Stellenbosch

Stellenbosch is situated about 50 km from Cape Town and is flanked by the N1 and N2 main routes. The municipal area covers roughly 900 km². According to population growth estimates, of the Community Survey the population figures for Stellenbosch for 2020 indicates a number of 192 879 people and 52 374 households. The municipality's area of jurisdiction includes the town of Stellenbosch and stretches past Jamestown to Raithby in the South, Bottelary, Koelenhof, and Klapmuts to the North, and over the Helshoogte Pass to Pniel, Kylemore, Groendal and Franschhoek in the East.

Apart from formal settlement areas, the municipal area also includes a number of informal settlements. Stellenbosch town is the second oldest town in South Africa, dating back to 1679 when an island in the

Eerste River was named Stellenbosch by the then Governor of the Cape, Simon van der Stel. The first farming activities in the area were started in that year. Today, the area has become primarily known for its extraordinary wines, fruit, world renowned cultural landscapes and exceptional scenic quality. The towns of Stellenbosch and Franschhoek are renowned for various architectural styles such as Dutch, Georgian and Victorian, which reflect their rich heritage and traditions, but also the divisions of the past.

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

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

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

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

The following municipalities share their borders with Stellenbosch Municipality:

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

Stellenbosch municipal area is now divided into 22 Wards, with recent amendments to some of the ward boundaries by the Municipal Demarcation Board in 2016. The wards consist of urban settlements as well as the surrounding rural areas which contain agricultural and natural environments. The table below describes the urban settlements and rural areas within the different wards and the figure on the next page indicates the ward demarcation for the respective 22 wards within the WCO24 boundary.

1.2.7.4 Stellenbosch at a Glance

Table 1.2: Stellenbosch Municipality: Summarised Statistics

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

Source: DLG 2020 Socio- Economic Profile- Stellenbosch Municipality

1.2.7.5 Socio-Economic Context

Population

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

Table 1:3: Age Cohorts and Dependency Ratio

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

Source: Western Cape, Socio-Economic Profile 2020

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

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

Sex Ratio

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

Age Cohorts

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

Household sizes

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

Population density

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

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

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

1.2.7.6 Education

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

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

Table 1:4: Early Childhood Development – attendance levels

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

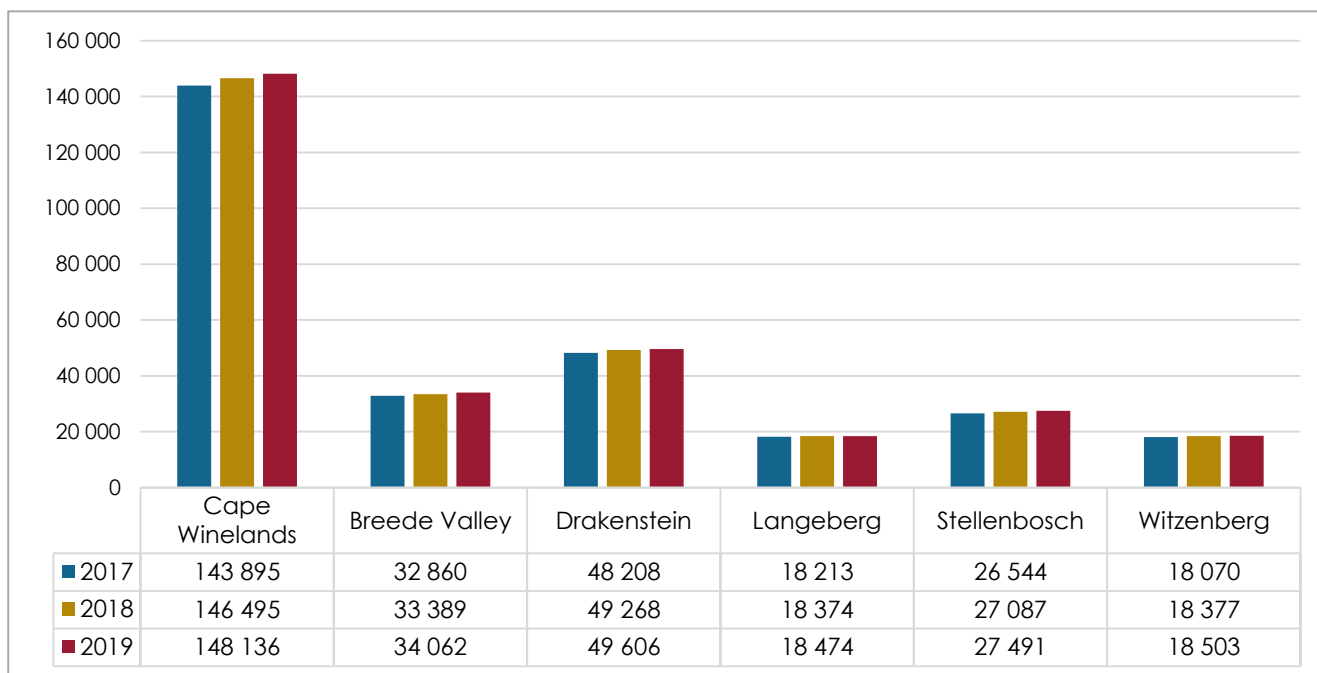
Source: Western Cape, Socio-Economic Profile 2018

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

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

Learner enrolment in Stellenbosch increased from 27 087 enrollments in 2018 to 27 491 in 2019, an increase of 1.5 per cent. The learner-teacher ratio also reflected an increase from 28.5 in 2018 to 28.9 in 2019. The learner retention rate improved from 72.5 per cent in 2018 to 75.5 per cent in 2019. This could be attributed to a number of factors including improvement in the socio-economic context.

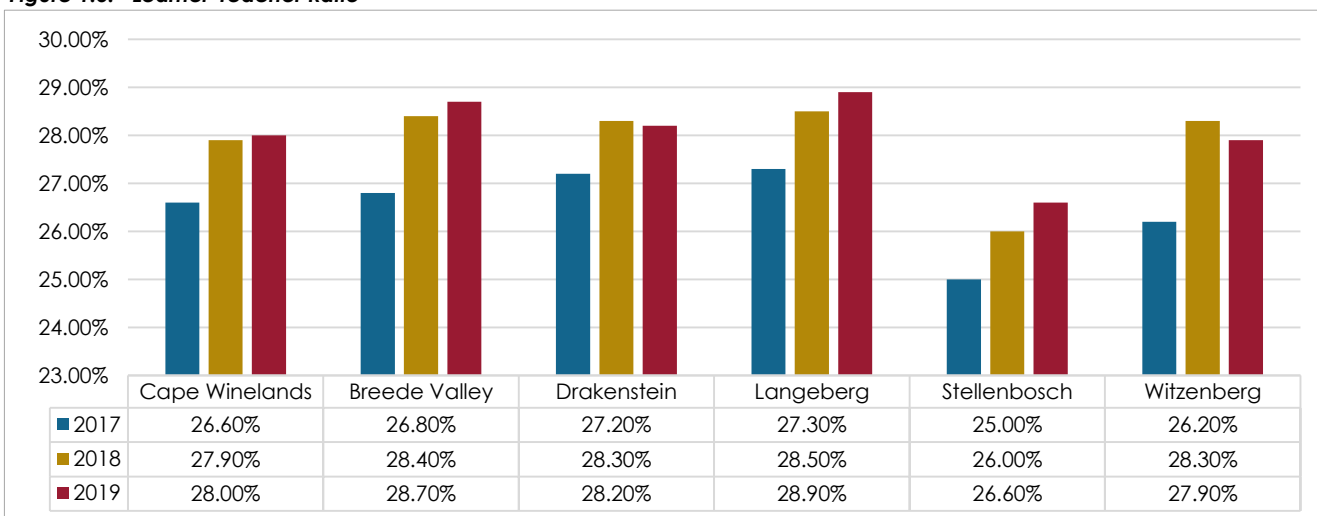
Figure 1:5: Learner enrolment



Source: Western Cape, Socio-Economic Profile 2020

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

Figure 1:6: Learner-Teacher Ratio

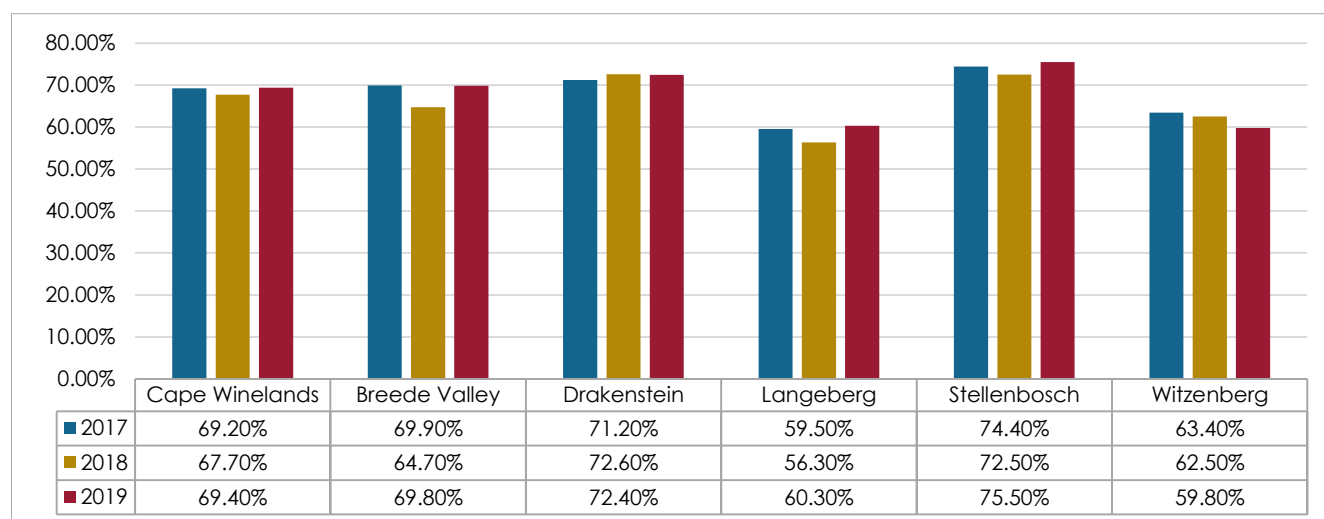


Source: Western Cape, Socio-Economic Profile 2020

Stellenbosch has the lowest learner-teacher ratio in the District, which bodes well for educational outcomes.

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

Figure 1:7: Learner retention



Source: Western Cape, Socio-Economic Profile 2020

Number of schools and no-fee schools

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

Schools with libraries and media centres

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

Schools with libraries

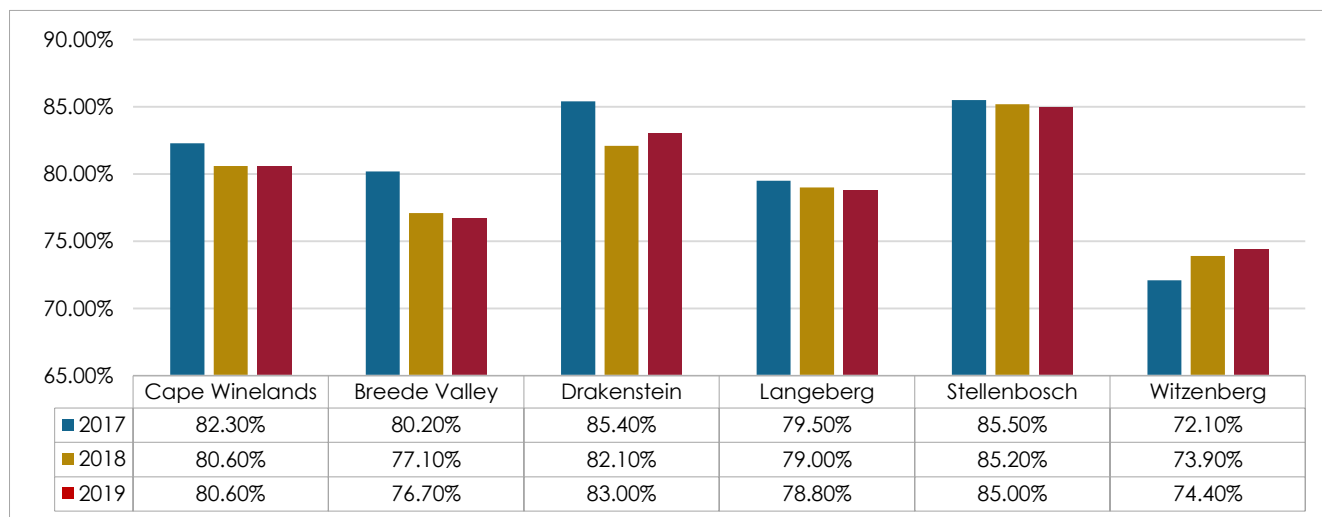
Schools with libraries and media centres has remained at 29 over the reference period, contributing to the overall quality of education in the area.

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

Education Outcomes (Matric Pass Rates)

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

Figure 1:8: Education Outcomes



Source: Western Cape, Socio-Economic Profile 2020

1.2.7.7 Health

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

Table 1:5: Health care facilities

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

*Source: Western Cape, Socio-Economic Profile 2020

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

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

Emergency Medical Services

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

HIV / AIDS / TB

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

Stellenbosch experienced an increase of in tuberculosis (TB) cases in 2019. 1 176 TB patients were registered in 2019 compared to 1 176 in 2018.

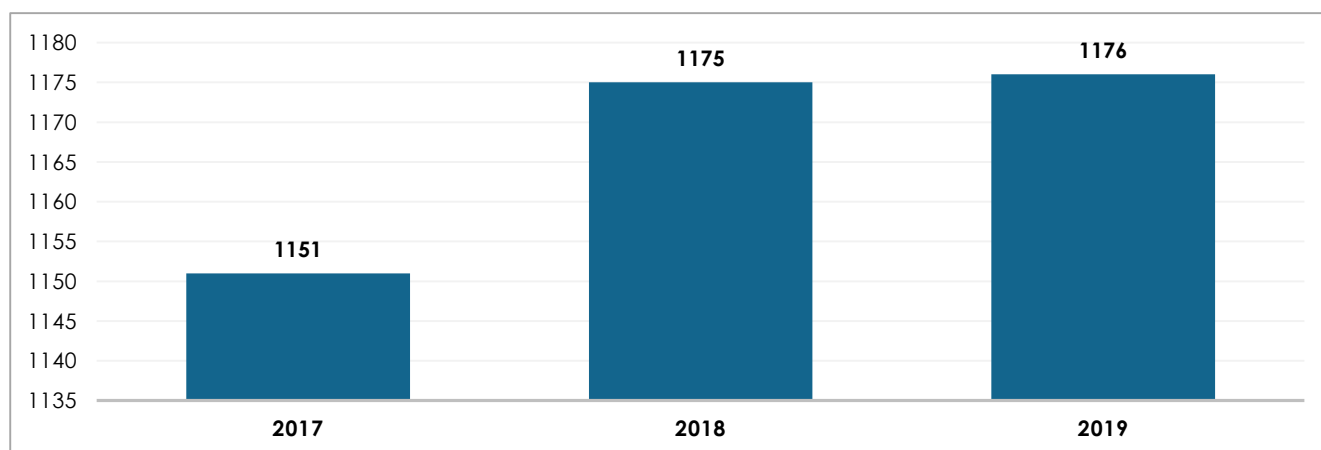
HIV / AIDS management is crucial given its implications for the labour force and the demand for healthcare services.

Table 1:6: HIV/AIDS Management

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

Source: Western Cape, Socio-Economic Profile 2020

Figure 1:9: Tuberculosis



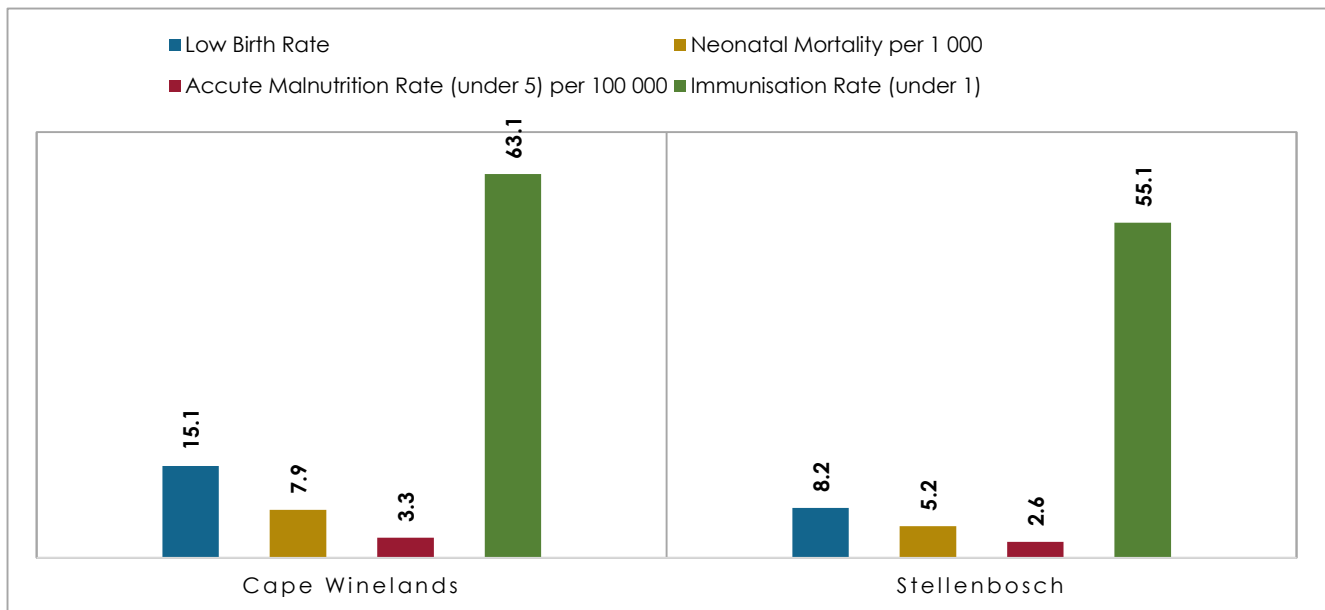
Source: Western Cape, Socio-Economic Profile 2020

Child Health

Immunisation rates in the Stellenbosch area is at 55.1 per cent in 2019 having decreased slightly from 55.2 per cent in 2018. In 2019, the number of malnourished children under five years (per 100 000) was 2.6, a slight decline from 2018. Neonatal mortality rate (NMR) (per 1 000 live births decreased from 6.6 in

2018 to 5.2 in 2019. The low-birth-weight indicator was recorded at 8.2, a decrease from 9.2 recorded in 2018.

Figure 1:11: Child Health



Source: Western Cape, Socio-Economic Profile 2020

Maternal Health

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

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

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

Table 1:7: Maternal Health

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

Source: Western Cape, Socio-Economic Profile 2020

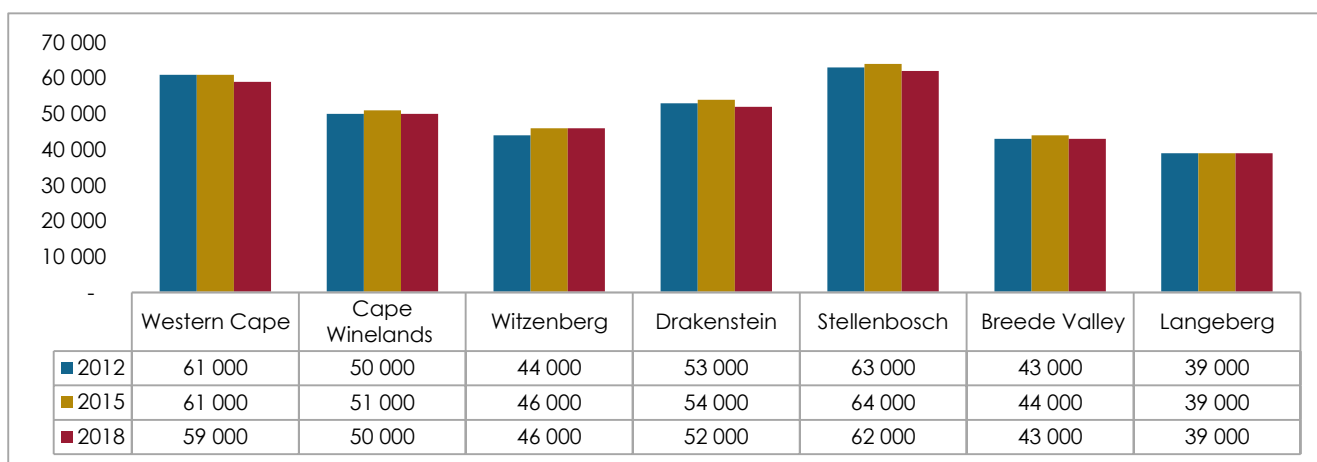
1.2.7.8 Poverty

GDPR Per Capita

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

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

Figure 1:12: GDPR Per Capita



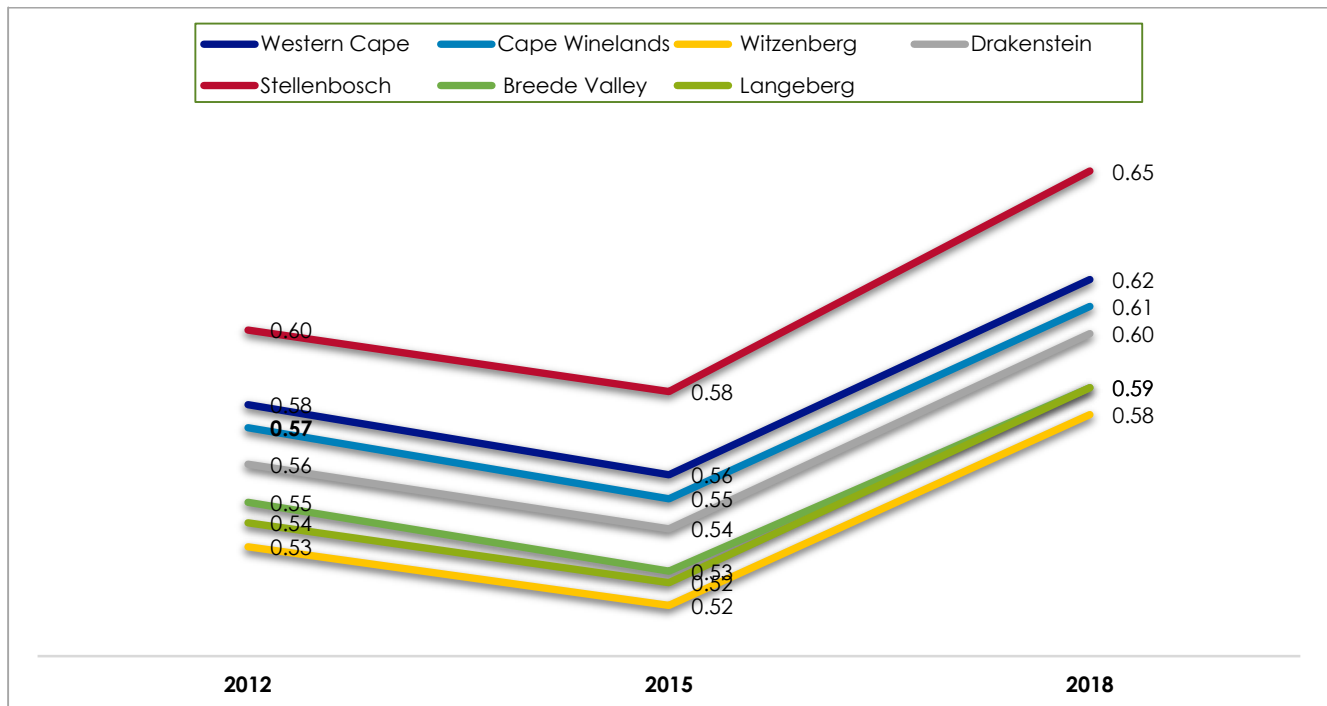
Source: Western Cape, Socio-Economic Profile 2020

Income Inequality

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

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

Figure 1:13: Income Inequality



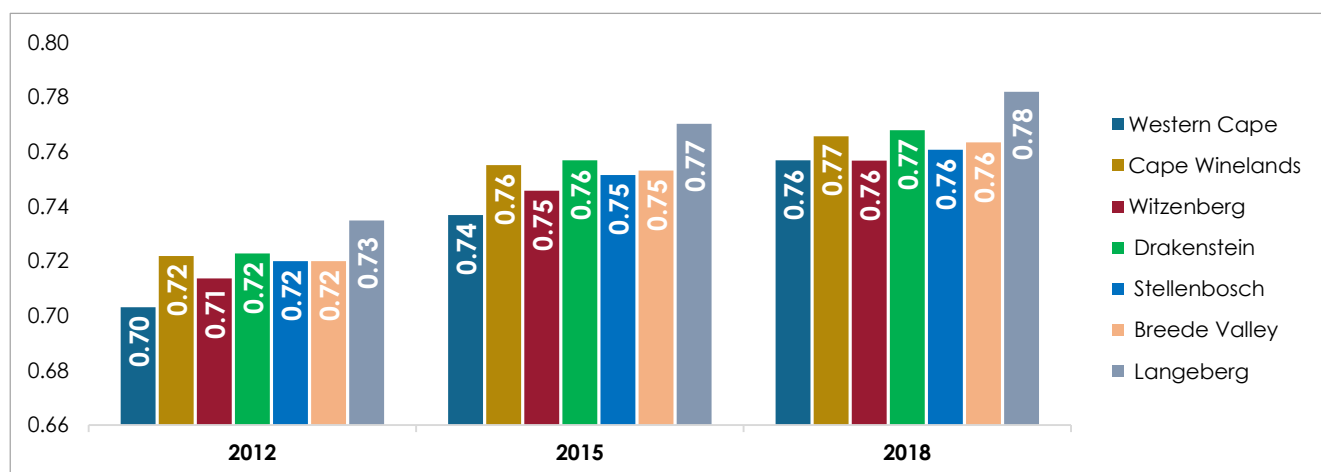
Source: Western Cape, Socio-Economic Profile 2020

Human Development

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

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

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

Figure 1:14: Human Development

Source: Western Cape, Socio-Economic Profile 2020

1.2.7.9 Basic Service Delivery

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

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

Housing and Household Services

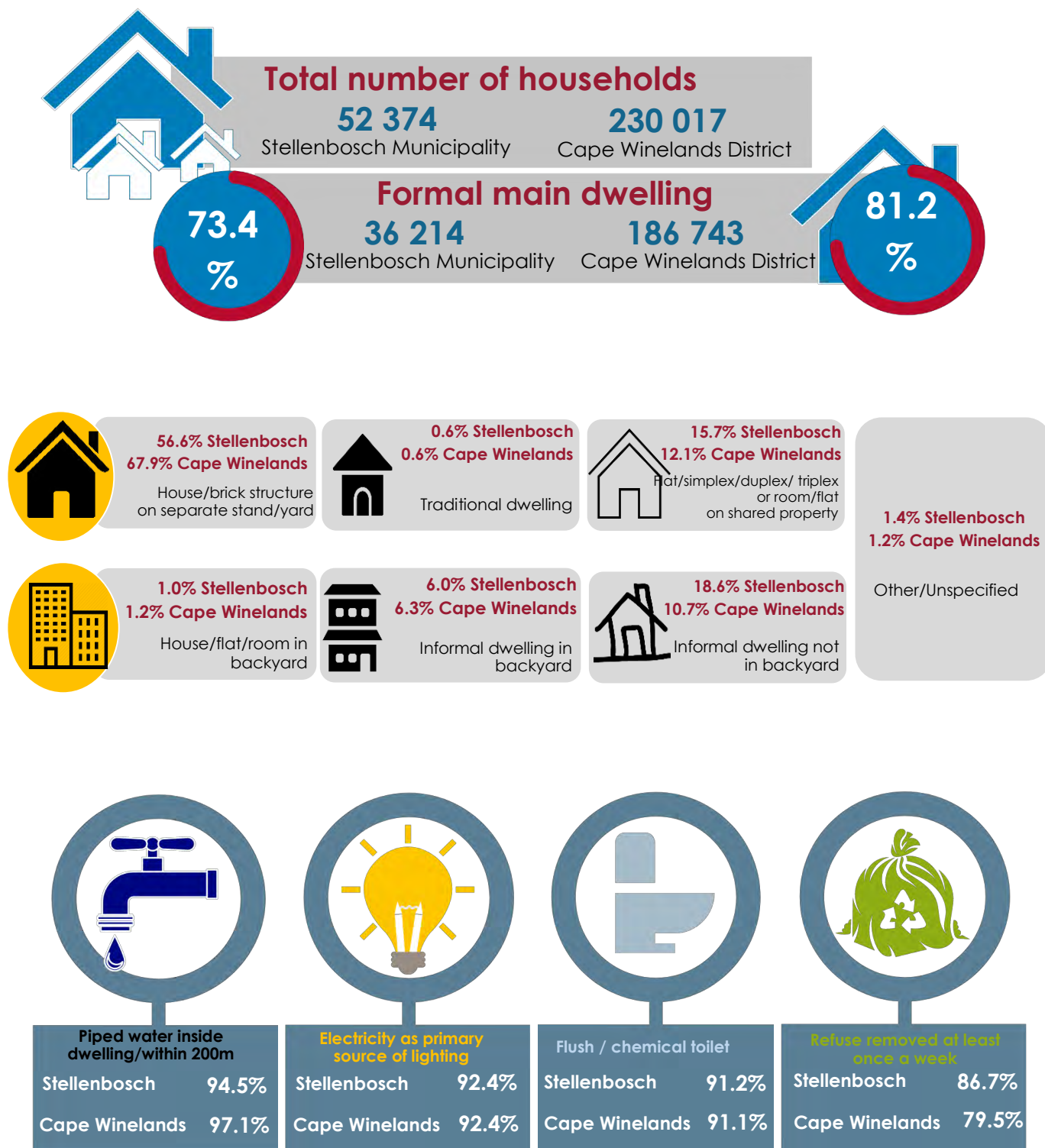
With a total of 52 374 households in the Stellenbosch municipal area, only 73.4 per cent had access to formal housing, the lowest access level when compared to the other municipalities in the Cape Winelands District area; the District average was 81.2 per cent. The area also had highest proportion of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

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

Free Basic Services

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

Figure 1:15: Total number of households



Source: Western Cape, Socio-Economic Profile 2020

1.2.7.10 Safety and Security

Murder

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

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

Table 1:8: Murder (per 100 000)

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

Source: Western Cape, Socio-Economic Profile 2020

Sexual Offences

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

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

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

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

Source: Western Cape, Socio-Economic Profile 2020

Drug-related Offences

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

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

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

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

Source: Western Cape, Socio-Economic Profile 2020

Driving under the influence (DUI)

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

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

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

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

Source: Western Cape, Socio-Economic Profile 2020

Road user fatalities

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

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

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

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

Source: Western Cape, Socio-Economic Profile 2020

Residential Burglaries

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

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

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

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

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

Source: Western Cape, Socio-Economic Profile 2020

1.2.7.11 Economy and Labour Market Performance

Sectoral Overview

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

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

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

Formal and Informal Employment

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

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

Unemployment

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

Table 1:14: Economic Sector Overview

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

Source: Western Cape, Socio-Economic Profile 2020

Table 1:15: Skill Levels Formal employment

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

Source: Western Cape, Socio-Economic Profile 2020

Table 1:16: Informal Employment

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

Source: Western Cape, Socio-Economic Profile 2020

Table 1:17: Unemployment rates

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

Source: Western Cape, Socio-Economic Profile 2020

1.2.7.12 Public Infrastructure Spending

Spending on Social Infrastructure

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

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

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

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

Spending on Economic Infrastructure

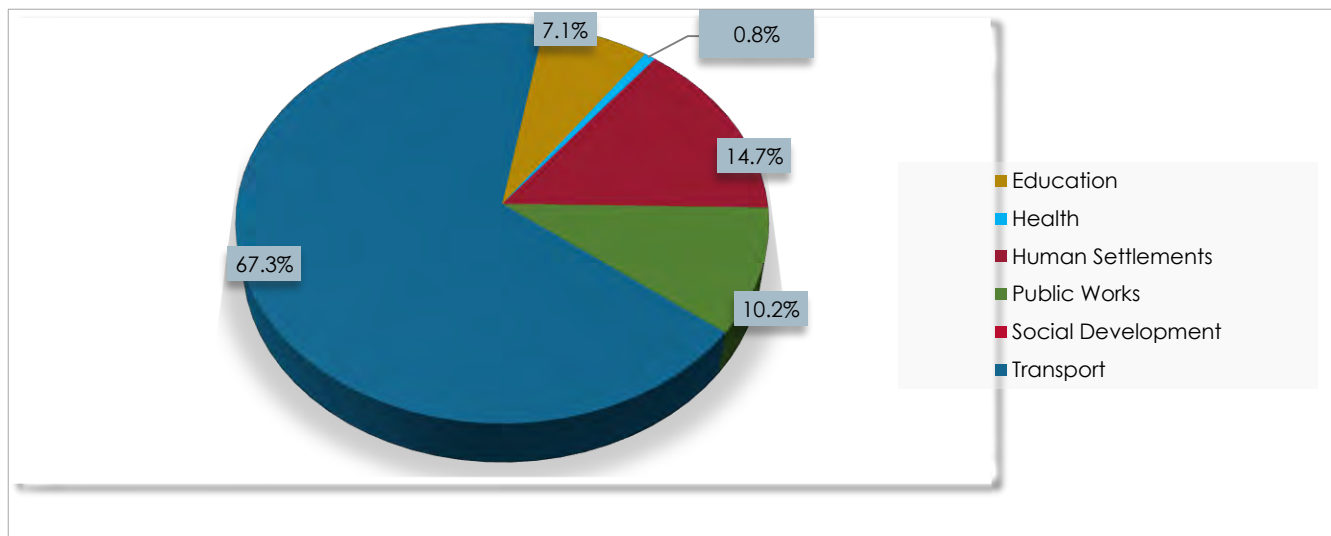
Economic infrastructure is defined as infrastructure that promotes economic activity. Considering the sluggish economic growth throughout the country, spending on economic infrastructure is crucial to stimulating economic activity.

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

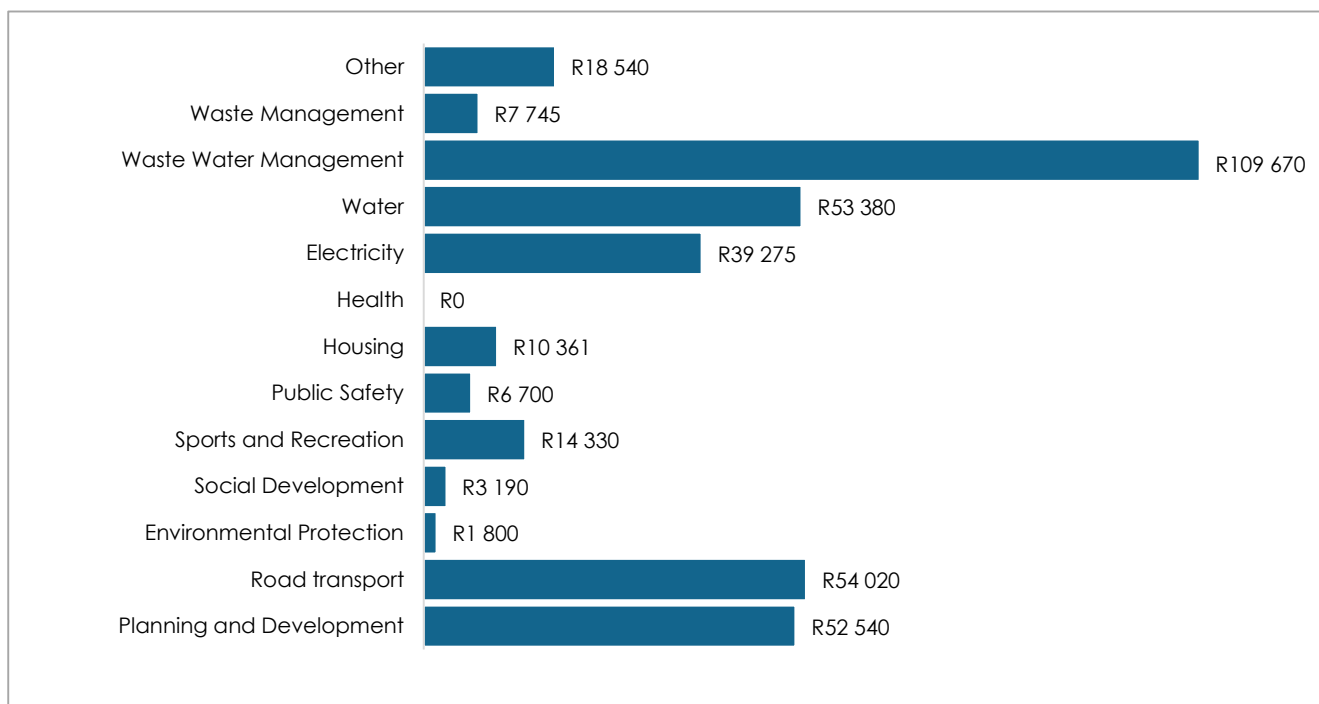
Spending on Trading Services

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

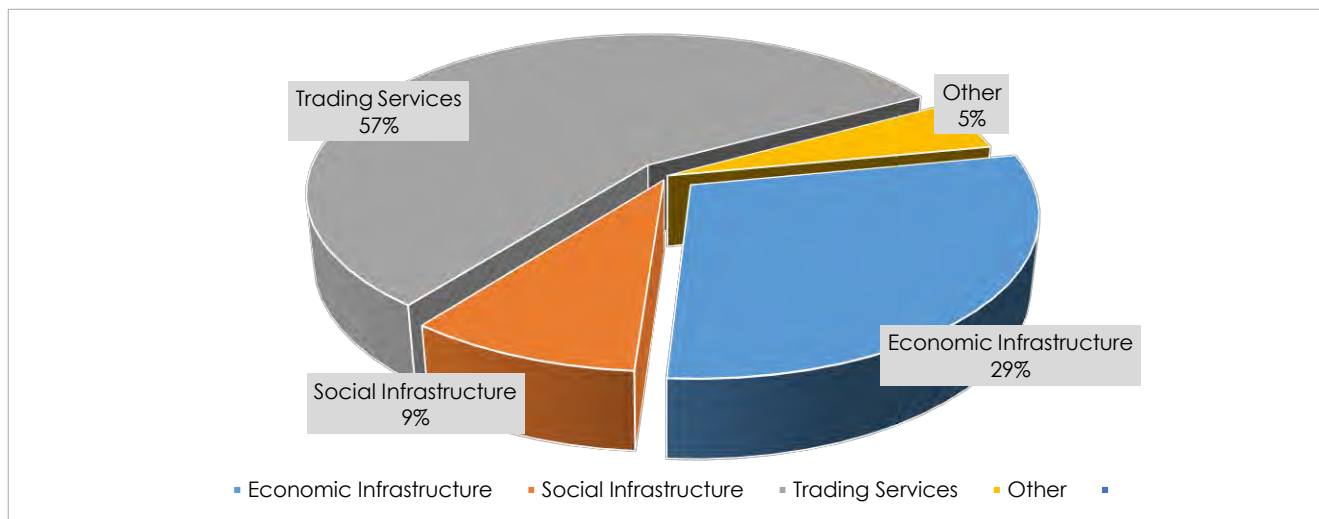
Figure 1:16: Provincial Infrastructure Spend



Source: Western Cape, Socio-Economic Profile 2020

Figure 1:17: Municipal Infrastructure Spend

Source: Western Cape, Socio-Economic Profile 2020

Figure 1:18: Municipal Infrastructure Spend

Source: Western Cape, Socio-Economic Profile 2020

1.2.8 MUNICIPAL PERFORMANCE HIGHLIGHTS AND CHALLENGES

1.2.8.1 Municipal performance highlights

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

Table 1:18: Performance Highlights

| Highlight | Description |
|--|---|
| Development Services | Development Charges (DCs) are calculated by the municipality and set as a development condition for new developments.
1. DCs paid in: R6,4M.
2. Assets created in lieu of DCs: R10,5M.
Total value created for the municipality in 2019/20: R16,9M. |
| Watergang, Kayamandi (20 units) | The 20 units were completed during the financial year. |
| TRA, Watergang | The upgrading of Zone O is of immense importance to assist with the relocation strategy that is needed to upgrade Zone O, Kayamandi. The temporary relocation area (TRA) accommodates 277 families and after the services have been installed in Zone O, the relocation strategy will commence. |
| Longlands, Vlothenburg | After the signing of the Tripartite Agreement between the land-owner, PDoHS and Stellenbosch Municipality, the funding application to install the internal services were approved. Contractor commenced with the installation of the internal services. This is a multi-year project. |
| Ida's Valley housing project (Erf 11330) | Installation of 195 internal services were completed. The construction of Phase 1, consisting of 84 GAP housing units, were completed. The construction of the BNG housing units commenced and 8 units received completion certificates for hand over. All the BNG houses will be handed over during the next financial year. |
| Mandela City, Klipmuts | The completion of 76 units was delayed as a result of the lockdown regulations that were implemented during the final quarter of the financial year. 20 units were completed and the balance will be completed during the 2020/21 financial year. |
| Kayamandi Town Centre | A comprehensive survey was done to determine the different businesses in the Town Centre of Kayamandi. This information enabled the professional team to revisit the entire layout of the Town Centre and thereby addressing high density developments and business opportunities for the effected residents. A progress report with a proposed concept layout design will be submitted to Council for approval. |
| Smartie Town, Cloeteville | The amount of 66 housing units were successfully completed and the balance of the units will be repaired during the 2020/21 financial year. |
| Upgrading of The Steps / Orlean Lounge | Contractor was appointed and commenced with the upgrading of the units during February 2020. This is a multi-year project and the anticipated completion date is 30 June 2023. |
| Watergang Farm Upgrading | Consultants were appointed to finalise the designs for the installation of 100 waterborne toilets and 80 water taps. Tender document was compiled and will be advertised during the first quarter of the 2020/21 financial year. |
| Erf 7001, Cloeteville | In accordance with the market challenges to provide GAP housing, the municipality did a backyard survey in Cloeteville and revisited the Call for Proposal in line with community statistics.
Bids were received from a potential service provider with proposed layout to develop Erf 7001. During the evaluation of the Call for Proposals, the bidders were found non-responsive and the BAC cancelled the tender. A new Call for Proposal was prepared and advertised. |

1.2.8.2 Municipal Challenges

The following general challenges were experienced by the municipality:

Table 1:19: Municipal Challenges

| Challenge | Actions to address |
|--|---|
| Watergang, Kayamandi (20 units) | Although the repairs of the damaged houses and electrical infrastructure were of the major challenges, the completion of the 20 units were concluded in 2019/20 financial year. |
| TRA, Watergang | The contractor after the community unrest that took place during May 2018, experienced many challenges to create new platforms as well as an acceptable housing typology. After the community workshops, the TRA unit was accepted and approved by Council and PDoHS. The TRA units were completed in the financial year under review. |
| Longlands, Vloffenburg | The signing of the Tripartite Agreement paved the way for the installation of internal services, although the relocation of certain families on the site stays a challenge.
The national lockdown impacted the proposed programme of the Contractor. The funding of the bulk and link services must be provided to address the capacity constraints on site. Funding application for the top structures must be submitted to prevent delays on site. The relocation of families residing on the site poses a risk of delaying the project. |
| Ida's Valley housing project (Erf 11330) | The project was delayed due to the national lockdown regulations. The contractor's programme had to be reviewed in order to fast track the completion of the housing units. An additional funding application was submitted to the PDoHS in order to provide a fence/wall next to the BNG houses. The fence must be erected prior to the occupation of the houses. |
| Mandela City, Klappmuts | The invasion of the land for developable space is a major challenge on site, and will result in project delay. |
| Kayamandi Town Centre | The layout for the Town Centre had to be revised to accommodate more formal and informal businesses. These changes minimises the amount of housing opportunities that was originally created. The community acceptance of high density development but public participation remain an ongoing challenge. |
| Smartie Town, Cloetesville | A contractor was appointed to do the rectification of 106 existing housing units. Due to the extent of defects in the houses, some of the families had to be relocated to temporary structures whilst their housing units were repaired. The appointment of local labour from the effected community was a major challenge and cause delays on-site. |
| Upgrading of The Steps / Orlean Lounge | The national lockdown regulations impacted the proposed programme of the Contractor. The informal structures (backyarders) causes delay on the project due to restricted access for construction activities. A temporary relocation area was provided for the beneficiaries in order to upgrade their respective units. |
| Watergang Farm Upgrading | The application was submitted to the PDoHS to fund the project during the next financial year and imposes a risk should funding not be considered to implement the project. |
| Erf 7001, Cloetesville | A new Call for Proposal was advertised and two bids were received. Unfortunately, both bids were deemed non-responsive and a new Call for Proposal has to be drafted and advertised. |
| Erf 2175, Enkanini | The project was completed at the end of 2019/20 financial year. The project included upgrading of the road system, the ablution facilities and the connection of approximately 300 informal structures.
Electricity was installed to 242 structures in the 2019/20 financial year on erf 2175, phase 4 of Enkanini Electrification. Plans to install electricity to a further 1 000 structures are underway to be executed in the 2020/21 financial year. |
| Congestion on road network | The municipality's main road network operates at and beyond capacity and not adequately meet peak travel demands, resulting in high levels of congestion. |
| Theft of road infrastructure | The theft of manhole covers; pedestrian handrails on bridges, and foundation material under road and bridges pose a safety risk to pedestrians and residents. |
| Illegal electrical connections | Illegal and unsafe connections as an alternative means that communities get themselves electricity, continues to be a challenge.
The awareness of dangers of such continue being shared with communities and |

| Challenge | Actions to address |
|--|---|
| | the challenge at IDP meetings. |
| Staff shortage | <p>The severe staff shortages continue being experienced as a challenge that hampers with service delivery. This was further exposed by COVID-19 pandemic, when a number of staff were either, quarantined, isolated or on sick leave, and no one was available to act.</p> <p>Planned electricity maintenance as a result, is not done to the level the applicable standards requires, which poses a major risk to the municipality.</p> <p>To adequately meet current and future transport challenges, and to effectively manage municipal roads and transport Infrastructure, vacant positions must be filled.</p> |
| Vandalism and cable theft | Infrastructure vandalism continues being a challenge experienced by the municipality. As a result, funding which could have been used elsewhere, is constantly being used to repair such. Fencing of mini-substations and substations where possible is realised. Kiosks where possible and funding allowing are replaced with strongboxes. This is a costly exercise though. |
| Safety of the staff | The safety of staff is also in jeopardy when working in high risk areas and special arrangements must be made with Law Enforcement to accompany staff to ensure their safety when called out to high-risk areas. |
| Electrification of informal settlements | Enclosing infrastructure by building around it, makes it impossible to conduct repairs and as such repairs restore power outages when experienced. Satellite dishes on poles also makes it impossible for operators to conduct repairs. |
| Unqualified staff appointed at libraries | Identified relevant library courses which have been included in the Work Skills Plan developed for the Libraries Department. |
| Security at Cloeteville Library | Alarm was installed and there is security deployed. |

1.2.9 SERVICE DELIVERY OVERVIEW

1.2.9.1 Basic Service Delivery Performance Highlights

Table 1:20: Basic Service Delivery Highlights

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

| Highlight | Description |
|----------------|---|
| | <p>17. Pots were beautified in Long street ward 17 and 16. Wilger Park received play items in ward 17. New Play items was installed in Ward 18 and Adam Street Park was upgraded. Gym was installed in ward 19. Montrose Rose Park received fencing and artificial grass in ward 21. Ward 22 received outdoor gym, new bins, new signage. Ward 20 received outdoor gym and artificial grass.</p> <p>Parks received one bakkie and two trucks in Stellenbosch and one truck in Franschhoek.</p> <p>Cemeteries received new fleet one truck and one bakkie and Jamestown Cemetery landscaping was improved.</p> <p>Palisade Fencing installed in Curry Street Park Cloeteville. Project was successfully completed. Fencing, Play equipment and outdoor gym installed in Kreefgat Park Ida's Valley. Project was successfully completed.</p> <p>Play equipment and outdoor gym installed in Kudu Park Klapmuts. Project was successfully completed.</p> <p>Play equipment installed in Adam Street Klapmuts Project was successfully completed.</p> <p>Outdoor gym equipment installed in ward 3, 21, 19, 18 and 16. Projects were successfully completed.</p> <p>Flower pots were installed in ward 8 Victoria Street; ward 11 Adam Tas Road centre island and ward 17 Welgevonden Circle. Project was successfully completed.</p> <p>Parks and cemeteries received new fleet, water trailers, trucks and bakkies. All items have been paid and put to work.</p> |
| Social Housing | <p>The municipality was awarded an amount of R500 000 for a feasibility study by the Social Housing Regulator Authority (SHRA) on selected Restructuring Zones. SHRA followed a procurement process and appointed a service provider to do the necessary feasibility studies which will assist the municipality to appoint a Social Housing Institution (SHI) or Other Development Agency (ODA). The feasibility study was submitted to Council and approved accordingly. The development processes that were included in the feasibility study, will also assist the municipality in Social Housing projects going forward.</p> |

1.2.9.2 Basic services delivery challenges

Table 1:21: Basic Service Delivery Challenges

| Service Area | Challenge | Actions to address |
|--|---|--|
| Social Service expectations on Local Government | <p>It is expected of municipalities to assist provincial and national government in the rolling out of services that is not defined as functions of local government (funding and management of temporary homeless shelters), implementation of the Children's Act, Local Drug Action Committees. In the case of the last two examples, it is captured in legislation as the responsibility of municipalities without it being reflected in Schedule 4 and 5 B of the constitution. Budget expenditure on items not perceived to be functions of local government becomes difficult to motivate.</p> | <p>Issue raised with the leadership of the municipality.</p> |
| Development Services, Asset Management and Project Management Unit (PMU) | <p>The municipality has been without a permanent Infrastructure Asset Management and Systems Manager since the post was created in 2018. The current staff shortage, in Asset Management and Development Services leads to excessive workload on remaining staff and in turn has an effect on meeting deadlines – notably those with legislated timeframes. Developers can suffer financial losses and economic activity can be delayed / stalled if the municipality doesn't respond to applications and requests timeously. Similarly, non-compliance with DoRA Integrated Urban Development Grant (IUDG) conditions could lead to IUDG funds being stopped. Therefore, sufficient capacity within this Department is of critical importance.</p> | <p>The following posts have been earmarked for appointment in the 2020/21 financial year:</p> <ol style="list-style-type: none"> 1. Senior Clerk reporting to Senior Manager <p>Development Services – Technician</p> |
| Wayleave Administration and | <p>The installation of telecommunications infrastructure in the road reserve increased</p> | <p>The current organogram must be modified to include a dedicated Wayleave Officer.</p> |

| Service Area | Challenge | Actions to address |
|--|---|--|
| Management | dramatically post the announcement of the National Lockdown Regulations in the final quarter of the year. Due to a combination of staff shortages and the National Lockdown Regulations, there was a failure to adequately coordinate and regulate all work carried out within the public road reserves which resulted in inconvenience to the public and damage to existing services. Though telecommunication licensees have been operating in the WC024, the current levels of activity require a more coordinated and concerted approach. | A Wayleave Policy will be tabled in 2020/21 for review and implementation.

The following post has been earmarked for appointment in the 2020/21 financial year: Asset Management and Systems – Wayleave Office – Field Inspector. Though not nearly enough to enable Quality Assurance and Control across the entire WC024 – this post is currently vacant after a resignation during 2019/20. |
| Illegal and unsafe electricity connections
Vandalism of electrical Infrastructure | Kayamandi and Langrug have illegal and unsafe electrical connections that pose danger to the communities. | An arrangement with law enforces to provide required protection to the officials when removing the illegal and unsafe connections have been made, however with no success. The department will keep on trying.

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

| Service Area | Challenge | Actions to address |
|--------------|---|---|
| | Lack of approved tenders affecting the operational programme. | Additional tenders have been put in place to be able to provide service to the community. |

1.2.9.3 Proportion of Households with access to Basic Services

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

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

Source: Statistics South Africa

1.2.9.4 Financial Viability Highlights

Table 1:23: Municipal Viability Highlights

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

1.2.9.5 Financial Viability Challenges

Table 1:24: Financial Viability Challenges

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

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

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

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

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

1.2.9.7 Financial Overview

Table 1:26: Financial Viability and Management Financial Overview

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

1.2.9.8 Operating Ratios

Table 1:27: Operating Ratios

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

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

1.2.9.9 Total Capital Expenditure

Table 1:28: Total Capital Expenditure

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

1.2.9.10 Municipal Standard Chart of Accounts

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

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

1.2.10 ORGANISATIONAL DEVELOPMENT OVERVIEW

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

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

1.2.10.1 COVID- 19 and Public Participation

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

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

- A payment reprieve / holiday on property rates was implemented from 01 April 2020 to 30 June 2020;

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

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

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

As at 18 May 2020 the Western Cape had 9 246 COVID-19 infections with Stellenbosch Municipality accounting for 60 infections of which 39 was active.

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

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

1.2.10.2 Municipal Transformation and Organisational Development Highlights

Table 1:29: Municipal Transformation and Organisational Performance Highlights

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

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

1.2.12 AUDITOR GENERAL REPORT

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

1.2.12.1 Audited Outcomes

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

| Year | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---------------|-------------|-------------|-------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|-------------|
| Status | Unqualified | Unqualified | Unqualified | Unqualified
(clean audit) | Unqualified
(clean audit) | Unqualified
(clean audit) | Unqualified
with findings | Unqualified
with findings | Outstanding |

2 CHAPTER 2: GOVERNANCE

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

2.1 NATIONAL KEY PERFORMANCE INDICATORS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

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

Table 2.1: National KPIs - Good Governance and Public Participation Performance

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

2.1.1 PERFORMANCE HIGHLIGHTS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Table 2.2: Performance Highlights - Good Governance and Public Participation

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

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

2.1.2 CHALLENGES - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

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

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

2.2 COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.2.1 POLITICAL GOVERNANCE STRUCTURE

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

2.2.2 COUNCIL – 01 JULY 2019 TO 30 JUNE 2020

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

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

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

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

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

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

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

| Meeting dates | Number of items (resolutions) submitted | Percentage Attendance of Council Meetings | Percentage Apologies for non-attendance |
|--|---|---|---|
| delegated authority -- Lockdown) | | | |
| 18 May 2020 (Executive Mayor resolved under delegated authority -- Lockdown) | 4 | - | - |
| 20 May 2020 (Executive Mayor resolved under delegated authority -- Lockdown) | 1 | - | - |
| 27 May 2020 | 5 | 88% | 12% |
| 12 June 2020 | 15 | 83% | 17% |

2.2.3 EXECUTIVE MAYORAL COMMITTEE

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

The Executive Mayoral position were occupied as follows:

Table 2.6: Executive Mayor for the period

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

Table 2.7: Executive Mayoral Committee for the 2019/20 financial year

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

The table below indicates the dates of the Executive Mayor-in-Committee meetings and the number of reports submitted to council for the 2019/20 financial year:

Table 2:8: Committee Meetings 2019/20

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

2.2.4 PORTFOLIO COMMITTEES

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

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

2.2.4.1 Planning and Economic Development Portfolio Committee

Table 2:9: Planning and Economic Development Committee

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

Table 2:10: Planning and Economic Development Meetings

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

2.2.4.2 Infrastructure Committee

Table 2:11: Infrastructure Services Portfolio Committee

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

Table 2:12: Infrastructure Services Portfolio Committee meeting

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

2.2.4.3 Finance Portfolio Committee:

Table 2:13: Finance Portfolio Committee

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

Table 2:14: Finance Portfolio Committee Meeting Dates

| Meeting dates | Number of reports |
|---------------|-------------------|
| NONE | |

2.2.4.4 Community and Protection Services Portfolio Committee

Table 2:15: Community and Protection Services Portfolio Committee

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

| Period
1 July 2019 – 30 June 2020 | |
|--------------------------------------|------------------|
| Name of member | Capacity |
| LL Stander | Committee Member |

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

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

2.2.4.5 Corporate Services Portfolio Committee

Table 2:17: Corporate Services Portfolio Committee

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

Table 2:18: Corporate Services Portfolio Committee Meeting Dates

| Meeting dates | Number of reports |
|---------------|-------------------|
| NONE | |

2.2.4.6 Human Settlements Portfolio Committee

Table 2:19: Human Settlements Portfolio Committee

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

Table 2:20: Human Settlements Portfolio Committee Meetings

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

2.2.4.7 Rural Management and Tourism Portfolio Committee

Table 2:21: Rural Management and Tourism Portfolio Committee

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

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

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

2.2.4.8 Youth, Sport and Culture Portfolio Committee

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

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

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

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

2.2.4.9 Parks, Open Spaces and Environment Portfolio Committee

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

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

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

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

2.2.5 SECTION 79 COMMITTEES

2.2.5.1 Municipal Public Accounts Committee (MPAC)

Table 2:27: MPAC Committee

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

Table 2:28: MPAC Committee Meeting Dates

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

2.2.5.2 Appeals Committee

Table 2:29: Appeals Committee

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

Table 2:30: Appeals Committee Meeting Dates

| Meeting dates | Number of reports |
|---------------|-------------------|
| NONE | |

2.2.5.3 Local Labour Forum (LLF)

Table 2:31: Local Labour Forum (LLF)

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

Table 2:32: Local Labour Forum Meeting Dates

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

2.2.5.4 Employment Equity Committee

Table 2:33: Employment Equity Committee

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

Table 2:34: Employment Equity Committee Meeting dates

| Meeting dates | Number of reports |
|---------------|-------------------|
| NONE | |

2.2.5.5 Councillor Disciplinary Committee

Table 2:35: Councillor Disciplinary Committee Portfolio Committee

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

| Name of member | Capacity |
|----------------|------------------|
| LL Stander | Committee Member |

Table 2:36: Councillor Disciplinary Portfolio Committee Meeting Dates

| Meeting dates | Number of reports |
|---------------|-------------------|
| NONE | |

2.2.5.6 Rules Portfolio Committee

Table 2:37: Rules Portfolio Committee

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

Table 2:38: Rules Portfolio Committee Meeting dates

| Meeting dates | Number of reports |
|---------------|-------------------|
| NONE | |

2.2.6 STRATEGIC GOVERNANCE STRUCTURE

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

Table 2:39: Administrative Governance Structure

| Name of Official | Department | Performance agreement signed |
|-------------------|--|------------------------------|
| | | (Yes/No) |
| Geraldine Mettler | Municipal Manager | Yes |
| Annalene De Beer | Director: Corporate Services | Yes |
| Tabiso Mfeya | Director: Planning and Economic Development (until 29 February 2020) | Yes |
| Anthony Barnes | Director: Planning and Economic Development (from 01 June 2020) | Yes |
| Kevin Carolus | Chief Financial Officer | Yes |
| Gary Boshoff | Director: Community and Protection Services | Yes |
| Deon Louw | Director: Infrastructure Services | Yes |

2.3 COMPONENT B: PUBLIC ACCOUNTABILITY

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

The participation outlined above is required in terms of the:

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

2.3.1 INTERGOVERNMENTAL RELATIONS

2.3.1.1 National Intergovernmental Structures

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

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

2.3.1.2 Provincial Intergovernmental Structures

Office of the Municipal Manager

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

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

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

Financial and Corporate Services

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

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

Planning and Economic Development

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

The DEA&DP and the municipality established a working group to consult monthly or more regularly as the need arises about environmental authorisation applications and land use (spatial planning) matters. Slow response times to applications by developers, entrepreneurs, farmers, service providers (Eskom, Telkom, cellular operators, etc.), waste management bodies, mining operators and roads authorities, cause delayed investment and infrastructure provisions. This has negative effects on the economy, hence the working group was established to increase the speed with which the applications are administered.

The working group consists of the technical role players and it is overseen by the portfolio councillors of the municipality. This structure ensures prior commitment to and understanding of matters to be reported to the relevant portfolio committees or council. The working group is administered by the DEA&DP and meetings are in liaison with the Directorate: Planning and Economic Development, who must invite and ensure attendance by affected internal role players.

Regional Forum Meetings between Provincial Department of Human Settlements (PDoHS) and Municipalities in the Cape Winelands region:

- The PDoHS and the municipalities in the Cape Winelands Region meet on a quarterly basis to discuss all new housing policies and budget related matters in housing delivery. During the meeting, all the housing officials of the various municipalities are present to share their new innovative ideas. The overall performance of each municipality is discussed in detail as well as mitigating options if the need arises;
- Applications of new and existing projects are also discussed with the feedback from the PDoHS. The municipalities receive information relating to: beneficiary administration, outstanding approvals, informal settlement challenges, title deed transfers, farm worker evictions and other matters with regards to the housing delivery. Legislation and court rulings are also discussed to ensure that senior officials are aware of any new implementation programmes, circulars and legal precedents. Each of the five municipalities is given the opportunity to host this engagement;
- The Informal Settlements Department also represents the municipality at the bi-monthly Informal Settlements Support Programme (ISSP) meetings of the Provincial Department of Human Settlements (PDoHS). The latter programme aims to interpret National and Provincial guidelines with respect to upgrading of informal settlements. The purpose of these monthly meetings is to discuss best practices in informal settlements within the Cape Winelands region; and
- The Informal Settlements Department furthermore collaborates between various Municipal Departments and Stats SA. The collaboration is aimed at regularising the municipality's data

collection efforts into a format that is acceptable to Stats SA and that the collected data eventually will meet the standards as required by Stats SA.

Infrastructure Services

The Directorate participates in the Stellenbosch River Collaborative Steering Committee with the aim of developing a multi-stakeholder collaborative governance process within which to deal with issues of water quality and pollution in the Stellenbosch rivers. The participants include the Winelands Water Users Association, Stellenbosch Municipality, Department of Water Affairs, the Department of Environmental Affairs, Cape Nature, WWF, Wildlands and key stakeholders in the wine industry such as Spier and the Distell group.

The 3rd Generation Integrated Waste Management Plan (IWMP), gives direction regarding Waste-to-Energy, Alternate Waste Management options and Waste Management projects proposals. This innovative approach was recognised by the DEA&DP when the municipality was requested to assist three other local municipalities in taking this approach. The municipalities of Beaufort West, Prins Albert and Laingsburg were assisted in this manner by the visit of the Waste Management Department team, who trained the local officials as well as assisted in the first data collection exercise.

Stellenbosch Municipality is also represented at the quarterly Waste Management Officers Forums, where best practices, changing legislation, feedback from national and provincial government policy changes, etc. are discussed to keep all municipalities in the Western Cape abreast of all issues pertaining to waste management. The Western Cape Recycling Action Group (RAG) quarterly forums, although more geared at private sector contributions to waste minimisation, also provide the platform for municipalities to engage with each other and the private sector for waste minimisation opportunities.

The Electrical Department is extensively involved with the other local municipalities' electricity departments through the Association of Municipal Electricity Utilities (AMEU). This project is an initiative to implement energy saving and load shifting capacity within the municipal area and is being used with great success.

Community and Protection Services

Traffic Services liaises with Western Cape Government: Department Transport and Public Works on a continuous basis on matters related to transport administration and licensing, traffic law administration regarding motor-vehicle licensing and issuing of learner and driving licenses.

The department further engages with RTIA, RTMC, Director Public Prosecutions, Department of Justice regarding legislative requirements and adherence.

To execute the Safely Home Programme, the department interacts with various engineering entities such as provincial engineers and Cape Winelands District Council. The Western Cape Government developed the Provincial Strategic Plan (PSP) which gave rise to policies, programmes and projects forming partnerships amongst government, citizens, civil society and business. Various spheres of government are being engaged to co-create a culture of wellness and safety in the workplace and to promote wellness and safety through integrated service delivery models in order to address the social determinants of health through interaction with Department Education, Health Department and SAPS.

The municipality engages in numerous partnerships to facilitate service delivery.

Table 2:40: Municipal Partnerships

| Name of Partner / Partnership | Purpose |
|--|--|
| Mayor / Rector Forum | A partnership with the University of Stellenbosch to ensure aligned development planning and that the municipality draws from the university's expertise and resources. |
| Memorandum of Cooperation between the Stellenbosch Municipality and Stellenbosch University (SU) | Cooperation in terms of closed circuit television in the interest of the security of the town and the campus with a view to a crime-free university town. |
| Landfill Monitoring Committee | A partnership with the Devon Valley residents, whereby residents monitor the Stellenbosch landfill site. |
| IMESA (Institute for Municipal Engineers South Africa) | A partnership with IMESA aimed at strengthening knowledge and capacity related to municipal infrastructure and service delivery. |
| Integrated Development Committee (IPC) | A partnership with the university and other stakeholders aimed at exploring spatial and urban planning possibilities for Stellenbosch to meet the needs of the municipality and university. |
| Department Social Development, DCAS, Cape Winelands District Municipality | Joint implementation of programmes focussing on common issues within WC024. |
| SALGA Municipal Benchmarking Initiative | A partnership aimed at improving efficiency and effectiveness through comparative process benchmarking, peer-to-peer operational knowledge sharing and iterative performance improvements. |
| Stellenbosch River Collaborative | A partnership was formed between various role players to improve the water quality in the Eerste River catchment, with the focus on the Plankenbrug river. |
| Bergriver Improvement Programme | A partnership was formed to improve the quality of the storm water run-off from the Langrug Informal Settlement. The project entails the implementation of biomimicry, waste recycling and a Sustainable Urban Drainage lab. |
| LTAB | A partnership was formed between political leaders to discuss Land Transport-related matters that affect transport in the area. |
| Transport Working Group | A Transport Working Group was established to discuss transport related matters that affect Stellenbosch, including all relevant governmental institutions and other role players. |
| IPC | The Integrated Planning Committee is a working group between the City of Cape Town, Stellenbosch, Saldanha, Overstrand, Theewaterskloof, and Drakenstein Municipality that discuss all transport related matters to effectively promote regional planning |
| NMT Working Group | A working group that discusses all Non-Motorised Transport matters in the Stellenbosch area. The group consist of NMT users, officials, representatives from the university and the disabled fraternity. |
| Drought Steering Committee | This is a committee consisting of a panel of roll players in the drought intervention plan including consultants to discuss, plan, manage and action the Drought Intervention strategies that culminated from various source documents including WCWDM strategies, WSDP, Audit Reports and various Master Plans and processes. It also oversees the SCM and construction phase of the plans. |
| GreenCape | The GreenCape partnership represents a cooperation with the province's 110% green initiatives, focussing on alternative waste management initiatives and energy efficiency. |
| CSIR | A partnership aimed at multidisciplinary research and development by supporting innovation in Stellenbosch. |
| Genius of Space | This initiative developed from, and forms part of the Western Cape 110% Green Initiative. The Biomimicry Genius of Space project is a registered flagship project of 110% Green. This initiative combines two priorities of the Western Cape Government – the Berg River and the Green Economy – to find an innovative solution to water pollution in the Berg River. |
| General | Municipal Partnerships. |

| Name of Partner / Partnership | Purpose |
|--|---------|
| District Intergovernmental Structures | |
| <p>The Cape Winelands District Municipality's Executive Mayor is Chairperson of the District Coordinating Forum which has been established in accordance with the Intergovernmental Relations Framework Act, No. 13 of 2005. This forum meets quarterly and seeks to promote and facilitate intergovernmental relations between the district municipality and the local municipalities in the district. The Stellenbosch Municipality participates in this forum and the Cape Winelands District Municipal Managers Forum and benefits immensely from this involvement by being exposed to good practises in other municipalities and strengthening the relationship with the district municipality in forging joint partnerships in the interest of good governance and service delivery. The Cape Winelands District Municipality supports community development and use indigenous sports to create social cohesion amongst communities in the district. Special focus and attention was given to our communities in rural areas. Stellenbosch, Drakenstein and Breede Valley Municipalities have participated in various indigenous games which were hosted by the Cape Winelands Municipality. The relationship between Stellenbosch Municipality and the district municipality has dramatically improved and the Community Services Department has managed to exceed all expectations in this regard. A targeted approach was followed and sports were used as a catalyst to cement this relationship with the district.</p> <p>The areas that the Department of Community Services targeted were communication, sharing of resources, capacity building and financial resources. The improved relationship between the district municipality and Stellenbosch Municipality enabled the communities to also participate in the Provincial and National Indigenous Games.</p> | |

2.3.2 REPRESENTATIVE FORUMS

2.3.2.1 Local labour Forum

The table below lists the members of the Local Labour Forum for the 2019/20 financial year:

Table 2:41: Local Labour Forum

| Name of representative | Capacity | Meeting dates |
|---|---|-------------------|
| E Groenewald [Ms] | Councillor and Chairperson | 01 August 2019 |
| R Du Toit [Ms] | Councillor | |
| AR Frazenburg | Councillor | |
| LK Horsband [Ms] | Councillor | |
| XL Mdemka [Ms] | Councillor | |
| RS Nalumango [Ms] | Councillor | 26 August 2019 |
| A de Beer [Ms] | Director: Corporate Services | 30 September 2019 |
| D Louw | Director: Infrastructure Services | |
| G Boshoff | Director: Community and Protection Services | |
| K Carolus | Chief Financial Officer | |
| A Kannemeyer | Senior Manager : Human Resources | |
| L Bixa | SAMWU Representatives | 28 October 2019 |
| J Brown | SAMWU Representatives | |
| S Kiva (Deputy Chairperson: from February 2020) | SAMWU Representatives | |
| A Mnenso | SAMWU Representatives | |
| T Ncoko | SAMWU Representatives | |
| S Ndleleni | SAMWU Representatives | 25 November 2019 |
| H Coffee [Ms] | IMATU Representatives | 03 February 2020 |
| T Gilbert | IMATU Representatives | |
| R Louw | IMATU Representatives | |
| L Van Schalkwyk: (Deputy Chairperson: until January 2020) | IMATU Representatives | |

| Name of representative | Capacity | Meeting dates |
|------------------------|-----------------------|---------------|
| E Vergotine | IMATU Representatives | |
| D Williams | IMATU Representatives | |

2.3.3 WARD COMMITTEES

The advent of democracy in 1994 brought about a new democratic local governance system which promotes certain basic values and principles. Such values and principles include transparency, accountability and an open and inclusive system of governance through community involvement in governance, and planning and democratisation of development. This certainly placed South Africa on par with other democratic governments throughout the world and positioned it as a reputable reference form of effective decentralised system of government.

The notion of participation remains a key cornerstone of good governance and constitutes an integral component in the policy making process, development planning and budgeting. Section 152 of the Constitution, places the participation of communities at the centre of service delivery and other matters of Local Government. Correspondingly, the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and the MSA provides the legislative framework for the establishment of Ward Committees by municipalities.

Section 42 of the MSA stipulates that a municipality, through appropriate mechanisms, processes and procedures established in terms of Chapter 4 of said Act, must involve the local community in the development, implementation and review of the municipality's performance management system and, in particular, allow the community to participate in the setting of appropriate key performance indicators and performance targets for the municipality.

A general understanding has emerged that a ward committee is an area-based committee whose boundaries coincide with ward boundaries.

Ward Committees:

- are made up of representatives of a particular ward;
- are made up of members who are elected to represent a specific geographical area/block;
- are chaired by the ward councillor;
- are meant to be an institutionalised channel of communication and interaction between communities and municipalities;
- give the community members the opportunity to express their needs and opinions on issues that affect their lives, and to be heard at the municipal level via the ward councillor; and
- are advisory bodies created within the sphere of civil society to assist the ward councillor in carrying out his or her mandate in the most democratic manner possible.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and acts as the chairperson. Although ward committees have no formal powers, they advise the ward councillor, who makes specific submissions directly to the council. These committees play a critical role in the development and annual revision of the integrated development plan of the area.

The ward committee support the ward councillor, who receive reports on development, participate in development planning processes and facilitate wider community participation. The municipality constantly strives to ensure that all ward committees function optimally in terms of the provision of community information, convening meetings, ward planning, service delivery, IDP formulation and performance feedback to communities.

The year 2020 will undoubtedly be remembered as a year that changed the world. The COVID-19 pandemic has undeniably brought about profound changes on all levels of society. These changes, inter alia, demand new ways of thinking about development and public participation.

Ward 1: Franschhoek town, Bo-Hoek Farms, Mooiwater

Table 2:42: Ward 1 Committee Members

| Name of representative | Capacity representing |
|------------------------------|-------------------------------------|
| Aldridge Frazenburg | Councillor |
| AH Bauer | Bo-hoek farms |
| H Diedericks | Beaucop De Leau to School Street |
| AP Kilian | Calais Street to Hugenate Road |
| PG Mihalopoulos | Akademie to De Villiers Street |
| N Ntsunguzi | Beaucop De Leau to Dalibuhle School |
| M Nyanga | Beaucop De Leau to Dalibuhle School |
| F Ahmed | Upper farms |
| R Plaatjies until April 2020 | Lower Farms |
| C Daniels | Beaucop De Leau to School Street |
| Elzona Morris | Ward Adminstrator |

Ward 2: Langrug, La Motte, Dennegeur, Groendal, Domain Agnes

Table 2:43: Ward 2 Committee Members

| Name of representative | Capacity representing |
|----------------------------|----------------------------|
| Wilhelmina Petersen | Councillor |
| N Gertse from Aug 2019 | Dennegeur |
| N Fata | Zwalitcha |
| A Jeffhas | Jaffhas to Boonzaaier Road |
| Vacant | La Motte |
| N Noboza from Feb 2020 | Mazaleni |
| M Van Zyl | Domain Des Anges |
| A Manuel Sept 2019 | Berg River Dam Houses |
| M Hoffman from Aug 2019 | School Street to R45 |
| Gert Jeffhas from Aug 2019 | Santa Rosa to R45 Unknown |
| K Mpongo from Feb 2020 | Ikhanini |
| - | Ward Administrator |

Ward 3: Lanquedoc, Meerlust, Wemmershoek, Maasdorp and Surrounding**Table 2:44: Ward 3 Committee Members**

| Name of representative | Capacity representing |
|------------------------|---|
| Charles Manuel | Councillor |
| Vacant | Vygie, Kerk, Hoof Street - Lanquedoc |
| MP Krediet | Vygie, Kerk, to Gravel Road - Lanquedoc |
| J Plaatjies | Meerlust and Farms |
| J Nomdoe | Angelier, Prins Afrika, Leeubekkie, Vygie Streets - Wemmershoek |
| C Stuurman | Hoof, Kerk, Vygie Streets - Lanquedoc |
| G Moody | Vygie, Angelier Streets - Wemmershoek |
| L Cloete | Wemmershoek |
| D Booysen | Vygie, Kerk, Hoof Street - Lanquedoc |
| Gregory Viljoen | Ward Administrator |

Ward 4: Pniel, Kylemore and Johannesdal**Table 2:45: Ward 4 Committee Members**

| Name of representative | Capacity representing |
|--------------------------|--|
| Malcolm Johnson | Councillor |
| S Charles | Malva, Arum, Gousblom, Freesia, Daffodil, School streets and Farms |
| G Jacobs | Johannesdal |
| A Williams | Panorama, Simonsberg, Pine and Silvermine Streets |
| D Lackay | Panorama, Simonsberg, Pine and Silvermine Streets |
| P van Wyk until Oct 2019 | PC Pietersen, Swart, Abrahams Streets, Capolavdoro |
| B November | Arcade, Santa Rosa, Starking, Helshoogte Streets |
| J Myburgh | Kloof, Hill, Dahlia, Oak Kleigat Streets |
| R van Wyk | Kerk, Brand, De Wet, Adams, Rooi, Jooste, Cupido Streets |
| B Lewak | Malva / Arum / Gousblom / Freesia / Daffodil / Skool Streets and Farms |
| R Sauls | Johannesdal |
| Melicia Simpson | Ward Administrator |

Ward 5: The Ridge, Lindida and Ida's Valley (Hydro into the direction of Ida's Valley and Omega Street to Jonkershoek)**Table 2:46: Ward 5 Committee Members**

| Name of representative | Capacity representing |
|------------------------|------------------------------|
| Donovan Joubert | Councillor |
| A Pieterse | Hydro and Surrounding Farms |
| RB Van Rooyen | The Ridge |
| L Hendricks | Bo-vlei |
| K Marais | Schoongezicht Farms |
| P Herandien | Lindida, Kreefgat, Uppervlei |
| W Johannes | Jonkershoek Upper |
| J Naude | Lindida, Kreefgat, Uppervlei |
| L Persensie | Lindida, Kreefgat, Uppervlei |
| N Rhode | Jonkershoek |
| Sinobia Zass | Ward Administrator |

Ward 6: Ida's Valley and farms (Nietvoorbij, Timberlea, Morgenhoff, Remhoogte, Muratie, Groenhof, Delheim, Lievland, Kanonkop, Uifkyk, Glenelly, Emerie, Laundry, Packham, L'Avenir)

Table 2:47: Ward 6 Committee Members

| Name of representative | Capacity representing |
|-----------------------------|---------------------------------|
| Nateshia Mcombring | Councillor |
| George August from Nov 2019 | Protea to Sonneblom Streets |
| Owen Bergstedt | Tindall to Luckhoff Streets |
| Johannes Brandt | Speler to Botmaskop Streets |
| Patricia Constable | Farm areas to North |
| Freda Fortuin | Tindall to Luckhoff Streets |
| Pieter Gordon | Rustenburg Rd to Lelie Street |
| Madelein Hendricks | Botmaskop |
| Franklin Poole | Old Helshoogte to Lelie Streets |
| Paul Roets | Rustenburg Rd to Lelie Street |
| Diana Jones | Lindley to Weber Streets |
| Cerelmiel Van Rooyen | Ward Administrator |

Ward 7: Mosterdsdrif, Kolonieshof, Karindal, Rozendal, Uniepark, Simonswyk, Universiteits Oord and De Weides

Table 2:48: Ward 7 Committee Members

| Name of representative | Capacity representing |
|--------------------------------|-----------------------|
| Alwyn Hanekom | Councillor |
| CD Cillie | Simonswyk |
| PE Claassen | Mostertsdrif |
| JD Coetzee until February 2020 | Rozendal |
| GA Giliomee | Karindal |
| GG Groenewald | Mostertsdrif |
| AB Meiring | Karindal |
| JP Swanepoel | Uniepark |
| WJ Van Aswegen | Simonswyk |
| Janetta Giliomee | Ward Administrator |

Ward 8: University Areas: Marais, Merriman, Helderberg Street

Table 2:49: Ward 8 Committee Members

| Name of representative | Capacity representing |
|----------------------------|--|
| Quintin Smit | Councillor |
| R De Villiers | Van Riebeek, The Avenue, Coetzenburg Road |
| T Hlatwayo until July 2019 | Victoria, Neethling, Bosman, Van Riebeek |
| CL Macleod | Van Riebeek, Die Laan, Neethling, Eerste River |
| M Wannenburg | Merriman, Marais, Hofmeyer, Bosman |
| E Beukman | Merriman, Marais, Hofmeyer, Bosman |
| D Madire | Victoria, Neethling, Bosman, Van Riebeek |
| Janetta Gilliomee | Ward Administrator |

Ward 9: Eerste River, Krige, Herte, Skone Uitsig, Bird, Merriman, Bosman, Victoria, Neethling, The Avenue

Table 2:50: Ward 9 Committee Members

| Name of representative | Capacity representing |
|------------------------|-----------------------|
| ZJ Dalling | Councillor |
| JM Calitz | Geographic |
| GG Cillie | Geographic |
| JMK Meyer | Geographic |
| M Pauw until Oct 2019 | Geographic |
| A Louw | Geographic |
| H Esterhuizen | Geographic |
| I Dean until Oct 2019 | Geographic |
| L Combrink | Geographic |
| K Britz from Feb 2020 | Geographic |
| T Kumm from Jun 2020 | Geographic |
| Janetta Giliomee | Ward Administrator |

Ward 10: Tennant Street, Bell Street, Lappan Street, Lackey Street, Langstraat- Suid , La Colline – Faure Street, Dr Malan Street to Irene Park, Conde Street, Mount Albert, Taylor, Voorplein to Kromriver, Municipal Flats (Lavanda, Aurora, Phyllaria), Molteno Avenue to Paul Kruger Street and Banghoek Avenue

Table 2:51: Ward 10 Committee Members

| Name of representative | Capacity representing |
|------------------------|-----------------------|
| Rozette du Toit | Councillor |
| P Hough | Tennantville |
| B Samuels | Tennantville |
| P Stone | Lapland |
| S Williams | Lapland |
| K Malgas | Lacoline |
| L Atson from Oct 2019 | - |
| Moses Michaels | Ward Administrator |

Ward 11: Dorp Street to Herte Street, Mark Street, Alexander Street, bottom of Bird Street to the Stellenbosch Train Station, all areas in Onder-Papegaaiberg and surrounding businesses.

Table 2:52: Ward 11 Committee Members

| Name of representative | Capacity representing |
|-----------------------------|--|
| Johanna Serdyn | Councillor |
| P Carinus | Onderpapegaaiberg – Flamingo Street to Devon Valley Road |
| D Cupido | Devon Valley and Farms |
| I Fourie | Onderpapegaaiberg – Flamingo Street to Devon Valley Road |
| U Bell until September 2019 | Onderpapegaaiberg – Flamingo Street to Devon Valley Road |
| M Snyman | Onderpapegaaiberg – Flamingo Street to Devon Valley Road |
| B Brand | Dorp Street |
| CF Schreiber | Tarentaal Street to Patrys Street |
| Janetta Giliomee | Ward Administrator |

Ward 12: Kayamandi: Enkanini, Snake Valley, Watergang, Thubelitsha, New Watergang(106), Zone O (next to Enkanini), Chris Hani Drive, Municipal Flats (10th and 13th Street), School Crescent, Ekuphumleni, Siyahlala, Zone A, George Blake

Table 2:53: Ward 12 Committee Members

| Name of representative | Capacity representing |
|--------------------------|-----------------------|
| Nokuthula Managa-Gugushe | Councillor |
| L Dangisa | Geographic |
| M Galada | Geographic |
| S Mdodana | Geographic |
| S Mdutyana | Geographic |
| N Ntanjana | Geographic |
| M Qondani | Geographic |
| N Sifumba | Geographic |
| S Siguba | Geographic |
| Y Makuleni | Geographic |
| N Jodo from October 2019 | Geographic |
| S Mafenyang | Ward Administrator |

Ward 13: Kayamandi: Old Location from Lamla Street to Luyolo Street, Red Bricks, Old Hostels

Table 2:54: Ward 13 Committee Members

| Name of representative | Capacity representing |
|------------------------|-----------------------|
| Faith Bongani-Menziwe | Councillor |
| N Bhayibhile | Geographic |
| NVV Finini | Geographic |
| N Nojoko from Feb 2020 | Geographic |
| V Hani | Geographic |
| JZ Jekem | Geographic |
| S Magade | Geographic |
| PN Makasi | Geographic |
| S Mcako | Geographic |
| B Takisa | Geographic |
| M Zondiwe | Geographic |
| N Tolibisa | Ward Administrator |

Ward 14: Kayamandi: Zone I Setona Street), Zone O(lower part) Mgabadeli Crescent, Monde Crescent , Costa Land, Strong Yard, Zone M (8th Avenue), Zone P

Table 2:55: Ward 14 Committee Members

| Name of representative | Capacity representing |
|------------------------|-----------------------|
| Phelisa Sitshoti | Councillor |
| MH Gxilishe | Geographic |
| MD Masimini | Geographic |
| O Manthsi | Geographic |
| E Mgoqi | Geographic |
| N Mpemnyama | Geographic |
| NA Mthiya | Geographic |

| Name of representative | Capacity representing |
|--------------------------|-----------------------|
| S Oliphant from Aug 2019 | Geographic |
| N Zweni from Aug 2019 | Geographic |
| M Brown from Aug 2019 | Geographic |
| P Tina from Aug 2019 | Geographic |
| Boikabetso Lesaoana | Ward Administrator |

Ward 15: Kayamandi: Mjandana Street(Zone L), Mputa Close, Zone K, Ndumela Street(Zone J), Distell Hostels, Vineyard, Zone O Middle part(Fire Street), Municipal Workers Flats, Zone N, and M, Old Corrobricks Hostels, Mdala Street(Old Hostels)

Table 2:56: Ward 15 Committee Members

| Name of representative | Capacity representing |
|--------------------------|-----------------------|
| Nosibulele Sinkinya | Councillor |
| T Dishi | Geographic |
| NJ Kepu | Geographic |
| G Kota | Geographic |
| M Kumalo | Geographic |
| TJ Lepheana | Geographic |
| EP Masimini | Geographic |
| P Nyakaza | Geographic |
| N Ngwevela from Jan 2020 | Geographic |
| T Tshatani from Jan 2020 | Geographic |
| L Xelenga | Geographic |
| Vuyelwa Maramnco | Ward Administrator |

Ward 16: Long Street, Eike Street, Jakaranda Street, Short Street, Curry Street, Quarry Street, Primrose Street, Pine Street, Hoop Street, North End Street,Vredelust Street Noord Vredelust West Street, Laai Street, Last Street, Arnolds Street, Anthony Street, Carriem Street, Davidse Street, Cupido Street, Ismael Street, Crombi Street, Chippendale Street Bergstedt Street, Achilles Street, Africa Street, Cornelson Street Cloetesville

Table 2:57: Ward 16 Committee Members

| Name of representative | Capacity representing |
|-------------------------------|---------------------------------------|
| Elsabe Vermeulen | Councillor |
| J Beneke | Curry, Pine, Primrose, Silvia, Quarry |
| L De Klerk until October 2019 | Curry, Pine, Primrose, Silvia, Quarry |
| A Flink | Last to North End Streets |
| M Fredericks | Curry, Pine, Primrose, Silvia, Quarry |
| E Gordon | From Sports Field to last Street |
| A Meyer | Tennatville and Slabtown |
| J Williams | Long Short, Jakaranda, Eike Streets |
| J Henry until Aug 2019 | Laetitia Park |
| Yvonne Lamberts | Ward Administrator |

Ward 17: Longstreet, Kloof Street, Fir Street, Williams Street, Rhode Street, Hendrickse Street, February Street, Weltevrede 2 and Welgevonden, King Street, Hine Street, Fontein Street, Wilger Street, Raziet Street, Pool Street, Valentyn Street, Ortell Street, King Street, Isaac Street, Stellita Park, Gabriel Street, Part of Lackay Street

Table 2:58: Ward 17 Committee Members

| Name of representative | Capacity representing |
|----------------------------|-------------------------------|
| Paul Biscombe | Councillor |
| J Fasser | Soekmekaar and surrounds |
| J Joon | Rietenbosch |
| D Smith | Flats: Kloof and Long Streets |
| A Van der Mescht | Welgevonden |
| A Van der Westhuizen | Huis Ebenhaezer |
| M Wagner | Rhode Street Flats |
| D Robyn | Stellita Park |
| J September from Sept 2019 | - |
| J Isaacs from Sept 2019 | - |
| Heidi Sauls | Ward Administrator |

Ward 18: Klapmuts and surrounding farms

Table 2:59: Ward 18 Committee Members

| Name of representative | Capacity representing |
|-----------------------------|--------------------------------------|
| Emily Fredericks | Councillor |
| J Kleinsmith from July 2019 | New Houses, Brickfields |
| J Fredericks | Koelpark |
| W Johannes | Sand, Bell, Merchant, Railway Houses |
| A Michel | Weltevrede Park 1 |
| N Mtaba | Mandela City, Lawson |
| J September | La Rochelle, Pinotage Village |
| J Fochessati | New Houses / Brickfield |
| G Wentzel | Rozenmeer, Police Station, Farms |
| G Hector | Weltevrede Park 2 |
| Belinda Foster | Ward Administrator |

Ward 19: Elsenburg, Vaaldrain, Slaley, Kromme Rhee, De Novo, Bottelary, De Hoop, Simonsig and surrounding farms

Table 2:60: Ward 19 Committee Members

| Name of representative | Capacity representing |
|-------------------------|--------------------------|
| Jan Karel Hendriks | Councillor |
| V Fortuin from Feb 2020 | Elsenburg |
| Vacant | De Novo |
| F Hansen | De Novo |
| A Kamfer | Bottelary Farms |
| C Marfins | Bottelary Farms |
| J May | Koelenhof / Koelpark |
| C Adriaanse | Weltevrede / Smartietown |

| Name of representative | Capacity representing |
|------------------------|-----------------------|
| Z Daniels | Kromme Rhee |
| James Williams | Ward Administrator |

Ward 20: Vlottenburg, Raithby, Lynedoch, Mooiberge, Meerlust and Polkadraai

Table 2:61: Ward 20 Committee Members

| Name of representative | Capacity representing |
|-----------------------------|-----------------------|
| Ansaaf Crombie | Councillor |
| AT Joon | Vlottenburg |
| D Fortuin | Vlottenburg |
| CHO Gordon | Raithby |
| P Taabosch | Vlottenburg |
| M James | Raithby |
| G Pojie | Vlottenburg |
| E Jacobs | Lynedoch Farms |
| A Malgas | Meerlust Farms |
| Vacant | Polkadraai |
| Enathi Mpemnyama (May 2018) | Ward Administrator |

Ward 21: Jamestown, Paradyskloof, De Zalze, Techno Park, Blaauwklippen and surrounding farms

Table 2:62: Ward 21 Committee Members

| Name of representative | Capacity representing |
|--------------------------------|--------------------------|
| Rikus Badenhorst | Councillor |
| V Malmnas | De Zalze |
| S McNaughton | Blaauwklippen |
| R Kriel from Aug 2019 | Paradyskloof |
| A Levendal from Aug 2019 | Jamestown |
| HC Eggers | Paradyskloof |
| O Meyer from Aug 2019 | Jamestown |
| F Van der Merwe until Mar 2020 | Paradyskloof |
| A Verwey from Aug 2019 | Paradyskloof |
| B Pieterse | Jamestown / Mountainview |
| Nelmare Williams | Ward Administrator |

Ward 22: Krigeville, Dalsig, Welgelegen, Brandwacht, Die Boord and Kleingeluk

Table 2:63: Ward 22 Committee Members

| Name of representative | Capacity representing |
|------------------------|--|
| Esther Groenewald | Councillor |
| M Vlok | Bo-Brandwacht, Faber, Kolbe, Mazot, LeSeuer, Linne |
| P Kruger | Van Taak, Wege, Robbertz, De Wet, Barry |
| A Pelsner | Constantia, Welgevallen Alpen, Draailaan |
| I Maree from Nov 2019 | Rokewood Mairina, Saffraan, Kaneel, Blenheim |
| E Slabber | Piet Retief Bult, Welgevallen, Draailaan, Lourenz, Sering, Bergh, Vlier, Pleunis, Nooitgedacht |
| A Coetzee | Skadu, Lower, Binnekring, Buitekring |
| R Lambrechts | Rhodes Noord, Van Rheede, Formosa, Sultan, Swellengrebel, Keiffer, Woltemade |

| Name of representative | Capacity representing |
|------------------------|--|
| Pieter Schaafsma | Upper-Lovell, Fairways, Peeka and other, Elbertha, Lovell, Forelle, Santa Rosa |
| S Wilson | Dalsig, Dennerand, Coligny, Dennesig, Park |
| Wendy Crowley | Ward Administrator |

2.3.4 FUNCTIONALITY OF WARD COMMITTEES⁴

The purpose of a ward committee is to:

- create formal communication channels between the community and Council;
- advise the Ward Councillor in identifying the needs and concerns of the community;
- support the Ward Councillor in informing the community about their rights and responsibilities; and
- support the Ward Councillor in consulting with community members and providing feedback.

The COVID-19 pandemic has undoubtedly brought the world to a standstill prompting governments including local governments to be responsive to the plight of marginalised individuals and vulnerable groups.

In an effort to limit the spread of the pandemic, large gatherings were banned including all public meetings, ward meetings at local government level and other invited or created spaces of engagements. The rapid transmission of the pandemic across the globe caused severe panic and its prevention became the number one priority to be addressed.

It is without a doubt that the biggest casualty of the COVID-19 pandemic is public participation. Local government has the responsibility to provide the platforms / tools thereby enabling people to be part of the oversight and public participation activities.

Public participation is crucial in the collective response to the COVID-19 pandemic from adherence to the regulations to the steps needed to be taken on easing of the restricting imposed by National Government.

Ward committees need to find new ways of conducting business inter alia through various platforms such as virtual meetings or zoom meetings which produce various challenges for some constituencies.

The table below provides information on the establishment of Ward Committees and their functionality:

Table 2:64: Functionality of Ward Committees

| Ward Number | Committee established | Number of items /reports submitted to the Speakers/IDP Office | Number of Public meetings | Meeting dates of ward committees | Committee functioning effectively |
|-------------|-----------------------|---|---------------------------|---|-----------------------------------|
| | Yes / No | | | | Yes / No |
| 1 | Yes | - | 1 | 18 Jul
8 Aug
5 Sept
3 Oct
7 Nov
5 Dec
6 Feb | Yes |

⁴ Under the heading Functionality of Ward Committees (paragraph 2.3.4) in the Annual Report 2018/19, it was stated that the Policy and Procedures for Ward Committees was under review and that it would be submitted to Council for consideration. This was not correctly stated. It should be noted that said policy was (during the 2018/19 financial year) submitted to, and subsequently adopted by, Council at a meeting held on 24 April 2019.

| Ward Number | Committee established | Number of items /reports submitted to the Speakers/IDP Office | Number of Public meetings | Meeting dates of ward committees | Committee functioning effectively |
|-------------|-----------------------|---|---------------------------|---|-----------------------------------|
| | Yes / No | | | | Yes / No |
| | | | | 12 Mar
No meetings Mar to Jun due to National Lockdown | |
| 2 | Yes | - | 1 | 18 Jul
15 Aug
9 Sep
10 Oct
14 Nov
5 Dec
20 Feb
No meetings Mar to Jun due to National Lockdown | Yes |
| 3 | Yes | - | - | 9 Jul
19 Aug
18 Nov
8 Dec
27 Feb
No meetings Mar to Jun due to National Lockdown | Yes |
| 4 | Yes | - | - | 10 Aug
4 Dec
11 Feb
No meetings Mar to Jun due to National Lockdown | Yes |
| 5 | Yes | - | 2 | 30 Jul
6 Aug
3 Sept
8 Oct
5 Nov
3 Dec
21 Jan
11 Feb
03 Mar
No meetings Apr to Jun due to National Lockdown | Yes |
| 6 | Yes | - | 1 | 7 Aug
5 Sept
2 Oct
6 Nov
4 Dec
12 Feb
4 Mar
No meetings Apr to Jun due to National Lockdown | Yes |
| 7 | Yes | - | - | 26 Nov
26 Feb
No meetings Mar to Jun due to | Yes |

| Ward Number | Committee established | Number of items /reports submitted to the Speakers/IDP Office | Number of Public meetings | Meeting dates of ward committees | Committee functioning effectively |
|-------------|-----------------------|---|---------------------------|--|-----------------------------------|
| | Yes / No | | | | Yes / No |
| | | | | National Lockdown | |
| 8 | Yes | - | 2 | 17 July
7 Aug
2 Oct
6 Nov
5 Feb
No meetings Apr to Jun due to National Lockdown | Yes |
| 9 | Yes | - | 2 | 23 July
27 Aug
22 Oct
26 Nov
18 Feb
No meetings Apr to Jun due to National Lockdown | Yes |
| 10 | Yes | - | 1 | 9 Jul
3 Sept
5 Nov
3 Dec
6 Feb
No meetings Mar to Jun due to National Lockdown | Yes |
| 11 | Yes | - | 2 | 9 Jul
9 Sept
15 Oct
12 Nov
10 Mar
No meetings Apr to Jun due to National Lockdown | Yes |
| 12 | Yes | - | - | 14 Aug
12 Sept
10 Oct
19 Nov
13 Feb
No meetings Mar to Jun due to National Lockdown | Yes |
| 13 | Yes | - | - | 9 Jul
6 Aug
10 Sept
5 Oct
3 Nov
11 Feb
10 Mar
No meetings Apr to Jun due to National Lockdown | Yes |
| 14 | Yes | - | - | 25 Jul
12 Aug | Yes |

| Ward Number | Committee established | Number of items /reports submitted to the Speakers/IDP Office | Number of Public meetings | Meeting dates of ward committees | Committee functioning effectively |
|-------------|-----------------------|---|---------------------------|---|-----------------------------------|
| | Yes / No | | | | Yes / No |
| | | | | 16 Sept
14 Oct
11 Nov
19 Feb
No meetings Mar to Jun due to National Lockdown | |
| 15 | Yes | - | - | 23 Jul
14 Aug
17 Sept
22 Oct
26 Nov
28 Jan
18 Feb
No meetings Mar to Jun due to National Lockdown | Yes |
| 16 | Yes | - | 1 | 9 Jul
6 Aug
10 Sept
8 Oct
12 Nov
4 Feb
10 Mar
No meetings Apr to Jun due to National Lockdown | Yes |
| 17 | Yes | - | 1 | 17 Jul
7 Aug
4 Sept
2 Oct
6 Nov
5 Dec
4 Feb
4 Mar
No meetings Apr to Jun due to National Lockdown | Yes |
| 18 | Yes | - | 1 | 18 Jul
15 Aug
12 Sept
10 Oct
07 Nov

5 Dec
No meetings Apr to Jun due to National Lockdown | Yes |
| 19 | Yes | - | 1 | 4 July
1 Aug
5 Sept
3 Oct
7 Nov
5 Dec | Yes |

| Ward Number | Committee established | Number of items /reports submitted to the Speakers/IDP Office | Number of Public meetings | Meeting dates of ward committees | Committee functioning effectively |
|-------------|-----------------------|---|---------------------------|--|-----------------------------------|
| | Yes / No | | | | Yes / No |
| | | | | 23 Jan
13 Feb
5 Mar
No meetings Apr to Jun due to National Lockdown | |
| 20 | Yes | - | - | 11 Jul
15 Aug
19 Sept
17 Oct
15 Nov
26 Feb
No meetings Mar to Jun due to National Lockdown | Yes |
| 21 | Yes | - | 1 | 6 Aug
3 Sept
1 Oct
5 Nov
18 Feb
No meetings Mar to Jun due to National Lockdown
4 Jun | Yes |
| 22 | Yes | - | 2 | 24 Jul
7 Aug
4 Sept
2 Oct
7 Nov
5 Feb
4 Mar
No meetings Apr to Jun due to National Lockdown | Yes |

2.4 COMPONENT C: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

2.4.1 RISK MANAGEMENT

Section 62 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), states that the Accounting Officer should take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control, as well as the effective, efficient and economical use of the resources of the municipality.

This responsibility was delegated to the Chief Risk Officer. During this current financial year, the following were done:

- continuous awareness raising throughout the municipality;
- the Risk Management Committee was established to facilitate and govern the risk management process, with a terms of reference, and has been operational since January 2013;
- the Chief Audit Executive has a seat on the Risk Management Committee where all risk and fraud management related activities are reported;
- the Risk Management Committee reports into the Audit Committee;
- risk registers have also been completed at an operational level;
- the previous year's strategic registers were revisited and an acceptable risk appetite was determined;
- the revised risk register was adopted by Council;
- risks were also identified which could prevent the achievement of the predetermined objectives, and were noted in the SDBIP; and
- the Risk Management Policy was reviewed and adopted by Council;

Although the Chief Risk Officer is responsible for coordinating and facilitating risk management at all levels within the municipality, management plays an active role in risk management and the mitigation of risk exposure.

The top 5 risks identified for 2019/20 are as follows:

1. Scarcity of landfill space.
2. Increase community unrest in the run up to the elections.
3. Growth in demand for housing exceeds the resources available for development and growing asset management constraints.
4. Electricity Supply Constraints.
5. Financial Sustainability.

Risk Management Grid

| | |
|----------|----------------|
| Low | Low 1-8 |
| Moderate | Moderate 9-15 |
| Major | High 16-19 |
| Critical | Critical 20-25 |

2.4.2 STRATEGIC RISKS IDENTIFIED

Table 2:65: Strategic Risks Identified

| Revised Strategic Risks | | | | | | |
|-------------------------|---|---|---|---------------|--------------------|--|
| Risk Item | Risk Description | Risk Background | Strategic Focus Areas | Impact Rating | Likelihood Ratings | Directorate |
| SR 1 | Scarcity of landfill space | Unavailability of suitable land | Green and Sustainable Valley | 4 | 4 | Infrastructure Services |
| | | Costs of SLA's and alternative waste disposal | | | | |
| | | Legislative requirements i.e EIA applications and approvals etc. | | | | |
| SR 2 | Increased community unrest in the run up to the elections. | Illegal invasions and landgrabs | Safe Valley | 4 | 5 | Municipal Manager/All Directorates |
| | | Job creation/opportunities | | | | |
| | | Housing backlogs | | | | |
| | | Safety of ward Councillors | | | | |
| SR 3 | Growth in demand for housing exceeds the resources available for development and growing asset management constraints | Lack of bulk infrastructure | Dignified Living | 4 | 5 | Planning and Economic Development |
| | | Lack of identified and suitable land, unrealistic eviction judgments | | | | |
| | | Aging infrastructure as a result of poor maintenance of existing infrastructure | | | | |
| | | Insufficient resources for new infrastructure | | | | |
| SR 4 | Electricity Supply Constraints | Recurrence of load-shedding | Valley of Possibility | 4 | 5 | Infrastructure Services, Community Protection Services, Financial Services |
| | | Possible further constraints to Eskom electricity supply | | | | |
| SR 5 | Financial Sustainability | Debt management | Good governance and Compliance, Green and Sustainable Valley | 5 | 4 | Financial Services |
| | | Cash-flow | | | | |
| | | Changes patterns in revenue | | | | |
| SR 6 | Loss of credibility and reputation due to perceived fraud and corruption | Abuse of legislation. | Good Governance and Compliance | 4 | 5 | All Directorates |
| | | Reputational risk and credibility | | | | |
| | | Incorrect media statements and role of social media in incorrect negative reports etc. | | | | |
| SR 7 | Material Misstatements in the AFS | System errors | Good Governance and Compliance | 5 | 3 | Financial Services |
| | | Transactions and events not recognised as they occur and accordingly nor recorded in the financial period it occurred | | | | |
| SR 8 | Urbanisation and growth | Comprehensive understanding of the developmental needs in the greater Stellenbosch area housing pipeline; | Valley of Possibility | 4 | 3 | Infrastructure Services |
| | | Rapid and continued urbanisation | | | | |
| | | Changes in the needs of the community; master plans; housing pipeline | | | | |
| | | IDP and SDF alignment | | | | |
| SR 9 | Losing the historic status of Stellenbosch w.r.t environment (trees, biodiversity, buildings, rivers, etc.) | Keeping the balance - development and the historic status | Dignified Living; Valley of Possibility; Green and Sustainable Valley | 4 | 3 | All Directorates |
| | | Occurrence of natural disasters | | | | |

| Revised Strategic Risks | | | | | | |
|---------------------------|---|--|---|---------------|--------------------|--|
| Risk Item | Risk Description | Risk Background | Strategic Focus Areas | Impact Rating | Likelihood Ratings | Directorate |
| Revised Operational Risks | | | | | | |
| OR 1 | Lack of integrated Information and Communication Technology | Disparate systems | Good Governance and Compliance | 4 | 3 | All Directorates |
| OR 2 | Water Scarcity | Limited sustainable water sources | Dignified Living; Valley of possibility; Green and Sustainable Valley | 5 | 2 | Infrastructure Services |
| | | Growing population with increase in demand | | | | |
| | | Pollution of sources | | | | |
| OR 3 | Insufficient burial space in the greater Stellenbosch | Planning and funding | Dignified Living | 2 | 5 | Infrastructure Services |
| | | Land availability | | | | |
| OR5 | Timeous Capital Spending | Steady increase in budget allocation | | 5 | 2 | Financial Services |
| | | Growing population and demand for services | Good Governance and Compliance | | | |
| | | Demand Management | | | | |
| Revised Emerging Risks | | | | | | |
| ER 1 | Climate Change | Changing weather patterns | Green and Sustainable Valley; Safe Valley | 4 | 3 | Office of the Municipal Manager; Community and Protection Services |
| | | Unpredictable rainfall/flash floods | | | | |
| | | Natural disasters e.g. drought, fires (seasonal and other) | | | | |

2.4.3 ANTI-CORRUPTION AND ANTI-FRAUD

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption, while the MFMA, section 112(1)(m) (i), identifies supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms are put in place and separation of duties in a supply chain management system to minimise the likelihood of corruption and fraud.

As with risk management the Municipal Manager, Management and Council have taken ownership of combatting fraud and corruption throughout the municipality.

The new Anti-Fraud and Corruption Prevention Policy underwent a process of consultation with key internal stakeholders and the Audit and Audit Performance Committee. The intention of the new policy is to strengthen fraud and corruption prevention at all levels within the municipality and re-invest the management of fraud and corruption management to management at all levels. The new Anti-Fraud and Corruption Prevention Policy was adopted by Council in May 2018.

The fraud hotline or tip-off line is also fully functional and managed by an independent service provider. A toll free number and e-mail service are available to members of the public to report any suspected fraudulent or corrupt activities.

2.4.4 AUDIT AND PERFORMANCE AUDIT COMMITTEE

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must – (a) advise the Municipal Council, the political office-bearers, the Accounting Officer and the management staff of the municipality, on matters relating to:

- internal financial control and internal audit;
- risk management;
- accounting policies;
- the adequacy, reliability and accuracy of financial reporting information;
- performance management;
- effective governance;
- compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
- performance evaluation; and
- any other issues referred to it by the municipality.

2.4.5 FUNCTIONS OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE

The Municipal Audit and Performance Audit Committee's objectives and functions are based on Section 166(2) (a-e) of the MFMA, further supplemented by the Local Government: Municipal Planning and Performance Management Regulation, as well as the approved Audit and Performance Audit Committee Charter approved 28 March 2018 by Council.

The objectives of the Audit and Performance Audit Committee (APAC) of the Stellenbosch Municipality are to:

- Assist the Council in discharging its duties relating to the safeguarding of Council's assets;
- Develop and oversee the operation of an adequate internal process and control system;
- Oversee the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards;
- Provide support to the Council on the risk profile and risk management of the Council; and
- Ensure that there is an internal audit function in place and that the roles of the internal and external audit functions are coordinated.

The APAC is responsible for the oversight of internal controls, financial reporting and compliance with regulatory matters and mainly make recommendations to management.

The responsibilities of the APAC are further to review the:

- Effectiveness of the Council's system of internal control and risk management;
- Financial reporting and financial statements;
- Internal Audit function;
- Auditor General's report;
- Council's compliance with legislation and regulation;
- Compliance with the Council's Code of Conduct and ethics; and
- Performance Management System to make recommendations in this regard to Council.

The committee members are as follows:

Table 2:66: Members of the Audit and Performance Audit Committee

| Name of representative | Capacity | Meeting dates |
|------------------------------|---|--|
| Dr Nimrod Llewellyn Mortimer | Chairperson (re-appointed for a second term 1 April 2019) | 27 August 2019
27 November 2019
19 February 2020
29 June 2020 |
| Jeremy Fairbairn | Member (appointed 30 March 2016, re-appointed for a second term 1 April 2019, resigned 18 March 2020) | |
| Vincent James Botto | Member (appointed 1 September 2017) | |
| Tsepo Walter Lesihla | Member (appointed 1 September 2017) | |
| June Williams | Member (appointed 1 April 2019) | |
| June Williams | New Member (appointed 1 April 2019) | |

The APAC advises Council, political office-bearers, the Accounting Officer and management of the municipality on the matters pertaining to duties as described in the Audit and Performance Audit Committee Charter.

The APAC is also accountable to identify major risks to which Council is exposed and determine the extent to which risks have been mitigated.

2.4.6 INTERNAL AUDITING

Section 165(2)(a), (b) and (c) of the MFMA requires that:

The internal audit unit of a municipality must: –

- a. prepare a risk based audit plan and an internal audit programme for each financial year; and
- b. advise the accounting officer and report to the Audit Committee on the implementation on the internal audit plan and matters relating to:
 - internal audit;
 - internal controls;
 - accounting procedures and practices;
 - risk and risk management;
 - performance management;
 - loss control; and
 - compliance with this Act, the annual Division of Revenue Act and another applicable legislation.
- c. perform such other duties as may be assigned to it by the Accounting Officer.

Stellenbosch Municipality's Internal Audit function comprised of in-house staff. The main focus areas were compliance to applicable laws, regulations, policies and procedures which resulted in both assurance as well as consulting work. During the year under review, the internal audit activity was able to effectively execute 87% of the initial adopted risk-based audit plan.

In addition, process flowcharts for all identified audit areas have been documented, highlighting the key controls and / or control gaps for process owners' / line managers to consider and implement. Follow-up reviews were conducted relating to previously reported matters during the previous financial year.

2.4.6.1 Risk Register and three-year Strategic Plan

Table 2:67: Risk Register and Three-Year Strategic Plan

| Audit Activity | 2017/18 | 2018/19 | 2019/20 |
|--|---------|---------|---------|
| Statutory Audits | | | |
| Division of Revenue Act (DoRA) Compliance | ✓ | ✓ | ✓ |
| Pre-determined Objectives | ✓ | ✓ | ✓ |
| Performance Management System | | ✓ | ✓ |
| Performance reviews: MM and Directors | | ✓ | ✓ |
| Risk Management Review | ✓ | ✓ | ✓ |
| MGRO 1 and 2 | ✓ | ✓ | ✓ |
| Additional Audits After Review of Risks | | | |
| Supply Chain Management | ✓ | ✓ | ✓ |
| ITGC, Applications Review and Support Services Equipment | ✓ | | ✓ |
| Review of Cobit Compliance | | ✓ | ✓ |
| Governance | ✓ | ✓ | |
| Quarterly Key Control Reviews (SORR) | ✓ | ✓ | ✓ |
| Financial Year-End Stock-Take | ✓ | ✓ | ✓ |
| MSCOA | ✓ | ✓ | ✓ |
| Water Services | ✓ | | |
| Human Resources: Labour Relations | ✓ | | |
| Building plans and applications for re-zoning | | ✓ | |
| Follow-Up Reviews | | | |
| AG Follow-Up Review | ✓ | ✓ | ✓ |
| Supply Chain Management | | | ✓ |
| Performance Management System | | | ✓ |
| Revenue – Indigent consumer verification | ✓ | | |
| Risk management follow up | | ✓ | |

✓ Confirms audit activity completed in the financial year

Risk assessment updates were performed during the 2019/20 financial year and all relevant risks were populated into an updated Risk Register for the municipality. This Risk Assessment Plan forms the basis of the 2019/20 financial year's Risk-Based Audit Plan. New updates to the Stellenbosch Municipality's risk profile were captured during 2019/20 in consultation with the Risk Management Committee. This will ensure that adequate audit coverage be obtained from Internal Audit in consultation with the Auditor General and management.

2.4.6.2 Annual Risk Based Audit Plan

Risk-Based Audit Plan for 2019/20 was implemented with available resources. The table below provides detail on audits completed:

Table 2:68: Annual Risk-Based Audit Plan

| Audit Activity | Total Hours budgeted | Actual hours | Timing |
|----------------------|----------------------|--------------|---|
| DoRA Compliance | 120 | | Scheduled for August 2020 |
| Risk Management | 400 | 365 | Final report |
| MGRO 1 and 2 (MGAP) | 200 | 84.5 | Submission to Province done – awaiting feedback |
| IA follow up review: | 400 | | |

| Audit Activity | Total Hours budgeted | Actual hours | Timing |
|---|----------------------|----------------|---|
| • PMS | | 89 | Final report |
| • SCM | | 87 | Final report |
| AG follow up review | 720 | 84 | In progress |
| Quarterly Key Control reviews (SORR): | 480 | | |
| • Quarter 4 | | | AG to set up SORR with IA |
| • Quarter 1 | | 180 | |
| • Quarter 2 | | | |
| • Quarter 3 | | | |
| Performance Management: | | | |
| Pre-determined Objectives | 720 | | |
| • Quarter 4 | | 180 | Final Report submitted |
| • Quarter 1 | | 190 | Final Report submitted |
| • Quarter 2 | | 156 | Final Report submitted |
| • Quarter 3 | | 180 | Final Report submitted |
| Performance Management System | 300 | 261 | In progress |
| Performance Reviews: MM and Directors (mid-year and annual assessments) | 720 | 148 | Final Report submitted |
| Supply Chain Management | 720 | | Request APAC to approve roll over |
| Information Technology: | | | |
| • ITGC, Applications review and support services equipment | 720 | | Request APAC to approve roll over |
| • Review of Cobit compliance | 720 | | Request APAC to approve roll over |
| MSCOA | 480 | | Request APAC to approve roll over |
| Building plans and applications for re-zoning: | 720 | | |
| Applications for Building Plans | | 684 | Final Report submitted |
| Applications for re-zoning | | 977 | Final Report submitted |
| Biannual stores stock take | 120 | 74 | IA provided direct assistance to the AG(SA) |
| COVID-19: Compliance questionnaire preparation and assessment | | 168 | Questionnaire finalised |
| Total | 7 540 | 3 907.5 | |

2.4.6.3 PMS Audits

Actual performance was subjected to an internal audit review and results of their findings submitted to the Performance Audit Committee. Quarterly audits were performed and reported to the Audit Committee.

2.4.7 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy applicable to the 2019/20 financial year was revised and adopted by Council on 29 May 2019 (as APPENDIX 29 of the budget-related policies) in terms of section 17(1) – (3) of the MFMA.

The changes alluded to above will ensure that the Supply Chain Management Unit (SCMU) has the required legislative mandate to further streamline procedures and processes in order to promote more efficient and effective service delivery to all our internal and external stakeholders.

2.4.7.1 Competitive bids in excess of R200 000

Bid Committee Meetings

The following table details the number of Bid Committee meetings held for the 2019/20 financial year:

Table 2:69: Bid Committee Meetings

| Bid Specification Committee | Bid Evaluation Committee | Bid Adjudication Committee |
|-----------------------------|--------------------------|----------------------------|
| 41 | 139 | 43 |

The attendance figures of members of the Bid Specification Committee are as follows:

Table 2:70: Attendance of Members of Bid Specification Committee

| Member | % Attendance |
|--|--------------|
| Supply Chain Management Representative | 100 |
| Relevant technical expert responsible for a function | 100 |

The attendance figures of members of the Bid Evaluation Committee are as follows:

Table 2:71: Attendance of Members of Bid Evaluation Committee

| Member | % Attendance |
|--|--------------|
| Senior Accountant: SCM or SCM Practitioner | 100 |
| Relevant technical expert responsible for a function | 100 |

The attendance figures of members of the Bid Adjudication Committee are as follows:

Table 2:72: Attendance of Members of Bid Adjudication Committee

| Member | % attendance |
|---|--------------|
| Director Financial Services (Chairperson) | 100% |
| Director Planning and Economic Development | 82.93% |
| Director: Infrastructure Services | 97.56% |
| Director: Community and Protection Services | 92.68% |
| Director: Corporate Services | 90.24% |

The percentages indicated above include the attendance by those officials acting in the position of a bid committee member and / or chairperson.

2.4.7.2 Awards made by the Bid Adjudication Committee

The Bid Adjudication Committee awarded 66 bids with a value of R 224 283 067.49, excluding annual tenders awarded on the basis of approved rates. The ten highest bids awarded by the bid adjudication committee are as follows:

Table 2:73: Ten Highest Bids Awarded by Bid Adjudication Committee

| Bid number | Title of bid | Directorate and section | Successful Bidder | Value of bid awarded |
|------------|---|--------------------------------|----------------------------------|----------------------|
| BSM 30/19 | The upgrade and extension of the Pniel wastewater treatment works: mechanical and electrical installation | Infrastructure Services | Inenzo Water (Pty) Ltd Option 1. | R63 909 796 |
| BSM 29/19 | The upgrade and extension of the Pniel wastewater treatment works: civil works | Infrastructure Services | CSV Mazarin JV Option 1. | R61 871 692 |
| BSM 16/20 | The steps / Orlean lounge, Cloetesville, Stellenbosch: rectification of 161 houses | Human and informal settlements | Tops Construction cc. | R17 045 724 |

| Bid number | Title of bid | Directorate and section | Successful Bidder | Value of bid awarded |
|------------|---|---------------------------------------|---|----------------------|
| BSM 18/20 | Maintenance and operation of public ablution facilities at Stellenbosch and Jamestown informal settlements: period ending 30 June 2022. | Infrastructure Services | Ibhunga Cleaning and Bricks Paving. | R10 022 338 |
| BSM 17/20 | Upgrading of Stellenbosch Municipality fire station. | Community Services | Ilitha Painters and Decorators t/a The Construction co. | R87 64 666 |
| BSM 07/20 | Supply and Delivery of Major 4 X 4 Rescue Pumper with CAFS Pump and Medium 4 X 4 Pumper / RIV. | Community Services | Marce Projects - MAJOR 4X4 Rescue Pumper CAFS (Compress Air Foam System) PUMP option 2. | R5 165 305 |
| | | | Marce Projects - MAJOR 4X4 Rescue Pumper CAFS (Compress Air Foam System). | R1 868 972 |
| BSM 13/20 | Maintenance and operation of public ablution facilities at Franschoek and Klipmuts informal settlements: period ending 30 June 2022. | Infrastructure Services | Primaj Construction Works (PTY) Ltd. | R5 819 556 |
| BSM 38/20 | Emergency supply, fit and maintenance of tyres for solid waste management, as and when required for the period ending 30 June 2022. | Infrastructure Services / Solid Waste | BBBEE Tyres Holdings Pty Ltd. | R5 355 425 |
| BSM 58/20 | Upgrading of Eikestad Hall, Cloeteville. | Corporate Services | Ismail Davids and Associates. | R4 733 195 |
| BSM 39/20 | Construction of a new clubhouse at La Motte, Stellenbosch. | Corporate Services | LJA Construction. | R4 550 539 |

2.4.7.3 Awards made by the Accounting Officer

In terms of paragraph 2.4 of Council's Supply Chain Management policy, only the Accounting Officer may award a bid which is in excess of R 10 million. The authority to make such an award may not be sub-delegated by the Accounting Officer. The bids awarded by the Accounting Officer are as follows:

Table 2:74: Awards made by the Accounting Officer

| Bid number | Title of bid | Directorate and section | Value of bid awarded |
|------------|--|--------------------------------|----------------------|
| BSM 30/19 | The upgrade and extension of the Pniel wastewater treatment works: mechanical and electrical installation. | Infrastructure Services | R63 909 796 |
| BSM 29/19 | The upgrade and extension of the Pniel wastewater treatment works: civil works. | Infrastructure Services | R61 871 692 |
| BSM 16/20 | The steps / Orlean lounge, Cloeteville, Stellenbosch: rectification of 161 houses. | Human and informal settlements | R17 045 724 |
| BSM 18/20 | Maintenance and operation of public ablution facilities at Stellenbosch and Jamestown informal settlements: period ending 30 June 2022. | Infrastructure Services | R10 022 338 |
| BSM 47/20 | Provision of licensed and compliant waste disposal facilities to receive and dispose of general waste and asbestos from the Stellenbosch Municipal Area. | Infrastructure Services | Rates |

2.4.7.4 Objections lodged

The municipality received sixteen (16) general enquiries pertaining to the awarding of bids.

The municipality also had eighteen (18) appeals which were resolved together with two (2) objections which were also dealt with.

2.4.7.5 Formal quotations (above R 30 000 and below R 200 000) procurement processes

The number of formal quotations approved by the Head: Supply Chain Management for the year under review follows:

Formal Quotations (above R 30 000 and below R 200 000)

| Description | Financial Years | | | | | Increase/
Decrease
2016/17 –
2017/18 | Increase /
Decrease
2017/18 –
2019/20 |
|-------------------------------------|-----------------|---------|---------|---------|---------|---|--|
| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | |
| Number of Awarded Formal Quotations | 246 | 274 | 206 | 203 | 145 | -33.01% | -40% |
| Total Formal Quotations advertised | 322 | 378 | 264 | 249 | 159 | -43.18% | -56.60% |
| Percentage awarded | 76.40 | 72.49 | 78.03 | 81.53 | 91.19% | +7.1% | +10.59% |

2.4.7.6 Deviation from normal procurement processes

Paragraph 4.36 of Council's Supply Chain Management Policy allows the Accounting Officer to dispense with the official procurement process. The following table indicates the number of certificates of emergencies and deviations approved in terms of section 4.36 of the SCM Policy.

Table 2:75: Deviation from Normal Procurement Process

| Description | Financial Years | | | | | | | Increase /
Decrease
2016/17 –
2017/18 | Increase /
Decrease
2017/18 –
2019/20 |
|---|-----------------|------------|-----------|-----------|-----------|-----------|-----------|--|--|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | | |
| <u>Certificate of Emergencies:</u>
Approved by the Directors i.t.o. Section 4.36.4 of the SCM Policy | 58 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Deviations:</u>
Approved by the Accounting Officer i.t.o. Section 4.36.1 of the SCM Policy | 97 | 68 | 26 | 54 | 54 | 42 | 32 | 0% | -31.25% |
| TOTAL | 173 | 155 | 68 | 26 | 54 | 54 | 32 | 0% | -31.25% |

Deviations from the normal procurement processes have been monitored closely to mitigate the risk associated with it.

2.4.7.7 Disposal Management

The system of disposal management envisages the following:

- immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
- immovable property is let at market related rates, except when the public plight of the poor demands otherwise;
- all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

The municipality complies with section 14 of the MFMA which deals with the disposal of capital assets as well as with the Asset Transfer Regulations.

2.4.7.8 Supply Chain Management Performance Management

The SCM policy requires that an internal monitoring system be established and implemented in order to determine, on the basis of retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM policy were achieved.

Monitoring of internal processes is an on-going process. Procedure manuals for various SCM processes have been developed, approved and are being implemented.

2.4.8 BY-LAWS AND POLICIES

Section 11 of the MSA gives municipal councils the executive and legislative authority to pass and implement by-laws and policies.

Budget related policies reviewed in the 2018/19 financial year are listed below.

Table 2:76: Budget Related Policies Reviewed

| Policies Revised | Date Adopted | Public Participation Conducted Prior to Adoption of Policy |
|---|--------------|--|
| | | Yes / No |
| Inventory Management Policy | 29 May 2019 | Yes |
| Preferential Procurement Policy | 29 May 2019 | Yes |
| Rates By-Law | 29 May 2019 | Yes |
| Rates Policy | 29 May 2019 | Yes |
| Supply Chain Management Policy | 29 May 2019 | Yes |
| Travel and Subsistence Policy | 29 May 2019 | Yes |
| Indigent Policy | 29 May 2019 | Yes |
| Credit Control and Debt Collection Policy | 29 May 2019 | Yes |

| Policies Revised | Date Adopted | Public Participation Conducted Prior to Adoption of Policy |
|--|--------------|--|
| | | Yes / No |
| Irrecoverable Debt Policy | 29 May 2019 | Yes |
| Accounting Policy | 29 May 2019 | Yes |
| Cash Management and Investment Policy | 29 May 2019 | Yes |
| Tariff By-Law | 29 May 2019 | Yes |
| Tariff Policy | 29 May 2019 | Yes |
| Grants-In-Aid Policy | 29 May 2019 | Yes |
| Virement Policy | 29 May 2019 | Yes |
| SCM Policy for Standard for Infrastructure and Delivery Management | 29 May 2019 | Yes |
| Petty Cash Policy | 29 May 2019 | Yes |
| Performance Management Policy | 29 May 2019 | Yes |
| Development Charges Policy | 29 May 2019 | Yes |
| Special Ratings Area By-Law | 29 May 2019 | Yes |
| Special Ratings Area Policy | 29 May 2019 | Yes |
| Borrowing, Funds and Reserves Policy | 29 May 2019 | Yes |
| Financing of External Bodies performing municipal functions Policy | 29 May 2019 | Yes |
| Budget Implementation and Monitoring Policy | 29 May 2019 | Yes |
| Liquidity Policy | 29 May 2019 | Yes |
| Asset Management Policy | 29 May 2019 | Yes |
| Ward Allocation Policy | 29 May 2019 | Yes |
| Asset Management Policy | 28 May 2018 | Yes |

2.4.9 WEBSITE

The municipal website is an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

Below is a website checklist to indicate the compliance to Section 75 of the MFMA:

Table 2:77: Website Checklist

| Documents Published on the Stellenbosch Municipality's Website | Yes / No | Publishing Date |
|---|----------|--------------------------|
| Current annual and adjustments budgets and all budget-related documents | Yes | Within legislated period |
| All current budget-related policies | Yes | Within legislated period |
| Current annual and adjustment budgets and all budget-related documents | Yes | Within legislated period |
| All current budget-related policies | Yes | Within legislated period |
| The annual report for 2019/20 | Yes | Within legislated period |
| All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act for 2019/20 | Yes | Within legislated period |
| All service delivery agreements for 2019/20 | Yes | Within legislated period |

| Documents Published on the Stellenbosch Municipality's Website | Yes / No | Publishing Date |
|---|----------|--------------------------|
| All long-term borrowing contracts for 2019/20 | Yes | Within legislated period |
| All supply chain management contracts above a prescribed value for 2019/20 | Yes | Within legislated period |
| An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during 2019/20 | Yes | Within legislated period |

2.4.10 COMMUNICATION

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996, section 152 (1)(e), in setting out the objectives of local government, states that municipalities must "encourage the involvement of communities and community organisations in the matters of local government". Section 160(7) of the Constitution further says that "a municipal council must conduct its business in an open manner, and may close its sittings, or its committees, only when it is reasonable to do so".

The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) MSA, section 4, encourages the involvement of communities in the affairs of their municipalities. As a local government, we have an obligation to act with high levels of transparency, accountability, openness, participatory democracy and direct communication with communities to improve the lives of residents.

At the heart of our Communication Policy, adopted by Council in July 2018, lies the notion of improved communication that facilitates public participation. The municipality has made steady improvements in its attempts to streamline and improve its communications with residents, businesses, the media as well as other external stakeholders. Ensuring that the right messages reach the intended audiences on the most appropriate platforms and continuously facilitating conversations through our communication platforms, contributes to the strengthening of our corporate identity and brand.

Communication with the media has improved significantly. Comprehensive responses are prepared to all media enquiries from community, local, regional and national publications / broadcasters on a weekly basis. Positive news stories are being broadcasted through the proactive release of media statements. These statements and positive news stories are also amplified to reach audiences online by sharing it on the municipal website and social media platforms.

Members of the public can report faults or refer enquiries through an e-mail link on the website to the contact.stellenbosch@stellenbosch.gov.za mailbox. This mailbox is regularly monitored and enquiries, compliments and complaints are forwarded to the relevant departments on a daily basis. The municipal website is updated with new official notices, formal quotations, tenders, news stories, vacancies as well as meeting agendas and minutes on an ongoing basis. The website is increasingly made more user-friendly and plans are already in place to simplify navigation and increase overall customer satisfaction by restructuring the website.

Communication through our social media platforms has increased significantly. The municipal Facebook page and Twitter account has been growing steadily and now reaches a much larger, ever-growing audience. Apart from being used to publicise municipal news stories, photos and videos, the social media platforms are used to broadcast important alerts and notices. Traffic is also diverted to the website through our social media platforms.

Municipal advertisements are regularly placed in community and regional newspapers and contribute to building the municipality's brand. The Executive Mayor's monthly newsletter, pamphlets, posters,

notice boards and regular IDP / Ward meetings provides us with additional platforms for communicating with residents and other stakeholders.

In an effort to improve internal communication within the organisation, the interdepartmental communication forum has been established and meetings of this forum have proved to be invaluable. The interdepartmental communication forum meets at least quarterly. Improved internal communication is further achieved through the newsletter of the Municipal Manager, internal memos, notice boards, a bulk SMS system and regular staff meetings.

2.4.11 COMMUNITY SATISFACTION SURVEY

No community satisfaction surveys were completed during the 2019/20 financial year.

2.4.12 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

Below is a communication checklist of the compliance to the communication requirements:

Table 2:78: Communication Activities

| Communication activities | Yes / No |
|--|----------|
| Communication Unit | Yes |
| Communication Strategy | Yes |
| Communication Policy | Yes |
| Customer satisfaction surveys | No |
| Functional complaint management systems | Yes |
| Newsletters distributed at least quarterly | Yes |

3 CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

Performance management is a process that measures the implementation of the organisation's strategy as captured within the Integrated Development Plan (IDP). It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

At local government level, performance management is institutionalised through the legislative requirements of the performance management process. Performance management provides the mechanism to measure whether targets are met in line with strategic goals as set by the organisation.

Section 152 of the Constitution of the Republic of South Africa, 1996, deals with the objectives of local government and paves the way for performance management. The idea of an accountable government is important to meet the needs of Stellenbosch. The democratic values and principles in terms of section 195(1) are also linked with the concept of performance management, with reference to the principles of the following, among others to:

- promote the efficient, economic and effective use of resources,
- ensure accountable public administration,
- be transparent by providing information,
- be responsive to the needs of the community, and
- facilitate a culture of public service and accountability amongst staff.

The MSA requires municipalities to establish a performance management system. Further, the MSA and the MFMA require the Integrated Development Plan (IDP) to be aligned to the municipal budget. The monitoring of organisational performance of the budget must be done against the IDP on a quarterly basis via the Service Delivery and Budget Implementation Plan (SDBIP). The report is made public after the council has been informed of the quarterly progress against set targets.

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players". Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation, as well as the external service providers and the municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, the Budget and the SDBIP.

3.2 LEGISLATIVE REQUIREMENTS

In terms of section 46(1)(a) of the MSA, a municipality must prepare a performance report for each financial year that reflects the municipality's and any service provider's performance during the financial year. The report must furthermore indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year, and measures that were or are to be taken to improve performance.

3.3 ORGANISATIONAL PERFORMANCE

Strategic performance assessment indicates how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for their implementation. The implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role players to enable them to implement corrective measures timeously where required.

This report highlights the strategic performance in terms of the municipality's Top-Layer Service Delivery and Budget Implementation Plan (SDBIP), high-level performance in terms of the strategic objectives of the municipality and performance on the National Key Performance Indicators prescribed in terms of Section 43 of the MSA.

3.4 ADOPTION OF A PERFORMANCE MANAGEMENT POLICY FRAMEWORK

The Performance Management Policy 2019/20 was reviewed and submitted to Council for approval in July 2019.

3.5 GOVERNANCE FRAMEWORK FOR THE IDP, BUDGET AND PERFORMANCE MANAGEMENT

The draft review of the 4th Generation IDP was tabled in March 2019 and was advertised for public comment thereafter. Stellenbosch Municipal Council adopted the reviewed Fourth Generation IDP (2017/18 – 2021/22) together with the 2019/20 MTREF Budget in May 2019.

The IDP is the principal planning instrument that guides and informs the municipal budget. The MSA requires each municipality in South Africa to prepare such a strategic plan to guide all development and management within the municipal area. The IDP sets out the development priorities of Stellenbosch Municipality over the next five years. The IDP must guide and determine municipal planning and project implementation. The 2019/20 budget was based on the IDP and other spheres of government and service providers.

The IDP for the period July 2017 to June 2022 gives expression to the political mandate that have been received from residents in the August 2016 local government election. The MSA requires municipalities to consult with their residents and the broader institutions, which elicited a positive reaction and involvement from the public.

The IDP is a strategic tool that guides all the activities of local government in consultation with residents and stakeholders. In keeping with the more evolved and strategic approach to this IDP, the implementation plan focuses on only the key strategic programmes, projects and initiatives that will support the achievement of the priorities during the five-year term of office. Its focus is on development in the broader sense and it is a structured plan that informs budget priorities, decision making and the allocation of resources.

The focus of the IDP is varied, and includes the provision of basic municipal services, measures for building and transforming municipal capacity, measures to assist in expanded livelihood opportunities for citizens, enterprise development, building dignified and safe living environments, and,

crucially, exploring new ways of working and living together. It directs and is informed by different aspects of the municipality's work, including how the municipality is structured politically and administratively, the municipal budget, the sector plans and service delivery and budget implementation plans of different municipal services, and how the municipality manages its performance.

The three-year budget sets out the revenue raising and expenditure plan of the municipality for approval by Council in accordance with the MFMA. The allocation of funds needs to be aligned with the priorities in the IDP.

The IDP must be reflected in the performance agreements of the relevant staff and through the budget, in the service delivery and budget implementation plan (SDBIP). The key performance management instrument of the municipality is the SDBIP. Linked to the IDP, the SDBIP forms the basis of the performance contracts of directors and quarterly, mid-year and annual performance reviews of senior management, directorates and the municipality.

3.6 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The organisational performance is evaluated by means of a municipal scorecard (Top-Layer SDBIP). Performance objectives, as reflected in the municipal scorecard, are required to be practical, measurable and based in the key performance indicators.

The SDBIP is a tool that converts the IDP and budget into measurable criteria of how, where and when the strategies, objectives and normal business processes of the municipality are implemented.

It also allocates responsibility to directorates to deliver the services in terms of the IDP and the budget.

MFMA Circular No. 13 is a clarification of the Municipal Budget and Reporting Regulations, Schedule A 1, GenN 393 in GG32141 of 2009 and prescribes that the:

- IDP and budget must be aligned;
- budget must address the strategic priorities;
- SDBIP should indicate what the municipality is going to do during the next 12 months; and
- SDBIP should form the basis for measuring the performance against goals set during the budget / IDP processes.

The Top-Layer SDBIP 2019/20 was approved by the Executive Mayor, Cllr Adv Gesie Van Deventer on the 26 June 2019 in terms of section 53(1)(c)(ii) of the MFMA.

3.6.1 THE MUNICIPAL SCORECARD (TOP-LAYER SDBIP)

The municipal scorecard (Top-Layer SDBIP) consolidates service delivery targets set by Council / senior management and provides an overall picture of the performance of the municipality as a whole, reflecting performance in its strategic priorities for the 2019/20 financial year. The scorecard is the performance evaluation tool and is used during the informal and formal performance assessment of senior managers.

Components of the Top-Layer SDBIP include:

One-year detailed plan with the following components:

- Monthly projections of revenue to be collected for each source;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Ward information for expenditure and service delivery; and
- Detailed capital works plan broken down by ward over three years.

Top-Layer KPIs were prepared based on the following:

- Key performance indicators (KPIs) for the programmes / activities identified to address the strategic objectives as documented in the IDP in co-operation with the community who identifies developmental priorities;
- KPIs identified during the IDP and KPIs that need to be reported to key municipal stakeholders; and
- KPIs to address the required national minimum reporting requirements.

3.6.2 AMENDMENT OF THE TOP-LAYER SDBIP

The TL SDBIP 2019/20 was reviewed once during the 2019/20 financial year and submitted to Council for approval on 29 January 2020.

3.6.3 ACTUAL PERFORMANCE

The municipality utilises an electronic web-based, real time performance-based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set;
- A performance comment; and
- Actions to improve the performance by the submission of corrective measures to meet the set target for the reporting interval in question, if the target was not achieved.

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated and provide it to the Internal Auditor and Auditor General upon request during the quarterly and annual audit testing.

3.6.4 MONITORING OF THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

Municipal performance is measured as follows:

- a) **Mid-year assessment and submission of the mid-year report to the Mayor in terms of section 72(1)(a).** In terms of section 72(1)(a) of the MFMA, the Accounting Officer must by 25 January of each year assess the performance of the municipality during the first half of the financial year. A report on such an assessment must, in terms of Section 72(1)(b) of the MFMA, be submitted to the Mayor, Provincial and National Treasury. Once the Mayor has considered the report, it must be submitted to Council by 31 January in terms of Section 54 of the MFMA.
- b) **Quarterly assessment i.t.o. section 52(d) of the MFMA** to assess the performance of the municipality during the first half of the financial year.

The Executive Mayor, who must provide general political guidance over the fiscal and financial affairs of the municipality, is required by Section 52(d) of the MFMA to submit a report on the implementation of the budget and the financial state of affairs of the municipality, to the Council within 30 days after end of each quarter.

Actual performance was audited by the Internal Audit Department and the results of their findings were submitted to the Audit and Performance Audit Committee (APAC).

- Quarter 1 (July to September 2019);
- Quarter 2 (October to December 2019);
- Quarter 3 (January to March 2020); and
- Quarter 4 (April to June 2020).

Municipal Manager and Managers directly accountable to the Municipal Manager

The MSA prescribes that the municipality must enter into performance based agreements with the Municipal Manager and managers directly reporting to the Municipal Manager i.t.o. section 56. Performance agreements must be reviewed annually and are published for public interest. This process and the format are further regulated by Regulation 805 (August 2006), MSA.

The performance agreements for the Municipal Manager and section 56 appointments for the 2019/20 financial year were signed on 30 July 2019 as prescribed. They include performance agreements for the:

- Municipal Manager;
- Chief Financial Officer;
- Director: Corporate Services;
- Director: Planning and Local Economic Development;
- Director: Community and Protection Services; and
- Director: Infrastructure Services.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The 2018/19 annual - and 2019/20 mid-year performance assessment for senior managers took place on 09 March 2020. The appraisals were done by an evaluation panel in terms of Regulation 805.

The panel consisted of the following:

- Adv. Gesie van Deventer; Executive Mayor (for the evaluation of the Municipal Manager only);
- Mr. Roy van Rooyen, Ward Committee Member nominated by the Executive Mayor (for the evaluation of the Municipal Manager only);
- Geraldine Mettler, Municipal Manager of Stellenbosch Municipality;
- Mr. Henry Prins, Municipal Manager of Cape Winelands District Municipality;
- Cllr. Nyaniso Jindela, Deputy Executive Mayor and Chairperson on Human Settlements Portfolio;
- Cllr. Quintin Smit;
- Cllr. Patricia Crawley;
- Cllr. Xoliswa Mdemka;
- Cllr. Aldrigde Frazenburg;
- Cllr. Esther Groenewald;
- Dr Len Mortimer, Audit and Performance Audit Committee Chairperson of Stellenbosch Municipality.

Other Municipal Personnel

The municipality has implemented individual performance to employees on the three highest levels of management.

3.6.5 SERVICE DELIVERY PERFORMANCE

3.6.5.1 Introduction

This section provides an overview of the key service achievements of the municipality that came to completion during 2019/20 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP.

In order to improve on performance planning, implementation, measurement and reporting, the municipality implemented the following actions;

Departmental operational plans were developed for monitoring and reporting operational programmes. An electronic performance management system is operational within the municipality. The same system forms the basis of performance evaluations of the Directors and the Municipal Manager; and the municipality endeavoured during the development of the TL SDBIP as well as with the development of the Departmental SDBIP that the "SMART" principle be adhered to in the setting of indicators and objectives. Emphasis was placed on ensuring that targets were specific and time bound, thus making it measurable.

Table 3:1: Performance Management System Checklist

| | Performance Management Policy | All MSA s57/56 Performance contracts signed | Audit Committee | Municipal Public Accounts Committee (MPAC) | Quarterly Performance Reporting to Council | Annual Performance Reporting to Council |
|-----------|-------------------------------|---|-----------------|--|--|---|
| In place? | √ | √ | √ | √ | √ | √ |

3.6.5.2 Service Delivery and Budget Implementation Plan (Top-Layer)

The purpose of performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top-Layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents (IDP, Budget and Performance Agreements).

The organisational performance is evaluated by means of a Municipal Scorecard (TL SDBIP) at organisational level and through the Service Delivery and Budget Implementation Plan (SDBIP) at departmental levels.

The SDBIP is a plan that converts the IDP and Budget into measurable indicators on how, where and when the strategies, objectives and normal business processes of the municipality are implemented. It also allocates responsibilities to directorates to deliver the services in terms of the IDP and Budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned;
- The budget must address the strategic priorities;
- The SDBIP should indicate what the municipality is going to do during next the 12 months; and

- The SDBIP should form the basis for measuring the performance against goals set during the budget / IDP processes.

The TL SDBIP was prepared as described in the paragraphs below and approved by the Executive Mayor on 26 June 2019. However, the TL SDBIP 2019/20 was revised in January 2020. These revisions were made in line with the adjustment budget, internal audit findings and recommendations made by the Auditor General of South Africa (AGSA).

In the paragraphs below, the performance achieved is illustrated against the Top-Layer SDBIP according to the IDP strategic objectives. The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (KPI's) of the SDBIP is measured:

Table 3:2: Performance Assessment Criteria

| Color | Category | Explanation |
|-------|------------------------|--|
| | KPI Not Yet Measured | KPIs with no targets or actual results for the selected period |
| | KPI Not Met | Actual vs. target less than 75% |
| | KPI Almost Met | Actual vs. target between 75% and 100% |
| | KPI Met | Actual vs. target 100% achieved |
| | KPI Well Met | Actual vs. target more than 100% and less than 150% achieved |
| | KPI Extremely Well Met | Actual vs. target more than 150% achieved |

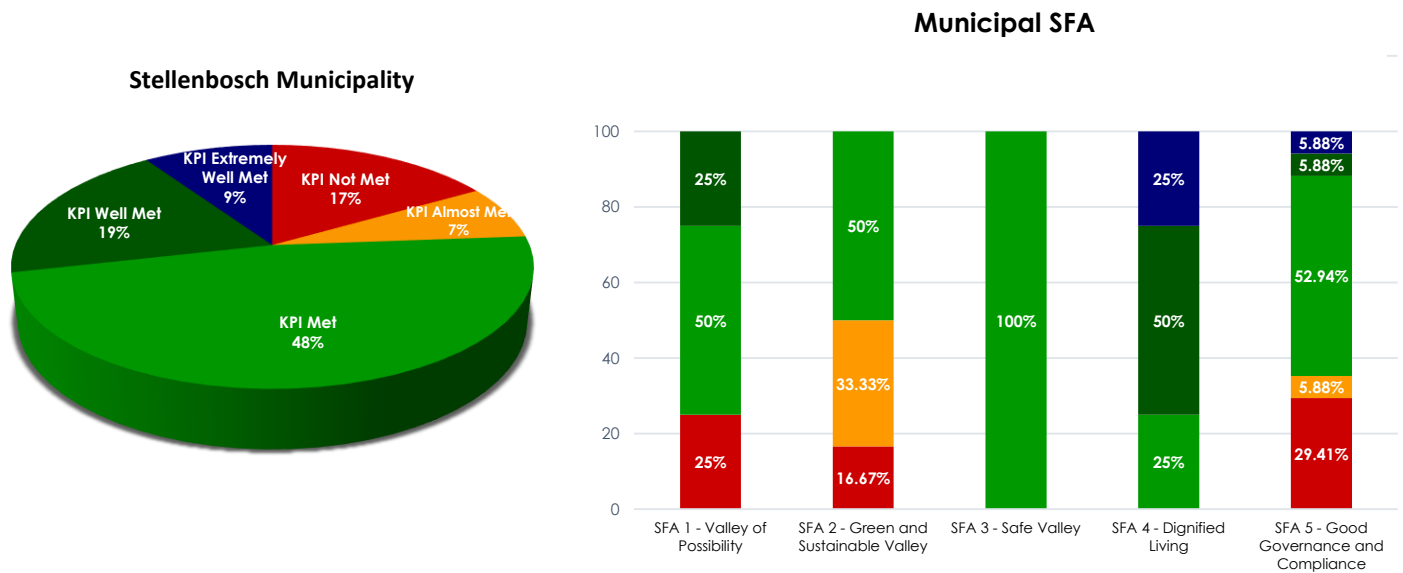
The TL SDBIP (the Municipal Scorecard) consolidate service delivery targets set by Council / Senior Management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. The TL SDBIP is a detailed one-year plan and the necessary components should include:

Monthly projections of revenue to be collected for each source;

- Expected revenue to be collected not billed;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Non-financial measurable performance objectives in the form of targets and indicators; and
- Detailed capital project plan broken down by ward over three years.

3.6.5.3 Overall performance per Municipal Strategic Focus Area

The following graph and table illustrates the municipality's overall performance per Municipal Strategic Focus Area (SFA).



| Stellenbosch Municipality | | Municipal Strategic Focus Areas (SFAs) | | | | |
|---------------------------|-------------|--|--------------------------------------|---------------------|--------------------------|--|
| | | SFA 1 - Valley of Possibility | SFA 2 - Green and Sustainable Valley | SFA 3 - Safe Valley | SFA 4 - Dignified Living | SFA 5 - Good Governance and Compliance |
| KPI Not Yet Measured | - | - | - | - | - | - |
| KPI Not Met | 7 (16.67%) | 1 (25%) | 1 (16.67%) | - | - | 5 (29.41%) |
| KPI Almost Met | 3 (7.14%) | - | 2 (33.33%) | - | - | 1 (5.88%) |
| KPI Met | 20 (47.62%) | 2 (50%) | 3 (50%) | 3 (100%) | 3 (25%) | 9 (52.94%) |
| KPI Well Met | 8 (19.05%) | 1 (25%) | - | - | 6 (50%) | 1 (5.88%) |
| KPI Extremely Well Met | 4 (9.52%) | - | - | - | 3 (25%) | 1 (5.88%) |
| Total: | 42 | 4 | 6 | 3 | 12 | 17 |
| | 100% | 9.52% | 14.29% | 7.14% | 28.57% | 40.48% |

3.7 SERVICE PROVIDERS STRATEGIC PERFORMANCE

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement. According to the AG's office:

- Service provider means a person or institution or any combination of persons and institutions that provide a municipal service.
- External service provider means an external mechanism referred to in section 76(b) that provides a municipal service for a municipality.

- c) Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality.

Section 121(b) of the MFMA and section 46 of the MSA further state that a municipality should include the following aspects related to service providers in its annual report:

- The performance of each service provider;
- A comparison of the performance with targets set for and performance in the previous financial year; and
- Measures taken to improve performance.

3.8 MUNICIPAL FUNCTIONS

3.8.1.1 Analysis of Functions

The municipal functional areas are as indicated below:

Table 3:4: Municipal Functional Areas i.t.o. the Constitution

| Municipal Function | Yes / No |
|---|---------------|
| Constitution Schedule 4, Part B functions: | |
| Air pollution | Yes |
| Building regulations | Yes |
| Childcare facilities | Yes |
| Electricity and gas reticulation | Yes |
| Firefighting services | Yes |
| Local tourism | Yes |
| Municipal airports | No |
| Air pollution | Yes |
| Building regulations | Yes |
| Municipal planning | Yes |
| Municipal health services | No |
| Municipal public transport | Yes |
| Constitution Schedule 4, Part B functions: | |
| Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law | No |
| Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto | No |
| Storm water management systems in built-up areas | Yes |
| Trading regulations | Yes |
| Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems | Yes |
| Constitution Schedule 5, Part B functions: | |
| Beaches and amusement facilities | Yes |
| Billboards and the display of advertisements in public places | Yes |
| Cemeteries, funeral parlours and crematoria | Yes |
| Cleansing | Yes |
| Control of public nuisances | Yes |
| Control of undertakings that sell liquor to the public | Yes from 2013 |

| Municipal Function | Yes / No |
|--|----------|
| Constitution Schedule 4, Part B functions: | |
| Facilities for the accommodation, care and burial of animals | Yes |
| Fencing and fences | Yes |
| Licensing of dogs | No |
| Licensing and control of undertakings that sell food to the public | No |
| Local amenities | Yes |
| Local sport facilities | Yes |
| Markets | Yes |
| Municipal abattoirs | No |
| Municipal parks and recreation | Yes |
| Municipal roads | Yes |
| Pounds | Yes |
| Public places | Yes |
| Refuse removal, refuse dumps and solid waste disposal | Yes |
| Street trading | Yes |
| Street lighting | Yes |
| Traffic and parking | Yes |

This component includes basic service delivery highlights and challenges, details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

3.8.2 NATIONAL KEY PERFORMANCE INDICATORS – BASIC SERVICE DELIVERY AND LOCAL ECONOMIC DEVELOPMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the following two National Key Performance Areas: Basic Service Delivery and Local Economic Development.

Table 3:5: Basic Service Delivery

| KPA and Indicators | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---|---------|---------|---------|---------|---------|
| Basic Service Delivery | | | | | |
| The percentage of households earning less than R6,500 per month with access to free basic services
(In the case of Stellenbosch Municipality- number of registered Indigent households are being reported) | 6 486 | 5 686 | 6 453 | 6 813 | 7 011 |
| Service for water, sanitation and refuse removal (Average) | 7 042 | 5 686 | 6 453 | 6 813 | 7 011 |

3.8.3 WATER PROVISION

Water is the most fundamental and indispensable of available natural resources – fundamental to life, the environment, food production, hygiene and for power generation.

Poverty reduction and improved water management are closely linked. Section 4B of the Constitution lists water and sanitation services, limited to potable water supply systems and domestic waste water and sewerage disposal systems, as a local government function.

Basic water is defined as 25 litres of potable water per day supplied within 200 meters of a household.

Due to on-going drought and very low rainfall recorded in recent years, the municipalities in the Western Cape had to enforce water restrictions. Stellenbosch Municipality supplies water to the consumers in their area of jurisdiction through the following six water supply systems:

- Stellenbosch (Ida's Valley - Own sources, DWS allocation and Paradyskloof WTW – Theewaterskloof Dam
- WCWSS [Western Cape Water Supply Scheme] via tunnel);
- Franschhoek (Du Toits River-Own resources, Wemmershoek Dam WTW - CoCT);
- Dwarsrivier (Wemmershoek Dam WTW- CoCT);
- CoCT agreement (Blackheath WTW, Faure WTW and Wemmershoek WTW); and
- Boreholes BH1: Die Braak, BH2: Meerlust and BH3: Van der Stel.

The total population supplied with water in the Stellenbosch Municipal area amount to approximately 192 879 people. Water is also supplied to a fairly extensive industrial area.

Stellenbosch Local Municipality manages three water treatment works, namely Ida's Valley, Paradyskloof and Franschhoek, which is a micro water treatment plant. The potable water supply from these works amounted to 14.832 Ml/d and a further 7.126 Ml/d was obtained from the City of Cape Town (CoCT) during the 2019/20 financial year, ensuring a supply of approximately 21.9 Ml/d to the municipality's area of responsibility.

Areas supplied from the Wemmershoek Dam and water treatment works include half of Franschhoek town, La Motte, Wemmershoek, Pniel, Boschendal, Johannesburg, Kylemore, Lanquedoc, Klappmuts, Koelenhof, Elsenburg, Devon Valley and Muldersvlei. Areas supplied from Blackheath water treatment works include Polkadraai, Spier and Vlothenburg.

Areas supplied from Faure water treatment works (supplied from Steenbras Dam – CoCT) are Faure, Jamestown, De Zalze, Raithby and Lyndoc. Although these water treatment works fall within the sphere of responsibility of the City of Cape Town, their impact with regard to water quality and quantity needs to be monitored and considered by Stellenbosch Municipality.

Stellenbosch Municipality supplies potable water to the entire municipal area through a network and infrastructure consisting of 56 reservoirs / holding tanks and water towers, 36 water pump stations, 41 pressure reducing valve installations, 667 kilometres of pipeline and 79 water supply zones. The system is fully controlled and operated by a telemetry system.

The total bulk water input into the water network for the 2019/20 financial year was 8,01 Ml, with an annual average daily demand of 21,9 kl/day. 40% of the water supplied are purified from the municipality's own water sources at the Ida's Valley and Franschhoek water treatment plants. The

Stellenbosch Municipality implemented level 1 water restrictions from the 1st of November 2015 to achieve a 10% water consumption decrease. This was due to low supply dam levels and low rainfall figures during the rainy season. This was followed with the implementation of Level 2 restrictions from March 2016 due to extreme heat conditions and even lower supply dam levels in Stellenbosch and City of Cape Town. The Level 2 restrictions included the increased tariffs for water consumption to achieve a 22% savings on the water consumption.

City of Cape Town is currently on Level 1 water restrictions. Fortunately, the municipality was in a position to lower the water restrictions but will have to encourage low water usage for the time being. Stellenbosch Municipality is on Level 2 water restrictions due to the fact that own water sources contribute a large percentage of the water input volume into the WC024 area.

3.8.3.1 Dam Levels

The following table reflect the current status of the dam levels supplying the WCWSS with water and status of Stellenbosch own dam levels.

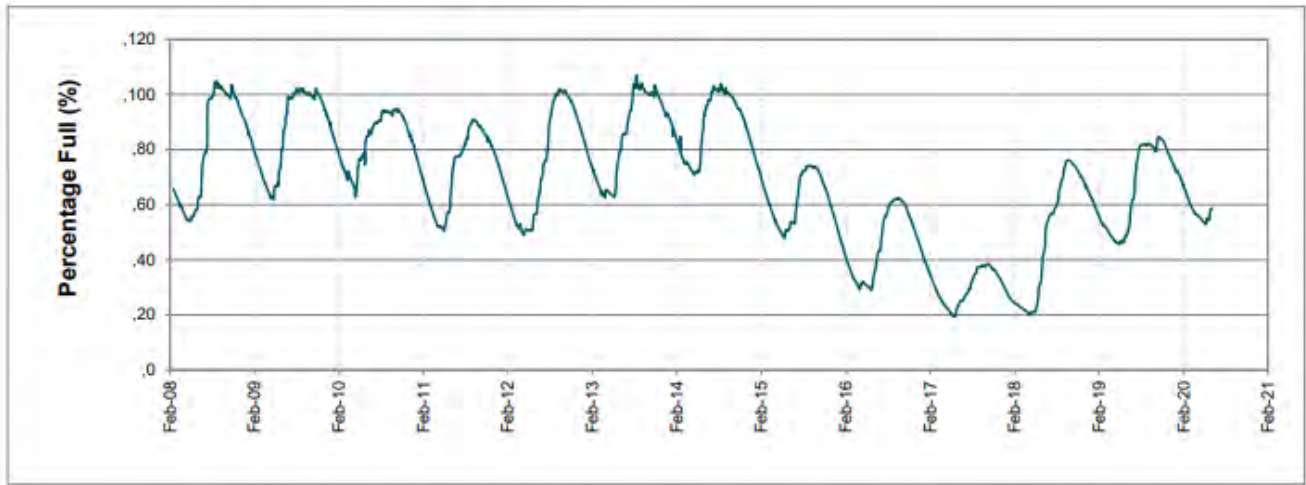
Table 3.6: Western Cape Dams

| Major dams | 2020 | Previous week | 2019 |
|--------------------------|----------------|----------------|----------------|
| | (%) | (%) | (%) |
| Berg River | 81.2 | 73.8 | 74.6 |
| Steenbras Lower | 49.9 | 49.9 | 38.9 |
| Steenbras Upper | 99.6 | 99.2 | 88.4 |
| Theewaterskloof | 55.8 | 55.2 | 41.6 |
| Voëlvlei | 54.5 | 53.7 | 55.0 |
| Wemmershoek | 43.3 | 43.6 | 40.3 |
| Total Stored (MI) | 723 706 | 689 767 | 723 706 |
| % Storage | 58.8 | 58.2 | 49.5 |

Stellenbosch own Dams

| | | | |
|----------------|-----|-----|-----|
| Ida's Valley 1 | 100 | 100 | 100 |
| Ida's Valley 2 | 100 | 100 | 103 |

Figure 3:3: WCWSS Storage Record (2008 – Present)

WCWSS Storage Record (2008 - Present)

The photos below represent the Ida's Valley Dams 1 and 2 at 100% full.

Figure 3:4: Ida's Valley Dams



W024 Bulk Water Input and Sales dramatically came down from values that reached a highest value in 2015 to June 2020.

Figure 3:6: Water system water input

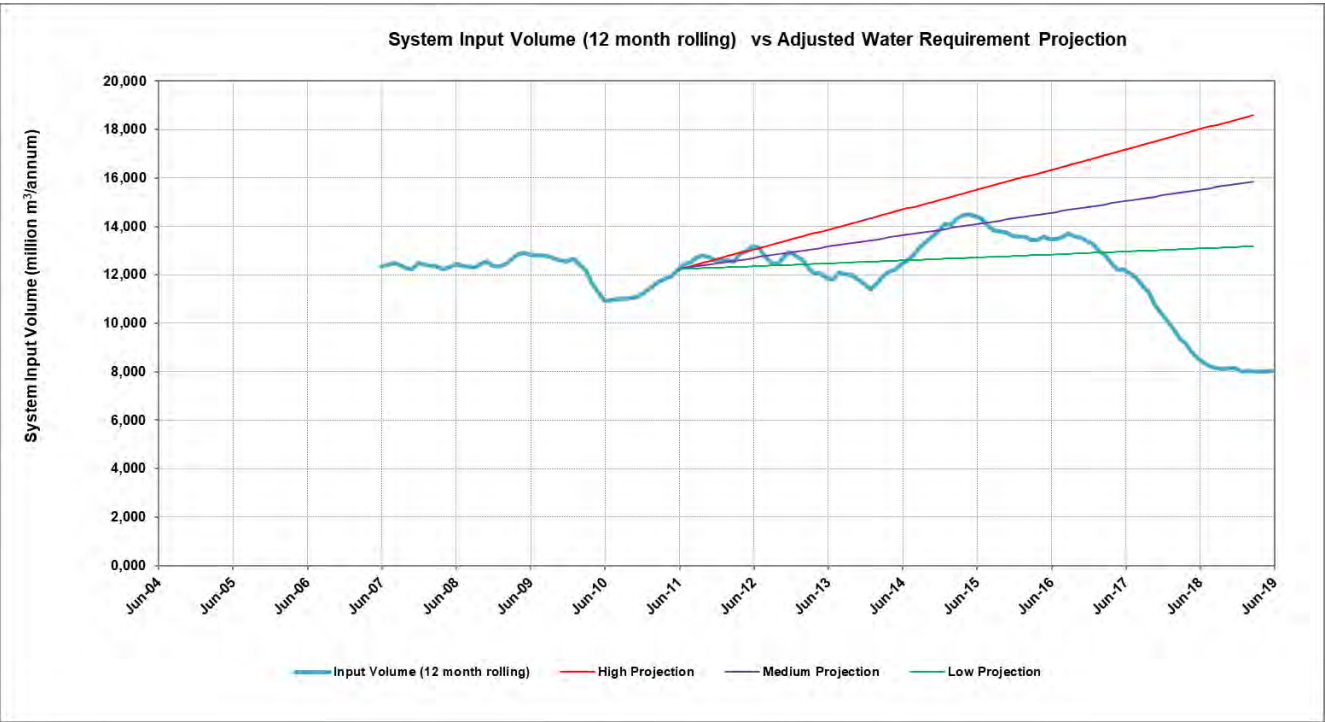


Figure 3:5: Water consumption volume

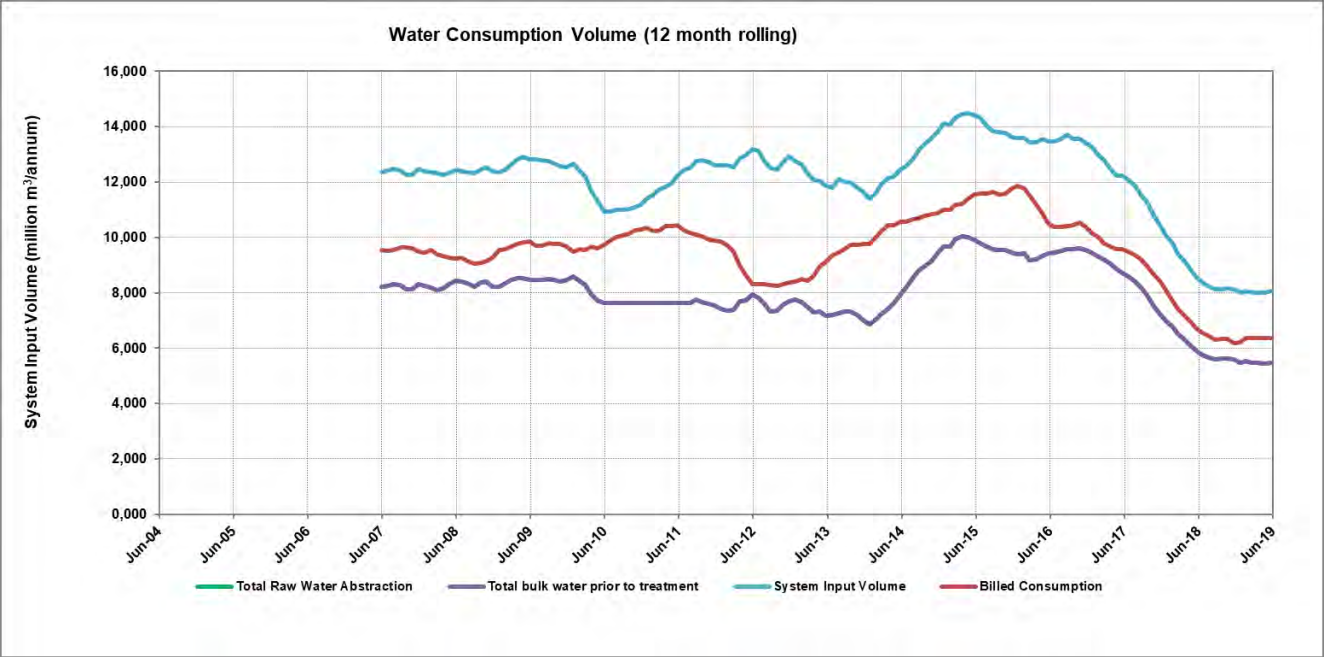


Figure 3:8: Water requirements scenario and reconciliation options

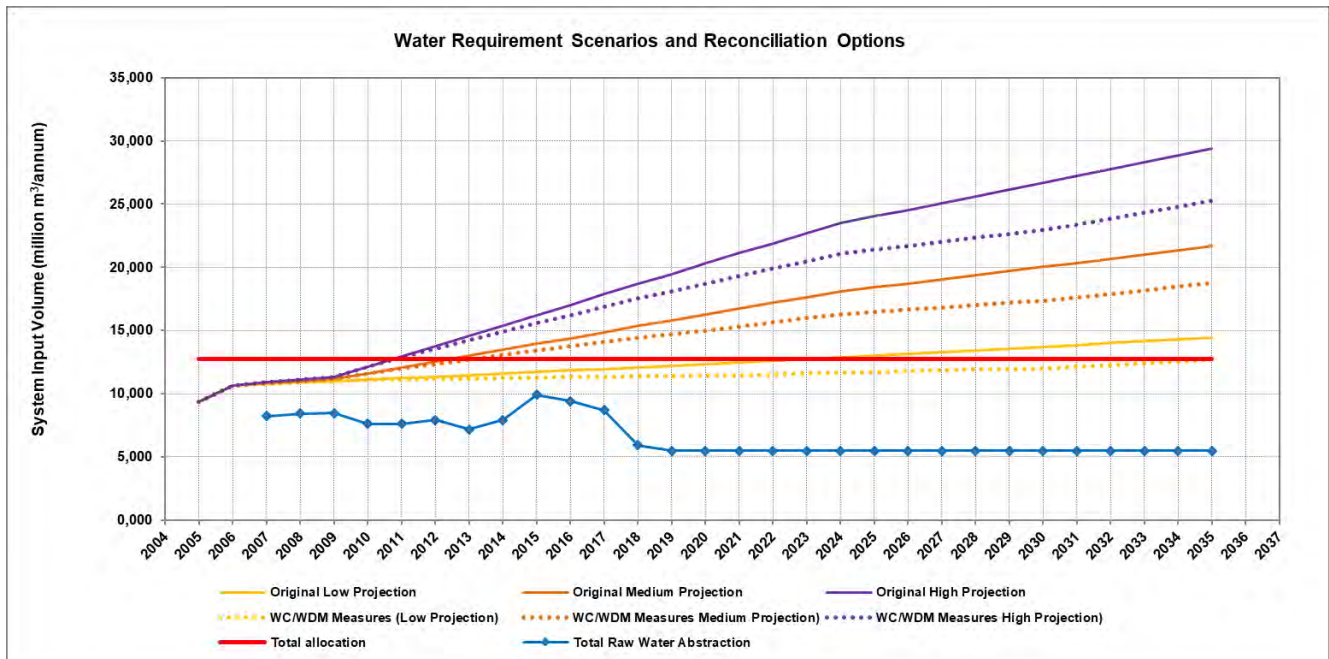
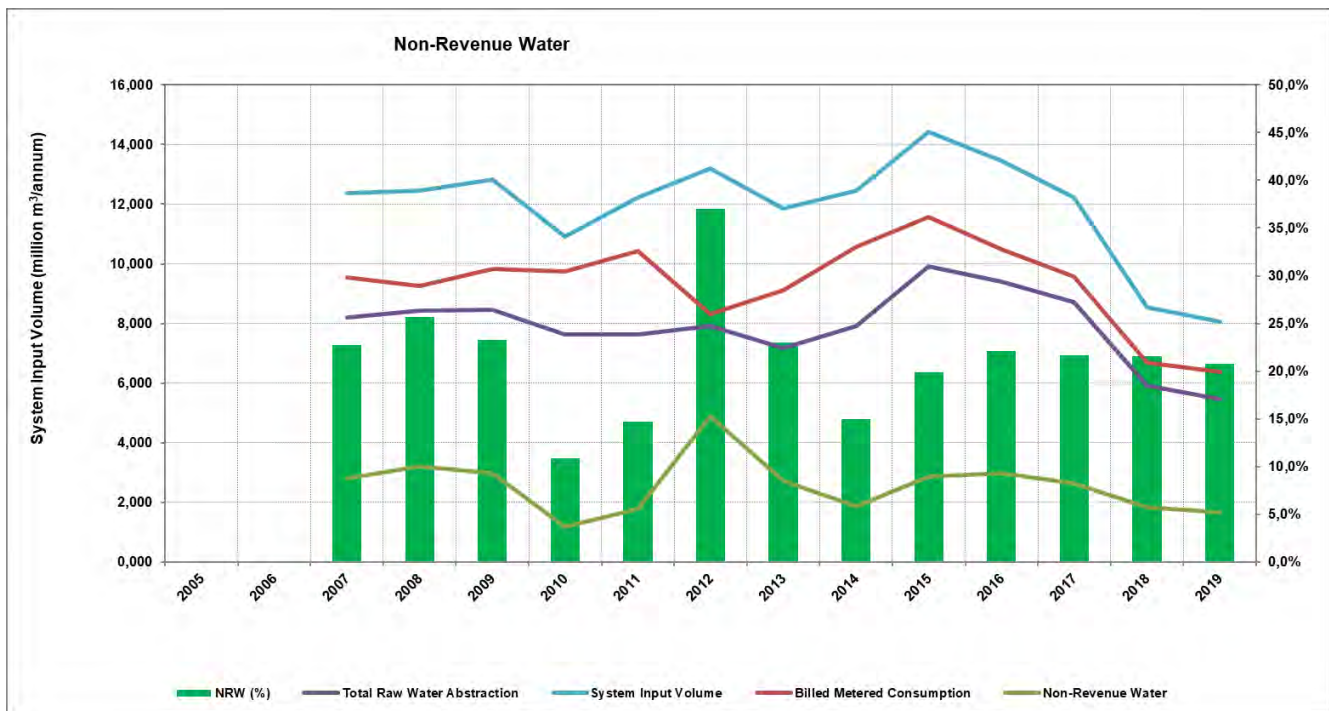


Figure 3:7: Non-revenue water



Groundwater is now seen as a potential water source and will be investigated and evaluated after the new water resources study is completed.

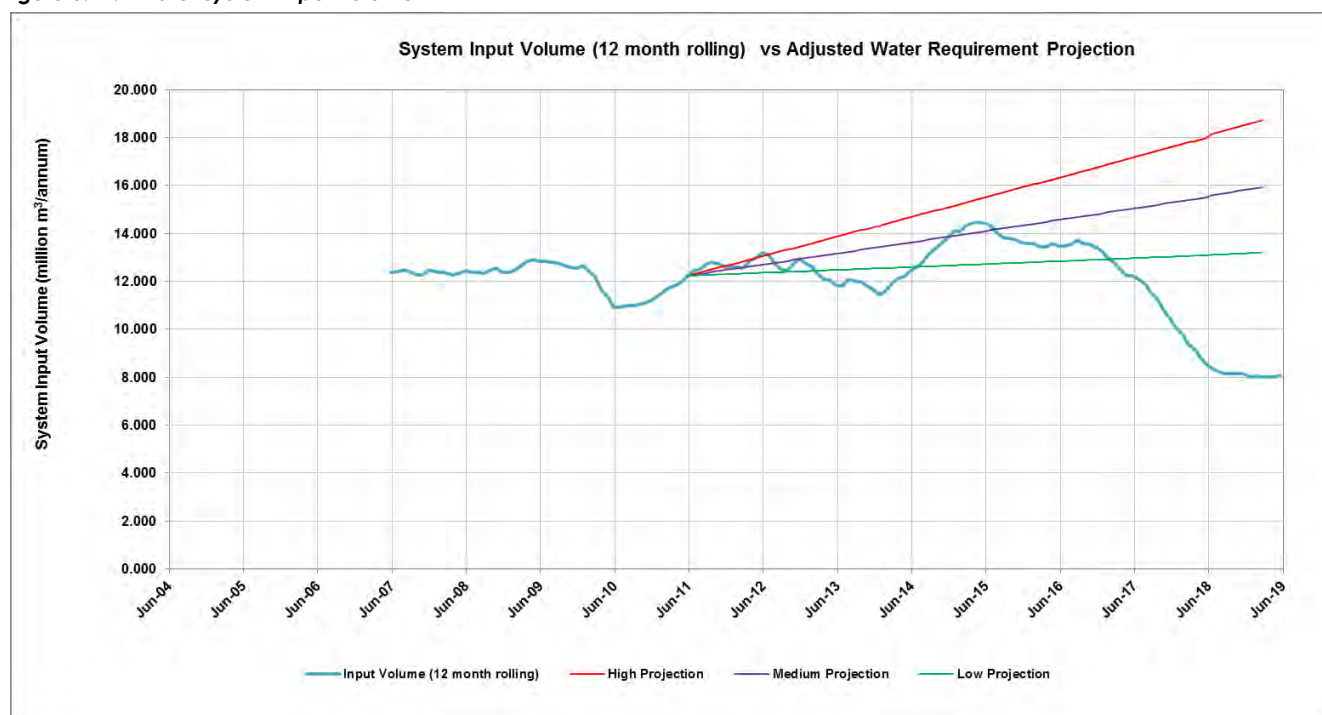
3.8.3.2 Service Statistics – Water Services

The table below outlines water usage totals per category:

Table 3:7: Total Use of Water (Mℓ)

| Total Use of Water (Mℓ) | | | | | |
|-------------------------|----------------------------------|-----------------------|-------------------|---------------------|-----------------------|
| Year | Total Water into the System (Mℓ) | Total Water Sold (Mℓ) | Non-Revenue Water | % Non-Revenue Water | % Physical Water Loss |
| 2014/15 | 14 876 | 11 556 | 3 320 | 22.3% | 10.3% |
| 2015/16 | 13 889 | 10 498 | 3 391 | 24.4% | 12.4% |
| 2016/17 | 12 220 | 9 572 | 2 648 | 21.8% | 9.7% |
| 2017/18 | 8 661 | 6 779 | 1 882 | 21.7% | 8.2% |
| 2018/19 | 8 058 | 6 380 | 1 676 | 20.8% | 6.9% |
| 2019/20 | 8 015 | 6 374 | 1 640 | 20.5% | 6.5% |

Figure 3:11: Water system input volume



3.8.3.3 Water Service Delivery Levels

As a priority it is the responsibility of Stellenbosch Municipality to ensure that adequate and appropriate investments are made to ensure the progressive realisation of the rights of all people in its area of jurisdiction to receive at least a basic level of water and sanitation services. While the provision of basic water services is the most important and immediate priority, Water Services Authorities are expected to provide intermediate and higher levels of services (for example water on site) wherever it is practical, provided it is financially viable and sustainable to do so.

All water services provided by Stellenbosch Municipality to consumers within its Municipal Management Area are linked to the municipality's Tariff Policy and Tariff By-laws, and poor households are incorporated through the municipality's Indigent Policy.

The large number of residents in the lowest income groups (living in informal areas) poses a major challenge to the municipality to provide suitable housing. Stellenbosch Municipality strives towards providing all households in the towns with a water connection inside the house and connecting all households to a waterborne sanitation system.

All the formal households in the urban areas of Stellenbosch Municipality's Management Area are provided with water connections and waterborne sanitation facilities inside households (higher level of service). Communal standpipes and ablution facilities are provided in the informal areas as a temporary emergency service. The municipality has become aware of the fact that communal standpipes represent in all likelihood the weakest part of a network's water supply services. Standpipes are often constructed in ways that cannot withstand excessive use (and in some instances abuse) and are often neglected in terms of operation and maintenance, with negative effects on the quality of the water supply.

Communal standpipes are also used by poor households who normally do not pay for water.

Below is a table that specifies the different water service delivery levels per households:

Table 3:8: Water Service Delivery Levels

| Description | 2015/16
(audited) | 2016/17
(audited) | 2017/18 | 2018/19 | 2019/20 |
|---|----------------------|----------------------|----------------|----------------|----------------|
| Household | | | | | |
| <u>Water: (above minimum level)</u> | | | | | |
| Piped water inside dwelling | 37 902 | 37 989** | 38 027** | 40 321 | 42 615 |
| Piped water inside yard (but not in dwelling) | 3 596 | 3 596 | 3 596 | 3 596 | 3 596 |
| Using public tap (within 200m from dwelling) | 8 491 | 9 238 | 9 699 | 11 327 | 12 955 |
| Other water supply (within 200m) | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| Minimum Service Level and Above Sub-Total | 49 989 | 50 823 | 51 323 | 55 244 | 59 166 |
| Minimum Service Level and Above Percentage | 99.75 | 99.75 | 99.75 | 99% | 98,93% |
| <u>Water: (below minimum level)</u> | | | | | |
| Using public tap (more than 200m from dwelling) | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| Other water supply (more than 200m from dwelling) | 125 | Not applicable | Not applicable | Not applicable | Not applicable |
| No water supply | 405 | Not applicable | Not applicable | Not applicable | Not applicable |
| Below Minimum Service Level Sub-Total | 530 | 0 | 0 | 581 | 632 |
| Below Minimum Service Level Percentage | 1.06 | 0 | 0 | 1% | 1,07% |
| Total Number Of Households (formal and informal) | 48 002 | 48 002 | 52 374 | 55 825 | 59 798 |

* Metered Properties ** Household

3.8.3.4 Capital Expenditure – Water Services

Table 3:9: Capital Expenditure as at 30 June 2019: Water Services

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|--|-------------------|--------------------|---------------------------------|
| | R | | |
| New Reservoir: Polkadraai | 7 000 000 | 3 573 589 | -48.95% |
| Relocation / Upgrading main water supply line | 6 693 710 | 3 170 678 | -52.63% |
| Bulk water supply Klapmuts | 7 420 489 | 1 748 843 | -76.43% |
| Vehicles | 6 594 068 | 1 087 324 | -83.51% |
| Water Conservation and Demand Management | 5 000 000 | 1 560 827 | -68.78% |
| Only the 5 largest capital projects are listed | | | |

Water Services have spent, **46.68%** of the capital budget for the financial year.

3.8.3.5 Total employees – Water and sanitation

The Water and Sanitation Services Department is understaffed; within context of the approved new organogram, this department has a 39.40% vacancy rate.

Table 3:10: Total Employees – Water Services

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|---|------------|------------|-----------------------------------|-----------------------------------|
| | Number | | | |
| 18 – 16 | 1 | 1 | 0 | 0% |
| 15 – 13 | 41 | 15 | 26 | 5.45% |
| 12 – 10 | 52 | 36 | 16 | 3.14% |
| 9 – 7 | 48 | 8 | 39 | 7.96% |
| 6 – 4 | 335 | 224 | 111 | 22.85% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 477 | 284 | 192 | 39.40% |
| * Employee statistics will be imprecise due to the implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the municipality's payroll system creates some anomalies i.e. accurate figures on job and occupation levels. The municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings. | | | | |

3.8.4 WASTE WATER (SANITATION) PROVISION

The main focus for the 2019/20 financial year was to implement the demands of the Stellenbosch Municipality's masterplan, fulfilling the needs of development for the greater Stellenbosch Municipality's vision, part of the demand was to complete the upgrade of the existing Stellenbosch Wastewater Treatment Works (WWTW), upgrade of the Pniel Wastewater Treatment Works, identify and resolve operational issues of the new Wemmershoek Wastewater Treatment Works.

The extension of the Stellenbosch WWTW from a 20MI/day to a 35MI/day plant commenced in April 2015 and was carried through to the 2019/20 financial year. This completed plant made use of Membrane Bioreactor Technology to ensure that current and future demand flows meet the highest standards in effluent quality. The total construction value is estimated at R479 million. The project is funded by the Stellenbosch Municipality and Department of Water and Sanitation (DWS) through its Regional Bulk Infrastructure Grant (RBIG) initiative. Phase 1 of the project is completed and is fully operational. New challenges occurred during phase 1, which lead to phase 2 and 3 of the project.

The construction work of the 4.5 Ml/day Pniel WWTW upgrade has commenced within the 2019/20 financial year and should be completed within 2021/22 financial year.

3.8.4.1 Sanitation Service Delivery Levels

The table below specifies the different sanitation service delivery levels per households for the financial years 2015/16 – 2019/20:

Table 3:11: Sanitation Service Delivery Levels

| Description | 2015/16
(audited) | 2016/17
(audited) | 2017/18 | 2018/19 | 2019/20 |
|--|----------------------|----------------------|---------------|---------------|---------------|
| <u>Household</u> | | | | | |
| <u>Sanitation/sewerage: (above minimum level)</u> | | | | | |
| Flush toilet (connected to sewerage) | 37 902 | 37 939 | 38 027 | 40 321 | 42 615 |
| Flush toilet (with septic tank) | 1 079 | 1 079 | 1079 | 1079 | 1079 |
| Chemical toilet | 321 | 114 | 94 | 94 | 139 |
| Pit toilet (ventilated) | 209 | 0 | 0 | 0 | 0 |
| Other toilet provisions (above minimum service level) | 1 038 | 0 | 0 | 2 336 | 2 386 |
| Minimum Service Level and Above Sub-Total | 40 549 | 39 132 | 39 252 | 44 595 | 49 938 |
| Minimum Service Level and Above Percentage | 94.86 | 97.51 | 97.01% | 92.0% | 98.14% |
| <u>Sanitation / sewerage: (below minimum level)</u> | | | | | |
| Bucket toilet | 125 | 0 | 0 | 0 | 0 |
| Other toilet provisions (below minimum service level) | 1 038 | 0 | 0 | 0 | 0 |
| No toilet provisions | 1 035 | 0 | 0 | 0 | 0 |
| Below Minimum Service Level Sub-Total | 2 198 | 1 193 | 1 173 | 1 050 | 972 |
| Below Minimum Service Level Percentage | 5.14 | 2.49 | 0 | 1.88% | 2.11% |
| Total Number of Households | 42 747 | 40 325 | 52 374 | 55 825 | 59 276 |

3.8.4.2 Capital Expenditure – Sanitation Services

Table 3:12: Capital Expenditure as at 30 June 2019: Sanitation Services

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|--|-------------------|--------------------|---------------------------------|
| | R | | |
| Upgrade of WWTW: Pniel and Decommissioning of Franschoek | 32 751 232 | 17 461 469 | -46.68% |
| Bulk Sewer Outfall: Jamestown | 31 578 466 | 29 913 525 | -5.27% |
| New Plankenburg Main Outfall Sewer | 22 347 744 | 18 295 000 | -18.13% |
| Ida's Valley Merriman Outfall Sewer | 9 884 648 | 9 458 117 | -4.32% |
| Sewerpipe Replacement: Dorp Street | 6 000 000 | 1 826 025 | -69.57% |
| Only the 5 largest capital projects are listed | | | |

Sanitation Services have spent, **84.07%** of the capital budget for the financial year.

3.8.4.3 Major projects implemented

Table 3:13: Major projects implemented

| Project Name | Scope | Project Cost | Benefit, Impacts and Goals achieved | Other Comments |
|--|---|--------------|--|---|
| Water Conservation and Water Demand Management (Wc/Wdm) Initiatives | | | | |
| Water Treatment Works Ida's Valley | Upgrading of the existing works to increase the current treatment capacity as well introducing colour removal. | R90M | Various upgrades and modifications to treatment works processes to be made in order to increase treatment capacity. | Consultant was appointed and the project is currently in the inception phase. |
| Extension of the Stellenbosch Waste Water Treatment Works (SWWTW). | The extension of the Stellenbosch Waste Water Treatment Works (SWWTW) is one of the largest projects in Stellenbosch history. | R480M | Increased Treatment capacity to 35 MI/day
Resolves the critical need for present and future WWT demand in the area.
Enable economic development in the area
Support the housing provision pipeline. | Phase 1 consist of constructing new 27MI/day MBR lane.
Phase 2 the existing plant will be upgraded to BNR (Biological Nutrient Removal) system with capacity of 8MI/day. Project has reached 100% completion. With further investigation into a tanker discharge facility. |
| New Wemmershoek (Franschhoek Valley) WWTW | The New Nereda Wemmershoek WWTW is at the forefront of technological innovation and construction was completed in April 2015 (Nereda © technology). | R29M | Ensure allowance for future demand and economic growth and development of the greater Franschhoek and surrounding areas.
Increase capacity from 1.8ML/day to 7ML/day in phases to eradicate Franschhoek WWTW challenges.
Allow decommissioning of existing Franschhoek WWTW. | Consultant was appointed to design phase 1 of the new CAS plant.
Staff is constantly trained to operate this plant which is highly technical. |
| Upgrade of Pniel WWTW | The upgrade of existing WWTW . | R144M | Capacity increased to 4.5MI/day. | Activated sludge process with Belt press and new UV disinfection system. |

3.8.5 ELECTRICITY

Load shedding continues being experienced due to the Eskom challenges with their power stations. As in the previous financial years of 2017/18 and 2018/19 Stellenbosch Municipality continues to contribute to Eskom's electricity supply stability, mainly with the following projects:

The Demand Side Management

The municipality continued with the Energy and Demand Management project which started in 2009, to replace inefficient street light fittings with energy efficient (LED) fittings.

Hot Water Load Control Project

The municipality has continued to install hot water load control device in the Franschhoek area, which will enable shedding of all geysers during peak times, hence making an energy saving at the end of the month. A total of 9 223 load control device have been installed in Stellenbosch area and Franschhoek. All new developments are being issued with load control devices to manage demand.

Electrification of Informal Settlements

Through the INEP grant received the municipality managed to electrify informal settlement structures that are in the areas where electricity services are available. All the structures that are electrified received free basic electricity (100 kWh).

Pniel take-over

Stellenbosch Municipality finally took over from Drakenstein Municipality the electrical network at Pniel, Hollandsche Molen, Johannesdal and the surrounding farms with effect from 15 February 2019. However, the network proved to have been unkept judging by the number of infrastructure failures and the state the infrastructure is found in, when attending to such outages. The municipality, as a result of these huge number of infrastructure failures, instituted an investigation which revealed that a number of the infrastructure either need to be replaced or refurbished and in some instances a complete new engineering arrangement to be made.

With the limited financial resources, funding is made available as and when to realise the projects, as per the report, in order to ensure some degree of electricity stability in Pniël.

3.8.5.1 Electricity Service Delivery Statistics

Table 3:14: Electricity Notified Maximum Demand

| Major Towns | Notified Maximum Demand (NMD) | Maximum Demand Growth (NMD) | Maximum Demand Peak (NMD) |
|--------------|-------------------------------|-----------------------------|---------------------------|
| Stellenbosch | 60 MVA | 0.6 MVA | 56.3MVA |
| Franschhoek | 10 MVA | 0.48 MVA | 10.25 MVA |
| Cloetesville | 16 MVA | 1.58MVA | 16.03MVA |
| Pniël | 9 MVA | N/A | 7.883MVA |

The electricity losses as at 30 June 2020 were 7.31% which is still within the acceptable industry standard of 11%, however there was an increase in losses as compared to last financial years of (2017/18) and (2018/19). The reason for that is increase of illegal connections and the new network Stellenbosch Municipality took over from Drakenstein Municipality in February 2019 has an effect on the losses.

An alarming 48% in losses was discovered by investigation conducted on the Pniël network. Due to this high number, which is abnormal, it is unlikely that these were only the losses, rather an indication of either a faulty metering equipment of meters that were not transferred over by Drakenstein to Stellenbosch and as such, maybe still continue to pay the consumption to Drakenstein. The municipality is urgently looking for a solution to address this.

The issue of severe staff shortage continues being a challenge and difficulty in attracting suitably qualified and competent persons continues being experienced. It is vital for the effective functioning of electricity services to be able to attract competent, skilled and sufficiently experienced personnel. Resolving the staff shortages will improve the current working conditions of staff.

3.8.5.2 Electricity Service Delivery Levels

Electricity Service Delivery Levels

| Description | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|--|----------------|----------------|----------------|------------------|------------------|
| <u>Household Prepaid</u> | <u>audited</u> | <u>audited</u> | <u>audited</u> | <u>unaudited</u> | <u>unaudited</u> |
| Energy: (above minimum level) | | | | | |
| Electricity (at least minimum service level)
(No. of conventional meters) | 6 486 | 6 486 | 6 453 | 4 715 | 4 601 |
| Electricity - prepaid (minimum service level)
(No. of prepaid meters) | 17 504 | 17 504 | 25 946 | 27 825 | 28 366 |
| Minimum Service Level and Above Sub-Total | 23 990 | 23 990 | 32 399 | 32 540 | 32 967 |
| Minimum Service Level and Above Percentage | 79.67 | 86.7 | 80.08 | 85.51 | 86.04 |
| Energy: (below minimum level) | | | | | |
| Electricity (< minimum service level) | 0 | 0 | 0 | 0 | 0 |
| Electricity - prepaid (< min. service level) | 4 460 | 4 460 | 6 453 | 0 | 0 |
| Other energy sources | N/A | N/A | N/A | N/A | N/A |
| Below Minimum Service Level Sub-Total | 4 460 | 4 460 | 6 453 | 0 | 0 |
| Below Minimum Service Level Percentage | 13.27 | 13.27 | 12.32 | 0 | 0 |
| Total Number Of Households | 48 002 | 48 002 | 52 374 | 32 540 | |

During the 2019/20 financial year the municipality continued with the programme of the renewal and upgrading of old equipment reaching the end of its life cycle.

The replacement of old low voltage overhead networks has been completed in la Collinne and some parts of Cloetesville. The municipality will continue in the next financial year with the replacement in Cloetesville.

3.8.5.3 Capital Expenditure – Electricity Services

Table 3:15: Capital Expenditure as at 30 June: Electricity Services

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|--|-------------------|--------------------|---------------------------------|
| | R | | |
| Stand-by Generator | 9 355 144 | 8 107 426 | -13.34% |
| General Systems Improvements - Stellenbosch | 4 908 238 | 4 753 823 | -3.15% |
| Integrated National Electrification Programme | 11 160 000 | 10 734 688 | -3.81% |
| Integrated National Electrification Programme (Enkanini) | 4 480 000 | 4 428 126 | -1.16% |
| Energy Efficiency and Demand Side Management | 2 000 000 | 1 999 711 | -0.01% |
| Specialised Vehicles | 2 000 000 | 1 984 402 | -0.78% |
| Network Cable Replace 11 Kv | 2 000 000 | 820 676 | -58.97% |
| Only the 7 largest capital projects are listed | | | |

Electricity Services have spent, **91.42%** of the capital budget for the financial year.

3.8.5.4 Total employees – Electricity

Total Employees – Electricity

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|------------|------------|-----------------------------------|-----------------------------------|
| | Number | | | % |
| 18 – 16 | 1 | 1 | 0 | 0% |
| 15 – 13 | 12 | 8 | 4 | 3.03% |
| 12 – 10 | 36 | 8 | 28 | 19.7% |
| 9 – 7 | 44 | 32 | 12 | 9.09% |
| 6 – 4 | 39 | 11 | 28 | 5.45% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 132 | 60 | 72 | 37.27% |

* Employee statistics will be imprecise due to the implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

3.8.6 WASTE MANAGEMENT, REFUSE COLLECTIONS, WASTE DISPOSAL AND RECYCLING

3.8.6.1 Solid Waste Management

The Waste Management Department's key responsibility is to keep the municipal area clean and free of illegal dumping and to provide a sustainable waste collection and disposal service for all residents. The municipality also focuses on several ways to enhance waste reduction as well as the implementation of treatment, recovery and recycling systems for various waste streams.

The 2019/20 financial year was challenging year for the Waste Management Department as the Stellenbosch Landfill site reached its capacity and the municipality had to divert all domestic waste to Vissershok Landfill site in Cape Town. The department was also hard hit by the COVID-19 pandemic which resulted in the refuse collection depot being closed thrice in space of two months because of staff contracting the virus.

The municipality has made progress in the waste minimisation efforts with the start of construction of the Waste Material Recovery Facility (MRF) which will include a public waste drop-off. This will bring waste disposal services closer to the public and allow for waste and unwanted items to be brought to this facility for safe disposal or to be recycled. This facility should also contribute to minimise the illegal dumping, by providing a place for waste to be disposed of.

The municipality has also commenced with the finalisation of certain strategic documents in the 2019/20 financial year such as Section 78(3) report, Integrated Waste By-Law and Integrated Waste Management Plan (IWMP). All these reports will be tabled at Council in the new financial year (2020/21). These strategic documents will provide the blueprint on various service delivery mechanisms, by-laws and the IWMP which forms part of the Integrated Development Plan.

During the financial year, waste volumes were relatively consistent however the disposal of waste to landfill was significant lower during level 5 and 4 national lockdown. This could mainly be contributed to the University and businesses being closed over these periods. There was however a gradual increase

as the lockdown levels were lifted.

Progress has been made with the expansion of the landfill with the environmental impact assessment for the moving of the powerlines at the landfill site being finalised for the authorities to approve. Once all approvals are in place the construction related activities will commence.

Challenges within this department were the number of vacancies, particularly in the Area Cleaning and Waste Disposal and Minimisation branches that needs to be filled, the Senior Manager of the department resigned within the financial year leaving a vacancy on management level, the diversion of waste to Vissershoeck in Cape Town, the archaic Task-to-finish practise which is hampering the refuse collection service, the longer time-frames to procure goods and services as a result of implementation of measures by Supply Chain Management to reduce unauthorised/irregular expenditure.

3.8.6.2 COVID-19

The 2019/20 financial year will go down in the history books as the year in which the COVID-19 pandemic affected the way in which we all live and deliver services. During the early stages of the complete lockdown, essential services needed to be maintained. Waste services, including washing down and sanitising of public areas were implemented. Staff were trained on measures to guarantee their own as well as others safety. Personal Protection Equipment (PPE) was rolled out and the wearing of masks were made mandatory for all staff. A "new normal" service delivery strategy was put in place.

Department of Environmental Affairs and Development Planning (DEA&DP) initiated a weekly meeting of all municipalities from around the Province to report on COVID-19 difficulties and solutions used to enable service delivery to continue.

3.8.6.3 Area Cleaning- Franschhoek

All teams worked through the lockdown and the municipality was fortunate not to have any positive cases. Employees were informed of the rules and regulations regarding COVID-19 and everyone applied the rules to their daily routine.

Staff received their PPE, masks, sanitiser or hand wash as well as gloves during the levels of lockdown on a daily basis.

Three new skips were placed inside the Lanquedoc residential area and 6 skips were placed in Klappmuts.

10 street bins were placed in the Franschhoek CBD area.

A total of 166 EPWP workers were employed during the 2019/20 financial year.

The first semester from 01 July 2019 to 31 December 2019 a total 101 EPWP workers were recruited and employed from the unemployment database. The second semester from 01 January 2020 to 30 June 2020 a total of 50 EPWP workers were employed, and from February 2020 until June 2020 a group of 15 people were employed.

A total of 9 530 bags were distributed during the 2019/20 financial year – during the lockdown period no bags were handed out door-to-door.

Teams were requested to clean inside a dam area where people erected illegal shacks. This is an ongoing problem.



Illegal dumping clearing in Franschoek by Area Cleaning



Area Cleaning in Pniel

3.8.6.4 Area Cleaning- Stellenbosch

A total of 334 EPWP employment opportunities were created in the 2019/20 financial year.

All teams worked through the lockdown. Employees were informed of the rules and regulations regarding COVID-19 and everyone applied the rules to their daily routine.

Staff received their PPE, masks, sanitiser or hand wash as well as gloves during the levels of lockdown on a daily basis.

12 skips were placed in Stellenbosch for the financial year, Kayamandi, MESCO farm, Cloetesville and Jamestown.

170 street bins were placed in the following areas:

- Stellenbosch CBD;
- Onder Papegaaiberg;
- Ida's Valley;
- Taxi Rank CBD;
- Taxi Rank Kayamandi;
- Paradyskloof;
- Ida's Valley;
- Cloetesville; and
- Plankenbrug.

An average of 70 000 blue bags were used on a monthly basis to clean areas / replace bins and for the door-to-door service in Enkanini.

Area Cleaning has no permanent staff, only consists of an Assistant Superintendent and 300 EPWP employees.



Enkanini Pig Farm



Cloeteville illegal dumping - before and after



Area Cleaning staff briefing and ready for river cleaning

3.8.6.5 Refuse Collection

Wheelie 240 litre bins

During the 2019/20 financial year, 1 220 wheelie bins were distributed in total. These were made up as follows: 606 new applications received and bins distributed, 71 additional bins provided, 176 broken bins were replaced and 367 stolen bins replaced.



Area Cleaning – before and after

Acquisition of new assets

Table 3:16: New Waste Management Vehicles

| Reg no | Year | Descriptions | Delivered | Value |
|----------|------|--------------------|-----------|-------------|
| CL 22049 | 2019 | MST Digger Loader | Jul-19 | R 1 065 632 |
| CL 10783 | 2019 | UD 16 Ton Hooklift | Aug-19 | R1 363 889 |

The municipality procured **220** street bins which were a combination of plastic and cement bins which were placed in various location within the CBD and residential areas.

In addition, the municipality also procured **41** skips which were and place at illegal dumping hotspots and informal settlements.

3.8.6.6 Waste Disposal and Waste Minimisation

Construction of new MRF and Drop-Off

The construction phase of the new Material Recovery Facility (MRF) and associated Public Drop-off Facility commenced during 2019/20 financial year. The facility, once completed, will comprise a waste reception area (with a weighbridge), MRF building (with fixed plant comprising conveyors and sorting line and two baling machines) public drop off (for small loads of waste) and staff facilities. Completion is due in November 2020.



New MRF building under construction

Green waste chipping

Green waste is being received at Franschhoek Drop Off and Stellenbosch Landfill. As the landfill site is where all the green waste is gathered, the appointed contractor to provide a chipping service such waste.

Door to door recycling collection

Recycling collections and operations are managed by Stellenbosch Municipality with the help of various contractors that supply vehicles in order to do door to door collections. Recyclables are collected in clear plastic bags made with recycled materials on every day of the week around the Stellenbosch Municipal area as well on farms and businesses in the surrounding area. Upon collection new clear bags are provided for each bag collected in order to ensure that all residents are able to recycle on a weekly basis.

The pre-mature ending of services of an appointed contractor in the last quarter of the financial year; offered challenges in rendering this service, and a resultant decline in recycling initiatives. With the completion of a MRF located in WC024 (by end 2020) the education and awareness activities should be mobilised to support minimisation of waste in all areas of WC024.

Disposal

Stellenbosch landfill

The Stellenbosch landfill situated in Devon Valley Road is essentially in care and maintenance phase and receives limited waste. Cell three has filled up since August 2019. Work is currently under way to license a new cell at the site (see details below).

Due to the lack of landfill airspace in Stellenbosch, the transfer of all general waste to the private landfill situated in the City of Cape Town area at Vissershok commenced during August 2019.

A tender process was followed for waste disposal facilities and this was awarded to the Vissershok Waste Management facility (VWMF).

All waste that was delivered by either SM owned municipal vehicles or by way of a sub-contractors working for SM as well as private users was transferred from Klappmuts transfer station to VHWMF for disposal.



Photo: Stellenbosch landfill entrance

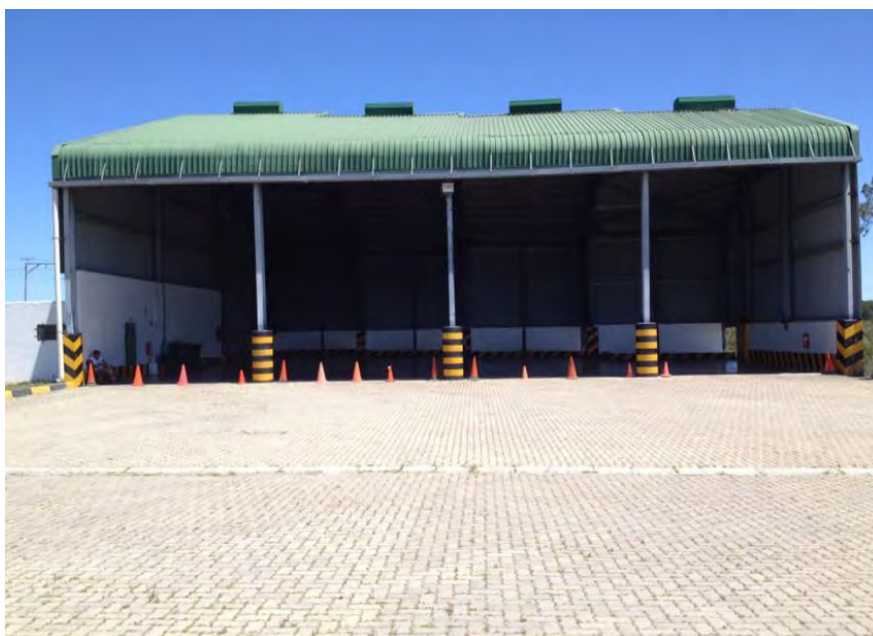


Stellenbosch Landfill rubble crushing and landfill side slope rehabilitation

Klapmuts Transfer Station

The Klapmuts Refuse Transfer Station has a design capacity of 150 tons per day transfer capacity. Since August 2019 this facility has been utilised at near capacity to transfer waste to VHWMF. Waste from all areas will be transported in collection vehicles and will be transferred into open top 30m³ bins for onward transport using 3 containers at a time by way of bulk transport to Vissershok Waste Management Facility.

The transfer of waste to and through Klapmuts RTS commenced during August 2019 and for the period up to 30 June 2020 a total of 31 260 ton of general waste was transferred.



Klapmuts Transfer Station waste reception apron

Franschhoek drop off

The Franschhoek Drop-off facility continued to provide a service to the residents of Franschhoek and surrounds to dispose of the garden waste and bulky goods. A contractor is appointed to transport garden waste to Stellenbosch Landfill and bulky waste to Vissershok Private Landfill.

Relocation of Eskom Power Lines

The Stellenbosch landfill situated on the Devon Valley is transversed by two high voltage Eskom power lines. The presence of these power lines prevents the municipality from engineering and operating the area located between cells 1, 2 and 3 as waste disposal cells. This has resulted in the premature filling up of the facility which was put into care and maintenance phase with limited waste acceptance since August 2019.

In order to relocate the two sets of power lines an appointment was made of an environmental assessment practitioner (EAP) to undertake a Basic Assessment (BA) process that would lead to an application for an environmental authorisation allowing Eskom to proceed with the relocation project. This project commenced during the previous financial year making use of an existing panel tender. The project commenced during June 2019 and the Final Basic Assessment Report was submitted to national Department of Environment as planned during June 2020.

As Eskom is an organ of state and the project deals with the generation and transmission of electricity, the competent authority for this project is the National Department of Environment, Forestry and Fisheries (DEFF).

It is anticipated that the Environmental Authorisation as well as the Water Use License will be issued by the end of November 2020.

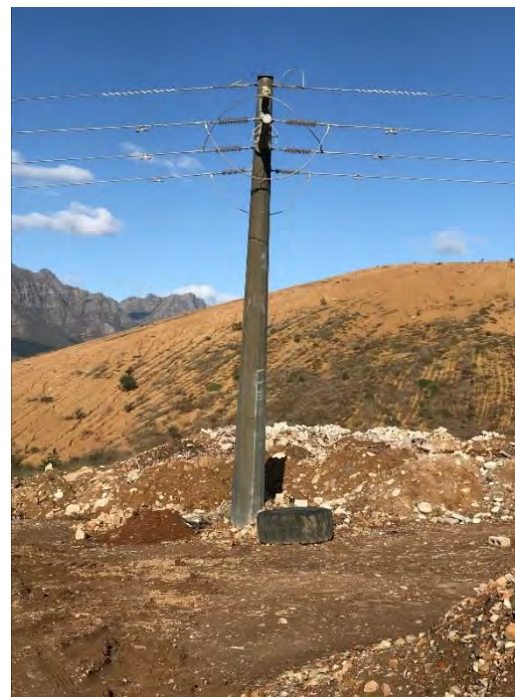


Photo: Two sets of high voltage power lines to be relocated from the Stellenbosch Landfill

Waste Management Licence project

The Stellenbosch landfill has reached capacity. The landfill comprises completed cells (cell 1 and 2) as well as an operating cell (cell 3). Cell 3 is separated from cells 1 and 2 by an area on the landfill property footprint that is used for access roads, entrance area and weighbridge, green waste chipping and rubble crushing and stockpiling activities. This area has been unused as it is transferred by two high voltage Eskom power lines which are to be removed and repositioned. This area has been identified as

possibly suitable for the establishment through design and construction of engineered cells to be operated for the acceptance for disposal of residual general waste which has not been recycled or recovered for energy purposes, this will add some 20 to 30 years of landfill airspace.

The appointment of an EAP was made using the existing panel tender in terms of which a request for technical proposal was requested and an appointment was made of a specialist environmental consultant to successfully carry out all required environmental processes including relevant specialist studies by way of a comprehensive BA process to successfully obtain the Waste Management License that will allow the municipality to proceed with the planning, design, construction and operation of further waste management cells. In addition, the appointed professional service provider must also review and do the necessary work if required for the updating of the Water Use License of the site (WULA). The project was initiated during June 2019 and it is anticipated in spite of delays experienced due to the lack of boreholes and the national COVID-19 lock down the BAR will be completed ready for public participation by end of December 2020. The final BAR will be submitted early in 2021 and the WML and WUL should be issued early in the second semester of the 2020/21 financial year.

A series of new boreholes were drilled to ensure that the design report to be completed, this included boreholes for the new cell 4 as well as additional boreholes for the monitoring of the closed cells 1 and 2 as well as cell 3.



Photos: borehole being drilled as well as completed borehole

The Devon Valley Landfill Site received the following quantities of waste which was recorded by the weighbridge at the site:

Table 3:17: Landfill statistics for incoming waste in tons for 2019/20 financial year

| Total Waste at Dvls Per Month | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 17 852 | 10 063 | 21 200 | 6 448 | 6 844 | 4 483 | 5 630 | 4 721 | 5 310 | 412 | 2 909 | 6 710 |
| Waste Received at DVL Per Month | | | | | | | | | | | | |
| | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 |
| Building Rubble | 2 613 | 2 155 | 2 071 | 2 791 | 2 899 | 3 339 | 3 324 | 2 892 | 3043 | 21 | 988 | 3 019 |
| Garden Waste | 392 | 234 | 14 829 | 362 | 379 | 239 | 578 | 554 | 495 | 23 | 274 | 863 |
| Clean Cover | 8 171 | 2 854 | 982 | 1 762 | 2 777 | 438 | 968 | 599 | 770 | 0 | 444 | 1 352 |
| Area Cleaning | 510 | 781 | 650 | 652 | 441 | 227 | 264 | 418 | 618 | 325 | 1 055 | 1 240 |
| Domestic Refuse | 4 123 | 2 885 | 1 621 | 364 | 154 | 131 | 272 | 106 | 157 | 29 | 76 | 1 |
| Industrial Refuse | 481 | 720 | 459 | 368 | 195 | 110 | 161 | 152 | 130 | 12 | 67 | 111 |
| Waste Removed and / or Beneficiated | | | | | | | | | | | | |
| | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 |
| Green Waste | 392 | 234 | 14 829 | 362 | 379 | 239 | 578 | 554 | 495 | 23 | 274 | 863 |
| Recyclables Out | 75 | 90 | 82 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Bricks Out | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

The table above refers only to incoming waste which was captured over the weighbridge as incoming loads and waste removed, or beneficiated, for the 2019/20 financial year.

The total waste received at the landfill site was 92 582 tons, compared to the corresponding period a year ago, which was 219 896 tons. This indicates a decrease of 58%.

The main reason for this is the limitation in airspace at the landfill, and thus from August 2019 general waste was being re-directed to Klapmuts Transfer Station and then transported and disposed of at Vissershok Private Landfill. This changed the composition of waste material on site to the extent that recyclables were no longer available to informal waste pickers on site.

The other fluctuation in waste volumes is due to economic activities that were limited during lockdown. It is interesting to note that area cleaning / illegal dumping has increased dramatically. The high rate of unemployment and more people / families are at home and waste generated is not disposed of responsibly, may be a reason for this.

Projects continued in the 2019/20 financial year but initiated in previous financial year(s):

Landfill gas extraction, flaring and electricity generation:

Previous investigations into landfill gas showed that it is feasible to harvest landfill gas from the closed and active cells and convert this to electricity. Carbon offset projects are a way in reducing the carbon footprint of a municipality, thus there are benefits in investing in carbon reduction projects, which can assist in making a town carbon neutral.

Many of the carbon offset projects may provide additional benefits such as biodiversity, education, jobs, food security, as well as much needed income for developing countries.

A Clean Development Mechanism (CDM) project undertaken with registration under the United Nations Framework Convention on Climate Change (UNFCCC) could unlock CDM income for the Stellenbosch Municipality through the sale of certified carbon credits measured as Certified Emission Reduction credits (CERs). These CERs can be traded and sold, and used by industrialised countries to meet a part of their emission reduction targets under the Kyoto Protocol. In addition, South Africa has established a system that allows subsidies for green energy projects in return for tax incentives (carbon tax) for investor companies including municipalities.

The Department of Minerals and Energy has established a renewable energy finance and subsidy office (REPSO) to assist developers.

Investigations into the best mechanism to take this project forward have been undertaken. Starting from scratch is both expensive and time consuming, so the most financially viable way ahead with the Stellenbosch Municipal landfill gas to electricity project will be to link into the City of Cape Town's UNFCCC approved Programme of Activities (POA). Being part of an established POA will have many benefits, including financial and time, for the Stellenbosch Municipality.

A letter seeking permission was sent from the Municipal Manager's office to the City Manager in this regard. A positive response was received and the Stellenbosch Municipality will embark in the 2020/21 financial year on the viability and eligibility study to make certain that the project is viable and that the benefits of linking with the POA can be realised.

Compliance

Internal audits

Internal audits are due to be conducted quarterly in the months of March, June, September and December by Head Office waste management staff. This is a regulatory requirement. However due to the fact that the Senior Manager: Waste Management left the municipality, two internal audits were not finalised and written up. One was carried out in May 2020.

External audits

For disposal facilities (landfills and transfer stations) to be operated in compliance with the relevant legislation, all landfills must be licenced and managed according to the conditions in the licence. These management practices must also be compliant with the Norms and Standards in terms of the National Environmental Management Waste Act (NEMWA) as well as with certain sections of Minimum Requirements for Waste Disposal by Landfill (DWAF, 1998), and other relevant regulations.

To be able to assess whether waste management practices are according to all stated conditions, landfill owners must, on a regular basis (at least once per annum), obtain the services of an external auditor to do an independent landfill compliance audit.

To ensure compliance, external audits have been undertaken by an independent specialist consultant, at the Stellenbosch landfill and at the Klapmuts Transfer Station, in accordance with waste management licence conditions. Six months later a review of the audit finding to ascertain improvements have been carried out. The independent auditor reported back to the municipality as well as to the Monitoring Committee. Most of the permit conditions are compliant, with the exception of storm water monitoring, groundwater monitoring and gas monitoring. All of the non-compliances are being addressed with establishment of a new borehole monitoring network as well as appointments for ground water and landfill gas monitoring. All required boreholes were implemented in the 2019/20

financial year as part of the specialist studies undertaken, and gas monitoring will be incorporated with the methane extraction project also listed in the 2020/21 financial year.

Monitoring Committee

All landfills are established and operated in terms of a waste management license (WML) issued by either the national or Provincial Department of the Environment. In terms of the WML landfills are required to establish a Monitoring Committee. The objective of the Monitoring Committee is to provide a forum to enable the community to effectively participate in and monitor the operation, rehabilitation, closure and on-going monitoring of a landfill.

The Stellenbosch landfill has an active monitoring Committee that meets every three months. The committee is chaired by a representative of the community and minutes are prepared by the municipality. Monitoring Committee meetings are attended by DEA&DP officials as well as officials of various Municipal Departments as and when required. The independent external auditor also attends the meeting as and when required to report on the findings of the annual external as well as the review audit.

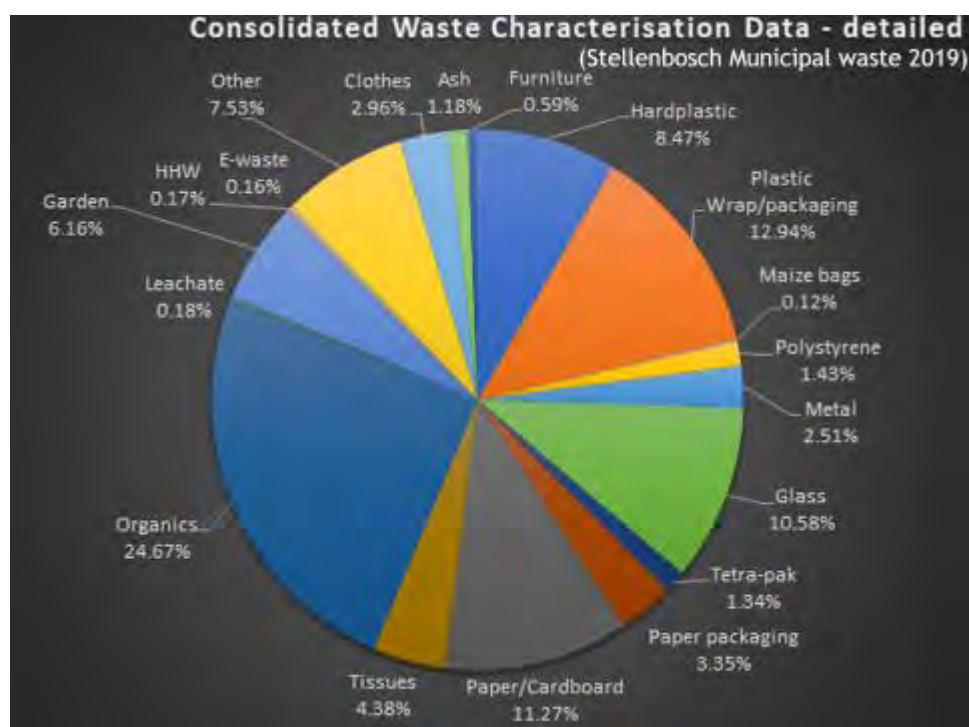
Waste Managers Officers Forum

The Waste Management Officer (WMO) for the Stellenbosch Municipality is the Senior Manager: Waste Management. Quarterly meetings of the Provincial Waste Managers Officers forum take place at various venues across the Province. The WMO attends the meeting and reports back on activities within the municipality – this also provides a forum to receive information from Provincial officials and for networking with WMOs from other municipalities within the province.

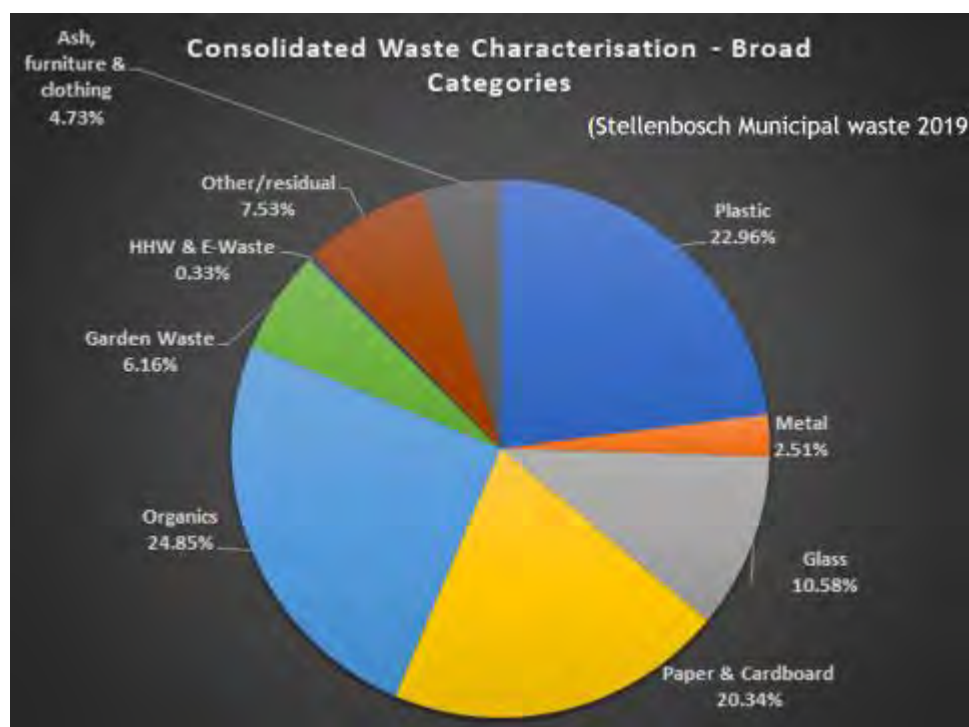
Studies and strategies

Waste Characterisation study

In order to understand the Stellenbosch waste stream and make decisions based on recent data and composition, a comprehensive waste characterisation study was undertaken. This was completed during 2019/20 financial year.



Outcomes of waste characterisation study – broad categories data



Outcomes of waste characterisation study – detailed data

Review of IWMP

A comprehensive review and updating of the Integrated Waste Management Plan of the municipality was initiated during 2019/20. This will be completed in the next financial year and submitted for approval to Council.

MSA Section 78(3) report

A section 78(3) investigation was undertaken as mandated under the MSA.

This investigation is undertaken to inform Council of the outcome of the process followed in terms of the Section 78(1) and (2) study and subsequent Council resolution into the preferred service delivery mechanism for the various activities undertaken by the Solid Waste Management department thereby enabling Council to make an informed resolution and a Section 78(4) decision.

The report was finalised during 2019/20 financial year and will be reported to Council during 2020/21.

Social Engagement and environmental clean-ups

The Department of Environment, Forestry and Fisheries (DEFF) provided the municipality with a Youth Environmental Coordinator (YCOP) to assist with social engagement and awareness.

On the 10th of April 2019, Solid Waste Senior Manager, YCOP, Stellenbosch Water Institute Project Manager, Amanzi Yimpilo youth ambassadors and engineers, Environmental Management unit manager conducted site visit to all the polluted areas highlighted by the community, involved a walk-through ED and H sections of Enkanini, and an investigation of the three rivulets in Enkanini. The aim of the site visit was both to verify the community concerns and obtain a sense of the extent of the problems that the community had identified.

Involvement with professional and Educational Institutions:

During the financial year the department conducted environmental awareness with regards to recycling and illegal dumping. Environmental awareness was conducted by the YCOP at the following schools:

List of visited schools:

1. Groendal Primary School;
2. Dalubuhle Primary School;
3. Kayamandi Primary School;
4. Ikaya Primary School;
5. Ida's Valley Primary School;
6. Webergedenk Primary School;
7. Kayamandi High School Pniel Primary School;
8. PC. Petersen Primary School;
9. Makupula High School;
10. Stellenzicht High School;
11. Luckhoff High School;
12. Laerskool Cloetesville;
13. A.F Louw;
14. ST. Vincent PC Primary;
15. Rhenish Primary;
16. Laerskool Eikestad; and
17. Devonvallei Primary School.

Involvement with professional and Educational Institutions

Institute of Waste Management of Southern Africa (IWMSA)

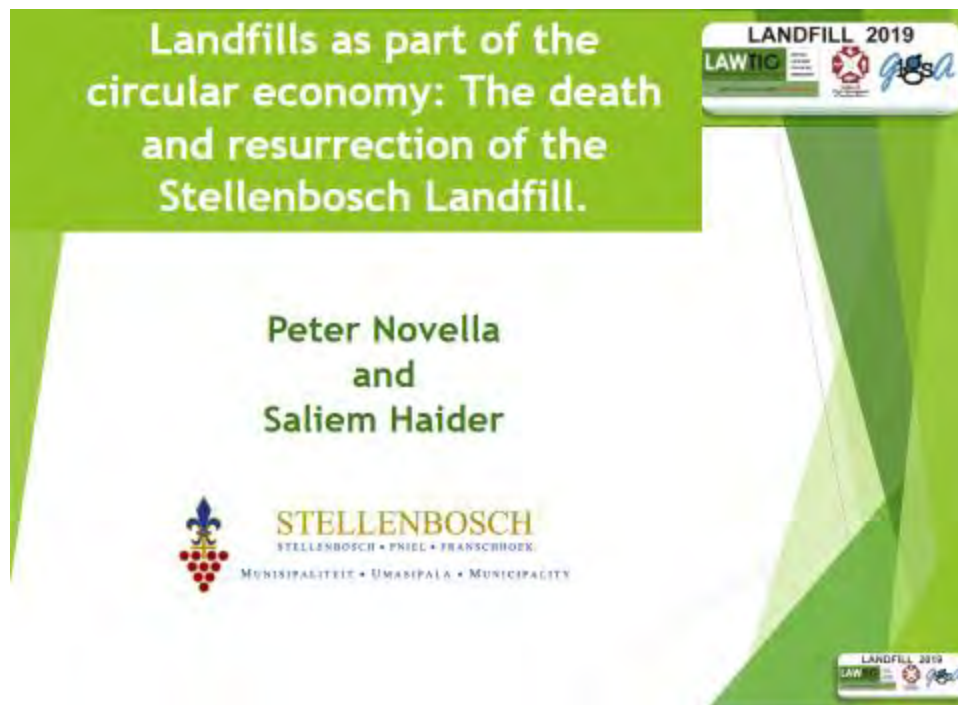


Photo: Cover of presentation at IWMSA Landfill 2019 conference.



Cover of February 2020 Resource and article on waste management in Stellenbosch.

3.8.6.7 Refuse Removal (Solid Waste) Service Delivery Levels

The table below indicates the different refuse removal service delivery level standards within the urban edge area of the municipality:

Table 3:18: Refuse removal service delivery level standards

| Description | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---|---------------|---------------|---------------|---------------|---------------|
| Household | audited | audited | audited | unaudited | |
| Refuse Removal: (Minimum level) | | | | | |
| Removed at least once a week | 40 264 | 37 207 | 49 072 | 48 988 | 49 300 |
| Minimum Service Level and Above Sub-Total | 40 264 | 37 207 | 49 072 | 52 374 | 52 374 |
| Minimum Service Level and Above Percentage | 90.2 | 78.7 | 93.7 | 93.5 | 94.1 |
| Refuse Removal: (Below minimum level) | | | | | |
| Removed less frequently than once a week | 1 064 | 1 064 | 1 064 | 1 064 | 1 064 |
| Using communal refuse dump | N/A | N/A | N/A | N/A | N/A |
| Using own refuse dump | 2 058 | 5 358 | 6 453 | 2 323 | 2 323 |
| Other rubbish disposal | 766 | 766 | N/A | N/A | N/A |
| No rubbish disposal | N/A | N/A | N/A | N/A | N/A |
| Below Minimum Service Level Sub-Total | 3 888 | 7 188 | 7 517 | 3 387 | 3 387 |
| Below Minimum Service Level Percentage | 8.81 | 8.80 | 11.66 | 6.5 | 6.5 |
| Total Number of Households | 44 152 | 44 493 | 52 374 | 52 374 | 52 374 |

3.8.6.8 Capital Expenditure – Waste Management Services

Table 3:19: Capital Expenditure as at 30 June: Waste Management Services

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|---|-------------------|--------------------|---------------------------------|
| | R | | |
| Stellenbosch WC024 Material Recovery Facility | 25 669 337 | 19 509 850 | -24.00% |
| Vehicles | 5 879 824 | 5 043 827 | -14.22% |
| Expansion of the landfill site (New cells) | 2 000 000 | 1 371 514 | -31.42% |
| Upgrade Refuse disposal site (Existing Cell)- Rehab | 1 000 000 | 370 035 | -63.00% |
| Skips (5,5KI) | 776 240 | 724 354 | -6.68% |
| Only the 5 largest capital projects are listed | | | |

Waste Management Services have spent, **75.56%** of the capital budget for the financial year

3.8.6.9 Total employees – Waste Management

Table 3:20: Total Employees – Waste Management

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|------------|------------|-----------------------------------|-----------------------------------|
| Number | | | | % |
| 18 – 16 | 1 | 1 | 0 | 0% |
| 15 – 13 | 24 | 0 | 24 | 15.58% |
| 12 – 10 | 4 | 1 | 3 | 1.94% |
| 9 – 7 | 22 | 0 | 22 | 14.28% |
| 6 – 4 | 103 | 36 | 67 | 43.5% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 154 | 38 | 116 | 75.32% |

* Employee statistics will be imprecise due to the implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

3.8.7 HOUSING

3.8.7.1 New Housing

The municipality has an important responsibility to plan for integrated human settlements by ensuring that all its citizens reside in developable, formalised, safe and sustainable human settlements. This is accomplished by providing dignified living through National and Provincial funding within closer proximity to employment opportunities, if thereby improves the quality of life of all citizens.

The Department: Housing Development, in accordance with the Housing Pipeline planned the following projects for 2019/20 financial year:

a) Erf 7001, Cloetesville

Stellenbosch Municipality have been proactive and strategic in identifying vacant portions of land to assist in addressing poor living conditions, and in particular the need for housing provision, in Cloetesville, located 4km to the north of the Stellenbosch CBD. The municipality has therefore initiated a study aimed at exploring the development potential within Cloetesville and to respond to the development needs and challenges within Cloetesville, in particular.

Stellenbosch Municipality has therefore decided to follow a Call for Proposals process to focus on Erf 7001 and that the required cost benefit analyses be completed for the identified property (Erf 7001) as part of submissions by bidders.

It should be noted, that a previous Call for Proposal was advertised during 2018/19 financial year and was cancelled due to non-responsive bidders.

A new tender was re-advertise and the closing date of this Call for Proposal was 20 March 2020. Bids were received and Stage 1 of the Call for Proposal has been completed.

This Call for Proposal has 2 (two) stages and Stage 2 is currently in progress. The different stages are explained below:

- **Stage 1: Concept Proposal and Functionality (ability to deliver on project requirements)**

The proposals will be scrutinised and assessed on the concept proposal and ability of Bidders to deliver on project requirements by a Bid Evaluation Committee (BEC). Only those Bidders whose bids are assessed as having achieved the minimum required score (70%) will be considered responsive and will proceed to Stage 2 evaluation. Following this functionality evaluation, the Bidders will be informed in writing of the outcome pertaining to stage 1.

- **Stage 2: Financial Proposal and Feasibility**

The financial feasibility evaluation of proposals submitted is there for a critical element in the decision-making process for Stellenbosch Municipality.

Figure 3:19: Location Plan: Erf 7001, Cloetesville



Bidders that have been shortlisted following the functionality evaluation in stage 1 will be provided with a pricing schedule that must be completed in a prescribed timeframe. Bidders will then be required to submit their financial proposals and feasibility analyses to support their development proposals and that examines the implications, strengths and weaknesses of their proposals. The shortlisted bidders will be invited to present their development proposals in more detail to the Evaluation Panel and clarify any issues that may need to be elaborated upon.

The appointment for a successful service provider will be appointed after the Stage 2 evaluation.

b) Possible sites for mix-used development in Cloetesville (Infill housing development)

During 2018/19 financial year, a status quo assessment report was concluded by a service provider whereby the study contains the possibility for other various vacant erven in Cloetesville.

During October 2019, Council resolved that two desktop studies in order to determine the suitability of Municipal owned vacant erven in Cloetesville for further infill development. The studies will determine the different housing typologies in order to address the challenges communities are facing in the Cloetesville area.

A technical proposal was advertised during March 2020, requesting consultants to undertake a feasibility study of various sites within the Cloetesville area for possible Infill Housing Development. Due to the National Lock Down as instructed by The President, the municipality decided to extend the closing date to April 2020.

The successful service provider was appointed during June 2020 and will commence with work to assemble a multi-disciplinary team of professionals in order to complete the study for Cloetesville, Stellenbosch during the 2020/21 financial year.

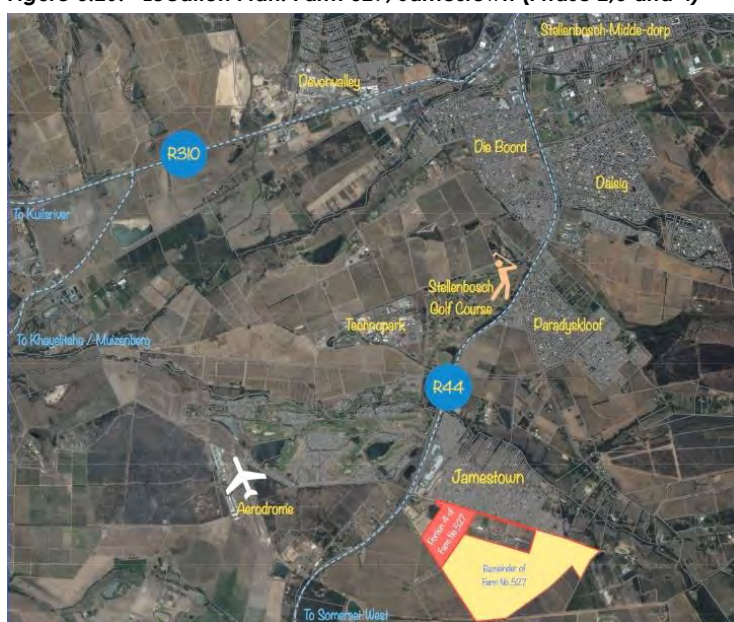
c) Farm 527, Jamestown (Phase 2, 3 and 4)

In accordance with the housing need, Stellenbosch Municipality has identified a portion of land in Jamestown for residential purposes. The site is located on the southern edge of the suburb of Jamestown, east of the R44 between Stellenbosch and Somerset West, flanked by an existing cemetery on its western boundary and a sports field located centrally on its northern edge. The area characterised by medium to high-density residential as well as non-residential uses that serve the local community of Jamestown.

A portion of this land (Phase 1 - 3.9317ha) was completed in November 2016 and therefore excluded from this proposed development concept / framework.

A tender was advertised for a Call for Proposal for Phases 2, 3 and 4 for the delivery of additional state subsidised housing units, serviced sites for affordable housing (plot and plan), GAP housing units, high density units and high income housing for sale on the open market. Specific preferences will be given

Figure 3:20: Location Plan: Farm 527, Jamestown (Phase 2,3 and 4)



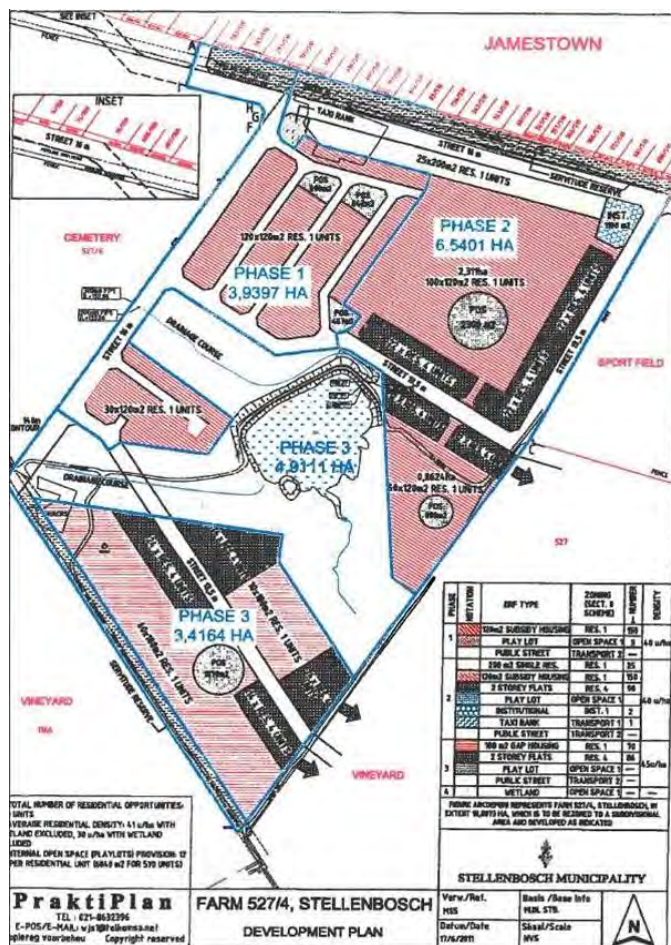
to purchasers meeting the criteria, pricing and subjected to confirmed conditions as stipulated by the municipality.

Development rights have been obtained for Phases 2 and 3 on Portion 7 of Farm 527 (site and service, 2-storey walk-ups, GAP housing, high income housing and public open space) and it is proposed that these two phases be made available simultaneously for development in the short to medium term. The portion of Remainder Farm No 527 included in this Proposed Development Concept is zoned Agriculture and application therefore still needs to be made to obtain development rights for urban / residential development.

The development of this area (the new Phase 4) is only possible in the medium to long term (as also indicated in the Stellenbosch Municipality Housing Pipeline annual review). It will therefore be required of the prospective developer to do the necessary detailed feasibility studies and obtain the relevant planning and other approvals to enable township establishment for this phase of the development.

The town planning and design principles will be incorporate such as access and movement, landscaping, a safe community, permeability and street linkages, integration, continuity, active street interface, local economic development, integration of public spaces with community facilities, dignified space concept and linkages between public spaces.

Figure 3:21: Approved Development Plan



The Call for Proposal has followed a 2-stage approach to appoint a suitable developer (Stage 1: Concept Proposal and Functionality (ability to deliver on project requirements) and Stage 2: Financial Proposal and Feasibility). The proposals for Stage 1 have been scrutinised and assessed on the concept proposal and ability of Bidders to deliver on project requirements. Only those Bidders whose bids are assessed as having achieved the minimum required score (70%) will be considered responsive. The responsive bidders will proceed to Stage 2 evaluation which will be assessed during 2020/21 financial year.

d) Kayamandi Town Centre

A service provider with the necessary multi-disciplinary team of professional consultants were appointed to conduct a feasibility study to assess the redevelopment of the town centre of Kayamandi.

The specific area has been discussed and subsequently approved by the Stellenbosch Municipality for the redevelopment of the town centre of Kayamandi, Stellenbosch.

During March 2017, Stellenbosch extended the scope to conduct a feasibility study for the Kayamandi Town Centre to consider the options to formalise this area. Subsequent to this, Stellenbosch Municipality extended the appointment for detailed planning for the formalisation of the Kayamandi Town Centre

Redevelopment. Kayamandi Town Centre redevelopment should be seen as an integrated and holistic development, a mega project, for planning and implementation.

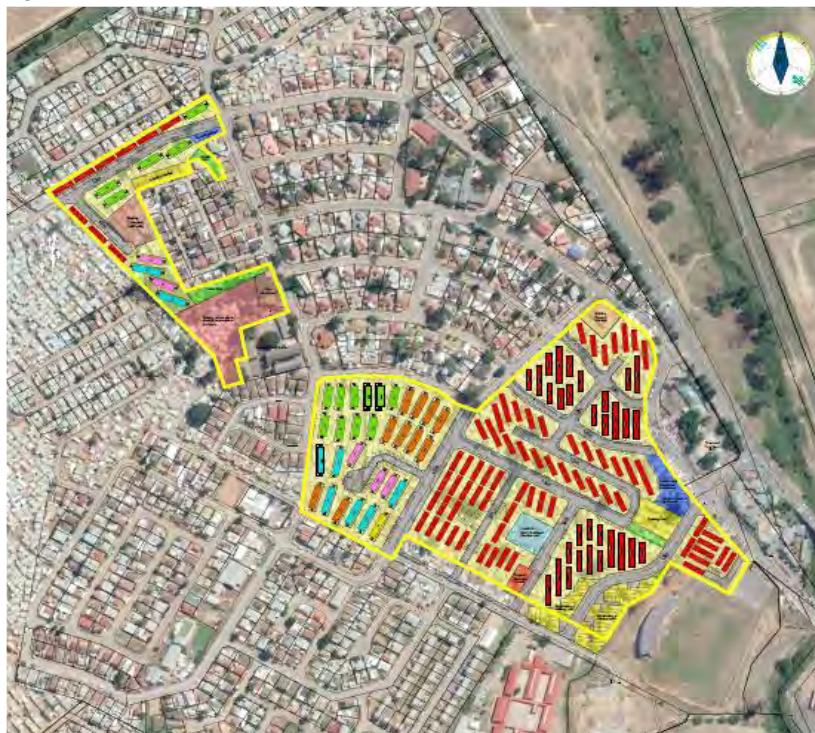
The feasibility study was completed during December 2017 and Council approved the feasibility on 28 March 2018.

The proposed typology mix is of such that it will enhance the beauty and character of the Kayamandi Town Centre in that it will provide for a mix of typologies to accommodate the old and the young. The proposal for walk up units is also to provide maximum densification within the available limited space.

The proposed town planning layout consists of ± 700 BNG and ± 1000 walk up units (total ± 1700 units with erf sizes of between 80m^2 and 124m^2). All designs to accommodate a mix of housing typologies and business units. This design methodology was done to suit the demand and the needs of the affected community. Semi-detached double storey top structure units are proposed at a density of 174 units per hectare. The house typologies or layouts such as “blocks of flats” or units’ representative of the “Joe Slovo” model developed as part of the N2 Gateway project.

The relocation strategy the community agreed upon was that a “block approach” must be followed to effectively address the challenges facing Kayamandi.

Figure 3:22: Conceptual layout



The aim would be to unpack the developmental opportunities of Kayamandi and recommend a relocation strategy for the families moving to the temporary units/site that has been earmarked for this process (Northern Extension).

Following extensive public participation leading up to a site visit to the N2 Gateway Project in Langa, Cape Town on 19 February 2020, the participants which derived from Kayamandi Town Centre (Ward Councillors, community leaders and members, and Stellenbosch Municipal officials including the Deputy Mayor and the consultant). This visit yielded positive results and most of the attendees supported this concept.

The proposed land uses in the feasibility study / urban design concept can be accommodated within this zoning. It is therefore proposed that this zoning is used when the study is rezoned during the land use planning application processes.

The proposed land use concept takes into consideration the following issues:

- The general slope of the area – the gradient is such that it has an impact on the number of opportunities;
- The safety concerns with regards to the communal living; and
- The impact of the COVID-19 pandemic – social distancing requirements.

The Planning Application process is anticipated to be completed within a period of nine to twelve months during the 2020/21 financial year.

e) Langrug, Franschhoek

Langrug informal settlement is situated on approximately ±13-hectare site on the relatively steep slopes of the Wemmershoek Mountains in Franschhoek. It is located some 3km to the north west of the Franschhoek CBD. It is bordered by the Wemmershoek Mountains to the north west; the Mooiwater Township to the east; the Groendal Township to the south and the Dennegeur Farm to the west as shown in the locality plan in figure 5 below:

Figure 3:23: Locations of business opportunities identified



Figure 3:24: Locality plan



The living conditions at informal settlements are typically poor with residents facing a range of basic livelihood challenges, such as poor access to basic sanitation, water supply, electricity provision and solid waste accumulation in the street, frequent shack fires, safety and security risks. Langrug informal settlement is no exception to these deplorable living conditions described above.

Furthermore, and due to the growing number of shacks and population in the settlement and unavailability of land for housing in the Franschhoek area, there is a growing need at the Langrug informal settlement to:

- Increase the level of basics services and amenities (roads, water, sanitation, electricity etc.);
- Manage grey and black water emanating from households;
- Develop a healthy and safe living environment; and
- Develop a housing project in the settlement.

In light of the above developmental challenges, there are various upgrading programmes that have been identified for planning and eventual implementation at the informal settlement. The aim of these projects is to incrementally upgrade Langrug and to some certain extent formalise existing development patterns and improve the accessibility (movement networks) and the delivery of basic services.

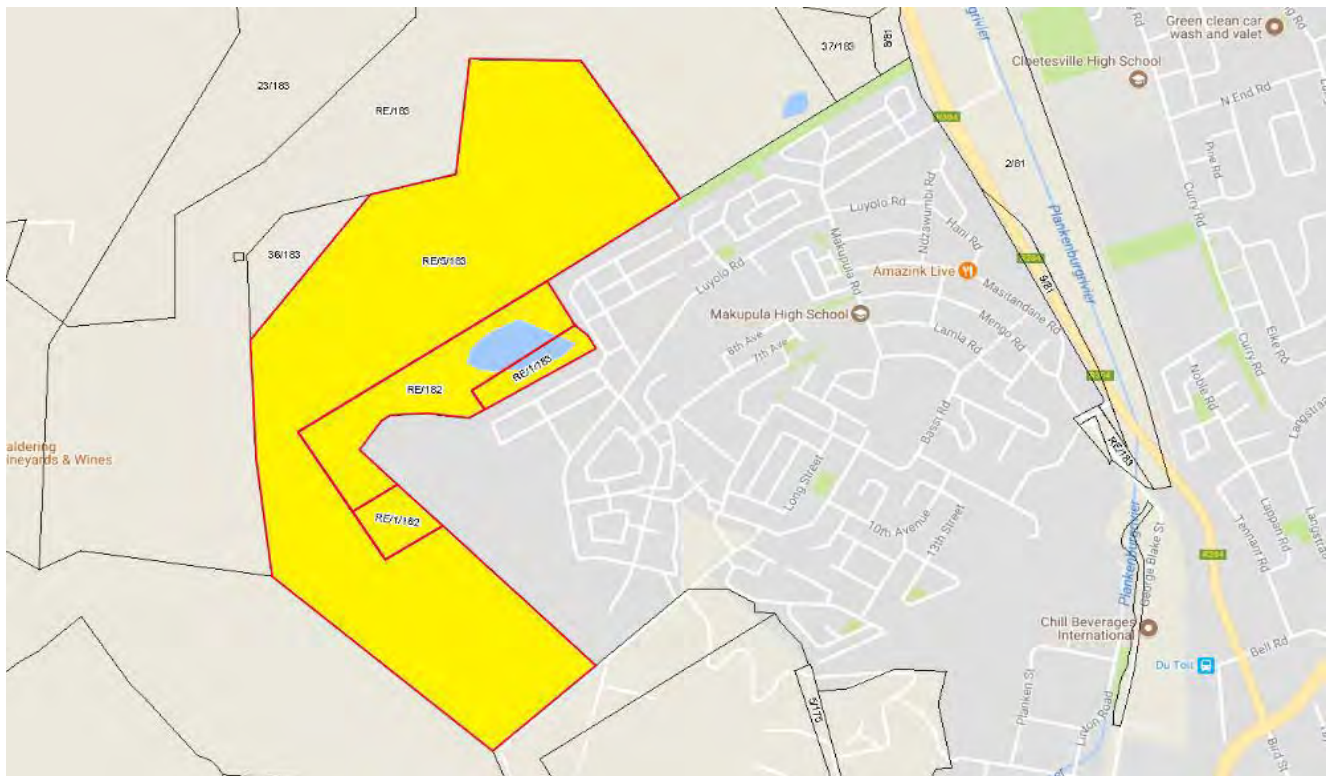
Hereunder is a summary of the planned projects which will commence in the 2020/21 financial year:

- Basic services and layout planning premised on in-situ upgrading principles;
- The construction of phase 2 emergency access road and the installation of water and sanitation;
- Rehabilitation of the dam wall to accommodate light weight structures; and
- Re-blocking of section C and G to improve access and basic services.

f) Northern Extension, Kayamandi

The Northern Extension of Stellenbosch, is situated north of Kayamandi, adjacent to Cloetesville and Welgevonden Estate, within the Stellenbosch Municipal area. The sites are located on the western side of the R304 (main arterial from the North) to Stellenbosch.

Figure 3:25: Locality plan



The specific site has been suggested by the Stellenbosch Municipality for the northward extension of the urban area of Stellenbosch.

The municipality is aiming to facilitate the development of $\pm 4\,000$ to $\pm 6\,000$ residential opportunities, as well as providing the required social amenities and public facilities required. The feasibility study includes identifying developable land within the study area (different farm land identified).

The Department: Housing Development is in the process to obtain planning approval and development rights.

It should be noted, that a portion of the development of the northern extension has been identified as a possible relocation area for redevelopment of the Kayamandi Town Centre.

g) Zone O, Kayamandi

Figure 3:26: Approved development plan



The Land Use Planning Authorisation (LUPA) application was submitted to the Department: Planning and Economic Development.

The MPT approved the development proposal and layout, the project is in the process of becoming implementation ready and the civil drawings will be finalised by the Directorate: Infrastructure Services.

As soon as the funding application for implementation is approved by the PDohS, the Department: Project Management Unit (PMU) will commence with the project in 2020/21 financial year.

h) Erf 64, Kylemore

Erf 64, Kylemore is 15.5ha in extent of which the municipality requires ± 8 ha for residential purposes.

A meeting was held between Department of Public work and it was indicated that the Directorate: Investment Analysis will conduct a feasibility study as part of the relevant business process of the Department Public Works and Infrastructure (DPWI). Upon completion of the feasibility study, the relevant report and recommendations have been submitted to the Directorate: Disposals (Land Reform and Human Settlements) to inform their submission for Ministerial approval.

Figure 3:27: Locality plan- Erf 64, Kylemore



The feasibility study was completed during 2019/20 financial year. The studies are a pre-requisition for funding by the PDoHS and it confirmed that the land may be used for residential purposes.

Engagements are currently underway between the municipality and the National Department of Public Works (NDoPW) regarding the transfer of Erf 64, Kylemore to the municipality. Several letters were submitted to the NDoPW requesting the transfer of the land to Stellenbosch Municipality.

The municipality is currently awaiting feedback from the National Department of Public Works.

i) La Motte, Franschhoek

La Motte, set in the Franschhoek Valley amongst plantations, is a former Bosbou Hamlet. It is situated 5 km to the west of Franschhoek, on the Robertsvalei Road, close to where it intersects the R45. Originally built to house forestry workers, the village is made up of the original dwellings and a range of community facilities. During the construction phase of the Berg River Water Scheme, new houses were built adjacent to the existing settlement to temporarily house the construction workers, these houses are now in the process of being transferred to identified beneficiaries.

Figure 3:28: Locality plan of erven, La Motte, Franschhoek



The Stellenbosch Municipality and the community of Franschhoek have been pro-active in addressing the need for affordable and subsidised housing and a number of initiatives have successfully been implemented.

By means of a tender process, a service provider was appointed by the municipality to complete a feasibility study on the proposed sites. This will enable Council to make an informed decision regarding the land acquisition from The Department of Public Works (DOPW), the registered owner of the property. The feasibility study has been concluded.

The Department of Public Works, as custodians of the relevant portions of land, has been engaged in order to start the necessary procedures that would lead to the transfer of the subject properties into the name of Stellenbosch Municipality, for housing purposes.

Several letters were submitted to the National Department of Public Works, requesting the transfer of the land to Stellenbosch Municipality. The municipality is currently awaiting feedback from the National Department of Public Works.

j) De Novo

The De Novo site is located within the Stellenbosch Municipal area and falls under the jurisdiction of this local municipality. The site is located approximately 14.5km from Stellenbosch, 11km from Klapmuts and 2.3km from the existing Bloekombos residential area in Cape Town.

The Provincial Department of Human Settlements (PDoHS) are the custodian / implementers of this project.

A Project Steering Committee (PSC) has been created, consisting of residents, whom represent the interests of the De Novo community about the De Novo Human Settlement Project. The residents residing on the site are renting these residential structures from the Department of Transport and Public Works (WC), and this department is responsible for the maintenance of these structures at present.

A few older dilapidated buildings are located at the centre of the De Novo site, that appears to be illegally occupied. These buildings and their residents will require a detailed investigation to be effectively addressed. It is proposed that the inhabitants of these dilapidated buildings should be registered on the Stellenbosch Municipal Housing Demand List and then be accommodated in future municipal human settlement projects.

During October 2017 the Stellenbosch Municipality undertook a survey of the residents located on De Novo. The following is the results of this survey, namely:

- Total population residing on De Novo was 501 individuals as of October 2017;
- 312 people were residing in the 77 formal rental houses on site; and
- 189 people were residing in backyards or in the dilapidated old hospital building on site.

Figure 3:29: Locality plan, De Novo



The Provincial Department of Human Settlements appointed a professional service provider and a Project Initiation Document (PID) was submitted for PDoHS for approval. A draft Project Feasibility Report (PFR) was submitted to PDoHS for approval in November 2019 and is currently being reviewed by Stellenbosch Municipality for approval and sign-off.

The original project programme planned to have all development rights in place for the De Novo Project by end of August 2020. Due to the COVID-19 Pandemic and the delays caused by the National Lockdown the project end date can no longer be August 2020. Delays of approximately six months have been experienced meaning that a conservative estimated project completion date will be March 2021.

The following mentioned projects were in pre-planning phase during 2019/20 financial year:

k) Social Housing (rental initiatives)

Stellenbosch Municipality, was identified by the Western Cape Provincial Administration as one of "Leader Towns" in the Province that have the requisite constituents to partake in the Social Housing Programme. Consequent to this, the municipality adopted an Affordable Rental Housing Strategy and Plan in 2016. The municipality also underwent a rigorous process of identifying and approving Restructuring Zones for the development of Social Housing. Stellenbosch Restructuring Zone areas were subsequently endorsed by the National Housing Ministry and have been published as such in the Government Gazette dated 27 April 2017 (No. 40815).

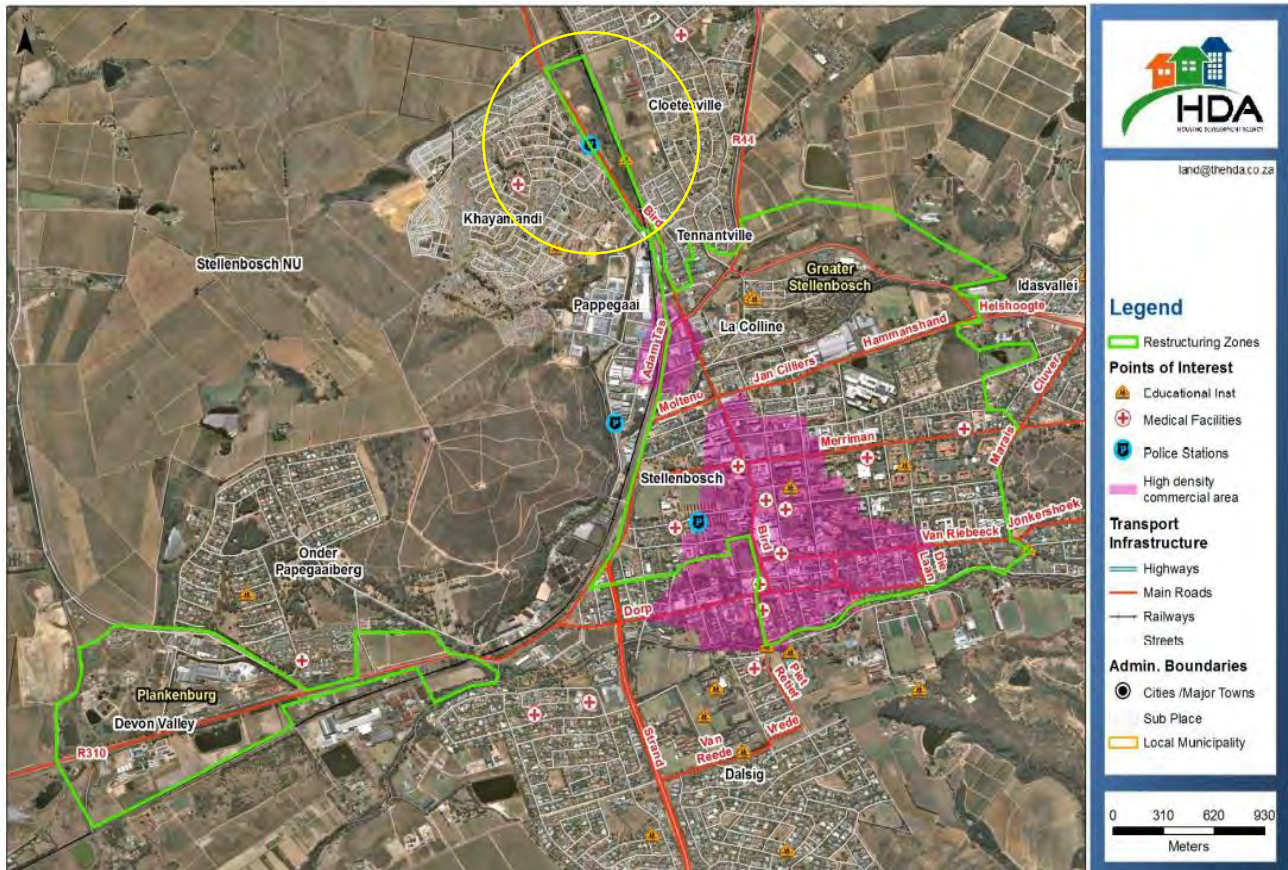
Council commenced with a process of granting long-term use rights to qualifying accredited entities (SHIs and / or ODAs) on land identified and approved for the purpose of developing Social Housing estates.

In principle a Land Availability Agreements (long-term use rights) will be entered into with Social Housing Institutions (SHIs) and / or Other Development Agencies (ODAs), subject to certain conditions.

Against this background, Stellenbosch Municipality is desirous to commence with a project that could address the housing needs of residents that reside primarily in the backyards of privately owned properties.

Council approved the first Social Housing Initiative to commence on Erf 81/2 and Erf 81/9 (this specific site is illustrated with a circle in the figure below) and the development must be sensitive to the general built and landscaping vernacular of the Stellenbosch area.

Figure 3:30: Locality plan



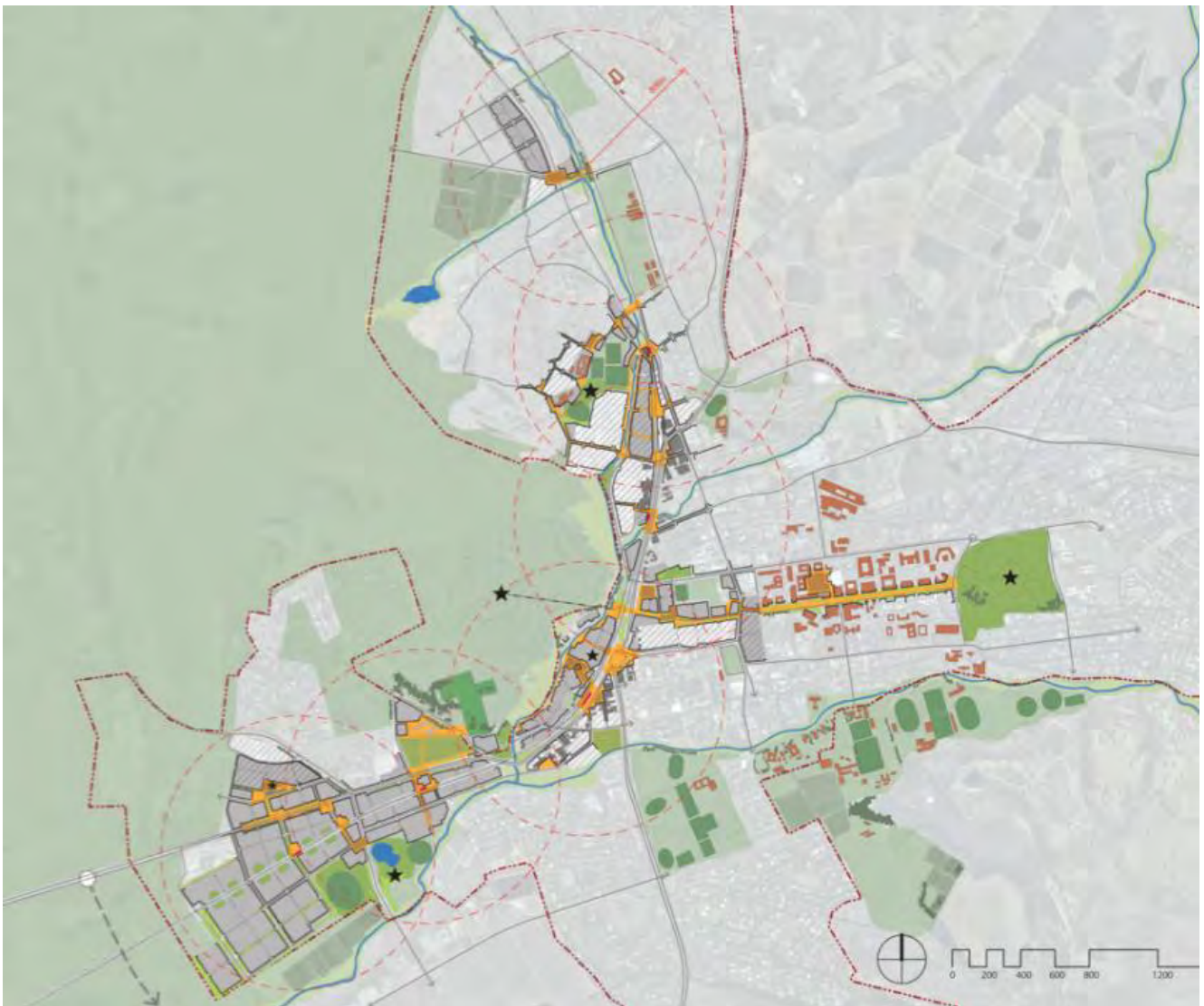
The Department: Housing Development is in progress with feasibility studies for the following projects:

I) Adam Tas Corridor

Adam Tas Corridor which includes proposed projects such as the development of the Droë Dyke precinct, the Adam Tas precinct and the Northern Extension.

The Adam Tas Corridor focusses on the development of a mix of uses where buildings and services cater to the pedestrian accessing the area via alternate modes of transportation. This type of development typically incorporates compact development and dense activity centres within easy walking distance of transit stops and generally includes a mix of residential, employment and shopping opportunities designed for transit riders, cyclists, and pedestrians.

Figure 3:31: Adam Tas Corridor concept as approved per Spatial Development Framework by Council on 11 November 2019



Specific areas identified for this development include the Stellenbosch and Du Toit Rail Stations, PRASA land holdings along the R44 corridor, George Blake Road, the Van der Stel Sports Complex, the Bergzicht Taxi Rank and Informal Traders Area and Open Space parcels around R44 / Adam Tas Road.

The Spatial Planning Department will advertise for a professional team to compile a local spatial development framework.

m) Farm 34, Vaaldraai, Elsenburg

In May 2019, Council resolved that a feasibility study must be undertaken for farm 34, Vaaldraai currently managed by Provincial Government. The study was requested to determine how developable land is, before a final decision is made to transferring the land Stellenbosch Municipality to manage.

During August 2019, a site inspection was done in order to prepare specification to appoint a service provider. The extent of the property in collaboration with Provincial Department of Public Works (PDoPW) is paramount for an accurate feasibility study.

The tender was awarded and the service provider concluded the brief. A feasibility study was submitted to Council for approval on 24 April 2020. Further discussions with Provincial Department of Public Works will now commence, given the fact that the said area is outside the urban edge.

Figure 3:32: Locality plan, Farm 34, Vaaldraai- Elsenburg



Construction

In terms of the approved organogram, the Department: Project Management Unit under the Directorate: Infrastructure Services is responsible for all installation of services and the building of top structures for Municipal Housing projects.

In accordance with the approved Housing Pipeline, the following projects for the 2019/20 financial year have commenced as follows:

a) Ida's Valley Housing Project

Ida's Valley is a well-established traditional community and has been protected as a heritage site since 1976. During 1980, Council developed 'treintjiesdorp' in Newman Street for the poor community of Ida's Valley. Thereafter the development of Lindida was implemented to make provision for the middle income families in Ida's Valley. This development started in 1990 whereby families had an opportunity to buy properties in the Garden Cities development.

The municipality has tried for the past 25 years to get a new project started in Ida's Valley. The municipality went to tender in 2009 with an idea to create a development that will offer a range of housing options from subsidy to affordable housing, and which will be aesthetically pleasing.

Figure 3:33: Figure 17: Work in progress on Erf 11330, Ida's Valley with the construction of GAP houses.



The civil infrastructure for Erf 11330 also known as Hillside Village was completed in September 2019. This includes civil engineering services for 89 subsidy units as well as for the apartment site, bulk earthworks and storm water mitigation across the site, removal of all unsuitable material and resultant remedial action and the installation of retaining walls.

Another challenge was, during the construction phase of the GAP and subsidy housing, the COVID-19 pandemic brought all construction work to a halt for 2 months, thereby extending the anticipated construction period.

The marketing of the bonded houses commenced in January 2019 and 110 units on Hillside Village have been sold.

The construction of 113 affordable houses are at an advance stage and will be handed over to the successful buyers when completed.

The subsidy houses commenced in November 2019, and the first units will be handed over to the qualifying beneficiaries in September 2020. Eighty-seven (87) units should be completed and handed over before the December 2020 Builders Holiday.

b) Erf 2181, Klampmuts (Upgrading of Mandela City, Klampmuts)

The Mandela City informal settlement is situated on Erf 2181, Klampmuts. Mandela City informal settlement consisted of approximately 500 informal structures on commencement of the project.

Figure 3:34: Site layout plan Erf 2181, Klampmuts (Upgrading of Mandela City, Klampmuts)



A service provider was appointed for the installation of services via a competitive bidding process. The construction of 20m² housing units constructed by means of Alternative Building Technology (ABT) were conducted by an appointed service provider

The project is being implemented in three phases as per approved site development plan. The first phase of the development has been completed.

It must be noted that the Mandela City project is an in-situ upgrade which requires households to be relocated in order to create space for construction.

Table 3:21: Construction progress

| Area | Yield | Completed | Remaining |
|--------------|------------|------------|------------|
| Phase 1 | 197 | 183 | 14 |
| Phase 2 | 187 | 38 | 149 |
| Total | 384 | 221 | 163 |

The contractors are currently on site, constructing 76 units in phase 2.

Delays

The project has been affected by several major delays. The completion of the project is currently delayed by 7 months and can be attributed to the following:

(i) Community related delays

The Mandela City community has expressed discontent with the initial designs for phase 1. The municipality had extensive engagements with the community and amended the designs to suit the beneficiaries' needs. The process of amending the designs and obtaining the community buy-in caused delays on construction progress.

(ii) Contractor Repudiation / Non-performance

A service provider was appointed for the construction of the ABT housing units. At the commencement of phase 2, the service provider requested a price increase which was deemed to be unreasonable by the municipality. Subsequent to several negotiations, the municipality and the service provider could not reach consensus on the price increase.

Another service provider was then appointed to complete the ABT housing units in phase 2. The re-appointment of another service provider caused major delays on progress.

(iii) National Lockdown due to COVID-19

The project was further delayed due to the National Lockdown to prevent the spread of COVID-19. The contractors were unable to work for approximately two months.

Challenges

The construction area is currently occupied by informal structures. The installation of services in Mandela City is dependent on the relocation of these informal structures in order to create space for construction. There are no available land parcels, at this stage that can be used as temporary relocation areas. This also adds to the delays on progress.

3.8.7.2 Title Deeds

Faire Donne Estate, Franschhoek

In accordance with a Council decision, the municipality embarked on a marketing strategy for the Medium Cost Housing development.

Herewith below an extract of the approved Council Resolution:

"(b) that the new proposed criteria outlined below, be approved;

- (i) potential beneficiaries must reside or work in the Franschhoek Valley or be in the service of Stellenbosch Municipality for at least for 3 years;*
- (ii) preferential treatment will be given to First Time Home Owners;*
- (iii) preferential treatment will begin to previously disadvantaged individuals in the allocation process, if they qualify in terms of 3.3.1; and*
- (iv) should the need (people who qualify) outweigh the demand, then the criteria listed above will be*

converted into a point system in determining the final list of qualifying beneficiary."

Thereafter, the Department: Housing Development received a number of 136 applications of which only 50 vacant plots were available. In accordance with the Sales Agreements, the potential beneficiary has two (2) months to secure the necessary funding.

Table 3:22: Title Deeds status as at 30 June 2020

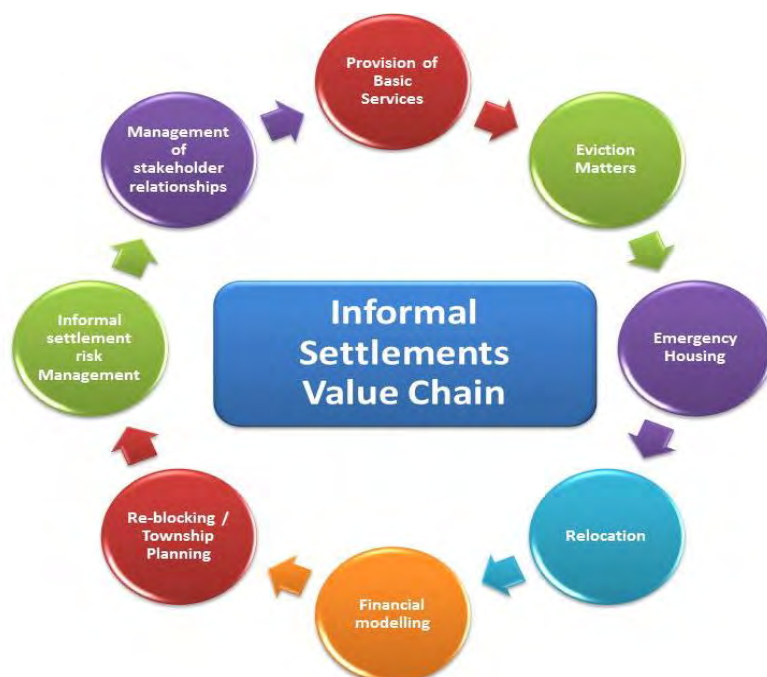
| | |
|---|----|
| Total erven re-allocated (round 1, 2 and 3) | 48 |
| Vacant properties | 8 |
| Total erven | 56 |

3.8.7.3 Informal Settlements

The Department: Informal Settlements is tasked with the monitoring of informal settlements in general, and obtaining demographic information of informal settlement and backyard dwellers and maintaining data registers of these groups by applying data management practices.

The Department: Informal Settlements also has vital role to play in community facilitation and to administer programmes and projects that has a direct bearing on the informal settlement inhabitants. This interaction can be expressed in figure below.

Figure 3:35: Informal Settlements value chain



Access to Basic Services Programme (ABS)

The Department: Informal Settlements ensures that all the informal settlements have access to basic services i.e. water, sanitation and where possible electricity. The Department undertakes regular site visits to the various informal settlements in order to report the relevant Departments on the status of the respective services. It is imperative to the Department that a level of service is maintained that either meets the national criteria or is quite close to the national criteria.

Emergencies

The Department: Informal Settlements assists the Department Disaster Management in emergencies by verifying the data that is collected about the victims of the emergency. These emergencies are usually fire incidents in the informal settlements or flooding incidents and excessively strong winds.

Table 3:23: Disaster relief provided

| Fires reported in | Number of fires / flooding incidents verified | Number of informal new structures affected by fire (including backyard) | Number of formal structures affected by fire (Brick) | Number of structure affected by flooding | Performance comment |
|---|---|---|--|--|---|
| Formal settlements | 11 | 13 | 11 | 0 | All verifications completed within 48 hours |
| Informal settlements | 13 | 53 | 0 | 28 | All verifications completed within 48 hours |
| Total number of structures impacted by fires / flooding | 24 | 66 | 11 | 28 | 129 |

Demographic Surveys

The Department: Informal Settlements undertake regular surveys of the various informal settlements as well as backyard dwellers in order to update and maintain a demographic register and profile. The register is quarterly submitted to the Directorate: Financial Services.

Figure 3:36: Demographic survey being conducted



Upgrading Projects

The Department: Informal Settlements has is involved in all upgrading projects in informal settlements. The Department plays a role in community facilitation and to administer programmes and projects that has a direct bearing on the informal settlement inhabitants.

Table 3:24: Total properties registered at deeds office (during 2019/20)

| Total properties registered at deeds office (during 2019/20) | |
|--|----|
| Historical project title deeds registered | 50 |
| New project title deeds registered* | 15 |
| Beneficiaries that could not secure the necessary funding | 15 |
| Total erven | 65 |

* Funding for the title deeds was provided through the Title Deed Restoration Programme. It is only given for houses of subsidies approved.

3.8.7.4 Capital Expenditure – New Housing

Table 3:25: Capital Expenditure as at 30 June: New Housing

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|--|-------------------|--------------------|---------------------------------|
| | R | | |
| Kayamandi Town Centre - Civil Infrastructure | 1 960 000 | 665 571 | -66.04% |
| Jamestown: Housing | 600 000 | 23 000 | -96.17% |
| Langrug Dam | 500 000 | - | -100% |
| Cloetesville IRDP Planning | 260 000 | - | -100% |
| Northern Extension: Feasibility | 200 000 | - | -100% |
| Only the 5 largest capital projects are listed | | | |

New Housing spent, **23%** of the capital budget for the financial year.

3.8.7.5 Total employees – New Housing

Table 3:26: New Housing Employee Totals

| Job Level* | Posts* | Employees* | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|----------------------------------|-----------------------------------|
| Number | | | | % |
| 18 – 16 | 1 | 0 | 1 | 3.12% |
| 15 – 13 | 2 | 1 | 1 | 3.12% |
| 12 – 10 | 10 | 7 | 3 | 6.25% |
| 9 – 7 | 3 | 0 | 3 | 6.25% |
| 6 – 4 | 16 | 14 | 2 | 3.12% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 32 | 22 | 10 | 21.1% |

* Employee statistics will be imprecise due to the implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the municipality's payroll system creates some anomalies i.e. accurate figures on job and occupation levels. The municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

3.8.7.6 Housing statistics

Table 3:27: Households with Access to Basic Housing

| Year | Total households (including formal and informal settlements) | Households in formal settlements | Percentage of households in formal settlements |
|---------|--|----------------------------------|--|
| 2013/14 | 43 420 | 24 554 | 65.3% |
| 2014/15 | 46 003 | 15 000 | 32 % |
| 2015/16 | 49 904 | 16 112 | 37 % |
| 2016/17 | 37 554 | 24 554 | 65.3% |
| 2017/18 | 52 374* | 26 506 | 50.60% |
| 2018/19 | 52 374* | 34 071 | 65.1% |
| 2019/20 | 52 374* | 34 071 | 65.1% |

*Data obtained from STATSA

The following table shows the **Increase** in the number of people on the housing waiting list. There are currently approximately **16 590** applicants on the waiting list.

Table 3:28: Housing waiting list as at 30 June

| Year | No. of people on Housing waiting list | % Housing waiting list increase |
|---------|---------------------------------------|--|
| 2014/15 | 18 833 | 0.6% (Decrease due to sanitisation of the waiting list data). |
| 2015/16 | 18 791 | 0.2% (Decrease due to sanitation of the waiting list data). |
| 2016/17 | 18 953 | 7.7% (Increase based on the previous year's "sanitised" figures. This is as a result of new applications received). |
| 2017/18 | 16 482 | 13.04% (Decrease due to sanitisation of the waiting list data). |
| 2018/19 | 16 231 | The Department rolled out an updating of the waiting list programme which resulted in all the deceased applicants being removed and duplicate applications removed and this has resulted in the decrease of the total number of active applicants on the waiting list. |
| 2019/20 | 16 590 | 2.21% (Increase due to new applications received). |

3.8.7.7 Housing Administration

Transfer of housing stock

During the period under review the municipality continued with the process to deal with historic backlog and transfer properties to beneficiaries of state subsidised houses. A process action plan was devised in terms of which administrative procedures would be streamlined. Panel attorneys were appointed to transfer the properties identified. A total of 109 title deeds were transferred for the period of the financial year. The transfers were in the following areas:

Table 3:29: Transfer of housing stock

| Area | Total |
|--------------|------------|
| Cloetesville | 2 |
| Kayamandi | 73 |
| Franschhoek | 2 |
| Klapmuts | 10 |
| Kylemore | 6 |
| Pniel | 16 |
| Total | 109 |

The municipality partnered with an NGO called Free Market Foundation which assists municipalities to deal with the historic backlog in terms of transfer of properties. The NGO provides funding for the temporary appointment of staff to enhance capacity and also provides funding to the municipality of R500 per title deed registered.

3.8.7.8 Waiting list administration

The municipality continues with the “data-cleaning” process pertaining to applications that appear on the waiting list where vital information is outstanding. The area-based approach which was used where staff members went out to the various areas and invited applicants to workshops during the course of which the applicant’s information was updated. The whole of Stellenbosch Municipal Area was covered during this programme of the updating of the housing demand database.

The agreement with the Western Cape Department of Human Settlements to assist with the data clean-up of the Stellenbosch Municipal Waiting list continues. The waiting list is being updated and verified on a regular basis by the Western Cape Department of Human Settlements to ensure that the number of people deemed to be on a “waiting status” are a true reflection of those persons who still require housing assistance within the Greater Stellenbosch Area.

There are a total of **16 590** applicants in the system, there is an increase due to new application received and captured on the system.

The municipality continues to make use of the online housing demand database system which has a mobile app so that people can be able to submit applications via their smartphones in the comfort of their own homes. This new online database system and the mobile app was launched in August 2019. The App makes it easier for applicants to use their smartphones to submit applications to be placed on the Housing Demand Database and the Housing Demand Database System is being updated regularly to ensure that Council has credible data for planning for future housing projects to be implemented.

Administration of public rental stock

On 25th June 2014, Council adopted a Policy for the Administration of Public Rental Stock. This document was the culmination of collaboration between stakeholder departments within the municipality. The purpose of the policy is to ensure effective management of well-maintained assets that will improve the quality of life for residents. The Department is currently busy with the review of the Human Settlements Administration and Allocation Policy which will include the allocation and management of the Public Rental Stock and will be adopted in 2020/21 financial year by Council after due public participation processes have been completed to solicit comments from the public.

Housing consumer education (HCE)

A total of thirteen (13) workshops were held with mainly tenants in our rental stock. The HCE workshops are also used to address issues around anti-social behaviour in the public rental flats. HCE programmes were also held for beneficiaries of houses that were built between 1994 and 2010. These are houses that form part of the Title Deeds Restoration Programme. These beneficiaries are advised about security of tenure, issues of inheritance and drafting of a Will. HCE workshops were also held with beneficiaries of the Ida’s Valley Housing Project to educate them about homeownership, writing of a Will and By-laws governing properties.

Job Creation

Housing Administration started the roll out of a job creation programme via the EPWP project. The

purpose of the project is:

Creation of 47 job opportunities:

- 18 EPWP workers appointed to assist with cleaning of the rental units and this resulted in the decrease in complaints received from tenants as our grounds are in a neater state;
- 26 temporary field Workers were also appointed to assist with the transfer of state subsidised houses and to eradicate the historic backlog in terms of transfer of these houses. The Field Workers assisted with beneficiary verification processes and occupancy verification due to the fact that the properties that we are currently busy transferring are historic and have many issues which some of these is missing beneficiaries and deceased estates; and
- 3 Registration clerks were also appointed to assist with electronic filling of all documentation in the department.

3.8.7.9 Total employees – Housing Administration

Table 3:30: Employee totals: Housing Administration

| Job Level | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|--------------|----------|-----------|----------------------------------|-----------------------------------|
| Number | | | | % |
| 18 – 16 | 1 | 0 | 1 | 14.28% |
| 15 – 13 | 2 | 1 | 1 | 14.28% |
| 12 – 10 | 3 | 0 | 3 | 42.85% |
| 9 – 7 | 0 | 0 | 0 | 0% |
| 6 – 4 | 1 | 1 | 0 | 0% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 7 | 2 | 5 | 71.42% |

* Employee statistics will be imprecise due to the implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

3.8.7.10 Total employees – Informal Settlements

Table 3:31: Employee totals: Informal Human Settlements

| Job Level* | Posts* | Employees* | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|----------------------------------|-----------------------------------|
| Number | | | | % |
| 18 – 16 | 1 | 0 | 1 | 5.26% |
| 15 – 13 | 1 | 1 | 0 | 0% |
| 12 – 10 | 7 | 0 | 7 | 36.84% |
| 9 – 7 | 9 | 6 | 3 | 15.78% |
| 6 – 4 | 1 | 1 | 0 | 0% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 19 | 8 | 11 | 57.89% |

* Employee statistics will be imprecise due to the implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

3.8.8 PROPERTY MANAGEMENT

This Department is responsible for the management of municipal-owned land and buildings, i.e. acquisition, awarding of rights and disposal thereof, excluding any housing rental stock and housing projects. The management of office accommodation is also done by this department.

During the course of this financial year this Department was instrumental in facilitating the following transactions:

- Disposal of Erf 718, Kayamandi to the Provincial Government for the purposes of extending the clinic;
- Exchange of land, i.e offering of alternative site (Erf 523 to the Seventh Day Adventist Church in Kayamandi in exchange for erf 718, to enable the above transaction;
- Disposal of erf 111 Kayamandi to the United Reform Church of South Africa;
- Renewal of various Lease Agreements;
- Acquisition NPK Building; and
- Acquisition of Erf 9194, Technopark.

3.8.8.1 Facilities Management – Property Management

This Department is also responsible for the maintenance of all Council-owned buildings and the construction / project management of all upgrading and or new facilities. Some of the highlights of the past financial year include the following:

- Completion of phase two of Cloetesville Flats (multi-year project valued at R10.8m);
- Upgrade of La Motte Community Hall;
- The planning phase of the following projects were finalised or started with:
 - New public ablution facilities in Franschhoek;
 - New sport Clubhouse in La Motte;
 - Upgrade of Cloetesville Hall;
 - Upgrade of Stellenbosch Townhall;
 - Hard and Soft landscaping at Klappmuts MPC;

- Redevelopment of ex Kleine Libertas precinct;
- Upgrade of Traffic offices; and
- Upgrade / conversion of residential unit into office space in Simonsberg weg / Stellenbosch.

Table 3:32: Service Data Statistics – Property Management

| Details | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|-----------------------------------|---------|---------|---------|---------|---------|
| Encroachment Agreements: New | 23 | 22 | 16 | 2 | 0 |
| Encroachment Agreements: Renewals | 7 | 5 | 0 | 0 | 0 |
| Lease Agreements: New | 4 | 1 | 0 | 1 | 1 |
| Lease Agreements: Renewals | - | 2 | 2 | 0 | 1 |
| Sales Agreements | 2 | 3 | 0 | 0 | 3 |
| Servitudes | 29 | - | 0 | 5 | 2 |
| Poster applications | 81 | 30 | 25 | 35 | 8 |

3.8.8.2 Capital Expenditure – Property Management

Table 3:33: Capital Expenditure as at 30 June: Property Management

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|--|-------------------|--------------------|---------------------------------|
| | R | | |
| Purchasing of land | 112 750 000 | 66 320 561 | -41.18% |
| La Motte Clubhouse | 3 200 000 | 948 960 | -70.35% |
| Flats: Interior Upgrading | 3 000 000 | 2 936 683 | -2.11% |
| Upgrading Fencing | 1 748 730 | 1 330 670 | -23.91% |
| Structural Upgrading: Community Hall La Motte | 1 700 000 | 1 487 160 | -12.52% |
| Only the 5 largest capital projects are listed | | | |

Property Management have spent, **57.48%** of the capital budget for the financial year.

3.8.8.3 Total employees – Property Management

Table 3:34: Employee Totals: Property Management

| Job Level* | Posts* | Employees* | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|----------------------------------|-----------------------------------|
| Number | | | | % |
| 18 – 16 | 1 | 1 | 0 | 0% |
| 15 – 13 | 2 | 0 | 2 | 7.47% |
| 12 – 10 | 10 | 6 | 4 | 14.81% |
| 9 – 7 | 0 | 0 | 0 | 0% |
| 6 – 4 | 14 | 10 | 4 | 14.81% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 27 | 17 | 10 | 37.03% |

* Employee statistics will be imprecise due to the implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

3.8.9 FREE BASIC SERVICES AND INDIGENT SUPPORT

The following table indicates the percentage of average registered indigent households that have access to free basic municipal services. The total indigent households exclude all informal households and include formal households that have been registered as indigent households. The total i.t.o. free basic electricity includes only indigent households claiming 100 kWh from the Stellenbosch Municipality. It also does not include the totals where the electricity distribution is conducted by ESKOM. In accordance with the approved indigent policy of the municipality, all households earning less than R6 500 per month will receive the free basic services as prescribed by national policy and in terms of Stellenbosch Municipality's Indigent Policy.

3.8.9.1 Access to Free Basic Services

Table 3:35: Access to Free Basic Services

| Year | Number of Households | | | | | | | | |
|---|----------------------|------------------|-------|-----------------------|-------|------------------------|-------|---------------------------|-------|
| | Total no. of HH | Free Basic Water | | Free Basic Sanitation | | Free Basic Electricity | | Free Basic Refuse Removal | |
| | | Access | % | Access | % | Access | % | Access | % |
| 2013/14 | 33 974* | 5 095* | 26.20 | 5 117* | 26.20 | 5 117* | 12.07 | 5 095* | 26.20 |
| 2014/15 | 43 420* | 5 757 | 13.26 | 5 757 | 13.26 | 5 757 | 13.26 | 5 757 | 13.26 |
| 2015/16 | 48 008 | 6 486 | 13.51 | 6 486 | 13.51 | 7 042 | 14.66 | 6 486 | 13.51 |
| 2016/17 | 48 008# | 5 686 | 11.84 | 5 686 | 11.84 | 3 801 | 7.92 | 5 686 | 11.84 |
| 2017/18 | 52 374 | 6 453 | 12.32 | 6 453 | 12.32 | 6 453 | 12.32 | 6 453 | 12.32 |
| 2018/19 | 52 374* | 6 813 | 13.01 | 6 813 | 13.01 | 4 833 | 9.23 | 6 813 | 13.01 |
| 2019/20 | 52 374 | 7 012 | 13.38 | 7 012 | 13.38 | 4 932** | 9.42 | 7 012 | 13.38 |
| *Average for the year | | | | | | | | | |
| # Calculations made for households earning less than R 6 000 per month during 2018/19 | | | | | | | | | |
| **Refer to formal Indigent consumers who claimed free basic units, excluding Eskom | | | | | | | | | |

The percentage is based on indigent household access compared to a total of 52 374 households.

Services subsidised are:

- Water - basic charge + 6 kl
- Electricity - basic charge + 100 kWh;
- Sanitation - based on a 250m² erf; and
- Refuse - one removal per week.

Free Basic Services per basic service

The access to free basic services is summarised into the different services as specified in the following table:

Table 3:36: Free basic Electricity Services to Indigent Households

| Electricity | | | |
|--|---------------------|-------------------|-------------|
| Financial year | Indigent Households | | |
| | No. of HH | Unit per HH (kwh) | Value R'000 |
| 2013/14 | 5 117* | 60 | 2 759 |
| 2014/15 | 5 757 | 60 | 3 218 |
| 2015/16 | 7 042 | 60 | 3 818 |
| 2016/17 | 7 537 | 60 | 4 740 |
| 2017/18 | 6 453 | 100 | 6 216 |
| 2018/19 | 6 813 | 100 | 8 415 |
| 2019/20 | 4932** | 100 | 6 888 |
| *Average for the year | | | |
| **Only Indigent consumers who claimed free units | | | |

Table 3:37: Free Basic Water Services to Indigent Households

| Water | | | |
|-----------------------|---------------------|------------------|-------------|
| Financial year | Indigent Households | | |
| | No. of HH | Unit per HH (kl) | Value R'000 |
| 2013/14 | 5 095* | 6 | 2 949 |
| 2014/15 | 5 757 | 6 | 4 783 |
| 2015/16 | 6 486 | 10 | 7 760 |
| 2016/17 | 5 686 | 10 | 7 280 |
| 2017/18 | 6 453 | 10 | 2 391 |
| 2018/19 | 6 813 | 6 | 2 634 |
| 2019/20 | 6 666 | 6 | 2 741 |
| *Average for the year | | | |

Table 3:38: Free Basic Sanitation Services to Indigent Households

| Sanitation | | | |
|-----------------------|---------------------|-------------------------|-------------|
| Financial year | Indigent Households | | |
| | No. of HH | Service per HH per week | Value R'000 |
| 2013/14 | 5 117* | 73.36 | 10 016 |
| 2014/15 | 5 757 | 73.40 | 5 702 |
| 2015/16 | 6 486 | 87.48 | 6 808 |
| 2016/17 | 5 686 | 94.48 | 6 447 |
| 2017/18 | 6 453 | 102.98 | 8 330 |
| 2018/19 | 6 813 | 112.25 | 9 177 |
| 2019/20 | 6 666 | 135.99 | 9 518 |
| *Average for the year | | | |

Table 3:39: Free Basic Refuse Removal Services to Indigent Households

| Refuse Removal | | | |
|-----------------------|---------------------|-------------------------|--------|
| Financial year | Indigent Households | | |
| | No. of HH | Service per HH per week | Value |
| | | | R'000 |
| 2013/14 | 5 095* | 1 | 10 147 |
| 2014/15 | 5 757 | 1 | 5 905 |
| 2015/16 | 6 486 | 1 | 7 250 |
| 2016/17 | 5 686 | 1 | 6 704 |
| 2017/18 | 6 453 | 1 | 8 662 |
| 2018/19 | 6 813 | 1 | 9 543 |
| 2019/20 | 6 666 | 1 | 10 878 |
| *Average for the year | | | |

3.9 COMPONENT A: ROADS AND TRANSPORT

This component includes: roads, transport, traffic engineering and waste water (storm water drainage).

3.9.1 ROADS

This component includes: roads, transport, traffic engineering and waste water (storm water drainage).

a) Transportation Planning and Traffic Engineering

The main road networks through Stellenbosch currently operates at capacity and at times beyond capacity, resulting in traffic congestion.

Analysis on the road networks and assessments of the public transport operations and facilities are periodically carried out to identify shortcomings and opportunities for improvements.

Through the compilation of the Draft Road Master Plan, analysis of the road networks was carried out (2019), shortcomings were identified and options for improvements to the road network is proposed.

The 2019/20 update of the Comprehensive Integrated Transport Plan (CITP updated every year and reviewed every five years) focused on better defining the Strategic Transport Framework for Stellenbosch, namely; towards car free living, promoting sustainable transport travel demand management, infrastructure and operational enhancements and optimal land use. International case studies of similar University towns were carried out. Bus and Taxi operations were analysed and assessed and recommendations has been made for improvements to public transport systems.

Traffic congestion remains a major challenge on main road intersections within Stellenbosch. To assist with the alleviation of congestion, Stellenbosch Municipality, in collaboration with Stellenbosch University, had commenced with research to develop and establish a real-time traffic control system for Stellenbosch. The research project will assist in addressing everyday congestion through the application of Smart Transportation technology namely Traffic-Adaptive-Signal-Control (TASC). TASC refers to the real-time control of signalised intersections and enables the real-time adjustment of traffic signal timing in order to increase vehicle flows through intersection and reduce congestion.

b) Road Construction and Intersection Upgrades

To improve traffic flow and increase traffic safety at intersections within Stellenbosch, numerous intersections were upgraded by the municipality through the intersection improvement programme that had commenced about 8 years ago.

The following has been completed in the 2019/20 financial year:

- Upgrading of the R44 and Trumali Street intersection including the construction of additional turning lanes on the R44 and widening of Trumali Street;
- The following Roads and Intersection upgrades are at construction phase;
- Upgrading of Technopark Access Road;
- Upgrading of Technopark Intersection with R44;
- The following Roads and Intersection Upgrades are currently at planning and design phase;
- Upgrading of R44 / Helshoogte;
- Safety improvements at R45 / Le Roux Street; and

- Modification of R44 / Paradyskloof and extension of Skuilplaats Road.

c) Gravel Road Upgrading

The municipality had previously commenced with a gravel Road Upgrading Programme where gravel roads in the municipality's residential settlements are being upgraded to permanent asphalt standards. In the previous financial year Roads were upgraded in Kylemore, Pniel and Klapmuts. During 2019/20 financial year, the municipality has completed the upgrading of the following roads in Wemmershoek and La Motte.

Wemmershoek:

Prins Afrika; Wilger; Sonneblom; Adahlia; Leeubekkie; Skool; Gousblom; Lelie; Jakaranda; Petunia; Protea; Vygie; Angelier.

Lamotte:

Akkerhout North; Akkerhout South; Geelhout; Olienhout; Ysterhout.

d) NMT

During the 2019/20 financial year, sidewalks have been constructed in the following areas, namely Stellenbosch CDB and Noordwal Oos Street, Paradyskloof, Ida's valley and Onderpapagaai Berg. In line with our NMT Master Plan, NMT Infrastructure is annually rolled out and implemented to ensure continues expansion of the NMT Network.

e) Public Transport

Planning and Design and procurement processes are underway for a new Taxi Rank in Groendal (Franschhoek). Planning and Designs and procurement processes are underway for the installation of top structures at Klapmuts Taxi Rank and Kayamandi Taxi Rank. Improvements were also made at the Kayamandi Long Distance Taxi Stop.

f) Storm Water

The municipality's Storm Water Master Plan was updated in the 2018/2019 financial year. Improvements as identified in the Master Plan are implemented annually, and the system is periodically maintained to ensure preparedness for the winter season.

g) Bridges

Planning for the priority rehabilitation interventions are proposed for the existing bridge on Distillery Road in Stellenbosch is in process. The Distillery Road Bridge is the only access road into Bosman's Crossing, a small mixed development area within Stellenbosch comprising of various commercial developments and apartment complexes.

Planning and design are in process for the designs of a pedestrian bridge that would link Kayamandi with Cloetesville. The proposed bridge would create a safe passage for pedestrians between the two communities, crossing the R304, the railway line and the Plankenbrug River.

Planning and designs have been completed for the Lanquedoc Access Road and Bridge with implementation scheduled for the short term. It is proposed that the existing bridge be retained and will

function as a NMT facility, a new vehicular bridge will be constructed adjacent to the existing bridge, with the access road being aligned to tie-into the new bridge.

3.9.1.1 Roads Statistics

The following tables give an overview of the total kilometres of roads maintained and new roads tarred:

Table 3:40: Tarred (Asphalted) Roads

| Financial year | Total km tarred roads | Km of new tar and paved roads | Km existing tar roads re-tarred | Km existing tar roads re-sheeted | Km tar roads maintained |
|----------------|-----------------------|-------------------------------|---------------------------------|----------------------------------|-------------------------|
| 2012/13 | 328 | 0 | 9 | 0 | 319* |
| 2013/14 | 328 | 8 | 14 | 0 | 322* |
| 2014/15 | 336 | 2 | 18 | 0 | 320* |
| 2015/16 | 337 | 2 | 10 | 0 | 325* |
| 2016/17 | 341 | 3 | 10 | 0 | 328* |
| 2017/18 | 345 | 1 | 12 | 0 | 332* |
| 2018/19 | 347 | 2 | 7 | 0 | 338* |
| 2019/20 | 349 | 1 | 5 | 0 | 343* |

*Note: * Total network maintained, maintenance carried out where required*

Table 3:41: Gravelled Roads

| Financial year | Total km gravel roads | Km new gravel roads constructed | Km gravel roads upgraded to tar / block paving | Km gravel roads graded / maintained |
|----------------|-----------------------|---------------------------------|--|-------------------------------------|
| 2012/13 | 30 | 0 | 0 | 30 |
| 2013/14 | 30 | 0 | 0 | 30 |
| 2014/15 | 30 | 0 | 1.5 | 28.5 |
| 2015/16 | 21.5 | 0 | 1.8 | 20 |
| 2016/17 | 19.7 | 0 | 1.2 | 18.5 |
| 2017/18 | 18.5 | 0 | 1 | 17 |
| 2018/19 | 17 | 0 | 2.5 | 14 |
| 2019/20 | 14 | 0 | 4 | 9 |

3.9.1.2 Capital expenditure: Roads and Storm Water

Table 3:42: Capital Expenditure as at 30 June: Roads and Storm water

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|---|-------------------|--------------------|---------------------------------|
| | R | | |
| Adhoc Reconstruction of Roads (WC024) | 8 370 906 | 7 754 256 | -7.37% |
| Upgrade Gravel Roads - Lamotte & Franschoek | 7 819 993 | 8 341 818 | 6.67% |
| Technopark Access Road | 7 267 651 | 8 473 911 | 16.60% |
| R44 Access Upgrades | 5 000 000 | 4 999 811 | 0.00% |
| Specialised Vehicle | 2 878 321 | 865 098 | -69.94% |

Only the 5 largest capital projects are listed

Roads and Storm water spent **97.03%** of the capital budget for the financial year.

3.9.1.3 Storm Water Infrastructure

The table below shows the total kilometres of storm water infrastructure maintained and upgraded as well as the kilometres of new storm water pipes installed:

Table 3:43: Storm water Infrastructure

| Financial year | Total km storm water infrastructure | Km new storm-water infrastructure | Km storm water infrastructure upgraded | Km storm water infrastructure maintained |
|-------------------------------------|-------------------------------------|-----------------------------------|--|--|
| 2013/14 | 128.1 | 6.1 | 0.01 | 128.1 |
| 2014/15 | 134.2 | 0 | 0 | 134.2 |
| 2015/16 | 134.2 | 2 | 0 | 136.2 |
| 2016/17 | 136.2 | 1 | 0 | 136.2 |
| 2017/18 | 137.2 | 0 | 0 | 137.2 |
| 2018/19 | 296* | 1 | 0 | 296 |
| 2019/20 | 297 | 1 | 0 | 297 |
| *km increase following reassessment | | | | |

3.9.1.4 Total employees – Roads and Storm water

Table 3:44: Total Employees – Roads and Storm water

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|---|------------|------------|-----------------------------------|-----------------------------------|
| Number | | | | % |
| 18 – 16 | 1 | 1 | 0 | 0% |
| 15 – 13 | 9 | 7 | 2 | 0.63% |
| 12 – 10 | 26 | 14 | 12 | 7.54% |
| 9 – 7 | 15 | 12 | 3 | 1.88% |
| 6 – 4 | 108 | 70 | 38 | 23.89% |
| 3 – 0 | 0 | 12 | 0 | 0% |
| Total | 159 | 104 | 55 | 33.94% |
| * Employee statistics will be imprecise due to the implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the municipality's payroll system creates some anomalies i.e. accurate figures on job and occupation levels. The municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings. | | | | |

3.9.2 DEVELOPMENT SERVICES AND PROJECT MANAGEMENT DEVELOPMENT SERVICES, ASSET MANAGEMENT AND SYSTEMS AND PROJECT MANAGEMENT UNIT (PMU)

The Development Services, Asset Management and Systems and Project Management Unit (PMU) is the newly established department responsible for Technical Information Management, Asset Management, Wayleave Management, Development Services and Project / Programme Management in the Infrastructure Services Directorate.

With the appointment of the *Senior Manager: Development Services, Asset Management and Systems and Project Management Unit (PMU)* – which took place in 2018/19 financial year – both the Infrastructure Asset Management and PMU Office were established in July 2019.

3.9.2.1 Project Management Unit (PMU)

Though the *Manager: Infrastructure Asset Management and Systems* post is still vacant, the *Manager: PMU* was occupied in July 2019 together with four dedicated project managers. Over the 2019/20 financial year, the PMU managed a capital expenditure budget of R30.5M. Their 2020/21 capital expenditure budget is forecast at R29.2M. The PMU is also responsible for the administration of the newly established Integrated Urban Development Grant.

In April 2016 cabinet adopted the Integrated Urban Development Framework (IUDF) as the official national urban policy of government under the custodianship of the Department of Cooperative Governance (CoGTA). The IUDF marks a new deal for South Africa's cities and towns. It sets a policy framework to guide the development of inclusive, resilient and liveable urban settlements while addressing the unique conditions and challenges facing South Africa's cities and towns. The key outcome of the IUDF is spatial transformation and to create a growth model of compact, connected and coordinated cities and towns.

Within the IUDF the Intermediate City Municipality (ICM) programme, targeting 39 municipalities, support is provided for the municipalities in the middle size and density range of the continuum. The purpose of the ICMs support strategy is to help translate IUDF policy into practical programmes of action in the ICMs. Stellenbosch Municipality qualified for the 2019/20 Integrated Urban Development Grant (IUDG) and Intermediate City Municipality (ICM) programme in terms of which the municipality achieved 100% IUDG expenditure in the first year of the Integrated Development Grant's existence.

3.9.2.2 Asset Management and Systems

Infrastructure impacts the quality of the living environment and opportunities to prosper. The municipality is required to be effective at a strategic, tactical and operational level. The manner in which the municipality discharges its responsibilities as a public entity is also important. It is required to demonstrate sound stewardship over the significant inter-generational investment made in infrastructure and custodianship to care for current users appropriately. The processes adopted must be efficient, sustainable, and effectively communicated to internal and external stakeholders.

Key themes of national legislation relating to municipal infrastructure management include:

- Long-term sustainability and risk management;
- Service delivery efficiency and improvement;
- Performance monitoring and accountability;
- Community interaction and transparent processes;
- Priority development of minimum basic services for all; and
- The provision of financial support from central government in addressing the needs of the poor.
- Maximising municipal infrastructure management supports the current Strategic Focus Areas as well. Foremost is in Strategic Focus Area 5: Good Governance and Compliance. As the 13th largest economy nationally, the greater Stellenbosch area and the municipality is a significant seat of power and deliverer of services. Deciding what to do, when, where, and whose benefit it is the difficult task that infrastructure asset management addresses. Enhanced infrastructure capabilities also augment the achievement of the other four Strategic Focus Areas, i.e. 1: Valley of Possibility, 2: Green and Sustainable Valley, 3: Safe Valley and 4: Dignified Living.

In support of these objectives, the Cape Winelands District Municipality appointed Aurecon to perform Asset Management Maturity Assessments for its seven Local Municipalities. The kick-off meeting for Stellenbosch Municipality was held on 12 November 2019 and 36 Interviews with management (across

all Directorates) were subsequently completed in January and February 2020. The report was delayed by the National Lockdown and a draft Stellenbosch Municipality Asset Management Maturity Assessment report was received in June 2020. The report detailed six improvement projects recommended for implementation over the next three years. The report is due to be tabled at Director's meeting in the 2020/21 financial year.

Wayleave Management also falls under this section. The collective value of services infrastructure contained within the Public Road Reserve and the road itself amounts to a considerable value. This infrastructure needs to be maintained, periodically rehabilitated and replaced from time to time. Such activities can result in considerable delays, inconvenience, danger and additional costs to the road users and municipality itself if not well planned and coordinated. This activity is coordinated through the wayleave management function. Unfortunately, most of the posts in this function are vacant. This function is performed by staff seconded partially or entirely from within the Department. The monthly and annual applications are summarised in the Wayleave Applications table below.

Table 3:45: Wayleave Applications

| Activity | 2019/20 | | | | | | | | | | | | Total |
|--------------------------------------|---------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | |
| Wayleave Applications - Received | 18 | 13 | 37 | 28 | 28 | 4 | 19 | 19 | 21 | 0 | 18 | 11 | 216 |
| Wayleave Applications - Commented on | 10 | 12 | 6 | 14 | 10 | 13 | 3 | 5 | 21 | 4 | 0 | 35 | 133 |
| % completion to date: | | | | | | | | | | | | | 61.6% |

3.9.2.3 Development Services

The *Manager: Development Services* comments on behalf of the Directorate: Infrastructure Services on all land-use applications, submitted to Council in terms of the Stellenbosch Land-Use Planning Bylaw of 2015. Land-use applications include land-use changes such as rezonings, subdivisions, consent uses, increase in bulk and departures and normally leads to further development of a property.

The approval of proposed land-use changes is evaluated in terms of the availability of bulk services. Should Council be in a position to supply such services, an application is supported. If not, then an application for a land-use change will not be supported by the Directorate: Infrastructure Services. It is essential that any planned development be brought under the attention of Development services to determine if bulk services will be available and if not by when the budget will allow for such bulk infrastructure to be implemented.

To give perspective to the above the figures for the different functions for the 2019/20 financial year are outlined in the table below.

Table 3:46: Land-use Applications

| Activity | 2019/20 | | | | | | | | | | | | Total |
|--|---------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------------|
| | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | |
| Building Plans- Received | 22 | 124 | 210 | 257 | 394 | 158 | 162 | 111 | 111 | 13 | 0 | 2 | 1 564 |
| Building Plans- Commented on | 22 | 124 | 199 | 173 | 299 | 151 | 25 | 85 | 83 | 12 | 0 | 0 | 1 175 |
| | | | | | | | | | | | | | |
| Land-use Applications - Received | 11 | 13 | 24 | 12 | 7 | 21 | 6 | 8 | 12 | 15 | 0 | 0 | 211 |
| Land-use Applications - Commented on | 1 | 6 | 12 | 6 | 1 | 8 | 3 | 4 | 6 | 13 | 0 | 0 | 99 |
| DCs received for completed developments | Excluding VAT - R6 396 623. 93 | | | | | | | | | | | | |
| Total of aforementioned requests received | | | | | | | | | | | | | 1 775 |
| Total of aforementioned requests commented on | | | | | | | | | | | | | 1274 |
| % completion to date: | | | | | | | | | | | | | 71.8% |

The Development Services Section is responsible to co-ordinate and approve the final handover of newly serviced stands through the approval of engineering services clearance certificates. This section also performs a project management function by ensuring that developer created infrastructure is done according to Engineering standards and guidelines.

Additionally, Development Charges (DCs) are calculated by this Department and set as a development condition for new developments. Social and economic development has a positive impact on the municipality's finances as it increases revenue from property rates, fees, service charges and tariffs by expanding the base of ratepayers. However, development associated with this economic growth has an impact on the demand for municipal infrastructure services as well as social infrastructure services such as clinics, schools and other public amenities. Therefore, infrastructure is needed to support sustainable social and economic development in Stellenbosch.

Development charges are a more targeted and more equitable way of ensuring that the main beneficiaries of infrastructure make an appropriate and fair contribution to that cost, without unduly burdening the municipality's ratepayers. Development Charges are thus an important form of capital contribution raised by the municipality to pay for infrastructure upgrades required in support of new developments. A summary of the annual DCs management in 2019/20 is:

- DCs Calculated: R238,7M (representing a 227% increase on 2018/19);
- DCs paid in: R6,4M;
- Assets created in lieu of DCs: R10,5M; and
- Total value created for the municipality in 2019/20: R16,9M.

3.10 COMPONENT B: PLANNING AND DEVELOPMENT

3.10.1 TOWN- AND SPATIAL PLANNING

Stellenbosch and an appropriate approach to spatial development and management

The Municipal Spatial development framework is a core component of, and part of the Integrated Development Plan as stipulated in Section 26(e) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and Section 20(2) of the Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013). The spatial planning system in the Republic of South Africa consists of the following components:

- Spatial development frameworks to be prepared and adopted by national, provincial and municipal spheres of government;
- Development principles, norms and standards that must guide spatial planning, land use management and land development;
- The management and facilitation of land use through the mechanisms of land use schemes, i.e. zoning scheme bylaws; and
- Procedures and processes for the preparation, submission and consideration of land development applications and related process.

Section 8 of SPLUMA stipulate that the norms and standards must, but are not limited:

- Promote social inclusion, spatial equity, desirable settlement patterns, rural revitalisation, urban regeneration and sustainable development;
- Ensure that land development and land use management processes, including applications, procedures and timeframes are efficient and effective;
- Include: -
 - (i) A report on and on analysis of existing land use patterns;
 - (ii) A framework for desired land use patterns;
 - (iii) Existing and future land use plans, programmes and projects relative to key sectors of the economy; and
 - (iv) Mechanisms for identifying strategically located vacant or under-utilised land and for providing access to and the use of land.

Based on the above it is clear that the Municipal SDF is not just mostly a technical document-, but in fact the strategic spatial representation of the IDP, and also must determine a capital expenditure framework ("CEF") for the municipality's development programmes, depicted spatially. The Municipal SDF "as part of" and "a core component of" the IDP further "*must include sectoral requirements, including budgets and resources for implementation*", thereby guiding the municipal infrastructure and development budget. We present the critical underlying narrative here and argue that adhering to it, through numerous individual actions and decisions – across sectors of society – is at the core of managing development and land use in Stellenbosch better, at the heart of a better future for all.

"Stellenbosch Municipality is a special place; all of it ... its various settlements, its nature areas, farms, education institutions, its innovative corporations, small businesses, its places to visit, its places to live, its festivals, its history ... its people. In terms of its space – activities in space, landscapes, urban places, streets, and buildings – Stellenbosch Municipality continue to impress and bring opportunity, joy, and contentment; in different ways, to visitors and residents alike. Many would love to live here, work here, or visit more often. Stellenbosch Municipality has been judged as a place of high opportunity. Numerous

factors combine to a recognition that this place can contribute more to growing societal needs, in its region, and our country. If one lives here, the chances are that you can make a good livelihood. Stellenbosch Municipality is truly a place of opportunity.

Many who live within the municipal area do not have adequate shelter, or the opportunity to work. Others feel that the time has come to depart from farms, to give up farming. Many study here, but cannot enjoy university life to its full extent, because there is limited residential opportunity for students. Then again, many struggle in traffic every day, on congested roads, wasting time and money for fuel, even if privileged enough to own a private vehicle.

Stellenbosch Municipality's challenges increasingly impact on all, albeit in different ways. Citizens respond to challenges differently. Many owners of agricultural land have indicated a desire to develop their land for other, predominantly urban activities. These thoughts already involve a large land area, comparable to the size of Stellenbosch town. Others, tired of waiting for a housing opportunity here or elsewhere – and government support – invade land, staking a claim, the right to a place to live, on virgin land, even if the land is not suitable for development because of its agricultural and / or environmental value, is prone to risk, or allocated to someone else. Some, with the necessary material means, elect to close themselves off, to obtain a place to live in gated communities, secure from perceived threat to body and property.

The Stellenbosch Municipal Area grows, both naturally, and because more people are attracted here. Those drawn include the poor, middle- to higher income groups, and large corporations. Stellenbosch Municipality has a special quality of accommodating hope, good opportunities, and a better life; the perception is that your needs can be met faster, your children can get access to a school promptly, or, your journey to work will be less cumbersome.

However, Stellenbosch Municipality grows on top of unfinished business. It grows on top of ways of a past that had not been fixed, the separation of people, the focus on some as opposed to all; needs not met, exclusion. It also grows on top of limited public resources. While the municipality and other spheres of government collect and allocate funds for service delivery, it is not enough to address backlogs, fix the mistakes of the past, prepare for unexpected crisis (for example, in the form of fires), or meet anticipated future needs.

As Stellenbosch Municipality grows, things get worse. In terms of how we manage development and space, we know what direction to take. We know that we should adopt a precautionary approach to nature and agricultural land, we know that we should contain and compact settlements, we know that we should provide more choice in shelter and housing opportunity, and that we should focus on public and non-motorised transport.

This knowledge is also embedded in policy, from global conventions to national, provincial and local frameworks, including the Stellenbosch Municipal Integrated Development Plan that include the Stellenbosch Municipality Spatial Development Framework, 2019, the legal plan which directs the municipal budget and resource allocation. The issue is that we have not implemented what we believe the appropriate policy direction is well. We should ask why. We can answer that achieving in terms of new policy is not easy. It requires new ways of thinking, acting, living and doing. Higher densities, leaving the car, more interaction between groups of society sharing public space, more partnership in unlocking development opportunity, and so on.

Even if difficult, it is a matter of now or never. We cannot behave and live like before. We cannot afford to lose more nature and agricultural land, develop at low densities, and prioritise building roads for private cars more than public transport. If we do that, the system will fail. Despite difficulties, it appears

as if our approach is shifting. Land previously occupied by manufacturing enterprises in critical locations in the municipality have slowly become available for reuse. The potential of Klapmuts to accommodate enterprises, dependent on good intra- and inter-regional logistic networks is acknowledged. Landowners realise that overcoming the resource constraints, infrastructure constraints, and the cross-subsidisation required for more inclusive development – the extent of energy needed – necessitates joint work, joint planning, and implementation of a scale and nature not yet experienced in Stellenbosch. Corporations realise that they have broader responsibility – not only in contributing to good causes concerning nature, education, or the arts, but in actively constructing better living environments. We realise that we have to forge, establish and maintain active working partnerships to make our towns better. We also have the benefit of history. In times past, we have, as Stellenbosch Municipality, changed our destiny, did things for the better. Starting with an individual idea, a thought, often through an individual, great things were done. With such ideas and actions, the town established a university, saved historic buildings and places, launched cultural celebrations with broad reach, safeguarded unique nature areas, provided families with homes, begun corporations with global reach. When a fire destroyed homes, they were rebuilt promptly with collective energy and purpose. When children needed schooling, and government could not provide, some established schools.

Often, these initiatives started outside of government, albeit assisted by the government. They were started by those who thought beyond current challenges, without necessarily being able to project outcomes over time in full. They just understood that one step might lead to another. Not all the technical detail was resolved, not everything understood in its entirety. They merely acted in terms of core principles. As matters unfolded and new challenges emerged, the principles guided them.

The Municipal Spatial Development Framework, 2019 recognises that the spatial decisions and actions of many make what settlements are. It asks us to understand that plans cannot do everything, predict everything. It asks all to consider action with a few core beliefs, principles, or concepts, geared towards the common good.

Specifically, it asks us to consider seven principles:

1. First, maintain and grow the assets of Stellenbosch Municipality's natural environment and farming areas.

Humanity depends on nature for physical and spiritual sustenance, livelihoods, and survival. Ecosystems provide numerous benefits or ecosystem services that underpin economic development and support human well-being. They include provisioning services such as food, freshwater, and fuel as well as an array of regulating services such as water purification, pollination, and climate regulation. Healthy ecosystems are a prerequisite to sustaining economic development and mitigating and adapting to climate change. The plan provides for activities enabling access to nature and for diversifying farm income in a manner which does not detract from the functionality and integrity of nature and farming areas and landscapes.

2. Second, respect and grow our cultural heritage, the legacy of physical artefacts and intangible attributes of society inherited from past generations maintained in the present and preserved for the benefit of future generations.

Cultural heritage underpins aspects of the economy and differentiates places. Culture is a dynamic construct; forever emerging in response to new challenges, new interactions and opportunity, and new interpretations. Spatially, we must organise Stellenbosch in a manner which also sets the stage for new expressions of culture.

3. Third, within developable areas – areas not set aside for limited development owing to its natural or cultural significance – allow future opportunity to build on existing infrastructure investment, on the opportunity inherent in these systems when reconfigured, augmented or expanded.

Infrastructure represents significant public investment over generations, not readily replicated over the short term. It represents substantial assets for enabling individual and communal development opportunity of different kinds. From a spatial perspective, movement systems are particularly significant. Elements of the movement system, and how they interconnect, have a fundamental impact on accessibility, and therefore economic and social opportunity. Specifically, important is places of intersection between movement systems – places which focus human energy, where movement flows merge – and where people on foot can readily engage with public transport.

4. Fourth, clarify and respect the different roles and potentials of existing settlements.

All settlements are not the same. Some are large, supported by significant economic and social infrastructure, offer a range of opportunity, and can accommodate growth and change. Others are small and the chance to provide for growth or change is minimal. Generally, the potential of settlements to help change and growth relates directly to their relationship with natural assets, cultural assets, and infrastructure. We must accommodate change and growth where existing assets will be impacted on the least or lend itself to generating new opportunity.

5. Fifth, address human needs – for housing, infrastructure, and facilities – clearly in terms of the constraints and opportunity related to natural assets, cultural assets, infrastructure, and the role of settlements.

We must meet human need in areas where the assets of nature will not be degraded, where cultural assets can be best respected and expanded, and where current infrastructure and settlement agglomeration offers the greatest opportunity. Generally, we can help human need in two ways. The first is through infill and redevelopment of existing settled areas. The second is through new green-field development. We need to focus on both while restricting the spatial footprint of settlements outside existing urban areas as far as possible.

6. Sixth, pursue balanced communities. All settlements should be balanced.

That means they should provide for all groups, and dependent on size, a range of services and opportunities for residents. It also says they should provide for walking and cycling, not only cars.

7. Finally, focus energy on a few catalytic areas that offer extensive opportunity and address present risk.

Planning cannot attempt to treat all areas equally. Some areas offer more opportunity for more people than others. We need to focus on the areas and actions where a significant number of people will benefit, where we will meet their needs. There is also a need to focus on areas of 'deep' need, notwithstanding location, where limited opportunity poses a risk to livelihoods. Some informal settlements and poorer areas may not be located to offer the best chance for inhabitants, yet services need to be provided and maintained here. However, significant new development should not occur in these places, exacerbating undesirable impacts or further limiting the opportunity for people to pursue sustainable livelihoods. Spatial plans are 'partial' frameworks for action. They deal with space. Command of space is not enough to develop or manage a settlement in the interest of all. Each spatial principle, each concept, requires parallel actions in other sectors, including how we form institutions for execution, how we transport people, how we fund things, where we focus resources, and so on. The

spatial principles must help us to think through these implications, action by action, decision by decision."

Future settlement along the Baden Powell Drive-Adam Tas-R304 corridor

As indicated above, over the longer term, Muldersvlei / Koelenhof and Vloottenburg along the Baden Powell-Adam Tas-R304 corridor could possibly accommodate more growth, and be established as inclusive settlements offering a range of opportunities. However, these settlements are not prioritised for development at this stage. Critical pre-conditions for significant development include:

- The measures required to ensure that settlements provide for a range of housing types and income groups (in a balanced manner);
- Establishing regular public transport services between settlements, including services between the expanded smaller settlements and Stellenbosch town; and
- Understanding to what extent settlements can provide local employment, in this way minimising the need for transport to other settlements.

Other local planning initiatives

Ideally, each of the settlements in SM should have a LSDF, applying the principles of the MSDF in more detail. The priority for LSDFs should be determined by the position and role of settlements in the SM settlement hierarchy, but should start with the Adam Tas Corridor Development Area and Klappmuts.

Institutional Arrangements

The SM has limited staffing resources within the Directorate: Planning and Economic Development, which include the departments of Development Management (Land Use Management and Building Development Management); Development Planning (Spatial Planning, Economic Development and Tourism, Development Information ("GIS") and Heritage Resource Management) and Integrated Human Settlements (Housing Development, Informal Settlements and Housing Administration) SM have appointed two (2) Senior Managers in the position for Development Management and Development Planning, and the position of the Senior Manager: Integrated Human Settlements is an unfunded post and remains vacant. Work occurs within the framework set by annually approved Service Delivery and Budget Implementation Plans (aligned with the IDP), decision-making processes and procedures set by Council, and a suite of legislation and regulations guiding spatial planning, land use management, and environmental management (including SPLUMA, LUPA, and the National Environmental Management Act).

The Planning and Economic Development Directorate will facilitate implementation of the *mSDF* in terms of institutional alignment, including:

- The extent to which the main argument and strategies of the MSDF are incorporated into Annual Reports, annual IDP Reviews, future municipal IDPs, and so on;
- The annual review of the MSDF as part of the IDP review process;
- The extent to which the main argument and strategies of the MSDF inform sector planning and resource allocation;
- The extent to which the main argument and strategies of the MSDF inform land use management decision-making;
- Alignment with and progress in implementing the municipality's Human Settlement Plan and Comprehensive Integrated Transport Plan; and
- The mutual responsiveness of the *mSDF* and national, provincial and regional plans, programmes and actions (including the extent to which MSDF implementation can benefit from national and

provincial programmes and funding). Over and above institutional arrangements in place, it appears that two aspects require specific focus in support of the MSDF.

Inter-municipal planning

The first relates to inter-municipal planning. As indicated elsewhere in the MSDF, SM (and other adjoining municipalities) appears to experience increasing challenges related to development pressure in Cape Town. This pressure is of different kinds. The first is pressure on the agricultural edges of Stellenbosch Municipality through residential expansion within Cape Town. The second is migration to SM (whether in the form of corporate decentralisation, or both higher and lower income home seekers), leading to pressure on available resources, service capacity, and land within and around the settlements of SM. While municipal planners do liaise on matters of common concern, there appears to be a need for greater high-level agreement on spatial planning for “both sides” of municipal boundaries. The spatial implications of pressure related to migration to SM could be managed locally, should there be agreement to redevelop existing settlement footprints rather than enabling further greenfields development (as a general rule).

However, the municipality’s increased resource needs to accommodate new growth – a non-spatial issue – should be acknowledged and addressed.

Private sector joint planning

The second relates to joint planning and action resourced by the private sector, increasingly needed for a number of reasons:

- The municipal human and financial resource base is simply too small to achieve the vision of the mSDF or implement associated strategies and plans;
- Many matters critical to implementing the MSDF fall outside the direct control or core business of the municipality, for example, the municipality does not necessarily own the land associated with projects critical to achieve MSDF objectives;
- It is increasingly evident that individual land owners are finding it difficult to develop – to make the most of what they have – individually. Specifically, the transport and movement implications of individual proposals require strong and dedicated integration;
- Individual land owners do not necessarily control the extent of land required to undertake inclusive development, focusing on opportunity for a range of income groups. Inclusive development often requires cross-subsidisation, in turn, enabled by larger land parcels and development yields; and
- The municipality’s focus is often – and understandably so – on the “immediate”, or shorter-term challenges. Much what is needed to implement the MSDF or catalytic projects requires a longer-term view, a committed focus on one challenge, and cushioning from the daily and considerable demands of municipal management.

Partnerships are needed, with different agencies and individuals working in concert with the municipality to implement agreed objectives. Further, partnerships are required between individual corporations and owners of land. The Adam Tas corridor is a prime example: making the most of the disused sawmill site, Bergkelder complex, Van der Stel Complex, Die Braak and Rhenish complex – in a manner which contributes to agreed objectives for developing Stellenbosch town – is only possible if various land owners, the municipality, University, and investors work together, including undertaking joint planning, the “pooling” of land resources, sharing of professional costs, infrastructure investment, and so on. The municipality simply do not have the resources – and is overburdened with varied demands in different locations – to lead the work and investment involved.

Land Use Management

Continually ensure timeous consideration of land-use applications in order to streamline development processes. Municipality to strengthen integrated development planning, spatial planning and economic planning. The Department: Development Management has made significant strides in addressing and reducing the backlog i.r.o. the processing of land use applications. The number of land use applications classified as backlog applications have been reduced significantly, which in turn as the resultant impact of creating economic development opportunities within the Stellenbosch Municipality.

3.10.1.1 Capital Expenditure – Planning and Development

Table 3:47: Planning and Development

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|------------------|-------------------|--------------------|---------------------------------|
| | R | | |
| Informal Traders | 200 548 | 153 085 | -23.67% |

Planning and Development have spent, **76.33%** of the capital budget for the financial year.

3.10.1.2 Total employees – Planning

Table 3:48: Total Employees – Planning

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|-----------------------------------|-----------------------------------|
| Number | | | | % |
| 18 – 16 | 4 | 2 | 2 | 3.27% |
| 15 – 13 | 5 | 3 | 2 | 3.27% |
| 12 – 10 | % | 29 | 17 | 27.86% |
| 9 – 7 | 3 | 2 | 1 | 0% |
| 6 – 4 | 3 | 2 | 1 | 0% |
| 3 – 0 | 0 | 0 | 0 | 0 |
| Total | 61 | 38 | 23 | 34.4% |

* Employee statistics will be imprecise due to the implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the municipality's payroll system creates some anomalies i.e. accurate figures on job and occupation levels. The municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

3.10.2 LOCAL ECONOMIC DEVELOPMENT (LED)

Table 3:49: Achievements within Local Economic Development

| Achievement / Highlight | Description |
|------------------------------------|--|
| Business Interventions | Number of business interventions for the financial year: |
| | 2017/18 2018/19 2019/20 |
| | Business registrations 24 37 29 |
| | Municipal Database Registrations 19 27 N/A |
| | Advice to walk-ins 387 1795 N/A |
| | Workshops 12 15 1 |
| | Business Licences 13 2 22 |
| | Liquor licences applications received 209 216 107 |
| | Comments forwarded to the Liquor Board 193 166 22 |
| Mentorship | No mentorship activities were completed for the first two quarters of the financial year, as it was planned for the latter part of the financial year, however this could not happen because of the pandemic and lockdown regulation that was in place. |
| Tendering Process Training | This was planned for the third quarter of the financial year; however, this could not take place due to the pandemic. |
| Informal Trading | The Unit has implemented various informal trading sites that will be completed in the new financial year including Cloetesville, Kayamandi, Klappmuts and a process to advertise for the sites to be occupied will be followed.
The Informal trading by-law is in the process of being drafted and will be circulated for public comment in the new financial year for public comment. |
| Enterprise Development and Support | Training for Stellenbosch-based entrepreneurs has been hampered because of the pandemic however, virtual meeting was held with various sectors of the economy including tourism and agriculture to ascertain the impact of the pandemic on these sectors. Assistance was provided to SMME with PPE to ensure compliance with health protocols during the pandemic. The Unit has been very active with the processing of trading permits during the lockdown to ensure that these micro businesses could trade. |
| Vacant Agricultural Property | The vacant land that were advertised during the previous financial year be allocated in line with the Policy on the Management of Municipal Agricultural Land. An information session was held for all interested small farmers to receive all relevant information for them to complete their applications. 90 individuals attended the briefing. |

3.10.2.1 LED Challenges

The table below gives a brief description of all the challenges within local economic development during 2019/20:

Table 3:50: Challenges within Local Economic Development

| Description | Actions to address |
|---|--|
| Human Resources insufficient to drive a effective economic development and tourism programme. | Fill all vacant post at an appropriate level to recruit competent professional people and review the organogram within the Directorate: Planning and Economic Development. |
| Slow processing of land use applications impacts negatively on new investments and economic growth in the municipal area. | Appointment of the Senior Manager: Development Management has resulted in a significant reduction of the amount of land use applications classified as backlog applications. |
| Non-permanency of EPWP administrative staff. | A number critical positions within the Section are vacant, also the Section has been tasked with implementing infrastructure development projects, which the section is not geared to undertake. |
| Current entrepreneurship development initiatives shows to minimal or minor impact on new venture creation. | Establish partnerships with the private sector to ensure uptake of new entrance into the mainstream of the economy. The municipality's procurement must also be used to ensure local business are given opportunities to partner with big business to nurture and grow new businesses. |

3.10.2.2 EPWP job creation 2019/20

The Expanded Public Works Programme grew in leaps and bounds of the last few year and the Stellenbosch Municipality consistently is one of the top 3 performers in the Western Capes. Below are the projects and number of jobs that have been created through EPWP.

Table 3:51: Job Creation through EPWP* Projects

| EPWP Projects | | Number of jobs created | |
|---|--|------------------------|-----|
| External EPWP Grant Projects | | | |
| LED | | 25 | |
| IG: Ward Office | | 20 | |
| IG: Cemeteries | | 8 | |
| IG: School Safety | | 10 | |
| IG: Community Development | | 8 | |
| IG: Stellenbosch Trail Fund Guiding Academy | | 2 | |
| IG: Cleaning and Greening | | 13 | |
| IG: Fire and Disaster | | 9 | |
| IG: Picnic Site | | 1 | |
| : Cleaning of Halls | | 8 | |
| IG: Parks and Franschhoek Wardens | | 15 | |
| IG: Parks Stellenbosch | | 11 | |
| Refurbishment and filters | | 10 | |
| Cleaning of Jamestown | | 1 | |
| Cleaning of Halls | | 8 | |
| Total Projects | | Total Jobs | 149 |
| Municipal Funded Projects | | | |
| Field Worker Title Deeds | | 26 | |
| Archives Registration | | 4 | |
| Neighbourhood Revitalisation | | 13 | |
| Minor Landscaping | | 5 | |
| Jan Marais Park | | 9 | |
| Jonkershoek Picnic | | 10 | |
| Medical Plants and Rare Species | | 2 | |
| Mont Rochelle Hiking Trail | | 1 | |
| Mountain Bike Routes | | 7 | |
| Municipal Asset Stock | | 6 | |
| Service Warriors | | 1 | |
| Wheelie Bins | | 1 | |
| Area Cleaning | | 462 | |
| Integrated fire | | 11 | |
| Clerk Sport | | 1 | |

| EPWP Projects | Number of jobs created | |
|--------------------------------------|-------------------------------|------------|
| Biodiversity Support | 11 | |
| Integrated River | 21 | |
| Cleaning of Sport field | 12 | |
| Cleaning of Storm Water | 6 | |
| ERF | 18 | |
| Service Warriors | 11 | |
| Cleaning and Greening/ Million Trees | 14 | |
| IG Drought Elevation | 20 | |
| Integrated Fire Management | 12 | |
| IG Cemeteries | 7 | |
| LED | 34 | |
| Amanzi Yimpilo | 8 | |
| New Merriman Outfall Sewer | 9 | |
| Plankenberg Sewer | 5 | |
| Veld Rehabilitation | 14 | |
| Total Projects | Total Jobs | 761 |
| Total Projects Overall | Total Projects Overall | 910 |

3.10.2.3 Total employees – LED

Table 3:52: Total Employees – LED

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|-----------------------------------|-----------------------------------|
| Number | | | | % |
| 18 – 16 | 1 | 1 | 0 | 0% |
| 15 – 13 | 5 | 1 | 4 | 40% |
| 12 – 10 | 2 | 1 | 1 | 10% |
| 9 – 7 | 0 | 0 | 0 | 0% |
| 6 – 4 | 2 | 1 | 1 | 10% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 10 | 4 | 6 | 60% |

* Employee statistics will be imprecise due to the implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

3.10.2.4 Tourism

Aim and function of Tourism Section

- Contextualise the strategic goals of tourism promotion and development funding.
- Regularise the operational functioning of external bodies appointed or supported by the municipality in its Constitutional mandate toward both tourism, and economic and social development.
- Ensure co-ordination of the activities of the funded entities.

- Ensure efficient oversight of funding and outcomes.
- Acknowledge and leverage private sector and independent initiatives.
- Develop own of sustainable tourism events and brands.
- Enable sponsorship opportunities for commercialisation of events, brands and other opportunities.
- Smooth cyclical tourism numbers by establishing developing and implementing off-peak tourism products and initiatives.
- Develop and package opportunities and venues for business tourism.
- Enable market participation for local business.
- Enable training, mentorship and employment opportunities for local citizens.
- A transparent ability to quantify return on investment into events and funded entities.

Highlights:

- The establishment of a new destination marketing organisation, Visit Stellenbosch, after Wine Routes (SWR) and Stellenbosch 360 (S360) agreed on a bold and ambitious plan to bring stakeholders together and grow the tourism and experience economy in Stellenbosch.
- Visit Stellenbosch unite all tourism stakeholders under a joint destination brand and a unified destination vision with a long-term tourism plan. Centralising the operational functions and resources of various tourism role-players, Visit Stellenbosch will enable stakeholders to invest more to improve service excellence, drive tourism innovation and enhance place product experiences.
- Memorandum of Agreements was signed with Visit Stellenbosch and Franschhoek Wines based on the policy to for funding of organisation rendering a municipal function with condition to integrate the sector and ensure new entrance into this sector are supported and developed.

Challenges: Tourism

- Impact of COVID-19 on the tourism industry has had a severe negative impact on the sector, especially as international travelling was to a large extent prohibited since the start of the lockdown on 23 April 2020.

3.10.2.5 Capital Expenditure – Local Economic Development and Tourism

Table 3:53: Capital Expenditure as at 30 June: Local Economic Development and Tourism

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|--|-------------------|--------------------|---------------------------------|
| | R | | |
| Establishment of Informal Trading Sites: Kayamandi | 5 337 505 | 2 543 827 | -52.34% |
| Establishment of Informal Trading Sites: Groendal | 3 467 117 | 2 189 882 | -36.84% |
| Establishment of Informal Trading Sites: Klapmuts | 2 085 015 | 1 559 303 | -25.21% |
| Establishment of informal trading markets Cloetesville | 649 948 | 468 526 | -27.91% |
| Establishment of Informal Trading Markets: Franschhoek | 404 409 | 389 235 | -3.75% |
| Only the 5 largest capital projects are listed | | | |

Local Economic Development and Tourism have spent, **59.65%** of the capital budget for the financial year.

3.11 COMPONENT C: COMMUNITY AND SOCIAL SERVICES

3.11.1 LIBRARIES

Looking back at what we have accomplished over the last year seems strange. The global pandemic has forced the libraries department to re-look the way we work and the services we offer. It has also forced the municipality to re-evaluate priorities, and set in motion many new responses to access literacy programmes, recreational reading and educational information.

Unlike pre-20th century libraries, libraries are now more than just storage spaces for books, they are the important community hubs that serve as centres of learning, professional development, healthcare, and now, “idea labs”.

Libraries are free public spaces that allow everyone to feel safe and to find opportunities. They offer free educational and recreational resources to everyone. It is a truly remarkable place where socioeconomic status is immaterial. It offers resources free of charge including books, internet access and educational, self-development and professional training programmes. Libraries are safe refuges for the homeless and underserved populations. Homeless men, women, and children visit the libraries every day, and most of the time all day, to take advantage of the resources the library has to offer. For the homeless or the very poor, libraries provide them with access to the internet for job searches, books for educational and job training, and essential programmes designed to bring them out of poverty.

Libraries have helped to boost local economies. Because libraries are not a revenue generating department of the municipality free for patrons, its vital role in developing the economy is overlooked. Libraries play a key role in financially strengthening local community.

They provide a work space for telecommuters, supply free internet access for people looking for employment opportunities, help individual community members financially succeed in their lives and small businesses, libraries also help entire communities succeed at boosting their economy and growing their local wealth. More so than a community centre, town hall, or public park ever could.

Libraries connect their communities in a way that benefits everyone. “They pool local resources and put them all under one welcoming roof for everyone to share”.

Libraries truly are remarkable places, and in today's world, cannot afford to underplay its importance to the educational, social and economic wellbeing of our citizens and communities. We cannot afford to ignore the fact that they are “opportunity institutions” opening its doors to and for the disenfranchised. No other department in the municipality reaches out to as many peoples in our communities who have been left behind in today's economy, those who are in the schooling system, or those just trying to find their way in an extremely demanding and harsh world. Delays in maintenance of Library buildings and the moratorium placed on filling staff vacancies have placed a huge strain on existing staff effectiveness and efficiency in the workplace. The upskilling and training of staff is a vital component if we are to remain relevant and deliver the service our communities have become used to receiving.

It is against this background that the Stellenbosch Public Libraries find themselves struggling to meet the demands placed on them by their communities.

We believe that we have grown and still continue to grow our libraries as the social hubs of our communities. We also believe that we are at the cusp of a very exciting new chapter of social development.

3.11.1.1 Libraries future

As the Province and the country begin to ease into Level 1, libraries are trying to find ways to safely serve their communities again especially amidst the threat of an ongoing pandemic in which person-to-person transmission is riskiest in indoor spaces where people linger for a long time. We believe that we will be faced with a new set of challenges i.e. extended school closures and massive unemployment which will mean that communities will depend on their local libraries now more than ever for internet access, e-books and assistance in job searches. Students will need increased access to online resources. This means libraries will have to prioritise their resources, adapt existing programmes to what people need most and possibly even cut the ones that benefit the community the least. The moratorium placed on filling staff vacancies only serves to exacerbate the current library staff shortage situation. More partnerships will have to be developed, increased sponsorships will have to be sought and budgets increased if we are to increase literacy levels in the WCO2 Area. Budgets will have to be reviewed considering that we, especially libraries are on the brink of the 4IR and access to information is moving in this direction.

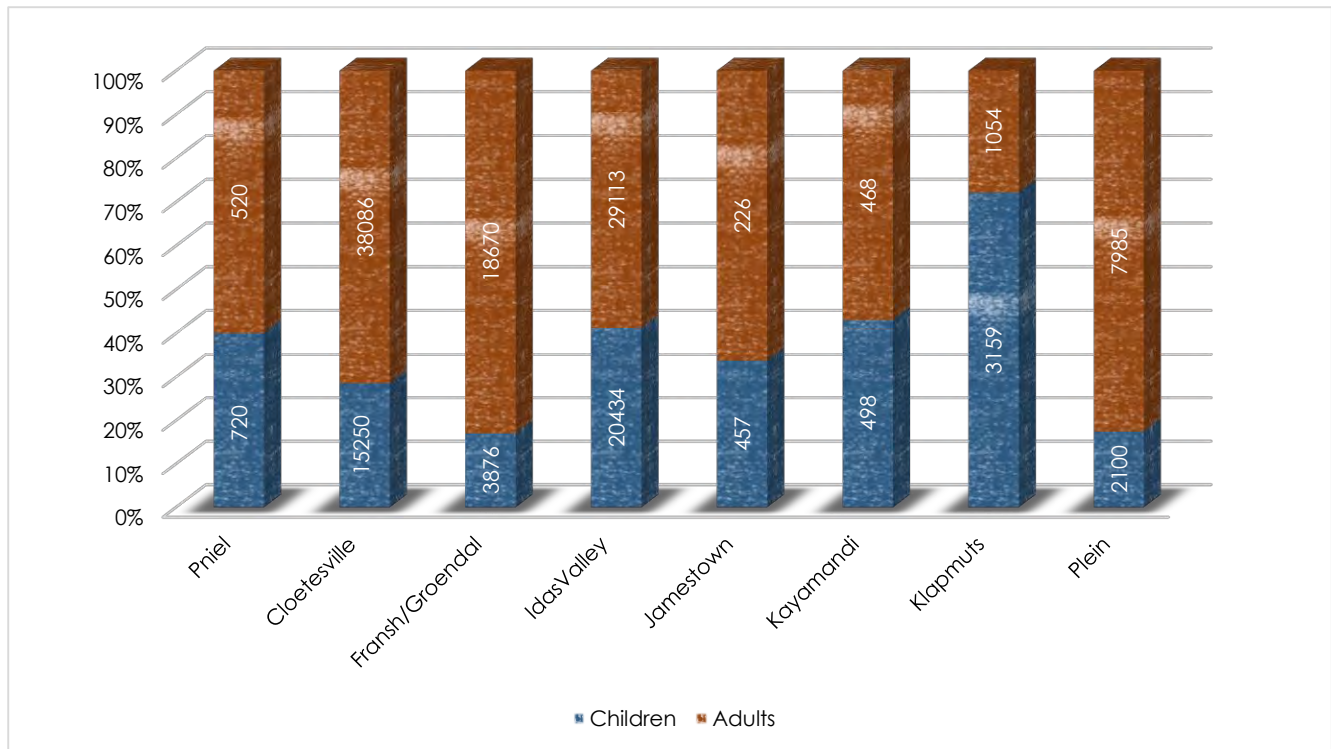
3.11.1.2 Service Statistics – Libraries

Table 3:54: Service Statistics: Libraries

| Type of service | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|--|---------|---------|---------|---------|---------|---------|
| Libraries | | | | | | |
| Number of libraries | 9 | 9 | 9 | 9 | 9 | 11 |
| Library members | 14 710 | 311 832 | 547 250 | 323 651 | 142 616 | 26 293 |
| Books circulated | 331 018 | 311 832 | 336 864 | 305 275 | 323 200 | 192 503 |
| Exhibitions held: Adults | 520 | 355 | 341 | 334 | 312 | 304 |
| Exhibitions held: Children | 0 | 269 | 799 | 257 | 316 | 232 |
| Internet access points | 32 | 32 | 32 | 32 | 32 | 36 |
| Internet sessions granted to library users | 0 | 44 892 | 52 413 | 43 790 | 53 013 | 17 818 |
| Children programmes | 108 | 188 | 212 | 258 | 243 | 447 |
| Number of children attending programmes | 0 | 1 890 | 4 813 | 5 045 | 4 512 | 11 121 |
| Visits by school groups | 36 | 43 | 51 | 185 | 254 | 47 |
| Book group meetings for adults – old age homes | 324 | 410 | 745 | 1 119 | 102 | 128 |
| Primary and Secondary Book Education sessions | 72 | 49 | 341 | 1 378 | 975 | 25 |
| Patrons visits @ Library | N/A | N/A | 590 985 | 403 219 | 398 200 | 271 621 |
| Library Hall usage | N/A | N/A | 425 | 387 | 356 | 545 |
| Total number of Project and Pamphlet files developed | N/A | N/A | N/A | N/A | N/A | 696 |
| Total number of books reviewed | N/A | N/A | N/A | N/A | N/A | 214 |
| In-House usage | N/A | N/A | N/A | N/A | N/A | 77 783 |
| Book group meetings for adults – old age homes | N/A | N/A | N/A | N/A | N/A | 128 |
| Primary and Secondary Book Education sessions | N/A | N/A | N/A | N/A | N/A | 25 |

The following graph displays registered users per library:

Figure 3:44: The following graph displays registered users per library



3.11.1.3 Libraries partnerships

The Libraries Department over the last year have formed many public, private partnerships with the communities within the WCO2 Area.

Table 3:55: Libraries partnerships

| Cloeteville | | |
|--|----------|--|
| Chennels Day care | Day Care | Teaching the children from an early stage the importance of libraries by presenting story hours, handcrafts, DVD shows and ECD programmes. |
| Little builders Crèche | Crèche | Assist the children to develop and grow by introducing them to books and other ECD activities |
| Kayamandi | | |
| Signa Academy | | Students taking academic practical at our Library for the period of six months. |
| Loxtion Foundation | | Loxtion Foundation showcases and celebrates life in the townships surrounding Stellenbosch through Sport and Performing Arts. They create opportunities to discover talent amongst township youth and to give them a platform to grow. |
| Pniël | | |
| Dwarsrivier Tourism | | Partnering to bring services to the community of Dwarsrivier. Hosting the event to enrich the community. |
| Community development | | Partnership aimed at bringing various services to the community of Dwarsrivier. Hosting the event to enrich the lives of the community. |
| Groendal Library 01 July 2019 – 30 June 2020 | | |

| | | |
|---|--|--|
| Inceba Trust | Mother and Child Book sharing | Focus on training illiterate parents to do book sharing with their children / grandchildren by looking at the pictures and telling the story. |
| Inceba Trust | Training of ECD employees | Inceba Trust is responsible for the training, whilst Groendal library assist with storytelling and recommending books per theme. |
| Adopt-A-Crèche | Outreach to underprivileged children from an informal settlement | Teaching children, the basic hygiene, literacy and numeracy skills by exposing them to ECD / crèche activities. Inceba train the parent's w.r.t. the Parent and Child Book sharing programme. |
| Inceba Trust Toy Library | ECD Toy Library | Aim is to incorporate the Toys into the ECD section at Groendal Library. As part of this initiative, free training will be presented to Stellenbosch Library staff i.t.o. ECD programmes / activities and the usage of educational toys. |
| ECD / Crèches | Wemmershoek, La Motte, Groendal , Langrug, Bosbou areas | 17 crèches are receiving block loans for books linked to their weekly theme. 2 visits per month for block loans and 1 storytelling / outreach per month is presented at each crèche. |
| CWP Community Work Programme | Unemployed people employed through CWP initiative | The Community Work Programme (CWP) is a government programme aimed at alleviating poverty and curbing unemployment.
The work rendered by the CWP workers includes the cleaning of the Library, tidying of shelves, assist with preparing new library material (covering of books, tattle-tape etc.). The garden and outside areas are also maintained and cleaned by the workers. |
| Youth Book Week | Black Box Trolley project | The Black Box Trolley contains 10 books each with their own package (activity sheet, quiz, books etc.). The purpose of the trolley is to assist aftercare / schools centers to use the trolley with literacy projects. The books are in different categories as per reader level. Puppet shows. |
| Youth Book Week | Phendulani Reading Quiz | Seven (7) primary schools within the greater Franschhoek area compete against each other to be crowned as the winner. The team will consist of six Gr 7 learners, whom each will have to read 12 books and answer questions about these books. |
| Franschhoek Literacy Festival / Nali'Bali | Storytelling workshop | Workshop is aimed at exchanging ideas / guidelines for pre-school and primary educators / librarians.
Nali'Bali and Librarians do storytelling at primary schools. (In 2019 we visited 18 classes and reached more than 1000 children). |
| Nali'Bali | Storytelling | Groendal Library registered as a FUNDA reader leader to promote storytelling and books. We make use of the Nali'Bali website to download activities and books. Groendal participate in the national membership drive for children. |
| Score Multi-Purpose Community Centre – Groendal | Seniors / Housebound adults | Aim is to combine outreach programmes / activities as we are both working with Seniors in the community. |
| ECD / Crèches | ECD area at Library: Educational toys, books etc. | ECD Centres / Crèches are invited to make use of the educational toys / books at the Groendal Library |
| Bridge House Private School | Community practical work | Assist Grade 7's with their community outreach project. Exposing them to the Library and the work done in a Library (holiday programmes, storytelling, spelling competitions etc.). |
| First Step Community Project | Unemployed youth | Students from "First Step Programme for Unemployed Youth" doing their practical work at the Library. In service training (library related work). |
| DCAS | Oral History Project | On hold due to COVID19 legislation.
The aim is to keep the history of Groendal alive for the youth by means of oral history. Members of the community have been identified to participate in the oral history |

| | | |
|---|---|---|
| | | project – by telling the history of Groendal and capture it on DVD. |
| Groendal Housebound members | Book exchanges to housebound / elderly patrons | Bringing the Library to the community. Visits are done twice a month to deliver library material to the housebound. Visit new potential members to form part of the outreach. |
| Collaboration with Local / Provincial departments | PGWC: Environmental Affairs, community Safety
Stellenbosch Municipality: Parks Dept. | Display and brochures to have an informed community. Combined Inter departmental activity effort for Arbor Week. |
| Community of Groendal | Friends of the Library | Currently in process of establishment: "Friends of the Groendal Library" |
| Maker-space | Children Gr R – Gr 12 | Items have been procured. Currently in process of identifying taring for library staff.
The focus will be on S.T.E.M (Science, technology, Electronics, Mathematics). The idea is to expose the children to science, mathematics, technology and electronics. The programme will be linked to the school curriculum. |
| Bongo Flepu (artist, Kayamandi) | Wall mural | Wall art for Groendal Library with the faces of people who made a positive contribution in the world. Finalisation of the mural will be the painting of the quote. Partnership with an artist from Kayamandi. |
| Hospice Stellenbosch | | Partnering to bring services to the community of Dwarsrivier. Hosting activity events to enrich the lives of the Hospice community. |
| Stellenbosch Traffic Department | | Partnership with traffic department to teach young children about the importance of road safety. |
| Read to rise | | Partnering with Read to rise organisation to promote reading in young children. |
| Franschhoek | | |
| Dennegeur Agri Village | Crèche | Bringing the Library to the farm children. Storytelling and activity are done 2 x month. |
| Franschhoek Museum | Combined programmes | Combined effort to do outreach and literacy programmes. |

3.11.1.4 Capital Expenditure – Libraries

Table 3:56: Capital Expenditure as at 30 June: Libraries

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|--------------------------|-------------------|--------------------|---------------------------------|
| | R | | |
| Libraries: CCTV | 200 000 | - | -100.00% |
| Library Books | 150 000 | 110 989 | -26.01% |
| Libraries: Small Capital | 75 000 | 32 743 | -56.34% |

Libraries Services have spent, **34.45%** of the capital budget for the financial year.

3.11.1.5 Total employees – Libraries

Table 3:57: Total employees- Libraries

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|-----------------------------------|-----------------------------------|
| Number | | | | % |
| 18 – 16 | 0 | 0 | 0 | 0% |
| 15 – 13 | 2 | 2 | 0 | 0% |
| 12 – 10 | 10 | 7 | 3 | 6.83% |
| 9 – 7 | 22 | 18 | 4 | 9.09% |
| 6 – 4 | 10 | 7 | 3 | 4.54% |
| 3 – 0 | 0 | 0 | 0 | 0 |
| Total | 44 | 34 | 10 | 20.4% |

* Employee statistics will be imprecise due to the implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the municipality's payroll system creates some anomalies i.f.o. accurate figures on job and occupation levels. The municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

3.11.1.6 Cemeteries

Stellenbosch Municipality is responsible for the maintenance and management of six cemeteries in the greater Stellenbosch. Jamestown, Pniel and Groendal have reached its capacity, whilst Wemmershoek and Franschoek South and North are fully operational. Onder Papegaaiberg Cemetery is also to capacity [only reserved graves available]. A new cemetery at Kylemore is currently being established.

Consultants have been appointed (3-year project) during 2016 to assist Stellenbosch Municipality with the identification and planning of two regional cemetery sites to address the critical need for burial space within the municipality. This project is at an advanced stage of acquiring the required environmental-, water and land use approvals.

The objective of the cemeteries department is to provide adequate burial space and ensure a dignified burial service. A Notice of Intent to Develop has been lodged with the Department of Environmental Affairs and Development Planning during October 2017 with the pre-application public participation process to commence December 2017 / January 2018.

Our challenges remain to be:

- the shortage of burial space;
- to convert burial records to electronic soft copies (in progress as per the five-year plan); and
- to promote alternative burial methods such as cremations amongst various religious groups.

3.11.1.7 Service Statistics - Cemeteries

Table 3:58: Cemeteries Service Statistics

| Type of service | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|-----------------|---------|---------|---------|---------|---------|---------|
| Pauper Burials | 3 | 0 | 2 | 0 | 6 | 15 |

3.11.1.8 Income – Cemeteries

Table 3:59: Cemeteries Service – Income

| Gravesite locations | 2017/18 | | 2018/19 | | 2019/20 | |
|----------------------------|-------------------|----------|-------------------|----------|-------------------|-----------|
| | Number of Burials | Income | Number of Burials | Income | Number of Burials | Income |
| Onder Papegaaiberg | 74 | R33291 | 24 | R50 389 | 103 | R87 791 |
| Jamestown | 527 | R775 831 | 356 | R900 294 | 478 | R132 1781 |
| Pniel | 15 | R9 615 | 11 | R7 855 | 17 | R13 676 |
| Wemmershoek | 17 | R15 633 | 9 | R7 650 | 26 | R27 219 |
| Franschhoek North Groendal | 161 | R105 489 | 38 | R40 710 | 39 | R11 052 |
| Franschhoek South | 16 | R21 010 | 54 | R45 580 | 140 | R80 172 |

3.11.1.9 Capital Expenditure – Cemeteries

Table 3:60: Capital Expenditure as at 30 June: Cemeteries

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|--------------------------|-------------------|--------------------|---------------------------------|
| | R | | |
| Libraries: CCTV | 200 000 | - | -100.00% |
| Library Books | 150 000 | 110 989 | -26.01% |
| Libraries: Small Capital | 75 000 | 32 743 | -56.34% |

Cemeteries have spent, **34.45%** of the capital budget for the financial year.

3.11.1.10 Total employees – Cemeteries

Table 3:61: Total Employees – Cemeteries

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|-----------------------------------|-----------------------------------|
| Number | | | | % |
| 18 – 16 | 1 | 1 | 0 | 0% |
| 15 – 13 | 1 | 1 | 0 | 0% |
| 12 – 10 | 3 | 2 | 1 | 5% |
| 9 – 7 | 0 | 0 | 0 | 0% |
| 6 – 4 | 15 | 11 | 4 | 20% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 20 | 15 | 5 | 25% |

* Employee statistics will be imprecise due to the implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the municipality's payroll system creates some anomalies i.e. accurate figures on job and occupation levels. The municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

3.11.2 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES– COMMUNITY DEVELOPMENT

3.11.2.1 Service Statistics – Child Care, Aged Care, Social Programmes

Table 3:62: Community Development

| Type of service | | |
|---|--|---|
| Early Childhood Development Services / Children | <p>ECD Policy</p> <p>Capacity Building of ECD Practitioners</p> <p>Initiatives in awareness programmes (ECD children)</p> <p>ECD Registration Compliance</p> <p>Strengthening and Establishing ECD Forums</p> <p>Transversal committees / Adhoc committees</p> <p>Grant in Aid to ECDs</p> | <p>ECD GIS Database updates:</p> <ul style="list-style-type: none"> 99 ECD Facilities contact and registration status information were updated. <p>Capacity Building of ECD Practitioners</p> <ul style="list-style-type: none"> Capacity Building and access to information related to ECD registration in collaboration with DSD and TEEC. Working on Fire training was provided to 30 practitioners in Kayamandi Collaboration with Ranyaka and Nedbank focusing on registration requirements. 20 local ECD's are now being mentored and supported. 21 ECD practitioners received training on alcohol abuse and the manifestation thereof in ECD. 19 Unregistered ECD's participated in a training workshop on the writing of internal policies governing the facilities. Strengthening of ECD forums of namely Kayamandi, Klapmuts, Stellenbosch and Franschhoek in order to tackle challenges and uplift one another as a unit. This included preparation from opening up again, understanding the COVID-19 regulations and DSD requirements for safely opening up the sector again. <p>Awareness programmes for children</p> <ul style="list-style-type: none"> Universal Children Day at Klapmuts Stadium for the Greater Stellenbosch ECD Forum reaching 2000 children awareness through sports. Preparing and informing ECD centres on COVID-19 and the regulations necessitating closure during lockdown. 150 ECDs. <p>Transversal / Adhoc programmes</p> <ul style="list-style-type: none"> Various holiday programmes are supported by the department in different communities. 300 Children participated in a spelling Bee competition in Kayamandi. Building families: Foster family support project. A one day "camp" for 30 youth from Ikaya Primary was conducted in collaboration with Inkuthazo Yesizwe to focus on self-discipline and responsibility. |
| Persons with Disabilities | <p>Awareness programmes</p> <p>Universal Access</p> <p>Grant in Aid Donations</p> | <p>International Day of Persons with Disabilities: 23 November 2019</p> <p>Theme: WALK WITH DISABILITY</p> <ul style="list-style-type: none"> Focus was social inclusion and emphasis for everyone to walk with people with disabilities. A march was organised by the Stellenbosch Disability Network with supporting organisations and the municipality. A memorandum was handed to Cllr Pietersen which focused on universal access for persons with disabilities. |
| Older Persons | <p>Golden Games</p> <p>Transversal Committees / Adhoc programmes</p> <p>Older Persons Forums</p> | <p>Golden Games</p> <ul style="list-style-type: none"> The Stellenbosch official was elected as the team administrator for the National Golden Games which took place in Port Elizabeth. The Cape Winelands regional games were attended by 230 elderlies from the different communities. <p>Older Persons Forums</p> <ul style="list-style-type: none"> The forum still requires regular support, but attendance is good. 21 persons attended a capacity building workshop to strengthen individual elderly clubs. |

| Type of service | | |
|-----------------|---|---|
| | | <p>Awareness Programme:</p> <ul style="list-style-type: none"> • Women's Day celebration for elderly women on farms (60 persons) • Inter-generational Heritage celebration bringing together 90 youth and elderly persons. • 16 Days of Activism: Dwarsrivier ladies reaching 50 women. • Financial Literacy programme. • A health and wellness day was attended by 54 elderly persons from the Dwarsriver Valley. • International Elderly Abuse day was attended by 56 persons. |
| Gender | Special Events | <p>Women's Week</p> <ul style="list-style-type: none"> • Franschhoek in partnership with SCORE benefiting 62 local ladies. • Pniel reaching 60 women. • Doornbosch Farms reaching 70 women. • Kayamandi with 60 participants. • 100 women from Cloeteville. • 50 ACVV and Child Welfare foster parents. • 100 ladies working with children from Klappmuts. <p>Awareness Programmes</p> <ul style="list-style-type: none"> • A Foster / Safety parent programme benefitting 42 persons was held in partnership with DSD. • Widow empowerment programme reaching 114 widows focussing on a celebration of heritage. • International Diabetes and Wellness was hosted for 70 ladies from Kayamandi. • World Aids Day was celebrated with @heart. • Help a Girl Child programme with a GBV focus reaching 438 children in Kayamandi. • 97 Young girls benefitted from the Sisi Subz programme in collaboration with BBF Safety Group, Sonke Gender Justice and the Western Cape Government Departments of Education and Health. • 150 Gr 7 learners attended a session on decision making promoting the concept of Ladies of the Future to guide them through their secondary school phase. • Help a girl Campaign in collaboration with Help a Girl Organisation and Provincial Safety launched a campaign to assist the girls of Makupula Secondary to receive pad donations. 460 learners received from the first programme and 230 from the second programme. <p>116 Days of Activism Launch and projects speaking to</p> <ul style="list-style-type: none"> • A launch of the campaign was hosted by the Executive Mayor. • The Safety of elderly women on farms reaching 50 women and in Cloeteville reaching 80. |
| Youth | <p>Youth Empowerment programmes</p> <p>Youth Capacity Building</p> <p>Transversal committees / Adhoc programmes</p> <p>Grant in aid Donations</p> | <p>JPI 27</p> <ul style="list-style-type: none"> • In collaboration with Department of Education and DCAS. • Two schools were chosen to pilot programme. Pniel Primary and Kayamandi Secondary. Progress is made at Pniel Primary School and Makupula when lock down brought all activities to a standstill. <p>Youth Capacity Building</p> <p>The Mayoral Youth Skills Development programme originated from the high unemployment rate among local youth and the need for access to skills development. Stellenbosch also has employment opportunities for artisan trained persons in a number of local industries as evident in the research report produced by a Belgian student as part of her internship at the municipality. Successful candidates received free access to an accredited skill development programme after undergoing a recruitment process. As part of the recruitment and selection process they were introduced to the different</p> |

| Type of service | | |
|----------------------|--|--|
| | | <p>industries. All courses included a practical placements component along with a job preparedness programme focussing on life-skills. 14 Youth participated in the General Building Maintenance training, 13 in the plumbing course, 37 youth were trained as Five Star table attendants, 20 as food service assistants and 12 as assistant chefs.</p> <p>Transversal committees/ Adhoc programmes</p> <ul style="list-style-type: none"> • 1 300 youth were exposed to work opportunities and careers in the agricultural sector in collaboration with Kaap Agrimark, and Elsenburg College. • Pniel Youth 16 Days of Activism reaching 59 youth. • Accessing job portals with the Department of Labour. 76 youth participated. • Cape Winelands Drama Festival. Two groups from Franschhoek participated and came second in the finals. • Parenting workshop for parents of youth to address problems experienced by parents to reach out and connect to the youth. • 13 Youth from the Wemmershoek community participated in a Job Hunting workshop. • Youth and the IDP was attended by 27 youth. • Youth in Foster Care Programme: Career Guidance. • Job Preparedness: La Motte (49 youth), Cloeteville (30) participated in the workshops. • Youth attending a regional youth camp (10). • 10 Youth attended the script writing workshops. • EPWP Artisan placement in Maintenance Department = 4 local youth. • 59 youth participated in a dialogue session in Kayamandi. |
| People on the street | Municipal Policy Development, Awareness Raising through collaboration and Services | <p>Public Participation and Policy Development:
Street People policy approved.</p> <p>Give Responsibly
The campaign gained momentum during the second part of 2019, but with COVID-19 and the lock down regulations came to a complete stand still. This did not stop the following from happening in the background to allow the campaign to be pushed to the forefront of people's minds once the lock down has been lifted:</p> <ul style="list-style-type: none"> • The Cheese App (an electronic coupon) has been developed to assist with taking cash off the streets. This means that a resident can now assist some homeless persons without being in the vicinity of a retail partner selling coupons; • Currently we have 26 local businesses supporting the campaign through the sale of coupons; and • Five marketing videos has been developed in partnership with the university that can be used on different platforms to educate the public on the campaign. <p>Restorative Justice
A programme in collaboration with Community Safety to assist with the implementation of Street Bylaws that would not only provide a form of paying back for transgressions through manual labour, but also act as a referral system for social services.</p> <p>Temporary Safe Space for Homeless Persons
With the start of lock down, the municipality established and managed a temporary shelter for homeless persons first at Klappmuts Sport Grounds and then at Van der Stel. The shelter provided the following services:</p> <ul style="list-style-type: none"> • Regular referrals and transport to health services; • Ablution Facilities; • Opportunities to wash their cloths; • Bedding and blankets; and • Daily meals. <p>Mandela Day</p> |

| Type of service | | |
|---------------------------|--|---|
| | | The municipality partnered with Straatlig in a pop-up street store for homeless persons reaching 147 people. |
| Grant in Aid | Donations to community organisations serving among others: youth, gender, ECD's, Old Age Homes, Health Organisations and Sport Clubs | <p>Capacity Building</p> <ul style="list-style-type: none"> One financial management workshop was conducted to assist emerging organisations to comply with the financial reporting requirements of the Grant in Aid policy. The workshop was attended by 76 persons. Two compulsory workshops on the application process and policy were concluded. The workshops were attended by 220 prospective applicants. 21 organisations also participated in a capacity building session hosted by the department to assist DSD with organisational compliance and NGO registrations. <p>Donations</p> <ul style="list-style-type: none"> 119 applications were received. Table 3.61 indicates the number of approved donations. |
| Social Relief of Distress | Provision of basic needs to persons adversely affected by disaster incidences and the Temporary Homeless Shelter | <p>75 incidences were responded to, supporting 434 persons</p> <p>The following resources were distributed:</p> <ul style="list-style-type: none"> Matrasses: 508; Blankets: 479; Food Parcels: 138; Male Vanity Packs: 306; Female Vanity Packs: 222; and Baby Packs: 6. |
| Mobile Thusong | Assisting provincial government to reach persons in rural settings | <p>On 21 and 22 October 2019, a Thusong programme was hosted in Pniel. Persons were bussed in from the surrounding areas reaching 754 people. The following departments were present on the days:</p> <p>Departments of Home Affairs, Water Affairs, Labour, Arts and Culture, Education and Health. Stellenbosch Municipality were represented through the Housing Department, Finance, Electricity and Community Development.</p> <p>The following were also present: SASSA, Boland College, CPUT, SEDA, SA Human Rights Commission, IEC and Stats SA.</p> |

Table 3:63: Number Grant In Aid Applications Recommended and Approved

| Sub Category | Applications Recommended | Amount Approved |
|-----------------------------------|--------------------------|-----------------|
| General Social Development | 4 | 158 200 |
| Early Childhood Development (ECD) | 27 | 1 040 000 |
| Disability | 2 | 80 000 |
| Elderly | 3 | 120 000 |
| Youth | 8 | 320 000 |
| Substance Abuse | 2 | 80 000 |
| Food Security | 1 | 40 000 |
| People living on the street | 1 | 1 365 201 |
| Skills Development | 3 | 120 000 |
| Physical and Psychological Health | 2 | 80 000 |
| Sport Clubs | 10 | 400 000 |
| Arts and Culture | 5 | 185 000 |

3.12 COMPONENT D: ENVIRONMENTAL PROTECTION

3.12.1 POLLUTION CONTROL, BIO-DIVERSITY, LANDSCAPE, OPEN SPACES, PARKS

Stellenbosch Municipality is continually developing its capacity to protect the environment within its boundaries and to strive towards a municipality and communities that recognise the vital importance of their rich natural capital and manage these in a manner that ensures sustainability and fulfils the needs of all concerned. To this effect Stellenbosch Municipality has developed the Stellenbosch Environmental Management Framework, a municipal strategic environmental management policy that responds to and complies with the relevant statutes and directives. This document was adopted by Council during its June 2019 meeting.

Stellenbosch Municipality, through the Department Community Services is in the process of compiling dedicated Environmental Management Plans (EMPs) for all its declared nature reserves and nature areas. Papegaaiberg Nature Reserve has an approved EMP, currently under review along with Jan Marais Park's EMP. A first draft EMP for Mont Rochelle Nature Reserve has been completed and is ready for public input before being submitted to Council. The Paradyskloof Nature Area was accepted by Council during its May 2019 meeting. Stellenbosch Municipality has also completed an Invasive Alien Plant Management Plan, as required in terms of the National Environmental Management: Biodiversity Act (10 of 2004) and an Integrated Fire Management Plan to assist in the management of large vacant nature areas under the management of Council.

An Air Quality Control By-Law as well as a Noise Control Policy has been developed and adopted by Council. The latter is implemented by a dedicated Air Quality / Noise Control Officer appointed within the Department: Community Services.

Stellenbosch Municipality works closely with the Department of Environmental Affairs and Development Planning in reporting on illegal activities, as well as administering the rehabilitation action of Section 30 (National Environmental Management Act, 107 of 1998) Emergency Incidents.

Re: Noise complaints received and dealt with in 2018 and 2019 respectively:

Please note, complaints are captured on a central database and dealt with within the required timeframes. The statistics included both air quality related matters and noise complaints. All noise complaints are investigated in terms of The Western Cape Noise Control Regulations PN200/2013.

Table 3:64: Air Quality Complaints 2018

| 2018 Complaints | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter |
|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Fumes | 2 | 2 | 3 | 3 |
| Smoke | 2 | 0 | 3 | 2 |
| Dust | 3 | 4 | 3 | 3 |
| Burning of waste / tyres | 0 | 0 | 0 | 0 |
| Farm land burning | 0 | 0 | 0 | 0 |
| Crop spraying | 0 | 0 | 0 | 0 |
| Offensive Odor's | 0 | 2 | 3 | 2 |
| Unlicensed Facilities | 0 | 0 | 0 | 0 |
| Noise | 34 | 45 | 47 | 40 |
| Other | 1 | 0 | 0 | 0 |
| Total | 42 | 53 | 59 | 50 |

Table 3:65: Air Quality Complaints 2019

| 2019 Complaints | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | 4 th Quarter |
|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Fumes | 3 | 4 | 2 | 4 |
| Smoke | 2 | 3 | 4 | 4 |
| Dust | 5 | 4 | 3 | 5 |
| Burning of waste / tyres | 0 | 0 | 0 | 2 |
| Farm land burning | 2 | 2 | 3 | 3 |
| Crop spraying | 0 | 0 | 0 | 2 |
| Offensive Odor's | 2 | 2 | 3 | 3 |
| Unlicensed Facilities | 0 | 0 | 0 | 0 |
| Noise | 40 | 45 | 48 | 45 |
| Other | 2 | 0 | 0 | 1 |
| Total | 56 | 60 | 59 | 63 |

- Total noise complaints for 2018 = **166**
- Total noise complaints for 2019 = **178**

3.12.1.1 Environmental Implementation

Table 3:66: Visitors Statistics – Environmental Implementation

| Type of service | 2019/20 |
|--|---------|
| Visitors Statistics: Nature Reserves | |
| Paradyskloof Nature Area | 5 468 |
| Jan Marais Nature Reserve | 2 990 |
| Eco Centre Visits – Training, Group Visits / Schools | 1 419 |
| Mont Rochelle Nature Reserve | 3 836 |
| Ida's Valley Protected Area | 2 617 |
| Onderpapppegaaiberg Area | 501 |

Table 3:67: EPWP Statistics – Environmental Management

| Type of service | 2019/20 |
|--|---------|
| EPWP Statistics | |
| Forest Guards | 15 |
| Fire Management | 11 |
| Mountain Trails | 6 |
| Jan Marias Nature Reserve | 7 |
| Integrated River | 16 |
| Biodiversity Veld Rehabilitation | 12 |
| Environmental Clerk | 0 |
| Urban Forestry Cleaning and Greening Project | 11 |

3.12.1.2 Urban Forestry

Stellenbosch Municipality is responsible for the management of all municipal street trees in the greater Stellenbosch jurisdiction. The aim of the Urban Forestry Sub-section is to facilitate the planting, protection, blanking, maintenance and long term management of all trees located on municipal property through tree management (arboricultural) practices, thus promoting a sustainable development approach. This approach is geared towards making WC024 the greenest municipality in South Africa through Urban Forestry practices which guides investors towards future sustainable development.

Table 3:68: Management of trees in WC024 – Urban Forestry

| Type of service | 2019/20 |
|----------------------------------|---------|
| Management Trees In WC024 | |
| Trees planting Programme | 60 |
| Pruning of trees | 129 |
| Felling of trees | 16 |
| Stump grinding of trees | 5 |
| Spraying of oak trees | 3 |
| Root barrier Management | 6 |
| Wayleaves | 65 |

3.13 COMPONENT E: SECURITY AND SAFETY

3.13.1 LAW ENFORCEMENT

Stellenbosch Municipality has a Control Room that is operational 24/7. Besides the function of call taking and dispatch, the Control Room is a fully fledged operational centre where CCTV/ LPR (Licence Plate Recognition) cameras are monitored daily. These cameras have been strategically placed to monitor hotspot areas for criminality within the WC024 area. The LPR cameras are linked to a cloud and send alerts of suspect vehicles or stolen vehicles which has been loaded and verified by SAPS to key role players such as the Control Room, law enforcement agencies and the local SAPS. The LPR cameras have in the past resulted in the successful arrest of wanted criminals by SAPS. It has also proven to be an effective crime deterrent.

Stellenbosch has an approved comprehensive safety plan that addresses all the aspects of safety, from road safety and crime, to dealing with disasters and fires. The safety plan was compiled with the input from the community and the respective safety disciplines. The plan is reviewed on an annual basis. Safety is the responsibility of all residents of Stellenbosch. The socio-economic challenges of inequality, poverty and unemployment are major contributors to unsafe environments in WC024.

With this Safety Plan the Stellenbosch Municipality, all the relevant role-players as well as the residents of the Greater Stellenbosch, commit themselves to maintain and promote a zero-tolerance approach to crime and safety, through the Stellenbosch Safety Initiative (SSI). The SSI consists of operational members from SAPS, Traffic, Fire, Law Enforcement and Security partners.

Stellenbosch Municipality was also aided by the Department of Community Safety with the training and deployment of 18 Peace Officers in Stellenbosch and Franschhoek on a three-month contract.

Highlights:

- SSI task team members which meet weekly to plan and execute joint operations with SAPS as key role-player.
- Special Operations Unit established in terms of Safety Plan.
- Centralised Control Room and CCTV monitoring at Fire Station (Phase 1 completed).
- The expansion of the Control Room is in progress (Phase 2).
- The LPR camera project (entrances and exits to Stellenbosch and Franschhoek) completed with LPR camera installations.

Challenges:

- To render a 24/7 Law Enforcement patrol service.
- Provide appropriate security of assets and facilities.
- Increase and maintain surveillance of key places.
- Prevent land invasions.
- Insufficient staff to fulfil operational requirements.
- Insufficient vehicle fleet to fulfil its mandate for a safer environment.
- Insufficient office space to accommodate departmental staff.

Law Enforcement attended to the following incidents:

Table 3:69: Law enforcement incidents responded to

| | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Total |
|-------------------------------|-----|-----|-----|-----|-----|-------|-----|-----|-----|-----|-----|-----|-------|
| – | | | | | | | | | | | | | |
| Arrest | 0 | 1 | 12 | 5 | 1 | 0 | 14 | 0 | 0 | 0 | 0 | 0 | 33 |
| Vagrants removed | 406 | 627 | 301 | 861 | 914 | 1 031 | 580 | 140 | 407 | 54 | 131 | 100 | 5 552 |
| Drinking in public | 75 | 32 | 83 | 22 | 89 | 107 | 127 | 0 | 12 | 12 | 0 | 4 | 563 |
| Illegal car guard | 86 | 301 | 100 | 274 | 246 | 195 | 295 | 142 | 147 | 4 | 89 | 35 | 1 914 |
| Beggars removed | 106 | 138 | 42 | 124 | 147 | 159 | 180 | 0 | 0 | 0 | 0 | 0 | 896 |
| Illegal hawkers | 10 | 0 | 3 | 3 | 14 | 13 | 5 | 0 | 0 | 0 | 0 | 0 | 48 |
| Warnings | 34 | 113 | 15 | 148 | 31 | 219 | 92 | 0 | 0 | 0 | 0 | 0 | 652 |
| Disorderly behaviour | 0 | 11 | 0 | 2 | 3 | 7 | 2 | 0 | 0 | 0 | 0 | 0 | 25 |
| Noise Complaint | 21 | 22 | 53 | 88 | 21 | 30 | 5 | 0 | 21 | 2 | 26 | 54 | 343 |
| Dog complaints | 8 | 2 | 13 | 20 | 13 | 10 | 0 | 0 | 8 | 1 | 4 | 9 | 88 |
| Fines issued 56's | 27 | 33 | 6 | 1 | 2 | 0 | 0 | 53 | 29 | 217 | 196 | 88 | 652 |
| Illegal structures demolished | 5 | 18 | 8 | 17 | 13 | 5 | 32 | 8 | 74 | 6 | 31 | 13 | 230 |
| Illegal extensions | 2 | 1 | 6 | 0 | 0 | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 12 |
| Illegal Car washers | 0 | 33 | 0 | 2 | 3 | 32 | 0 | 0 | 0 | 0 | 0 | 0 | 70 |
| Others | 89 | 226 | 14 | 7 | 80 | 65 | 180 | 275 | 412 | 350 | 254 | 62 | 2 014 |

3.13.1.1 Capital Expenditure – Law Enforcement

Table 3:70: Capital Expenditure as at 30 June: Law Enforcement

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|--|-------------------|--------------------|---------------------------------|
| | R | | |
| Law Enforcement: Vehicle Fleet | 2 135 000 | 1 912 008 | -10.44% |
| Install and Upgrade CCTV Cameras In WC024 | 1 000 000 | 119 379 | -88.06% |
| Install Computerised Access Security Systems and CCTV Cameras at Municipal Buildings | 1 000 000 | 474 937 | -52.51% |
| Law Enforcement Tools and Equipment | 600 000 | 532 528 | -11.25% |
| Furniture Tools and Equipment | 350 000 | 294 838 | -15.76% |
| Only the 5 largest capital projects are listed | | | |

Law Enforcement have spent, **63.08%** of the capital budget for the financial year.

3.13.2 TRAFFIC LAW ENFORCEMENT

Traffic Services is performing its functions as guided by the National Road Safety Strategy which its main objectives being to achieve traffic safety on municipal roads including the functions as defined in the municipality's Integrated Development Plan.

The National Road Safety Strategy provides all year-round road safety initiatives. The department has increased its enforcement strategy in collaboration with stakeholders and affected parties. Operations like Automatic Number-plate Recognition operations are conducted to improve compliance with and payment of traffic fines.

On-going objectives are to improve road user behaviour; reduce the incidence of traffic offences; including speeding; drunk-driving and driving under the influence of Narcotics; dangerous overtaking; the removal of unfit road users from traffic; roadworthiness of vehicles; public transport compliance with regard to vehicles and drivers; provide sufficient and coordinated regulation of traffic on strategic roads; pedestrian education and compliance, eradication of corruption; administrative compliance and overall improvement of enforcement systems.

The out- break of COVID-19 during the period of March 2020 caused the whole country to go into lockdown as from 23 March 2020, which affected normal operations negatively. As a result, our administrative activities were not operational for more than 2 months. Since the implementation of the lockdown especially during levels 4 and 5, the Law Enforcement agencies were very much focussed on the task as laid down by the restrictions and were very effective. The working relationship improved as all security / policing / law enforcement role-players worked together under difficult conditions whereby good results were achieved. The Outbreak of COVID-19 did expose our challenges in terms of limited staff resources.

3.13.2.1 Highlights for Traffic Law Enforcement

The new approach in terms of Traffic Law Enforcement strategies has managed to yield good results; for example, in this financial year a total number of roadblocks held increased from 205 to 267 the previous year. In terms of accidents reported, fewer casualties in terms of fatal accidents reported 15 versus 33, while the total number of culpable homicide cases reported during this this year came to 9, down from 18 recorded in the previous year.

This is achieved as a result of lockdown regulations that required coordinated deployment of law enforcement agencies to enforce lock down regulations that has put a total ban on the sale of alcohol during level 5 and level 4 and with declining restrictions on other levels. The curfew regulations further assisted by reducing movement of people on our roads and we managed to achieve good results. The improvement of Visible Crime Prevention and joint operations between enforcement agencies managed to deliver excellent results, for example during this period a total number of 16 993 moving violations was issued as compared to 1369 on the previous financial year. Cognisance need to be taken that these include COVID-19 transgressions.

Stop and check done for the period 2019/20 = 943, during COVID- 19 the lockdown period our stop and c heck operations were increased for compliance purpose's. As result of that a high number of stop and checks is observed.

Awareness initiatives on Public Safety done for the period = 30.

A total number of 8 pedestrians' fatalities was recorded as compared to 11 in the previous financial year.

A total number of 19 vehicle fatal accidents was reported, a marginal decrease as compared to a total of 33 fatal accidents reported during the period 2018/19.

It is observed that due to lockdown regulations accidents statistics did decreased during the disaster period on our roads.

3.13.2.2 Service Statistics – Traffic Services

Table 3:71: Service Data for Traffic Services

| Details | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---|------------|------------|------------|------------|
| Number of Traffic Officers in the field on an average day | 21 | 21 | 30 | 27 |
| Number of Traffic Officers on duty on an average day | 28 | 28 | 30 | 30 |
| Motor vehicle licenses processed | 153 119 | 80 472 | 77 374 | 69 338 |
| Learner driver licenses processed | 5 200 | 4 560 | 8 677 | 3273 |
| R-value of fines collected | 28 652 120 | 23 773 325 | 26 557 540 | 23 138 195 |
| Roadblocks held | 25 | 156 | 205 | 267 |
| Special Functions – Escorts | 144 | 157 | 170 | 42 |
| Awareness initiatives on public safety | 120 | 211 | 104 | 75 |

Table 3:72: Additional Service Data of Traffic Services

| Description | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|--|---------|---------|---------|---------|
| Accidents | | | | |
| Fatal | 21 | 11 | 33 | 15 |
| Serious injuries | 76 | 66 | 71 | 60 |
| Slight injuries | 517 | 330 | 428 | 306 |
| No injuries | 2 551 | 3 145 | 2 979 | 2 450 |
| Reckless/careless: case dockets | 48 | 52 | 24 | 21 |
| Culpable homicide: case dockets | 17 | 18 | 18 | 9 |
| Pedestrians: fatal | 10 | 06 | 11 | 8 |
| Pedestrians: serious injuries | 29 | 34 | 21 | 42 |
| Pedestrians: slight injuries | 106 | 68 | 98 | 110 |
| Learner's licences | | | | |
| Appointments | 5 200 | 4 560 | 4 915 | 3 464 |
| Applications passed | 2 958 | 2 829 | 2 829 | 2201 |
| Duplicate request | 112 | 136 | 110 | 96 |
| Applicants tested | 4 462 | 4 146 | 4 025 | 3 223 |
| Applicants failed | 1 890 | 1 601 | 1 465 | 1 072 |
| Applicant absent | 644 | 335 | 414 | 386 |
| Driver's licences | | | | |
| Appointments | 2 382 | 2 323 | 1 739 | 1 442 |
| Conversions | 9 018 | 9 492 | 9 172 | 7 521 |
| Applicants tested | 1 615 | 1 640 | 1 348 | 1 276 |
| Driving licenses issued (temp) | 4 492 | 4 692 | 5 070 | 3 604 |
| Applicants passed | 824 | 729 | 594 | 564 |
| Applicants failed | 988 | 1 090 | 823 | 711 |
| Applicants absent | 374 | 284 | 264 | 340 |
| Applications instructors | 6 | 10 | 9 | 4 |
| Issued instructors | 5 | 6 | 10 | 4 |
| Application/issued PRDP | 1 686 | 1 697 | 1 720 | 1 428 |
| Testing centre: roadworthy certificates | | | | |

| Description | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---|---------|---------|---------|---------|
| Motor vehicles | 637 | 762 | 210 | 0 |
| Light delivery vehicles | 124 | 128 | 45 | 0 |
| Heavy delivery vehicles (trucks) | 78 | 45 | 22 | 0 |
| Trailers | 77 | 44 | 40 | 21 |
| Taxis | 65 | 41 | 18 | 0 |
| Busses | 10 | 17 | 0 | 0 |
| Motorbikes | 90 | 53 | 78 | 31 |
| Motor vehicle registration | | | | |
| Duplicate registrations cert. | 1478 | 1639 | 1 557 | 1 150 |
| Registration only | 14 591 | 14 432 | 14 457 | 11 481 |
| Licence fees (12%) (renew) | 83 219 | 80 472 | 77 374 | 69 338 |
| Temporary permits | 236 | 212 | 220 | 194 |
| Special permits | 380 | 436 | 324 | 284 |
| Specific registration number | 702 | 711 | 581 | 488 |
| RTMC | 51 083 | 52 391 | 52 857 | 45 939 |
| Traffic offences | | | | |
| Vehicle defective/faulty | 834 | 1 094 | 1 999 | 3663 |
| Moving violations | 19 994 | 14 661 | 1 369 | 16 993 |
| Parking offences/violations/mobile | 7 055 | 23 968 | 25 715 | 16 254 |
| Speed camera/mobile/fixed and robot traffic - TMT | 233 711 | 573 339 | 251 378 | 284 029 |

3.13.2.3 Capital Expenditure – Traffic Services

Table 3:73: Capital Expenditure as at 30 June: Traffic Services

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|--------------------------------|-------------------|--------------------|---------------------------------|
| | R | | |
| Replacement of Patrol Vehicles | 927 293 | 968 434 | 4.44% |
| Furniture, Tools and Equipment | 300 000 | 151 795 | -49.40% |
| Mobile Radios | 200 000 | 146 429 | -26.79% |

Traffic Services have spent, **88.75%** of the capital budget for the financial year.

3.13.2.4 Total employees – Traffic and Law Enforcement Services

Table 3:74: Total Employees – Traffic and Law Enforcement

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|------------|------------|-----------------------------------|-----------------------------------|
| Number | | | | % |
| 18 – 16 | 1 | 1 | 0 | 0% |
| 15 – 13 | 19 | 8 | 11 | 5.04% |
| 12 – 10 | 102 | 76 | 26 | 11.92% |
| 9 – 7 | 54 | 34 | 20 | 7.79% |
| 6 – 4 | 42 | 25 | 17 | 7.79% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 218 | 144 | 74 | 32.54% |

* Employee statistics will be imprecise due to the implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the municipality's payroll system creates some anomalies i.e. accurate figures on job and occupation levels. The municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

3.13.3 FIRE AND DISASTER MANAGEMENT

"Fire Services is a vital public service. It is part of the fabric of all our communities. The service it provides is essential in preventing fires from starting in the first place and in responding quickly and effectively to those incidents with which it has to deal. Increasingly, it is now developing a wider role. That role involves tackling new threats which we are now facing, including terrorism and threats such as flooding and other environmental disasters" (Prescott, Deputy prime minister, United Kingdom, 2003)

Stellenbosch also welcomes and endorses the vision for fire services in terms of the new White Paper on Fire Services –

A fire service that is proactive in preventing fires and other risks rather than simply reacting to fires through:

- Acting in support of the wider developmental agenda as outlined in the NDP;
- Establishing sound institutional and administrative capabilities
- Demonstrating good governance and administration;
- Adopting community-based approaches;
- Putting people and their concerns first; and
- Professionalisation of the function.

Disaster Management and its objectives:

- Building of institutional capacity within the Stellenbosch Municipality;
- Perform disaster risk reduction initiatives to ensure safer and resilient communities;
- Ensure implementation of community safety programmes and campaigns to promote safe resilient sustainable communities;
- Establishing of efficient early warning systems;
- Improving emergency preparedness in vulnerable communities; and
- Ensure appropriate response by relevant services to emergencies and disasters within the Stellenbosch Municipality.

Highlights:

- Launch of the new hydraulic ladder platform fire truck.
- Acceptance of a fully geared new rapid response 4x4 fire truck.
- Replacement of fire gear (helmets, bunker gear and boots) for all fire personnel.
- Upgrading of centralised control centre at Stellenbosch fire station approved.
- Establishment of dedicated COVID-19 sanitising team.

Challenges:

- a) Rapid expansion / density of informal settlements.

3.13.3.1 Service Statistics – Fire and Disaster Management**Table 3:75: Service Data for Fire and Disaster Management**

| Details | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---|---------------|---------|---------|---------|---------|---------|---------|
| Total fires attended in the year | 425 | 817 | 794 | 647 | 1 011 | 1 043 | 947 |
| Total of other incidents attended in the year | 866 | 1 953 | 555 | 1 952 | 1 655 | 1 511 | 1 740 |
| Average turnout time - urban areas (minutes) | 8.25 | 8.25 | 8.25 | 8.25 | 8.25 | 8.25 | 8.25 |
| Average turnout time - rural areas (minutes) | 20.5 | 22.75 | 22.75 | 22.75 | 20.5 | 20 | 15 |
| Fire fighters in post at year end | 42 | 43 | 56 | 52 | 57 | 57 | 58 |
| Total fire appliances at year end | 9 | 11 | 9 | 10 | 11 | 13 | 15 |
| Average number of appliances off the road during the year | 4 | 2 | 2 | 3 | 2 | 2 | 2 |
| Total operational callouts | 1 291 | 2 770 | 1 349 | 2 704 | 2 666 | 2 556 | 2687 |
| Immediate relief to victims | Not available | 552 | 1 021 | 831 | 849 | 437 | 573 |
| Emergency flood kits | 567 | 116 | 411 | 300 | 184 | 118 | 372 |
| Emergency housing kits | 53 | 299 | 341 | 277 | 190 | 149 | 262 |
| Meals (food parcels) | - | 215 | 349 | 327 | 180 | 158 | 138 |
| Blankets | - | 297 | 699 | 315 | 526 | 473 | 479 |
| COVID-19 Meals served at Temporary Homeless Shelter | - | - | - | - | - | - | 14 544 |

3.13.3.2 Capital Expenditure – Fire and Disaster Management**Table 3:76: Capital Expenditure as at 30 June: Fire and Disaster Management**

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|--|-------------------|--------------------|---------------------------------|
| | R | | |
| Hydraulic Ladder Fire Truck | 10 744 000 | 10 743 580 | 0.00% |
| Major Fire Pumper | 4 500 000 | - | -100.00% |
| Upgrading of Stellenbosch Fire Station | 3 923 728 | 471 801 | -87.98% |
| Specialised Vehicle | 1 625 193 | 1 625 193 | 0.00% |
| Rescue equipment | 869 000 | 852 091 | -1.95% |
| Only the 5 largest capital projects are listed | | | |

Fire and Disaster Management have spent, **63.36%** of the capital budget for the financial year.

3.13.3.3 Total employees - Fire and Disaster Management

Table 3:77: Total Employees – Fire Services

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|-----------------------------------|-----------------------------------|
| Number | | | | % |
| 18 – 16 | 1 | 1 | 0 | 0% |
| 15 – 13 | 4 | 4 | 0 | 0% |
| 12 – 10 | 12 | 12 | 0 | 0% |
| 9 – 7 | 67 | 53 | 14 | 16.66% |
| 6 – 4 | 0 | 0 | 0 | 0% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 84 | 70 | 14 | 16.66% |

* Employee statistics will be imprecise due to the implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the municipality's payroll system creates some anomalies i.e. accurate figures on job and occupation levels. The municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

3.14 COMPONENT F: SPORT AND RECREATION

3.14.1 HOLIDAY RESORTS AND CAMP SITES

The Stellenbosch Municipality is responsible for the management and maintenance of one picnic site. The Jonkershoek Picnic Site is situated in the Jonkershoek Valley on the banks of the Eerste River. The picnic site attracts up to 15 840 visitors per annum due to its natural beauty and tranquillity set at the foothills of the Jonkershoek mountains. The site provides outdoor leisure for visitors, catering for braai and picnics alongside the river course.

3.14.1.1 Service Statistics – Holiday Resorts and Campsites

Table 3:78: Service Statistics – Holiday Resorts and Campsites

| Type of service | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|--|--|---|--|---|--|---|
| Number of resorts | 1 | 1 | 1 | 1 | 1 | 1 |
| % Occupation for the year for Jonkershoek picnic site (open from 1 September to 30 April) | PAX: 17 248
CARS: 5 234
Income: R462 790 | PAX:16 256
CARS:4687
Income: R459 197 | PAX:15840
CARS:3372
Income: R448 701 | PAX:13636
CARS:2434
Income: R403 579.74 | PAX:20690
CARS:5246
Income: R648 115 | PAX:12993
CARS:2063
Income: R462 832.73 |

The Stellenbosch Municipality is responsible for the management and maintenance of seventeen sports grounds in its municipal area. These grounds are surrounded by the scenic beauty of the Stellenbosch Mountains. Ten are located in the urban areas and seven in the rural areas.

It is the Municipality's goal to create active, healthy communities and to provide a sporting hub for all its residents and visitors by offering a wide range of well-maintained and well-managed sporting facilities.

Stellenbosch Municipality manages and maintains one swimming pool in the greater Stellenbosch area. The swimming pool is situated in Cloetesville and can accommodate two hundred and seventy-five (275) people at any time per day. The existing facility can host swimming galas and aims to further sports development and recreation.

3.14.1.2 Service Statistics Sport - Grounds and Swimming Pools

Table 3:79: Service Statistics Sport Grounds and Swimming Pool

| Type of service | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---|---------|---------|---------|---------|---------|---------|
| Number of sport grounds / fields | 17 | 17 | 17 | 17 | 17 | 17 |
| Number of swimming pools | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of stadiums | 10 | 10 | 10 | 10 | 10 | 10 |

3.14.1.3 Capital Expenditure – Sport Grounds and Swimming Pools

Table 3:80: Capital Expenditure as at 30 June: Sport Grounds and Swimming Pools

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|---|-------------------|--------------------|---------------------------------|
| | R | | |
| Vehicle Fleet | 1 751 897 | 1 417 966 | -19.06% |
| Upgrade of swimming pool | 1 500 000 | 34 783 | -97.68% |
| Building of Clubhouse and Ablution Facilities: Lanquedoc Sports Grounds | 1 146 049 | 663 626 | -42.09% |
| Upgrade of Sport Facilities | 600 000 | 362 244 | -39.63% |
| Upgrading of Lanquedoc Sports Grounds | 600 000 | 600 246 | 0.04% |
| Only the 5 largest capital projects are listed | | | |

Sport Grounds and Swimming Pools have spent, **49.68%** of the capital budget for the financial year.

3.14.1.4 Total employees – Sport Grounds and Swimming Pools

Table 3:81: Total Employees – Sport Grounds and Swimming Pools

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|---|-----------|------------|-----------------------------------|-----------------------------------|
| Number | | | | % |
| 18 – 16 | 1 | 1 | 0 | 0% |
| 15 – 13 | 2 | 2 | 0 | 0% |
| 12 – 10 | 6 | 0 | 6 | 18.18% |
| 9 – 7 | 1 | 0 | 1 | 0% |
| 6 – 4 | 23 | 14 | 9 | 18.18% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 33 | 17 | 16 | 36.36% |
| * Employee statistics will be imprecise due to the implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings. | | | | |

3.14.1.5 Community Halls and Facilities

Stellenbosch is the proud owner of two top-class town halls and nine community facilities that cater for local residents and national and international visitors.

The facilities are available throughout the year (365 days per annum) and can be booked for events such as meetings, weddings, training sessions, conferences and community and social events.

Table 3:82: Total functions: Community Halls and Facilities

| Type of service | 2019/20 |
|---|---------|
| Total functions at municipal halls | |
| Stellenbosch Town Hall | 65 |
| Klapmuts Centre | 59 |
| Eikestad Hall | 142 |
| Wemmershoek Hall | 31 |
| La Motte Community Hall | 12 |
| Franschhoek Town Hall | 11 |

| Type of service | 2019/20 |
|-------------------------|---------|
| Groendal Community Hall | 76 |
| Kylemore Community Hall | 20 |
| Pniel Banquet Hall | 44 |

Table 3:83: Total Revenue / Income: Community Halls and Facilities

| Type of service | 2019/20 |
|-------------------------|--------------|
| Stellenbosch Town Hall | R1047 814.66 |
| Klapmuts Centre | R47 356 |
| Eikestad Hall | R93 475 |
| Wemmershoek Hall | R35 526 |
| La Motte Community Hall | R23 731 |
| Franschhoek Town Hall | R66 260.90 |
| Groendal Community Hall | R61 394.10 |
| Kylemore Community Hall | R11 260.70 |
| Pniel Banquet Hall | R36 706.20 |

3.14.1.6 Total employees - Community Halls and Facilities

Table 3:84: Total Employees – Community Halls and Facilities

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|-----------------------------------|-----------------------------------|
| Number | | | | % |
| 18 – 16 | 0 | 0 | 0 | 0% |
| 15 – 13 | 2 | 1 | 1 | 4% |
| 12 – 10 | 2 | 1 | 1 | 4% |
| 9 – 7 | 3 | 2 | 1 | 4% |
| 6 – 4 | 18 | 13 | 5 | 20% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 25 | 17 | 8 | 34% |

* Employee statistics will be imprecise due to the implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the municipality's payroll system creates some anomalies i.f.o. accurate figures on job and occupation levels. The municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

3.15 COMPONENT G: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services and property services.

3.15.1 FINANCIAL SERVICES

3.15.1.1 Service statistics

Table 3:85: Service Statistics for Financial Services

| Details of the types of account raised and recovered | 2019/20 | | |
|--|----------------|------------------------------------|--|
| | Billed in Year | Actual for accounts billed in year | Proportion of value of accounts billed that were collected |
| | R | | % |
| Property Rates | 360 089 277 | 350 679 382 | 97.39 |
| Electricity | 562 275 303 | 538 583 477 | 95.79 |
| Water | 171 631 994 | 172 237 261 | 100.35 |
| Sanitation | 83 261 986 | 95 886 699 | 115.16 |
| Refuse | 62 956 545 | 65 908 062 | 104.69 |

3.15.1.2 Total employees – Finance

Table 3:86: Total Employees – Finance

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|------------|------------|-----------------------------------|-----------------------------------|
| Number | | | | % |
| 18 – 16 | 7 | 5 | 2 | 1.21% |
| 15 – 13 | 23 | 23 | 0 | 0% |
| 12 – 10 | 22 | 5 | 17 | 8.48 |
| 9 – 7 | 12 | 7 | 5 | 3.03% |
| 6 – 4 | 101 | 59 | 42 | 24.2% |
| 3 – 0 | 0 | 0 | 0 | 0 |
| Total | 165 | 99 | 66 | 36,92% |

* Employee statistics will be imprecise due to the implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

3.15.2 HUMAN RESOURCE SERVICES

Stellenbosch Municipality views the Human Resources Management component as the governance of the organisation's employees. More commonly, human resources per se refers to the people or human capital appointed or employed by the organisation whose skills are used to reduce risk and maximise return on investment. The vision of the Human Resources Department is undoubtedly to build partnerships with management at all levels of the organisation, to create a culture or working environment where employees are valued or appreciated and to ensure a diverse, qualified, healthy and highly motivated workforce focused on achieving the critical outcomes, through the development and administration of cost-effective and results-oriented human resources. Accordingly, the mission of the Human Resources Management Department is to address and achieve the goals and challenges of Stellenbosch Municipality by providing services that promote a work environment that is characterised by fair treatment of staff, open communications, personal accountability, trust and mutual respect. We will seek and provide solutions to workplace issues that support and optimise the operating principles of the organisation.

The Human Resources Management Department objectives for Stellenbosch Municipality include but are not limited to:

- Helping the organisation achieve its goals;
- Ensuring effective utilisation and maximum development of human resources;
- Ensuring respect for human beings;
- Identifying and satisfying the needs of individuals;
- Ensuring reconciliation of individual goals with those of the organisation;
- Achieving and maintaining high morale among employees;
- Providing the organisation with well-trained and well-motivated employees;
- Increasing employee's job satisfaction and self-actualisation;
- Developing and maintaining quality of work life;
- Being ethically and socially responsive to the needs of the community;
- Developing overall personality of each employee in its multidimensional aspect;
- Enhancing employee's capabilities to perform the present job; and
- Ensuring service excellence for the broader Stellenbosch community.

The Human Resources services include:

- Strategic Human Resources Management,
- Labour Relations;
- Recruitment and Selection;
- Training and Development;
- Employee Assistance;
- Occupational Health and Safety;
- Employment Equity; and
- All Human Resources Administration.

Each director, manager, departmental head, superintendent, assistant superintendent and foreman are responsible for setting objectives, delegating responsibilities and tasks, motivating staff, disciplining staff, developing skills and career paths, measuring performance and generally guiding their staff. In these endeavours, management and line management are assisted by the Human Resource Department, who provides policies, guidelines, support, systems and specialised inputs.

Main focus priorities for HR Services in 2019/20 were:

- Implementation of the biometric time and attendance system:
The system was implemented from November 2018 and most workplaces has a finger device installed where employees log in. The system worked and accurate records of movement and attendance could be monitored. However, due to the COVID-19 pandemic the system was disabled in March 2020 until further notice. Other options in terms of alternative registering methods is currently under investigation and consideration.
- Finalisation of Human Resources management policies;

The following policies was approved during 2019/20:

- a) Measures to Recover Arrear Monies from Employees owing on their municipal accounts to Stellenbosch Municipality for a period of 90 plus – 01 August 2019.
 - Implementation of the TASK Job Evaluation System:
The policy was adopted and concluded and currently job descriptions are forwarded for evaluation to the CWJEU.
 - Finalisation of historical human resources issues:
The placement of permanent staff and some contract staff has been completed and the employees in the pool are currently being resolved.

The highlights for the Human Resources Department in 2019/20 were the following:

- 230 employees were trained;
- 1st online / virtual training for the Finance Department;
- 14 employees sent for Municipal Minimum Competency Level Training;
- During 2019/20 only 5 out of 19 SALGBC arbitrations were ruled against the Municipality;
- OHS Training were provided to 55 Health and Safety Representatives, 23 First Aider Training and 13 Fire Warden;
- 6 directorate specific recruitment email addresses for emailed job applications were created;
- Virtual shortlisting discussions were conducted via MS Teams;
- Virtual interviews and assessments were conducted via MS Teams; and
- Virtual induction sessions were conducted via Zoom and MS Teams.

The challenges for the Human Resources Department in 2019/20 were the following:

- Shortage of conducive training venues;
- The provision of staff wellness services to the employees of Stellenbosch Municipality; and
- Suitably qualified / trained Chairpersons and Initiators within the Stellenbosch Municipality.

The following was submitted within the 2019/20 year and is under consideration at the LLF:

- a) Measures to recover arrear monies from employees;
- b) TASK Evaluation policy; and
- c) Employee Parking Policy.

3.15.2.1 Total employees – HR

Table 3:87: Total Employees – HR

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|-----------------------------------|-----------------------------------|
| Number | | | | % |
| 18 – 16 | 2 | 1 | 1 | 4.55% |
| 15 – 13 | 6 | 4 | 2 | 9.09% |
| 12 – 10 | 9 | 5 | 4 | 18.18% |
| 9 – 7 | 1 | 0 | 1 | 4.55% |
| 6 – 4 | 4 | 1 | 3 | 9.09% |
| 3 – 0 | 0 | 0 | 0 | 0 |
| Total | 22 | 11 | 11 | 45.46% |

* Employee statistics will be imprecise due to the implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the municipality's payroll system creates some anomalies i.e. accurate figures on job and occupation levels. The municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

3.15.2.2 Information and Communication Technology (ICT) Services

The ICT department committed its time in the 2019/20 financial year to purchasing and replacing computer software and hardware to improve the efficiency of the various municipal business units.

Highlights:

- Firewall Project was extended by way of procuring 2 additional firewall hardware devices for our DR site located at TERACO. These newly procured items will act as secondary firewalls synchronising with the main firewall at our Data Centre, that was implemented during the 2019/20 financial year.
- The municipality's Data Storage for ICT systems was further capacitated by procuring an additional Tintri VMstore T850 hybrid-flash solution. Tintri's VMware storage speeds performance 6x to save us time and packs storage 10x more densely to save us money.
- Telephony Voice Services was successfully moved from Liquid Telecom to Telkom / BCX with the aim of further reducing our monthly costs. This procurement included redundancy by way of making available a redundant service at our Traffic services that can provide a service in the event the main building service fails.
- High Site wireless hardware links were procured and delivered during this time with the plan to upgrade our network to the outer laying areas under the WC024 area. These are the larger high end wireless devices that will be installed at our high sites on the different mountain ranges where we have towers installed.
- The team further spent time on taking over the network support of the camera infrastructure by way of extending the Avalon contract to cover this critical service. This has reduced the cost of this service as the ICT network has been able to incorporate the camera Infrastructure. This has in turn saved the municipality and the public money in providing this critical service.
- The newly commissioned Server room saw us add additional server storage hardware to accommodate for the other law and enforcement and traffic services moving into the server room. This included flexible high speed storage which is easily shared as and when required. Additional storage cabinets (x2) were further procured to accommodate for future growth in this space.
- The ICT Department spent a large amount of its effort on once again reducing costs by way of procuring printers via the National treasury RT3-2018 contract. Our costs for replacing toners had

skyrocketed during the year and this change needed to happen soonest. This contract saw us reduce our printer footprint and begin to centrally manage usage across printers. The many office printers were replaced with shared departmental printers further assisting in reducing costs.

- Successfully implemented the Housing Database System VOIS for Human Settlement.
- Software Audit Financial Year 2019/20 was conducted, and the report was submitted to the ICT Steering Committee.
- The upgrade of the Backup Infrastructure to accommodate and include all critical systems to ensure sustainability of the ICT services.
- A Geospatial Forum was established.
- Biometric project was revived and municipal officials are clocking in. The system ensured effective monitoring of staff attendance and movement but had to be disabled when lockdown was announced. We are currently investigation other options of electronic measurements.
- Biometric Morph software was upgraded to version 14 and is currently stable. There were 28 more clocks which were added at various municipal sites. Biometrics reports are currently distributed monthly to all departments.
- Microsoft System Center Configuration Manager (SCCM) was deployed to assist with Microsoft 365 upgrade.
- ICT developed an Enterprise Architecture Framework to show the view of the current ICT environment with regards to High-level business processes, ICT Governance, ICT Processes, Application and Data Architecture, Infrastructure Architecture and ICT Resources and Skill
- All existing ICT Policies were reviewed, and new ICT Policies were developed and approved by the ICT Steering Committee.
- ICT Governance, Risk and Compliance Management Framework was developed to institutionalise the Corporate Governance of ICT and ICT Risk Management as an integral part of corporate governance within municipalities in a uniform and coordinated manner.
- The Disaster Recovery and Colocation Services project including WAN and Internet Services were successfully implemented by First Technology and will remain in place till the 30 June 2022. The DR site is at TERACO in Claremont and meets all the AG requirements.

Challenges:

- ICT structure does not align to best practices and thus cannot be agile enough to support the municipality.
- Lack of system integration.
- After hours' system maintenance resources to ensure continued service provision, especially after load shedding / power failure.

3.15.2.3 Service Statistics – Information and Communication Technology (ICT) Services

Table 3:88: Service Statistics – ICT

| Details | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---|---------|---------|---------|---------|---------|---------|
| | % | | | | | |
| Ensure the availability of the network to ensure effective ICT systems for municipal processes | 98 | 98 | 99.9 | 99.9 | 99 | 99 |
| Provide ICT support to all municipal departments by attending to requests within 4 working days | 97 | 98 | 98 | 98 | 98 | 98 |
| Connecting all municipal sites to the ICT network | 100 | 100 | 100 | 100 | 100 | 100 |

3.15.2.4 Capital Expenditure – Information and Communication Technology (ICT) Services

Table 3:89: Capital Expenditure as at 30 June 2019: ICT Services

| Capital Projects | Adjustment Budget | Actual Expenditure | Variance from Adjustment Budget |
|--|-------------------|--------------------|---------------------------------|
| | R | | |
| Upgrade and Expansion of IT Infrastructure Platforms | 8 439 969 | 8 343 315 | -1.15% |
| Purchase and Replacement of Computer / software and Peripheral devices | 1 230 230 | 534 915 | -56.52% |
| Public WI-FI Network | 548 400 | 547 658 | -0.14% |

ICT have spent, **92.24%** of the capital budget for the financial year.

3.15.2.5 Total employees – Information and Communication Technology (ICT) Services

Table 3:90: Total Employees – ICT

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|-----------|------------|-----------------------------------|-----------------------------------|
| Number | | | | % |
| 18 – 16 | 3 | 3 | 0 | 0% |
| 15 – 13 | 1 | 1 | 0 | 0% |
| 12 – 10 | 11 | 11 | 0 | 0% |
| 9 – 7 | 0 | 0 | 0 | 0% |
| 6 – 4 | 0 | 0 | 0 | 0% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 15 | 15 | 0 | 0% |

* Employee statistics will be imprecise due to the implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the municipality's payroll system creates some anomalies i.f.o. accurate figures on job and occupation levels. The municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

3.15.3 LEGAL SERVICES

The Legal Services Department in conjunction with user departments ensures and manages the implementation, monitoring, evaluation and reporting on sequences of outcomes associated with programmes designed to accomplish key service delivery objectives with respect to Legal Services.

The main objectives are the following:

- Advice and manage litigations instituted by the municipality and against it;
- Provide legal advice, opinions and input on policies, contracts, agreements, memorandums, legislation, by-laws and authorities;
- Advising Council on items submitted to meetings;
- To ensure by-laws are promulgated after consultation with user departments and approval by Council; and
- Attend to new legislation and proclamations for comment as and when required.

Challenges:

- To deal with urgent requests for legal input to Portfolio and Council Committees.
- Lack of skilled administrative support to chief legal advisor.
- Availability of well-maintained legal library and reference resources.

3.15.3.1 Total employees – Legal Services**Table 3:91: Total Employees – Legal Services**

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|----------|------------|-----------------------------------|-----------------------------------|
| Number | | | | % |
| 18 – 16 | 1 | 1 | 0 | 0% |
| 15 – 13 | 0 | 0 | 0 | 0% |
| 12 – 10 | 0 | 0 | 0 | 0% |
| 9 – 7 | 0 | 0 | 0 | 0% |
| 6 – 4 | 0 | 0 | 0 | 0% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 1 | 1 | 0 | 0% |

* Employee statistics will be imprecise due to the implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

3.15.3.2 Municipal Court – Additional Court - Stellenbosch

The Municipal Court is responsible for the following Prosecutions:

- Traffic by-laws;
- Provincial Traffic by-laws;
- SAPS by-laws;
- Law Enforcement by-laws;
- Fire by-laws;
- Building and Land Use Regulations, and all other By- Law contraventions;
- Electrical By-laws; and
- Noise pollution.

Mission Statement

Our aim is to: -

- promote Justice and service delivery;
- enhance revenue to invest in our community;
- "let Justice be seen to be done"; and
- minimise crime and have a safer Stellenbosch.

The Municipal Court was established to:

- Support and secure good governance;
- Ease the burden on regular courts;
- Increase the speed of services;
- Allow for more successful prosecutions by applying specialist knowledge;

- Improve communications between the by-law prosecutors and enforcers;
- Support by-law enforcement;
- Ensure a user friendly court; and
- Keeps members of the public who committed a minor crime (such as a traffic offence) away from hardened criminals.

Our revenue for the past financial year amounted to a healthy R3 957 980 with a number of 13,859 cases on our court role.

We are also looking into having an Ad Hoc Court in Franschhoek / Klapmuts in the near future. This could be another boost for our Municipal Court service to the community. Prosecuting some of our cases in the Paarl Magistrate's Court is also currently being considered.

The introduction of the Additional Municipal Court has definitely been an essential, strategic implementation that will benefit the whole community of Stellenbosch.

3.15.3.3 Statistical Report – Case Load

Table 3:92: Statistical Report Case load

| Months: | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June |
|----------------------------|-----|-------|------|-------|-------|-----|-------|-----|-----|-----|-----|-------|
| Cases on the role | 656 | 1 255 | 1096 | 1 096 | 1 297 | 823 | 1 693 | 577 | 457 | 21 | 894 | 1 058 |
| Withdrawn | 6 | 0 | 0 | 10 | 4 | 1 | 6 | 8 | 2 | 0 | 0 | 38 |
| Struck of the role | 30 | 48 | 69 | 31 | 33 | 63 | 68 | 11 | 21 | 0 | 2 | 0 |
| Warrants authorised | 576 | 1 110 | 965 | 986 | 1 197 | 748 | 1 589 | 547 | 410 | 0 | 885 | 991 |
| Deferment | 0 | 14 | 7 | 4 | 29 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Payments | 40 | 73 | 53 | 65 | 34 | 10 | 5 | 2 | 20 | 0 | 4 | 1 |
| Postponed | 4 | 5 | 0 | 0 | 0 | 1 | 25 | 9 | 4 | 21 | 3 | 28 |
| Mediations | 0 | 5 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

3.15.3.4 Financial Report

Table 3:93: Financial Report of the Municipal Court

| | Traffic Fines | Saps Fines | Law Enforcement Fines | Contempt of Court Fines | Provincial Fines | Electricity | Building | Total Amount |
|-------------|---------------|------------|-----------------------|-------------------------|------------------|-------------|----------|--------------|
| Jul | R372 110 | R0 | R0 | R0 | R800 | R7 500 | R0 | R38 0410 |
| Aug | R291 070 | R0 | R0 | R30 600 | R300 | R7 500 | R0 | R329 470 |
| Sep | R393 880 | R200 | R250 | R54 600 | R0 | R0 | R5 000 | R453 930 |
| Oct | R385 430 | R0 | R0 | R67 800 | R0 | R0 | R1 500 | R454 730 |
| Nov | R312 320 | R250 | R0 | R57 900 | R1 000 | R5 000 | R12 000 | R388 470 |
| Dec | R251 780 | R500 | R0 | R46 200 | R0 | R4 000 | R3 500 | R305 980 |
| Jan | R395 470 | R0 | R0 | R60 000 | R0 | R0 | R0 | R455 470 |
| Feb | R387 130 | R500 | R0 | R53 500 | R0 | R2 500 | R3 500 | R447 130 |
| Mar | R445 560 | R0 | R2 600 | R50 400 | R250 | R0 | R12 500 | R511 310 |
| Apr | R32 740 | R2 100 | R0 | R1 500 | R0 | R2 500 | R0 | R38 840 |
| May | R20 300 | R5 100 | R4 500 | R300 | R0 | R0 | R4 000 | R34 200 |
| June | R73 430 | R3 700 | R1 600 | R5 700 | R0 | R2 000 | R0 | R86 430 |

3.15.3.5 Total employees – Municipal Court

Table 3:94: Total Employees – Municipal Court

| Job Level* | Posts* | Employees* | Vacancies (full time equivalents) | Vacancies (as a % of total posts) |
|--------------|----------|------------|-----------------------------------|-----------------------------------|
| Number | | | | % |
| 18 – 16 | 1 | 0 | 0 | 0% |
| 15 – 13 | 1 | 1 | 1 | 16.7% |
| 12 – 10 | 0 | 0 | 0 | 0% |
| 9 – 7 | 1 | 1 | 0 | 0% |
| 6 – 4 | 3 | 3 | 0 | 0% |
| 3 – 0 | 0 | 0 | 0 | 0% |
| Total | 6 | 5 | 1 | 16.7% |

* Employee statistics will be imprecise due to the implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the municipality's payroll system creates some anomalies i.e. accurate figures on job and occupation levels. The municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area – Municipal Transformation and Organisational Development.

Table 4.1: National KPIs – Municipal Transformation and Organisational Development

| KPA and Indicators | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---|---------|---------|---------|---------|----------|--|
| The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan | 4 | 13 | 4 | 50%* | 33%* | 66.67% |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan | 0.83% | 0.97% | 0.94% | 72%** | 94.56%** | R2 262 082.24 / R1 778 283 844 x 100 = 0.13% |
| <p>*The unit of measurement changed from number to percentage for the employment equity target.</p> <p>** Percentage was calculated using the total personnel budget as in terms of the Skills Development Act. The aforementioned percentage for the 2018/19 financial year is based on the Total Annual Payroll as depicted in the SDBIP.</p> | | | | | | |

4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE

Stellenbosch Municipality, as at 30 June 2020, employed **1 158** officials (excl. Councillors) (excluding non-permanent positions), who individually and collectively contribute to the achievement of the municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.2.1 EMPLOYMENT EQUITY

The Employment Equity Act (1998), Chapter 3, section 15 (1), states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to the "number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan" The following table provides clarity on the employment equity status as at 30 September 2020.

Table 4.2: EE Targets/Actual by Racial Classification

| | African | | | Coloured | | | Indian | | | White | | |
|---------|-------------|-------------|----------------|-------------|-------------|----------------|-------------|-------------|----------------|-------------|-------------|----------------|
| | Target June | Actual June | Target reached | Target June | Actual June | Target reached | Target June | Actual June | Target reached | Target June | Actual June | Target reached |
| 2015/16 | 334 | 361 | 92.52% | 497 | 676 | 73.52% | 28 | 3 | 9.33% | 83 | 111 | 74.77% |
| 2016/17 | 334 | 368 | 90.76% | 497 | 671 | 74.06% | 23 | 5 | 4.60% | 75 | 103 | 72.81% |
| 2017/18 | 334 | 378 | 113% | 497 | 671 | 74.06% | 23 | 4 | 17% | 75 | 110 | 146% |
| 2018/19 | 334 | 372 | 111.4% | 497 | 651 | 131% | 23 | 4 | 17% | 75 | 94 | 125.3% |
| 2019/20 | 334 | 383 | 111.4% | 497 | 680 | 137% | 23 | 4 | 17% | 75 | 96 | 128% |

Table 4.3: Targets/Actual by Gender Classification

| | Male | | | Female | | | Disability | | |
|---------|-------------|-------------|----------------|-------------|-------------|----------------|-------------|-------------|----------------|
| | Target June | Actual June | Target reached | Target June | Actual June | Target reached | Target June | Actual June | Target reached |
| 2015/16 | 425 | 783 | 54.27% | 518 | 368 | 71.04% | 0 | 0 | n/a |
| 2016/17 | 681 | 782 | 78.87% | 670 | 363 | 54.18% | 0 | 10 | n/a |
| 2017/18 | 681 | 785 | 115% | 670 | 378 | 56% | 10 | 10 | 100% |
| 2018/19 | 681 | 750 | 110.1% | 670 | 371 | 55.3% | 10 | 10 | 100% |
| 2019/20 | 681 | 760 | 111.6% | 670 | 398 | 59.4% | 10 | 10 | 100% |

4.2.1.1 Occupational categories - Race

The table below categorises the number of employees by race within the occupational levels:

Table 4.4: Occupational Categories – Race

| Occupational Levels | Male | | | | Female | | | | Total |
|---|------------|------------|----------|-----------|------------|------------|----------|-----------|--------------|
| | A | C | I | W | A | C | I | W | |
| Top Management and Councillors | 4 | 16 | 0 | 6 | 5 | 9 | 0 | 7 | 47 |
| Senior management | 2 | 11 | 0 | 9 | 1 | 3 | 0 | 0 | 26 |
| Professionally qualified and experienced specialists and mid-management | 9 | 25 | 2 | 11 | 9 | 15 | 1 | 9 | 81 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 52 | 155 | 1 | 31 | 72 | 120 | 0 | 23 | 454 |
| Semi-skilled and discretionary decision making | 82 | 125 | 0 | 3 | 28 | 60 | 0 | 3 | 301 |
| Unskilled and defined decision making | 103 | 135 | 0 | 0 | 25 | 27 | 0 | 0 | 290 |
| Total permanent | 252 | 467 | 3 | 60 | 140 | 234 | 1 | 42 | 1 199 |
| Non- permanent employees (incl. EPWP, Conditional Grants, Provincial Grants) | 12 | 20 | 0 | 2 | 14 | 29 | 0 | 2 | 79 |
| Grand total | 264 | 487 | 3 | 62 | 154 | 248 | 1 | 44 | 1 278 |

4.2.1.2 Directorates by Race

The following table categorises the number of employees by race within the different Directorates:

Table 4:5: Directorates by Race

| Directorate | Male | | | | Female | | | | Total |
|---|------------|------------|----------|-----------|------------|------------|----------|-----------|--------------|
| | A | C | I | W | A | C | I | W | |
| Office of the Mayor | 4 | 13 | 0 | 5 | 5 | 8 | 0 | 6 | 41 |
| Office of the Municipal Manager | 0 | 2 | 0 | 1 | 3 | 5 | 0 | 2 | 13 |
| Financial Services | 7 | 31 | 1 | 3 | 21 | 48 | 0 | 6 | 117 |
| Planning and Economic Development | 7 | 26 | 0 | 6 | 15 | 19 | 0 | 6 | 79 |
| Corporate Services | 10 | 30 | 1 | 2 | 13 | 22 | 0 | 5 | 83 |
| Community and Protection Services | 81 | 128 | 1 | 25 | 62 | 99 | 1 | 13 | 410 |
| Infrastructure Services | 143 | 237 | 0 | 18 | 21 | 33 | 0 | 4 | 456 |
| Total permanent | 252 | 467 | 3 | 60 | 140 | 234 | 1 | 42 | 1 199 |
| Non-permanent (incl. EPWP, Conditional Grants, Provincial Grants) | 12 | 20 | 0 | 2 | 14 | 29 | 0 | 2 | 79 |
| Grand total | 264 | 487 | 3 | 62 | 154 | 248 | 1 | 44 | 1 278 |

4.2.2 VACANCY RATE

The approved organogram for the Municipality had **1 120** (funded) posts based on the 2017/18 financial year. On 1 July 2018 the approved organogram of 25th October 2017 was implemented which brought about a total post compliment of 1 873 posts and was further reviewed and revised with another 123 posts which made the total post compliment 1 996 posts on 27 February 2019. The actual positions filled in the 2019/20, financial year are indicated in the tables below by post level and by functional level. A total of 838 posts were vacant at the end of 2019/20, resulting in a vacancy rate of **41.98%**. Below is a table that indicates the vacancies within the municipality:

Table 4:6: Vacancy rate per post and functional level

| Per Post Level | | |
|---|-------------------------------------|------------|
| Post level | Filled | Vacant |
| Top Management (MM and MSA section 57 Managers) | 6 | 0 |
| Senior Management | 26 | 6 |
| Middle management | 81 | 21 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 454 | 289 |
| Semi-skilled | 301 | 522 |
| Unskilled and defined decision making | 290 | 0 |
| Total | (Excluding Councillors) 1158 | 838 |
| Per Functional Level | | |
| Functional area | Filled | Vacant |
| Office of the Mayor | 41 | 0 |
| Office of the Municipal Manager | 13 | 12 |
| Financial Services | 117 | 60 |
| Planning and Economic Development | 79 | 55 |
| Corporate | 83 | 80 |
| Community and Protection Services | 410 | 205 |

| Per Post Level | | |
|-------------------------|-------------------------------------|------------|
| Post level | Filled | Vacant |
| Infrastructure Services | 456 | 426 |
| Total | (Including Councillors) 1158 | 838 |

4.2.3 TURNOVER RATE

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory / organisational knowledge. Below is a table that shows the turnover rate in the municipality.

The table below indicates the turn-over rate over the last five years:

Table 4:7: Turn-over Rate

| Financial year | Total no appointments at the end of each Financial Year | New appointments | Number of terminations during the year | Turn-over Rate |
|----------------|---|------------------|--|----------------|
| 2015/16 | 1 110 | 136 | 71 | 6.4% |
| 2016/17 | 1 144 | 100 | 36 | 3.14% |
| 2017/18 | 1 120 | 42 | 69 | 6.16% |
| 2018/19 | 1 121 | 55 | 39 | 3.47% |
| 2019/20 | 1 158 | 60 | 51 | 4.40% |

4.2.4 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

4.2.4.1 Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. An occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows an increase for the 2019/20 financial year from 86 employees in 2018/19 to 96 employees in the 2019/20 financial year. The table below indicates the total number of injuries within the different directorates:

Table 4:8: Injuries as at 30 June

| Directorates | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|--|------------|------------|------------|-----------|-----------|
| Office of the Municipal Manager | 2 | 1 | 1 | 0 | 0 |
| Financial Services | 2 | 3 | 0 | 0 | 2 |
| Planning and Economic Development Services | 0 | 0 | 3 | 3 | 2 |
| Corporate Services | 2 | 1 | 1 | 1 | 7 |
| Community and Protection Services | 40 | 54 | 73 | 49 | 36 |
| Infrastructure Services | 86 | 64 | 42 | 32 | 42 |
| Human Settlements and Property Management | 4 | 7 | 5 | 1 | 3 |
| Total | 136 | 130 | 120 | 86 | 92 |

Injuries in the Operational Services are normally higher due to the nature of work and the constant handling of equipment and machinery.

4.2.4.2 Sick Leave

The number of days' sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of employees that have taken sick leave during the 2019/20 financial year shows an decrease of 1 524 working days when comparing it to the 2018/19 financial year.

The table below indicates the total number of sick leave days taken within the different directorates:

Table 4:9: Sick Leave as at 30 June

| Department | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|--|------------------|-----------------|--------------|--------------|-----------------|
| Office of the Municipal Manager | 342 | 96 | 66 | 89 | 83.5 |
| Financial Services | 1 339.5 | 908.50 | 631 | 692 | 679 |
| Planning and Economic Development | 1 244.5 | 501 | 267 | 393 | 425 |
| Corporate Services | 808.43 | 727 | 410 | 493 | 593.87 |
| Community and Protection Services | 3 758.5 | 2 726 | 1 562 | 2 958 | 1803.19 |
| Infrastructure Services | 5 230 | 3 633 | 2 730 | 2 765 | 2646 |
| Human Settlements and Property Management* | 8 | 455 | 444 | 364 | - |
| Total | 12 730.93 | 9 046.50 | 6 110 | 7 754 | 6 230.56 |

Note: These Sections' figures will be incorporated in the Planning and Economic Development and Corporate Services Directorates respectively for the 2019/20 financial year. The Human Resources System will be modified to effect these organogram changes.

4.2.4.3 Human Resources Policies and Plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the status of the Human Resources policies and plans:

Table 4:10: Approved Policies

| Name of policy | Date approved / revised |
|---|-------------------------|
| Guidelines for Official Parking | August 2008 |
| Staff Attraction and Retention Policy | August 2008 |
| Smoking Policy | August 2008 |
| Skills Development Policy | August 2008 |
| Minimum Service Level Agreement on Essential Services | August 2008 |
| Recruitment and Selection | 29 November 2012 |
| Leave Policy Guideline and Procedures | 29 November 2012 |
| Overtime and Standby Policy Guidelines and Procedures | 29 November 2012 |
| Occupational Health and Safety Policy | 29 November 2012 |
| HIV AIDS Policy | 29 November 2012 |
| Employee Assistance Programme | 25 February 2015 |
| Education, Training, Development Policy | 25 February 2015 |
| Attendance and Punctuality Policy | 25 February 2015 |

| Name of policy | Date approved / revised |
|--|-------------------------|
| Evaluation of Probationary Periods Policy | 25 February 2015 |
| Whistleblowing Policy | 25 February 2015 |
| New Occupational Health and Safety Policy | 25 February 2015 |
| Substance Abuse Policy | 25 February 2015 |
| Succession Planning and Career Patching Policy | 25 February 2015 |
| Unpaid leave policy | 25 February 2015 |
| Work Related Functions Policy | 25 February 2015 |
| Nepotism Policy | 25 February 2015 |
| External Bursary Aid Policy | 25 February 2015 |
| Smoking Policy (Review) | 25 October 2017 |
| Communication Policy | 25 July 2018 |
| Guidelines on Flexi-time | 25 July 2018 |
| Time and Attendance | 26 September 2018 |
| Employee Bursary Policy (Internal) | 26 September 2018 |
| Proposal on Appointment of Certain Temporary Employees during the Restructuring Process | 26 September 2018 |
| Firearms Policy | 28 November 2018 |
| Acting Allowance Policy | 28 November 2018 |
| Motor Vehicle Allowance Policy | 28 November 2018 |
| Guidelines on Negotiation in regard to Remuneration (Within the National Negotiated Framework) for the Retention and Attraction of Staff | 24 April 2019 |
| Additional Allowance Responsibility Policy | 24 April 2019 |
| MS;A: Essential Services | 04 June 2019 |
| TASK Implementation Policy | 26 February 2020 |

Table 4:11: Policies still to be developed

| Policies still to be developed | |
|---|--|
| Name of policy | Proposed date of approval |
| Measures to Recover Arrear Monies from Employees owing on their municipal accounts to Stellenbosch Municipality for a period of 90 days plus. | 1 August 2019
(this policy was delegated for approval by the Municipal Manager) |
| HIV AIDS Policy (Review). | 30 June 2021 |
| New Recruitment and Selection Policy. | 30 June 2021
(policy currently at HR Sub-Committee for discussion). |
| Staff Parking Policy. | To be tabled at the October 2020 Council meeting for approval. |
| Consequence Management Policy. | To be tabled at the November 2020 Council meeting for approval. |

The Human Resources Department submits policies to the Local Labour Forum on a regular basis for review purposes.

4.2.5 CAPACITY BUILDING OF THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 1999 (Act No. 28 of 1999).

4.2.5.1 Skills Matrix

The table below indicates the number of employees that received training in the year under review:

Table 4:12: Skills Matrix

| Management level | Gender | Number of employees identified for training at start of the year | Number of employees that received training |
|--|---------------|--|--|
| MM and S57 | Female | 0 | 0 |
| | Male | 0 | 0 |
| Legislators, senior officials and managers | Female | 1 | 3 |
| | Male | 15 | 15 |
| Professionals | Female | 13 | 1 |
| | Male | 10 | 1 |
| Associate professionals and Technicians | Female | 15 | 3 |
| | Male | 72 | 23 |
| Community and Personal Services | Female | 0 | 0 |
| | Male | 0 | 0 |
| Clerks | Female | 75 | 6 |
| | Male | 10 | 2 |
| Service and sales workers | Female | 53 | 73 |
| | Male | 81 | 130 |
| Plant and machine operators and assemblers | Female | 0 | 0 |
| | Male | 17 | 17 |
| Elementary occupations | Female | 26 | 15 |
| | Male | 167 | 90 |
| Sub-total | Female | 183 | 101 |
| | Male | 372 | 278 |
| Total | | 555 | 379 |

4.2.5.2 Skills Development – Training provided

The Skills Development Act, 1998 (Act No. 97 of 1998) and the MSA, require that employers supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration, the Municipal Manager is responsible for the management, utilisation and training of staff.

4.2.5.3 Skills Development - Budget allocation

The table below indicates that a total amount of **R 4 493 705** was allocated to the workplace skills plan and that **37.5%** of the total amount was spent in the 2019/20 financial year:

Table 4:13: Budget allocated and spent for skills development

| Year | Total personnel budget | Total Allocated | Total Spend | % Spent |
|---------|------------------------|-----------------|-------------|---------|
| | R | R | R | |
| 2013/14 | 280 637 485 | 2 450 170 | 1 776 397 | 73 |
| 2014/15 | 324 832 04 | 2 743 370 | 2 716 719 | 99 |
| 2015/16 | 416 062 658 | 3 420 000 | 3 406 325 | 99 |
| 2016/17 | 7 801 472 | 3 400 000 | 3 204 069 | 94 |
| 2017/18 | 444 578 881 | 4 919 000 | 3 541 680 | 72 |
| 2018/19 | 528 251 635 | 2 511 080 | 2 374 501 | 94 |
| 2019/20 | 577 204 284 | 4 493 705 | 1 686 233 | 37.5 |

4.2.6 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

4.2.6.1 Personnel Expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past three financial years and that the municipality is well below the national norm of between 35 to 40%:

Table 4:14: Personnel Expenditure as % of Total Operating Expenditure

| Financial year | Total expenditure salary and allowances | Total operating expenditure | Percentage |
|----------------|---|-----------------------------|------------|
| | R | | % |
| 2014/15 | 282 932 | 1 047 586 | 27% |
| 2015/16 | 313 819 | 1 150 240 | 27% |
| 2016/17 | 367 463 | 1 254 937 | 29% |
| 2017/18 | 407 801 | 1 307 335 | 31% |
| 2018/19 | 444 711 | 1 508 629 | 29% |
| 2019/20 | 481 583 | 1 661 441 | 29% |

Below is a summary of Councillor and staff benefits for the year under review:

Table 4:15: Councillor and staff benefits

| Financial year | 2018/19 | 2019/20 | 2019/20 | 2019/20 |
|--|----------------|-----------------|-----------------|----------------|
| Description | Actual | Original Budget | Adjusted Budget | Actual |
| Councillors (Political Office Bearers plus Other) | | | | |
| Salary | 11 509 | 11 322 | 12 934 | 12 263 |
| Pension Contributions | 557 | 132 | 800 | 559 |
| Medical Aid Contributions | 222 | 50 | 87 | 215 |
| Motor Vehicle Allowance | 4 136 | 4 139 | 4 667 | 4 331 |
| Cell Phone and Other Allowances | 1 849 | 1 740 | 1 263 | 1 754 |
| Sub-Total - Councillors | 18 272 | 17 384 | 19 751 | 19 121 |
| % Increase/(Decrease) on Actual | 8.44% | 9.11% | 9.11% | 4.64% |
| Other Municipal Staff | | | | |
| Basic Salaries and Wages | 300 678 | 301 814 | 323 631 | 322 143 |
| Pension and UIF Contributions | 45 559 | 47 734 | 60 625 | 48 803 |
| Medical Aid Contributions | 21 652 | 21 652 | 25 249 | 23 337 |
| Overtime | 37 414 | 44 111 | 51 545 | 31 607 |
| Performance Bonus | 710 | 591 | 0 | 591 |
| Motor Vehicle Allowance | 9 781 | 9 519 | 13 959 | 10 048 |
| Cellphone Allowance | 1 342 | 1 342 | 1 003 | 1 631 |
| Housing Allowances | 2 853 | 2 853 | 2 875 | 2 916 |
| Other benefits and allowances | 6 615 | 30 766 | 76 738 | 30 951 |
| Payments in lieu of leave | 5 321 | 858 | 2 007 | -1 |
| Long service awards | 4 840 | -6 | 66 | 4 109 |
| Post-retirement benefit obligations | 7946 | 421 | 34 | 5 448 |
| Sub-Total - Other Municipal Staff | 444 711 | 461 655 | 557 733 | 481 583 |
| % Increase/(Decrease) | 8.58% | 3.81% | 25.41% | 8.29% |
| Total Municipality | 462 984 | 626 465 | 580 988 | 500 745 |
| % Increase / (Decrease) | 8.77% | 35.31% | 25.49% | 8.16% |

5 CHAPTER 5: FINANCIAL PERFORMANCE

5.1 COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of financial performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

5.1.1 FINANCIAL SUMMARY

The table below indicates the summary of the financial performance for the 2019/20 financial year:

Table 5.1: Financial Performance

| Description | 2018/19 | 2019/20 | | | 2019/20 Variance | |
|---|-----------|-----------------|-------------------|-----------|------------------|-------------------|
| | Actual | Original Budget | Adjustment Budget | Actual | Original Budget | Adjustment Budget |
| | R'000 | | | | % | |
| Financial Performance | | | | | | |
| Property rates | 330 960 | 356 122 | 356 122 | 360 089 | 1.11 | 1.11 |
| Service charges | 817 760 | 1 024 589 | 929 589 | 880 126 | -14.10 | -5.32 |
| Investment revenue | 44 272 | 44 171 | 42 171 | 40 472 | -8.37 | -4.03 |
| Transfers recognised - operational | 145 451 | 172 339 | 184 687 | 160 652 | -6.78 | -13.01 |
| Other own revenue | 190 191 | 181 426 | 177 103 | 166 608 | -8.17 | -5.93 |
| Total revenue (excluding capital transfers and contributions) | 1 528 634 | 1 778 647 | 1 689 671 | 1 607 947 | -9.60 | -4.84 |
| Employee costs | 444 711 | 603 268 | 557 733 | 481 583 | -20.17 | -13.65 |
| Remuneration of councillors | 18 272 | 19 936 | 19 936 | 19 121 | -4.09 | -4.09 |
| Depreciation and asset impairment | 193 789 | 206 956 | 206 956 | 197 275 | -4.68 | -4.68 |
| Finance charges | 41 788 | 39 877 | 29 877 | 56 004 | 40.44 | 87.45 |
| Materials and bulk purchases | 412 265 | 441 448 | 461 084 | 476 298 | 7.89 | 3.30 |
| Transfers and grants | 9 129 | 10 049 | 10 949 | 10 855 | 8.02 | -0.85 |
| Other expenditure | 388 675 | 486 713 | 491 749 | 491 749 | 420 305 | -13.64 |
| Total Expenditure | 1 508 629 | 1 808 247 | | 1 778 284 | 1 661 441 | -8.12 |
| Surplus / (Deficit) | 20 005 | -29 600 | | -88 613 | -53 494 | 80.72 |
| Transfers recognised - capital | 87 982 | 141 088 | 144 868 | 124 374 | -11.85 | -14.15 |
| Contributions recognised - capital and contributed assets | 13051 | - | 0 | 10 275 | 0.00 | 0.00 |
| Surplus / (Deficit) after capital transfers and contributions | 121 038 | 111 488 | 56 255 | 81 155 | -27.21 | 44.26 |
| Capital expenditure and funds sources | | | | | | |
| Capital expenditure | | | | | | |
| Transfers recognised - capital | 87 982 | 141 088 | 144 386 | 124 374 | -11.85 | -13.86 |
| Public contributions and donations | - | - | - | - | - | - |

| Description | 2018/19 | 2019/20 | | | 2019/20 Variance | |
|--|----------------|-----------------|-------------------|----------------|------------------|-------------------|
| | Actual | Original Budget | Adjustment Budget | Actual | Original Budget | Adjustment Budget |
| | R'000 | | | | % | |
| Borrowing | 122 904 | 160 000 | 37 096 | 33 365 | -79.15 | -10.06 |
| Internally generated funds | 286 825 | 257 189 | 396 423 | 248 192 | -3.50 | -37.39 |
| Total sources of capital funds | 493 303 | 558 277 | 577 905 | 405 931 | -27.29 | -29.76 |
| Financial position | | | | | | |
| Total current assets | 910 210 | 780 320 | 733 365 | 710 439 | -8.96 | -3.13 |
| Total non-current assets | 5 468 752 | 5 907 057 | 5 926 685 | 4 679 141 | -20.79 | -21.05 |
| Total current liabilities | 435 473 | 352 300 | 352 300 | 407 397 | 15.64 | 15.64 |
| Total non-current liabilities | 596 463 | 743 814 | 743 814 | 554 003 | -25.52 | -25.52 |
| Community wealth/equity | 5 347 026 | 5 591 263 | 5 563 937 | 5 428 180 | -2.92 | -2.44 |
| Cash flows | | | | | | |
| Net cash from (used) operating | 387 190 | 355 914 | 355 232 | 281 952 | -20.78 | -20.63 |
| Net cash from (used) investing | -383 881 | -558 277 | -577 905 | -314 371 | -43.69 | -45.60 |
| Net cash from (used) financing | 145 498 | 139 117 | -20 883 | -25 870 | -118.60 | 23.88 |
| Cash / cash equivalents at the year end | 169 491 | 423 733 | 433 363 | 111 202 | -73.76 | -74.34 |
| Cash backing / surplus reconciliation | | | | | | |
| Cash and investments available | 169 491 | 370 118 | 323 163 | 417 839 187 | 12.89 | 29.30 |
| Application of cash and investments | 380 386 | 271 759 | 257 572 | 335 206 798 | 23.35 | 30.14 |
| Balance - surplus (shortfall) | -210 896 | 98 359 | 65 591 | 82 632 389 | -15.99 | 25.98 |
| Asset management | | | | | | |
| Asset register summary (WDV) | 5 464 543 | 5 900 562 | 5 920 191 | 5 673 990 | -3.84 | -4.16 |
| Depreciation | 193 789 | 197 184 | 197 184 | 197 275 | 0.05 | 0.05 |
| Renewal of Existing Assets | 46 361 | 218 416 | 196 864 | 17 171 | -92.14 | -91.28 |
| Repairs and Maintenance | 60 923 | 91 240 | 91 240 | 58292 | -36.11 | -36.11 |
| Free Services | | | | | | |
| Cost of Free Basic Services provided | 96 808 | 49 768 | 49 768 | 92 406 | 85.67 | 85.67 |
| Revenue cost of free services provided | 66 773 | 84 568 | 84 568 | - | - | - |
| Households below minimum service level | | | | | | |
| Water: | 2 | 1 | 1 | - | - | - |
| Sanitation / sewerage: | 2 | 1 | 1 | - | - | - |
| Energy: | 3 | 2 | 2 | - | - | - |
| Refuse: | 5 | 4 | 4 | - | - | - |

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned.

The table below shows a summary of performance against budgets:

Table 5.2: Performance against Budgets

| Financial
Year | Revenue | | | | Operating expenditure | | | |
|-------------------|-----------|-----------|----------|--------|-----------------------|-----------|---------|--------|
| | Budget | Actual | Diff. | % | Budget | Actual | Diff. | % |
| | R'000 | | | | R'000 | | | |
| 2015/16 | 1 349 945 | 1 416 703 | 66 758 | 4.95% | 1 284 671 | 1 265 567 | 19 104 | 1.49% |
| 2016/17 | 1 490 495 | 1 534 354 | 43 859 | 2.94% | 1 450 845 | 1 316 387 | 134 458 | 9.27% |
| 2017/18 | 1 629 546 | 1 609 729 | -19 817 | -1.22% | 1 575 255 | 1 363 953 | 211 302 | 13.41% |
| 2018/19 | 1 730 833 | 1 612 139 | -118 694 | -6.86% | 1 719 105 | 1 487 578 | 231 527 | 13.47% |
| 2019/20 | 1 834 539 | 1 742 596 | -91 943 | -5.01% | 1 778 284 | 1 661 441 | 116 843 | 6.57% |

5.1.1.1 Revenue collection by vote

The table below indicates the revenue collection performance by vote:

Table 5.3: Revenue collection performance by vote

| Vote Description | 2018/19 | 2019/20 | | | 2019/20 Variance | |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjustment Budget |
| | R'000 | | | | % | |
| Municipal Manager | 0 | 387 | 387 | - | - 100.00 | -100.00 |
| Planning and Development | 67 693 | 96 045 | 98 418 | 25 044 | - 73.92 | -74.55 |
| Infrastructure Services | 188 011 | 147 702 | 149 721 | 143 842 | - 2.61 | -3.93 |
| Community and Protection Services | 931 339 | 1 196 525 | 1 166 183 | 1 072 412 | - 10.37 | -8.04 |
| Corporate Services | 10 431 | 10 396 | 13 710 | 51 062 | 391.16 | 272.43 |
| Financial Services | 432 193 | 468 680 | 461 120 | 450 236 | -3.94 | -2.36 |
| Total Revenue by Vote | 1 612 139 | 1 919 735 | 1 889 539 | 1 742 596 | -9.23 | -7.78 |

5.1.1.2 Revenue collection by Source

The table below indicates the Revenue collection performance by source for the 2019/20 financial year:

Table 5.4: Revenue Collection by Source

| Description | 2018/19 | 2019/20 | | | 2019/20 Variance | |
|--|---------|-----------------|--------------------|---------|------------------|-------------------|
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustment Budget |
| | R'000 | | | | % | |
| Property rates | 330 960 | 356 122 | 356 122 | 360 089 | 1.11 | 1.11 |
| Service Charges | 817 760 | 1 024 589 | 929 589 | 880 126 | -14.10 | -5.32 |
| Rentals of facilities and equipment | 17 891 | 18 831 | 18 831 | 13 601 | -27.78 | -27.78 |
| Interest earned - external investments | 44 272 | 44 171 | 42 171 | 40 472 | -8.37 | -4.03 |
| Interest earned - outstanding debtors | 8 025 | 11 270 | 11 270 | 6 954 | -38.30 | -38.30 |
| Dividends received | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Fines | 118 046 | 108 260 | 98 260 | 99 993 | -7.64 | 1.76 |
| Licences and permits | 5 044 | 5 398 | 5 398 | 5 725 | 6.06 | 6.06 |
| Agency services | 4 400 | 2 852 | 2 852 | 2 664 | -6.58 | -6.58 |

| Description | 2018/19 | 2019/20 | | | 2019/20 Variance | |
|--|------------------|------------------|--------------------|------------------|------------------|-------------------|
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustment Budget |
| | R'000 | | | | % | |
| Transfers recognised - operational | 145 451 | 172 339 | 184 687 | 160 652 | -6.78 | -13.01 |
| Transfers recognised - capital | 87 982 | 141 088 | 144 868 | 134 649 | -4.56 | -7.05 |
| Other revenue | 43 565 | 34 815 | 40 491 | 36 929 | 6.07 | -8.80 |
| Gains on disposal of PPE | 6 271 | 0 | 0 | 742 | 100.00 | 100.00 |
| Total Revenue (excluding capital transfers and contributions) | 1 629 667 | 1 919 735 | 1 834 539 | 1 742 596 | -9.23 | -5.01 |

5.1.1.3 Operational Services Performance

The table below indicates the operational services performance for the 2019/20 financial year:

Table 5:5: Operational Services Performance: Expenditure

| Description | 2018/19 | 2019/20 | | | 2019/20
Variance | |
|---|---------|--------------------|-----------------------|---------|---------------------|----------------------|
| | Actual | Original
Budget | Adjustments
Budget | Actual | Original
Budget | Adjustment
Budget |
| | R'000 | | | | | % |
| Operating Cost | | | | | | |
| Water | 126 368 | 162 936 | 149 136 | 131 579 | 23.83 | 13.34 |
| Waste Water (Sanitation) | 106 838 | 113 539 | 100 415 | 124 338 | -8.69 | -19.24 |
| Electricity | 447 401 | 451 548 | 460 972 | 514 263 | -12.20 | -10.36 |
| Waste Management | 87 676 | 80 392 | 97 690 | 120 997 | -33.56 | -19.26 |
| Housing | 30 673 | 40 202 | 39 492 | 26 101 | 54.03 | 51.31 |
| Component A: sub-total | 798 957 | 848 617 | 847 705 | 917 279 | -7.49 | -7.58 |
| Roads and Storm water | 90 533 | 153 247 | 152 618 | 102 443 | 49.59 | 48.98 |
| Component B: sub-total | 90 533 | 153 247 | 152 618 | 102 443 | 49.59 | 48.98 |
| Town Planning and Spatial Planning | 18 993 | 17 100 | 16 420 | 19 789 | -13.59 | -17.02 |
| Local Economic Development | 10 755 | 13 325 | 12 799 | 10 574 | 26.02 | 21.04 |
| Component C: sub-total | 29 748 | 30 425 | 29 219 | 30 363 | 0.21 | -3.77 |
| Libraries | 12 922 | 32 871 | 32 405 | 14 787 | 122.31 | 119.15 |
| Cemeteries | 3 759 | 4 925 | 5 799 | 5 333 | -7.64 | 8.75 |
| Community development | 10 963 | 8 669 | 11 273 | 13 567 | -36.10 | -16.91 |
| Component D: sub-total | 27 644 | 46 466 | 49 478 | 33 686 | 37.94 | 46.88 |
| Environmental Protection | – | – | – | – | 0.00 | 0.00 |
| Component E: sub-total | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| Traffic services | 196 519 | 183 660 | 196 947 | 195 854 | -6.23 | 0.56 |
| Fire Services and Disaster Management | 41 128 | 43 570 | 43 848 | 44 278 | -1.60 | -0.97 |
| Component F: sub-total | 237 647 | 227 230 | 240 795 | 240 132 | -5.37 | 0.28 |
| Holiday Resorts and Campsites | 219 | 162 | 292 | 280 | -42.12 | 4.33 |
| Sport grounds, parks, swimming pools | 63 324 | 73 774 | 65 891 | 59 013 | 25.01 | 11.65 |
| Community Halls, Facilities and thusong Centres | 4 278 | 697 | 1 307 | 4 229 | -83.52 | -69.10 |
| Component G: sub-total | 67 821 | 74 634 | 67 490 | 63 522 | 17.49 | 6.25 |
| Office of the MM | 24 955 | 41 609 | 28 271 | 24 568 | 69.36 | 15.07 |
| Financial Services | 50 816 | 0 | 136 107 | 59 217 | -100.00 | 129.84 |

| Description | 2018/19 | 2019/20 | | | 2019/20
Variance | |
|----------------------------------|------------------|--------------------|-----------------------|------------------|---------------------|----------------------|
| | Actual | Original
Budget | Adjustments
Budget | Actual | Original
Budget | Adjustment
Budget |
| | R'000 | | | | | % |
| Administration | 70 820 | 93 125 | 94 963 | 70 110 | 32.83 | 35.45 |
| Property and contract management | 30 215 | 0 | 38 887 | 31 590 | -100.00 | 23.10 |
| HR | 29 038 | 78 913 | 23 624 | 33 799 | 133.48 | -30.10 |
| IT | 26 979 | 32 738 | 30 846 | 32 535 | 0.62 | -5.19 |
| Internal Audit | 10 118 | 15 075 | 12 982 | 11 384 | 32.43 | 14.04 |
| Legal Services | 13 339 | 0 | 15 527 | 10 816 | -100.00 | 43.56 |
| Component H: sub-total | 256 280 | 261 459 | 381 206 | 274 017 | -4.58 | 39.12 |
| Total Expenditure | 1 508 629 | 1 642 079 | 1 768 512 | 1 661 441 | -1.17 | 6.44 |

In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

5.2.1 WATER SERVICES

Table 5.6: Financial Performance: Water Services

| Description | 2018/19 | 2019/20 | | | |
|--------------------------------------|--------------------------------|--------------------|----------------------|-----------------|-----------------------|
| | Actual
(Audited
Outcome) | Original
Budget | Adjustment
Budget | Actual | Variance to
Budget |
| | R'000 | | | | % |
| Total Operational Revenue | (165 401) | (129 793) | (116 519) | (197 989) | 34.44 |
| Expenditure: | | | | | |
| Employees | 27 669 | 31 531 | 31 881 | 30 116 | -4.70 |
| Repairs and Maintenance | 6 650 | 12 961 | 12 961 | 3 929 | -229.88 |
| Other | 92 049 | 118 444 | 104 294 | 97 534 | -21.44 |
| Total Operational Expenditure | 126 368 | 162 936 | 149 136 | 131 579 | -23.83 |
| Net Operational (Service) | (39 033) | 33 143 | 32 617 | (66 409) | 149.91 |

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.2.2 SANITATION SERVICES

Table 5:7: Financial Performance: Sanitation Services

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------------|--------------------|----------------------|---------------|-----------------------|
| | Actual
(Audited
Outcome) | Original
Budget | Adjustment
Budget | Actual | Variance
to Budget |
| | R'000 | | | | % |
| Total Operational Revenue | (113 615) | (221 996) | (205 882) | (114 242) | -94.32 |
| Expenditure: | | | | | |
| Employees | 41 576 | 47 115 | 47 115 | 43 378 | -8.62 |
| Repairs and Maintenance | 6 397 | 16 143 | 16 143 | 2 453 | -558.21 |
| Other | 58 865 | 50 281 | 37 157 | 78 508 | 35.95 |
| Total Operational Expenditure | 106 838 | 113 539 | 100 415 | 124 338 | 8.69 |
| Net Operational (Service) | (6 777) | (108 457) | (105 467) | 10 096 | 1174.26 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.3 ELECTRICITY SERVICES

Table 5:8: Financial Performance: Electricity Services

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------------|--------------------|----------------------|-----------------|-----------------------|
| | Actual
(Audited
Outcome) | Original
Budget | Adjustment
Budget | Actual | Variance
to Budget |
| | R'000 | | | | % |
| Total Operational Revenue | (562 881) | (667 526) | (722 555) | (593 017) | -12.56 |
| Expenditure: | | | | | |
| Employees | 27 019 | 21 467 | 19 467 | 31 467 | 31.78 |
| Repairs and Maintenance | 8 022 | 12 540 | 12 540 | 7 851 | -59.71 |
| Other | 412 360 | 417 541 | 428 965 | 474 945 | 12.09 |
| Total Operational Expenditure | 447 401 | 451 548 | 460 972 | 514 263 | 12.20 |
| Net Operational (Service) | (115 479) | (215 978) | (261 582) | (78 754) | -174.25 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.4 WASTE MANAGEMENT SERVICES (REFUSE COLLECTIONS, WASTE DISPOSAL AND RECYCLING)

Table 5:9: Financial Performance: Waste Management Services (Refuse Collections, Waste Disposal, and Recycling)

| Description | 2018/19 | 2019/20 | | | |
|---|-----------------------------|-----------------|-------------------|----------------|--------------------|
| | Actual
(Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | % |
| Total Operational Revenue | (79 362) | (95 145) | (95 198) | (89 912) | -5.82 |
| Expenditure: | | | | | |
| Employees | 24 678 | 26 623 | 26 623 | 32 142 | 17.17 |
| Repairs and Maintenance | 2 438 | 5 581 | 5 581 | 2 381 | -134.37 |
| Other | 60 560 | 48 188 | 65 486 | 86 474 | 44.27 |
| Total Operational Expenditure | 87 676 | 80 392 | 97 690 | 120 997 | 33.56 |
| Net Operational (Service) | 8 314 | (14 753) | 2 492 | 31 086 | 147.46 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.5 HOUSING DEVELOPMENT

Table 5:10: Financial Performance: Housing Personnel Expenditure

| Description | 2018/19 | 2018/19 | | | |
|---|-----------------------------|-----------------|-------------------|---------------|--------------------|
| | Actual
(Audited Outcome) | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| | R'000 | | | | % |
| Total Operational Revenue | (9 054) | (22 847) | (20 102) | (14 218) | -60.69 |
| Expenditure: | | | | | |
| Employees | 19 567 | 24 706 | 24 476 | 19 102 | -29.33 |
| Repairs and Maintenance | 1 181 | 1 001 | 1 001 | 144 | -597.31 |
| Other | 9 926 | 14 496 | 14 016 | 6 855 | -111.46 |
| Total Operational Expenditure | 30 673 | 40 202 | 39 492 | 26 101 | -54.03 |
| Net Operational (Service) | 21 619 | 17 355 | 19 390 | 11 883 | -46.05 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.6 ROADS AND STORM WATER

Table 5:11: Financial Performance: Roads and Storm water

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------------|--------------------|----------------------|----------------|-----------------------|
| | Actual
(Audited
Outcome) | Original
Budget | Adjustment
Budget | Actual | Variance
to Budget |
| | R'000 | | | | % |
| Total Operational Revenue | (4 295) | (2 003) | (2 028) | (3 823) | 47.60 |
| Expenditure: | | | | | |
| Employees | 26 345 | 26 784 | 26 436 | 29 877 | 10.35 |
| Repairs and Maintenance | 10 279 | 12 170 | 12 170 | 20 367 | 40.24 |
| Other | 53 910 | 114 293 | 114 012 | 52 199 | -118.96 |
| Total Operational Expenditure | 90 533 | 153 247 | 152 618 | 102 443 | -49.59 |
| Net Operational (Service) | 86 238 | 151 244 | 150 590 | 98 619 | -53.36 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.7 TOWN AND SPATIAL PLANNING

Table 5:12: Financial Performance: Town Planning and Spatial planning

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------------|--------------------|----------------------|---------------|-----------------------|
| | Actual
(Audited
Outcome) | Original
Budget | Adjustment
Budget | Actual | Variance
to Budget |
| | R'000 | | | | % |
| Total Operational Revenue | (148) | (27 501) | (5 786) | (77) | -35655.14 |
| Expenditure: | | | | | |
| Employees | 17 870 | 15 694 | 15 394 | 18 296 | 14.22 |
| Repairs and Maintenance | 6 | – | – | – | 0.00 |
| Other | 1 117 | 1 406 | 1 026 | 1 494 | 5.87 |
| Total Operational Expenditure | 18 993 | 17 100 | 16 420 | 19 789 | 13.59 |
| Net Operational (Service) | 18 845 | (10 401) | 10 635 | 19 712 | 152.77 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.8 LOCAL ECONOMIC DEVELOPMENT (LED)

Table 5:13: Financial Performance: LED

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------------|--------------------|----------------------|--------------|-----------------------|
| | Actual
(Audited
Outcome) | Original
Budget | Adjustment
Budget | Actual | Variance
to Budget |
| | R'000 | | | | % |
| Total Operational Revenue | – | (1 192) | (1 192) | (1 435) | 16.99 |
| Expenditure: | | | | | |
| Employees | 5 257 | 5 369 | 5 369 | 4 882 | -9.98 |
| Repairs and Maintenance | 24 | 60 | 60 | 0 | -103943.22 |
| Other | 5 474 | 7 896 | 7 370 | 5 692 | -38.73 |
| Total Operational Expenditure | 10 755 | 13 325 | 12 799 | 10 574 | -26.02 |
| Net Operational (Service) | 10 755 | 12 134 | 11 608 | 9 139 | -32.77 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.9 LIBRARIES

Table 5:14: Financial Performance: Libraries

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------------|--------------------|----------------------|--------------|-----------------------|
| | Actual
(Audited
Outcome) | Original
Budget | Adjustment
Budget | Actual | Variance
to Budget |
| | R'000 | | | | % |
| Total Operational Revenue | (12 330) | (17 575) | (844) | (12 574) | -39.77 |
| Expenditure: | | | | | |
| Employees | 11 158 | 30 074 | 30 073 | 12 829 | -134.41 |
| Repairs and Maintenance | 13 | 224 | 224 | 7 | -2981.49 |
| Other | 1 751 | 2 574 | 2 108 | 1 950 | -32.00 |
| Total Operational Expenditure | 12 922 | 32 871 | 32 405 | 14 787 | -122.31 |
| Net Operational (Service) | 591 | 15 296 | 31 561 | 2 212 | -591.41 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.10 COMMUNITY DEVELOPMENT

Table 5:15: Financial Performance: Community Development

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------------|--------------------|----------------------|---------------|-----------------------|
| | Actual
(Audited
Outcome) | Original
Budget | Adjustment
Budget | Actual | Variance
to Budget |
| | R'000 | | | | % |
| Total Operational Revenue | (5 722) | – | (56) | (1 985) | 100.00 |
| Expenditure: | | | | | |
| Employees | 3 640 | 234 | 534 | 4 076 | 94.26 |
| Repairs and Maintenance | 20 | 11 | 11 | 5 | -127.47 |
| Other | 7 303 | 8 424 | 10 728 | 9 486 | 11.19 |
| Total Operational Expenditure | 10 963 | 8 669 | 11 273 | 13 567 | 36.10 |
| Net Operational (Service) | 5 241 | 8 669 | 11 217 | 11 581 | 25.15 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.11 CEMETERIES

Table 5:16: Financial Performance: Cemeteries

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------------|--------------------|----------------------|--------------|-----------------------|
| | Actual
(Audited
Outcome) | Original
Budget | Adjustment
Budget | Actual | Variance
to Budget |
| | R'000 | | | | % |
| Total Operational Revenue | (859) | (7 817) | (7 206) | (1 246) | -527.37 |
| Expenditure: | | | | | |
| Employees | 2 778 | 2 778 | 2 778 | 3 166 | 12.25 |
| Repairs and Maintenance | 113 | 350 | 350 | 1 407 | 75.12 |
| Other | 868 | 1 798 | 2 672 | 760 | -136.58 |
| Total Operational Expenditure | 3 759 | 4 925 | 5 799 | 5 333 | 7.64 |
| Net Operational (Service) | 2 900 | (2 892) | (1 406) | 4 087 | 170.76 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.12 TRAFFIC SERVICES AND LAW ENFORCEMENT

Table 5:17: Financial Performance: Traffic Services

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------------|--------------------|----------------------|----------------|-----------------------|
| | Actual
(Audited
Outcome) | Original
Budget | Adjustment
Budget | Actual | Variance
to Budget |
| | R'000 | | | | % |
| Total Operational Revenue | (131 770) | (120 565) | (128 947) | (120 391) | -0.14 |
| Expenditure: | | | | | |
| Employees | 60 250 | 53 958 | 54 693 | 61 347 | 12.05 |
| Repairs and Maintenance | 2 215 | 2 037 | 2 037 | 1 208 | -68.67 |
| Other | 134 054 | 127 666 | 140 217 | 133 299 | 4.23 |
| Total Operational Expenditure | 196 519 | 183 660 | 196 947 | 195 854 | 6.23 |
| Net Operational (Service) | 64 750 | 63 096 | 67 999 | 75 463 | 16.39 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.13 FIRE SERVICES AND DISASTER MANAGEMENT

Table 5:18: Financial Performance: Fire Services and Disaster Management Personnel Expenditure

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------------|--------------------|----------------------|---------------|-----------------------|
| | Actual
(Audited
Outcome) | Original
Budget | Adjustment
Budget | Actual | Variance
to Budget |
| | R'000 | | | | % |
| Total Operational Revenue | (353) | (1 127) | (377) | (672) | -67.78 |
| Expenditure: | | | | | |
| Employees | 34 756 | 37 147 | 35 147 | 36 721 | -1.16 |
| Repairs and Maintenance | 1 524 | 818 | 818 | 1 090 | 24.93 |
| Other | 4 848 | 5 605 | 7 883 | 6 467 | 13.33 |
| Total Operational Expenditure | 41 128 | 43 570 | 43 848 | 44 278 | 1.60 |
| Net Operational (Service) | 40 745 | 42 443 | 43 471 | 43 606 | 2.67 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.14 HOLIDAY RESORTS AND CAMPSITES

Table 5:19: Financial Performance: Holiday Resorts and Campsites

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------------|--------------------|----------------------|--------------|-----------------------|
| | Actual
(Audited
Outcome) | Original
Budget | Adjustment
Budget | Actual | Variance to
Budget |
| | R'000 | | | | % |
| Total Operational Revenue | (293) | – | – | (398) | 100.00 |
| Expenditure: | | | | | |
| Employees | 166 | – | 130 | 237 | 100.00 |
| Repairs and Maintenance | – | 64 | 64 | 4 | 0.00 |
| Other | 53 | 98 | 98 | 39 | -152.71 |
| Total Operational Expenditure | 219 | 162 | 292 | 280 | 42.12 |
| Net Operational (Service) | (74) | 162 | 292 | (118) | 236.75 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.15 SPORT GROUNDS, PARKS AND SWIMMING POOLS

Table 5:20: Financial Performance: Sport Grounds, Parks and Swimming Pools

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------------|--------------------|----------------------|---------------|-----------------------|
| | Actual
(Audited
Outcome) | Original
Budget | Adjustment
Budget | Actual | Variance
to Budget |
| | R'000 | | | | % |
| Total Operational Revenue | (410) | (2 569) | (2 854) | (1 543) | -66.52 |
| Expenditure: | | | | | |
| Employees | 34 979 | 35 815 | 35 283 | 38 089 | 5.97 |
| Repairs and Maintenance | 13 878 | 16 547 | 16 547 | 11 712 | -41.29 |
| Other | 14 468 | 21 413 | 14 061 | 9 212 | -132.45 |
| Total Operational Expenditure | 63 324 | 73 774 | 65 891 | 59 013 | -25.01 |
| Net Operational (Service) | 62 915 | 71 205 | 63 037 | 57 470 | -23.90 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.16 COMMUNITY HALLS AND THUSONG CENTRES

Table 5:21: Financial Performance: Community Halls and Thusong Centres

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------------|--------------------|----------------------|--------------|-----------------------|
| | Actual
(Audited
Outcome) | Original
Budget | Adjustment
Budget | Actual | Variance
to Budget |
| | R'000 | | | | % |
| Total Operational Revenue | (4 159) | (155 369) | (766) | (3 599) | -4216.49 |
| Expenditure: | | | | | |
| Employees | 3 207 | 13 | 313 | 3 046 | 99.58 |
| Repairs and Maintenance | 3 | 164 | 164 | 162 | -1.19 |
| Other | 1 068 | 521 | 831 | 1 022 | 49.03 |
| Total Operational Expenditure | 4 278 | 697 | 1 307 | 4 229 | 83.52 |
| Net Operational (Service) | 119 | (154 672) | 541 | 630 | 24655.58 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.17 OFFICE OF THE MUNICIPAL MANAGER

Table 5:22: Financial Performance: Office of the Municipal Manager

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------------|--------------------|----------------------|---------------|-----------------------|
| | Actual
(Audited
Outcome) | Original
Budget | Adjustment
Budget | Actual | Variance
to Budget |
| | R'000 | | | | % |
| Total Operational Revenue | – | (3 187) | (0) | – | -100.00 |
| Expenditure: | | | | | |
| Employees | 18 626 | 32 499 | 21 451 | 18 525 | -75.43 |
| Repairs and Maintenance | 4 | 61 | 61 | 8 | -691.43 |
| Other | 6 325 | 9 049 | 6 759 | 6 035 | -49.95 |
| Total Operational Expenditure | 24 955 | 41 609 | 28 271 | 24 568 | -69.36 |
| Net Operational (Service) | 24 955 | 38 422 | 28 271 | 24 568 | -56.39 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.18 HUMAN RESOURCE SERVICES

Table 5:23: Financial Performance: Human Resource Services

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------------|--------------------|----------------------|---------------|-----------------------|
| | Actual
(Audited
Outcome) | Original
Budget | Adjustment
Budget | Actual | Variance
to Budget |
| | R'000 | | | | % |
| Total Operational Revenue | (1 008) | (724) | (916) | (1 324) | 45.32 |
| Expenditure: | | | | | |
| Employees | 6 445 | 70 048 | 16 678 | 13 538 | -417.43 |
| Repairs and Maintenance | 2 | 50 | 50 | – | -100.00 |
| Other | 22 592 | 8 814 | 6 895 | 20 261 | 56.50 |
| Total Operational Expenditure | 29 038 | 78 913 | 23 624 | 33 799 | -133.48 |
| Net Operational (Service) | 28 030 | 78 188 | 22 708 | 32 474 | -140.77 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.19 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Table 5:24: Financial Performance: Information and Communication Technology (ICT) Services

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------------|--------------------|----------------------|---------------|-----------------------|
| | Actual
(Audited
Outcome) | Original
Budget | Adjustment
Budget | Actual | Variance
to Budget |
| | R'000 | | | | % |
| Total Operational Revenue | 0 | 0 | 0 | 0 | 0 |
| Expenditure: | | | | | |
| Employees | 7 643 | 9 359 | 7 359 | 8 384 | -11.64 |
| Repairs and Maintenance | 30 | 503 | 503 | 215 | -133.56 |
| Other | 19 306 | 22 876 | 22 984 | 23 936 | 4.43 |
| Total Operational Expenditure | 26 979 | 32 738 | 30 846 | 32 535 | -0.62 |
| Net Operational (Service) | 26 979 | 32 738 | 30 846 | 32 535 | -0.62 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.20 LEGAL SERVICES

Table 5:25: Financial Performance: Legal Services

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------------|--------------------|----------------------|---------------|-----------------------|
| | Actual
(Audited
Outcome) | Original
Budget | Adjustment
Budget | Actual | Variance
to Budget |
| | R'000 | | | | % |
| Total Operational Revenue | (2) | – | (5) | (1) | 100.00 |
| Expenditure: | | | | | |
| Employees | 4 316 | 5 491 | 5 491 | 4 636 | -18.45 |
| Repairs and Maintenance | – | 29 | 29 | – | 0.00 |
| Other | 9 023 | (5 520) | 10 007 | 6 180 | 189.33 |
| Total Operational Expenditure | 13 339 | – | 15 527 | 10 816 | 100.00 |
| Net Operational (Service) | 13 337 | – | 15 522 | 10 814 | 100.00 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.21 PROPERTY MANAGEMENT

Table 5:26: Financial Performance: Property and Contract Management

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------------|--------------------|----------------------|---------------|-----------------------|
| | Actual
(Audited
Outcome) | Original
Budget | Adjustment
Budget | Actual | Variance
to Budget |
| | R'000 | | | | % |
| Total Operational Revenue | (8 782) | (11) | (2 851) | (3 143) | 99.64 |
| Expenditure: | | | | | |
| Employees | 7 728 | 9 982 | 6 982 | 8 159 | -22.34 |
| Repairs and Maintenance | 6 848 | 8 174 | 8 174 | 5 233 | 0.00 |
| Other | 15 639 | (18 155) | 23 731 | 18 197 | 199.77 |
| Total Operational Expenditure | 30 215 | – | 38 887 | 31 590 | 100.00 |
| Net Operational (Service) | 21 432 | (11) | 36 036 | 28 446 | 100.04 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.22 FINANCIAL SERVICES

Table 5:27: Financial Performance: Financial Services

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------------|--------------------|----------------------|------------------|-----------------------|
| | Actual
(Audited
Outcome) | Original
Budget | Adjustment
Budget | Actual | Variance
to Budget |
| | R'000 | | | | % |
| Total Operational Revenue | (432 193) | (323 335) | (458 201) | (450 236) | 28.19 |
| Expenditure: | | | | | |
| Employees | 30 050 | 66 497 | 91 065 | 30 219 | -120.05 |
| Repairs and Maintenance | 1 240 | 1 334 | 1 334 | 53 | 0.00 |
| Other | 19 526 | (67 831) | 43 708 | 28 945 | 334.34 |
| Total Operational Expenditure | 50 816 | – | 136 107 | 59 217 | 100.00 |
| Net Operational (Service) | (381 377) | (323 335) | (322 094) | (391 019) | 17.31 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.23 INTERNAL AUDIT

Table 5:28: Financial Performance: Financial Services

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------------|--------------------|----------------------|---------------|-----------------------|
| | Actual
(Audited
Outcome) | Original
Budget | Adjustment
Budget | Actual | Variance
to Budget |
| | R'000 | | | | % |
| Total Operational Revenue | 0 | 0 | 0 | 0 | 0 |
| Expenditure: | | | | | |
| Employees | 3 838 | 5 307 | 5 307 | 4 548 | -16.68 |
| Repairs and Maintenance | 0 | 0 | 0 | 0 | 0.00 |
| Other | 6 280 | 9 768 | 7 675 | 6 835 | -42.91 |
| Total Operational Expenditure | 10 118 | 15 075 | 12 982 | 11 384 | -32.43 |
| Net Operational (Service) | 10 118 | 15 075 | 12 982 | 11 384 | -32.43 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.2.24 ADMINISTRATION

Table 5:29: Financial Performance: Administration

| Description | 2018/19 | 2019/20 | | | |
|---|--------------------------------|--------------------|----------------------|---------------|-----------------------|
| | Actual
(Audited
Outcome) | Original
Budget | Adjustment
Budget | Actual | Variance
to Budget |
| | R'000 | | | | % |
| Total Operational Revenue | (9 048) | 12 531 | (10 718) | (6 395) | 295.96 |
| Expenditure: | | | | | |
| Employees | 25 151 | 48 038 | 50 961 | 24 801 | -93.70 |
| Repairs and Maintenance | 37 | 418 | 418 | 64 | -554.56 |
| Other | 45 632 | 44 669 | 43 584 | 45 245 | 1.27 |
| Total Operational Expenditure | 70 820 | 93 125 | 94 963 | 70 110 | -32.83 |
| Net Operational (Service) | 61 772 | 105 656 | 84 245 | 63 715 | -65.83 |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. | | | | | |

5.3 GRANTS

5.3.1 GRANT PERFORMANCE

The Municipality had a total amount of **R 172 million** for operational expenditure available that was received in the form of grants from the National and Provincial Governments during the 2019/20 financial year. The performance in the spending of these grants are summarised as follows:

Table 5:30: Grant Performance

| Description | 2018/19 | 2019/20 | | | 2019/20 Variance | |
|---|----------------|----------------|----------------------|----------------|--------------------|----------------------|
| | Actual | Budget | Adjustment
Budget | Actual | Original
Budget | Adjustment
Budget |
| | R'000 | | | | % | |
| National Government: | 131 719 | 144 704 | 143 410 | 143 254 | 100% | 100 |
| Equitable Share | 124 176 | 136 177 | 136 177 | 136 177 | 0.00 | 0.00 |
| Financial Management Grant | 1 550 | 1 550 | 1 550 | 1 550 | 0.00 | 0.00 |
| EPWP | 5 722 | 5 227 | 5 227 | 5 227 | 0.00 | 0.00 |
| Municipal Systems Improvement Grant | | 1 750 | 0 | 0 | 100.00 | 0.00 |
| Natural Resources Management Grant | 271 | 0 | 247 | 91 | 0.00 | 63.16 |
| Municipal Disaster Management Grant | 0 | 0 | 209 | 209 | 0.00 | 0.00 |
| Provincial Government: | 13 509 | 27 635 | 24 552 | 16 559 | 40.08 | 32.56 |
| Community Development Workers Operational Support Grant | 56 | 0 | 56 | 19 | 0.00 | 66.07 |
| Library Services: Conditional Grant | 12 210 | 12454 | 12 454 | 12 454 | 0.00 | 0.00 |
| WC Financial Management Support Grant | 255 | 255 | 255 | 255 | 0.00 | 0.00 |
| Local Government Support Grant | | | 900 | 900 | 0.00 | 0.00 |
| Housing accreditation grant | 56 | 224 | 224 | 168 | 25.00 | 25.00 |
| Financial Management Capacity Building Grant | 139 | 380 | 740 | 380 | 0.00 | 48.65 |
| LG Graduate Internship Grant | 12 | | 140 | 66 | 0.00 | 52.86 |

| Description | 2018/19 | 2019/20 | | | 2019/20 Variance | |
|--|----------------|----------------|-------------------|----------------|------------------|-------------------|
| | Actual | Budget | Adjustment Budget | Actual | Original Budget | Adjustment Budget |
| | R'000 | | | | % | |
| Human Settlements Development Grant | 0 | 12 438 | 5 626 | 0 | 100.00 | 100.00 |
| Regional Socio-Economic Project/violence through urban upgrading (RSEP/VPUU) | 0 | 1 500 | 0 | 0 | 100.00 | 0.00 |
| Maintenance and Construction of Transport Infrastructure | 371 | 384 | 384 | 384 | 0.00 | 0.00 |
| Title Deeds Restoration Grant | 410 | 0 | 3773 | 1933 | 0.00 | 48.77 |
| District Municipality: | 0 | 0 | 2503 | 472 | 0.00 | 81.14 |
| Cape Winelands District Grant | 0 | 0 | 2 503 | 472 | 0.00 | 81.14 |
| Other Grant Providers: | 223 | 0 | 2 035 | 304 | 0.00 | 85.06 |
| LG SETA Discretionary | 0 | 0 | 35 | 63 | 0.00 | -80.00 |
| Taipei donation COVID-19 Donation | 0 | 0 | 0 | 132 | 0.00 | 100.00 |
| Khaya Lam Free Market Foundation | 223 | 0 | 0 | 0 | 0.00 | 100.00 |
| DBSA Grant | 0 | 0 | 2 000 | 172 | 0.00 | 91.40 |
| Total Operating Transfers and Grants | 145 451 | 172 339 | 172 500 | 160 589 | 6.82 | 6.90 |

5.3.2 LEVEL OF RELIANCE ON GRANTS AND SUBSIDIES

Table 5.31: Reliance on Grants

| Financial year | Total grants and subsidies received | Total Operating Revenue | Percentage |
|----------------|-------------------------------------|-------------------------|------------|
| | R'000 | | % |
| 2015/16 | 227 268 | 1 411 274 | 16.10 |
| 2016/17 | 227 752 | 1 534 354 | 14.84 |
| 2017/18 | 211 190 | 1 609 728 | 13.12 |
| 2018/19 | 233 433 | 1 541 685 | 15.14 |
| 2019/20 | 285 026 | 1 618 222 | 17.61 |

Developers contributions have been excluded from the grant item to express only allocations and not policy related revenue which NT allocates to capital revenue. It would distort the reliance on grant calculation if excluded from the above ratio.

5.4 ASSET MANAGEMENT

Asset management is practised within the organisation based on a comprehensive Asset Management Policy. The Asset Management Policy provides direction for the management, accounting and control of property, plant and equipment (assets) owned or controlled by the municipality to ensure the following:

Implementation of the approved Asset Management Policy as required in terms of section 63 of MFMA.

- Verify assets in possession of the Council annually, during the course of the financial year.
- Keep a complete and balanced record of all assets in possession of the Council.
- Report in writing all asset losses, where applicable, to Council.
- Those assets are valued and accounted for in accordance with a statement of GRAP.

5.5 REPAIRS AND MAINTENANCE

Table 5:32: Repairs and Maintenance Expenditure

| Description | 2018/19 | 2019/20 | | | 2019/20 Variance |
|-------------------------------------|---------|-----------------|-------------------|--------|------------------|
| | Actual | Original Budget | Adjustment Budget | Actual | Budget variance |
| | R'000 | | | | % |
| Repairs and Maintenance Expenditure | 60 923 | 91 240 | 91 240 | 58 292 | 36.11 |

5.6 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Table 5:33: Liquidity Ratio

| Description | Basis of calculation | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---|--|---------|---------|---------|---------|---------|
| Current Ratio | Current assets / current liabilities | 2.72 | 2.18 | 2.02 | 2.09 | 1.74 |
| Current Ratio adjusted for aged debtors | Current assets - debtors > 90 days / current liabilities | 2.6 | 2.18 | 1.38 | 1.39 | 0.97 |
| Liquidity Ratio | Monetary Assets / Current Liabilities | 2.61 | 1.51 | 1.92 | 1.98 | 1.67 |

5.6.1 IDP REGULATION FINANCIAL VIABILITY INDICATORS

Table 5:34: IDP Regulation Financial Viability of Indicators

| Description | Basis of calculation | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|--|---|---------|---------|---------|---------|---------|
| Cost Coverage | (Available cash + investments) / monthly fixed operational expenditure | 1.4 | 5.71 | 4.59 | 4.70 | 2.41 |
| Total Outstanding Service Debtors to Revenue | Total outstanding service debtors / annual revenue received for services | 10.22% | 18.09% | 28.05% | 30.66% | 25.45% |
| Debt Coverage | (Total operating revenue - operating grants) / debt service payments due within financial year) | 40.97 | 47.16 | 46.81 | 43.86 | 25.43 |

5.6.2 BORROWING MANAGEMENT

Table 5:35: Borrowing Management

| Description | Basis of calculation | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|--|---|---------|---------|---------|---------|---------|
| Capital Charges to Operating Expenditure | Interest and Principal Paid / Operating Expenditure | 1.60% | 1.21% | 2.31% | 2.09% | 3.43% |

5.6.3 EMPLOYEE COSTS

Table 5:36: Employee Costs

| Description | Basis of calculation | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|----------------|--|---------|---------|---------|---------|---------|
| Employee costs | Employee costs / (total revenue - capital revenue) | 28.10% | 26.84% | 28.80% | 29.09% | 29.95% |

5.7 COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.7.1 CAPITAL EXPENDITURE

5.7.1.1 Capital Expenditure by assets programme

Table 5:37: Capital Expenditure by asset programme

| Description | 2019/20 | | |
|------------------------------------|-----------------|-------------------|--------------------|
| | Original Budget | Adjustment Budget | Actual Expenditure |
| | R'000 | | |
| Capital Expenditure by Asset Class | | | |
| Infrastructure | 360 706 | 359 593 | 258 784 |
| Roads Infrastructure | 87 150 | 91 276 | 65 344 |
| Roads | 66 550 | 64 288 | 49 897 |
| Road Structures | 16 200 | 20 700 | 10 664 |
| Road Furniture | 3 400 | 3 750 | 3 949 |
| Storm water Infrastructure | 1 000 | 1 688 | 834 |
| Storm water Conveyance | - | 850 | - |
| Electrical Infrastructure | 30 745 | 41 107 | 34 668 |
| Power Plants | - | 5 800 | 28 364 |
| HV Substations | 500 | 500 | 2 015 |
| MV Switching Stations | 0 | 0 | - |
| MV Networks | 23 695 | 23 820 | - |
| MV Substations | - | 4 550 | - |
| LV Networks | 4 500 | 4 386 | 2 006 |
| Capital Spares | 2 050 | 2 050 | 2 283 |
| Water Supply Infrastructure | 80 202 | 48 406 | 55 207 |
| Dams and Weirs | 0 | 634 | - |
| Boreholes | 0 | 0 | - |
| Reservoirs | 21 500 | 8 608 | 6 063 |
| Water Treatment Works | 4 500 | 3 288 | 13 499 |
| Bulk Mains | 25 000 | 8 924 | 9 044 |
| Distribution | 26 702 | 24 452 | 26 601 |
| Capital Spares | 2500 | 2500 | - |
| Sanitation Infrastructure | 128 300 | 142 080 | 80 753 |
| Pump Station | 7000 | 7000 | - |
| Reticulation | 17 500 | 18 613 | 78 779 |
| Waste Water Treatment Works | 47 800 | 54 719 | 1 974 |
| Outfall Sewers | 55 500 | 61 155 | - |
| Toilet Facilities | 500 | 439 | - |

| Description | 2019/20 | | |
|---|-----------------|-------------------|--------------------|
| | Original Budget | Adjustment Budget | Actual Expenditure |
| | R'000 | | |
| Capital Spares | - | 154 | 0 |
| Solid Waste Infrastructure | 33 300 | 35 714 | 22 078 |
| Landfill Sites | 31 500 | 33 400 | 13 652 |
| Waste Transfer Stations | 1000 | 287 | 359 |
| Waste Drop-off Points | 300 | 300 | 8 067 |
| Waste Separation Facilities | 0 | 1727 | - |
| Capital Spares | 500 | 0 | - |
| Information and Communication Infrastructure | 1 010 | 1 010 | 734 |
| Data Centres | 1 000 | 1 000 | - |
| Capital Spares | 10 | 10 | 734 |
| Community Assets | 36 825 | 34 867 | 13 697 |
| Community Facilities | 24 325 | 23 673 | 11 326 |
| Halls | 4 850 | 6 459 | - |
| Centres | 200 | -420 | - |
| Fire / Ambulance Stations | 2 000 | 2 000 | 472 |
| Testing Stations | 0 | 0 | - |
| Theatres | 4 000 | 1 329 | - |
| Libraries | 1 475 | 275 | 377 |
| Cemeteries / Crematoria | 1 500 | 1 171 | 1 094 |
| Police | 500 | -177 | - |
| Public Open Space | 2 500 | 2 000 | 2 621 |
| Nature Reserves | 1 500 | 1 945 | - |
| Public Ablution Facilities | 500 | 139 | - |
| Stalls | 4 500 | 8 074 | - |
| Taxi Ranks / Bus Terminals | 0 | 1 064 | 6 762 |
| Capital Spares | 800 | -187 | - |
| Sport and Recreation Facilities | 12 500 | 12 877 | 2 371 |
| Outdoor Facilities | 12 500 | 12 877 | 2 371 |
| Heritage assets | | | |
| Heritage assets | 2 500 | 2 201 | 0 |
| Historic Buildings | 500 | 500 | 0 |
| Conservation Areas | 2 000 | 1 701 | 0 |
| Investment properties | 13 300 | 9 011 | 0 |
| Revenue Generating | 7 300 | 5 877 | 0 |
| Improved Property | 7 300 | 5 877 | 0 |
| Unimproved Property | 0 | 0 | 0 |
| Non-revenue Generating | 6 000 | 3 134 | 0 |
| Improved Property | 7 300 | 5 877 | 0 |
| Unimproved Property | 0 | 0 | 0 |
| Other assets | 23 400 | 868 | 17 394 |
| Operational Buildings | 11 300 | 1 620 | - |
| Municipal Offices | 1 100 | 1 100 | 17 394 |
| Yards | 200 | 200 | - |
| Stores | 0 | 0 | - |

| Description | 2019/20 | | |
|---|-----------------|-------------------|--------------------|
| | Original Budget | Adjustment Budget | Actual Expenditure |
| | R'000 | | |
| Training Centres | 5 000 | -5 850 | - |
| Manufacturing Plant | - | - | - |
| Depots | 5 000 | 6 071 | - |
| Capital Spares | 800 | 348 | - |
| Housing | 9 260 | -752 | 7 |
| Social Housing | 9 260 | -1 100 | 7 |
| Biological or Cultivated Assets | 0 | 0 | 0 |
| Biological or Cultivated Assets | 0 | 0 | 0 |
| Intangible Assets | 400 | 0 | 163 |
| Licences and Rights | 200 | 0 | - |
| Computer Software and Applications | 200 | 0 | 163 |
| Computer Equipment | 5 150 | 9 369 | 10 406 |
| Computer Equipment | 5 150 | 9 369 | 10 406 |
| Furniture and Office Equipment | 2 575 | 2 574 | 2 695 |
| Furniture and Office Equipment | 2 575 | 2 574 | 2 695 |
| Machinery and Equipment | 21 580 | 24 660 | 11 635 |
| Machinery and Equipment | 21 580 | 24 660 | 11 635 |
| Transport Assets | 17 230 | 22 603 | 30 204 |
| Transport Assets | 17 230 | 22 603 | 30 204 |
| Land | 77 650 | 113 010 | 60 946 |
| Land | 77 650 | 113 010 | 60 946 |
| Zoo's, Marine and Non-biological Animals | - | - | 0 |
| Zoo's, Marine and Non-biological Animals | - | - | 0 |
| Total Capital Expenditure | 558 277 | 577 905 | 405 931 |

5.7.1.2 Sources of Finance

The table below indicates the capital expenditure by funding source for the 2019/20 financial year:

Table 5:38: Capital Expenditure by Funding Source

| Details | 2019/20 | | | |
|------------------------------------|----------------------|-------------------|---------|----------------------------|
| | Original Budget (OB) | Adjustment Budget | Actual | Adjustment Budget Variance |
| | R'000 | | | % |
| Source of finance | | | | |
| External Loans | 160 000 | 37 096 | 33 365 | -10.06 |
| Public Contributions and Donations | - | - | - | - |
| Grants and Subsidies | 141 088 | 144 386 | 124 374 | -13.86 |
| Other | 257 189 | 396 423 | 248 192 | -37.39 |
| Total | 558 277 | 577 905 | 405 931 | -29.76 |
| | | | | |
| External Loans | 28.66 | 6.42 | 8.22 | 28.05 |
| Public Contributions and Donations | 0 | 0 | 0 | - |
| Grants and Subsidies | 25.27 | 24.98 | 30.64 | 22.63 |

| Details | 2019/20 | | | |
|----------------------|----------------------|-------------------|----------------|----------------------------|
| | Original Budget (OB) | Adjustment Budget | Actual | Adjustment Budget Variance |
| | R'000 | | | % |
| Own Funding | 46.07 | 68.60 | 61.14 | -10.87 |
| | | | | |
| Water and Sanitation | 194 400 | 167 973 | 135 126 | -19.55 |
| Electricity | 35 090 | 46 493 | 34 668 | -25.43 |
| Housing | 50 | 1 350 | 7 | -99.48 |
| Roads and Stormwater | 80 120 | 82 303 | 834 | -98.99 |
| Other | 248 617 | 279 786 | 235 296 | -15.90 |
| Total | 558 277 | 577 905 | 405 931 | -29.76 |
| | | | | |
| Water and Sanitation | 34.82 | 29.07 | 33.29 | 14.53 |
| Electricity | 6.29 | 8.05 | 8.54 | 6.16 |
| Housing | 0.01 | 0.23 | 0.00 | -99.26 |
| Roads and Stormwater | 14.35 | 14.24 | 0.21 | -98.56 |
| Other | 44.53 | 48.41 | 57.96 | 19.73 |

5.8 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Projects with the highest capital expenditure in 2019/20:

Table 5:39: Capital Expenditure on the 5 Largest Projects

| Name of Project | 2019/20 | | | Variance 2019/20 | |
|--|-----------------|-------------------|--------------------|-------------------|---------------------|
| | Original Budget | Adjustment Budget | Actual Expenditure | Original Variance | Adjustment Variance |
| | R'000 | | | % | |
| Purchasing of land | 77 500 | 112 750 | 66 321 | 14.43 | 41.18 |
| Upgrade of WWTW: Pniel and Decommissioning Of Franschoek | 40 000 | 32 751 | 17 461 | 56.35 | 46.68 |
| Bulk Sewer Outfall: Jamestown | 30 000 | 31 578 | 29 914 | 0.29 | 5.27 |
| Stellenbosch WC024 Material Recovery Facility | 22 000 | 25 669 | 19 510 | 11.32 | 24.00 |
| New Plankenburg Main Outfall Sewer | 10 000 | 22 348 | 18 295 | -82.95 | 18.13 |

5.9 BASIC SERVICES AND INFRASTRUCTURE BACKLOGS - OVERVIEW

Out of the various Master Plans revised, various infrastructure backlogs and upgrades were identified which will be required to meet current and future development needs. Budgetary provision will be made accordingly.

The service level above minimum standard can be interpreted as the backlogs to upgrade current households above minimum standard to households supplied with water inside dwelling.

In terms of the definition for backlogs for the minimum standard water supply, Stellenbosch Municipality has zero (0) backlogs. Major backlogs exist in terms of dilapidated infrastructure and the bulk services to provide for future development and current provision of water and sanitation.

5.10 INTEGRATED URBAN DEVELOPMENT GRANT (IUDG)

Table 5:40: Integrated Urban Development Grant (IUDG)

| Details | Budget | Adjustment Budget | Actual | Variance Budgets |
|--|--------|-------------------|--------|------------------|
| | R'000 | | | % |
| Stellenbosch WC024 Material Recovery Facility | 6 000 | 10 000 | 10 000 | 6 000 |
| Transfer Station: Stellenbosch | 1 000 | - | - | 1 000 |
| Bulk Sewer Outfall: Jamestown | 16 323 | 16 323 | 16 323 | 16 323 |
| New Plankenburg Main Outfall Sewer | 7 000 | 9 000 | 9 000 | 7 000 |
| Bulk Water Supply Pipeline and Reservoir - Jamestown | 1 000 | - | - | 1 000 |
| Upgrade of Sport Facilities | 4 000 | - | - | 4 000 |
| Upgrade of WWTW: Pniel and Decommissioning of Franschoek | 11 563 | 11 563 | 11 563 | 11 563 |

5.11 CASH FLOW

Table 5:41: Cash Flow

| Description | 2018/19 | 2019/20 | | |
|--|-----------------|-----------------|-----------------|----------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Actual |
| R'000 | | | | |
| Cash Flow from Operating Activities | | | | |
| Receipts | | | | |
| Ratepayers and Other | 1 219 346 | 1 431 900 | 1 387 127 | 1 342 944 |
| Government Grants | 270 320 | 313 427 | 329 555 | 240 161 |
| Interest | 44 272 | 54 991 | 52 991 | 40 472 |
| | | | | |
| Employee Costs | -489 934 | -603 268 | -557 733 | -530 498 |
| Suppliers | -639 780 | -801 259 | -825 930 | -779 977 |
| Finance Costs | -17 033 | -39 877 | -30 777 | -31 150 |
| Net Cash from/(Used) Operating Activities | 387 191 | 355 914 | 355 233 | 281 952 |
| Cash Flow from Investing Activities | | | | |

| Description | 2018/19 | 2019/20 | | |
|--|-----------------|-----------------|-----------------|----------|
| | Audited Outcome | Original Budget | Adjusted Budget | Actual |
| | R'000 | | | |
| Receipts | | | | |
| Proceeds on Disposal of PPE | 1 917 | 0 | 0 | 0 |
| Proceeds on Disposal of Biological Assets | 52 | 0 | 0 | 33 |
| Movement in Non-Current Receivables | 0 | 0 | 0 | 0 |
| Payments | | | | |
| Purchase of PPE | -493 304 | -558 277 | -577 905 | -405 931 |
| Movement in Non-Current Receivables | 0 | 0 | 0 | 0 |
| Movement in Investments | 107 454 | 0 | 0 | 91 526 |
| Net Cash from/(Used) Investing Activities | -383 881 | -558 277 | -577 905 | -314 372 |
| Cash Flow from Financing Activities | | | | |
| Receipts | | | | |
| Proceeds from Other Financial Liabilities | 160 000 | 160 000 | 0 | 0 |
| Increase in consumer deposits | 0 | 0 | 0 | 0 |
| Payments | | | | |
| Repayment of Borrowing | -14 502 | -20 883 | -20 883 | -25 870 |
| Prior period error | 0 | 0 | 0 | 0 |
| Net Cash from/(Used) Financing Activities | 145 498 | 139 117 | -20 883 | -25 870 |
| Net Increase / (Decrease) in Cash Held | 148 808 | -63 246 | -243 555 | -58 290 |
| Cash / Cash Equivalents at the Year-Begin: | 20 683 | 433 363 | 566 719 | 169 491 |
| Cash / Cash Equivalents at the Year-End: | 169 491 | 370 117 | 323 164 | 111 201 |

5.12 GROSS OUTSTANDING DEBTORS PER SERVICE

Table 5:42: Gross Outstanding Debtors per Service

| Financial year | Rates | Trading services | Trading services | Housing rentals | Other | Total |
|-----------------------|---------|-------------------------|-------------------------|-----------------|---------|---------|
| | | (Electricity and Water) | (Sanitation and Refuse) | | | |
| | (R'000) | | | | | |
| 2017/18 | 37 123 | 199 311 | 42 441 | 24 242 | 194 296 | 497 413 |
| 2018/19 | 39 149 | 207 104 | 46 069 | 27 274 | 204 212 | 523 808 |
| Difference | 2 026 | 7 793 | 3 628 | 3 032 | 9 916 | 26 395 |
| % growth year on year | 5% | 4% | 9% | 13% | 5% | 5% |
| 2019/20 | 44 671 | 170 781 | 54 968 | 27 194 | 195 011 | 492 625 |
| Difference | 5 522 | -36 323 | 8 899 | -80 | -9 201 | -31 183 |
| % growth year on year | 14% | -18% | 19% | 0% | -5% | -6% |

Note: Figures exclude provision for bad debt.

5.13 DEBTORS AGE ANALYSIS

Table 5.43: Debtors Age Analysis

| Financial year | Less than 30 days | Between 30-60 days | Between 60-90 days | Between 90-120 days | More than 120 days | Total |
|-----------------------|-------------------|--------------------|--------------------|---------------------|--------------------|---------|
| | (R'000) | | | | | |
| 2017/18 | 192 766 | 16 564 | 17 223 | 12 474 | 258 386 | 497 413 |
| 2018/19 | 184 334 | 18 591 | 16 417 | 12 897 | 291 570 | 523 809 |
| Difference | -8 432 | 2 027 | -806 | 423 | 33 184 | 26 396 |
| % growth year on year | -4% | 12% | -5% | 3% | 13% | 5% |
| 2019/20 | 136 577 | 204 867 | 197 197 | 13 439 | 302 403 | 854 483 |
| Difference | -47 757 | 186 276 | 180 780 | 542 | 10 833 | 330 674 |
| % growth year on year | -26% | 1002% | 1101% | 4% | 4% | 63% |

Note: Figures exclude provision for bad debt.

5.14 BORROWING AND INVESTMENTS

The Municipality's cash position is monitored on a daily basis and any cash not required immediately to meet cash flow requirements is invested on a monthly basis at approved institutions, strictly in accordance with Council's approved Cash and Investment Policy.

5.14.1 ACTUAL BORROWINGS

Table 5.44: Actual Borrowings

| Instrument | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|-----------------|---------|---------|---------|---------|---------|
| | R'000 | | | | |
| Long-Term Loans | 198 294 | 186 386 | 173 302 | 318 800 | 292 930 |

5.14.2 MUNICIPAL INVESTMENTS

Table 5.45: Municipal Investments

| Investment type | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|-----------------|---------|---------|---------|---------|---------|
| | R'000 | | | | |
| Deposits - Bank | 600 239 | 575 418 | 505 618 | 398 164 | 306 637 |

6 CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

6.1 INTRODUCTION

This chapter provides the details on the audit outcomes for the past two financial years with the correctives steps implemented.

6.2 COMPONENT A: AUDITOR-GENERAL OPINION 2018/19

6.2.1 AUDITOR GENERAL REPORT 2018/19

Table 6.1: Auditor General Report 2018/19

| 2018/19 | |
|---|--|
| Audit Report Status: | Unqualified with findings |
| 2018/19 | |
| Issue raised | Corrective step implemented |
| Emphasis of matter: | |
| Restatement of corresponding figures | |
| As disclosed in note 63 to the financial statements, the corresponding figures for 30 June 2018 were restated as a result of errors detected during the 2018-19 financial year in the financial statements of the Municipality at, and for the year ended, 30 June 2019. | The Municipality is allowed in terms of GRAP 3, to restate corresponding figures in the event of any misstatements being identified. The Municipality however is putting controls in place to identify the errors within the year they occur. |
| Material Impairments | |
| As disclosed in note 5 to the financial statements, the Municipality provided for the impairment of trade and other receivables from exchange transactions amounting to R125,5 million (2017-18: R104,7 million). | Writing off of irrecoverable debt is allowed in terms of GRAP 19 where the impairment will be utilised against the provision, also in terms of this standard. |
| As disclosed in note 6 to the financial statements, the Municipality provided for the impairment of trade and other receivables from non-exchange transactions amounting to R167,5 million (2017-18: R164,2 million). | The interpretation of the Standards of GRAP, IGRAP 1 became effective from the 2013/2014 financial year and the impact was that the Municipality had to account for all fines issued as revenue. As the payment rate of fines for the period was only 25%, the debt impairment for fines amounted to R142 321 642. |
| Material losses | |
| As disclosed in note 61 to the financial statements, material water losses of 28% (2017-18: 21,6%) were incurred. | The water losses are within the national norm of between 15% and 30%. The Municipality are implementing programmes to limit water losses. |
| Material Non-Compliance | |
| Annual financial statements | |
| The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, liabilities, Revenue and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion. | The Municipality will compile Interim financial statements with a complete audit file for review by the AGSA.
The annual financial statements process plan will be reviewed to allow for sufficient time to adequately review the AFS before submission to the AG. |

6.2.2 COMPONENT B: AUDITOR-GENERAL OPINION 2019/20

At the time of compiling the Draft Annual Report 2019/20, the audit for the 2019/20 financial year was not completed. The outcome of the audit will be reported after conclusion of the audit by the AGSA.

ANNEXURE A: ANNUAL FINANCIAL STATEMENTS 2019/20

| Planning by | Reviewed | Performed by | Final review |
|-------------|----------|--------------|--------------|
| | | | |

Client details

Client name: Stellenbosch Municipality
Year end: 30 June 2020

Print details

Printed by
Date printed



Stellenbosch Municipality
Unaudited Annual financial statements
for the year ended 30 June 2020
Auditor-General of South Africa

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

General Information

Legal form of entity

Stellenbosch municipality is a high-capacity, category B local authority established in terms of section 151 of the Constitution of the Republic of South Africa.

The principle activities of the municipality are to:

Provide democratic and accountable government to local communities;
Ensure sustainable service delivery to communities;
Promote social and economic development;
Promote a safe and healthy environment; and
Encourage the involvement of communities and community organisations in the matters of local government.

Mayoral committee

Executive Mayor
Deputy Executive Mayor
Speaker
Executive Councillors

G van Deventer
W Petersen
N Jindela
F Badenhorst
P Crawley
A Frazenburg
E Groenewald
X Mdemka
S Peters
M Pietersen
Q Smit
F Adams
F Bangani-Menziwa
P Biscombe
G Cele
A Crombie
Z Dalling
R Du Toit
A Florence
J Fasser
E Fredericks
T Gosa
J Hamilton
A Hanekom
D Hendrickse
J Hendriks
L Horsband
M Johnson
D Joubert
N Mananga-Gugushe
C Manuel
M Mc Ombring
C Moses
R Nalumango
N Olayi
M Oliphant
W Petersen
W Pietersen
S Schafer

Councillors

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

General Information

| | |
|---|--|
| | J Serdyn
N Sinkinya
P Sitshoti
L Stander
E Vermeulen |
| Accounting Officer | G Mettler |
| Chief Finance Officer (CFO) | K Carolus |
| Senior Management | A de Beer
D Louw
G Boshoff
A Barnes |
| Registered office | Plein Street
Stellenbosch
7600 |
| Business address | Plein Street
Stellenbosch
7600 |
| Postal address | P O Box 17
Stellenbosch
7599 |
| Bankers | ABSA
NEDBANK |
| Auditors | Auditor-General of South Africa |
| Legislation Governing the Municipality | The Constitution of the Republic of South Africa, 1996
The Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)
The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)
The Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)
Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004)
Municipal Fiscal Powers and Functions Act, 2007 (Act 12 of 2007)
Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998)
Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)
Division of Revenue Act (Act 1 of 2007) |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Index

The reports and statements set out below comprise the unaudited annual financial statements presented to the provincial legislature:

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| Statement of Financial Performance | 6 |
| Statement of Changes in Net Assets | 7 |
| Cash Flow Statement | 8 |
| Statement of Comparison of Budget and Actual Amounts | 9 - 13 |
| Accounting Policies | 14 - 50 |
| Notes to the Unaudited Annual Financial Statements | 51 - 141 |

Abbreviations

| | |
|------|--|
| GRAP | Generally Recognised Accounting Practice |
| IAS | International Accounting Standards |
| MEC | Member of the Executive Council |
| MFMA | Municipal Finance Management Act |
| VAT | Value added Tax |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the unaudited annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the unaudited annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the unaudited annual financial statements and was given unrestricted access to all financial records and related data.

The unaudited annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The unaudited annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I acknowledge that I am ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

I am of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the unaudited annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

I am responsible for the preparation of these financial statements in terms of Section 126(1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) and signed the Annual Financial Statements on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 34 and 35 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The external auditors are responsible for independently reviewing and reporting on the municipality's unaudited annual financial statements. The unaudited annual financial statements have been examined by the municipality's external auditors and their report is presented on page 5.

The unaudited annual financial statements have been prepared on the going concern basis, is hereby approved.

Accounting Officer
Geraldine Mettler

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Statement of Financial Position as at 30 June 2020

| Figures in Rand | Note(s) | 2020 | 2019
Restated* |
|--|---------|----------------------|----------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 3 | 111 201 845 | 169 490 533 |
| Short term investments | 4 | 306 637 342 | 398 163 664 |
| Receivables from exchange transactions | 5 | 111 067 546 | 147 504 373 |
| Receivables from non-exchange transactions | 6 | 71 484 038 | 65 966 659 |
| Other receivables from exchange transactions | 7 | 12 887 565 | 14 727 247 |
| Inventories | 8 | 64 074 316 | 64 557 942 |
| VAT receivable | 9 | 30 285 689 | 48 168 490 |
| Long term receivables | 15 | 2 800 967 | 1 630 959 |
| | | 710 439 308 | 910 209 867 |
| Non-Current Assets | | | |
| Property, plant and equipment | 10 | 5 244 686 578 | 5 032 725 092 |
| Investment property | 11 | 412 514 416 | 412 767 003 |
| Intangible assets | 12 | 9 694 174 | 11 956 450 |
| Biological assets that form part of an agricultural activity | 13 | 6 321 448 | 6 321 448 |
| Heritage assets | 14 | 774 002 | 774 002 |
| Long term receivables | 15 | 3 560 940 | 3 024 999 |
| Other receivables from exchange transactions | 7 | 1 589 255 | 1 182 720 |
| | | 5 679 140 813 | 5 468 751 714 |
| Total Assets | | 6 389 580 121 | 6 378 961 581 |
| Liabilities | | | |
| Current Liabilities | | | |
| Consumer deposits | 16 | 17 784 517 | 17 077 912 |
| Employee benefit obligation | 17 | 78 214 004 | 55 599 752 |
| Operating lease liability | 18 | 4 958 344 | 5 775 015 |
| Other financial liabilities | 19 | 26 752 931 | 25 869 707 |
| Provisions | 20 | - | 642 909 |
| Payables from exchange transactions | 21 | 270 824 226 | 271 462 272 |
| Unspent conditional grants and receipts | 22 | 8 862 622 | 59 045 639 |
| | | 407 396 644 | 435 473 206 |
| Non-Current Liabilities | | | |
| Other financial liabilities | 19 | 266 177 508 | 292 930 440 |
| Employee benefit obligation | 17 | 166 519 386 | 201 830 792 |
| Provisions | 20 | 121 305 978 | 101 701 567 |
| | | 554 002 872 | 596 462 799 |
| Total Liabilities | | 961 399 516 | 1 031 936 005 |
| Net Assets | | 5 428 180 605 | 5 347 025 576 |
| Accumulated surplus | 23 | 5 428 180 605 | 5 347 025 576 |

* See Note 61

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Statement of Financial Performance

| Figures in Rand | Note(s) | 2020 | 2019
Restated* |
|---|---------|------------------------|------------------------|
| Revenue | | | |
| Revenue from exchange transactions | | | |
| Service charges | 24 | 880 125 828 | 817 760 063 |
| Construction contracts | 25 | 5 317 560 | 1 044 546 |
| Rental of facilities and equipment | 26 | 13 601 431 | 17 890 921 |
| Interest earned - outstanding receivables | 27 | 6 954 471 | 8 024 881 |
| Agency services | 28 | 3 976 481 | 4 400 282 |
| Licences and permits | 29 | 4 413 324 | 5 043 854 |
| Other income | 30 | 40 061 672 | 40 523 549 |
| Investment revenue | 31 | 40 472 002 | 44 271 827 |
| Gain on biological assets and agricultural produce | | 33 133 | 51 591 |
| Reversal of inventories losses | | 709 539 | 6 218 654 |
| Total revenue from exchange transactions | | 995 665 441 | 945 230 168 |
| Revenue from non-exchange transactions | | | |
| Taxation revenue | | | |
| Property rates | 32 | 360 089 277 | 330 959 681 |
| Property rates - interest earned | 32 | 1 822 264 | 1 998 219 |
| Transfer revenue | | | |
| Government grants & subsidies | 33 | 285 026 320 | 233 432 676 |
| Fines, Penalties and Forfeits | 34 | 99 992 810 | 118 046 132 |
| Total revenue from non-exchange transactions | | 746 930 671 | 684 436 708 |
| Total revenue | | 1 742 596 112 | 1 629 666 876 |
| Expenditure | | | |
| Employee related costs | 35 | (481 583 056) | (444 711 089) |
| Remuneration of councillors | 36 | (19 121 037) | (18 272 420) |
| Contribution to/from provision | 38 | (8 828 974) | (6 025 885) |
| Depreciation and amortisation | 39 | (197 274 891) | (193 788 634) |
| Impairments loss | 10 | (72 977) | (1 705 912) |
| Finance costs | 40 | (56 003 899) | (41 787 542) |
| Lease rentals on operating lease | 41 | (11 837 555) | (2 666 984) |
| Bad debt written off | 42 | (123 186 856) | (105 207 214) |
| Contribution to allowance for doubtful debt | 43 | 6 513 822 | (23 536 375) |
| Bulk purchases | 44 | (445 620 997) | (380 670 630) |
| Contracted services | 45 | (183 452 999) | (151 817 580) |
| Transfers and Subsidies | 46 | (10 854 823) | (9 129 449) |
| Cost of housing sold | | (700 000) | - |
| Loss on disposal of assets and liabilities | | - | (5 111 906) |
| Fair value adjustments | 48 | (634 971) | (350 833) |
| Inventories losses/write-downs | | - | (2 157 273) |
| General Expenses | 47 | (128 781 895) | (121 689 589) |
| Total expenditure | | (1 661 441 108) | (1 508 629 315) |
| Surplus for the year | | 81 155 004 | 121 037 561 |

* See Note 61

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Statement of Changes in Net Assets

| Figures in Rand | Accumulated surplus | Total net assets |
|---|----------------------|----------------------|
| Opening balance as previously reported | 5 162 591 964 | 5 162 591 964 |
| Adjustments | | |
| Prior year adjustments | 63 396 051 | 63 396 051 |
| Balance at 01 July 2018 as restated* | 5 225 988 015 | 5 225 988 015 |
| Changes in net assets | | |
| Surplus for the year | 121 037 561 | 121 037 561 |
| Total changes | 121 037 561 | 121 037 561 |
| Restated* Balance at 01 July 2019 | 5 347 025 580 | 5 347 025 580 |
| Changes in net assets | | |
| Surplus for the year | 81 155 004 | 81 155 004 |
| Total changes | 81 155 004 | 81 155 004 |
| Balance at 30 June 2020 | 5 428 180 584 | 5 428 180 584 |
| Note(s) | 23 | |

* See Note 61

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Cash Flow Statement

| Figures in Rand | Note(s) | 2020 | 2019
Restated* |
|--|---------|-----------------------------|-----------------------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Sale of goods and services | | 1 342 943 907 | 1 219 345 919 |
| Grants | | 240 160 863 | 270 319 841 |
| Interest income | | 40 472 002 | 44 271 827 |
| | | <u>1 623 576 772</u> | <u>1 533 937 587</u> |
| Payments | | | |
| Employee costs | | (530 497 862) | (489 934 303) |
| Suppliers | | (779 976 860) | (639 779 594) |
| Finance costs | | (31 149 574) | (17 033 200) |
| | | <u>(1 341 624 296)</u> | <u>(1 146 747 097)</u> |
| Net cash flows from operating activities | 49 | <u>281 952 476</u> | <u>387 190 490</u> |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 10 | (405 767 711) | (487 925 718) |
| Proceeds from sale of property, plant and equipment | 10 | - | 1 916 743 |
| Purchase of other intangible assets | 12 | (163 200) | (5 377 971) |
| Proceeds from sale of biological assets that form part of an agricultural activity | 13 | 33 133 | 51 591 |
| Proceeds from sale of short term investments | | 91 526 322 | 107 454 008 |
| Net cash flows from investing activities | | <u>(314 371 456)</u> | <u>(383 881 347)</u> |
| Cash flows from financing activities | | | |
| Movement in other financial liabilities | | (25 869 708) | 145 498 009 |
| Net cash flows from financing activities | | <u>(25 869 708)</u> | <u>145 498 009</u> |
| Net increase/(decrease) in cash and cash equivalents | | <u>(58 288 688)</u> | <u>148 807 152</u> |
| Cash and cash equivalents at the beginning of the year | | 169 490 533 | 20 683 383 |
| Cash and cash equivalents at the end of the year | 3 | <u>111 201 845</u> | <u>169 490 535</u> |

* See Note 61

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|------------------------|-------------|------------------------|------------------------------------|--|-----------|
| Figures in Rand | | | | | | |
| Statement of Financial Performance | | | | | | |
| Revenue | | | | | | |
| Revenue from exchange transactions | | | | | | |
| Service charges | 929 588 845 | - | 929 588 845 | 880 125 828 | (49 463 017) | BD1 |
| Construction contracts | - | - | - | 5 317 560 | 5 317 560 | |
| Rental of facilities and equipment | 18 831 474 | - | 18 831 474 | 13 601 431 | (5 230 043) | BD2 |
| Interest received (trading) | 11 270 156 | - | 11 270 156 | 6 954 471 | (4 315 685) | BD3 |
| Agency services | 2 851 504 | - | 2 851 504 | 3 976 481 | 1 124 977 | |
| Licences and permits | 5 398 023 | - | 5 398 023 | 4 413 324 | (984 699) | |
| Other income - (rollup) | 40 490 958 | - | 40 490 958 | 40 061 672 | (429 286) | BD4 |
| Interest received - investment | 42 171 310 | - | 42 171 310 | 40 472 002 | (1 699 308) | |
| Total revenue from exchange transactions | 1 050 602 270 | - | 1 050 602 270 | 994 922 769 | (55 679 501) | |
| Revenue from non-exchange transactions | | | | | | |
| Taxation revenue | | | | | | |
| Property rates | 356 121 877 | - | 356 121 877 | 360 089 277 | 3 967 400 | |
| Property rates - interest earned | - | - | - | 1 822 264 | 1 822 264 | |
| Transfer revenue | | | | | | |
| Government grants & subsidies | 329 554 667 | - | 329 554 667 | 285 026 320 | (44 528 347) | BD5 |
| Fines, Penalties and Forfeits | 98 260 389 | - | 98 260 389 | 99 992 810 | 1 732 421 | BD6 |
| Total revenue from non-exchange transactions | 783 936 933 | - | 783 936 933 | 746 930 671 | (37 006 262) | |
| Total revenue | 1 834 539 203 | - | 1 834 539 203 | 1 741 853 440 | (92 685 763) | |
| Expenditure | | | | | | |
| Employee related costs | (557 732 911) | - | (557 732 911) | (481 583 056) | 76 149 855 | BD8 |
| Remuneration of councillors | (19 936 393) | - | (19 936 393) | (19 121 037) | 815 356 | |
| Contribution to/from provision | (3 154 539) | - | (3 154 539) | (8 828 974) | (5 674 435) | BD7 |
| Depreciation and amortisation | (197 184 224) | - | (197 184 224) | (197 274 891) | (90 667) | BD9 |
| Impairment loss/ Reversal of impairments | (9 772 000) | - | (9 772 000) | (72 977) | 9 699 023 | BD10 |
| Finance costs | (29 877 000) | - | (29 877 000) | (56 003 899) | (26 126 899) | BD11 |
| Lease rentals on operating lease | (15 448 818) | - | (15 448 818) | (11 837 555) | 3 611 263 | |
| Debt Impairment | (72 066 800) | - | (72 066 800) | (123 186 856) | (51 120 056) | BD12 |
| Contribution to allowance for doubtful debt | (35 419 275) | - | (35 419 275) | 6 513 822 | 41 933 097 | BD13 |
| Bulk purchases | (426 958 271) | - | (426 958 271) | (445 620 997) | (18 662 726) | |
| Contracted Services | (244 933 110) | - | (244 933 110) | (183 452 999) | 61 480 111 | BD14 |
| Transfers and Subsidies | (10 948 600) | - | (10 948 600) | (10 854 823) | 93 777 | |
| Cost of housing sold | - | - | - | (700 000) | (700 000) | |
| General Expenses | (154 852 059) | - | (154 852 059) | (128 781 895) | 26 070 164 | BD15 |
| Total expenditure | (1 778 284 000) | - | (1 778 284 000) | (1 660 806 137) | 117 477 863 | |
| Operating surplus | 56 255 203 | - | 56 255 203 | 81 047 303 | 24 792 100 | |
| Fair value adjustments | - | - | - | (634 971) | (634 971) | BD16 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved
budget | Adjustments | Final Budget | Actual amounts
on comparable
basis | Difference
between final
budget and
actual | Reference |
|--|--------------------|-------------|-------------------|--|---|-----------|
| Figures in Rand | | | | | | |
| Gain on biological assets and
agricultural produce | - | - | - | 33 133 | 33 133 | BD17 |
| Inventories losses/write-downs | - | - | - | 709 539 | 709 539 | BD18 |
| | - | - | - | 107 701 | 107 701 | |
| Surplus before taxation | 56 255 203 | - | 56 255 203 | 81 155 004 | 24 899 801 | |
| Actual Amount on Comparable
Basis as Presented in the
Budget and Actual
Comparative Statement | 56 255 203 | - | 56 255 203 | 81 155 004 | 24 899 801 | |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Statement of Comparison of Budget and Actual Amounts**Budget on Accrual Basis**

| | Approved
budget | Adjustments | Final Budget | Actual amounts
on comparable
basis | Difference
between final
budget and
actual | Reference |
|--|----------------------|-------------|----------------------|--|---|-----------|
| Figures in Rand | | | | | | |
| Statement of Financial Position | | | | | | |
| Assets | | | | | | |
| Current Assets | | | | | | |
| Cash and cash equivalents | 46 863 863 | - | 46 863 863 | 111 201 845 | 64 337 982 | BD19 |
| Short term investments | 276 298 997 | - | 276 298 997 | 306 637 342 | 30 338 345 | |
| Receivables from exchange transactions | 97 770 026 | - | 97 770 026 | 111 067 546 | 13 297 520 | BD20 |
| Receivables from non-exchange transactions | 71 917 266 | - | 71 917 266 | 71 484 038 | (433 228) | |
| Other receivables from exchange transactions | 183 168 565 | - | 183 168 565 | 12 887 565 | (170 281 000) | BD21 |
| Inventories | 54 835 500 | - | 54 835 500 | 64 074 316 | 9 238 816 | |
| VAT receivable | - | - | - | 30 285 689 | 30 285 689 | BD23 |
| Long term receivables | 2 511 098 | - | 2 511 098 | 2 800 967 | 289 869 | BD24 |
| | 733 365 315 | - | 733 365 315 | 710 439 308 | (22 926 007) | |
| Non-Current Assets | | | | | | |
| Property, plant and equipment | 5 487 327 612 | - | 5 487 327 612 | 5 244 686 578 | (242 641 034) | |
| Investment property | 417 347 980 | - | 417 347 980 | 412 514 416 | (4 833 564) | |
| Intangible assets | 5 577 295 | - | 5 577 295 | 9 694 174 | 4 116 879 | BD25 |
| Biological assets that form part of an agricultural activity | 9 938 121 | - | 9 938 121 | 6 321 448 | (3 616 673) | BD26 |
| Heritage assets | 2 617 922 | - | 2 617 922 | 774 002 | (1 843 920) | BD27 |
| Long term receivables | 3 876 480 | - | 3 876 480 | 3 560 940 | (315 540) | |
| Other receivables from exchange transactions | - | - | - | 1 589 255 | 1 589 255 | |
| | 5 926 685 410 | - | 5 926 685 410 | 5 679 140 813 | (247 544 597) | |
| Total Assets | 6 660 050 725 | - | 6 660 050 725 | 6 389 580 121 | (270 470 604) | |
| Liabilities | | | | | | |
| Current Liabilities | | | | | | |
| Consumer deposits | 14 274 110 | - | 14 274 110 | 17 784 517 | 3 510 407 | BD28 |
| Employee benefit obligation | 57 583 592 | - | 57 583 592 | 78 214 004 | 20 630 412 | BD29 |
| Operating lease liability | - | - | - | 4 958 344 | 4 958 344 | BD30 |
| Other financial liabilities | 26 310 979 | - | 26 310 979 | 26 752 931 | 441 952 | |
| Payables from exchange transactions | 254 131 473 | - | 254 131 473 | 270 824 226 | 16 692 753 | |
| Unspent conditional grants and receipts | - | - | - | 8 862 622 | 8 862 622 | BD34 |
| | 352 300 154 | - | 352 300 154 | 407 396 644 | 55 096 490 | |
| Non-Current Liabilities | | | | | | |
| Other financial liabilities | 449 590 720 | - | 449 590 720 | 266 177 508 | (183 413 212) | BD31 |
| Employee benefit obligation | 247 334 744 | - | 247 334 744 | 166 519 386 | (80 815 358) | BD29 |
| Provisions | 46 888 116 | - | 46 888 116 | 121 305 978 | 74 417 862 | BD32 |
| | 743 813 580 | - | 743 813 580 | 554 002 872 | (189 810 708) | |
| Total Liabilities | 1 096 113 734 | - | 1 096 113 734 | 961 399 516 | (134 714 218) | |
| Net Assets | 5 563 936 991 | - | 5 563 936 991 | 5 428 180 605 | (135 756 386) | |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved
budget | Adjustments | Final Budget | Actual amounts
on comparable
basis | Difference
between final
budget and
actual | Reference |
|--|--------------------|-------------|-----------------|--|---|-----------|
| Figures in Rand | | | | | | |
| Net Assets | | | | | | |
| Net Assets Attributable to
Owners of Controlling Entity | | | | | | |
| Reserves | | | | | | |
| Accumulated surplus | 5 563 936 991 | | - 5 563 936 991 | 5 428 180 605 | (135 756 386) | |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved
budget | Adjustments | Final Budget | Actual amounts
on comparable
basis | Difference
between final
budget and
actual | Reference |
|--|--------------------|-------------|--------------|--|---|-----------|
|--|--------------------|-------------|--------------|--|---|-----------|

Figures in Rand

Cash Flow Statement

Cash flows from operating activities

Receipts

| | | | | | | |
|----------------------------|----------------------|---|----------------------|----------------------|----------------------|-----|
| Sale of goods and services | 1 387 126 730 | - | 1 387 126 730 | 1 342 975 144 | (44 151 586) | |
| Grants | 329 554 698 | - | 329 554 698 | 240 160 863 | (89 393 835) | CF1 |
| Interest income | 52 990 660 | - | 52 990 660 | 40 472 002 | (12 518 658) | CF2 |
| | 1 769 672 088 | - | 1 769 672 088 | 1 623 608 009 | (146 064 079) | |

Payments

| | | | | | | |
|-------------------------|------------------------|---|------------------------|------------------------|-------------------|-----|
| Suppliers and employees | (1 373 614 512) | - | (1 373 614 512) | (530 497 862) | 843 116 650 | CF3 |
| Transfers and grants | (10 048 600) | - | (10 048 600) | (779 976 893) | (769 928 293) | CF4 |
| Finance costs | (30 777 000) | - | (30 777 000) | (31 149 574) | (372 574) | |
| | (1 414 440 112) | - | (1 414 440 112) | (1 341 624 329) | 72 815 783 | |

| | | | | | | |
|---|--------------------|---|--------------------|--------------------|---------------------|--|
| Net cash flows from operating activities | 355 231 976 | - | 355 231 976 | 281 983 680 | (73 248 296) | |
|---|--------------------|---|--------------------|--------------------|---------------------|--|

Cash flows from investing activities

| | | | | | | |
|--|----------------------|---|----------------------|----------------------|--------------------|-----|
| Purchase of property, plant and equipment | (577 904 845) | - | (577 904 845) | (405 798 847) | 172 105 998 | CF5 |
| Purchase of other intangible assets | - | - | - | (163 200) | (163 200) | CF6 |
| Proceeds from sale of biological assets that form part of an agricultural activity | - | - | - | 33 133 | 33 133 | |
| Movement in investments | - | - | - | 91 526 322 | 91 526 322 | CF7 |
| Net cash flows from investing activities | (577 904 845) | - | (577 904 845) | (314 402 592) | 263 502 253 | |

Cash flows from financing activities

| | | | | | | |
|---|--------------------|---|--------------------|--------------------|----------------------|--|
| Repayment on other financial liabilities | (20 883 078) | - | (20 883 078) | (25 869 708) | (4 986 630) | |
| Net increase/(decrease) in cash and cash equivalents | (243 555 947) | - | (243 555 947) | (58 288 620) | 185 267 327 | |
| Cash and cash equivalents at the beginning of the year | 566 718 807 | - | 566 718 807 | 169 490 533 | (397 228 274) | |
| Cash and cash equivalents at the end of the year | 323 162 860 | - | 323 162 860 | 111 201 913 | (211 960 947) | |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

| Figures in Rand | Note(s) | 2020 | 2019 |
|-----------------|---------|------|------|
|-----------------|---------|------|------|

1. Presentation of Unaudited Annual Financial Statements

The unaudited annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These unaudited annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures are rounded to the nearest Rand.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

1.1 Going concern assumption

These unaudited annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.2 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.3 Internal reserves

Capital replacement reserve (CRR)

In order to finance the acquisition of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of the Annual Budget. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

Self-insurance reserve

The municipality has a Self-insurance reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term investments.

Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.3 Internal reserves (continued)

Accumulated surplus

The accumulated surplus/deficit represent the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

1.4 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty

In preparing the unaudited annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the unaudited annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are insignificant to the annual financial statements are set out below:

Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Revenue recognition

Accounting Policy 1.16 on Revenue from Exchange Transactions and Accounting Policy 1.17 on Revenue from Nonexchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In concluding judgement, management considered the detailed criteria for recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Impairment of financial assets

Accounting Policy 1.11: Financial Instruments, referring to the paragraph on impairment of financial assets, describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in the applicable notes to the annual financial statements.

Useful lives of property, plant and equipment and intangible assets

As described in Accounting Policy 1.8 and 1.9 the municipality depreciates its property, plant and equipment and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful life, which is determined when the assets are brought into use. The useful life and residual values of the assets are based on industry knowledge. The review of useful life and residual values of assets are only reviewed if one of the indicators of potential review is triggered.

Employee benefit obligations

The municipality obtains actuarial valuations of its employee benefit obligations. The employee benefit obligations of the municipality that were identified are post-retirement health benefit obligations and long-service awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the applicable notes to the annual Financial Statements.

Impairment of non-financial assets

The recoverable amounts of cash-generating units have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The recoverable amounts of individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

It is reasonably possible that the assumptions may change which may then impact our estimations and would require a material adjustment to the carrying value of tangible assets.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Value in use of cash generating assets

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as inflation and interest.

Value in use of non-cash generating assets

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that the impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Allowance for slow moving, damaged and obsolete stock

An allowance for inventory to write inventory down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the surplus/deficit.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

Provisions

Provisions are raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 20 - Provisions.

Effective interest rate

The municipality uses the best estimate of the costs at the reporting date with reference to the inflation rate.

Allowance for doubtful debts

On receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Impairment of statutory receivables

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures and impairment loss. The impairment loss is measured as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In estimating the future cash flows, the municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable are revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

1.6 Biological assets that form part of an agricultural activity

The municipality recognises biological assets that form part of an agricultural activity or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the municipality; and
- the fair value or cost of the asset can be measured reliably.

Biological assets that form part of an agricultural activity are measured at their fair value less costs to sell.

A gain or loss arising on initial recognition of biological assets that form part of an agricultural activity or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of biological assets that form part of an agricultural activity is included in surplus or deficit for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate where applicable is used to determine fair value.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The municipality classifies biological assets as consumables which consist of timber in the form of pine trees. All biological assets are held for sale.

| Item | Useful life |
|---|-------------|
| Trees in timber plantation - Consumable | indefinite |

1.7 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Depreciation is calculated at the straight line method over a period of 30 yearst

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.7 Investment property (continued)

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is, subsequent to initial measurement, carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

| Item | Useful life |
|----------------------|-------------|
| Property - land | indefinite |
| Property - buildings | 30-99 years |

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, including the nature or type of properties classified as held for strategic purposes, are as follows:

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

- commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- commencement of development with a view to sale, for a transfer from investment property to inventories;
- end of owner-occupation, for a transfer from owner-occupied property to investment property; or
- commencement of an operating lease (on a commercial basis) to another party, for a transfer from inventories to investment property.

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the unaudited annual financial statements (see note 11).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the unaudited annual financial statements (see note 11).

1.8 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

Property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Measurement

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary cost of dismantling and removing the asset and restoring the site on which it is located.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.8 Financial instruments (continued)

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent to initial measurement property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Incomplete construction work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.

Impairment

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable service amount, it is written down immediately to its recoverable service amount and an impairment loss is charged to the statement of financial performance.

Depreciation

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

| Item | Depreciation method | Average useful life |
|-------------------------------------|---------------------|---------------------|
| Land | Straight-line | indefinite |
| Machinery and equipment | Straight-line | 1-25 |
| Furniture and office equipment | Straight-line | 2-24 |
| Transport assets | Straight-line | 4-20 |
| Computer equipment | Straight-line | 5-23 |
| Community assets | Straight-line | 4-30 |
| Other property, plant and equipment | Straight-line | 6-99 |
| Capital restoration asset | Straight-line | 5-30 |
| Electrical infrastructure | Straight-line | 10-50 |
| Water supply infrastructure | Straight-line | 10-100 |
| Solid waste infrastructure | Straight-line | 10-30 |
| Roads infrastructure | Straight-line | 10-100 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.8 Financial instruments (continued)

| | | |
|--|---------------|--------|
| Information and communication infrastructure | Straight-line | 3-15 |
| Waste water network | Straight-line | 10-100 |
| Stormwater infrastructure | Straight-line | 10-50 |

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 10).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 10).

1.9 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.9 Intangible assets (continued)

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are initially measured at cost.

Subsequent to initial measurement Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

| Item | Depreciation method | Average useful life |
|---|---------------------|---------------------|
| Internally generated: Capital development | Straight-line | 5 - 7 years |
| Computer software | Straight-line | 3 - 30 years |
| Service operating and land rights | Straight-line | 5 - 30 years |

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the asset is derecognised.

1.10 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

The municipality separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note 14).

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Where the municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in note 14 Heritage assets.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.10 Heritage assets (continued)

Subsequent measurement

Subsequent to initial measurement classes of heritage assets are carried at cost less any accumulated impairment losses.

Impairment

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.11 Financial instruments

A financial instrument can broadly be defined as those contracts that results in a financial asset in one entity and a financial liability or residual interest in another entity. A key distinguishing factor between financial assets and financial liabilities and other assets and liabilities, is that they are settled in cash or by exchanging financial instruments rather than through the provision of goods or services.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.11 Financial instruments (continued)

A financial asset is:

- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the municipality.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the municipality.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the municipality had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the municipality designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.11 Financial instruments (continued)

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

| Class | Category |
|--|--|
| Receivables from exchange transactions | Financial asset measured at amortised cost |
| Receivables from non-exchange transactions | Financial asset measured at amortised cost |
| Cash and cash equivalents | Financial asset measured at amortised cost |
| Other receivables from exchange transactions | Financial asset measured at amortised cost |
| Short term investments | Financial asset measured at amortised cost |
| Long term receivables | Financial asset measured at amortised cost |

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

| Class | Category |
|-------------------------------------|--|
| Payables from exchange transactions | Financial liability measured at amortised cost |
| Consumer deposits | Financial liability measured at amortised cost |
| Other financial liabilities | Financial liability measured at amortised cost |

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus, in the case of a financial asset or a liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.11 Financial instruments (continued)

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the municipality uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data..

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Reclassification

The municipality does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the municipality cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the municipality reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.11 Financial instruments (continued)

Impairment and uncollectibility of financial assets

The municipality assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

The calculation in respect of the impairment of fines receivable (receivables from non-exchange transactions) is based on an assessment of the past history of fines per category.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.11 Financial instruments (continued)

Derecognition

Financial assets

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with a maturity period of between three and twelve months and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried in the balance sheet at amortised cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with bank, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another municipality by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.12 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

Housing rental and instalments

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.12 Leases (continued)

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as revenue and the contractual payments are recognised as an operating lease asset or liability.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rent are expensed in the period in which they are incurred.

1.13 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.14 Landfill site

Site restoration and dismantling cost - The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes:

- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located;
- changes in the measurement of an existing decommissioning, restoration and similar liability that result from change in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in discount rate; and
- the obligation the municipality incurs for having used the items during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

1.15 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Management has judged all assets as non cash generating assets.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.15 Impairment of cash-generating assets (continued)

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.15 Impairment of cash-generating assets (continued)

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.15 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.16 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.16 Impairment of non-cash-generating assets (continued)

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.17 Employee benefits

Employee benefits are all forms of consideration given by the municipality in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting municipality, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting municipality's own creditors (even in liquidation) and cannot be paid to the reporting municipality, unless either:

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Accounting Policies

1.17 Employee benefits (continued)

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting municipality to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from the municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Accrued leave pay

Liabilities for annual leave are recognised as they accrue to employees. Liability is based on the total accrued leave days owing to employees and is reviewed annually.

Stellenbosch Municipality

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Accounting Policies

1.17 Employee benefits (continued)

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an municipality provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Multi-employer plans

The municipality classifies a multi-employer plan and/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the municipality accounts for in the same way as for any other defined contribution plan.

Where a plan is a defined benefit plan, the municipality account for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the municipality account for the plan as if it was a defined contribution plan.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the municipality during a reporting period, the municipality recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Stellenbosch Municipality

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Accounting Policies

1.17 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The municipality measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The municipality determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the unaudited annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

Stellenbosch Municipality

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Accounting Policies

1.17 Employee benefits (continued)

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the municipality shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the municipality shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.17 Employee benefits (continued)

Other long term employee benefits

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

Long term service awards is payable after 10 years of continuous service and after every 5 years thereafter to employees. Additional to this employees shall be entitled to a 14th cheque for continuous employment on their 30th and every 5th year onward. Furthermore a retirement gift is payable on retirement to employees with 10 years or more service. The provision is an estimate of the long service award based on historical staff turnover based on historical staff turnover. No other long service benefits are provided to employees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

Termination benefits

The municipality recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The municipality is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.18 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Stellenbosch Municipality

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Accounting Policies

1.18 Provisions and contingencies (continued)

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Provision for the rehabilitation of landfill sites

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

As the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period;
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit;
- if the adjustments result in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may be fully recoverable. If there is such an indication, the municipality tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and accounts for any impairment loss, in accordance with the accounting policy on impairment of assets as described in the accounting policy on impairment of cash-generating assets and/ or impairment of non-cash generating assets.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur.

Provision for constructive obligations

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

Stellenbosch Municipality

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Accounting Policies

1.18 Provisions and contingencies (continued)

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingencies

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 53.

A contingent liability is a:

- possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality;
- present obligation that arises from past events but is not recognised because: it is not probable than an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; the amount of the obligation cannot be measured with sufficient reliability.

Grant-in-aid contributions

Provision is made for any constructive obligations of the municipality. A constructive obligation arises through an established pattern of past practice, published policies or a sufficiently specific current standard, whereby the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

1.19 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Stellenbosch Municipality

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Accounting Policies

1.19 Revenue from exchange transactions (continued)

Service charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the billings done during July and August. The billing and invoiced amounts done in July are recognised in total as an accrual as all billing in July pertains to services rendered prior to 30 June. An estimate is then made based on August billing pertaining to services rendered up until 30 June.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

Pre-paid electricity

Revenue from the sale of electricity prepaid units is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.19 Revenue from exchange transactions (continued)

Interest earned

Interest earned on investments is recognised in the statement of financial performance on the time proportionate basis that takes into account the effective yield on the investment.

Dividends

Dividends are recognised on the date that the municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement, where applicable.

Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of principals has been quantified. The income recognised is in terms of the agency agreement.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.20 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.20 Revenue from non-exchange transactions (continued)

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the statement of financial performance in the period in which they become receivable.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Property rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.20 Revenue from non-exchange transactions (continued)

Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Debt forgiveness and assumption of liabilities

The municipality recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Services in-kind that are significant to the municipality's operations and/or service delivery objectives are recognised as assets and the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality disclose the nature and type of services in-kind received during the reporting period.

Collection charges and penalties

Collection charges and penalty interest is recognised when:

- it is probable that the economic benefits or service potential associated with the transactions will flow to the municipality; and
 - the amount of revenue can be measured reliably; and
- to the extent that there has been compliance with the relevant legal requirements (if applicable).

1.21 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.21 Statutory receivables (continued)

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

Stellenbosch Municipality

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Accounting Policies

1.21 Statutory receivables (continued)

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, an municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.22 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Stellenbosch Municipality

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Accounting Policies

1.22 Accounting by principals and agents (continued)

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.23 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.24 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 60 for detail.

1.25 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.26 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.27 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.28 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its unaudited annual financial statements.

1.29 Changes in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Accounting Policies

1.29 Changes in accounting policies, estimates and errors (continued)

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

1.30 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

1.31 Value Added Tax

The municipality accounts for Value Added Tax on the cash (receipt) basis.

1.32 Budget information

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2019/07/01 to 2020/06/30.

The unaudited annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.33 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.34 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

Stellenbosch Municipality

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2. New standards and interpretations

2.1 Standards and Interpretations early adopted

The municipality has not early adopted any GRAP standard that is not effective.

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2020 or later periods:

| Standard/ Interpretation: | Effective date:
Years beginning on or after | Expected impact: |
|---|--|--|
| • GRAP 34: Separate Financial Statements | 01 April 2020 | Unlikely there will be a material impact |
| • GRAP 35: Consolidated Financial Statements | 01 April 2020 | Unlikely there will be a material impact |
| • GRAP 36: Investments in Associates and Joint Ventures | 01 April 2020 | Unlikely there will be a material impact |
| • GRAP 37: Joint Arrangements | 01 April 2020 | Unlikely there will be a material impact |
| • GRAP 38: Disclosure of Interests in Other Entities | 01 April 2020 | Unlikely there will be a material impact |
| • GRAP 110 (as amended 2016): Living and Non-living Resources | 01 April 2020 | Unlikely there will be a material impact |
| • GRAP 18 (as amended 2016): Segment Reporting | 01 April 2020 | Not expected to impact results but may result in additional disclosure |

3. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|---------------------------|--------------------|--------------------|
| Cash on hand | 14 220 | 19 220 |
| Bank balances | 21 452 795 | 169 368 979 |
| Call accounts | 89 236 885 | - |
| Lamotte Trust | 435 848 | - |
| Trust and charitable bank | 62 097 | 102 334 |
| | 111 201 845 | 169 490 533 |

Call accounts

| | | |
|---------------|-------------------|----------|
| ABSA | 20 978 744 | - |
| Nedbank | 46 299 984 | - |
| Standard bank | 21 958 157 | - |
| | 89 236 885 | - |

Included in the call account with Nedbank is an amount of R46 224 000 that is held as a guarantee for a property purchase.

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3. Cash and cash equivalents (continued)

The municipality had the following bank accounts

| Account number / description | Bank statement balances | | | Cash book balances | | |
|------------------------------|-------------------------|--------------------|-------------------|--------------------|--------------------|-------------------|
| | 30 June 2020 | 30 June 2019 | 30 June 2018 | 30 June 2020 | 30 June 2019 | 30 June 2018 |
| Nedbank - primary account | 45 327 087 | 167 107 031 | 10 498 115 | 21 888 643 | 169 368 979 | 10 250 972 |
| ABSA bank - current account | 1 260 126 | 1 277 273 | 1 569 981 | - | - | - |
| Charitable fund | 72 097 | 112 334 | 22 275 | 62 097 | 102 334 | 22 275 |
| Total | 46 659 310 | 168 496 638 | 12 090 371 | 21 950 740 | 169 471 313 | 10 273 247 |

The external loan amount of R 3 737 163 is an restriction on cash and cash equivalents.

Stellenbosch Municipality

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| 4. Short term investments | | |
| Short term investments | | |
| Fixed deposits | 306 637 342 | 398 163 664 |
| Short term investments include all other investments for a period of 1-12 months that are not included in cash and cash equivalents. The interest rates for these investments range between 7.650% (2months) and 9.050% (12months) | | |
| Short term investments consists of the following: | | |
| FNB - Investments | | |
| Opening balance | - | 203 467 342 |
| Interest accrued | - | 4 432 932 |
| Withdrawals | - | (207 900 274) |
| Closing balance | - | - |
| Nedbank - Investments | | |
| Opening balance | 286 762 972 | 210 391 013 |
| Deposits | 356 656 567 | 330 000 000 |
| Interest accrued | 17 254 545 | 21 685 132 |
| Withdrawals | (537 530 249) | (275 313 173) |
| Closing balance | 123 143 835 | 286 762 972 |
| Standard Bank - Investments | | |
| Opening balance | 50 362 773 | 102 156 301 |
| Deposits | 411 309 291 | 170 000 000 |
| Interest accrued | 12 993 844 | 5 757 167 |
| Withdrawals | (392 583 717) | (227 550 695) |
| Closing balance | 82 082 191 | 50 362 773 |
| Investec - Investments | | |
| Opening balance | 61 037 918 | - |
| Deposits | - | 260 000 000 |
| Interest accrued | 101 260 | 4 880 932 |
| Withdrawals | (61 139 178) | (203 843 014) |
| Closing balance | - | 61 037 918 |
| ABSA - Investments | | |
| Deposits | 179 021 256 | 160 000 000 |
| Interest accrued | 2 632 114 | 1 298 756 |
| Withdrawals | (80 242 055) | (161 298 756) |
| Closing balance | 101 411 315 | - |
| 5. Receivables from exchange transactions | | |
| Gross balances | | |
| Electricity | 46 755 366 | 40 181 151 |
| Water | 92 074 315 | 84 298 215 |
| Sewerage | 28 652 488 | 23 192 540 |
| Refuse | 26 315 014 | 22 876 061 |
| Housing rental | 27 194 339 | 27 274 194 |
| Sundry | 9 528 432 | 9 863 657 |
| Electricity accrual | 13 552 722 | 67 102 118 |
| Water accrual | 18 398 153 | 15 522 807 |
| | 262 470 829 | 290 310 743 |

Stellenbosch Municipality

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| 5. Receivables from exchange transactions (continued) | | |
| Less: Allowance for impairment | | |
| Electricity | (9 022 236) | (5 981 186) |
| Water | (70 800 550) | (66 846 818) |
| Sewerage | (17 196 507) | (16 152 217) |
| Refuse | (19 767 391) | (18 354 951) |
| Housing rental | (25 919 228) | (26 523 545) |
| Sundry | (8 697 371) | (8 947 653) |
| | (151 403 283) | (142 806 370) |
| Net balance | | |
| Electricity | 37 733 130 | 34 199 965 |
| Water | 21 273 765 | 17 451 397 |
| Sewerage | 11 455 981 | 7 040 323 |
| Refuse | 6 547 623 | 4 521 110 |
| Electricity accrual | 13 552 722 | 67 102 118 |
| Water accrual | 18 398 153 | 15 522 807 |
| Housing rental | 1 275 111 | 750 649 |
| Sundry | 831 061 | 916 004 |
| | 111 067 546 | 147 504 373 |
| Electricity | | |
| Current (0 -30 days) | 35 776 566 | 32 624 115 |
| 31 - 60 days | 1 854 127 | 1 148 130 |
| 61 - 90 days | 968 501 | 639 783 |
| 91 - 120 days | 474 067 | 277 050 |
| 121 - 365 days | 2 608 777 | 1 066 801 |
| > 365 days | 5 073 328 | 4 425 272 |
| | 46 755 366 | 40 181 151 |
| Water | | |
| Current (0 -30 days) | 18 388 855 | 13 810 713 |
| 31 - 60 days | 4 470 012 | 3 070 258 |
| 61 - 90 days | 4 197 477 | 2 208 391 |
| 91 - 120 days | 2 965 459 | 2 171 375 |
| 121 - 365 days | 9 205 500 | 18 687 754 |
| > 365 days | 52 847 012 | 44 349 724 |
| | 92 074 315 | 84 298 215 |
| Sewerage | | |
| Current (0 -30 days) | 7 739 092 | 5 807 634 |
| 31 - 60 days | 1 443 192 | 483 993 |
| 61 - 90 days | 1 135 486 | 435 064 |
| 91 - 120 days | 1 475 198 | 374 823 |
| 121 - 365 days | 2 545 553 | 3 100 555 |
| > 365 days | 14 313 967 | 12 990 471 |
| | 28 652 488 | 23 192 540 |

Stellenbosch Municipality

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| 5. Receivables from exchange transactions (continued) | | |
| Refuse | | |
| Current (0 -30 days) | 5 284 928 | 3 383 765 |
| 31 - 60 days | 754 343 | 498 839 |
| 61 - 90 days | 609 919 | 389 466 |
| 91 - 120 days | 428 716 | 372 158 |
| 121 - 365 days | 3 084 599 | 3 402 793 |
| > 365 days | 16 152 509 | 14 829 040 |
| | 26 315 014 | 22 876 061 |
| Electricity accrual | | |
| Current (0 -30 days) | 13 552 722 | 67 102 118 |
| Water accrual | | |
| Current (0 -30 days) | 18 398 153 | 15 522 807 |
| Housing rental | | |
| Current (0 -30 days) | 504 690 | 259 533 |
| 31 - 60 days | 167 935 | 143 963 |
| 61 - 90 days | 1 016 980 | 135 487 |
| 91 - 120 days | 121 477 | 1 016 963 |
| 121 - 365 days | 628 666 | 937 822 |
| > 365 days | 24 754 591 | 24 780 426 |
| | 27 194 339 | 27 274 194 |
| Sundry | | |
| Current (0 -30 days) | 497 945 | 685 070 |
| 31 - 60 days | 79 498 | 132 050 |
| 61 - 90 days | 166 344 | 145 872 |
| 91 - 120 days | 268 495 | 115 192 |
| 121 - 365 days | 970 687 | 614 853 |
| > 365 days | 7 545 463 | 8 170 620 |
| | 9 528 432 | 9 863 657 |
| Reconciliation of allowance for impairment | | |
| Balance at beginning of the year | (142 806 370) | (121 985 735) |
| Contributions to allowance | (8 596 913) | (20 820 635) |
| | (151 403 283) | (142 806 370) |

Receivables from exchange transactions past due but not impaired

The Council regards receivables from exchange transactions to be due for outstanding amounts more than 30 days to be past due.

Debtors to the amount of R16 million have been ceded to the Development Bank of Southern Africa in providing security for a loan raised from them.

The water and electricity accrual is in respect of consumption between the last meter reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers. The estimate of the consumption are being recorded as revenue without being invoiced.

Stellenbosch Municipality

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Notes to the Unaudited Annual Financial Statements

Figures in Rand 2020 2019

5. Receivables from exchange transactions (continued)

Government debt as at 30 June 2020

| Department responsible for debt | Services | Interest | Sundry | Total |
|--|------------------|---------------|---------------|------------------|
| Nat. dept of Public Works | 3 918 892 | 81 029 | 11 497 | 4 011 418 |
| Prov. dept of Transport and Public Works | 19 298 | 541 | 550 | 20 389 |
| Western Cape Education department | 1 339 795 | 449 | 399 | 1 340 643 |
| Department of Health | 337 406 | - | - | 337 406 |
| Dept of local government and housing | 8 672 | 859 | 918 | 10 449 |
| Other government departments | 10 852 | 72 | 201 | 11 125 |
| | 5 634 915 | 82 950 | 13 565 | 5 731 430 |

Consumer debtors past due but not impaired

Consumer debtors which are more than 30 days past due but not impaired. At 30 June 2020, R 14 062 800 (2019: R 6 713 380) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

| 2020 | 31-60 days | 61-90 days | 91-120 days | 121-365 days | >365 days | Total |
|----------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Electricity | 949 267 | 537 786 | 209 660 | 327 155 | 88 701 | 2 112 569 |
| Water | 1 362 418 | 1 000 805 | 623 436 | 905 428 | 1 452 310 | 5 344 397 |
| Sewerage | 703 193 | 799 582 | 1 191 547 | 356 872 | 658 353 | 3 709 547 |
| Refuse | 307 193 | 199 527 | 97 200 | 370 113 | 621 305 | 1 595 338 |
| Housing rental | 44 456 | 767 264 | 19 141 | 32 237 | 76 992 | 940 090 |
| Sundry | 42 551 | 50 315 | 64 027 | 89 185 | 114 781 | 360 859 |
| | 3 409 078 | 3 355 279 | 2 205 011 | 2 080 990 | 3 012 442 | 14 062 800 |

| 2019 | 31-60 days | 61-90 days | 91-120 days | 121-365 days | >365 days | Total |
|----------------|------------------|----------------|----------------|------------------|------------------|------------------|
| Electricity | 429 510 | 100 721 | 63 293 | 206 123 | 139 000 | 938 647 |
| Water | 557 643 | 308 579 | 225 389 | 1 375 192 | 884 864 | 3 351 667 |
| Sewerage | 172 159 | 115 625 | 63 333 | 258 502 | 307 537 | 917 156 |
| Refuse | 124 433 | 68 557 | 52 974 | 237 042 | 309 063 | 792 069 |
| Housing rental | 29 621 | 18 130 | 277 371 | 72 463 | 93 533 | 491 118 |
| Sundry | 35 012 | 27 577 | 23 419 | 56 661 | 80 054 | 222 723 |
| | 1 348 378 | 639 189 | 705 779 | 2 205 983 | 1 814 051 | 6 713 380 |

6. Receivables from non-exchange transactions

Grant receivables represent funding that Council is awaiting from external institutions for capital expenditure incurred and claimed, but not yet received at year-end.

The average credit period for capital receivables is dependent on the government department involved and the nature of the claim. No interest is charged on outstanding capital receivables. The subsidies are payable to the municipality resulting from allocations made in the DORA or based on agreements between the municipality and the relevant departments.

Gross balances

| | | |
|-------------------|--------------------|--------------------|
| Grant receivables | 18 301 323 | 15 297 872 |
| Fines | 160 924 858 | 178 242 746 |
| Property rates | 44 671 127 | 39 148 816 |
| Other receivables | 938 577 | 808 210 |
| | 224 835 885 | 233 497 644 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

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| 6. Receivables from non-exchange transactions (continued) | | |
| Less: Allowance for impairment | | |
| Fines | (127 937 315) | (142 321 642) |
| Property rates | (25 414 532) | (25 209 343) |
| | (153 351 847) | (167 530 985) |
| Net balance | | |
| Grant receivables | 18 301 323 | 15 297 872 |
| Fines | 32 987 543 | 35 921 104 |
| Property rates | 19 256 595 | 13 939 473 |
| Other receivables | 938 577 | 808 210 |
| | 71 484 038 | 65 966 659 |
| Statutory receivables included in receivables from non-exchange transactions above are as follows: | | |
| Property rates | 19 256 595 | 13 939 473 |
| Fines | 32 987 543 | 35 921 104 |
| | 52 244 138 | 49 860 577 |
| Financial asset receivables included in receivables from non-exchange transactions above | 19 239 900 | 16 106 082 |
| Total receivables from non-exchange transactions | 71 484 038 | 65 966 659 |
| Fines | | |
| Current (0 -30 days) | 6 213 085 | 16 915 892 |
| 31 - 60 days | 9 319 628 | 12 135 462 |
| 61 - 90 days | 10 393 840 | 11 927 257 |
| 91 - 120 days | 6 997 599 | 8 029 964 |
| 121 - 365 days | 37 278 511 | 61 530 102 |
| > 365 days | 90 722 195 | 67 704 069 |
| | 160 924 858 | 178 242 746 |
| Grant receivable | | |
| Current (0 -30 days) | 5 012 756 | 12 119 045 |
| 121 - 365 days | 9 549 740 | - |
| > 365 days | 3 738 827 | 3 178 827 |
| | 18 301 323 | 15 297 872 |
| Property rates | | |
| Current (0 -30 days) | 19 890 575 | 16 047 171 |
| 31 - 60 days | 2 397 437 | 978 421 |
| 61 - 90 days | 1 230 845 | 535 796 |
| 91 - 120 days | 707 787 | 539 047 |
| 121 - 365 days | 5 109 347 | 5 178 110 |
| > 365 days | 15 335 136 | 15 870 271 |
| | 44 671 127 | 39 148 816 |
| Other receivables from non-exchange revenue | | |
| Current (0 -30 days) | - | 56 000 |
| > 365 days | 938 577 | 752 210 |
| | 938 577 | 808 210 |

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Notes to the Unaudited Annual Financial Statements

| Figures in Rand | 2020 | 2019 |
|---|----------------------|----------------------|
| 6. Receivables from non-exchange transactions (continued) | | |
| Reconciliation of allowance for impairment for Statutory receivables | | |
| Balance at beginning of the year | (167 530 985) | (164 256 148) |
| Contributions to allowance | 14 179 138 | (3 274 837) |
| | (153 351 847) | (167 530 985) |

As at 30 June 2020, Statutory Receivables of R4 109 614 (2019: R1 764 383) were past due but not impaired.

| 2020 | 31-60 days | 61-90 days | 91-120 days | 121-365 days | >365 days | Total |
|----------------|-------------------|-------------------|--------------------|---------------------|---------------------|--------------|
| Property rates | 1 559 532 | 576 868 | 243 640 | 719 761 | 1 009 812 | 4 109 614 |
| 2019 | 31-60 days | 61-90 days | 91-120 days | 121-365 days | >365 days | Total |
| Property rates | 434 142 | 165 413 | 132 038 | 576 796 | 455 994 | 1 764 383 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

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|-----------------|------|------|
|-----------------|------|------|

6. Receivables from non-exchange transactions (continued)

Statutory receivables general information

Transaction(s) arising from statute

Property rates related transactions arise in terms of the Municipal Property Rates Act, 6 of 2004, Municipal Finance Management Act, 56 of 2003, as well as the Property Rates Policy of the municipality approved by Council as part of the Budget Process.

Traffic fines arise from the National Road Traffic Act 93 of 1996, National Road Traffic Regulations 2000, National Land Transport Act 5 of 2009 and Criminal Procedure Act 51 of 1971. Prosecutor performs prosecutorial functions in terms of a general delegation awarded by the National Prosecuting Authority and is subject to the control of the Control Prosecutor at the Magistrate's Court in Stellenbosch.

VAT transactions arise from the Value Added Tax Act 89 of 1991. VAT is an indirect tax on the consumption of goods and services in the economy. VAT is levied on all goods and services subject to certain exemptions, exceptions, deductions and adjustments provided for in the Value Added Tax Act 89 of 1991.

Determination of transaction amount

Property rates transaction amounts are determined in line with the Annual Tariff List of the municipality approved by Council as part of the Budget Process in terms of the Municipal Finance Management Act, 56 of 2003.

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

VAT transactions amounts are determined in line with the Value Added Tax Act 89 of 1991. VAT increased from 14% to 15% from 1 April 2018.

Interest or other charges levied/charged

Interest or other charges levied on Property rates balances are in line with the Annual Tariff List of the municipality approved by Council as part of the Budget Process in terms of the Municipal Finance Management Act, 56 of 2003.

"Interest" means a charge levied, on all arear accounts calculated at an interest rate which is one percent higher than the prime interest rate.

Traffic fines: Additional charges includes contempt of court fees / warrant of arrest fee determined in terms of the Criminal Procedure Act.

The rates and interest charges are determined by the Value Added Tax Act 89 of 1991.

Basis used to assess and test whether a statutory receivable is impaired

The basis used to assess Property Rates receivables is to look at the extent to which debtors on an individual basis defaulted on payments already due and an assessment of their ability to make payments based on their historical collection trend.

The basis used to assess Traffic fine receivables is to look at the extent to which debtors per group of fines (Municipal fines, Provincial fines) defaulted on payments already due and an assessment of their ability to make payments based on their historical collection trend.

No impairment on VAT Receivable, balance expected to be fully recoverable.

Discount rate applied to the estimated future cash flows

Interest is calculated using the nominal interest rate as stipulated in the municipal by-laws (Prime plus 1%). This rate is also considered an appropriate discount rate.

Main events and circumstances that led to the recognition or reversal of impairment losses on statutory receivables

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

| Figures in Rand | 2020 | 2019 |
|-----------------|------|------|
|-----------------|------|------|

6. Receivables from non-exchange transactions (continued)

Significant impairment losses recognised or reversed

Property Rates: Impairment Recognised: The national lockdown resulted in many employers and employees not being able to generate sufficient income to pay their municipal accounts for April to June 2020.

Traffic Fines: Impairment Recognised: Annually the outstanding receivables are assessed in terms of the value of fines issued in comparison to the receipts generated from such fines. The remaining balance is considered recoverable based on this payment percentage.

7. Other receivables from exchange transactions

| | | |
|----------------------------|-------------------|-------------------|
| Prepayments | 3 651 254 | 5 879 933 |
| Deposits | 1 589 255 | 1 182 720 |
| Construction receivable | 5 317 560 | - |
| Public safety account | 949 296 | 949 296 |
| Special rating area debtor | 444 588 | 337 827 |
| Other receivable | 1 259 053 | 7 104 935 |
| Parking debtor | 1 265 814 | 455 256 |
| | 14 476 820 | 15 909 967 |
| Non-current assets | 1 589 255 | 1 182 720 |
| Current assets | 12 887 565 | 14 727 247 |
| | 14 476 820 | 15 909 967 |

8. Inventories

| | | |
|------------------------|-------------------|-------------------|
| Consumable stores | 2 054 125 | 6 586 601 |
| Maintenance materials | 34 518 310 | 29 561 982 |
| Water for distribution | 1 805 053 | 1 896 630 |
| Land inventory | 14 146 828 | 14 262 729 |
| Housing inventory | 11 550 000 | 12 250 000 |
| | 64 074 316 | 64 557 942 |

| | | |
|--|------------|------------|
| Inventories recognised as an expense during the year | 32 432 482 | 25 087 435 |
|--|------------|------------|

The amount of inventory reversed/ (written down) is R709 539 (2019: (R4 061 381)) and is recognised as an expense and a reduction in the carrying value of inventories. The circumstances relating to the write down is as a result of stock adjustments and shortages on general stock items as reported and approved accordingly.

No inventories were pledged as securities.

The comparative amounts were restated. Refer to note 61

9. VAT receivable

| | | |
|-----|------------|------------|
| VAT | 30 285 689 | 48 168 490 |
|-----|------------|------------|

The municipality is registered for VAT on the payment/ cash basis.

VAT meets the definition of a statutory receivable as per the accounting policy. For statutory receivable information regarding VAT refer to note 6.

Stellenbosch Municipality

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| Figures in Rand | 2020 | | | 2019 | | |
|--|----------------------|---|----------------------|----------------------|---|----------------------|
| | Cost /
Valuation | Accumulated
depreciation
and
accumulated
impairment | Carrying value | Cost /
Valuation | Accumulated
depreciation
and
accumulated
impairment | Carrying value |
| Capital restoration asset | 13 510 984 | (6 914 475) | 6 596 509 | 11 141 169 | 331 285 | 11 472 454 |
| Community assets | 103 913 751 | (15 768 421) | 88 145 330 | 90 216 296 | (12 466 626) | 77 749 670 |
| Computer equipment | 57 228 268 | (32 713 154) | 24 515 114 | 46 821 941 | (25 745 874) | 21 076 067 |
| Electrical infrastructure | 1 310 228 437 | (378 145 526) | 932 082 911 | 1 275 773 390 | (344 976 315) | 930 797 075 |
| Furniture and office equipment | 44 292 344 | (30 208 893) | 14 083 451 | 41 602 672 | (26 457 951) | 15 144 721 |
| Information and communication infrastructure | 3 945 508 | (2 301 090) | 1 644 418 | 3 210 627 | (1 870 556) | 1 340 071 |
| Land | 483 845 564 | (27 052 477) | 456 793 087 | 422 899 301 | (27 052 477) | 395 846 824 |
| Machinery and equipment | 107 257 761 | (49 955 747) | 57 302 014 | 95 622 270 | (43 783 517) | 51 838 753 |
| Other property, plant and equipment | 508 334 507 | (87 597 065) | 420 737 442 | 490 940 067 | (77 741 491) | 413 198 576 |
| Roads infrastructure | 1 160 102 630 | (389 089 524) | 771 013 106 | 1 095 592 517 | (342 206 402) | 753 386 115 |
| Solid waste infrastructure | 66 399 111 | (14 997 342) | 51 401 769 | 44 321 124 | (13 402 399) | 30 918 725 |
| Stormwater infrastructure | 62 517 401 | (45 958 182) | 16 559 219 | 62 687 324 | (46 229 048) | 16 458 276 |
| Transport assets | 153 679 863 | (56 880 434) | 96 799 429 | 123 761 657 | (47 250 549) | 76 511 108 |
| Wastewater network | 1 088 234 167 | (170 631 081) | 917 603 086 | 1 007 541 993 | (143 245 323) | 864 296 670 |
| Water supply infrastructure | 1 769 425 922 | (380 016 229) | 1 389 409 693 | 1 717 548 936 | (344 858 949) | 1 372 689 987 |
| Total | 6 932 916 218 | (1 688 229 640) | 5 244 686 578 | 6 529 681 284 | (1 496 956 192) | 5 032 725 092 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

Figures in Rand

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2020

| | Opening
balance | Additions | Transfers | Other changes,
movements | Depreciation | Impairment
loss | Total |
|--|----------------------|--------------------|--------------------|-----------------------------|----------------------|--------------------|----------------------|
| Land | 395 846 824 | 60 946 263 | - | - | - | - | 456 793 087 |
| Machinery and equipment | 51 838 753 | 11 635 491 | - | - | (6 172 230) | - | 57 302 014 |
| Furniture and office equipment | 15 144 721 | 2 695 605 | - | - | (3 756 761) | (114) | 14 083 451 |
| Transport assets | 76 511 108 | 30 204 426 | - | - | (9 844 550) | (71 555) | 96 799 429 |
| Computer equipment | 21 076 067 | 10 406 328 | - | - | (6 967 281) | - | 24 515 114 |
| Community assets | 77 749 670 | 13 697 455 | - | - | (3 301 795) | - | 88 145 330 |
| Other property, plant and equipment | 413 198 576 | 17 394 439 | - | - | (9 855 573) | - | 420 737 442 |
| Capital restoration asset | 11 472 454 | - | - | 2 369 815 | (7 245 760) | - | 6 596 509 |
| Electrical infrastructure | 930 797 075 | 34 668 146 | (1 634 778) | - | (31 747 463) | (69) | 932 082 911 |
| Water supply infrastructure | 1 372 689 987 | 55 207 828 | 128 532 | - | (38 616 654) | - | 1 389 409 693 |
| Solid waste infrastructure | 30 918 725 | 22 077 986 | - | - | (1 594 942) | - | 51 401 769 |
| Roads infrastructure | 753 386 115 | 64 510 114 | - | - | (46 883 123) | - | 771 013 106 |
| Information and communication infrastructure | 1 340 071 | 734 880 | - | - | (430 533) | - | 1 644 418 |
| Wastewater network | 864 296 670 | 80 753 967 | - | - | (27 447 314) | (237) | 917 603 086 |
| Stormwater infrastructure | 16 458 276 | 834 783 | - | - | (732 838) | (1 002) | 16 559 219 |
| | 5 032 725 092 | 405 767 711 | (1 506 246) | 2 369 815 | (194 596 817) | (72 977) | 5 244 686 578 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

Figures in Rand

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2019

| | Opening
balance | Additions | Disposals | Depreciation | Impairment
loss | Total |
|--|----------------------|--------------------|--------------------|----------------------|--------------------|----------------------|
| Land | 395 846 824 | - | - | - | - | 395 846 824 |
| Machinery and equipment | 51 945 052 | 9 171 765 | (1 546 065) | (7 731 999) | - | 51 838 753 |
| Furniture and office equipment | 14 236 022 | 5 871 835 | (597 600) | (4 365 536) | - | 15 144 721 |
| Transport assets | 78 127 660 | 11 615 258 | (2 482 307) | (9 260 221) | (1 489 282) | 76 511 108 |
| Computer equipment | 21 579 280 | 7 801 310 | (1 182 552) | (7 121 971) | - | 21 076 067 |
| Community assets | 69 045 080 | 11 645 620 | (36 222) | (2 904 808) | - | 77 749 670 |
| Other property, plant and equipment | 335 739 527 | 87 218 129 | (1 022 318) | (8 736 762) | - | 413 198 576 |
| Capital restoration asset | 902 466 | 11 141 169 | - | (571 181) | - | 11 472 454 |
| Electrical infrastructure | 879 589 212 | 86 468 273 | - | (35 260 410) | - | 930 797 075 |
| Water supply infrastructure | 1 351 633 801 | 59 960 927 | (465) | (38 718 334) | (185 942) | 1 372 689 987 |
| Solid waste infrastructure | 31 780 973 | 728 316 | - | (1 590 564) | - | 30 918 725 |
| Roads infrastructure | 724 717 523 | 74 178 868 | - | (45 510 276) | - | 753 386 115 |
| Information and communication infrastructure | 705 637 | 907 873 | (9 891) | (263 548) | - | 1 340 071 |
| Wastewater network | 773 518 714 | 119 400 732 | (151 229) | (28 440 859) | (30 688) | 864 296 670 |
| Stormwater infrastructure | 15 850 555 | 1 815 643 | - | (1 207 922) | - | 16 458 276 |
| | 4 745 218 326 | 487 925 718 | (7 028 649) | (191 684 391) | (1 705 912) | 5 032 725 092 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

| Figures in Rand | 2020 | 2019 |
|--|--------------------|--------------------|
| 10. Property, plant and equipment (continued) | | |
| Work in progress | | |
| Community assets | 15 666 098 | 10 178 755 |
| Electrical infrastructure | 148 532 720 | 121 819 635 |
| Furniture and office equipment | - | 217 315 |
| Roads infrastructure | 91 545 608 | 50 556 698 |
| Stormwater infrastructure | 1 669 565 | 834 783 |
| Solid waste infrastructure | 25 676 215 | 4 138 445 |
| Sanitation infrastructure | 171 079 963 | 86 577 738 |
| Water infrastructure | 142 694 382 | 100 454 478 |
| Machinery and equipment | 157 653 | 744 489 |
| Other property, plant and equipment | 95 081 840 | 86 743 406 |
| | 692 104 044 | 462 265 742 |

The comparative amounts were restated. Refer to note 61.26

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

| | | |
|-------------------------------------|-------------------|-------------------|
| Community assets | 8 147 815 | 6 409 076 |
| Electrical infrastructure | 1 230 754 | 7 790 204 |
| Furniture and office equipment | 9 461 229 | 10 066 464 |
| Other property, plant and equipment | 532 552 | 6 737 392 |
| Roads infrastructure | 8 007 709 | 3 862 340 |
| Sanitation infrastructure | 1 951 783 | 5 186 700 |
| Solid waste infrastructure | 1 125 464 | 530 467 |
| Stormwater infrastructure | 11 762 052 | 4 621 149 |
| Transport assets | 15 634 122 | 9 630 001 |
| Water supply infrastructure | 438 915 | 6 089 595 |
| | 58 292 395 | 60 923 388 |

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

| Figures in Rand | 2020 | 2019 |
|-----------------|------|------|
|-----------------|------|------|

11. Investment property

| | 2020 | | | 2019 | | |
|---------------------|---------------------|---|----------------|---------------------|---|----------------|
| | Cost /
Valuation | Accumulated
depreciation
and
accumulated
impairment | Carrying value | Cost /
Valuation | Accumulated
depreciation
and
accumulated
impairment | Carrying value |
| Investment property | 424 977 732 | (12 463 316) | 412 514 416 | 424 977 732 | (12 210 729) | 412 767 003 |

Reconciliation of investment property - 2020

| | Opening
balance | Additions | Depreciation | Total |
|---------------------|--------------------|-----------|--------------|-------------|
| Investment property | 412 767 003 | - | (252 587) | 412 514 416 |

Reconciliation of investment property - 2019

| | Opening
balance | Additions | Depreciation | Total |
|---------------------|--------------------|-----------|--------------|-------------|
| Investment property | 413 018 897 | - | (251 894) | 412 767 003 |

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Amounts recognised in surplus or deficit

| | | |
|---|-----------|-----------|
| Rental revenue from Investment property | 8 756 326 | 9 018 353 |
|---|-----------|-----------|

The comparative amounts were restated. Refer to note 61.7.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

Figures in Rand

12. Intangible assets

| | 2020 | | 2019 | | | |
|-------------------|---------------------|---|----------------|---------------------|---|----------------|
| | Cost /
Valuation | Accumulated
amortisation
and
accumulated
impairment | Carrying value | Cost /
Valuation | Accumulated
amortisation
and
accumulated
impairment | Carrying value |
| Computer software | 18 985 754 | (9 291 580) | 9 694 174 | 18 822 554 | (6 866 104) | 11 956 450 |

Reconciliation of intangible assets - 2020

| | Opening
balance | Additions | Amortisation | Total |
|-------------------|--------------------|-----------|--------------|-----------|
| Computer software | 11 956 450 | 163 200 | (2 425 476) | 9 694 174 |

Reconciliation of intangible assets - 2019

| | Opening
balance | Additions | Amortisation | Total |
|-------------------|--------------------|-----------|--------------|------------|
| Computer software | 8 430 823 | 5 377 971 | (1 852 344) | 11 956 450 |

13. Biological assets that form part of an agricultural activity

| | 2020 | | 2019 | | | |
|--|---------------------|---|----------------|---------------------|---|----------------|
| | Cost /
Valuation | Accumulated
depreciation
and
accumulated
impairment | Carrying value | Cost /
Valuation | Accumulated
depreciation
and
accumulated
impairment | Carrying value |
| Trees in timber plantation -
Consumable | 6 321 448 | - | 6 321 448 | 6 321 448 | - | 6 321 448 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

| Figures in Rand | 2020 | 2019 |
|-----------------|------|------|
|-----------------|------|------|

13. Biological assets that form part of an agricultural activity (continued)

Reconciliation of biological assets that form part of an agricultural activity - 2020

| | Opening balance | Total |
|---|-----------------|-----------|
| Trees in timber plantation - Consumable | 6 321 448 | 6 321 448 |

Reconciliation of biological assets that form part of an agricultural activity - 2019

| | Opening balance | Total |
|---|-----------------|-----------|
| Trees in timber plantation - Consumable | 6 321 448 | 6 321 448 |

Financial information

| 2020
Nature and quantities of each biological asset | Opening Balance | Decrease due to Harvest | Fair value (decrease) /increase | Closing balance |
|--|------------------|-------------------------|---------------------------------|------------------|
| Botmanskop Plantation | 861 605 | - | - | 861 605 |
| Paradyskloof Plantation | 5 459 843 | - | - | 5 459 843 |
| | 6 321 448 | - | - | 6 321 448 |

| 2019
Nature and quantities of each biological asset | Opening Balance | Decrease due to Harvest | Fair value (decrease) /increase | Closing balance |
|--|------------------|-------------------------|---------------------------------|------------------|
| Botmanskop plantation | 861 605 | - | - | 861 605 |
| Paradyskloof Plantation | 5 459 843 | - | - | 5 459 843 |
| | 6 321 448 | - | - | 6 321 448 |

The determination of fair value was as follow:

Principle:

Price determination: was done on the basis of current sale value of the tender for the current year i.e. R602.10/m³ excluding 15% VAT . This value was given to all trees as the estimated yield takes into consideration the age of the trees. The harvestable age starts from 20 years old where the minimum estimated yield would be 100m³/ha.

It must also be noted that this yield is based on optimum growing conditions and the existing microclimates, and thus the yield might vary per compartment. Refer to the Forestry Handbook p204 which can be obtained at the municipal offices.

Description of the Biological Assets

1. Botmanskop plantation (Block E)
Some compartments remain which can be harvested at a later stage due to the age of the trees.
2. Paradyskloof plantation (Block G)
Some compartments remain which can be harvested at a later stage due to the age of the trees.

Strategy to mitigate risks

The strategy to mitigate risks attached to this category of assets is to prevent the spread of runaway veld fires by maintaining fire breaks.

Stellenbosch Municipality

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Figures in Rand

14. Heritage assets

| | 2020 | | | 2019 | | |
|--|---------------------|-------------------------------------|----------------|---------------------|-------------------------------------|----------------|
| | Cost /
Valuation | Accumulated
impairment
losses | Carrying value | Cost /
Valuation | Accumulated
impairment
losses | Carrying value |
| Collections of rare books, manuscripts and records | 143 945 | - | 143 945 | 143 945 | - | 143 945 |
| Historical monuments | 630 057 | - | 630 057 | 630 057 | - | 630 057 |
| Total | 774 002 | - | 774 002 | 774 002 | - | 774 002 |

Reconciliation of heritage assets 2020

| | Opening
balance | Total |
|--|--------------------|----------------|
| Collections of rare books, manuscripts and records | 143 945 | 143 945 |
| Historical monuments | 630 057 | 630 057 |
| | 774 002 | 774 002 |

Reconciliation of heritage assets 2019

| | Opening
balance | Total |
|--|--------------------|----------------|
| Collections of rare books, manuscripts and records | 143 945 | 143 945 |
| Historical monuments | 630 057 | 630 057 |
| | 774 002 | 774 002 |

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| Figures in Rand | 2020 | 2019 |
|---|--------------------|--------------------|
| 14. Heritage assets (continued) | | |
| Heritage assets used for more than one purpose | | |
| A significant portion of the following heritage assets are used for office accommodation and is therefore included in the balance of property, plant and equipment: | | |
| The following heritage assets are used by the municipality for more than one purpose | | |
| Neethlingshuis and De Withuis | 63 560 055 | 67 350 000 |
| 58 - 60 Andringa Street | 1 892 985 | 2 000 000 |
| 35B Mark Street | 3 152 616 | 3 250 000 |
| 127 Dorp Street, Transvalia, Alma & Bosmanshuis flats | 12 723 603 | 13 050 000 |
| 116 - 118 Dorp Street, Voorgelegen - offices | 5 585 970 | 5 800 000 |
| 4 Reservoir West, Mooiwater | 2 084 388 | 2 170 000 |
| 34 Mark Street, Rynse Komplex; Toy Museum, Tourism | 8 223 604 | 8 550 000 |
| PMU Building, Alexander Street, Burger Huis | 1 580 440 | 1 650 000 |
| Merriman, Bergzicht Training Centre, Oude Libertas Theatre & Restaurant | 62 310 290 | 64 350 000 |
| Die Laan, Landbou Saal | 4 352 765 | 5 950 000 |
| | 165 466 716 | 174 120 000 |
| 15. Long term receivables | | |
| At amortised cost | | |
| Arrangement debtors | 6 200 897 | 4 464 106 |
| Officials: Erven loans | - | 116 |
| Farmers: Water Schemes | 161 010 | 191 736 |
| | 6 361 907 | 4 655 958 |
| Non-current assets | | |
| At amortised cost | 3 560 940 | 3 024 999 |
| Current assets | | |
| At amortised cost | 2 800 967 | 1 630 959 |
| 16. Consumer deposits | | |
| Electricity | 10 750 546 | 10 374 233 |
| Water | 6 314 304 | 6 005 431 |
| Housing rental | 719 667 | 698 248 |
| | 17 784 517 | 17 077 912 |
| 17. Employee benefit obligations | | |
| The amounts recognised in the statement of financial position are as follows: | | |
| Carrying value | | |
| Salary Control | 6 011 417 | 5 458 796 |
| Leave gratuity | 30 056 890 | 26 391 625 |
| Bonus accrual | 13 044 083 | 11 918 177 |
| Post-Retirement Medical Obligation | 169 099 000 | 187 508 063 |
| Long Service Awards | 26 522 000 | 26 153 883 |
| Net liability | 244 733 390 | 257 430 544 |

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|---|--------------------|--------------------|
| 17. Employee benefit obligations (continued) | | |
| Non-current assets | - | - |
| Current assets | - | - |
| Non-current liabilities | 166 519 386 | 201 830 792 |
| Current liabilities | 78 214 004 | 55 599 752 |
| | 244 733 390 | 257 430 544 |

17.1 Post- retirement healthcare benefit liability

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. The plan is treated as a defined benefit plan under GRAP 25. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 30 June 2020 by C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

The members of the post-employment health care benefit plan are made up as follows:

| | | |
|---|------------|------------|
| In-service members (Employees) | 668 | 653 |
| Continuation members (Retirees, widow(ers) and orphans) | 162 | 171 |
| Total members | 830 | 824 |

The liability in respect of past service has been estimated as follows:

| | | |
|------------------------|--------------------|--------------------|
| In-service members | 63 812 000 | 74 392 000 |
| In-service non-members | 6 777 000 | - |
| Continuation members | 98 510 000 | 113 116 000 |
| Total liability | 169 099 000 | 187 508 000 |

The Non-member take up rate increased from previous estimate of 0% to 15%. This change was implemented after reviewing the actual trend of take up rate. The Non-member take up rate refers to the proportion of in-service non-members joining a scheme by retirement and continuing with the subsidy thereafter.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

i) Rates of Interest

| | | |
|---------------------------------|---------|--------|
| Discount rate | 10,22 % | 9,33 % |
| Health care cost inflation rate | 6,30 % | 6,79 % |
| Net effective discount rate | 3,69 % | 2,38 % |

ii) Normal retirement age

| | | |
|-----------------------------------|----|----|
| Expected retirement age - females | 62 | 63 |
| Expected retirement age - males | 62 | 63 |

The PA (90) ultimate mortality table was used by the actuaries

Pre-retirement: The SA 85-90 ultimate table, adjusted for female lives, was used.

Movements in the present value of the Defined Benefit Obligation were as follows:

| | | |
|--------------------------------------|-------------|-------------|
| Balance at the beginning of the year | 187 508 063 | 198 749 139 |
|--------------------------------------|-------------|-------------|

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

| Figures in Rand | 2020 | 2019 |
|---|--------------------|--------------------|
| 17. Employee benefit obligations (continued) | | |
| Current service costs | 5 448 228 | 7 945 828 |
| Interest cost | 17 096 614 | 18 580 276 |
| Actual employee benefits payments | (8 767 265) | (8 231 483) |
| Actuarial (losses) / gains | (32 186 640) | (29 535 697) |
| Present Value of Fund Obligation at the end of the Year | 169 099 000 | 187 508 063 |
| Current liability | 8 870 000 | 8 723 730 |
| The amounts recognised in the Statement of Financial Position are as follows | | |
| Net Liability | 169 099 000 | 187 508 063 |

The amounts recognised in the Statement of Financial Performance are as follows:

| | | |
|--|--------------------|--------------------|
| Current service cost | 5 448 228 | 7 945 828 |
| Interest cost | 17 096 614 | 18 580 276 |
| Actuarial (gain)/ loss recognised in profit and loss | (32 186 640) | (29 535 697) |
| | (9 641 798) | (3 009 593) |

Amounts for the current and previous four periods are as follows:**Present value of unfunded defined benefit**

| | |
|------|-------------|
| 2020 | 169 099 000 |
| 2019 | 187 508 063 |
| 2018 | 198 749 139 |
| 2017 | 201 981 567 |
| 2016 | 192 290 959 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

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|--|-------------|------------------|-------------------|--------------------|---------------|
| 17. Employee benefit obligations (continued) | | | | | |
| Sensitivity analysis on the Accrued Liability (R Millions) | | | | | |
| Assumption | Change | In-service | Continuation | Total | % change |
| Central assumptions | | 70,589 | 98,510 | 169,099 | |
| Health care inflation | 1 %
(1)% | 84,833
59,276 | 107,988
90,309 | 192,821
149,585 | 14 %
(12)% |
| Discount rate | 1 %
(1)% | 59,726
84,407 | 90,648
107,716 | 150,374
192,123 | (11)%
14 % |
| Post-retirement mortality | 1 yr
(1) | 68,814
72 341 | 95,328
101 695 | 164,142
174 036 | (3)%
3 |
| Average retirement age | -1 yr | 76,890 | 98,510 | 175,400 | 4 % |
| Continuation of membership at retiremnet | (10)% | 58,244 | 98,510 | 156,754 | (7)% |

Sensitivity analysis on Current-service and Interest Costs

| Assumption | Change | Current-service Cost | Interest cost | Total | % change |
|--|-------------|------------------------|--------------------------|--------------------------|---------------|
| Central assumptions | | 5 448 200 | 17 096 600 | 22 544 800 | |
| Health care inflation | 1 %
(1)% | 6 841 000
4 387 000 | 19 766 800
14 929 900 | 26 608 700
19 316 900 | 18 %
(14)% |
| Discount rate | 1 %
(1)% | 4 457 300
6 756 900 | 16 598 800
17 611 400 | 21 056 100
24 368 300 | (7)%
8 % |
| Post-retirement mortality | -1 year | 5 601 400 | 17 664 400 | 23 265 800 | 3 % |
| Average retirement age | -1 year | 5 756 800 | 17 644 400 | 23 401 200 | 4 % |
| Continuation of membership at retirement | (10)% | 4 808 300 | 16 251 200 | 21 059 500 | (7)% |

Mortality Rates

Post retirement: PA (90) ultimate Mortality table was used.

Pre-retirement: The SA 85-90 ultimate table adjusted for female lives, was used.

Continuation of Membership

With the appointment of ARCH Actuarial Consulting for the year ending 30 June 2020.

17.2 Long Service Awards

| | | |
|--------------------------|-------------------|-------------------|
| Total Liability | | |
| Opening balance | 26 153 883 | 29 621 885 |
| Additions | 4 103 046 | 4 845 730 |
| Utilised during the year | (3 090 886) | (2 436 254) |
| Actuarial (gains) losses | (644 043) | (5 877 479) |
| | 26 522 000 | 26 153 882 |
| Current Liability | 3 135 000 | 3 107 424 |
| Non Current Liability | 23 387 000 | 23 046 458 |
| | 26 522 000 | 26 153 882 |

Stellenbosch Municipality

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|-----------------|------|------|
|-----------------|------|------|

17. Employee benefit obligations (continued)**Movement in the present value of Long Service Awards were as follows:**

| | | |
|---|-------------------|-------------------|
| Opening balance | 26 153 883 | 29 621 885 |
| Current service cost | 2 088 254 | 2 388 150 |
| Interest cost | 2 014 792 | 2 457 580 |
| Actuarial (gains) losses | (644 043) | (5 877 479) |
| Benefits paid | (3 090 886) | (2 436 254) |
| Total included in employee related costs | 26 522 000 | 26 153 882 |

The amount recognised in the Statement of Financial Position are as follows:

| | | |
|--------------------------------------|------------|------------|
| Present value of long service awards | 26 522 000 | 26 153 882 |
|--------------------------------------|------------|------------|

The amount recognised in the Statement of Financial Performance are as follows:

| | | |
|--------------------------|------------------|--------------------|
| Current service cost | 2 088 254 | 2 388 150 |
| Interest cost | 2 014 792 | 2 457 580 |
| Actuarial gains (losses) | (644 043) | (5 877 479) |
| Closing balance | 3 459 003 | (1 031 749) |

Under the plan, a Long-service Award is payable after 10 years of continuous service and every 5 years thereafter to employees. Additional to this employees shall be entitled to a 14th cheque for continuous employment on their 30th and every 5th year onward. Furthermore a retirement gift is payable on retirement to employees with 10 years or more service. The provision is an estimate of the long service award based on historical staff turnover. No other long service benefits are provided to employees.

Key assumptions used

Assumptions used at the reporting date:

| | | |
|-----------------------------|--------|--------|
| Discount rates used | 7,46 % | 8,18 % |
| General salary inflation | 4,03 % | 5,57 % |
| Net effective discount rate | 3,30 % | 2,47 % |

Stellenbosch Municipality

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|-----------------|------|------|
|-----------------|------|------|

17. Employee benefit obligations (continued)

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

Amounts for the current and previous four years are as follows:

| | 2020
R | 2019
R | 2018
R | 2017
R | 2016
R |
|---------------------|------------|------------|------------|------------|------------|
| Accrued liabilities | 26 522 000 | 26 153 882 | 29 621 885 | 28 469 818 | 27 719 640 |

Sensitivity analysis on the Unfunded Accrued Liability (in R Millions)

| Assumption | Change | Liability | % change |
|--------------------------|------------------------|------------------|---------------|
| Central assumptions | | 26,522 | |
| General salary inflation | 1 %
(1)% | 28,278
24,941 | 7 %
(6)% |
| Discount rate | 1 %
(1)% | 24,897
28,358 | (6)%
7 % |
| Average retirement age | + 2 years
- 2 years | 29,923
22,291 | 13 %
(16)% |
| Withdrawal rates | (50)% | 29,920 | 13 % |

Sensitivity analysis on Current-service and Interest Costs

| Assumption | Change | Current-service
Cost | Interest Cost | Total | % change |
|--------------------------|----------------------|-------------------------|------------------------|------------------------|---------------|
| Central assumptions | | 2 088 300 | 2 014 800 | 4 103 100 | |
| General salary inflation | 1 %
(1)% | 2 276 100
1 922 200 | 2 158 700
1 885 000 | 4 434 800
3 807 200 | 8 %
(7)% |
| Discount rate | 1 %
(1)% | 1 935 800
2 263 200 | 2 110 700
1 901 300 | 4 046 500
4 164 500 | (1)%
1 % |
| Average retirement age | +2 years
-2 years | 2 308 300
1 804 600 | 2 277 400
1 678 000 | 4 585 700
3 482 600 | 12 %
(15)% |
| Withdrawal rates | (50)% | 2 534 100 | 2 300 700 | 4 834 800 | 18 % |

Stellenbosch Municipality

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|-----------------|------|------|
|-----------------|------|------|

18. Operating lease liability

Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13. In respect of non-cancellable Operating Leases the following liabilities have been recognised:

| | | |
|-----------------------------------|------------------|------------------|
| Balance at beginning of year | 5 775 015 | 173 234 |
| Operating lease expenses recorded | (1 070 046) | (882 280) |
| Operating lease revenue realised | (40 195) | (133 039) |
| Operating lease payments effected | 293 570 | 6 617 100 |
| | 4 958 344 | 5 775 015 |

Leasing Arrangements

The Municipality as Lessee:

Operating Leases relate to Property, Plant and Equipment with lease terms not longer than 5 years, with an option to extend for a further period. All operating lease contracts contain market review clauses in the event that the municipality exercises its option to renew. The municipality does not have an option to purchase the leased asset at the expiry of the lease period.

Amounts Payable under Operating Leases

At the reporting date, the municipality had outstanding commitments under non-cancellable Operating Leases for Property, Plant and Equipment, which fall due as follows:

Buildings:

| | | |
|--------------|-------------------|-------------------|
| Up to 1 year | 5 751 175 | 4 098 225 |
| 2 to 5 years | 7 717 777 | 13 468 952 |
| | 13 468 952 | 17 567 177 |

The following payments have been recognised as an expense in the Statement of Financial Performance:

Total operating lease expenses

| | | |
|----------------------------------|------------|-----------|
| Lease rentals on operating lease | 11 837 555 | 2 666 984 |
|----------------------------------|------------|-----------|

The following amounts have been recognised as revenue in the Statement of Financial Performance:

Total operating lease income

| | | |
|----------------------|----------|-----------|
| Minimum lease income | (40 195) | (133 039) |
|----------------------|----------|-----------|

No restrictions have been imposed on the municipality in terms of the operating lease agreements.

The comparative figures were restated. Refer to note 61.10

19. Other financial liabilities

At amortised cost

| | | |
|---------------------------|-------------|-------------|
| Other financial liability | 292 930 439 | 318 800 147 |
|---------------------------|-------------|-------------|

Annuity loans from the Development Bank of South Africa have settlement periods of 14 to 15 years with fixed interest varying from 9.25% to 11.10% per annum.

The municipality entered into a loan agreement with Nedbank limited during the 2019 financial year for a period of 10 years at a fixed interest rate of 9.7%.

Non-current liabilities

| | | |
|-------------------|-------------|-------------|
| At amortised cost | 266 177 508 | 292 930 440 |
|-------------------|-------------|-------------|

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

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| Figures in Rand | 2020 | 2019 |
|-----------------|------|------|
|-----------------|------|------|

19. Other financial liabilities (continued)

Current liabilities

| | | |
|-------------------|------------|------------|
| At amortised cost | 26 752 931 | 25 869 707 |
|-------------------|------------|------------|

20. Provisions

Reconciliation of provisions - 2020

| | Opening
Balance | Additions | Total |
|------------------------------|--------------------|------------|-------------|
| Environmental rehabilitation | 102 344 476 | 18 961 502 | 121 305 978 |

Reconciliation of provisions - 2019

| | Opening
Balance | Additions | Current portion | Total |
|------------------------------|--------------------|------------|--------------------|--------------------|
| Environmental rehabilitation | 79 165 186 | 22 536 381 | 642 909 | 102 344 476 |
| Non-current liabilities | | | 121 305 978 | 101 701 567 |
| Current liabilities | | | - | 642 909 |
| | | | 121 305 978 | 102 344 476 |

Environmental rehabilitation provision

In terms of the licensing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R121 305 978 (2019: R102 344 476) to restore the site at the end of its useful life, estimated to be in the December 2020/ January 2021 financial year. Provision has been made for the best estimate of costs at the reporting date with reference to the inflation rate.

The unwinding of the provision for landfill site for the current year was R7 757 711 (2019: R6 174 066) was included in the finance cost in the statement of financial performance.

No expenditure was incurred for the year under review.

Cells 1 and 2 have reached full capacity and must be rehabilitated. Cell 3 has come into use at the end of 30 June 2013 financial year and is the current landfill site in use.

The provision has been determined based on an independent valuation performed by a firm of consulting engineers as at 30 June 2020

Key cost parameters:

- Estimated post closure rehabilitation time 3 years
- Inflation rate 4.8% (2019: 5.3%%)
- Discount rate 7.75% (2019: 7.58%)

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

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|--|--------------------|--------------------|
| 21. Payables from exchange transactions | | |
| Trade and other payables | 165 428 391 | 176 718 928 |
| Construction advances | - | 1 425 745 |
| Khaya Lam free market foundation | 47 540 | 32 780 |
| Collection fees | 190 664 | 190 664 |
| Deposit sale of land | 11 114 923 | 1 297 302 |
| Don and Pat Bilton | 256 056 | 256 056 |
| Ex gratia pension fund (BDM) | 123 541 | 123 541 |
| Housing beneficiary contribution | 115 787 | 115 787 |
| Grouplife | 2 423 664 | 2 423 664 |
| Impounded vehicles | - | 29 100 |
| Libraries | 54 561 | 59 815 |
| Payments received in advanced | 12 187 830 | 12 926 302 |
| Prepaid electricity | 6 332 743 | 8 383 071 |
| Retention | 45 557 346 | 46 838 439 |
| Other creditors | 25 010 709 | 18 852 743 |
| Sundry deposits | 1 972 753 | 1 780 617 |
| Bond Warranties and MTO Forestry | 7 718 | 7 718 |
| | 270 824 226 | 271 462 272 |

The comparative figures were restated. Refer to note 61.8

22. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

| | | |
|--|------------------|-------------------|
| Cape Winelands District grant | 2 030 541 | - |
| Charitable fund | 72 097 | 112 334 |
| Community development support grant | 37 296 | - |
| Development of sport and recreational facilities | 67 669 | 67 669 |
| Fire services capacity building grant | - | 3 003 000 |
| Housing consumer education | 68 010 | 68 010 |
| Housing settlement agreement | 220 103 | 220 103 |
| Human settlement grant - capital | 315 027 | 45 859 611 |
| Khaya Lam free market foundation | 102 000 | - |
| Lamotte trust fund | 3 080 872 | 2 417 404 |
| Local government graduate internship and capacity building | 433 752 | 520 590 |
| Municipal accreditation and capacity building grant | - | 167 980 |
| National lottery | 307 361 | 458 775 |
| Natural resources management grant | - | 2 088 828 |
| Other sources | 288 184 | 288 184 |
| Title deed restoration grant | 1 839 710 | 3 773 151 |
| | 8 862 622 | 59 045 639 |

The nature and extent of government grants recognised in the unaudited annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 33 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

The comparative amounts were restated. Refer to note 61.9

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

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|-----------------|------|------|
|-----------------|------|------|

23. Accumulated surplus**Ring-fenced internal funds and reserves within accumulated surplus - 2020**

| | Capital replacement reserve | Self insurance reserve | Housing development fund | Accumulated surplus | Total |
|---|-----------------------------|------------------------|--------------------------|----------------------|----------------------|
| Opening balance | 160 497 338 | 9 885 492 | (9 396 229) | 5 186 039 005 | 5 347 025 606 |
| Surplus for the year | - | - | - | 81 155 004 | 81 155 004 |
| Transfer to capital replacement reserve | 336 762 309 | - | - | (336 762 309) | - |
| Property, plant and equipment purchases | (247 535 390) | - | - | 247 535 390 | - |
| | 249 724 257 | 9 885 492 | (9 396 229) | 5 177 967 090 | 5 428 180 610 |

Ring-fenced internal funds and reserves within accumulated surplus - 2019

| | Capital replacement reserve | Insurance reserve | Housing development fund | Accumulated surplus | Total |
|---|-----------------------------|-------------------|--------------------------|----------------------|----------------------|
| Opening balance | 116 134 076 | 9 885 492 | (9 396 229) | 5 109 364 695 | 5 225 988 034 |
| Surplus for the year | - | - | - | 121 037 561 | 121 037 561 |
| Transfer to capital replacement reserve | 310 518 232 | - | - | (310 518 232) | - |
| Property, plant and equipment purchases | (266 154 970) | - | - | 266 154 970 | - |
| | 160 497 338 | 9 885 492 | (9 396 229) | 5 186 038 994 | 5 347 025 595 |

The capital replacement reserve is a reserve to finance future capital expenditure and is fully invested in ring-fenced Financial Instrument Investments.

The self insurance reserve is used to offset potential losses or claims of assets that cannot be insured externally.

The housing development fund is depleted. There is no cash or surplus generated from the fund. Therefore any additional cost must be carried by the municipality as part of its operations.

Refer to statement of changes in net assets for more detail and the movement on accumulated surplus.

24. Service charges

| | | |
|---------------------------------|--------------------|--------------------|
| Sale of electricity | 562 275 303 | 531 494 348 |
| Sale of water | 171 631 994 | 147 275 947 |
| Solid waste | 62 956 545 | 55 127 852 |
| Sewerage and sanitation charges | 83 261 986 | 83 861 916 |
| | 880 125 828 | 817 760 063 |

The amounts disclosed above for service charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

25. Construction revenue**Topstructure**

| | | |
|----------------------------|------------------|------------------|
| Idasvalley housing project | 5 317 560 | - |
| Watergang housing project | - | 1 044 546 |
| | 5 317 560 | 1 044 546 |

The comparative amounts were restated. Refer to note 61.12 .

Stellenbosch Municipality

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|-----------------|------|------|
|-----------------|------|------|

26. Rental of facilities and equipment**Premises**

| | | |
|--------------------------------------|-------------------|-------------------|
| Rental revenue from other facilities | 3 363 768 | 7 400 169 |
| Rental revenue from buildings | 136 656 | 134 805 |
| Rental revenue from housing schemes | 7 208 972 | 7 652 197 |
| | 10 709 396 | 15 187 171 |

Facilities and equipment

| | | |
|--------------------------|-------------------|-------------------|
| Rental revenue from land | 2 892 035 | 2 703 750 |
| | 13 601 431 | 17 890 921 |

Included in the above rentals are rentals received from Investment Property of R8 756 325.51 (2019: R9 018 352.70)

27. Interest earned- outstanding receivables

| | | |
|------------------------|------------------|------------------|
| Sundry | - | 147 |
| Electricity | 677 176 | 796 089 |
| Water | 4 116 971 | 4 768 050 |
| Waste water management | 1 050 384 | 1 407 150 |
| Waste management | 1 109 940 | 1 053 445 |
| | 6 954 471 | 8 024 881 |

28. Agency services

| | | |
|----------------------|-----------|-----------|
| Vehicle Registration | 3 976 481 | 4 400 282 |
|----------------------|-----------|-----------|

The municipality collects licence fees on behalf of the Provincial Government Western Cape and receives a 12% agency fee.

The municipality, as an agent, recognises only the portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

No resources are held by the municipality on behalf of the principle.

29. Licences and permits (exchange)

| | | |
|----------------------|-----------|-----------|
| Licences and permits | 4 413 324 | 5 043 854 |
|----------------------|-----------|-----------|

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

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|--------------------------------------|-------------------|-------------------|
| 30. Other income | | |
| Application fees | 387 648 | 552 457 |
| Building clause | 56 291 | 176 674 |
| Building plan fees | 4 171 623 | 6 569 688 |
| Cemetery and burial | 937 472 | 859 210 |
| Clearance certificates | 242 747 | 348 522 |
| Collection fees | 1 601 270 | 1 220 121 |
| Entrance fees | 559 140 | 380 480 |
| Flamable substance | 206 771 | 352 862 |
| Merchandising, jobbing and contracts | 1 949 293 | 2 714 189 |
| Parking revenue | 10 224 268 | 5 878 274 |
| Removal of restrictions | 1 589 031 | 798 036 |
| Skills development levy | 769 889 | 800 235 |
| Special rating area | 5 585 885 | 5 365 090 |
| Staff recoveries | 724 737 | 562 661 |
| Sundry | 780 264 | 894 022 |
| Development charges | 10 275 343 | 13 051 028 |
| | 40 061 672 | 40 523 549 |

The amounts disclosed above are in respect of services, other than described in notes 24 and 25 rendered which are billed to or paid for by users as the services are reclaimed according to approved tariffs or offers received in terms of supply chain procedures, i.e wood sales.

31. Investment revenue**Interest revenue**

| | | |
|---------------------|-------------------|-------------------|
| Bank | 7 490 240 | 6 216 908 |
| Investment deposits | 32 981 762 | 38 054 919 |
| | 40 472 002 | 44 271 827 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

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|----------------------------------|---------------------------|---------------------------|
| 32. Property rates | | |
| Rates received | | |
| Residential | 173 866 187 | 160 102 576 |
| Commercial | 164 553 707 | 149 669 221 |
| Agricultural | 21 669 383 | 21 187 884 |
| | <u>360 089 277</u> | <u>330 959 681</u> |
| Property rates - interest earned | 1 822 264 | 1 998 219 |
| | <u>361 911 541</u> | <u>332 957 900</u> |

Assessment Rates are levied on the value of land and improvements, which valuation is performed every four years. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions. The last valuation came into effect on 1 July 2017. With reference to S78 of the Municipal Property Rates Act four reviews have been finalised and one interim valuation was performed during the financial year and implemented accordingly.

The following assessment rates were charged for the period ending June 2020:

R 0.011175 - Non Residential (2019: R0.010493)

R 0.005080 - Residential (2019: R 0.004770)

R 0.001271 - Agricultural (2019: R 0.001193)

Rates are levied monthly on property owners and are payable the 7th of each month. Property owners can request that the full amount for the year be raised in July in which case the amount has to be paid by 7 October. Interest is levied as per council's Credit Control and Debt Collection Policy on outstanding rates amounts.

Valuations

Relief measures

The relief measures on property rates are generally described in paragraph 8 of the approved Rates Policy of the municipality. This includes the specific under mentioned relief measures:

| Rebate and gross monthly household income for Qualifying senior citizens and Disabled persons | Gross monthly household income | % Rebate |
|--|--------------------------------|----------|
| | Up to R8 000 | 100% |
| | From R8 001 to R 10 000 | 75% |
| | From R10 001 to R12 000 | 50% |
| | From R12 001 to R15 000 | 25% |

Municipal valuation threshold value

On qualifying residential properties, up to a maximum value of R200 000, which amount includes the R15 000 as per Section 17(1)(h) of the MPRA and the R185 000 reduction granted as per paragraph 8.2.1(ii) of the approved Rates policy. Paragraph 8.2.1 (ii) is only applicable on properties with valuations up to R5 000 000.

Stellenbosch special rebate

A rebate of 20% may be granted as per paragraph 8.6 of the approved Rates policy of the municipality.

Other rebates

Rebates have also been granted to qualifying non-profit organisations and to organisations who qualified for the rebate as defined in paragraph 8.11 of the approved Rates policy. Any other exclusions or exemptions have been granted in accordance with the Local Government Property Rates Act.

Stellenbosch Municipality

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|-----------------|------|------|
|-----------------|------|------|

33. Government grants and subsidies**Operating grants**

| | | |
|--|--------------------|--------------------|
| Equitable share | 136 177 000 | 124 176 000 |
| Khaya Lam free market research foundation | - | 222 500 |
| Title deeds restoration grant | 1 933 440 | 410 000 |
| Cape Winelands disaster grant | 472 126 | - |
| Local government financial management grant | 1 550 000 | 1 550 000 |
| Community development workers | 18 704 | 56 000 |
| Housing accreditation grant | 167 980 | 56 020 |
| Municipal disaster management grant | 209 000 | - |
| Library services support grant | 12 454 000 | 12 210 000 |
| Local government support grant | 900 000 | - |
| Maintenance and construction of transport infrastructure | 384 000 | 371 000 |
| Taapie COVID-19 donation | 132 023 | - |
| Local government graduate internship and capacity building | 446 248 | 151 410 |
| Expanded public workers programme support grant | 5 227 000 | 5 722 000 |
| Local government financial management support grant | 255 000 | 255 000 |
| LG SETA Discretionary grant | 62 706 | - |
| Natural resources management grant | 90 870 | 270 672 |
| Development bank of South Africa | 172 147 | - |
| | 160 652 244 | 145 450 602 |

Capital grants

| | | |
|--|--------------------|--------------------|
| Integrated urban development grant | 46 886 000 | - |
| National lottery | 151 414 | 200 000 |
| Municipal infrastructure grant | - | 35 107 000 |
| Integrated national electrification programme grant | 15 640 000 | 5 000 000 |
| Integrated transport planning grant | 600 000 | 600 000 |
| Shared economic infrastructure facility | - | 3 561 097 |
| Human settlement development grant | 56 593 662 | 43 513 977 |
| Fire services capacity building grant | 3 003 000 | - |
| Regional socio-economic project/violence through urban upgrading | 1 500 000 | - |
| | 124 374 076 | 87 982 074 |
| | 285 026 320 | 233 432 676 |

Conditional and Unconditional

Included in above are the following grants and subsidies received:

| | | |
|-------------------------------|--------------------|--------------------|
| Conditional grants received | 148 849 320 | 109 256 676 |
| Unconditional grants received | 136 177 000 | 124 176 000 |
| | 285 026 320 | 233 432 676 |

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. Bulk basic services are also provided free of charge to informal settlements to ensure that these communities have access to basic services.

Municipal disaster management grant

| | | |
|---|-----------|---|
| Current-year receipts | 209 000 | - |
| Conditions met - transferred to revenue | (209 000) | - |
| | - | - |

To provide for the immediate release of funds for disaster response.

Stellenbosch Municipality

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| 33. Government grants and subsidies (continued) | | |
| Taipei covid-19 donation | | |
| Current-year receipts | 132 023 | - |
| Conditions met - transferred to revenue | (132 023) | - |
| | - | - |
| Personal Protective equipment was donated to Stellenbosch Municipality from the Cape Town Taiwanese Chamber of Commerce. | | |
| Development bank South Africa | | |
| Current-year receipts | 172 147 | - |
| Conditions met - transferred to revenue | (172 147) | - |
| | - | - |
| Funding provided for the update the capital expenditure framework.. | | |
| Regional socio-economic project/ violence through urban upgrading | | |
| Current-year receipts | 1 500 000 | - |
| Conditions met - transferred to revenue | (1 500 000) | - |
| | - | - |
| To implement and enhance programmes to interact with stakeholders and empower communities to partner with government in implementing socio-economic and urban upgrading programmes. | | |
| Title deeds development grant | | |
| Balance unspent at beginning of the year | 3 773 151 | 2 701 901 |
| Current-year receipts | - | 1 481 250 |
| Conditions met - transferred to revenue | (1 933 441) | (410 000) |
| | 1 839 710 | 3 773 151 |
| To provide funding for the eradication of the Pre-2014 title-deeds registration backlog and the professional fees associated with it, including beneficiary verification. Refer to note 22. | | |
| The municipality, as an agent, receives a grant from the Department of Human Settlements (principle) to register properties on behalf of the beneficiaries for low cost housing projects. | | |
| Title deeds development grant could not be fully spent due to the complexity of the programme. The grant funding provided is utilized for the registration of properties which were built before 2004 up to 2010. The municipality is grappling with deceased estates which take longer to register, missing beneficiaries, houses that were built but wrongly allocated on the subsidy system. The above obstacles encountered have been raised at the quarterly meetings with the Department of Human Settlements. | | |
| The municipality is not a custodian of any assets of the principle. | | |
| The municipality does not recognise any compensation for the services provided on behalf of the principle. | | |
| Local government financial management grant | | |
| Current-year receipts | 1 550 000 | 1 550 000 |
| Conditions met - transferred to revenue | (1 550 000) | (1 550 000) |
| | - | - |

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33. Government grants and subsidies (continued)

To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

Natural resource management grant

| | | |
|--|-------------|------------------|
| Balance unspent at beginning of the year | 2 088 828 | - |
| Current-year receipts | - | 2 359 500 |
| Conditions met - transferred to revenue | (90 870) | (270 672) |
| Other | (1 997 958) | - |
| | <u>-</u> | <u>2 088 828</u> |

Conditions still to be met - remain liabilities (see note 22).

To ensure that responsibilities relating to water resource management, biological diversity and the functioning of natural systems whilst ensuring meaningful livelihood opportunities are supported for those employed on these programmes.

The reason for unspent for 2018/19 comparative year is due to the grant agreement commencing in February 2019 and allocation runs in accordance with the transferee's financial year. The municipality has appointed EPWP workers as well as service providers for the clearing of the alien vegetation. The project will continue during the 2019/20 financial year.

Integrated national electrification programme grant

| | | |
|---|--------------|-------------|
| Current-year receipts | 15 640 000 | 5 000 000 |
| Conditions met - transferred to revenue | (15 640 000) | (5 000 000) |
| | <u>-</u> | <u>-</u> |

To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings (including upgrade of informal settlements, new, and normalisation), and the installation of relevant bulk infrastructure.

Integrated urban development grant

| | | |
|---|--------------|----------|
| Current-year receipts | 46 886 000 | - |
| Conditions met - transferred to revenue | (46 886 000) | - |
| | <u>-</u> | <u>-</u> |

To provide funding for public investment in infrastructure for the poor and to promote increased access to municipal own sources of capital finance in order to increase funding for public investment in economic infrastructure. To ensure that public investments are spatially aligned and to promote the sound management of the assets delivered.

Expanded public workers programme

| | | |
|---|-------------|-------------|
| Current-year receipts | 5 227 000 | 5 722 000 |
| Conditions met - transferred to revenue | (5 227 000) | (5 722 000) |
| | <u>-</u> | <u>-</u> |

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33. Government grants and subsidies (continued)

To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP Guidelines:

- road maintenance and the maintenance of buildings
- low traffic volume roads and rural roads
- basic services infrastructure, including water and sewer reticulation, sanitation, pipelines and dams (excluding bulk infrastructure)
- other economic and social infrastructure
- tourism and cultural industries
- waste management
- parks and beautification
- sustainable land-based livelihoods.

Municipal accreditation and capacity building grant

| | | |
|--|-----------|----------------|
| Balance unspent at beginning of the year | 167 980 | 224 000 |
| Conditions met - transferred to revenue | (167 980) | (56 020) |
| | - | 167 980 |

Conditions still to be met - remain liabilities (see note 22).

To fund the establishment of a human settlement unit within the accreditation priority municipality as well as enhancing the existing human settlements unit.

To finance the municipal institutional capacity requirements.

The reason for the unspent balance in 2018/19 is due to the capacity clerk who was appointed at Stellenbosch municipality for the period 1 April 2019 - 31 March 2020. Salary payments for 3 months were therefore expensed against the grant. The contract will continue during the 2019/20 financial year.

Municipal infrastructure grant

| | | |
|---|----------|--------------|
| Current-year receipts | - | 35 107 000 |
| Conditions met - transferred to revenue | - | (35 107 000) |
| | - | - |

To provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities

National lottery

| | | |
|--|----------------|----------------|
| Balance unspent at beginning of the year | 458 775 | 658 775 |
| Conditions met - transferred to revenue | (151 414) | (200 000) |
| | 307 361 | 458 775 |

Conditions still to be met - remain liabilities (see note 22).

Provide support to be able to bring growth and change within impoverished communities.

Multi-year project for which the unutilized funding will be utilized during the 2020/21 financial year. The COVID 19 lock down regulations adversely affected the implementation of projects.

Other sources

| | | |
|--|---------|---------|
| Balance unspent at beginning of the year | 288 184 | 288 184 |
|--|---------|---------|

Conditions still to be met - remain liabilities (see note 22).

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| 33. Government grants and subsidies (continued) | | |
| The funding pertains to different funding contributors for various projects. The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2020/21 financial year. | | |
| Cape Winelands District grant | | |
| Current-year receipts | 2 502 667 | - |
| Conditions met - transferred to revenue | (472 126) | - |
| | 2 030 541 | - |
| Conditions still to be met - remain liabilities (see note 22). | | |
| To implement the COVID 19 lockdown regulations. | | |
| To address safety in the Stellenbosch municipal area. | | |
| Aimed at augmenting and supporting the current humanitarian relief initiatives, which will be implemented during the 2020/21 financial year. | | |
| Human settlement grant - capital | | |
| Balance unspent at beginning of the year | 45 859 611 | 15 788 558 |
| Current-year receipts | 11 049 077 | 73 585 032 |
| Conditions met - transferred to revenue | (56 593 661) | (43 513 979) |
| | 315 027 | 45 859 611 |
| Conditions still to be met - remain liabilities (see note 22). | | |
| To provide funding for the creation of sustainable human settlements. | | |
| A service provider has been appointed as the implementing agent for the Longlands project. The land-use rights are in place for the services to be installed. The project is a multi-year project. The COVID 19 lock down regulations adversely affected the implementation of projects. | | |
| The land acquired (R45 710 000) is in terms of an agreement entered into between the Department of Human Settlements (DoHS) for subsidised housing development. The land acquired is deemed to be Property, plant and equipment, until such time as the land is designated for housing and approval is obtained from the Municipal Planning Tribunal (MPT), in which case the portions of and so designated should be reclassified to inventory. | | |
| Development of sport and recreational facilities | | |
| Balance unspent at beginning of the year | 67 669 | 67 669 |
| Conditions still to be met - remain liabilities (see note 22). | | |
| To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through recapitalised programme at provincial level in support of local government and national initiatives. The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2020/21 financial year. | | |
| Housing settlement agreement | | |
| Balance unspent at beginning of year | 220 103 | 220 103 |
| Conditions still to be met - remain liabilities (see note 22). | | |
| To provide a financial contribution towards the reallocation of the informal settlement residents which were fire victims. The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2020/21 financial year. | | |

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| 33. Government grants and subsidies (continued) | | |
| Local government graduate internship and capacity building | | |
| Balance unspent at beginning of the year | 520 590 | 405 031 |
| Current-year receipts | 460 000 | 432 000 |
| Conditions met - transferred to revenue | (446 248) | (151 410) |
| Other | (100 590) | (165 031) |
| | 433 752 | 520 590 |

Conditions still to be met - remain liabilities (see note 22).

Financial Management Capacity Building Grant: Stellenbosch Municipality advertised the bursaries as part of their Annual Mayoral Bursary to save advertisement cost in the 2016/2017 financial year. Unfortunately, the response was very poor and we could not find any applications that met the requirements. Consequently, we contacted various Universities during the 2016/2017 and 2017/2018 financial years to obtain CV's of students studying in the designated areas as specified in the circular. After 3 attempts, we obtained 6 CV's of students, 5 of which reside outside the municipal area. The challenge however was that the applicants did not meet all of the required minimum criteria and deviating from the conditions of the grant is not permissible. Stellenbosch municipality could not obtain a list of students from the faculties at the tertiary institutions and placed reliance on the administration officers to indicate possible candidates for the bursaries. A total of R139 410.30 was paid during the 2018/19 financial year which relates to the roll over of 2017/18. R100 589.70 will be repaid as it relates to a roll over of 2017/18. The R360 000 will be spent during the 2019/20 financial year.

Stellenbosch municipality has continuously contacted the tertiary institutions to obtain suitable candidates for the bursary campaign. The tertiary institutions are not willing to provide the list of enrolled student which prohibits the municipality from contacting all enrolled candidates therefore posing a challenge in obtaining suitable candidates whom reside within the municipal area. Stellenbosch municipality will continue liaising with the tertiary institutions to obtain possible candidates for the payment of bursaries. The municipality will also pursue the option of continuing the payment of bursary funding of the successful candidates which were availed bursaries during the 2019/20 financial year, as per the memorandum of agreement, once the new academic year of 2021 commences. A robust social media drive will be embarked upon to ensure that suitable candidates are identified in order to ensure spending of the grant.

With reference to 2018/19 unspent a student commenced employment on 1 May 2019 in terms of the Municipal Graduate Internship Programme Grant.

With reference to 2019/20 unspent an intern was appointed for the period 1 June 2020 – 31 May 2021. The unspent funding of the Local Government Graduate Internship grant will be utilised for the salary payment.

To provide financial assistance to municipalities in support of capacity building for the future by means of a graduate internship programme

To develop financial human capacity within municipal areas to enable a sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance¹.

Libraries support grant

| | | |
|---|--------------|--------------|
| Current-year receipts | 12 454 000 | 12 210 000 |
| Conditions met - transferred to revenue | (12 454 000) | (12 210 000) |
| | - | - |

To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through recapitalised programme at provincial level in support of local government and national initiatives.

Khaya Lam free market foundation

| | | |
|--|----------------|-----------|
| Balance unspent at beginning of the year | - | 59 500 |
| Current-year receipts | 102 000 | 163 000 |
| Conditions met - transferred to revenue | - | (222 500) |
| | 102 000 | - |

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33. Government grants and subsidies (continued)

Conditions still to be met - remain liabilities (see note 22).

To assist municipalities to issue freehold title deeds to registered tenants and recognised resident of municipal properties.

All administration costs for the basic salaries and wages for the title deeds restoration programme have been funded by the Title Deeds Restoration grant. The unutilised funding will be used during the 2020/21 financial year.

Housing consumer education

| | | |
|--|--------|--------|
| Balance unspent at beginning of the year | 68 010 | 68 010 |
|--|--------|--------|

Conditions still to be met - remain liabilities (see note 22).

To fund housing within municipalities that demonstrated capacity to plan and deliver housing rapidly, with emphasis on rural areas. The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2020/21 financial year.

Community development support grant

| | | |
|---|---------------|----------|
| Current-year receipts | 56 000 | 56 000 |
| Conditions met - transferred to revenue | (18 704) | (56 000) |
| | 37 296 | - |

Conditions still to be met - remain liabilities (see note 22).

To provide financial assistance to municipalities to cover the operational costs pertaining to the line functions of the community development workers including regional coordinators.

Due to the Covid-19 lockdown regulations the activities as per the business plan could not be executed. Provisional concept approval for the activities listed above have been obtained from the transferring department.

Fire services capacity building grant

| | | |
|--|-------------|------------------|
| Balance unspent at beginning of the year | 3 003 000 | - |
| Current-year receipts | - | 3 003 000 |
| Conditions met - transferred to revenue | (3 003 000) | - |
| | - | 3 003 000 |

The grant has been fully committed by 30 June 2019. The specialized vehicle was handed over to the Municipality on 26 July 2019. Payment was done on 14 August 2019.

To provide financial assistance to municipalities to ensure functional emergency communication, mobilisation systems and fire services.

Local government financial management support grant

| | | |
|---|-----------|-----------|
| Current-year receipts | 255 000 | 255 000 |
| Conditions met - transferred to revenue | (255 000) | (255 000) |
| | - | - |

To provide financial assistance to municipalities to improve overall financial governance within municipalities inclusive of optimising and administration of revenue, improving credibility and responsiveness of municipal budgets, improving of municipal audit outcomes and addressing institutional challenges.

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33. Government grants and subsidies (continued)**LG SETA bursary fund**

| | | |
|---|----------|---|
| Current-year receipts | 62 706 | - |
| Conditions met - transferred to revenue | (62 706) | - |
| | - | - |

To develop skilled and capable workforce supporting a responsive, accountable, efficient and effective local government system, through a range of learning programmes that focus on scarce and critical skills in the sector.

Maintenance and construction of transport infrastructure

| | | |
|---|-----------|-----------|
| Current-year receipts | 384 000 | 371 000 |
| Conditions met - transferred to revenue | (384 000) | (371 000) |
| | - | - |

To financially assist/subsidise municipalities with the maintenance/construction of proclaimed municipal main roads, where the municipality is the Road Authority (Section 50 of Ordinance 19 of 1976).

Shared economic infrastructure facility

| | | |
|---|---|-------------|
| Current-year receipts | - | 3 561 097 |
| Conditions met - transferred to revenue | - | (3 561 097) |
| | - | - |

A programme of the National Informal Business Upliftment Strategy (NIBUS) aimed at contributing to a radical economic transformation through the provisioning of business infrastructure to rural township based enterprises.

Integrated transport planning

| | | |
|---|-----------|-----------|
| Current-year receipts | 600 000 | 600 000 |
| Conditions met - transferred to revenue | (600 000) | (600 000) |
| | - | - |

To review and update municipal integrated transport plans in terms of the National Land Transport Act, 2009 (Act No. 5 of 2009).

34. Fines, Penalties and Forfeits

| | | |
|-------------------------|-------------------|--------------------|
| Municipal Traffic Fines | 99 921 917 | 117 772 670 |
| Other fines | 70 893 | 273 462 |
| | 99 992 810 | 118 046 132 |

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| 35. Employee related costs | | |
| Acting allowances | 674 466 | 1 019 414 |
| Actuarial (Gain) /Loss) | (32 830 683) | (35 413 176) |
| Bargaining council | 291 210 | 251 400 |
| Basic | 322 142 811 | 300 678 426 |
| Bonus | 23 078 364 | 21 211 131 |
| Car allowance | 10 048 311 | 9 780 788 |
| Cellphone allowance | 1 630 691 | 1 341 747 |
| Contribution to Long service awards | 4 109 076 | 4 839 830 |
| Contribution to Post-Retirement Benefits | 5 448 228 | 7 945 828 |
| Contribution to Leave gratuity | 5 758 369 | 5 320 881 |
| Entertainment | 4 979 | 4 933 |
| Group insurance | 3 631 774 | 3 116 552 |
| Housing benefits and allowances | 2 916 315 | 2 853 349 |
| Medical aid - company contributions | 23 336 863 | 21 652 139 |
| Overtime payments | 37 414 315 | 31 607 382 |
| Pension fund contribution | 48 802 560 | 45 558 717 |
| Performance bonus | 710 284 | 590 923 |
| Standby allowance | 14 676 603 | 12 480 849 |
| Sundry allowances | 4 262 333 | 4 607 808 |
| Travel, motor car, accommodation, subsistence and other allowances | 256 942 | 719 369 |
| UIF | 2 449 723 | 2 175 228 |
| Workmen compensation | 2 769 522 | 2 367 571 |
| | 481 583 056 | 444 711 089 |

The comparative amounts were restated. Refer to Note 61.18

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| 35. Employee related costs (continued) | | |
| Remuneration of Municipal Manager | | |
| Annual Remuneration | 1 394 549 | 1 393 726 |
| Car Allowance | 127 798 | 123 762 |
| Performance Bonuses | 257 839 | 244 629 |
| Contributions to UIF, Medical and Pension Funds | 341 082 | 334 363 |
| Telephone allowance | 22 800 | 22 800 |
| | 2 144 068 | 2 119 280 |
| Remuneration of Chief Finance Officer | | |
| Annual Remuneration | 957 249 | 950 700 |
| Car Allowance | 248 612 | 117 860 |
| Performance Bonuses | 25 457 | - |
| Contributions to UIF, Medical and Pension Funds | 222 781 | 50 948 |
| Leave | 19 659 | 136 205 |
| Telephone allowance | 22 800 | 7 600 |
| Other | 18 000 | 3 000 |
| | 1 514 558 | 1 266 313 |
| Acting allowance paid to acting Chief Financial Officer | - | 19 424 |
| Remuneration of the Director Planning and Development | | |
| Annual Remuneration | 825 323 | 1 029 334 |
| Car Allowance | 80 000 | 128 974 |
| Performance Bonuses | 69 429 | 118 569 |
| Contributions to UIF, Medical and Pension Funds | 189 838 | 246 716 |
| Telephone allowance | 17 100 | 22 800 |
| Other | 6 134 | - |
| | 1 187 824 | 1 546 393 |
| Acting allowance paid to acting Director Planning and Development | 10 225 | - |
| Remuneration of the Director Community & Protection Services | | |
| Annual Remuneration | 1 352 200 | 868 611 |
| Car Allowance | 63 267 | 65 000 |
| Performance Bonuses | 23 143 | - |
| Contributions to UIF, Medical and Pension Funds | 25 830 | 97 563 |
| Telephone allowance | 22 800 | 13 300 |
| | 1 487 240 | 1 044 474 |
| Acting allowance paid to acting Director(s) Community and Protection Services | - | 13 227 |
| Remuneration of the Director Infrastructure Services | | |
| Annual Remuneration | 1 293 925 | 1 254 593 |
| Car Allowance | 122 640 | 265 652 |
| Performance Bonuses | 152 744 | 144 918 |
| Contributions to UIF, Medical and Pension Funds | 24 105 | 24 066 |
| Telephone allowance | 22 800 | 22 800 |
| | 1 616 214 | 1 712 029 |

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| 35. Employee related costs (continued) | | |
| Remuneration of the Director Corporate Services | | |
| Annual Remuneration | 1 275 371 | 1 235 507 |
| Car Allowance | 139 200 | 139 200 |
| Performance Bonuses | 152 744 | 65 872 |
| Contributions to UIF, Medical and Pension Funds | 25 055 | 24 653 |
| Telephone allowance | 22 800 | 22 800 |
| | 1 615 170 | 1 488 032 |
| 36. Remuneration of councillors | | |
| Councillors | 19 121 037 | 18 272 420 |

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| 37. Councillors Remuneration per class of councillor | | |
| Executive Mayor | | |
| Allowance and service related benefits | | |
| Basic Salary | 662 704 | 636 472 |
| Travel Allowance | 223 457 | 214 868 |
| Cell Phone Allowance | 40 800 | 40 800 |
| Data Card Allowance | 3 600 | 3 600 |
| Skills Development Levy | 7 667 | 8 131 |
| | 938 228 | 903 871 |
| Deputy Executive Mayor | | |
| Allowance and service related benefits | | |
| Basic Salary | 537 403 | 474 213 |
| Travel Allowance | 189 782 | 171 894 |
| Cell Phone Allowance | 42 743 | 40 800 |
| Data Card Allowance | 3 771 | 3 600 |
| Pension Fund Contribution | 15 461 | 35 631 |
| Skills Development Levy | 6 194 | 5 837 |
| Medical Aid Benefits | 10 080 | - |
| | 805 434 | 731 975 |
| Speaker | | |
| Allowance and service related benefits | | |
| Basic Salary | 464 648 | 484 403 |
| Travel Allowance | 166 214 | 171 844 |
| Cell Phone Allowance | 38 533 | 40 626 |
| Data Card Allowance | 3 400 | 3 600 |
| Pension Fund Contribution | 21 569 | 2 850 |
| Skills Development Levy | 5 538 | 6 663 |
| Medical Aid Benefits | 7 200 | 15 840 |
| | 707 102 | 725 826 |
| Chief Whip | | |
| Allowance and service related benefits | | |
| Basic Salary | 446 623 | 430 856 |
| Travel Allowance | 167 593 | 161 182 |
| Cell Phone Allowance | 40 800 | 40 722 |
| Data Card Allowance | 3 600 | 3 600 |
| Pension Fund Contribution | 33 497 | 29 615 |
| Skills Development Levy | 5 377 | 5 701 |
| Medical Aid Benefits | 17 280 | 17 280 |
| | 714 770 | 688 956 |
| Executive Committee | | |
| Allowances and service related benefits | | |
| Basic salary | 3 525 755 | 3 298 068 |
| Cellphone allowance | 311 990 | 301 281 |
| Data card allowance | 27 529 | 26 530 |
| Travelling allowance | 1 281 513 | 1 187 835 |
| Medical aid benefits | 86 400 | 64 800 |
| Pension fund contributions | 191 000 | 146 067 |

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| 37. Councillors Renumeration per class of councillor (continued) | | |
| Skills development levy | 40 986 | 42 239 |
| | 5 465 173 | 5 066 820 |
| All Other Councillors | | |
| Allowances and service related benefits | | |
| Basic salary | 6 457 034 | 6 184 940 |
| Cellphone allowance | 1 279 533 | 1 276 246 |
| Date card allowance | 112 900 | 112 628 |
| Travelling allowance | 2 309 681 | 2 228 199 |
| Medical aid benefits | 110 880 | 123 840 |
| Pension fund contributions | 281 448 | 297 689 |
| Skills development levy | 79 940 | 81 503 |
| | 10 631 416 | 10 305 045 |
| 38. Contribution to/from provision | | |
| Landfill site | 8 828 974 | 6 025 885 |
| 39. Depreciation and amortisation | | |
| Property, plant and equipment | 194 596 842 | 191 688 581 |
| Investment property | 252 587 | 251 894 |
| Intangible assets | 2 425 462 | 1 848 159 |
| | 197 274 891 | 193 788 634 |
| 40. Finance costs | | |
| Employee benefits | 17 096 614 | 18 580 276 |
| Current borrowings | 31 049 766 | 17 033 200 |
| Interest costs non-current provisions | 7 757 711 | 6 174 066 |
| Other interest paid | 99 808 | - |
| | 56 003 899 | 41 787 542 |
| The comparative amounts were restated. Refer to note 61.21 | | |
| 41. Lease rentals on operating lease | | |
| Operating leases | | |
| Contractual amounts | 9 225 916 | 1 824 382 |
| Equipment | | |
| Contractual amounts | 2 035 900 | 410 164 |
| Plant and equipment | | |
| Contractual amounts | 575 739 | 432 438 |
| | 11 837 555 | 2 666 984 |
| The comparative amounts were restated. Refer to note 61.24 | | |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

| Figures in Rand | 2020 | 2019 |
|--|--------------------|--------------------|
| 42. Bad debt written off | | |
| Electricity | 443 505 | 173 753 |
| Refuse | 2 576 062 | 1 198 997 |
| Sewerage | 2 135 635 | 1 089 710 |
| Water | 19 414 877 | 11 219 869 |
| Housing rental | 1 261 985 | 2 092 463 |
| Rates | 3 222 192 | 894 282 |
| Traffic fines | 94 132 600 | 88 538 140 |
| | 123 186 856 | 105 207 214 |
| 43. Contribution to allowance for doubtful debt | | |
| Receivable from exchange allowance contribution | 7 657 579 | 20 261 578 |
| Receivable from non-exchange allowance contribution | (14 171 401) | 3 274 837 |
| | (6 513 822) | 23 536 415 |
| 44. Bulk purchases | | |
| Electricity | 414 765 005 | 350 008 266 |
| Water | 30 855 992 | 30 662 364 |
| | 445 620 997 | 380 670 630 |
| 45. Contracted services | | |
| Outsourced Services | | |
| Animal Care | 4 250 | 7 031 |
| Catering Services | 2 113 721 | 261 490 |
| Cleaning Services | 1 265 831 | 992 892 |
| Clearing and Grass Cutting Services | 1 827 439 | 3 110 929 |
| Litter Picking and Street Cleaning | 4 200 546 | 3 200 529 |
| Medical Services [Medical Health Services & Support] | - | 110 889 |
| Personnel and Labour | 595 337 | 501 328 |
| Professional Staff | 353 227 | 391 419 |
| Refuse Removal | 36 052 981 | 18 087 629 |
| Security Services | 26 740 306 | 16 065 250 |
| Translators, Scribes and Editors | 9 567 | 26 067 |
| Traffic Fines Management | 9 424 022 | 9 836 651 |
| Transport Services | 508 011 | 748 163 |
| Drivers Licence Cards | 734 542 | 770 882 |
| Consultants and Professional Services | | |
| Business and Advisory | 20 153 500 | 13 212 149 |
| Infrastructure and Planning | 389 363 | 7 358 943 |
| Laboratory Services | 1 735 428 | 1 177 925 |
| Legal Cost | 6 578 813 | 9 777 392 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

| Figures in Rand | 2020 | 2019 |
|--|--------------------|--------------------|
| 45. Contracted services (continued) | | |
| Contractors | | |
| Artists and Performers | 243 225 | 48 000 |
| Bore Waterhole Drilling | 53 648 | 61 641 |
| Catering Services | 399 899 | 1 221 984 |
| Employee Wellness | 112 349 | 219 645 |
| Event Promoters | 137 253 | - |
| First Aid | - | 80 |
| Gardening Services | 924 242 | 699 291 |
| Graphic Designers | 120 644 | 28 781 |
| Interior Decorator | 523 624 | 292 421 |
| Maintenance of Buildings and Facilities | 10 025 728 | 15 561 852 |
| Maintenance of Equipment | 1 906 557 | 1 797 796 |
| Maintenance of Unspecified Assets | 33 672 495 | 29 535 189 |
| Management of Informal Settlements | 1 050 699 | 513 343 |
| Medical Services | 8 846 | 83 453 |
| Pest Control and Fumigation | 29 696 | 14 696 |
| Plants, Flowers and Other Decorations | 365 042 | 292 560 |
| Prepaid Electricity Vendors | 7 801 057 | 8 229 782 |
| Preservation/Restoration/Dismantling/Cleaning Serv | 652 874 | 415 305 |
| Tracing Agents and Debt Collectors | 1 809 741 | 1 869 475 |
| Transportation | 5 167 403 | 4 524 212 |
| Sewerage Services | 5 311 095 | 467 377 |
| Stage and Sound Crew | 449 998 | 303 139 |
| | 183 452 999 | 151 817 580 |
| 46. Transfers and subsidies paid | | |
| Other subsidies | | |
| Grant-in-aid tourism | 4 600 000 | 4 124 338 |
| Grant-in-aid animal welfare | 1 113 000 | 1 050 000 |
| Grant-in-aid sundries | 3 861 920 | 3 815 701 |
| Bursary Scheme | 379 903 | 139 410 |
| Grants-in-aid COVID-19 Humanitarian Relief | 900 000 | - |
| | 10 854 823 | 9 129 449 |

The comparative amounts were restated. Refer to note 61.23

Stellenbosch Municipality

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Notes to the Unaudited Annual Financial Statements

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|---|--------------------|--------------------|
| 47. General expenses | | |
| Advertising, publicity and marketing | 1 935 556 | 2 943 163 |
| Assets less than capitalisation threshold | 362 236 | 922 109 |
| Auditors remuneration | 6 703 882 | 6 295 797 |
| Bank charges, facility and card fees | 1 222 864 | 1 022 289 |
| Bursaries (Employees) | 401 598 | 407 918 |
| Communication | 5 624 569 | 5 649 956 |
| Commission paid | 2 944 923 | 2 685 445 |
| Domestic subsistence and travel | 1 084 614 | 892 224 |
| Drivers licences and permits | 20 565 | 20 924 |
| Entertainment | 48 463 | 126 275 |
| External computer services | 15 238 716 | 13 512 829 |
| Foreign subsistence and travel | 38 438 | 53 094 |
| Full time union representative | 103 917 | 133 508 |
| Hire charges | 11 331 736 | 12 214 934 |
| Honoraria (voluntary workers) | 4 500 | 12 600 |
| Indigent relief | 4 855 792 | 4 317 298 |
| Insurance | 5 357 969 | 4 327 956 |
| Inventory - materials and supplies | 13 749 289 | 12 442 636 |
| Inventory - standard rated | 2 953 561 | 5 153 285 |
| Inventory - zero rated | 13 120 184 | 13 700 724 |
| Inventory consumed water | 114 000 | 296 630 |
| Licences: motor vehicle licence and registrations | 1 212 251 | 1 225 229 |
| Management fees | 10 587 548 | 8 129 979 |
| Municipal services | 8 172 424 | 8 000 613 |
| Office decorations | 41 389 | 53 165 |
| Other expenses | 78 322 | 200 173 |
| Printing, publications and books | 441 250 | 458 536 |
| Professional bodies, membership and subscription | 7 869 951 | 3 879 060 |
| Samples and specimens | 180 745 | 378 953 |
| Seminars, conferences, workshops and events | 1 857 032 | 2 968 702 |
| Skills development levy | 3 669 220 | 3 998 884 |
| Supplier development programme | 577 200 | 942 126 |
| Title deed search fees | 20 100 | 7 860 |
| Uniform and protective clothing | 6 236 877 | 3 582 350 |
| Vehicle tracking | 620 214 | 732 365 |
| | 128 781 895 | 121 689 589 |

The comparative figures were restated. Refer to note 61.25

Pay@ (Agent) provides the Municipality with payment service solutions on behalf of the Municipality. Pay@ pays over the monies generated from the payment services to the Municipality. The municipality recognises 100% of the money's collected as revenue from exchange transactions and the fee to be paid to Pay@ (as stipulated in the relevant service schedule or based on Pay@'s standard prevailing rates), is recognized as an expense.

EasyPay (Agent) is a payment platform used to collect municipal service payments from third parties. These payments are accepted by EasyPay on behalf of the Municipality (Principal), from third parties. A service charge is levied by EasyPay for collection of the payments. This fee is recognised as commissions paid.

SPS (Agent) collects parking tariffs from motorists on behalf of the Municipality. SPS pays over the tariffs collected to the Municipality, minus the service charge levied. The municipality recognises 100% of the tariff as revenue from exchange transactions and the service charges incurred to SPS is recognized as an expense.

Syntell (Agent) sells and collects money from the sale of prepaid electricity on behalf of the Municipality. SPS pays over the monies collected to the Municipality, minus the collection fee levied, determined at a rate specific in the Service Level Agreement. The municipality recognises 100% of the money's collected as revenue from exchange transactions and the collection fee paid to Syntell (which includes costs incurred on debit or credit card electricity sales and cash handling fees incurred), is recognized as an expense.

Stellenbosch Municipality

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47. General expenses (continued)

TMT (Agent) manages the collection of traffic fines (both legacy fines issue before 1 July 2017 and fines issued after this date), on behalf of the Municipality. TMT pays over the monies collected to the Municipality. The municipality recognises 100% of the money's collected as revenue from non - exchange transactions and the fee incurred to TMT is recognized as an expense.

These arrangements are subject to standard terms and conditions upon termination.

None of the municipalities assets are under the custodianship of the agents.

48. Fair value adjustments

Other financial assets

| | | |
|--|-----------|-----------|
| • Discounting of long term receivables | (634 971) | (350 833) |
|--|-----------|-----------|

Movement in discounting of long term receivables

| | | |
|-----------------|--------------------|--------------------|
| Opening balance | (2 264 321) | (1 913 488) |
| Discounting | (634 971) | (350 833) |
| | (2 899 292) | (2 264 321) |

49. Cash generated from operations

| | | |
|--|--------------------|--------------------|
| Surplus | 81 155 004 | 121 037 561 |
| Adjustments for: | | |
| Depreciation and amortisation | 197 274 891 | 193 788 634 |
| (Loss) gain on sale of assets and liabilities | (33 133) | 5 060 315 |
| Fair value adjustments | 634 971 | 350 833 |
| Other non-cash adjustments | (863 567) | - |
| Impairment deficit | 72 977 | 1 705 912 |
| Debt impairment | 123 186 856 | 105 207 214 |
| Contribution to debt impairment | (6 521 559) | 23 536 415 |
| Movements in operating lease liability | (816 671) | 5 360 661 |
| Movements in retirement benefit assets and liabilities | (12 697 154) | (9 644 159) |
| Movements in provisions | 18 961 502 | 23 179 290 |
| Changes in working capital: | | |
| Inventories | 483 626 | (10 617 630) |
| Other receivables from exchange transactions | 1 433 147 | (9 700 929) |
| Receivables from exchange transactions | (275 008) | (26 939 431) |
| Receivables from non-exchange transactions | (85 470 841) | (102 518 755) |
| Payables from exchange transactions | (638 034) | 27 721 923 |
| VAT | 17 882 801 | 6 103 839 |
| Unspent conditional grants and receipts | (50 183 017) | 33 402 936 |
| Consumer deposits | 706 605 | 1 403 987 |
| Long term receivables | (2 340 920) | (1 248 126) |
| | 281 952 476 | 387 190 490 |

50. Financial instruments disclosure

Categories of financial instruments

2020

Financial assets

| | | At amortised cost | Total |
|--|---|-------------------|-------------|
| Cash and cash equivalents | 3 | 111 201 845 | 111 201 845 |
| Receivables from exchange transactions | 5 | 111 067 546 | 111 067 546 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

| Figures in Rand | | 2020 | 2019 |
|---|----|--------------------|--------------------|
| 50. Financial instruments disclosure (continued) | | | |
| Other receivables from exchange transactions | 7 | 10 825 566 | 10 825 566 |
| Receivables from non-exchange transactions | 6 | 19 239 900 | 19 239 900 |
| Investments | 4 | 306 637 342 | 306 637 342 |
| Long term receivables | 15 | 6 361 907 | 6 361 907 |
| | | 565 334 106 | 565 334 106 |

Financial liabilities

| | | At amortised
cost | Total |
|-------------------------------------|----|----------------------|--------------------|
| Consumer deposits | 16 | 17 784 517 | 17 784 517 |
| Other financial liabilities | 19 | 292 930 439 | 292 930 439 |
| Payables from exchange transactions | 21 | 252 303 653 | 252 303 653 |
| | | 563 018 609 | 563 018 609 |

2019**Financial assets**

| | | At amortised
cost | Total |
|--|----|----------------------|--------------------|
| Cash and cash equivalents | 3 | 169 490 533 | 169 490 533 |
| Receivables from exchange transactions | 5 | 147 504 373 | 147 504 373 |
| Other receivables from exchange transactions | 7 | 10 030 034 | 10 030 034 |
| Receivables from non-exchange transactions | 6 | 16 106 082 | 16 106 082 |
| Investments | 4 | 398 163 664 | 398 163 664 |
| Long term receivables | 15 | 4 655 958 | 4 655 958 |
| | | 745 950 644 | 745 950 644 |

Financial liabilities

| | | At amortised
cost | Total |
|-------------------------------------|----|----------------------|--------------------|
| Consumer deposits | 16 | 17 077 912 | 17 077 912 |
| Other financial liabilities | 19 | 318 800 147 | 318 800 147 |
| Payables from exchange transactions | 21 | 250 152 899 | 250 152 899 |
| | | 586 030 958 | 586 030 958 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

51. Risk management

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amount disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| At 30 June 2020 | Less than 1
year | Between 1 and
2 years | Between 2 and
5 years | Over 5 years |
|-------------------------------------|---------------------|--------------------------|--------------------------|--------------|
| Consumer deposits | 17 784 517 | - | - | - |
| Other financial liabilities | 13 382 735 | 26 752 932 | 90 975 235 | 175 202 273 |
| Payables from exchange transactions | 252 303 653 | - | - | - |
| At 30 June 2019 | Less than 1
year | Between 1 and
2 years | Between 2 and
5 years | Over 5 years |
| Consumer deposits | 17 077 912 | - | - | - |
| Other financial liabilities | 17 266 702 | 26 888 845 | 84 793 625 | 189 850 975 |
| Payables from exchange transactions | 250 152 899 | - | - | - |

Risk from biological assets

The municipality is exposed to financial risks arising from changes in wood prices. The municipality does not anticipate that wood prices will decline significantly in the foreseeable future. The municipality has not entered into derivative contracts to manage the risk of a decline in wood prices. The municipality reviews its outlook for wood prices regularly in considering the need for active financial risk management.

Interest rate risk management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

In the case of receivables whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term receivables and other debtors are individually evaluated annually at the reporting date for impairment or discounting. A report on the various categories of receivables are drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is not exposed to interest rate risk as the municipality borrows funds at fixed interest rates.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

Interest Rate Sensitivity Analysis

The municipality had no variable rate long-term financial instruments at year-end requiring an Interest Rate Sensitivity Analysis.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

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|-----------------|------|------|
|-----------------|------|------|

51. Risk management (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses other publicly available financial information and its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit risk consist mainly of long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by the Council.

Receivables from exchange transactions comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. Ongoing credit evaluations are performed on the financial condition of these receivables. Receivables from exchange transactions are presented net of the allowance for impairment.

Receivables from non-exchange transactions comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. Ongoing credit evaluations are performed on the financial condition of these receivables. Receivables from exchange transactions are presented net of the allowance for impairment.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of receivables. Receivables are provided for based on estimated irrecoverable amounts, determined by reference to a non payment rate.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

Payment to accounts of consumer debtors who are unable to pay, are renegotiated as an ongoing customer relationship in response to an adverse change in the circumstances of the customer.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

There is no collateral held for security in respect of consumer debtors.

The impact of the Covid-19 pandemic was taken into account with the allowance for impairment calculation of consumer debtors.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:

| | | |
|--|--------------------|--------------------|
| Cash and cash equivalents | 111 201 845 | 169 490 533 |
| Short term investments | 306 637 342 | 398 163 664 |
| Receivables from exchange transactions | 111 067 546 | 161 402 873 |
| Other receivables from exchange transactions | 10 825 566 | 4 276 034 |
| Receivables from non-exchange transactions | 19 239 900 | 16 106 082 |
| Long term receivable | 6 361 907 | 4 655 958 |
| | 565 334 106 | 754 095 144 |

Foreign currency risk management

Stellenbosch Municipality

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51. Risk management (continued)

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market.

Other price risks

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

52. Commitments

Authorised capital expenditure

Already contracted for but not provided for

| | | |
|---------------------------------|--------------------|--------------------|
| • Property, plant and equipment | 295 630 010 | 229 338 793 |
| • Intangible assets | 35 839 625 | 71 146 289 |
| | 331 469 635 | 300 485 082 |

Total capital commitments

| | | |
|---|-------------|-------------|
| Already contracted for but not provided for | 331 469 635 | 300 485 082 |
|---|-------------|-------------|

This committed expenditure relates to property, plant and equipment and will be financed by available bank facilities, retained surpluses, existing cash resources, funds internally generated.

The amounts as disclosed are VAT inclusive.

53. Contingencies

2019/2020 Contingent liabilities

State / Matanise CAS NR 98/03/2015/ Stellenbosch Municipality

A traffic officer made a U-turn on the R44 pursuant to obtaining an instruction from his superintendent that he need to attend to a complaint in Klapmuts. The claimant, alleged that he had to turn into another lane to prevent an accident to occur, losing control over the vehicle and overturning the vehicle in the process.

Management estimate of the financial exposure is R100 000 in respect of costs and disbursements.

Labour court review - MATUSA on behalf of an employee / Stellenbosch Municipality

MATUSA on behalf of an former employee obtained an arbitration award against Stellenbosch Municipality in terms of which the former employee was reinstated and certified the arbitration award in terms of section 143(3) of the LRA. They instructed the sheriff to attached the movable properties of the Municipality to be sold in execution.

The Municipality instituted review proceedings against the arbitration award and stay the execution of the arbitration award.

Managements estimate of the financial exposure is approximately R380 000 in respect of costs and disbursements including compensation of 12 months of approximately R230 000.00 if reinstatement is not granted.

Ricmal Green (Pty) Ltd & another / The unlawful occupiers and others

Ricmal Green (Pty) Ltd applied for an interdict that the National Minister of Agriculture, Deputy Minister of Agriculture and the National Government be interdicted and restrained from placing any third parties in occupation of the Property or in any way encouraging, promoting, supporting and or allowing any persons to come onto the farm to occupy the Property.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

53. Contingencies (continued)

That the persons attempting to occupy the Property be interdicted and restrained from entering onto or remaining on the Property and erecting or attempting to erect any form of structure, be it temporary, permanent or semi-permanent of nature on the Property.

Ricmal Green (Pty) Ltd also applied for an urgent eviction application in terms of rule 6(12) against all unlawful occupiers of the Property listed in Annexure A to be ordered to vacate the Property and should they fail/refuse that the Sheriff be ordered to evict them from the Property.

Stellenbosch Municipality is sited as Seventh Respondent to the matter. No relief is sought against the Municipality unless the Municipality oppose the application. The Municipality was joined as the Property is situated within its jurisdiction and its statutory and/or constitutional obligations as regards the occupiers.

The Municipality is supporting the application of the Applicants and filed an explanatory affidavit.

Managements estimate of the financial exposure is approximately R200 000 in respect of costs and disbursements

Anonymous Employee / Stellenbosch Municipality

An employee applied for default judgment against Stellenbosch Municipality for alleged unfair labour practice in relation to failure to promote and/or demotion and alleged that he/she is being unfairly discriminated against.

Managements estimate of the financial exposure is approximately R100 000 in respect of costs and disbursements

SPS / Stellenbosch Municipality

MZ Loghdey t/a Street Parking Solutions submitted a tender, which was awarded to him. The tender was implemented on or about 1 April 2019. A dispute arose between the parties around various issues in terms of the tender. Clause 27.1 of the GCC provides that if any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation. Clause 27.2 provides further if, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party. Clause 27.3 provides that should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law. Notwithstanding the above clause 27.4 provides that notwithstanding any reference to mediation and/or court proceedings herein the parties shall continue to perform their respective obligations under the contract unless they otherwise agree and the purchaser shall pay the supplier any monies due for goods delivered and/or services rendered according to the prescripts of the contract.

Both SPS and the Municipality alleged that certain conditions of the tender/contract was breached and that mediation is required to solve the dispute. A mediator was appointed and a date for the mediation need to be set to argue the matter.

Managements estimate of the financial exposure is approximately R100 000 in respect of costs and disbursements

Anonymous Employee / Stellenbosch Municipality

Review application instituted by Stellenbosch Municipality setting aside the Arbitration Award made under WCP121702 under the South African Local Bargaining Council to pay the employee compensation for additional work done.

Managements estimate of the financial exposure is R300 000. This amount represents the legal costs and disbursements that the municipality may be liable for in order to finalise the matter and the amount claimed should the employee be successful.

Former Employee / South African Local Government Bargaining council and others

Stellenbosch Municipality

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Notes to the Unaudited Annual Financial Statements

53. Contingencies (continued)

Review application instituted by an former employee to have the arbitration award dated 18 July 2019 under case numbers WCP 071722 and 01719 reviewed and set aside and in the alternative should the court elect not to correct the award that the dispute be remitted and referred back to the Bargaining Council for adjudication before an arbitrator.

Managements estimate of financial exposure is approximately R200 000. This amount represents the legal costs and disbursements that the Municipality may be liable in order to finalise the matter.

Stellenbosch Municipality / Urlan Groenewaldt & Jacques Francois Swart

Motor vehicle collision in which the municipal traffic lights were damaged.

Managements estimate for financial exposure is approximately R50 000.00 in respect of costs and disbursements.

Stellenbosch Municipality / Sliyzama CP Constructions (Pty) Ltd

Stellenbosch Municipality have to institute eviction proceedings against the illegal occupiers of the property, which the Municipality is leasing to Kindersorg to operate a crèche in Kayamandi. The eviction application is pending.

The founding affidavit of the Municipality needs to be finalised, whereafter the municipality can proceed with the institution of the eviction application. The municipality has received the founding affidavit and is in the process of proposing amendments thereto.

Managements estimate of financial exposure is approximately R200 000 in respect of costs and disbursements.

Stellenbosch Municipality / Klappmuts mediation

Stellenbosch Municipality is under obligation to provide emergency housing to evictees of various eviction orders in Klappmuts. The Klappmuts community has threatened violence against evictees and destruction of property should the municipality proceed to utilise Klappmuts housing facilities for evictees rather than for members of the Klappmuts community. Independent expert mediator appointed to facilitate mediation which is currently pending. The mediator had meetings with the community and a committee was elected to discuss the matter and proposals made. The chairperson of the Committee was not available for a period to attend meetings and new proposed dates were arranged by the mediator for such meetings. The community still refuse the Municipality to implement emergency housing.

The mediation needs to be finalised to obtain the buy-in of the community to relocate evictees to Klappmuts.

Managements estimate of the financial exposure is approximately R250 000 in respect of costs and disbursements.

Stellenbosch Municipality / NE Properties (Pty) Ltd

Application to declare the dissolution of NE Industries void in terms of section 83(4) of the Companies Act and to direct the Companies and Intellectual Property Commission of South Africa to restore NE Industries' name to the register of companies. NE Industries was deregistered and its name was removed from the register of companies on 16 July 2010 due to its failure to file its annual returns. NE Industries is the single largest debtor on the Municipality's debtor's book. The Municipality wants to collect the outstanding amount due to it but established that NE Industries was deregistered as a result of its failure to file its annual returns and its name was removed from the register of companies.

Managements estimate of the financial exposure is approximately R200 000. This amount represents the legal costs and disbursements that the Municipality may be liable for in order to obtain the Final Court Order.

Stellenbosch Municipality / IMATU on behalf of Employee

Review application instituted against the arbitrator's award by Commissioner Der Vlieger-Seynhaeve including application for condonation and to oppose the application for contempt of court proceedings instituted by IMATU obo employee.

Stellenbosch Municipality

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53. Contingencies (continued)

Managements estimate of financial exposure is approximately R200 000. This amount represents the legal costs and disbursements that the Municipality may be liable for in order to obtain the Final Court Order.

Stellenbosch Municipality / E Ross and Others

Stellenbosch Municipality have to institute eviction proceedings against Respondents of the property at 609 Lavanda Flats, Jan Cillier Street, Stellenbosch due to the Respondents actions. The eviction application is still pending.

Managements estimate of the financial exposure is approximately R200 000. This amount represents the legal costs and disbursements that the Municipality may be liable in order to finalise the matter.

Stellenbosch Municipality / L Bailey and Another

Stellenbosch Municipality is in the process instituting eviction proceedings against the Respondents of the property at 108 Aurora Flats, Jan Cilliers Street, Stellenbosch, due to the Respondents actions. The eviction application is still pending.

Managements estimate of the financial exposure is approximately R200 000. This amount represents the legal costs and disbursements that the Municipality may be liable in order to finalise the matter.

Stellenbosch Municipality / J Morgan and Others

Stellenbosch Municipality is in the process of instituting eviction proceeding against the Respondents of the property at 12 Weber Street, Idas Valley, Stellenbosch, due to the Respondents actions. The eviction is still pending.

Managements estimate of the financial exposure is approximately R200 000. This amount represents the legal costs and disbursements that the Municipality may be liable in order to finalise the matter.

Stellenbosch Municipality / A De Ruiter and Others

Stellenbosch Municipality have to institute eviction proceedings against the Respondents of Erf 5281 Cloeteville, due to the Respondents actions.

Managements estimate of the financial exposure is approximately R200 000. This amount represents the legal costs and disbursements that the Municipality may be liable in order to finalise the matter.

Stellenbosch Municipality / Francois Jansen

Application for eviction of unlawful occupants from municipal property.

Managements estimate of the financial exposure is approximately R50 000. This amount represents the legal costs and disbursements that the Municipality may be liable in order to obtain the Final Court Order.

Stellenbosch Municipality / Tania Wasmuth and Others

Application for eviction of unlawful occupants from municipal property.

Managements estimate of the financial exposure is approximately R50 000. This amount represents the legal costs and disbursements that the Municipality may be liable in order to obtain the Final Court Order.

Stellenbosch Municipality / Cobus Visagie

Approximately R684 000.00 owed by Cobus Visagie for a tender to harvest wood.

Managements estimate of the financial exposure is approximately R50 000. This amount represents the legal costs and disbursements that the Municipality may be liable in order to obtain the Final Court Order.

Fusion Properties 233 CC / The Municipality of Stellenbosch

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

53. Contingencies (continued)

This matter involves a summons issued against the Municipality for alleged damages pursuant to the sale of certain immovable property belonging to the Municipality. The amount claimed is R32 115 000.00 together with interest calculated at the rate of 9% per annum from 28 July 2015. The Municipality is defending the action. Pleadings have now closed and the Plaintiff is in the process of applying for a court date.

The application that the Plaintiff has to provide security for costs was granted and the interlocutory application to strike out certain allegations was also successful. The Plaintiff made application for leave to appeal against the judgment, which application was refused with costs. The Plaintiff has delivered a petition to the Supreme Court of Appeal ("SCA") in terms of which it is now seeking leave to appeal either to the SCA or the full bench of the Western Cape Division of the High Court.

Should the litigation against the Municipality be successful, the estimate of financial exposure will be the R32 115 000.00 together with interest calculated at the rate of 9% per annum from 28 July 2015 including legal costs and disbursements of approximately R1 350 000.00.

Independent Schools Association of Southern Africa / Ethekwini Municipality / Stellenbosch Municipality & Others

This matter involves an application on behalf of the Municipality to be joined as co-applicant together with eThekweni Municipality in an application for the review and setting aside of the Amended Municipal Property Rates Regulations promulgated on 12 March 2010. The Municipality has been joined successfully as co-applicant.

The matter was set down and heard during the first week in June 2019. Judgment was granted against the Municipality with costs. The Municipality successfully sought leave to appeal the judgment and leave to appeal to the Supreme Court of Appeal ("SCA") was granted. The Municipality has lodged its notice of appeal and has also lodged the record of the proceedings, together with eThekweni Municipality as the first appellant. The appellants have also filed their heads of argument and now await the respondents' heads of argument. This matter does not involve any amounts claimed.

Managements estimate of the financial exposure is approximately R250 000. This amount represents the legal costs and disbursements that the Municipality may be liable for if the review application is unsuccessful.

De Zalze Golf Club / Valuation Appeal Board for Stellenbosch Municipality

De Zalze Golf Club applied to have the Valuation Appeal Board for the Stellenbosch Municipality's decision dated 5 September 2018 to place a value of R26 500 000.00 on the leasehold rights in respect of remainder Erf 296 De Zalze reviewed and set aside and to replace the decision with an order valuing the property at R1 000.00 alternatively R4 900 000.00. In the alternative, and in the event that the Court is not prepared to grant the relief sought indicated above, remitting the matter to the Valuation Appeal Board and directing it, within a reasonable period and in accordance with the Court's directions, to make a fresh decision as to the value of the property. De Zalze Golf Club also applied that the Valuation Appeal Board and Stellenbosch Municipality pay De Zalze's costs jointly and severally, including the costs of two counsel (save that costs are only sought against Stellenbosch Municipality in the event of it opposing the application). The matter was heard on 13 August 2020 and judgment has been reserved. This matter does not involve any amounts claimed.

Managements estimate of the financial exposure is approximately R500 000. This amount represents the legal costs and disbursements that the Municipality may be liable for if the review application is successful.

Stellenbosch Municipality / LJ Turnkey Investments (Pty) Ltd

The owner of Portion 9 of Farm 100 Stellenbosch ("the Property") applied for a declaratory order that the zoning of the Property is general residential and allows them to utilise the Property for student accommodation. The Municipality opposed the declaratory order and filed its answering affidavit.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

53. Contingencies (continued)

The Municipality is in the process of instituting a counter-application for, amongst others, a declaratory order regarding the zoning of the Property and interdictory relief regarding the utilisation of the Property for student and/or any other rental accommodation in contravention of the Municipality's Zoning Scheme By-law. This matter does not involve any amounts claimed.

Managements estimate of the financial exposure is approximately R250 000. This amount represents the legal costs and disbursements that the Municipality may be liable for if the review application is successful.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

53. Contingencies (continued)

2018/2019 Contingent liabilities

Anonymous / Stellenbosch Municipality

A municipal employee instituted legal proceedings against Stellenbosch Municipality and a municipal employee for alleged sexual harassment and unfair discrimination in the Labour Court. The Municipality has filed its Statement of Response to the Plaintiff's Statement of Claim and awaits a court date to have the matter argued. At reporting date this matter is pending.

Management estimates financial exposure to approximately R200 000 in respect of costs and disbursements. The amount of the claim has not been included as the plaintiff's prospects of success are unlikely.

Stellenbosch Municipality / Herman Pheiffer

Monetary claim by the former Speaker, Herman Pheiffer against the Municipality. The Municipality defended the case successfully against Mr Pheiffer and obtained a cost order. At reporting date the matter is pending.

Management estimates financial exposure to amount to approximately R50 000 in respect of costs and disbursements. The amount of the claim has not been included as the plaintiff's prospects of success are unlikely.

Stellenbosch Municipality / Anonymous Employee

Review application instituted by Stellenbosch Municipality setting aside the Arbitration Award made under WCP121702 under the South African Local Government Bargaining Council to pay Thato compensation for additional work. At reporting date this matter is pending.

Management estimates financial exposure to amount to approximately R200 000 - this amount represents the legal costs and disbursements that the Municipality may be liable in order to finalize this matter.

Stellenbosch Municipality / Siyazama CP Constructions (Pty) Ltd

Stellenbosch Municipality is in the process of instituting eviction proceedings against illegal occupiers of the property, which the Municipality is leasing to Kindersorg to operate a creche in Kayamandi. The eviction application is pending. The founding affidavit of the Municipality needs to be finalised, where after the Municipality can proceed with the institution of the eviction application. The Municipality has received the founding affidavit and is in the process of proposing amendments thereto. At the reporting date the matter is pending.

Management estimates financial exposure to amount to be approximately R50 000 in respect of costs and disbursements.

Stellenbosch Municipality / Klappmuts Mediation

The Municipality has an obligation to provide emergency housing to evictees of various eviction orders in Klappmuts. The Klappmuts community has threatened violent action against evictees and destruction of property should the Municipality proceed to use Klappmuts housing facilities for evictees rather than for members of the Klappmuts community.

An independent expert mediator has been appointed to facilitate mediation which is currently pending. The mediator had meetings with the community and a committee was elected to discuss the matter and proposals made. The chairperson of the committee was not available for a period to attend meetings and new proposed dates were arranged by the mediator for such meetings. At reporting date this matter is pending. Reference: KVDBERG/S613.

Mediation needs to be finalised to obtain buy-in of the community to Klappmuts. Management estimates financial exposure to amount to approximately R250 000 in respect of costs and disbursements.

Franklin Adams/ The Speaker/ Stellenbosch Municipality

Councillor Adams instituted legal proceedings against the Speaker of the Municipality in the Equality Court. The Municipality served and filed its opposing affidavit in the matter. The matter was subsequently postponed to 9 July 2019 for the inter alia Councillor Franklin Adams to apply for legal assistance from Stellenbosch Municipality. The matter was postponed until 5 September 2019 to allow councillor Adams' attorney to come on record to attend to the directive hearing. Thus, at reporting date this matter is pending.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

53. Contingencies (continued)

Management estimates financial exposure to amount to approximately R50 000 in respect of costs and disbursements.

Stellenbosch Municipality/ E Ross & Others

Stellenbosch Municipality is in the process of instituting eviction proceedings against the Respondents of the property at 609 Lavanda Flats, Jan Cilliers Street, Stellenbosch, due to the Respondents actions. The respondents did not oppose the application within the required time, as a result the Municipality submitted a Chamberbook application to oblige the respondents to submit their opposing affidavit, which they neglected to do. The matter will be enrolled on the unopposed roll.

Management estimates financial exposure to amount to approximately R200 000 - this amount represents the legal costs and disbursements that the municipality may be liable to finalise this matter.

Stellenbosch Municipality / L Baily & Another

Stellenbosch Municipality is in the process instituting eviction proceedings against the Respondents of the property at 108 Aurora Flats, Jan Cilliers Street, Stellenbosch, due to the Respondents actions. The eviction application is still pending. Thus, at reporting date this matter is pending and the Municipality awaits for the Writ from the Registrar of the High Court

Management estimates financial exposure to amount to approximately R200 000 - this amount represents the legal costs and disbursements that the Municipality may be liable to finalize this matter.

Stellenbosch Municipality / J Morgan & Others

Stellenbosch Municipality is in the process of instituting eviction proceeding against the Respondents of the property at 12 Weber Street, Idas Valley, Stellenbosch, due to the Respondents actions. The attorneys are currently in the process to finalise affidavit. At reporting date, the eviction application is still pending and the Municipality is in the process of finalising the affidavit.

Management estimates financial exposure to amount to approximately R200 000 - this amount represents the legal costs and disbursements that the Municipality may be liable to finalize this matter.

Stellenbosch Municipality / A De Ruiter & Others

An eviction application was instituted by Stellenbosch Municipality to have the Respondents evicted from the property, Erf 5281 Cloeterville, due to the Respondents actions. At reporting date, the eviction application is still pending, and the Affidavit still needs to be signed by the Municipal Manager.

Management estimates financial exposure to amount to approximately R200 000 - this amount represents the legal costs and disbursements that the Municipality may be liable to finalize this matter.

Stellenbosch Municipality / Franscois Jansen

An application has been instituted by the Stellenbosch Municipality for the eviction of unlawful occupants from municipal property. This matter is still pending at the reporting date.

Management estimates financial exposure to amount to approximately R50 000 - this amount represents the legal costs and disbursements that the Municipality may be liable to obtain for the Final Court Order.

Stellenbosch Municipality / Tania Wasmuth & Others

An application for eviction of unlawful occupants from municipal property has been instituted by Stellenbosch Municipality. This matter is still pending at the reporting date.

Management estimates financial exposure to amount to approximately R50 000 - this amount represents the legal costs and disbursements that the Municipality may be liable to obtain the Final Court Order.

Stellenbosch Municipality / Cobus Visagie

Approximately R684 000 was owed by Cobus Visagie for a tender to harvest wood. Summary judgement was obtained but the money still needs to be collected.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

53. Contingencies (continued)

Management estimates financial exposure to amount to approximately R50 000 - this amount represents the legal costs and disbursements that the Municipality may be liable to obtain to Final Court Order.

Metro City Protection Services / Stellenbosch Municipality

Metro City Protection Services instituted legal proceedings against Stellenbosch Municipality, pursuant to them not being awarded the tender for the rendering of security services. They applied for the Municipality to be interdicted to implement the tender with Securitem (Pty) Ltd and applied to have the tender award reviewed and set aside.

The matter was argued and the interdict was denied. The Review application is currently pending and a timetable was agreed upon in terms of which the matter will be argued on 12 September 2019. The Municipality had to file its Rule 53 record on 27 May 2019. The Applicant must file its supplementary affidavit by 13 June 2019 and the Municipality must file its answering affidavit by 4 July 2019. The parties are in the process of settling the matter. At reporting date this matter is pending.

Management estimates financial exposure to amount to approximately R250 000 - this amount represents the legal costs and disbursements that the Municipality may be liable for to obtain the final court order.

La Concorde South Africa (Pty) Ltd / The Stellenbosch Municipality & Others

La Concorde raised an objection to the constitutional validity of Section 24(1)(e) of the Stellenbosch Municipal Planning By-law, 2015 read with Section 61(2)(c) of the Western Cape Land Use Planning Act, 3 of 2014. La Concorde alleged that the Section 24 exempts an owner from applying for a subdivision in the circumstances listed therein, any reference in both the By-law and LUPA to "application" or "approval" cannot apply to a request to a municipality to issue an exemption certificate and the issuing of the exemption certificate is not an "approval" or a "decision" for the purposes of the By-law and LUPA. Pursuant to providing the information/documents requested in terms of La Concorde's Rule 30(1)(A) notice, La Concorde served another Rule 30(1)(A) notice requesting further additional information/documents. The Municipality provided the information, (except for the Planning Department) requested to our attorneys of record who is attending compiling the additional Rule 53 record. At year end this matter was still pending.

Management estimates financial exposure to amount to approximately R250 000 - this amount represents the legal costs and disbursements that the Municipality may be liable for in order to obtain the final court order.

Stellenbosch Municipality / Stellenbosch Golf Club

Stellenbosch Municipality entered into a long term notarial lease agreement with Stellenbosch Golfklub ("the Golfklub") on or about 20 December 1994, which lease agreement was notarial registered under reference number K199/95L on 14 March 1995. In terms of clause 4.6 of the notarial lease agreement the Golfklub is responsible for payment of the rates and taxes levied by the Municipality. The Municipality is involved in a dispute with the Stellenbosch Golfklub regarding outstanding rates the municipality claims from the Golfklub. The Golfklub leases the property on which the golf course is situated from the Municipality and for that reason is alleging that they do not have to pay rates and taxes to the Municipality.

The Municipality has finalised amendments to the draft Arbitration agreement as well as its Heads of Arguments and have forwarded the same to Stellenbosch Golf Club's attorneys. Stellenbosch Golfklub indicated that they want to make amendments to the Arbitration Agreement and Statement of Case and as a result the scheduled arbitration could not proceed on 31 May 2019. We are still awaiting the proposed amendments from Stellenbosch Golfklub and new dates on which the arbitration can proceed. At year end this matter was still pending.

Management estimates financial exposure to amount to approximately R300 000 - this amount represents the legal costs and disbursements that the Municipality may be liable to finalize this matter.

Gerhard Schalk van Niekerk N.O and Others / Stellenbosch Municipality

Gerhard Schalk van Niekerk N.O & Others ("the Applicants") instituted review proceedings against Stellenbosch Municipality's resolution of 31 October 2018, which resolved the owners to be instructed to demolish all structures/boundary fences impeding public access to the Millstream, and to move all boundary fencing to their own ERF boundaries, within a period of 3 (three) months of receipt of the notice ("the Council resolution"), be reviewed and set aside.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

53. Contingencies (continued)

Furthermore, that the decision of the Municipality on or about 22 November 2018, alternatively on or about 14 May 2019, to issue notices pursuant to the Council's resolution to the First to Fourth Applicants and the Fifth to Seventh Applicants, respectively ("the decision to issue the notices"), be reviewed and set aside. One of the Applicants prayers is that the Municipality pay the Applicants costs of the application, including costs of two counsel.

The Applicants even, i.e. the Alabama Trust as registered owner of ERF 1629, Stellenbosch and the Gillomee Trust as registered owner of ERF 1726 Stellenbosch about ERF 1771 Stellenbosch of which Stellenbosch Municipality is the owner. ERF 1771 Stellenbosch is zoned as Public Open Space. The Applicants erected structures, which structures encroached on ERF 1771 Stellenbosch, without any prior approval of Stellenbosch Municipality. The Stellenbosch Municipal Council inter alia resolved on 31 October 2018 that the owners be given notices that any and all agreements that may exist with them in writing, or allowances made over the years, in regard to the use of land across the Millstream, is cancelled/revoked and that the owners be informed to demolish all structures/boundary fences not allowing public access to the Millstream and move any and all boundary fencing to their own erf boundaries within a period of 3 months of receipt of the notice.

Fusion Properties 233 CC / The Municipality Of Stellenbosch

This matter involves a summons issued against the Municipality for alleged damages pursuant to the sale of certain immovable property belonging to the Municipality. The Municipality is defending the action. The application that the Plaintiff has to provide security for costs was granted and the interlocutory application to strike out certain allegations was also successful. The Plaintiff made application for leave to appeal against the judgment, for which the application was refused with costs. At reporting date this matter is pending. : Reference RB Africa / S Kgomo / 3006430.

Should the litigation against the Municipality be successful, management estimates financial exposure will be the R32 115 000 together with interest calculated at the rate of 9% per annum from 28 July 2015 including legal costs and disbursements of approximately R1 350 000.00.

Independant Schools Association of Southern Africa / EThekweni Municipality / Stellenbosch Municipality & Others

This matter involves an application on behalf of the Municipality to be joined as co-applicant together with eThekweni Municipality in an application for the review and setting aside of the Amended Municipal Property Rates Regulations promulgated on 12 March 2010. The Municipality has been joined successfully as co-applicant.

The matter was argued in June 2019 and judgment was subsequently granted against the Municipality with a costs order. The Municipality submitted its leave to appeal against the judgment on 24 July 2019. The appeal was subsequently argued and leave to appeal was granted. This matter does not involve any amounts claimed. Reference: RB Africa / AE Esterhuizen / 2083835.

Management estimates financial exposure to amount to approximately R250 000 - this amount represents the legal costs and disbursements that the Municipality may be liable for if the review application is unsuccessful.

De Zalze Golf Club / Valuation Appeal Board Fof Stellenbosch Municipality

De Zalze Golf Club applied to have the Valuation Appeal Board for the Stellenbosch Municipality's decision dated 5 September 2018 to place a value of R26 500 000 on the leasehold rights in respect of remainder ERF 296 De Zalze reviewed and set aside. To replace the decision with an order valuing the property at R1000 alternatively R4 900 000. In the alternative, and in the event that the Court is not prepared to grant the relief sought indicated above, remitting the matter to the Valuation Appeal Board and directing it, within a reasonable period and in accordance with this Court's directions, to make a fresh decision as to the value of the property. De Zalze Golf Club also applied that the Valuation Appeal Board and Stellenbosch Municipality pay De Zalze's costs jointly and severally, including the costs of two counsel. Reference: AE Esterhuizen / SK Jacobs / 3032533.

The Municipality filed its Rule 53 record, where after De Zalze Golf Club served and filed its supplementary affidavit. The Municipality is in the process of finalising its answering affidavit and have arrange consultations for 15 July 2019 and 19 August 2019 respectively. At reporting date this matter is pending.

Management estimates financial exposure to amount to approximately R500 000 - this amount represents the legal costs and disbursements that the Municipality may be liable for if the review application is unsuccessful.

Stellenbosch Municipality/ Mandisi Parscal Jejane

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

53. Contingencies (continued)

The matter concerns the removal of an illegal structure which was erected without building plans, for which the occupants need to be evicted.

Management estimates financial exposure to amount to approximately R50 000 - this amount represents the legal costs and disbursements that the Municipality may be liable for if the review application is unsuccessful.

Stellenbosch/ Urian Groenewald & Jacques Francois Swart

The matter concerns a claim regarding a motor vehicle collision where the municipal traffic lights were damaged.

Management estimates financial exposure to amount to approximately R50 000 - this amount represents the legal costs and disbursements that the Municipality may be liable for if the review application is unsuccessful.

Stellenbosch Municipality/ The Municipal Manager/ Franklin Adams

The matter concerns a claim by Councillor Adams against the Speaker and Municipal Manager in the Equality Court.

The matter was withdrawn by Franklin Adams on 15 October 2019. Court judgement stated that each party is responsible for their own costs. The municipality is currently deciding whether an appeal will be launched.

Management estimates financial exposure to amount to approximately R50 000 - this amount represents the legal costs and disbursements that the Municipality may be liable for if the review application is unsuccessful.

Stellenbosch Municipality/ April & Another

The matter concerns the institution of eviction proceedings by the municipality against the respondents of the property.

Management estimates financial exposure to amount to approximately R200 000 - this amount represents the legal costs and disbursements that the Municipality may be liable for if the review application is unsuccessful.

54. Related parties

Loans granted to related parties

In terms of the MFMA, the municipality may not grant loans to its councillors, management, staff and public with effect from 01 July 2004. Loans, together with conditions thereof granted prior to this date are disclosed in note 15 in the annual financial statements.

Remuneration of management

Compensation of key management and personnel is set out in notes 34, 35 and 36 respectively in the annual financial statements.

All Councillors and Employees have disclosed their interest in related parties and no one has the ability to control or exercise significant influence over Council in making financial and operating decisions.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

55. Awards to close family members in the service of the state

The detail listed below is disclosed in terms of Regulation 45 of the Municipal Supply Chain Regulations 2005 that determines that the municipality must disclose particulars of any awards of more than R2 000 to a person who is a spouse, child or parent of a person in service of the state or has been in service of the state in the previous twelve months.

| Supplier | Name | State Department | Spouse, Child or Parent | 2020 | 2019 |
|---------------------------------------|-----------------------|---|--------------------------|-----------|-----------|
| Aurecon South africa (Pty) Ltd | Refer to detail below | Refer to detail below | Spouse, Child and Parent | 7 864 895 | 8 767 802 |
| ARB Electrical Wholesalers (Pty) Ltd | J Modise | Eskom Holdings: Non Executive Director and Road Accident Fund (RAF) CEO | Spouse | 26 203 | 1 388 |
| Bergstan South Africa | C Beukes | Department of Social Development | Spouse | - | 73 600 |
| Kemanzi (Pty) Ltd | J N Du Toit | City of Cape Town | Spouse | 480 920 | 115 438 |
| CSM Consulting Services | A Vancoillie | Department of Environmental affairs and Development Planning | Child | 84 051 | 27 600 |
| Exeo Khokela Civil | T Meyer | Department of Education | Child | - | 5 999 461 |
| Red Hills Electronics | L Hartley | Department of Education | Spouse | 1 823 316 | 3 793 770 |
| Milhon HVAC | J Sampson | Stellenbosch Municipality | Spouse | 10 941 | - |
| NCC Environmental Servicess (Pty) Ltd | C Rhode | City of Cape Town | Spouse | 3 600 | 9 775 |
| Helderberg Business | N Hitchert | Department of Agriculture | Spouse | - | 1 750 |
| Rhode Bros Steel Pro | D Rhode | South African Police Service | Child | 16 100 | 62 315 |
| Flowers in the Foyer | E Gunter | Other Government department | Spouse | - | 2 700 |
| Silver Solutions 1765 | D Simpson | Department of Education | Spouse | 14 000 | - |
| Element Consulting | S Pienaar | Department of Local Government | Spouse | - | 275 476 |
| Idas Valley Cleaning Solutions | G Jonkers | Stellenbosch Municipality | Child | 12 000 | - |
| | C Jonkers | Department of Local Government | | | |
| IKapa Reticulation and flow | S Davids | Department of Education | Spouse | 3 202 534 | 1 232 505 |
| Isuzu Truck Centre (Pty) Ltd | E Jacobs | Department of Local Government | Spouse | - | 1 603 199 |
| Smec South Africa (Pty) Ltd | Y Phosa | Department of the Premier | Spouse | 1 804 142 | 234 255 |
| AECOM SA (Pty) Ltd | Refer to detail below | Refer to detail below | Spouse, Child and Parent | 9 900 413 | 2 549 515 |
| Conlog (Pty) Ltd | N Moodley | Department of Health | Spouse | 1 465 045 | 1 861 204 |
| Rhotec | P Rhode | Department of Education | Spouse | - | 44 789 |
| Steven Happie | F Happie | City of Cape town | | 28 779 | 142 210 |
| G and G Maintenance | GB Gabriels | Department of Local Government | Parent | 42 780 | 103 987 |
| Novus3 (Pty) Ltd | M De Vries | Department of Education | | 1 615 267 | 1 723 120 |
| | J Scheepers | Council for Medical Services | | | |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

55. Awards to close family members in the service of the state (continued)

| | | | | | |
|----------------------------|-------------|---|--------|-------------------|-------------------|
| Landfill Consult (Pty) Ltd | MM Dube | DICRO | Spouse | 2 985 554 | 1 248 792 |
| Man 4 Trading (Pty) Ltd | MS Samuels | Department of Education | Spouse | 7 530 | - |
| ARCUS GIBB | B September | City of Cape Town | Spouse | 6 619 848 | 374 448 |
| Stellenbosch Hospice | L Esau | Department of Local Government | Spouse | - | 40 000 |
| Mpumamanzi Group CC | E Bouwers | Department of Health | Parent | 793 792 | 705 434 |
| EAM 73 Enterprises | Ms Meyer | Department of Education | Spouse | - | 30 910 |
| Sowerby Engineering | J Scheepers | Department of Education | Spouse | - | 77 780 |
| SMS ICT CHOCE (Pty) Ltd | Mrs Maqula | Department of Health | Spouse | 500 279 | 352 674 |
| Mindspring Computing | R Loghdey | Other Government Departments | Spouse | - | 5 336 |
| HJ Productions | Director | Department of Agriculture | Spouse | - | 56 550 |
| Mubesko Africa (Pty) Ltd | J Niehaus | Department of Health | Spouse | 478 092 | 677 219 |
| Vuyani Electrical Supplies | M Agulhas | City of Cape Town | Child | - | 39 460 |
| Du Toit Environmental | F Shariff | Department of Local Government | Spouse | 105 225 | 307 686 |
| Helderberg Maintenance cc | L Laurens | Environment Education and
Superintendent Nature Conservation | Spouse | - | 61 325 |
| Red Ants Security Services | N Lesiela | Mogale City Local Municipality | Spouse | 2 545 646 | - |
| | | | | 42 430 952 | 32 603 473 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements**55. Awards to close family members in the service of the state (continued)**

The following are the close family names of Aurecon South Africa (Pty) Ltd.

| Name | State Department | Spouse, Child or Parent |
|------------------------|--|--------------------------------|
| HC Ahlschlager | Special investigation unit; Legal representative | Spouse |
| B Alheit | Denel Dynamics; Executive Manager | Parent |
| CMM Barnard | Gauteng Department of Education, Deputy Principle | Spouse |
| CJ Barry | City of Cape Town; Head Finance | Spouse |
| Prof CJG Bender | University of Johannesburg, Professor | Spouse |
| J Blackmore | Department of Public Works; Project Manager | Parent |
| T Botha | Oudtshoorn Municipality; Technical Manager | Parent |
| Councillor JJJ Daniels | West Coast District Municipality; Deputy Mayor | Parent |
| MC Dunga | South African Navy; Engineer in Training | Spouse |
| WZ Erasmus | Cape Nature; Programme Manager | Spouse |
| HG Esterhuysen | West Coast District Municipality; Senior Manager Roads | Spouse |
| N Geldenhuys | Transnet Port Terminals; Mechatronic Engineer | Child |
| T Govender | Umgeni Water: Fleet Management Administrator - Asset Management | Child |
| N Grobbelaar | Central University of Technology; Programme Manager | Spouse |
| SM Grobbelaar | Northern Cape Education Department of Cooperative Governance: Human Settlements and Traditional Affairs; Town Regional Planner | Parent |
| Cr B Groenewald | Twaing Municipality; Councillor | Parent |
| Cr CP Herbst | Dr S Mompoti District Municipality; Councillor | Parent |
| E Herlode | Manager Investigation Services; Limpopo Department of Economic Development and Tourism | |
| A Heyns | Stellenbosch Municipality; Assistant Superintendent | Parent |
| JH Higgs | SARS; Regional Manager | Spouse |
| A Hougaard | Department of Correctional Services; Principle Network Controller | Spouse |
| J Jacobs | Eastern Cape Department of Education; Personal assistant to Chief Director | Spouse |
| T Kholoanyane | Naledi Local Municipality; Tourism Manager | Spouse |
| B Kleynhans | Hessequa Municipality; Accountant | Parent |
| Cr BJ Kriegler | Cape Winelands District Municipality and Breede Valley Municipality; Councillor | Parent |
| M Marques | Department of Home Affairs; Deputy Director | Spouse |
| RT Mehlala | Eastern Cape Arts and Culture Council; Chief Executive Officer | Parent |
| R Meyer | Telkom SA; Project Manager | Parent |
| AJ Moore | Department of Water affairs; Chief Engineer | Spouse |
| K Nadasen | National Department of Public Works; Director Key Account Management | Spouse |
| R Nair | eThekweni Municipality; Building Inspector | Parent |
| D Ntsebeza | Buffalo City Metropolitan Municipality | Spouse |
| NH Ntsebeza | Eastern Cape Department of Health | Parent |
| SM O'Connell | Sol Plaatjie Municipality; Librarian | Spouse |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

55. Awards to close family members in the service of the state (continued)

| | | |
|--------------|---|--------|
| JF Phillips | Northern Cape Department of Economic Development and Tourism; Manager - Township Revitalisation | Spouse |
| PS Pretorius | Sol Plaaityje Municipality; Chief Officer | Parent |
| JH Riekert | SA Reserve Bank; Engineering | Spouse |
| JM Robertson | Ekurhuleni Metropolitan Municipality; Roads Engineer | Parent |
| G Saaiman | Auditor General Kimberley; Manager | Child |
| JJ Saaiman | Armscor; Quality Manager | Parent |
| J Scheepers | Council for Medical Schemes; Chief Financial Analysts | Spouse |
| EM Schon | Northern Cape Department of Co-operative Governance; Human Settlements and Traditional affairs; Assistant Manager | Spouse |
| Dr M Skead | Nelson Mandela Bay Metropolitan University; Senior Manager- Staff Development | Spouse |
| R Tebane | Ekurhuleni Metropolitan Municipality; Executive Manager | Parent |
| J Theron | Nelson Mandela Bay Metropolitan University; Head: Graduate School Relations | Spouse |
| GJ Tong | North West Department of Finance; Deputy Director | Parent |
| N Towers | Department of Mineral Resources; Inspectorate of Mines | Parent |
| J Tredoux | Department of Water Affairs; Deputy Director Accounts Payable | Spouse |
| A Treurnich | Umjindi Municipality; Community Services Assistant Director | Parent |
| AN van Taak | Stellenbosch Municipality; Director Water and Sewerage | Parent |
| ZC Venter | Eastern Cape Department of Health; Deputy Director Employment Relations | Spouse |
| PC Vermeulen | City of Cape Town; Superintendent - Building Maintenance | Parent |
| J Wilkins | Correctional Services; Vice Director- Provincial | Parent |
| NS Wolmarans | IDC; Senior Accounts Manager | Spouse |
| NS Wolmarans | University of Johannesburg; Professor | Spouse |
| SW Zulu | Kwazulu Natal Department of Health; Human Resources Manager | Parent |

The following are the close family names of AECOM South Africa (Pty) Ltd.

| Name | State Department | Spouse, Child or Parent |
|-----------------|------------------------------|-------------------------|
| Sandra | Bloem water | Parent |
| A Powell | Department of Education | Spouse |
| L Wolff | Department of Education | Spouse |
| M Breytenmbach | Eendracht Primary School | Spouse |
| A Rossouw | Eskom | Child |
| A Mahomed | eThekweni Municipality | Spouse |
| R Meyer | Grey College | Parent |
| E Venter | Gauteng Education Department | Spouse |
| C van der Merwe | Protea Park Primary School | Spouse |
| JHS Viljoen | SA Air Force- Waterkloof | Spouse |
| JC van der Walt | SANRAL | Parent |
| T Liversage | Transnet | Spouse |
| P de Waal | University of Pertoria | Spouse |
| A De Wet | UNISA | Spouse |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

56. Unauthorised expenditure

No unauthorised expenditure for the year under review.

57. Fruitless and wasteful expenditure

No fruitless and wasteful expenditure for the year under review.

58. Irregular expenditure

| | | |
|--|-------------------|-------------------|
| Opening balance as previously reported | 39 223 925 | 34 736 802 |
| Add: Irregular Expenditure - current year | - | 43 654 015 |
| Add: Irregular Expenditure identified in respect of prior year | - | 4 223 363 |
| Opening balance as restated | 39 223 925 | 82 614 180 |
| Add: Irregular Expenditure - current | 30 781 737 | - |
| Less: Amount written off - current | (6 457 186) | (43 390 255) |
| Closing balance | 63 548 476 | 39 223 925 |

59. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

| | | |
|---|----------------|----------------|
| Opening balance | 220 945 | 547 648 |
| Council subscriptions | 6 293 349 | 6 093 195 |
| Amount paid - current year | (5 484 586) | (6 427 581) |
| Early settlement discount | (314 282) | (213 262) |
| Additional invoice | - | 220 945 |
| Credit note | (520 506) | - |
| Balance Unpaid (included in Creditors) | 194 920 | 220 945 |

Material losses through criminal conduct

Audit fees

| | | |
|---|---------------|---------------|
| Opening balance | 24 612 | 6 755 |
| Current year audit fee | 7 545 695 | 6 398 348 |
| Amount paid - current year | (7 517 859) | (6 380 491) |
| Balance Unpaid (included in Creditors) | 52 448 | 24 612 |

Audit fee pertaining to 2018/19 has been adjusted to reflect the correct amount.

PAYE and UIF

| | | |
|---|--------------|--------------|
| Current year payroll deductions | 79 360 357 | 72 034 057 |
| Amount paid - current year | (79 360 357) | (72 034 057) |
| Balance Unpaid (included in Creditors) | - | - |

Pension and Medical Aid Deductions

| | | |
|---|---------------|---------------|
| Current year payroll deductions and Council contributions | 115 603 507 | 107 199 175 |
| Amount paid - current year | (115 603 507) | (107 199 175) |
| Balance Unpaid (included in Creditors) | - | - |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

59. Additional disclosure in terms of Municipal Finance Management Act (continued)

VAT

| | | |
|----------------|-------------------|-------------------|
| VAT receivable | 47 119 788 | 48 196 249 |
| VAT payable | (16 834 099) | (27 759) |
| | 30 285 689 | 48 168 490 |

All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2020:

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

Distribution losses

In terms of section 125(2)(d)(i) of the Municipal Finance Management Act, the municipality experienced the following distribution losses for the year under review.

Electricity (KWH)

| | | |
|--------------------------|-------------------|-------------------|
| System input | 381 810 592 | 379 353 123 |
| Sales | (346 076 786) | (350 725 915) |
| Distribution loss | 35 733 806 | 28 627 208 |

Electricity losses are calculated as 9.68% (2019: 7.55%). Electricity losses are within the industry norm.

Water (KL)

| | | |
|--------------|------------------|------------------|
| System input | 8 015 027 | 9 050 653 |
| Sales | (6 374 474) | (6 515 365) |
| | 1 640 553 | 2 535 288 |

Water losses are calculated as 20.5% (2019: 28%). Water losses are within the industry norm.

60. Multi-employer retirement benefit information

The Municipality makes provision for post-retirement benefits to eligible Councillors and employees who belong to different pension schemes. These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of **R48 802 560** (2019: **R 45 558 717**) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans.

These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

DEFINED BENEFIT SCHEMES

SALA Pension Fund

The SALA Pension Fund operates both as a defined benefit and defined contribution scheme.

The statutory valuation performed as at 1 July 2016 revealed that the assets of the fund amounted to R13,700,300.00 (30 June 2015 : R13,231,200.00), with funding levels of 100% (30 June 2015: 100%). The highest contribution rate paid by the members was 7.92% and by Council 20.78%.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

60. Multi-employer retirement benefit information (continued)

It is the actuary's opinion that:

- They are satisfied with the investment strategy of the Fund;
- the nature of the assets is, in their opinion, suitable for the nature of the liabilities of the Fund as defined in the rules of the Fund;
- the matching of assets with the liabilities of the Fund is adequate; and
- the insurance arrangements are appropriate compared to the cover provided can be regarded as financially sound at the valuation date.

LA retirement Fund (Previously Cape Joint Pension Fund)

The LA RETIREMENT FUND operates both as a defined benefit and defined contribution scheme.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

60. Multi-employer retirement benefit information (continued)

DEFINED CONTRIBUTION SCHEMES

LA Retirement Fund (Previously Cape Joint Pension Fund)

Defined benefit scheme

The contribution rate payable is under the defined benefit section is 27%, 9% by the members and 18% by their councils. The actuarial valuation report at 30 June 2019 disclosed an actuarial valuation amounting to R1,655,893,000 (30 June 2018 : R1,776,181,000), with a nett accumulated surplus of R63,423,000 (2017 : R46,989,000), with a funding level of 103.7% (30 June 2017 : 102.6%).

Defined contribution scheme

The actuarial valuation report at 30 June 2019 indicated that the defined contribution scheme of the fund is in a sound financial position, with a assets amounting to R1,960,090,000 (30 June 2018 : R2,018,237,000), net investment reserve of R0 (30 June 2018 : R0) and with a funding level of 100% (2018 : 100%).

The actuary concluded that:

- The Pensioner account has a funding level of 103.7% with n surplus of R63.4 million and is in a sound financial condition as at the valuation date.
- There is a surplus of R63.4 million in The DB Section excluding The surplus in The Pensioner Account. The surplus has been allocated to The Pensioner Account.
- The overall funding level in respect of the DB Section including the Pensioner Account is 101.7% with a surplus of R63.0 million.
- The Defined Contribution Section has a funding level of 100% and is in sound Financial condition.
- Overall the fund is in a sound financial condition with a surplus of R63.0 million and the overall funding level of 101.7%.
- The Trustees awarded a 3.22% pension increase effective 1 January 2019.

It is to be noted that:

- All the active members have now all been converted to the Defined Contribution Section.
- There is no longer any contribution rate shortfall as this only applied to 29 residual Defined Benefit Section active members, that have now also converted to the Defined Contribution Section and
- Both the Defined Contribution Section and the Defined Benefit Section were fully funded as at the valuation date.

The nature of the assets is suitable for the Fund, except that the proportion of direct property underlying the pensioner liabilities may represent an over-concentration of assets in this class. The assets are appropriately matched relative to the term and nature of the active member liabilities. The Fund's investment strategy is suitable. Finally the risk benefits are partially re-insured and this is appropriate for the size and nature of the Fund.

Cape Joint Retirement Fund

The last statutory valuation performed as at 30 June 2019 revealed that the assets of the fund amounted to R26,128,000,000 (30 June 2018: R23,318,184,000), with funding levels of 100.4% and 100% (30 June 2017 127.3% and 100%) for the Pensions Account and the Share Account respectively. The Presevation Pension Account showed a suplus of R0 and was 100% funded for both 2019 & 2018. The contribution rate paid by the members (7,50%) and the municipalities (7.50%/19.50%) is sufficient to fund the benefits accruing from the fund in the future. The actuary certified that the structure of the assets is appropriate relative to the nature of the liabilities, given normal circumstances and that the Fund is in a sound financial condition as at the valuation date.

SALA pension fund

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

60. Multi-employer retirement benefit information (continued)

The SALA Pension Fund operates both as a defined benefit and defined contribution scheme.

The statutory valuation performed as at 1 July 2018 revealed that the assets of the fund amounted to R14,298,600.00 (30 June 2015 : R13,231,200.00), with funding levels of 96.0% (30 June 2015: 100%). Recommended that employers continue to contribute at the current rate of 19.18% of pensioners salaries.

It is the actuary's opinion that :

- They are satisfied with the investment strategy of the Fund;
- the nature of the assets is, in their opinion, suitable for the nature of the liabilities of the Fund as defined in the Rules of the Fund;
- the matching of assets with the liabilities of the Fund is adequate; and
- the insurance arrangements are appropriate compared to the cover provided can be regarded as financially sound at the valuation date.

Municipal Councillors Pension Fund

The Municipal Councilors Pension Fund operates as a defined contribution scheme. The statutory valuation performed as at 30 June 2015 revealed that the assets of the fund amounted to R2,551,861,000 (30 June 2014 : R2,229,410,000), with funding levels of 101.08% (30 June 2014: 98.83%). The contribution rate paid by the members (13,75 %) and council (15 %) is sufficient to fund the benefits accruing from the fund in the future. The Actuary certified that the Fund was in a sound financial condition as at 30 June 2015, in that the assets of the fund were sufficient to cover the accrued service liabilities including the recommended contingency reserves in full.

The appointment of a Curator in terms of section 5(1) of the Financial Institutions (protection of funds) Act 2001 for the whole of the business of the Municipal Councillors Pension Fund was done in December 2017. Due to the provisional curatorship, a short moratorium has been placed on the payment of benefits to members/beneficiaries. In terms of the curatorship order, the Court ordered as follows: 1. The provisional Curatorship order of the 19th December 2017 is made a final; 2. The Curator shall furnish the Registrar of the Pension Fund with progress report; 3. The Curator must deliver a further progress report to the Court by no later than 31st October 2018 which report deals with the status of curatorship as at the 30th September 2018; on the curatorship once every two months

The Municipal Workers Retirement Fund (Previously South African Municipal Workers Union National Provident Fund)

The Municipal Workers Retirement Fund is a defined contribution scheme. Members contribute at a rate of not less than 7.5% of salaries, as required by the Rules. The employers contribute at a total rate of not less than 18%. From 1 July 2017, members and employers that fall under other bargaining councils or forums are not bound by the above minimum contribution rates. The statutory valuation performed as at 30 June 2017 revealed that the assets of the fund amounted to R7,720,948.000 (30 June 2014 : R6,574,75.00), with funding levels of 102.0% (30 June 2014: 111.7%). As a percentage of members' Fund Credits, the investment smoothing reserve has decreased from 5.6% to 4.9% over the valuation period. As a percentage of the market value of assets, it has decreased marginally from 4.6% to 4.4%. The Fund's assets are sufficient to cover the members' Fund Credits, the targeted levels of the risk benefits reserve and the data and processing error reserve, and an investment smoothing reserve of 4.9% of members' Fund Credits as at 30 June 2017. In addition, there is brought-forward surplus of some R152.8 million which has been allocated to former members and is awaiting payment. The Fund is therefore in a sound financial position.

National Fund for Municipal Workers

The fund operates as a defined contribution fund and in terms of the rules of the fund category A and category C members contribute at a rate as agreed upon by the Local Authority and the member, subject to an absolute minimum contribution of 2% and 5% of their remuneration respectively.

Category C-Members, appointed after 1 July 2012, who are not part of the Schedule shall make monthly contributions to the Fund equal to 7.5% of their Remuneration.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

60. Multi-employer retirement benefit information (continued)

The last statutory valuation performed as at 30 June 2018 revealed that the assets of the fund amounted to R15,393,671,000 (30 June 2015 : R10,050,029,000), with funding levels of 100.46% (30 June 2015: 100.42%). The actuary certified that the assets of the fund are sufficient to cover 100.46% of the members' liabilities, also that it can be expected that the funding level of a fund of this nature will fluctuate around 100%, for example due to timing differences in investment and receipt of monies, slight mismatching of assets and liabilities and processing errors.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

61. Prior period errors and Reclassifications

Below is a summary of the total effect that the prior period errors and reclassifications had on the amount previously disclosed in the annual financial statements, followed by a description of each individual prior period error with the amount involved.

Statement of Financial Position

| | Audited | Prior year
adjustments | Reclassifying
adjustments | Restated |
|--|----------------------|---------------------------|------------------------------|----------------------|
| Assets | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | 169 490 533 | - | - | 169 490 533 |
| Short term investments | 398 163 664 | - | - | 398 163 664 |
| Receivables from exchange transactions | 161 402 873 | (13 898 500) | - | 147 504 373 |
| Receivables from non-exchange transactions | 65 966 659 | - | - | 65 966 659 |
| Other receivables from exchange transactions | 10 155 967 | 5 754 000 | - | 15 909 967 |
| Inventories | 52 307 942 | 12 250 000 | - | 64 557 942 |
| VAT receivable | 47 420 470 | 748 020 | - | 48 168 490 |
| Long term receivables | 1 630 959 | - | - | 1 630 959 |
| | 906 539 067 | 4 853 520 | - | 911 392 587 |
| Non-Current Assets | | | | |
| Property, plant and equipment | 5 057 061 066 | (24 335 974) | - | 5 032 725 092 |
| Investment property | 420 777 174 | (8 010 171) | - | 412 767 003 |
| Intangible assets | 6 534 960 | 5 421 490 | - | 11 956 450 |
| Biological assets that form part of an agricultural activity | 6 321 448 | - | - | 6 321 448 |
| Heritage assets | 774 002 | - | - | 774 002 |
| Long term receivables | 3 024 999 | - | - | 3 024 999 |
| | 5 494 493 649 | (26 924 655) | - | 5 467 568 994 |
| Total Assets | 6 401 032 716 | (22 071 135) | - | 6 378 961 581 |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Payables from exchange transactions | 269 021 012 | 2 553 594 | (112 334) | 271 462 272 |
| Unspent conditional grants and receipts | 148 233 956 | (89 300 651) | 112 334 | 59 045 639 |
| Employee benefit obligation | 55 599 752 | - | - | 55 599 752 |
| Other financial liabilities | 25 869 707 | - | - | 25 869 707 |
| Consumer deposits | 17 077 912 | - | - | 17 077 912 |
| Operating lease liability | 971 080 | 4 803 935 | - | 5 775 015 |
| Provisions | 642 909 | - | - | 642 909 |
| | 517 416 328 | (81 943 122) | - | 435 473 206 |
| Non-Current Liabilities | | | | |
| Employee benefit obligation | 201 830 792 | - | - | 201 830 792 |
| Other financial liabilities | 292 930 440 | - | - | 292 930 440 |
| Provisions | 101 701 567 | - | - | 101 701 567 |
| | 596 462 799 | - | - | 596 462 799 |
| Total Liabilities | 1 113 879 127 | (81 943 122) | - | 1 031 936 005 |
| Net Assets | 5 287 153 589 | 59 871 987 | - | 5 347 025 576 |
| Net Assets | | | | |
| Accumulated surplus | 5 287 153 581 | 59 871 995 | - | 5 347 025 576 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.1 Receivables from exchange transactions

| | |
|---|--------------------|
| Balance previously reported | 161 402 873 |
| Accumulated surplus | (15 680 831) |
| Contribution to allowance for doubtful debt | (1 584 254) |
| Rental of facilities and equipment | 3 366 585 |
| | 147 504 373 |

Accounting for the assets and liabilities transpiring from the agreement entered into between TCTA and Stellenbosch municipality, whereby 80 houses were donated to the municipality for the benefit of housing development within the specified area.

61.2 Other receivables from exchange transactions

| | |
|-----------------------------|-------------------|
| Balance previously reported | 10 155 967 |
| Operating lease liability | 5 754 000 |
| | 15 909 967 |

The receivable was recognised for the advance payment relating to the use of a municipal parking area, for a period of five years in terms of the signed agreement.

61.3 Inventories

| | |
|---|-------------------|
| Balance previously reported | 52 307 942 |
| Accumulated surplus (Housing inventory) | 12 250 000 |
| | 64 557 942 |

The municipality incorrectly accounted for capital spares that must be classified as property plant and equipment.

The VAT relating to store purchases were not accounted for correctly.

Additional text

61.4 VAT receivable

| | |
|-----------------------------|-------------------|
| Balance previously reported | 47 420 470 |
| Operating lease liability | 748 020 |
| | - |
| | 48 168 490 |

The municipality had to account for deferred VAT in terms of the parking agreement with the client.

61.5 Property, plant and equipment

| | |
|-----------------------------|----------------------|
| Balance previously reported | 5 057 061 065 |
| Depreciation | (16 310 625) |
| Accumulated surplus | 132 812 |
| Accumulated surplus | (8 158 160) |
| | 5 032 725 092 |

The work in progress previously reported was incorrect and included infrastructure that should have been commissioned and depreciation calculated accordingly.

The accumulated depreciation per asset class was not accounted for correctly.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.6 Intangible assets

| | |
|-----------------------------|-------------------|
| Balance previously reported | 6 534 960 |
| Accumulated surplus | 5 421 490 |
| | 11 956 450 |

The accumulated depreciation per asset class was not accounted for correctly.

61.7 Investment property

| | |
|--------------------------------|--------------------|
| Balance previously reported | 420 777 174 |
| Accumulated surplus | 2 060 279 |
| Accumulated Surplus - La Motte | (10 189 085) |
| Depreciation | 118 635 |
| | 412 767 003 |

The accumulated depreciation per asset class was not accounted for correctly.

The initial and subsequent recognition of Investment Property relating to the 80 La Motte houses was incorrect, as well as the related depreciation.

61.8 Payables from exchange transactions

| | |
|---|--------------------|
| Balance previously reported | 269 021 019 |
| Unspent conditional grants (Charitable fund) | (112 334) |
| Employee related cost (Workmen compensation) | 903 595 |
| Unspent conditional grants (Khaya Lam free market foundation) | (255 280) |
| Unspent conditional grants (Khaya Lam free market foundation) | 32 780 |
| Unspent conditional grants (Construction advances) | 1 425 745 |
| Accumulated surplus | 446 747 |
| | 271 462 272 |

The Charitable fund was reclassified to unspent conditional grants and receipts in terms of the mSCOA chart of accounts and the nature of the funds.

Workmen compensation was not accrued for the previous reporting period.

Khaya Lam free market foundation - The municipality entered into an agreement with Khaya Lam (Free market foundation) during November 2016 to the effect that for each title deed transferred the Municipality will be availed R500 per transfer to be utilised for field workers within the title deeds program.

Construction advances was incorrectly accounted for as unspent conditional grants and receipts.

During the 2017/18 financial year services were rendered by the supplier but the funds were not accrued for.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.9 Unspent conditional grants and receipts

| | |
|--|-------------------|
| Balance previously reported | 148 233 956 |
| Government grants and subsidies (Khaya Lam free market foundation) | (222 500) |
| Government grants and subsidies (Municipal accreditation grant) | (56 020) |
| Payables from exchange transactions | 222 500 |
| Government grants and subsidies (National resource management grant) | 135 798 |
| Accumulated surplus (National lottery) | (373 993) |
| Government grants and subsidies (National lottery) | (200 000) |
| Accumulated surplus (Accounting error) | 695 512 |
| Payables from exchange transactions (Charitable fund) | 112 334 |
| Accumulated surplus (Development charges) | (77 442 579) |
| Other income (Development charges) | (13 051 029) |
| Payables from exchange transactions (Construction advances) | (1 425 744) |
| Accumulated surplus | 2 417 404 |
| | 59 045 639 |

Khaya Lam free market foundation - The municipality entered into an agreement with Khaya Lam (Free market foundation) during November 2016 to the effect that for each title deed transferred the Municipality will be availed R500 per transfer to be utilised for field workers within the title deeds program.

Municipal accreditation grant - Funds were gazetted for the 2019/20 financial year but received early during June 2019. The correction relates to the salary expenditure for the capacity clerk seconded from the Provincial Department of Human Settlements. The capacity clerk commenced operations at Stellenbosch municipality on 1 April 2019. Salary payments for three months therefore needs to be expensed against the grant.

National lottery - Correction of funding source for capital assets funded by the National Lottery funds but own municipal funding was used.

An accounting error was made when the human settlement capital debtor that was raised during the 2017/18 financial year.

National resource management grant - The management fees for the project was not claimed timeously and therefor had to be reversed.

The Charitable fund was reclassified to unspent conditional grant in terms of the msCOA chart of accounts and the nature of the funds.

The municipality has incorrectly accounted for development charges as unspent conditional grants in terms of GRAP 23, Revenue from non-exchange transactions.

Development charges levied during the year under review was recognised as revenue.

Construction advances was incorrectly accounted for as unspent conditional grants and receipts.

Accounting for the assets and liabilities transpiring from the agreement entered into between TCTA and Stellenbosch municipality, whereby 80 houses were donated to the municipality for the benefit of housing development within the specified area.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.10 Operating lease liability

| | |
|--|------------------|
| Balance previously reported | 971 080 |
| Other receivables from exchange transactions | 5 754 000 |
| VAT receivable | 748 020 |
| Other income | (767 200) |
| Accumulated surplus | (664 806) |
| Lease rentals | (266 079) |
| | 5 775 015 |

The receivable was recognised for the advance payment relating to the use of a municipal parking area, for a period of five years in terms of the signed agreement.

The municipality had to account for deferred VAT in terms of the parking agreement with the client.

Recognition of rental income for a period of eight months.

Correction of an accounting error relating to the Operating lease liability in the comparative year, as well as the opening balance of the preceding year.

61.11 Accumulated surplus

| | |
|---|----------------------|
| Balance previously reported | 5 287 153 581 |
| Unspent conditional grants (National lottery) | 373 957 |
| Unspent conditional grants (Accounting error) | (695 512) |
| Operating lease liability | 664 806 |
| Unspent conditional grants (Development charges) | 77 442 608 |
| Payables from exchange transactions | (446 742) |
| Statement of Financial Performance - surplus for the year | (886 227) |
| Receivables from exchange transactions | (15 680 831) |
| Investment Property | (10 189 084) |
| Intangible assets | 5 421 490 |
| Investment property | 2 060 280 |
| Inventory | 12 250 000 |
| Unspent conditional grants and receipts | (2 417 398) |
| Property, plant and equipment | 132 812 |
| Property, plant and equipment | (8 158 164) |
| | 5 347 025 576 |

Refer to the nature of the adjustments in the financial statement line items as indicated above.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

Statement of Financial Performance

| | Audited | Prior year
adjustments | Reclassifying
adjustments | Restated |
|---|------------------------|---------------------------|------------------------------|------------------------|
| Revenue | | | | |
| Revenue from exchange transactions | | | | |
| Service charges | 817 760 063 | - | - | 817 760 063 |
| Construction contracts | - | 1 044 546 | - | 1 044 546 |
| Rental of facilities and equipment | 14 524 336 | 3 366 585 | - | 17 890 921 |
| Interest received (trading) | 8 024 881 | - | - | 8 024 881 |
| Agency services | 2 833 175 | - | 1 567 107 | 4 400 282 |
| Licences and permits | 6 610 961 | - | (1 567 107) | 5 043 854 |
| Other income | 26 705 321 | 13 818 228 | - | 40 523 549 |
| Investment revenue | 44 271 827 | - | - | 44 271 827 |
| Gains on disposal of assets | 51 591 | - | - | 51 591 |
| Inventories losses/write-downs | 6 218 654 | - | - | 6 218 654 |
| Total revenue from exchange transactions | 927 000 809 | 18 229 359 | - | 945 230 168 |
| Revenue from non-exchange transactions | | | | |
| Taxation revenue | | | | |
| Property rates | 332 957 900 | (1 998 219) | - | 330 959 681 |
| Property rates - interest earned | - | 1 998 219 | - | 1 998 219 |
| Transfer revenue | | | | |
| Government grants & subsidies | 234 134 499 | (701 823) | - | 233 432 676 |
| Fines, Penalties and Forfeits | 118 046 132 | - | - | 118 046 132 |
| Total revenue from non-exchange transactions | 685 138 531 | (701 823) | - | 684 436 708 |
| Total revenue | 1 612 139 340 | 17 527 536 | - | 1 629 666 876 |
| Expenditure | | | | |
| Employee related costs | (461 114 130) | (903 594) | (17 306 637) | (444 711 089) |
| Remuneration of councillors | (18 272 420) | - | - | (18 272 420) |
| Contribution to/from provisions | (6 025 885) | - | - | (6 025 885) |
| Contribution to employee benefits | (1 273 639) | - | 1 273 639 | - |
| Depreciation and amortisation | (174 958 815) | (18 829 819) | - | (193 788 634) |
| Impairment of non cash generating assets | (1 705 912) | - | - | (1 705 912) |
| Finance costs | (23 207 266) | - | (18 580 276) | (41 787 542) |
| Lease rentals on operating lease | (2 933 062) | 266 078 | - | (2 666 984) |
| Debt impairment | (105 207 214) | - | - | (105 207 214) |
| Contribution to allowance for doubtful debt | (21 952 121) | (1 584 254) | - | (23 536 375) |
| Bulk purchases | (380 670 630) | - | - | (380 670 630) |
| Contracted services | (151 817 580) | - | - | (151 817 580) |
| Transfers and subsidies | (8 990 039) | - | (139 410) | (9 129 449) |
| Loss on disposal of assets | (5 111 906) | - | - | (5 111 906) |
| Fair value adjustments | (350 833) | - | - | (350 833) |
| Inventories losses/write-downs | (2 157 273) | - | - | (2 157 273) |
| General Expenses | (121 828 999) | - | 139 410 | (121 689 589) |
| Total expenditure | (1 487 577 724) | (21 051 589) | 2 547 278 | (1 508 629 315) |
| Operating surplus | 124 561 616 | (3 524 053) | 2 547 278 | 121 037 561 |
| Surplus for the year | 124 561 616 | (3 524 053) | 2 547 278 | 121 037 561 |

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.12 Construction contracts

| | |
|---------------------------------|------------------|
| Balance previously reported | - |
| Government grants and subsidies | 1 044 566 |
| | <u>1 044 566</u> |

Construction contracts in terms of GRAP 11 were incorrectly accounted for as revenue from non-exchange transactions.

61.13 Rental of facilities and equipment

| | |
|--|-------------------|
| Balance previously reported | 14 524 336 |
| Receivables from exchange transactions | 3 366 585 |
| | <u>17 890 921</u> |

Accounting for the assets and liabilities transpiring from the agreement entered into between TCTA and Stellenbosch municipality, whereby 80 houses were donated to the municipality for the benefit of housing development within the specified area.

61.14 Other Income

| | |
|-----------------------------|-------------------|
| Balance previously reported | 26 705 321 |
| Operating lease liability | 767 200 |
| Unspent conditional grants | 13 051 028 |
| | <u>40 523 549</u> |

Recognition of rental income for a period of eight months.

Development charges levied during the year under review was recognised as revenue.

61.15 Property rates

| | |
|---------------------------------|--------------------|
| Balance previously reported | 332 957 900 |
| Property rates- interest earned | (1 998 219) |
| | <u>330 959 681</u> |

Interest levied on transactions arising from non-exchange transactions was classified based on the nature of the underlying transaction.

61.16 Property rates - interest earned

| | |
|----------------|------------------|
| Property rates | <u>1 998 219</u> |
|----------------|------------------|

Interest levied on transactions arising from non-exchange transactions was classified based on the nature of the underlying transaction.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

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61. Prior period errors and Reclassifications (continued)

61.17 Government grants & subsidies

| | |
|---|--------------------|
| Balance previously reported | 234 134 499 |
| Unspent conditional grants (Khaya Lam free market foundation) | 222 500 |
| Unspent conditional grants (Municipal accreditation grant) | 56 020 |
| Unspent conditional grants (National resource management grant) | (135 798) |
| Unspent conditional grants (National Lottery) | 200 000 |
| Construction contracts | (1 044 545) |
| | 233 432 676 |

Khaya Lam free market foundation - The municipality entered into an agreement with Khaya Lam (Free market foundation) during November 2016 to the effect that for each title deed transferred the Municipality will be availed R500 per transfer to be utilised for field workers within the title deeds program.

Municipal accreditation grant - Funds were gazetted for the 2019/20 financial year but received early during June 2019. The correction relates to the salary expenditure for the capacity clerk seconded from the Provincial Department of Human Settlements. The capacity clerk commenced operations at Stellenbosch municipality on 1 April 2019. Salary payments for three months therefore needs to be expensed against the grant.

National resource management grant - The management fees for the project was not claimed timeously and therefor had to be reversed.

National lottery - Correction of funding source for capital assets funded by the National Lottery funds but own municipal funding was used.

Construction contracts in terms of GRAP 11 were incorrectly accounted for as revenue from non-exchange transactions.

61.18 Employee related costs

| | |
|--|----------------------|
| Balance previously reported | (461 114 130) |
| Payables from exchange transactions | (903 594) |
| Contribution to employee benefits (reclassification) | 17 306 635 |
| | (444 711 089) |

Workmen compensation was not accrued for the previous reporting period.

Contribution to employee benefits were reclassified in terms of the nature of the expenditure and to ensure fair presentation of the financial statements.

61.19 Contribution to Employee benefits

| | |
|-----------------------------|--------------|
| Balance previously reported | (1 273 639) |
| Finance cost | 18 580 276 |
| Employee related costs | (17 306 637) |
| | - |

Contribution to employee benefits were reclassified in terms of the nature of the expenditure and to ensure fair presentation of the financial statements.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.20 Depreciation and amortisation

| | |
|-------------------------------|----------------------|
| Balance previously reported | (174 958 815) |
| Property, plant and equipment | (16 310 626) |
| Investment property | 118 635 |
| Property, plant and equipment | (2 637 828) |
| | (193 788 634) |

The work in progress previously reported was incorrect and included infrastructure that should have been commissioned and depreciation calculated accordingly. Assets with zero book values were correctly accounted for.

Reversal of depreciation relating to Investment Property. Asset was correctly classified as Housing inventory.

61.21 Finance costs

| | |
|-----------------------------------|---------------------|
| Balance previously reported | (23 207 266) |
| Contribution to employee benefits | (18 580 276) |
| | (41 787 542) |

Contribution to employee benefits were reclassified in terms of the nature of the expenditure and to ensure fair presentation of the financial statements.

61.22 Contribution to allowance for doubtful debt

| | |
|--|---------------------|
| Balance previously reported | (21 952 121) |
| Receivables from exchange transactions | (1 584 254) |
| | (23 536 375) |

Accounting for the assets and liabilities transpiring from the agreement entered into between TCTA and Stellenbosch municipality, whereby 80 houses were donated to the municipality for the benefit of housing development within the specified area.

61.23 Transfers and subsidies

| | |
|-----------------------------|--------------------|
| Balance previously reported | (8 990 039) |
| General expenses | (139 410) |
| | (9 129 449) |

The bursaries for non-employees were reclassified to transfers and subsidies.

61.24 Lease rentals on operating lease

| | |
|-----------------------------|--------------------|
| Balance previously reported | (2 933 062) |
| Operating lease liability | - |
| | (2 933 062) |

Correction of an accounting error relating to the Operating lease liability in the comparative year.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.25 General Expenses

| | |
|-----------------------------|----------------------|
| Balance previously reported | (121 828 999) |
| Transfers and subsidies | 139 410 |
| | <u>(121 689 589)</u> |

The bursaries for non-employees were reclassified to transfers and subsidies.

61.26 Work-in-progress

| | |
|-----------------------------|--------------------|
| Balance previously reported | 1 246 095 355 |
| Assets commissioned | (656 579 513) |
| | <u>589 515 842</u> |

The work in progress previously reported was incorrect and included infrastructure that should have been commissioned and depreciation calculated accordingly.

Stellenbosch Municipality

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62. Deviations from, and ratification of minor breaches of procurement process

In accordance with paragraph 4.36 (a) of the Supply Chain Management Policy the deviations from, and ratifications of minor breaches of procurement per directive are listed below:

The D/SM acronym refers to the deviation number as approved by the Accounting Officer.

| Deviation no: | Date of adjudication | Supplier | Reason | Rate of recurrence | Contract/ Order Amount |
|---------------|----------------------|---|--|--------------------|------------------------|
| DSM 01/20 | 2019/07/11 | The Vissershok Waste Management Facility (Pty) Ltd | Exceptional case and it is impractical or impossible to follow the official procurement process | Per Ton | 421 |
| DSM 02/20 | 2019/07/15 | Tyanco SA Pty Ltd | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 15 370 |
| D/SM 03/20 | 2019/08/01 | Nejeni Construction and project management | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 104 136 |
| D/SM 04/20 | 2019/07/31 | Adapt IT (Pty) Ltd | Goods or services are produced or available from a single provider | Total D/SM amount | 155 945 |
| D/SM 05/20 | 2019/08/08 | Re A Letamisa | Emergency | Total D/SM amount | 660 000 |
| D/SM 06/20 | 2019/09/30 | Liquid Telecom | Exceptional case and it is impractical or impossible to follow the official procurement processes | Per month | 100 000 |
| D/SM 07/20 | 2019/11/01 | E Dreyer t/a Dreyer cleaning Solutions | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 2 675 244 |
| D/SM 08/20 | 2019/11/25 | Red Ants Security Services | Emergency and exceptional case and it is impractical or impossible to follow the official procurement process | Rates per month | - |
| D/SM 09/20 | 2019/11/29 | Verso Financial services | Exceptional case and it is impractical or impossible to follow the official procurement process | Rates | - |
| D/SM 10/20 | 2019/12/24 | TMT Services and Supplies (Pty) Ltd | Exceptional case and it is impractical or impossible to follow the official procurement processes | Total D/SM amount | 5 677 615 |
| D/SM 11/20 | 2019/12/12 | Avalon Technology Group | Emergency | Total D/SM amount | 82 810 |
| D/SM 12/20 | 2019/11/29 | Rufus Dercksen Attorneys | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 71 587 |
| D/SM 13/20 | 2020/03/02 | Ibhunga Cleaning Bricks Paving and Painting Pty Ltd | The possibility that failure to take necessary action may result in the municipality not being able to render an essential community service | Rates | - |
| D/SM 14/20 | 2019/03/10 | Klaassen Cleaning Pty Ltd Fairbridges | Exceptional case and it is impractical or impossible to follow the official procurement processes | Total D/SM amount | 150 000 |

Stellenbosch Municipality

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62. Deviations from, and ratification of minor breaches of procurement process (continued)

| | | | | | |
|------------|------------|---|--|-------------------|-----------|
| D/SM 15/20 | 2020/03/13 | The Environmental Partnership | The interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole | Total D/SM amount | 285 000 |
| D/SM 16/20 | 2020/03/13 | CK Rumboll and Partners | Exceptional case and it is impractical or impossible to follow the official procurement processes | Total D/SM amount | 464 826 |
| D/SM 17/20 | 2020/03/20 | Hidro- Tech Systems (Pty) Ltd | The possibility of serious damage occurring to the natural environment | Total D/SM amount | 197 851 |
| D/SM 18/20 | 2020/03/16 | Various suppliers | The interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole | Rates | - |
| D/SM 19/20 | 2020/04/13 | Ibhunga Cleaning
Bricks Paving and Painting Pty Ltd
Klaassen Cleaning Pty Ltd | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 910 250 |
| D/SM 20/20 | 2020/04/29 | Trautmann trading and KSB Pumps | Exceptional case and it is impractical or impossible to follow the official procurement processes | Total D/SM amount | 94 418 |
| D/SM 21/21 | 2020/05/06 | Various suppliers | Exceptional case and it is impractical or impossible to follow the official procurement process | Rates | - |
| D/SM 22/20 | 2020/05/21 | Waste Carriers (Pty) Ltd | The possibility that failure to take necessary action may result in the municipality not being able to render an essential community service | Rates | - |
| D/SM 23/20 | 2020/06/18 | Rufus Dercksen Attorneys | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 198 061 |
| D/SM 24/20 | 2020/06/26 | Chennells Albertyn Attorneys | Exceptional case and it is impractical or impossible to follow the official procurement processes | Total D/SM amount | 137 625 |
| D/SM 25/20 | 2020/06/29 | LJA Construction | Emergency | Total D/SM amount | 1 422 364 |
| D/SM 26/20 | 2020/06/30 | Coral Clean | Exceptional case and it is impractical or impossible to follow the official procurement processes | Rates | - |
| D/SM 27/20 | 2020/06/30 | The Sustainability Institute Innovation Lab (SIIL) | Exceptional case and it is impractical or impossible to follow the official procurement processes. | Total D/SM amount | 220 000 |
| D/SM 28/20 | 2020/06/30 | TMT Services and Supplies (Pty) Ltd | Emergency and exceptional case and it is impractical or impossible to follow the official procurement process | Rates | - |
| D/SM 29/20 | 2020/06/30 | Verso Financial services | Exceptional case and it is impractical to follow the official procurement processes. | Rates | - |
| D/SM 30/20 | 2020/06/30 | Nedbank Limited | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 816 607 |

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62. Deviations from, and ratification of minor breaches of procurement process (continued)

| | | | | | |
|------------|------------|----------------|---|-------------------|-----------|
| D/SM 31/20 | 2019/03/19 | Webber Wentzel | Emergency and exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 1 041 744 |
| D/SM 32/20 | 2020/03/26 | AON | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 730 049 |

In accordance with paragraph 4.36(a) of the Supply Chain Management Policy the deviations from, and ratifications of minor breaches of procurement per directive are listed below for the comparative year:

| Deviation no: | Date of adjudication | Supplier | Reason | Rate of recurrence | Contract/Order amount |
|---------------|----------------------|-------------------------------------|---|--------------------|-----------------------|
| D/SM 1/19 | 11/07/2018 | Abedare Cables | Emergency and exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 228 073 |
| D/SM 2/19 | 13/07/2018 | Xaba Engineering & Consulting | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 138 745 |
| D/SM 3/19 | 25/07/2018 | Avalon Tchnology Group | Emergency | Total D/SM amount | 70 822 |
| D/SM 4/19 | 03/08/2018 | JVZ Construction | Emergency and exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 3 445 713 |
| D/SM 5/19 | 09/08/2018 | Liquid Telecom | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 515 960 |
| D/SM 6/19 | 07/08/2018 | Interwaste Environmental Solutions | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 7 838 976 |
| D/SM 7/19 | 03/08/2018 | Resource Innovations | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 1 780 669 |
| D/SM 8/19 | 21/08/2018 | Aurecon Consulting Engineers | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 526 082 |
| D/SM 9/19 | 07/08/2018 | Naele's Hydraulics | Emergency and exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 29 321 |
| D/SM 10/19 | 09/10/2018 | Telkom SA SOC | Goods or services are produced or available from a single provider | Total D/SM amount | 2 061 220 |
| D/SM 11/19 | 01/08/2018 | Sowerby Engineering
WEC Projects | Goods or services are produced/available from a single provider and an exceptional case which made it impossible to follow the standard procurement process | Total D/SM amount | 96 907 |
| D/SM 15/19 | 22/08/2018 | TSU Protection Services | Emergency and exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 1 701 828 |

Stellenbosch Municipality

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62. Deviations from, and ratification of minor breaches of procurement process (continued)

| | | | | | |
|------------|------------|---|---|-------------------|-----------|
| D/SM 17/19 | 09/10/2018 | Livewire Engineering and Consulting (Pty) Ltd | Emergency | Rates | - |
| D/SM 19/19 | 21/09/2018 | Advocate Vermaak | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 76 500 |
| D/SM 20/19 | 21/09/2018 | GLS Consulting | Goods or services are produced or available from a single provider | Rates | - |
| D/SM 21/19 | 28/09/2018 | Metro City Protection Services | Exceptional case and it is impractical or impossible to follow the official procurement process | Rates | - |
| D/SM 23/19 | 15/10/2018 | Transmission Gear Services
MAN Engineering Services
Gorman Rupp | Emergency and exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 198 055 |
| D/SM 26/19 | 16/10/2018 | Kings Catering | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 97 300 |
| D/SM 27/19 | 19/10/2018 | I Bester Staal | Emergency and goods or services are produced or available from single provider | Total D/SM amount | 11 696 |
| D/SM 28/19 | 03/12/2018 | Weber Wentzel | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 363 200 |
| D/SM 29/19 | 26/11/2018 | Microsoft Corporation | Goods or services are produced or available from a single provider | Rates | - |
| D/SM 30/19 | 14/12/2018 | Hydro-Tech System (Pty) Ltd | Emergency and exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM Amount | 1 520 028 |
| D/SM 31/19 | 21/12/2018 | I Bester Staal | Emergency and goods or services are produced or available from single provider | Total D/SM amount | 4 025 |
| D/SM 32/19 | 21/12/2018 | Leelyn Management | Exceptional case and it is impractical or impossible to follow the official procurement process | Rates | - |
| D/SM 33/19 | 27/12/2018 | Liquid Telecom | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 515 960 |
| D/SM 34/19 | 27/12/2018 | Farm Gaurd | Emergency and exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 197 373 |
| D/SM 35/19 | 25/01/2019 | Farm Gaurd Security | Emergency and exceptional case and it is impractical or impossible to follow the official procurement process | Rates | - |
| D/SM 36/19 | 18/02/2019 | Gateway Metal Works (Pty)(Ltd) | Emergency | Total D/SM amount | 2 068 395 |
| D/SM 38/19 | 28/02/2019 | Genadendal Jackies Bazaar
Wate Mart (Pty) Ltd | Exceptional case and it is impractical or impossible to follow the official procurement process | Rates | 2 463 300 |
| D/SM 39/19 | 07/03/2019 | Plan Associates Town and Regional Planners | Exceptional case and it is impractical or impossible to follow the official procurement process. | Total D/SM amount | 553 500 |

Stellenbosch Municipality

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62. Deviations from, and ratification of minor breaches of procurement process (continued)

| | | | | | |
|------------|------------|--|---|-------------------|-----------|
| D/SM 41/19 | 19/03/2019 | Smith Tabata Buchanan Boys Attorneys | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 287 500 |
| D/SM 42/19 | 19/03/2019 | Rufus Dercksen Inc | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 179 837 |
| D/SM 43/19 | 29/03/2019 | Total Cooling Solutions Pty Ltd | Emergency | Total D/SM amount | 77 121 |
| D/SM 44/19 | 29/03/2019 | John Macrobert Attorneys | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 22 078 |
| D/SM 45/19 | 29/03/2019 | APEX | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 114 770 |
| D/SM 46/19 | 06/05/2019 | Smith Tabata Muchanan Boyes (STBB) | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 25 872 |
| D/SM 47/19 | 28/06/2019 | Liquid Telecom | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 310 500 |
| D/SM 48/19 | 28/06/2019 | Avalon Technology Group | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 91 500 |
| D/SM 49/19 | 19/06/2019 | Interwaste | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 2 920 746 |
| D/SM 50/19 | 07/06/2019 | Van der Spuy | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 490 000 |
| D/SM 51/19 | 24/12/2018 | Andre Swart of Smit of tabata Buchanan Boyes Attorneys | Exceptional case and it is impractical or impossible to follow the official procurement process | Total D/SM amount | 200 000 |

Stellenbosch Municipality

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63. Budget differences

Material differences between budget and actual amounts

The materiality framework of the municipality informs the determining base ranges. The framework outlines all principles and guiding practices to allow management to enforce a consistent application of the framework's guidelines. With regard to reporting, the understandability and transparency to users of the financial statements was a determining factor when deciding on the base %.

Statement of Financial Performance

Revenue

The determining base range used was 1 % of total revenue.

Service charges (BD1)

The projection was based on the prior period's collection and also as a result of the reversal of the electricity and water income estimate accrual that was substantially higher in the comparative year.

Rental of facilities and equipment (BD2)

The revenue for rental of facilities and equipment declined due to factors such as social change, which is a cultural and economic change.

Interest earned - outstanding receivables (BD3)

The budget projection increase was based on historic performance.

Agency services (BD3)

The projected collection was based on historic performance.

Other income (BD4)

The decrease is due to the national lockdown, as a result of the covid-19 pandemic.

Government grants & subsidies (BD5)

Delays were experienced with the implementation of capital projects due to the national lockdown enforced, as a result of the covid-19 pandemic.

Fines, Penalties and Forfeits (BD6)

The budget projection for fines was based on previous performance.

Expenditure

The determining base range was 2% of total expenditure.

Contribution to / from provisions (BD7)

The variance emanates from the rehabilitation of the landfill site which is calculated based on information as at year end and subject to certain unpredictable assumptions. This information is not available when the budget is drafted.

Employee related costs (BD8)

The municipality reclassified the Contribution to Employee Benefits that was separately disclosed on the face of the financial statements to Employee related cost.

Finance costs (BD11)

Stellenbosch Municipality

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63. Budget differences (continued)

The variance pertains to the unwinding of the interest of the provision for landfill sites.

The municipality reclassified the Contribution to Employee Benefits that was separately disclosed on the face of the financial statements to Employee related cost.

Depreciation and amortisation (BD9)

The capital projects that were expected to be completed in the financial year was impacted due to the national lockdown, as a result of the Covid-19 pandemic.

Impairment loss/ Reversal of impairments (BD10)

No assets were impaired/ reversed for impairment during the year.

Debt Impairment (BD12)

The projection was based on historical data.

Contribution to allowance for doubtful debt (BD13)

The projection was based on historic performance of debtors'accounts

Contracted Services (BD14)

The variance is as a result of the COVID-19 lockdown regulations that had an adverse impact the expenditure.

General Expenses (BD15)

The variance is as a result of the COVID-19 lockdown regulations that had an adverse impact the expenditure.

Fair value adjustments (BD16)

These adjustments are based on estimates that cannot be budgeted for.

Gain on biological assets and agricultural assets

The gain is based on the growth of the biological assets and cannot be calculated before hand for budget purposes.

Inventories (losses/write downs) (BD18)

The write downs are based on specific activities during the period, for example stock take and can thus not be budgeted for.

Statement of Financial Position

Assets

The determining base was 1% of total assets and 5% of accumulated surplus.

Cash and cash equivalents (BD19)

Due to unspent conditional grants, there was more cash to invest on a short-term basis.

Receivables from exchange transactions (BD20)

The variance is as a result of the economic conditions of consumers in the municipal area and further impacted by the national lockdown due to the covid-19 pandemic.

Other receivables from exchange transactions (BD21)

Stellenbosch Municipality

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63. Budget differences (continued)

The income estimate for water and electricity formed part of the other receivables budget, but was reclassified due to the nature of the receivable.

VAT receivable (BD23)

Management did not anticipate a VAT receivable at year end.

Long term receivable (BD24)

This includes arrangement debtors. Defaulting on the arrangement entered into with the municipality is the main reason for the variance.

Intangible Assets (BD25)

The municipality had planned to procure more software systems.

Biological assets that form part of an agricultural activity (BD26)

The budgeted amount is based on the previous fair value model which has since been changed to cost model

Heritage assets (BD27)

The budgeted amount is based on the previous fair value model which has since been changed to cost model.

Liabilities

The determining base was 2% of total liabilities.

Consumer deposits (BD28)

Growth in our community/ client base resulting in increase deposits.

Employee benefit obligation (BD29)

The difference emanates from the post-retirement benefits and long service awards which is calculated based on information as at year end and subject to certain unpredictable assumptions ie. discount rate, expected rate of return, retirement age, etc. This information is not available when the budget is drafted.

Operating lease liability (BD30)

Operating lease liability is included in other financial liabilities

Other financial liabilities (BD31)

The external loan was taken up towards the end of the financial year.

Provisions (BD32)

Provisions are based on experts' work as at the end of the financial year using information that is not available during the budget. The budget is based on historic amounts.

Payables from exchange transactions (BD33)

This was mainly due to late contractor appointments, delays in projects which led to more invoices not being paid at year end.

Unspent conditional grants and receipts (BD34)

Due to unforeseen circumstances, late contractor appointments, delays in projects, etc, conditions of some grants could not be met at year end.

Stellenbosch Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2020

Notes to the Unaudited Annual Financial Statements

| Figures in Rand | 2020 | 2019 |
|-----------------|------|------|
|-----------------|------|------|

63. Budget differences (continued)

Cash Flow Statement

Grants (CF 1)

The equitable share allocated per the Division of Revenue Act (DoRA) increased to accommodate the increase in active housing projects.

Interest income (CF 2)

Capital projects were funded from Capital Replacements Reserves (CRR) instead of an external loans.

Payments

Suppliers and employee costs (CF3)

Bulk purchases which are bought by the municipality are based on the consumption of the community have increased compared to the prior year.

Employee related cost decrease due to vacancies not filled and posts becoming vacant during the financial year.

Transfers and grants (CF4)

Management anticipated to spend the allocated funds, but due to unforeseen circumstances it did not materialise as planned.

Cash flow from investing activities

Purchase of PPE (CF5)

The variance relates to the underspending on the capital budget.

Purchase of intangible assets (CF6)

The municipality had undertaken a feasibility into new software for cemeteries.

Movement in investments (CF7)

The municipality invested excess funds for periods more than 3 months but up to 12 months, these investments are classified as short term investments in the statement of financial position.

Cash flow from financing activities

64. BBBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

ANNEXURE B: ANNUAL PERFORMANCE REPORT 2019/20



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Annual Performance Report

2019/20

(01 July 2019 – 30 June 2020)

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1. PURPOSE

The Annual Performance Report 2019/20 is hereby submitted to the Stellenbosch Municipal Council in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), Section 46(1) and (2). The report covers the performance information from 01 July 2019 to 30 June 2020 and focuses on the implementation of the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development Plan (IDP) for the year under review.

The format of the report will reflect the Stellenbosch Municipality's Key Performance Indicators (KPIs) per Strategic Focus Area (SFA).

This report will also endeavour to report to Council on the Municipality's performance in terms of the five (5) National Government's Key Performance Areas for local government, which are (1) Basic Service Delivery; (2) Local Economic Development; (3) Municipal Institutional Transformation and Development; (4) Municipal Financial Viability and Management and (5) Good Governance and Public Participation.

2. LEGISLATIVE REQUIREMENTS

This Annual Performance Report has been compiled in compliance with the requirements of Section 46(1) of the MSA, which stipulates as follows:

- (1) A municipality must prepare for each financial year a performance report reflecting—
 - (a) the performance of the municipality and each external service provider during that financial year;
 - (b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and
 - (c) measures taken to improve performance.

In addition, regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation as a whole, but is also applicable to the individuals employed in the organisation as well as the external service providers.

3. MUNICIPAL OVERVIEW

Stellenbosch town is the second oldest town in South Africa, dating back to 1679 when an island in the Eerste River was named Stellenbosch by the then Governor of the Cape, Simon van der Stel. The first farming activities in the area were started in that year. Today, the area has become primarily known for its extraordinary wines, fruit, world renowned cultural landscapes and exceptional scenic quality. The towns of Stellenbosch and Franschhoek are renowned for various architectural styles such as Dutch, Georgian and Victorian, which reflect their rich heritage and traditions, but also the divisions of the past.

The area houses excellent educational institutions, including the University of Stellenbosch, Boland College, sports and culinary institutions and a number of prestigious schools. It has a strong business sector, varying from major South African businesses and corporations, to smaller

enterprises and home industries. The tourism industry alone is responsible for the creation of about 18 000 jobs in the area. The area's numerous wine farms and cellars are very popular and the area is the home of the very first wine route in South Africa.

The town boasts a variety of sport facilities. Coetzenburg, with its athletics and rugby stadiums, has hosted star performances over many generations while the Danie Craven Stadium is the home of Maties rugby, the largest rugby club in the world. The municipal area has a number of theatres, which include the University's HB Thom Theatre, Spier Amphitheatre, Dorpstraat Theatre, Aan de Braak Theatre, and Oude Libertas Amphitheatre – well-known for its summer season of music, theatre and dance.

Limited municipal resources require an increase in multi-sectoral partnerships to address the broad spectrum of needs in the community. The Municipality cannot address the challenges of Stellenbosch on its own, not only because of limited resources, but also because it does not control all the variables impacting on growth and development of the town. Welfare and community organisations play a leading role in assisting to meet the needs of previously neglected communities. The business sector also plays a key role in shaping the economic development of the municipal area.



Figure 1: Location of the Stellenbosch Municipality

3.1 Vision

"Valley of Opportunity and Innovation".

3.2 Socio-economic status

Table 1: Total population

| Total population | | |
|------------------|-----------|-----------|
| 2017/18 | 2018/19 | 2019/20 |
| 176 523** | 186 274** | 186 274** |

**Western Cape Government, 2018 & 2019 Socio-economic Profile, Stellenbosch Municipality

Table 2: Total number of households

| Households | 2017/18 | 2018/19 | 2019/20 |
|--|----------|----------|----------|
| Number of households in municipal area | 52 374** | 52 374** | 52 374** |
| Number of registered indigent households in municipal area | 6 453 | 6 817 | 6 666 |

**Western Cape Government, 2017 Socio-economic Profile, Stellenbosch Municipality

Table 3: Access to Services

| Community Survey 2016 | Stellenbosch | Cape Winelands District |
|--|--------------|-------------------------|
| Formal main dwelling | 34 071 | 191 077 |
| | 65,1% | 81,0% |
| Water (piped inside dwelling/ within 200m) | 51 581 | 232 605 |
| | 98,5% | 98,6% |
| Electricity (primary source of lighting) | 51 386 | 228 650 |
| | 98,1% | 96,9% |
| Sanitation (flush/chemical toilet) | 47 594 | 218 483 |
| | 90,9% | 92,6% |
| Refuse removal (at least weekly) | 37 207 | 192 974 |
| | 71,0% | 81,8% |

Source: Western Cape, Socio-Economic Profile 2019

4. PERFORMANCE MANAGEMENT OVERVIEW

In order to improve on performance planning, implementation, measurement and reporting, the Municipality implemented the following actions;

- Departmental operational plans were developed for monitoring and reporting operational programmes;
- An electronic performance management system is operational within the Municipality. The same system forms the basis of performance evaluations of the Directors and the Municipal Manager; and
- The Municipality endeavoured during the development of the TL SDBIP as well as with the development of the Departmental SDBIP that the "SMART" principle be adhered to in the setting of indicators and objectives. Emphasis was placed on ensuring that targets were specific and time bound, thus making it measurable.

Table 4: Performance Management System Checklist

| | Performance Management Policy | All MSA s57/56 Performance contracts signed | Audit Committee | Municipal Public Accounts Committee (MPAC) | Quarterly Performance Reporting to Council | Annual Performance Reporting to Council |
|-----------|-------------------------------|---|-----------------|--|--|---|
| In place? | √ | √ | √ | √ | √ | √ |

4.1 Top Layer Service Delivery and Budget Implementation Plan

The organisational performance is evaluated by means of a Municipal Scorecard (TL SDBIP) at organisational level and through the Service Delivery and Budget Implementation Plan (SDBIP) at departmental levels.

The SDBIP is a plan that converts the IDP and Budget into measurable indicators on how, where and when the strategies, objectives and normal business processes of the Municipality are implemented. It also allocates responsibilities to directorates to deliver the services in terms of the IDP and Budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned;
- The budget must address the strategic priorities;
- The SDBIP should indicate what the municipality is going to do during next the 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the budget / IDP processes.

The TL SDBIP was prepared as described in the paragraphs below and approved by the Executive Mayor on 26 June 2019.

The approved TL SDBIP 2019/20 was revised in January 2020. These revisions were made in line with the adjustment budget, internal audit findings and recommendations made by the Auditor General of South Africa (AGSA).

The overall assessment of actual performance against targets set for the Key Performance Indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology:

Table 5: Performance Assessment Criteria

| Color | Category | Explanation |
|-------|------------------------|--|
| | KPI Not Yet Measured | KPIs with no targets or actual results for the selected period |
| | KPI Not Met | Actual vs. target less than 75% |
| | KPI Almost Met | Actual vs. target between 75% and 100% |
| | KPI Met | Actual vs. target 100% achieved |
| | KPI Well Met | Actual vs. target more than 100% and less than 150% achieved |
| | KPI Extremely Well Met | Actual vs. target more than 150% achieved |

The TL SDBIP (the Municipal Scorecard) consolidate service delivery targets set by Council / Senior Management and provide an overall picture of performance for the Municipality as a whole, reflecting performance on its strategic priorities. The TL SDBIP is a detailed one-year plan and the necessary components should include:

- Monthly projections of revenue to be collected for each source;
- Expected revenue to be collected not billed;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Non-financial measurable performance objectives in the form of targets and indicators; and
- Detailed capital project plan broken down by ward over three years.

4.2 Departmental Service Delivery and Budget Implementation Plan

The Departmental Service Delivery and Budget Implementation Plan (the detailed SDBIP) capture the performance of each Directorate. Unlike the TL SDBIP, which reflects on the strategic performance of the Municipality, the Departmental SDBIP 2019/20 provides a comprehensive picture of the performance per Directorate, Department and Section. It was compiled by the Directors and Senior Managers for their respective Departments and Sections and consists of objectives, indicators and targets derived from the approved TL SDBIP 2019/20.

5. PLANNED TARGETS VS ACTUAL RESULTS FOR THE 2019/20 FINANCIAL YEAR

This section of the Annual Performance Report 2019/20 will report on the Municipality's actual performance against the planned targets as derived from the Municipality's IDP. Due to the fact that the Municipality has developed five (5) Strategic Focus Areas (SFAs) the performance reporting will follow these themes.

5.1 Municipal performance per National Key Performance Indicator

5.1.1 Municipal Transformation and Institutional Development

Table 6: NKPA- Municipal Transformation and Institutional Development

| INDICATOR | MUNICIPAL ACHIEVEMENT 2018/19 | MUNICIPAL ACHIEVEMENT 2019/20 |
|--|---|--|
| The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan | 2* | 4** |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan | R2 374 502 / R1 719 104 450 x 100 = 0.14% | R2 262 082.24/ R1 778 283 844 x100 = 0.13% |

*EE appointments made within the 2018/19 financial year.

**EE appointments made within the 2019/20 financial year.

5.1.2 Basic Service Delivery

Table 7: NKPA- Basic Service Delivery

| INDICATOR | MUNICIPAL ACHIEVEMENT 2018/19* | MUNICIPAL ACHIEVEMENT 2019/20 |
|---|--------------------------------|-------------------------------|
| The percentage of households earning less than R6,500 per month with access to free basic services
(In the case of Stellenbosch Municipality- percentage of registered Indigent households are being reported) | 100% | 100% |
| The percentage of households with access to basic level of water | 100% | 100% |
| The percentage of households with access to basic level of sanitation | 100% | 100% |
| The percentage of households with access to basic level of electricity | 71% | 74.4% |
| The percentage of households with access to basic level of solid waste removal | 100% | 100% |

* The percentage of households with access to basic level of water, sanitation, electricity and solid waste services is based on formal households only. The information on informal households and backyard dwellings were not taken into account.

5.1.3 Local Economic Development

Table 8: NKPA- Local Economic Development

| INDICATOR | MUNICIPAL ACHIEVEMENT 2018/19 | MUNICIPAL ACHIEVEMENT 2019/20 |
|---|-------------------------------|-------------------------------|
| The number of jobs created through municipality's local economic development initiatives including capital projects | 153.10 | 1 656 |

5.1.4 Municipal Financial Viability and Management

Table 9: NKPA- Municipal Financial Viability and Management

| INDICATOR | MUNICIPAL ACHIEVEMENT 2018/19 | MUNICIPAL ACHIEVEMENT 2019/20 |
|---|-------------------------------|-------------------------------|
| Debt coverage ((Total operating revenue - operating grants received) / Debt service payments due within the year) | 55.20% | 59.13% |
| Service debtors to revenue (Total outstanding service debtors / Annual revenue received for services) | 17.83% | 12.38% |
| Cost coverage ((Available cash + investments) / Monthly fixed operating expenditure) | 4.70 | 2.43 |

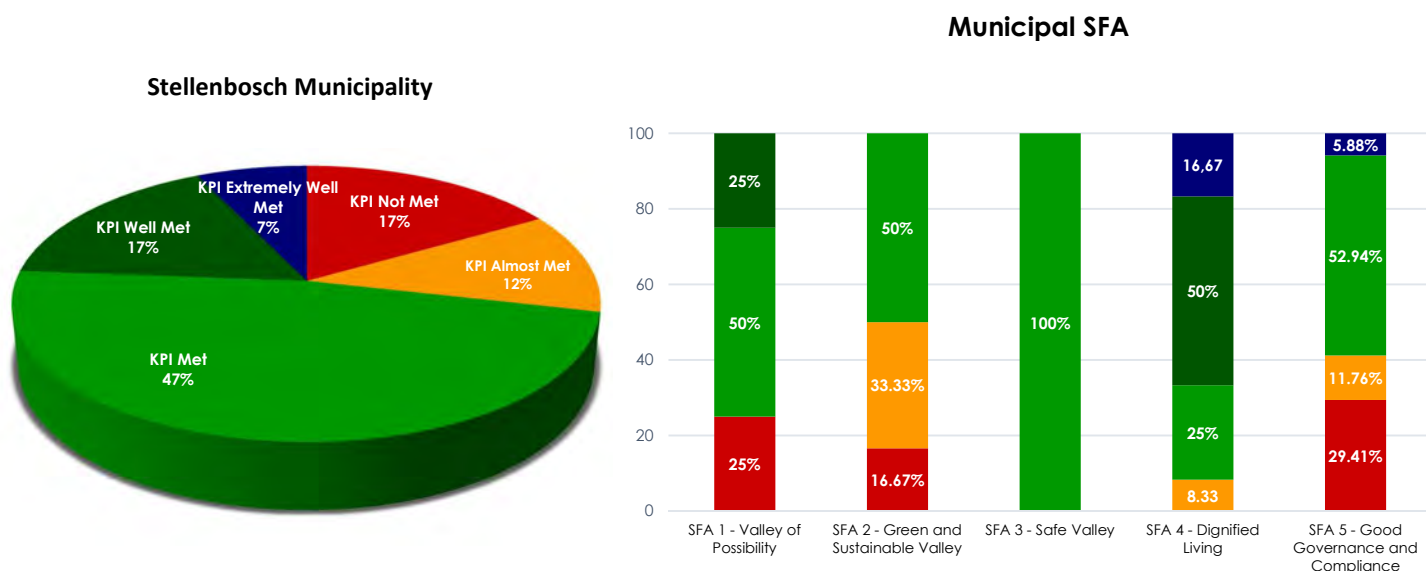
5.1.5 Good Governance and Public Participation

Table 10: NKPA- Good Governance and Public Participation

| INDICATOR | MUNICIPAL ACHIEVEMENT 2018/19 | MUNICIPAL ACHIEVEMENT 2019/20 |
|--|-------------------------------|-------------------------------|
| The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan | 87.53% | 70.80% |

5.2 Overall performance per Municipal Strategic Focus Area

The following graph and table illustrates the Municipality's overall performance per Municipal Strategic Focus Area (SFA).



| Stellenbosch Municipality | | Municipal Strategic Focus Areas (SFAs) | | | | |
|---------------------------|-------------|--|--------------------------------------|---------------------|--------------------------|--|
| | | SFA 1 - Valley of Possibility | SFA 2 - Green and Sustainable Valley | SFA 3 - Safe Valley | SFA 4 - Dignified Living | SFA 5 - Good Governance and Compliance |
| KPI Not Yet Measured | - | - | - | - | - | - |
| KPI Not Met | 7 (16.67%) | 1 (25%) | 1 (16.67%) | - | - | 5 (29.41%) |
| KPI Almost Met | 5 (11.90%) | - | 2 (33.33%) | - | 1 (8.33%) | 2 (11.76%) |
| KPI Met | 20 (47.62%) | 2 (50%) | 3 (50%) | 3 (100%) | 3 (25%) | 9 (52.94%) |
| KPI Well Met | 7 (16.67%) | 1 (25%) | - | - | 6 (50%) | - |
| KPI Extremely Well Met | 3 (7.14%) | - | - | - | 2 (16.67%) | 1 (5.88%) |
| Total: | 42 | 4 | 6 | 3 | 12 | 17 |
| | 100% | 9.52% | 14.29% | 7.14% | 28.57% | 40.48% |

Table and Graph 11: Overall performance per SFA- 01 July 2019 – 30 June 2020

5.2.1 SFA 1 - Valley of Possibility

| SFA 1 - VALLEY OF POSSIBILITY | | | | | | | | | | | |
|-------------------------------|---------|---|---|-----------------------|------------------------|-----------------------|--|--------|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2019 to 30 June 2020 | | | Performance comments / Reason(s) for deviation from target (under and over performance) | Improvement Plan(s) to correct deviation from target (under performance) |
| | | | | | | | Target | Actual | R | | |
| TL1 | KPI007 | The number of jobs created through the Municipality's local economic development initiatives including capital projects (NKPI Proxy - MSA, Reg. S10(d)) | Number of job opportunities created through the Municipality's local economic development initiatives including capital projects by 30 June | 153.10 | 300 | 1 300 | 1 300 | 1 656 | | | |
| TL2 | KPI008 | Land-use applications approved by the Municipal Planning Tribunal within 120 days | Percentage of land-use applications approved by the Municipal Planning Tribunal within 120 days after date of first submission of application | 40% | 90% | 90% | 90% | 0% | | 0 / 32 x 100 = 0% | Land-use strategy is in place to deal with the land use applications backlog. At the same time the Municipality is dealing with current applications. The implementation of TPAMS will also assist in the improved management of land use applications received. The shift to lockdown level 3 has allowed the Stellenbosch MPT to resume their normal functioning via the virtual MS Teams platform. |
| TL3 | KPI009 | Training opportunities provided for entrepreneurs and Small, Medium and Micro Enterprises (SMMEs) | Number of quarterly training opportunities provided for entrepreneurs and SMMEs | 5 | 4 | 4 | 4 | 4 | | | |
| TL4 | KPI012 | Revised Housing Pipeline (document) submitted to the Mayoral Committee (MayCo) | Number of Revised Housing Pipelines (documents) submitted to the MayCo by 31 March | 1 | 1 | 1 | 1 | 1 | | | |

| | | |
|-------------------|------------------------|----------|
| | KPI Not Yet Measured | 0 |
| | KPI Not Met | 1 |
| | KPI Almost Met | 0 |
| | KPI Met | 2 |
| | KPI Well Met | 1 |
| | KPI Extremely Well Met | 0 |
| Total KPIs | | 4 |

5.2.2 SFA 2 - Green and Sustainable Valley

| SFA 2 - GREEN AND SUSTAINABLE VALLEY | | | | | | | | | | | |
|--------------------------------------|---------|--|---|-----------------------|------------------------|-----------------------|--|--------|---|--|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2019 to 30 June 2020 | | | Performance comments / Reason(s) for deviation from target (under and over performance) | Improvement Plan(s) to correct deviation from target (under performance) |
| | | | | | | | Target | Actual | R | | |
| TL5 | KPI016 | Conduct an external audit of the Stellenbosch Municipality Waste Disposal Facilities | Number of external audits of the Stellenbosch Municipality Waste Disposal Facilities conducted by 30 June | 1 | 1 | 1 | 1 | 1 | | | |
| TL6 | KPI073 | Implementation of identified waste minimisation projects | Number of identified waste minimisation projects implemented by 30 June | New KPI | 2 | 2 | 2 | 1 | | 1 waste minimisation project was implemented before the National Lockdown Regulations took effect in March 2020. | Waste minimisation projects will resume once the Covid-19 Lockdown Regulations have been lifted. |
| TL7 | KPI018 | Building plan applications processed within 30 days | Percentage of building plan applications of <500sqm processed within 30 days after date of receipt | 76.29% | 90% | 90% | 90% | 72.92% | | 625 / 857 x 100 = 72.92% | |
| TL8 | KPI019 | Waste water quality managed and measured ito. the SANS Accreditation physical and micro parameters | Percentage waste water quality compliance as per analysis certificate measured by 30 June | 72.72% | 75% | 75% | 75% | 60.70% | | 60.70% as per analysis certificate. | The Municipality is currently in process of revisiting the design of the Wemmershoek Wastewater Treatment Works due to current design not meeting discharge limits set by the Department of Water Affairs (DWA). The Municipality is also reviewing the Pniel Wastewater Treatment Works design due to insufficient capacity. |
| TL9 | KPI078 | Submission of the Revised Facility Management Plan to the MayCo | Number of Revised Facility Management Plans submitted to the MayCo by 31 May | New KPI | 1 | 1 | 1 | 1 | | | |
| TL10 | KPI079 | Submission of a Tree Management Policy to the MayCo | Number of Tree Management Policies submitted to the MayCo by 31 October | New KPI | 1 | 1 | 1 | 1 | | | |

Summary of Results: SFA 2 - Green and Sustainable Valley

| | | |
|-------------------|------------------------|----------|
| | KPI Not Yet Measured | 0 |
| | KPI Not Met | 1 |
| | KPI Almost Met | 2 |
| | KPI Met | 3 |
| | KPI Well Met | 0 |
| | KPI Extremely Well Met | 0 |
| Total KPIs | | 6 |

5.2.3 SFA 3 - Safe Valley

| SFA 3 - SAFE VALLEY | | | | | | | | | | | |
|---------------------|---------|---|---|-----------------------|------------------------|-----------------------|--|--------|---|---|--|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2019 to 30 June 2020 | | | Performance comments / Reason(s) for deviation from target (under and over performance) | Improvement Plan(s) to correct deviation from target (under performance) |
| | | | | | | | Target | Actual | R | | |
| TL11 | KPI025 | Revised Disaster Management Plan submitted to the MayCo | Number of Revised Disaster Management Plans submitted to the MayCo by 31 May | 1 | 1 | 1 | 1 | 1 | | | |
| TL12 | KPI026 | Revised Safety and Security Strategy submitted to the MayCo | Number of Revised Safety and Security Strategies submitted to the MayCo by 31 May | 1 | 1 | 1 | 1 | 1 | | | |
| TL13 | KPI027 | Revised Traffic Management Plan submitted to the MayCo | Number of Revised Traffic Management Plans submitted to the MayCo by 31 October | New KPI | 1 | 1 | 1 | 1 | | | |

Summary of Results: SFA 3 - Safe Valley

| | | |
|------------|------------------------|---|
| | KPI Not Yet Measured | 0 |
| | KPI Not Met | 0 |
| | KPI Almost Met | 0 |
| | KPI Met | 3 |
| | KPI Well Met | 0 |
| | KPI Extremely Well Met | 0 |
| Total KPIs | | 3 |

5.2.4 SFA 4 - Dignified Living

| SFA 4 - DIGNIFIED LIVING | | | | | | | | | | | |
|--------------------------|---------|---|---|-----------------------|------------------------|-----------------------|--|--------|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2019 to 30 June 2020 | | | Performance comments / Reason(s) for deviation from target (under and over performance) | Improvement Plan(s) to correct deviation from target (under performance) |
| | | | | | | | Target | Actual | R | | |
| TL14 | KPI037 | Provision of waterborne toilet facilities | Number of waterborne toilet facilities provided by 30 June | 69 | 25 | 25 | 25 | 51 | | | |
| TL15 | KPI039 | Provision of free basic water to registered indigent households (NKPI Proxy - MSA, Reg. S10(a), (b)) | Percentage of registered indigent households with access to free basic water, measured quarterly | 100% | 100% | 100% | 100% | 100% | | 6 666 / 6 666 x 100 = 100% | |
| TL16 | KPI040 | Limit unaccounted electricity to less than 9% annually {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl. Free basic electricity)) / Number of Electricity Units Purchased and/or Generated} x 100} | Percentage average electricity losses measured by 30 June | 7.55% | <9% | <9% | <9% | 9,36% | | (381 810 591 kWh – 346 076 786 kWh) / 381 810 591 kWh x 100 = 9,36%

The Priel network is not performing on required levels due to the quality of the infrastructure. | The municipality included the development of a new network in its 20/21 capital budget. At present this project is in its design phase. |
| TL17 | KPI041 | Water quality managed and measured quarterly into the SANS 241 physical and micro parameters | Percentage water quality level as per analysis certificate measured quarterly | 99.90% | 90% | 90% | 90% | 90.96% | | | |
| TL18 | KPI042 | Limit unaccounted water to less than 25% | Average percentage water losses measured by 30 June | 28% | <25% | <25% | <25% | 20.50% | | 1 640 553kl / 8 015 027kl x 100 = 20.50% | |
| TL19 | KPI043 | Provision of free basic electricity to registered indigent households (NKPI Proxy - MSA, Reg. S10(a), (b)) | Percentage of registered indigent households with access to free basic electricity, measured quarterly | 71% | 100% | 65% | 65% | 73,99% | | 4 932 / 6 666 x 100 = 74% | |
| TL20 | KPI044 | Provision of free basic refuse removal to registered indigent households (NKPI Proxy - MSA, Reg. S10(a), (b)) | Percentage of registered indigent households with access to free basic refuse removal, measured quarterly | 100% | 100% | 100% | 100% | 100% | | 6 666 / 6 666 x 100 = 100% | |

| SFA 4 - DIGNIFIED LIVING | | | | | | | | | | | |
|--------------------------|---------|---|---|-----------------------|------------------------|-----------------------|--|--------|---|---|--|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2019 to 30 June 2020 | | | Performance comments / Reason(s) for deviation from target (under and over performance) | Improvement Plan(s) to correct deviation from target (under performance) |
| | | | | | | | Target | Actual | R | | |
| TL21 | KPI045 | Provision of free basic sanitation to registered indigent households (NKPI Proxy - MSA, Reg. S10(a), (b)) | Percentage of registered indigent households with access to free basic sanitation, measured quarterly | 100% | 100% | 100% | 100% | 100% | | 6 666 / 6 666 x 100 = 100% | |
| TL22 | KPI074 | Formal households provided with access to water (NKPI Proxy - MSA, Reg. S10(a)) | Number of formal households provided with access to water, measured quarterly | 26 088 | 26 000 | 26 000 | 26 000 | 26 397 | | 27 143 – 736 – 10 = 26 397 | |
| TL23 | KPI075 | Formal households provided with access to electricity (NKPI Proxy - MSA, Reg. S10(a)) | Number of formal households provided with access to electricity, measured quarterly | 26 088 | 24 000 | 24 000 | 24 000 | 26 397 | | 27 143 – 736 – 10 = 26 397 | |
| TL24 | KPI076 | Formal households provided with access to refuse removal (NKPI Proxy - MSA, Reg. S10(a)) | Number of formal households provided with access to refuse removal, measured quarterly | 26 088 | 26 000 | 26 000 | 26 000 | 26 397 | | 27 143 – 736 – 10 = 26 397 | |
| TL25 | KPI077 | Formal households provided with access to sanitation (NKPI Proxy - MSA, Reg. S10(a)) | Number of formal households provided with access to sanitation, measured quarterly | 26 088 | 26 000 | 26 000 | 26 000 | 26 397 | | 27 143 – 736 – 10 = 26 397 | |

Summary of Results: SFA 4 - Dignified Living

| | | |
|-------------------|------------------------|-----------|
| | KPI Not Yet Measured | 0 |
| | KPI Not Met | 0 |
| | KPI Almost Met | 1 |
| | KPI Met | 3 |
| | KPI Well Met | 6 |
| | KPI Extremely Well Met | 2 |
| Total KPIs | | 12 |

5.2.5 SFA 5 - Good Governance and Compliance

| SFA 5 - GOOD GOVERNANCE AND COMPLIANCE | | | | | | | | | | | |
|--|---------|---|--|-----------------------|------------------------|-----------------------|--|--------|---|--|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2019 to 30 June 2020 | | | Performance comments / Reason(s) for deviation from target (under and over performance) | Improvement Plan(s) to correct deviation from target (under performance) |
| | | | | | | | Target | Actual | R | | |
| TL26 | KPI055 | Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii)) | Cost coverage as at 30 June annually [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation) | 4.70 | 4 | 4 | 4 | 2.43 | | Decrease in the payment collection rate from 96 to 85% during April and May, due to CoVID19. | N/A, the collection rate is expected to improve as the effect of the CoVID 19 pandemic becomes less severe. |
| TL27 | KPI056 | Achieve an average payment percentage of 96% by 30 June (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100 | (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100 | 100.24% | 96% | 96% | 96% | 89.17% | | (R290 310 743 + R880 125 828 - R262 470 829- R123 186 856) / R880 125 828 = 89.17%

Decrease in the payment collection rate from 96 to 85% during April and May, due to CoVID19. | N/A, the collection rate is expected to improve as the effect of the CoVID 19 pandemic becomes less severe. |
| TL28 | KPI057 | Actual expenditure on the approved Capital Budget for the Municipality by 30 June (NKPI - MSA, Reg. S10(c)) | Percentage of approved Capital Budget for the Municipality actually spent by 30 June | 87.53% | 90% | 90% | 90% | 70.25% | | Spending affected by the declaration of a State of National Disaster and consequent National lockdown implemented from 28 March 2020 to date. Projects had to be stopped and could only resume late May and June 2020. | Tender specifications indicators were developed in the Departmental SDBIP 2020/21 for each Directorate which are aligned to the Demand Management Plan. |
| TL29 | KPI058 | Employment equity appointments made within the financial year in the three highest levels of management | Percentage of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June | 33% | 75% | 75% | 75% | 66.67% | | 4 / 6 x 100 = 66.67% | Employment Equity targets are considered in every appointment in the Municipality. Where candidates from target groups did not apply or did |

| SFA 5 - GOOD GOVERNANCE AND COMPLIANCE | | | | | | | | | | | |
|--|---------|---|---|-----------------------|------------------------|-----------------------|--|--------|---|---|---|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2019 to 30 June 2020 | | | Performance comments / Reason(s) for deviation from target (under and over performance) | Improvement Plan(s) to correct deviation from target (under performance) |
| | | | | | | | Target | Actual | R | | |
| | | | | | | | | | | | not pass the assessment test they could not be appointed. |
| TL30 | KPI059 | The percentage of actual payroll budget spent on implementing the Municipal Workplace Skills Plan (NKPI Proxy- MSA, Reg. S10(f)) | Percentage of municipality's payroll budget actually spent on implementing its Workplace Skills Plan ((Total Actual Training Expenditure/ Total Annual payroll Budget) x100), measured by 30 June | 0.14% | 0.85% | 0.58% | 0.58% | 0.13% | | R2 262 082.24/ R1 778 283 844 x100 = 0.13% | Due to the National Lockdown regulations, planned training could not commence or continue.

Planned training will be resumed in August 2020 in line with the easing of the National Lockdown regulations and taking the measures to prevent the spread of the virus into consideration. |
| TL31 | KPI060 | Financial viability measured in terms of the Municipality's ability to meet its service debt obligations (NKPI Proxy - MSA, Reg. S10(g)(i)) | Debt coverage ratio ((Total operating revenue - operating grants received) / (Debt service payments due within the year)) measured by 30 June | 55.20% | 15% | 15% | 15% | 59.13% | | | |
| TL32 | KPI061 | Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(ii)) | Service debtors to revenue ratio - (Total outstanding service debtors / revenue received for services) measured by 30 June | 17.83% | 27% | 27% | 27% | 12.38% | | | |
| TL33 | KPI062 | Revised Risk-Based Audit Plan (RBAP) submitted to the Audit Committee | Number of Revised RBAPs submitted to the Audit Committee by 30 June | 1 | 1 | 1 | 1 | 1 | | | |
| TL34 | KPI063 | Audit Action Plan (AAP) submitted to the Audit Committee | Number of Audit Action Plans submitted to the Audit Committee by 28 February | 1 | 1 | 1 | 1 | 1 | | | |
| TL35 | KPI064 | Revised Strategic Risk Register (SRR) submitted to the Risk Management Committee | Number of Revised Strategic Risk Registers submitted to the Risk Management Committee by 30 June | 1 | 1 | 1 | 1 | 1 | | | |

| SFA 5 - GOOD GOVERNANCE AND COMPLIANCE | | | | | | | | | | | |
|--|---------|--|--|-----------------------|------------------------|-----------------------|--|--------|---|--|--|
| Ref | IDP Ref | KPI Name | Description of Unit of Measurement | Past Year Performance | Original Annual Target | Revised Annual Target | Overall Performance 01 July 2019 to 30 June 2020 | | | Performance comments / Reason(s) for deviation from target (under and over performance) | Improvement Plan(s) to correct deviation from target (under performance) |
| | | | | | | | Target | Actual | R | | |
| TL36 | KPI065 | Revised Information and Communication Technology (ICT) Backup Disaster Recovery Plan submitted to the ICT Steering Committee | Number of Revised ICT Backup Disaster Recovery Plans submitted to the ICT Steering Committee by 31 March | 1 | 1 | 1 | 1 | 1 | | | |
| TL37 | KPI066 | Revised Strategic ICT Plan submitted to the ICT Steering Committee | Number of Revised Strategic ICT Plans submitted to the ICT Steering Committee by 31 March | 1 | 1 | 1 | 1 | 1 | | | |
| TL38 | KPI067 | Draft Integrated Development Plan (IDP) submitted to Council | Number of Draft IDPs submitted to Council by 31 March | 1 | 1 | 1 | 1 | 1 | | | |
| TL39 | KPI068 | Submission of the Revised Asset Management Policy Council | Number of Revised Asset Management Policies submitted to Council by 30 June | 1 | 1 | 1 | 1 | 1 | | | |
| TL40 | KPI070 | IDP / Budget / SDF time schedule (process plan) submitted to Council | Number of IDP / Budget / SDF time schedules (process plan) submitted to Council by 31 August | 1 | 1 | 1 | 1 | 1 | | | |
| TL41 | KPI071 | Revised Electrical Master Plan submitted to Council | Number of Revised Electrical Master Plans submitted to Council by 30 June | 1 | 1 | 1 | 1 | 1 | | | |
| TL42 | KPI072 | Submission of a Draft Smart City Framework to the MayCo | Number of Draft Smart City Frameworks submitted to the MayCo by 31 May | 0 | 1 | 1 | 1 | 0 | | The Draft Smart City Framework has been developed and circulated for input. The framework was also submitted to the management team for input. | Draft Smart City Framework will be submitted to MayCo by 31 May 2021. |

Summary of Results: SFA 5 - Good Governance and Compliance

| | | |
|-------------------|------------------------|-----------|
| | KPI Not Yet Measured | 0 |
| | KPI Not Met | 5 |
| | KPI Almost Met | 2 |
| | KPI Met | 9 |
| | KPI Well Met | 0 |
| | KPI Extremely Well Met | 1 |
| Total KPIs | | 17 |

5.3 Supplier performance

Looking at the applicable legislation, specifically s46(1)(a) of the MSA - A municipality must prepare for each financial year an annual report consisting of –

(a) a performance report reflecting— (i) the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year.

In consideration of this legislative requirement, we consider the definition prescribed to a service provider, as well as a municipal service and a service delivery agreement in terms of the MSA.

A "service provider" in terms of section 76(b) of the MSA constitutes a person or institution, or combination thereof, which provide to or for the benefit of a local community. Whereas, an "external service provider" is considered to be an external mechanism (as referred to in section 76(b)) which provides a municipal service for a municipality.

It is necessary to further consider the meaning prescribed to a "service delivery agreement", as in terms of section 76(b), this is considered to be an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by the institution or person, either for its own account or on behalf of the municipality. Finally, the MSA defines a "municipal service" as necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health or safety of the environment.

In consideration of the year under review, as well as the legislative interpretations detailed above, the Municipality asserts that no service delivery agreements were entered into with service providers who provided a municipal service to or for the benefit of the local community on behalf of the Municipality. However, in the table below we provide an overview of the number of SCM awards made throughout the year.



GERALDINE METTLER
MUNICIPAL MANAGER
DATE: 30 October 2020

ANNEXURE C

Municipal Manager
Stellenbosch Municipality
PO Box 17
Stellenbosch
7599

20 August 2020

Dear Ms Mettler

DELAYED SUBMISSION OF THE 2019-20 MFMA AUDIT REPORT

The President of the Republic of South Africa (President) declared a national lockdown with effect from 00h00 on 26 March 2020 due to the coronavirus pandemic. In response to the national lockdown declared by the President and the impact on the financial management functions of auditees governed by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) the Minister of Finance on 31 March 2020 issued Government Gazette No. 43188 in terms of the PFMA which exempted functionaries and institutions from complying with the relevant deadlines contained in sections 8(1)(b), 8(5), 19(1)(b), 19(5), 40(1)(c), 40(1)(d), 55(1)(c), 55(1)(d) and 65(2) of the PFMA. As a result, the deadline for submission of Annual Financial Statements (AFS) was extended for auditees governed by the PFMA from 31 May 2020 to 31 July 2020.

For the same reason as outlined above the Minister of Finance subsequently issued Government Gazette No. 43582 which exempts municipalities and municipal entities from complying with the deadlines in sections 126(1) and (2), 127(1) and (2), 129(1) and 133(2) of the Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

The two-month extension granted to auditees governed in terms of the PFMA resulted in the deadline for the issuing of audit reports by the Auditor-General of South Africa (AGSA) to accounting officers to also be extended by a two-month period. The audit reports are scheduled to be submitted to the Accounting Officers on 30 September 2020. The audit teams are currently fully engaged with the PFMA audits which impacts the AGSA's capacity to proceed with any audits subject to the Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) before this date.

As a result of the extension of the PFMA timelines and its related impact on AGSA resourcing, we hereby wish to inform you that the AGSA has resolved for the date of the audit report submission to the accounting officers of MFMA auditees to be extended from 30 November 2020 (31 December 2020 for consolidations) to 28 February 2021 (31 March 2021 for consolidations) to allow for the application of the required diligence and care during the audit process.

Please do not hesitate to contact my office should you require any further information.

Yours sincerely



Sharonne Adams
Business Executive: Western Cape

Enquiries: Gavin Van Der Hoven
Telephone: 082 899 8372
Email: gavinvdh@agsa.co.za

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|-----|--|
| 8.5 | MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR FEBRUARY 2021 |
|-----|--|

Collaborator No: 8/1
 BUDGET KPA Ref No: Good Governance and Compliance
 Meeting Date: 31 March 2021

1. SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR FEBRUARY 2021

2. PURPOSE

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy 2020/2021 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 (2020/2021) stipulate that SCM deviations be reported to Council. In compliance thereto, this report presents to Council the SCM deviations that occurred during February 2021.

5. RECOMMENDATIONS

that Council notes the deviations as listed for the month of February 2021.

6. DISCUSSION / CONTENTS

6.1 Background/Legislative Framework

The regulation applicable is as follows:

GNR.868 of 30 May 2005: Municipal Supply Chain Management Regulations

Deviation from and ratification of minor breaches of, procurement processes

36. (1) A supply chain management policy may **allow the accounting officer—**
 (a) To **dispense with the official procurement processes** established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only—
 (i) in an emergency;
 (ii) if such goods or services are produced or available from a single provider only;
 (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
 (iv) acquisition of animals for zoos; or
 (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
 (b) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of sub regulation (1) (a) and (b) and **report them to the next meeting of the council**, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements.

6.2 Discussion

Reporting the deviations as approved by the Accounting Officer for February 2021:

The following deviations were approved with the reasons as indicated below:

| DEVIATION NUMBER | CONTRACT DATE | NAME OF CONTRACTOR | CONTRACT DESCRIPTION | REASON | SUBSTANTIATION WHY SCM PROCESS COULD NOT BE FOLLOWED | TOTAL CONTRACT PRICE R |
|------------------|------------------|--------------------|---|--|---|--------------------------|
| D/SM 10/21 | 20 February 2021 | TMT Services | Provision of Traffic Law Enforcement equipment, back office system and related services | Exceptional case and it is impossible to follow the official procurement process | <p>The tender for the provision of traffic law enforcement equipment, back office system and related services was approved subject to negotiations with the preferred service provider. The lead negotiator and the negotiation team was appointed by the Accounting Officer. The negotiations commenced in January 2021, however the process is still not finalised.</p> <p>Therefore it is impractical to follow the official procurement process as the service has to continue without interruption to ensure that the municipality does not incur a substantial loss of revenue.</p> | Rates: R121.49 per fine. |
| D/SM 11/21 | 26 February 2021 | Mazars | Forensic Investigation after Allegations of tender irregularities | Exceptional case and it is impossible to follow the official procurement process | <p>Mazars was appointed to perform a forensic investigation into the Drought Project.</p> <p>The investigation is at a stage where disciplinary actions are being instituted. The forensic expert need to testify and the cost was not included in the initial scope of the contract as we did not know the outcome of the investigation.</p> | R92 000 excluding VAT |

| | | | | | | |
|--|--|--|--|--|---|--|
| | | | | | In this instance Mazars are the only service provider that can deliver the services of testifying in regard to the investigation. | |
|--|--|--|--|--|---|--|

6.3 Financial Implications

As per 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 recommendations.

FOR FURTHER DETAILS CONTACT:

| | |
|------------------------|---|
| NAME | Kevin Carolus |
| POSITION | CFO |
| DIRECTORATE | Finance |
| CONTACT NUMBERS | 021 808 8528 |
| E-MAIL ADDRESS | Kevin.Carolus@ Stellenbosch.gov.za |
| REPORT DATE | 01 March 2021 |

| | |
|----|--|
| 9. | REPORT BY THE MUNICIPAL MANAGER RE OUTSTANDING RESOLUTIONS |
|----|--|

The report by the Municipal Manager re outstanding resolutions taken at previous meetings of Council is attached as **APPENDIX 1**.

FOR INFORMATION

APPENDIX 1

OUTSTANDING RESOLUTIONS MARCH 2021

| Council Meeting | | Resolution | Resolution Date | Allocated To | % Feedback | Feedback Comment |
|-----------------|--|---|-----------------|--------------|------------|---|
| 478903 | SECTION 78 PROCESS FOR AN EXTERNAL SERVICE DELIVERY MECHANISM WITH REGARDS TO PUBLIC TRANSPORT | <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 | 75.00 | Item held back due to PGWC change of view on this matter. Awaiting new input from PGWC. The change of view has not yet filtered through to us with the result that we could not alter report to reflect this. |
| 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 Voorgelegen 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 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> | 2017-04-26 | PIETS | 90.00 | Following the public participation process, a return item was circulated for departmental input and will be submitted at the April 2021 Council meeting for consideration. |

OUTSTANDING RESOLUTIONS MARCH 2021

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| | | <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 necessary approvals for the establishment of the above cemeteries.</p> <p>(DIRECTOR: PLANNING & ECON DEV TO ACTION)</p> | 2017-04-26 | SCHALKVDM | 85.00 | <p>Environmental Impact Assessment proceeded on 2 sites, Louw's Bos and Culcatta Bos. Environmental Authorization (in terms of the National Environmental Management Act, 107 of 1998 [NEMA]) for the Culcatta Bos site was issued on 20 September 2019 and Louw's Bos 22 January 2020. An appeal on the EA issued for Louw's Bos has been received. This appeal was upheld by the Minister Local Government, Environmental Affairs and Development Planning during January 2021. A progress report with proposals on the way forward on Louw's Bos has been submitted to the Portfolio Committee. Expecting a decision on Water Use Licensing by DWS (which have been confirmed to be General Authorizations) during 2021. The Culcatta Bos Land Use application was approved by the Municipal Planning Tribunal on 26 June 2020 and Louw's Bos Land Use Applications on 28 August 2020. On receiving the General</p> |

OUTSTANDING RESOLUTIONS MARCH 2021

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| | | | | | | Authorization on the water use Culcatta Bos' approvals will be in place and ready for implementation. |
| 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 | CLAYTONH | 95.00 | <p>The Department is still reviewing the document and do have some issues to clarify with the service provider based on recommendations made which are not in line with the current functioning of these components. This will affect staff structure as well amendments to be incorporated in the report.</p> <p>Following program:</p> <p>1. Submit Section 78(3) report for a Section 78(4) decision to Council is ready and will be forwarded to the Council Meeting of May 2021.</p> |
| 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 | LESTERVS | 98.00 | <p>The service provider has prepared all engineering designs for phase 1 and is in the process to finalise it with Infrastructure Services. The funding application has been approved by PDoHS for the installation of Infrastructure services. The contractual agreement between the SM and PDoHS is being finalised.</p> <p>It should be noted that this project will be dealt with in phases. The COVID-19 pandemic has substantially affected the timeframes. The project has been handed over to PMU for the implementation of the site.</p> |

OUTSTANDING RESOLUTIONS MARCH 2021

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| | | <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> | | | | |
| 616959 | MIGRATION OF OLD HOUSING WAITING LIST TO A HOUSING DEMAND DATABASE SYSTEM | <p>7.5.5 MIGRATION OF OLD HOUSING WAITING LIST TO A HOUSING DEMAND DATABASE SYSTEM</p> <p>21ST COUNCIL MEETING: 2018-10-31: ITEM 7.5.5</p> <p>RESOLVED (nem con)</p> <p>(a) that Council approves that the administration embarks on a process of updating data on the old Housing Waiting List;</p> <p>(b) that all updated information be imported into the Municipal Housing Demand Database; and</p> <p>(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.</p> | 2018-10-31 | ROTANDAS | 95.00 | The capturing of all data collected during the completed Demand Data programme on both the Western Cape and Vois Systems is still in process. The Vois System now generates weekly reports on all updated applicants in the WC024 and monthly reports on capturing done. |
| 616964 | POSTER BY-LAW | <p>7.6.2 POSTER BY-LAW RELATING TO OUTDOOR ADVERTISING AND SIGNAGE</p> <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> | 2018-10-31 | DEONL | 80.00 | <p>Final Historical Committee Meeting to be held with Historical Committee. Need do this on MS Teams due to high comorbidity situation with participants. Envisaged program:</p> <p>1. Report held back to ensure alignment with Roads and</p> |

OUTSTANDING RESOLUTIONS MARCH 2021

| | | | | | | |
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| | | <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> | | | | <p>Parking By-Laws as well as Outdoor Dining Policy.</p> <ol style="list-style-type: none"> 2. Fresh Public participation in March 2021. 3. Items to S80 Committee in April 2021. 4. Final item to Mayco/Council in May 2021. 5. Promulgate in June 2021. |
| 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>ii) May not have received any form of financial assistance/subsidy from the State in obtaining a house/serviced site previously;</p> <p>iii) May not currently own any other fixed asset;</p> <p>iv) Must be a South African citizen;</p> <p>v) 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 | 90.00 | Tender specifications submitted to DCS. |
| 621772 | PROPOSED SERVICE DELIVERY IN JONKERSHOEK | <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> | 2018-11-28 | ALL DIRECTORS | 70.00 | The National Department of Public Works was requested the use of the office space. A meeting in this regard was scheduled for 29 January 2020. The meeting took place and after an inspection at the property the Municipality decided not to take up the offer of the office space from Public Works due to the |

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| | | <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 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> | | | | <p>dilapidated state of the building and the costs involved to repair it.</p> <p>Water Services is available, a sanitation service is provided as well as a waste service. Electricity is provided by Eskom.</p> <p>The transfer of the land has not taken place yet despite various follow ups from Stellenbosch.</p> <p>Matter needs political intervention on provincial level to ensure action by the National Department.</p> <p>An updated Status Quo Report to be forwarded to Council in May 2021 from Infrastructure Services.</p> |
| 639570 | TO AUTHORISE THE MUNICIPAL MANAGER TO START THE PRESCRIBED PUBLIC | 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 | 2019-03-27 | CRAIGA | 90.00 | Item supported by Planning & Economic Development Committee dated 10 March 2021 for submission to Council. |

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| | <p>PARTICIPATION PROCESS AS PER CHAPTER 4 OF THE MUNICIPAL ASSET TRANSFER REGULATIONS, WITH THE VIEW OF THE FOLLOWING A TENDER/CALL FOR PROPOSAL PROCESS FOR OUTSOURCING THE MANAGEMENT/USE OF THE KAYAMANDI ECONOMIC AND TOURISM CORRIDOR (KETC)</p> | <p>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 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> | | | | |
| | <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 | 90.00 | Specifications submitted to DCS for approval. |

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| | | <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> | | | | |
| | PROPOSED DISPOSAL OF ERF 347, LE ROUX (GROENDAL) | <p>7.2.2 PROPOSED DISPOSAL OF ERF 347, LE ROUX (GROENDAL)</p> <p>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. Specification to be submitted to DCS in March 2021. |
| | PROPOSED TRANSFER OF MANAGEMENT AND OWNERSHIP OF VAALDRAAI (ELSENBURG) FROM PROVINCIAL GOVERNMENT OF THE WESTERN CAPE TO STELLENBOSCH MUNICIPALITY | <p>7.10.2 PROPOSED TRANSFER OF MANAGEMENT AND OWNERSHIP OF VAALDRAAI (ELSENBURG) 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> | 2019-05-29 | LESTERVS | 85.00 | The tender was awarded, and the service provider concluded the brief. A feasibility study was submitted to Council and was approved. Further discussions with Provincial Department of Public Works are currently ongoing, given the fact that the said area is outside the urban edge with bulk infrastructure challenges. |

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| | | <p>© 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> | | | | |
| | <p>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>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>© 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 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>© 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> | 2019-07-24 | ALBERTVDM | 85.00 | <p>Point (b) The department is in the process of implementing the Hybrid Model, as approved by Council 25 November 2020.</p> <p>Point (d) The department has received the final draft report from the Service Provider.</p> <p>Point (c): In progress.</p> <p>Point (f): Financial services to submit a debt report to Council on the Area Sport Council.</p> |

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| | | <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); 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> | | | | |
| | PROPOSED RENEWAL OF LEASE AGREEMENT: PORTION OF ERF 62, KAYAMANDI: DEPARTMENT OF PUBLIC WORKS: POLICE STATION | <p>11.2.1 PROPOSED RENEWAL OF LEASE AGREEMENT: PORTION OF ERF 62, KAYAMANDI: DEPARTMENT OF PUBLIC WORKS: POLICE STATION</p> <p>30TH COUNCIL MEETING: 2019-08-28: ITEM 11.2.1</p> <p>RESOLVED (nem con)</p> <p>(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;</p> <p>(b) that approval be granted for the renewal of the Lease Agreement for a period of 9 years and 11 months;</p> <p>© that it be noted that leasing property to another sphere of government/organ of state is exempted from following a public participation process;</p> <p>(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</p> <p>© that the Municipal Manager be authorised to draft and sign an appropriate new lease agreement.</p> | 2019-08-28 | PIETS | 90.00 | <p>Lease agreement submitted to DPW for signature.</p> <p>No response yet – the progress is followed up regularly with the Department.</p> |
| | ADOPTION OF THE DRAFT LOCAL ECONOMIC DEVELOPMENT STRATEGY FOR PUBLIC PARTICIPATION | <p>11.7.1 ADOPTION OF THE DRAFT LOCAL ECONOMIC DEVELOPMENT STRATEGY FOR PUBLIC PARTICIPATION</p> <p>30TH COUNCIL MEETING: 2019-08-28: ITEM 11.7.1</p> <p>RESOLVED (nem con)</p> <p>that the draft Economic Development Strategy be approved and published for further inputs from the public for a period of 30 days.</p> | 2019-08-28 | CRAIGA | 85.00 | <p>Draft LED Strategy will be submitted to the next S80 and MAYCO for comments and request to undertake further internal and external consultation.</p> |

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| | DRAFT POLICY ON PLACE NAMING, STREET NAMING AND RENAMING AND NUMBERING FOR STELLENBOSCH MUNICIPALITY, EDITED 17 MAY 2019 | <p>11.7.2 DRAFT POLICY ON PLACE NAMING, STREET NAMING AND RENAMING AND NUMBERING FOR STELLENBOSCH MUNICIPALITY, EDITED 17 MAY 2019</p> <p>31ST COUNCIL MEETING: 2019-09-25: ITEM 11.7.2</p> <p>RESOLVED (nem con)</p> <p>(a) that the revised Policy on Place Naming and Street Naming, Renaming and Numbering for Stellenbosch Municipality be advertised for public comment for 60 days;</p> <p>(b) that after public participation has been received, the Draft Policy will be brought back to Council for final consideration; and</p> <p>(c) that the final approved Policy be translated into all 3 official languages.</p> | 2019-09-25 | STIAANC | 75.00 | Draft policy under review at Executive Mayor's office. |
| | TRANSFER OF 80 HOUSES: LA MOTTE VILLAGE | <p>11.2.1 TRANSFER OF 80 HOUSES: LA MOTTE VILLAGE</p> <p>32ND COUNCIL MEETING: 2019-10-23: ITEM 11.2.1</p> <p>RESOLVED (majority vote with abstentions)</p> <p>(a) that transfer to the 10 households that are paid up be effected as a matter of urgency;</p> <p>(b) that a monthly progress report from the transferring attorney on the status quo and progress of the transfer be provided to the Municipality;</p> <p>© that letters be given as a matter of urgency to the 9 beneficiaries who allowed illegal occupants to occupy the houses to provide reasons why the houses should not be transferred to other beneficiaries;</p> <p>(d) that letters be given as a matter of urgency to all illegal occupying households to provide reasons why they should not be evicted from the houses they are occupying illegally as they were not recognised as the beneficiaries for the houses they occupy;</p> <p>© that an investigation as a matter of urgency be lodged as to how the 10 illegal occupants of unallocated houses were allowed to occupy the houses; and</p> <p>(f) that letters be given as a matter of urgency to all beneficiaries who are in arrears on the outstanding rental amounts to inform them that council intend to assist them, should they qualify for financial assistance from financial</p> | 2019-10-23 | PIETS | 85.00 | Progress report was submitted to Council as part of feedback on outstanding resolutions in November 2020. Item in process to be concluded for submission to DCS for consideration. Updated item to serve at Council in April 2021. |

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| | | institutions or government subsidies to buy the houses. They will however still be liable for outstanding amounts on services. | | | | |
| | DRAFT HOUSING ALLOCATION POLICY | <p>11.4.1 DRAFT HOUSING ALLOCATION POLICY</p> <p>32ND COUNCIL MEETING: 2019-10-23: ITEM 11.4.1</p> <p>RESOLVED (majority vote with abstentions)</p> <p>(a) that Council adopts the Housing Allocation Policy as a draft, in principle, and</p> <p>(b) that the Draft Housing Allocation Policy for Stellenbosch Municipality be advertised for public comments, whereafter it be resubmitted to Council for final consideration and subsequent adoption.</p> | 2019-10-23 | ROTANDAS | 60.00 | An item has been compiled, signed and submitted for inclusion in the Agenda of the MayCo scheduled for March 2021. The item was referred back by the Director: PED to refine the section on Management of Informal Settlements and Brown Fields Developments. The finalised draft will be re-submitted to Director by end March 2021. |
| | IDENTIFICATION OF POSSIBLE INFILL HOUSING DEVELOPMENTS IN THE CLOETESVILLE AREA | <p>11.4.2 IDENTIFICATION OF POSSIBLE INFILL HOUSING DEVELOPMENTS IN THE CLOETESVILLE AREA</p> <p>32ND COUNCIL MEETING: 2019-10-23: ITEM 11.4.2</p> <p>RESOLVED (majority vote)</p> <p>(a) that the Directorate: Planning and Economic Development be requested to conduct feasibility studies on all the erven that were identified in the Aurecon report, as well as the sites identified by the representatives of the Backyarders Committee except those mentioned in paragraph (c) below;</p> <p>(b) that these studies include the feasibility for housing, including emergency housing, different housing typologies that address the challenges the communities are facing in the Cloetesville area; or whether it will be better suited for other community needs;</p> <p>© that the Municipal Manager be mandated to start an investigation into non-municipal land including properties owned by the national or provincial government that may be acquired by Council for housing purposes; and</p> <p>(d) that a feasibility study report be submitted as soon as possible but not later than the end of the current financial year.</p> | 2019-10-23 | LESTERVS | 95.00 | A service provider was appointed to conduct a feasibility study on eleven (11) sites as identified by Council. The objective was to identify the development potential of each site and to provide a conceptual layout (SDP) of the identified sites. The final feasibility reports have been received and will be submitted to Council during April 2021. |
| | ADOPTION OF THE STELLENBOSCH INFORMAL TRADING POLICY | <p>13.3 ADOPTION OF THE STELLENBOSCH INFORMAL TRADING POLICY</p> <p>32ND COUNCIL MEETING: 2019-10-23: ITEM 13.3</p> <p>RESOLVED (majority vote)</p> | 2019-10-23 | CRAIGA | 80.00 | Comments received from internal departments and workshop will be arranged to discuss existing and new proposed sites, prior to submission to Council to request for Public Participation. Date for |

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| | | <p>(a) that, after considering the comments made by the public, Council adopts the Stellenbosch Informal Trading Policy; and</p> <p>(b) that the Stellenbosch Informal Trading By-Law be amended to incorporate the objectives and provisions as incorporated in the Informal Trading Policy.</p> | | | | submission to Section 80 during May 2021 meeting. |
| | SECTION 78 (4) REPORT FOR THE PROVIDING OF SUFFICIENT PUBLIC PARKING | <p>13.3 SECTION 78 (4) REPORT FOR THE PROVIDING OF SUFFICIENT PUBLIC PARKING</p> <p>35TH COUNCIL MEETING: 2020-02-26: ITEM 13.3</p> <p>RESOLVED</p> <p>a) that this report be noted;</p> <p>b) that Council accepts that all the requirements of Section 78(3) (Annexure A) in terms of investigating the feasibility of the provision of sufficient parking, has been complied with;</p> <p>c) that Council accepts that parking forms an integral part of the total Mobility concept within Greater Stellenbosch Area and relates to other major parts such as: Traffic Flow, Public Transport (PT), Non-Motorised Transport (NMT), Transit Oriented Development (TOD), and Movement of Disabled Persons (normally seen as a primary part of NMT);</p> <p>d) that Council notes that in order to alleviate the parking process as a whole, matters such as PT, NMT, TOD must also be addressed in synchronisation, as this will directly affect the quantity and positioning of parking;</p> <p>e) that Council, in terms of the Municipal Systems Act (MSA), Act 32 of 2000, as amended, Section 78(4), accepts that the method of providing parking generally be considered as follows:</p> <p style="padding-left: 40px;">(i) Provision of open one level parking space needs, be performed on an internal mechanism;</p> <p style="padding-left: 40px;">(ii) Provision of multi storied parking space needs, be performed on an external mechanism.</p> <p>f) that Council approves the provision of parking as a first phase as mentioned hereunder, which must be in line with future mobility developments, as the final mobility status can by nature not be resolved at this time;</p> <p>g) that Council proceed with the initial provision and upgrade of parking spaces as follows:</p> | 2020-02-26 | DEONL | 55.00 | <p>Municipal Systems Act, Section 80 and 81 – Providing a service through a Service Delivery Agreement. Any service provision of this nature was prohibited during the Alert Level 5 lockdown period.</p> <p>The provision of single level public parking is being debated and will be addressed once the final 2020/21 budget has been approved. The latter is drastically affected by the COVID-19 lockdown.</p> <p>Program:</p> <ol style="list-style-type: none"> 1. Develop SDA by April 2021. 2. Report to Council on Draft SDA as well as program for community participation in April/May 2021 (Depending on Council Meeting availability). 3. Community Participation to end June 2021. |

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| | | <p>(i) that the legislative process be commenced with to provide multiple level parking, and management thereof, utilising an External Mechanism of parking in the following areas:</p> <p>(1) Eikestad Mall Parking area bounded by Andringa -, Victoria, and Ryneveld Streets. Portion of erf 1692, erven, 1969, 1972, 1973, 1974, 1975, 1976, 6402 and 6636; and</p> <p>(2) Techno Park area, considering the area bounded by Tegno Road, Termo Avenue and Proton Road. Portion of erf 13171</p> <p>(ii) that the following areas, as a first phase, be upgraded and/or developed as a single layer open space parking area, utilising an internal service delivery mechanism:</p> <p>(1) Dennesig Existing Parking Area, entrance in Hoffman Road, Part of Erf 235;</p> <p>(2) Municipal Court Existing Parking Area, entrance from Papegaai Road, Erf 528;</p> <p>(3) Aandklas Existing Parking Area, entrance from Du Toit Road Part of Erf 235;</p> <p>(4) New Parking Area Bounded by Borcherd Road and Andringa Street to be considered as an extension of the public parking on erf 2529;</p> <p>(5) New Parking Area Bounded by Jan Cilliers Road, Ds Botha Road and Muller Road to be considered as new parking area. Part of Erf 175/0; and</p> <p>(6) Parking area to be upgraded at the old tennis courts, Franschhoek, Erf 1538.</p> <p>(h) that Council proceeds with the setting up of a Service Delivery Agreements for the provision of Bulk Parking, as required by Section 80(1) & (2), of the MSA and in particular section 80(1)(b) (which prescribes an SDA with a Private Company) for the areas mentioned under 4.7.1;</p> | | | | |
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| | | <p>(i) that the Service Delivery Agreement be approved by Council as a draft SDA prior to Community Participation takes place; and</p> <p>(j) that the matter of providing a synchronised total mobility network be urgently pursued with all the role-players participating in the mobility arena which includes Public Transport, Non-Motorised Transport, Transit Oriented Development, Parking and Universal Access.</p> <p><i>The following Councillors requested that their votes of dissent be minuted:</i></p> <p><i>Cllrs F Adams; FT Bangani-Menziwa (Ms); DA Hendrickse; N Mananga-Gugushe (Ms); C Moses (Ms); N Sinkinya (Ms); P Sitshoti (Ms) and LL Stander.</i></p> | | | | |
| | POSSIBLE DEVELOPMENT OF ERVEN 412 AND 284, GROENDAL BY WAY OF A CALL FOR PROPOSAL(S) | <p>POSSIBLE DEVELOPMENT OF ERVEN 412 AND 284, GROENDAL BY WAY OF A CALL FOR PROPOSAL(S)</p> <p>COUNCIL ITEM 5.4.1, 2020-03-31:</p> <p>After careful scrutiny of item 5.4.1: POSSIBLE DEVELOPMENT OF ERVEN 412 AND 284, GROENDAL, BY WAY OF A CALL FOR PROPOSAL(S), and as per the delegation approved by Council on 25 March 2020 (item 9.1) to confer Council powers and functions upon the Executive Mayor, as such I HEREBY APPROVE THE SAID ITEM AS FOLLOWS:</p> <p>(a) that erven 412 and 284, Le Roux, be identified as land not needed to provide the minimum level of basic municipal services;</p> <p>(b) that the Administration is authorised to follow a public Call-for-Proposal, based on the points system as set out in paragraph 6.2.9;</p> <p>© that approval is granted for the discounted sales prices as set out in paragraph 6.2.6 subject to the sales restrictions set out in paragraph 6.2.7;</p> <p>(d) that approval is granted for the qualifying criteria set out in paragraph 6.2.8;</p> <p>© that the discounted bulk infrastructure contribution as set out in paragraph 6.2.10, is approved; and</p> <p>(f) that, following the conditional awarding of the bid to the bidder(s) scoring the highest points, an item be submitted to Council to make a final decision on the disposal of the land.</p> | 2020-03-31 | LESTERVS | 55.00 | <p>The user department (Property Management) together with Department: Housing Development undertook a process to formulate a Call for Proposal in line with the approved agenda item.</p> <p>FQ to appoint a suitable, qualified and experienced professional service provider for the design of two site development plans was advertised on 25/03/2021 with a closing date of 01/04/2021.</p> |

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| | APPROVAL OF STELLENBOSCH ROADS MASTER PLAN | <p>APPROVAL OF STELLENBOSCH ROADS MASTER PLAN</p> <p>COUNCIL ITEM 7.7: 2020-04-30</p> <p>After careful scrutiny of the item: APPROVAL OF STELLENBOSCH ROADS MASTER PLAN, and as the delegation approved by Council on 25 March 2020 to confer Council power and functions upon the Executive Mayor, as such I HEREBY:</p> <p>On 2020-04-30 Mr Louw addressed the Mayor on the implications of the proposed plan. Item is referred back for refinement and further inputs and communication with Provincial Departments.</p> | 2020-04-30 | JOHANF | 60.00 | <p>Discussion held with Provincial Government. Additional requirements raised from Province that needs to be included into the Master Plan. Input from Province, Mayor, Councillors and Officials are being incorporated into the document.</p> <p>Master Plan was debated at S80 in February 2021 and will be submitted to MayCo in April 2021.</p> |
| | CONSIDERATION OF EXPENDITURE INCURRED RELATING TO SERVICES RENDERED BY INTERWASTE (PTY) LTD | <p>12.1.6 CONSIDERATION OF EXPENDITURE INCURRED RELATING TO SERVICES RENDERED BY INTERWASTE (PTY) LTD</p> <p>SPECIAL COUNCIL MEETING: 2020-06-12: ITEM 12.1.6</p> <p>RESOLVED (majority vote)</p> <p>(a) that Council takes note of the circumstances as provided in the report;</p> <p>(b) that investigation be done with regard to transgression of policies for disciplinary purposes and that the associated disciplinary steps be taken;</p> <p>(c) that Council certifies the expenditure of R 4 111 001.60 (VAT inclusive) to Interwaste (Pty) Ltd as irrecoverable and that this amount be written off; and</p> <p>(d) that Council writes off the irregular expenditure as irrecoverable in terms of the MFMA Section 32 (2).</p> <p><i>Cllr DA Hendrickse requested that his vote of dissent be minuted.</i></p> | 2020-06-12 | DEONL | 70.00 | <p>Plan of action:</p> <p>1. Report to MayCo in April 2021.</p> |
| | ENCROACHMENT APPLICATION HORIZON HOUSE ERF 3722 AND PORTIONS OF ROAD RESERVE: RETURN ITEM | <p>11.2.3 ENCROACHMENT APPLICATION HORIZON HOUSE ERF 3722 AND PORTIONS OF ROAD RESERVE: RETURN ITEM</p> <p>36th COUNCIL MEETING: 2020-07-29: ITEM 11.2.3</p> <p>RESOLVED (majority vote)</p> <p>(a) that Council considers the objection before making a final determination;</p> <p>(b) that, should Council decide to approve the encroachment application, the Municipal Manager be authorised to conclude the Agreement; and</p> | 2020-07-29 | PIETS | 90.00 | Submitted to DCS for signature. |

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| | | <p>© that consideration be given to the proposed delegation to the Municipal Manager in APPENDIX 5.</p> <p><i>The following Cllrs requested that their votes of dissent be minuted:</i></p> <p><i>Cllr F Adams; FT Bangani-Menziwe (Ms); G Cele (Ms); DA Hendrickse; LK Horsband (Ms); N Sinkinya (Ms); and P Sitshoti (Ms).</i></p> | | | | |
| 687976 | <p>FEEDBACK ON PUBLIC PARTICIPATION PROCESS: ENTERING INTO LAND AVAILABILITY AGREEMENTS WITH SOCIAL HOUSING INSTITUTIONS (SHIs) AND/OR OTHER DEVELOPMENT AGENCIES (ODAs) FOR THE DEVELOPMENT AND MANAGEMENT OF SOCIAL HOUSING ESTATES</p> | <p>11.4.1 FEEDBACK ON PUBLIC PARTICIPATION PROCESS: ENTERING INTO LAND AVAILABILITY AGREEMENTS WITH SOCIAL HOUSING INSTITUTIONS (SHIs) AND/OR OTHER DEVELOPMENT AGENCIES (ODAs) FOR THE DEVELOPMENT AND MANAGEMENT OF SOCIAL HOUSING ESTATES</p> <p>36th COUNCIL MEETING: 2020-07-29: ITEM 11.4.1</p> <p>RESOLVED (majority vote)</p> <p>(a) that Council takes note of inputs/comments that were received, following the public notice advertised;</p> <p>(b) that a phased approach be adopted to implement social housing in Stellenbosch;</p> <p>(c) that the property situated to the north of the town opposite Kayamandi, erven 81/2 and 81/9, Stellenbosch, commences with the procurement process to appoint a suitable SHIs and/or ODAs;</p> <p>(d) that phase 2 commences after the successful completion of the development as mentioned in © above on Remainder of erf 2149 better known as Lapland;</p> <p>(e) that phase 3 commences after the successful completion of the development as mentioned in (d) above on Remainder of Farm 180 better known as Teen-die-Bult; and</p> | 2020-07-29 | LESTERVS | 70.00 | <p>Social housing is strictly regulated by the SHRA. The user department has started to engage with the SHRA and PdoHS in preparing the necessary documentation to follow a Public Competitive Process.</p> <p>The BSC referred the draft Call for Proposal back to the user department in order to finalise the scoring criteria with SHRA and PDoHS. A workshop was held on 18 March 2021 with National Association of Social Housing Organisations (NASHO) to finalise the Call for Proposal.</p> |

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| | | <p>(f) that Council makes a final determination for the administration to commence with a process toward entering into Land Availability Agreements with SHIs and/or ODAs successful in a Public Competitive Process.</p> <p><i>Councillors F Adams; DA Hendrickse and LK Horsband (Ms) requested that their vote of dissent be minuted.</i></p> | | | | |
| | <p>PROGRESS UPDATE: COMPILATION OF DRAFT ADAM TAS CORRIDOR LOCAL SPATIAL DEVELOPMENT FRAMEWORK</p> | <p>11.7.1 PROGRESS UPDATE: COMPILATION OF DRAFT ADAM TAS CORRIDOR LOCAL SPATIAL DEVELOPMENT FRAMEWORK</p> <p>36th COUNCIL MEETING: 2020-07-29: ITEM 11.7.1</p> <p>RESOLVED (majority vote)</p> <p>(a) that Council takes cognizance that the process for the Compilation of the draft Adam Tas Corridor Local Spatial Development Framework has commenced;</p> <p>(b) that the Adam Tas Corridor geographic area to which the Local Spatial Development will apply, as specified in of this report, has been approved by the Municipal Manager;</p> <p>(c) that the Senior Manager: Development Planning has been assigned and appointed as the Project Leader for the formulation of the draft Adam Tas Corridor Local Spatial Development Framework;</p> <p>(d) that the process to procure a multi-disciplinary team to undertake the required professional services for the compilation of the draft Adam Tas Corridor Local Spatial Development Framework is currently underway; and</p> <p>(e) that a Project Team consisting of the following members have been identified to contract and project manage the Adam Tas Corridor Catalytic Initiative:</p> <ul style="list-style-type: none"> • Craig Alexander Pr Pln, Project Leader (Senior Manager: Development Planning) • Stiaan Carstens Pr Pln, Senior Manager: Development Management • Mr Lester van Stavel, Manager: Housing Development • Ms Jerri-Lee Mowers, Senior Manager: Development Services <p>The following Western Cape Government: Department of Environmental Affairs & Development Planning ("DEA&DP") representatives, listed</p> | 2020-07-29 | BERNABEDLBAT | 90.00 | <p>Built Environment Partnership (Pty) Ltd appointed as the multi-disciplinary team to assist Council with the compilation of the ATC LSDF.</p> <p>Discussion around the incorporation of Inclusionary Housing held on 2 March 2021. Final Inception report submitted on 16 March 2021 which includes project schedule and schedule of payments. Meeting held with PRASA and Roads authority on 18 March 2021 and to be continued on 25 March 2021. Land Use Planning workshop to consider and discuss proposals for land use parameters for the envisaged overlay-zone arranged for 25 March 2021. Envisage completion date end August 2021.</p> |

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| | | <p>below, will coordinate the input from WCG and serve as technical advisors to the Project Team:</p> <ul style="list-style-type: none"> • Ms Catherine Stone Pr Pln, Director: Spatial Planning; • Mr Kobus Munro Pr Pln, Director: Regulatory Planning; • Mr Jeremy Benjamin Pr Pln, Coordinator: Regional Socio-Economic Programme: Stellenbosch ("RSEP") <p><i>Councillors F Adams; DA Hendrickse and LK Horsband (Ms) requested that their votes of dissent be minuted.</i></p> | | | | |
| | DRAFT PROBLEM PROPERTY BY-LAW FOR STELLENBOSCH MUNICIPALITY | <p>13.2 DRAFT PROBLEM PROPERTY BY-LAW FOR STELLENBOSCH MUNICIPALITY</p> <p>36th COUNCIL MEETING: 2020-07-29: ITEM 13.2</p> <p>RESOLVED (nem con)</p> <p>(a) that the revised draft By-law on Problem Properties for Stellenbosch Municipality (WC024) attached as ANNEXURE 1 be recommended for approval in terms of Sections 11(3)(m) of the Local Government Municipal Systems Amendment Act 32 of 2000 and;</p> <p>(b) the administration proceed with the publication of the by-law.</p> | 2020-07-29 | STIAANC | 95.00 | Discussion planned between Planning and Economic Development and Community and Protection services to workshop the implementation of the by-law. |
| 690383 | LONGLANDS HOUSING PROJECT – CRITERIA FOR THE SELECTION OF BENEFICIARIES | <p>11.4.2 LONGLANDS HOUSING PROJECT – CRITERIA FOR THE SELECTION OF BENEFICIARIES</p> <p>37TH COUNCIL MEETING: 2020-08-24: ITEM 11.4.2</p> <p>RESOLVED (nem con)</p> <p>(a) that 60 Erven with Top Structures of the 144 Erven
(b) be allocated to beneficiaries residing in Longlands Property and that the original list of Longlands Property be used to determine these 60 beneficiaries;</p> <p>(ii) beneficiaries from Longlands Property who do not qualify be allocated Enhanced Serviced Sites, in which event these beneficiaries will be responsible to construct their own top structures;</p> <p>(b) that 42 Erven with Top structures of the 144 Erven be allocated to potential beneficiaries on the Longlands Broader Community Housing</p> | 2020-08-24 | ROTANDAS | 50.00 | Updating of all applicants for the Vlootenburg Area on the Housing Demand Database is in process. Verification of application names, dates and addresses is being done. |

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| | | <p>Demand Database, and that priority be given to potential beneficiaries over the age of 40 years and households with applicant(s) or dependants with permanent disability, in a registration ordered list and proof of such be obtained from SASSA;</p> <p>© that 4 of the 144 Erven be allocated to beneficiaries identified by Mr Kallie Kirsten as per agreement with the municipality; and</p> <p>(d) that 38 Erven of the 144 Erven be developed into a Temporary Residential Area (TRA), with 2 (Two) families being placed in each TRA Erf which will result in 76 opportunities, and that allocation be effected in the following manner:</p> <p>(i) 18 TRA sites be allocated to families residing in the Triangle, and 2 families placed in 1 (One) Erf. This will accommodate 35 families who currently reside in the Triangle;</p> <p>(ii) that 10% of the sites in the project, which is 14 sites, be reserved for persons in WC024 who qualify for housing assistance in terms of the Emergency Housing Policy; and</p> <p>(iii) that a further 6 of the sites be reserved for persons in WC024 who are deemed as "SPECIAL CASES" and residing in conditions that are dangerous and deemed a health hazard due to medical conditions which have resulted in permanent disability and warrant better living conditions. A detailed report of such person(s) is to be submitted to the Municipal Manager for approval.</p> | | | | |
| 688647 | REQUEST FOR INTRODUCTION OF STELLENBOSCH MUNICIPALITY DRAFT BY-LAW ON PARKING | <p>11.5.1 REQUEST FOR INTRODUCTION OF STELLENBOSCH MUNICIPALITY DRAFT BY-LAW ON PARKING</p> <p>37TH COUNCIL MEETING: 2020-08-24: ITEM 11.5.1</p> <p>RESOLVED (nem con)</p> <p>(a) that the content of this report be noted;</p> <p>(b) that the Draft By-Law on Parking, attached as ANNEXURE A, be accepted as per Section 12(1) of the Municipal Systems Act, as amended; and</p> <p>(c) that a Public Participation process be launched as per Section 12(3)(b) and Section 21 of the Municipal Systems Act.</p> | 2020-08-24 | DEONL | 90.00 | <p>Public participation process was in September/October 2020.</p> <p>By-Law delayed enabling synchronisation with outdoor dining policy. To serve at Council in March 2021.</p> |

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| 688645 | REQUEST FOR INTRODUCTION OF STELLENBOSCH MUNICIPALITY DRAFT BY-LAW ON ROADS AND STREETS | <p>11.5.2 REQUEST FOR INTRODUCTION OF STELLENBOSCH MUNICIPALITY DRAFT BY-LAW ON ROADS AND STREETS</p> <p>37TH COUNCIL MEETING: 2020-08-24: ITEM 11.5.2</p> <p>RESOLVED (nem con)</p> <p>(a) that the content of this report be noted;</p> <p>(b) that the Draft By-Law on Roads and Streets, attached as ANNEXURE A, be accepted as per Section 12(1) of the Municipal Systems Act, as amended; and</p> <p>(c) that a Public Participation process be launched as per Section 12(3)(b) and Section 21 of the Municipal Systems Act.</p> | 2020-08-24 | DEONL | 90.00 | By-Law delayed enabling synchronisation with outdoor dining policy. To serve at Council in March 2021. |
| | REPORT TO COUNCIL REGARDING THE INVESTIGATION INTO ALLEGATIONS OF MISCONDUCT BY CLR R DU TOIT | <p>17.2 REPORT TO COUNCIL REGARDING THE INVESTIGATION INTO ALLEGATIONS OF MISCONDUCT BY CLR R DU TOIT</p> <p>37TH COUNCIL MEETING: 2020-08-24: ITEM 17.2</p> <p>Before deliberations on the matter, Cllr DD Joubert and R Du Toit (Ms) recused themselves from the meeting for the duration of the item.</p> <p>RESOLVED (nem con)</p> <p>a) that the item be referred to the Disciplinary Committee for Councillors to investigate and make a finding on any alleged breach of the Code of conduct; and</p> <p>b) that, following the investigation, the Disciplinary Committee to make appropriate recommendations to the Council in the event of findings.</p> | 2020-08-24 | JCANTHONY | 78.00 | <p>Initiator appointed in February 2021 to finalize the matter.</p> <p>Disciplinary Committee Meeting to be held in April 2021 to conclude case.</p> |
| | EXTENSION OF CESSION AND ASSIGNMENT OF LEASES: LEASE AREA 1 OVER REMAINDER FARM 377F AND LEASE AREA 1 OVER ERF 9190 | <p>11.2.1 EXTENSION OF CESSION AND ASSIGNMENT OF LEASES: LEASE AREA 1 OVER REMAINDER FARM 377F AND LEASE AREA 1 OVER ERF 9190</p> <p>38TH COUNCIL MEETING: 2020-10-28: ITEM 11.2.1</p> <p>RESOLVED (majority vote)</p> <p>(a) that Council takes note of the written submission on the status of the Empower initiatives and the request to extend the ceding of the lease;</p> <p>(b) that the proposed ceding and assignment of the Lease Agreement in relation to Lease Area 1 over Remainder Farm 377 and Lease Area 1 over Remainder erf 9190 to Kleine Zalze's BEE Newco be approved in principle for a period of 9 years and 11 months on condition that yearly</p> | 2020-10-28 | PIETS | 80.00 | Return item submitted for council consideration. Will serve in April 2021 |

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| | | <p>reports be provided to the Municipality in regard to the progress of the black empowerment company;</p> <p>(c) that the Municipality's intention to cede the rights to the lease for a period of 9 years and 11 months be advertised for inputs/alternative proposals or objections.</p> <p>(d) that the current and future road reserves be excluded from any agreement; and</p> <p>(e) that the possible extension of the lease be reviewed/considered after 2029 taking into Account the progress on empowerment and BBBEE initiatives.</p> <p><i>The following Councillors requested that their votes of dissent be minuted:</i></p> <p><i>Cllrs FT Bangani-Menziwe (Ms); G Cele (Ms); DA Hendrickse; LK Horsband (Ms); C Moses (Ms); RS Nalumango; N Sinkinya (Ms); P Sitshoti (Ms) and LL Stander.</i></p> | | | | |
| | VOORGELEGEN COMPLEX: INFORMATION STATEMENT | <p>11.2.2 VOORGELEGEN COMPLEX: INFORMATION STATEMENT</p> <p>38TH COUNCIL MEETING: 2020-10-28: ITEM 11.2.2</p> <p>RESOLVED (majority vote)</p> <p>(a) that Council approves the information statement attached as Appendix 1 for Public Participation; and</p> <p>(b) that, following the Public Participation process, a report be submitted to Council in order to consider the future use of the Voorgelegen Complex.</p> | 2020-10-28 | PIETS | 80.00 | Return item to be submitted for council consideration. Currently out for inputs from Directorates. |
| | POSSIBLE DISPOSAL OF ERF 4810 (3 SWAWELAAN), ERF 4811 (3A SWAWELAAN) AND ERF 4812 (6 TINKTINKIE STREET) STELLENBOSCH | <p>12.2.4 POSSIBLE DISPOSAL OF ERF 4810 (3 SWAWELAAN), ERF 4811 (3A SWAWELAAN) AND ERF 4812 (6 TINKTINKIE STREET) STELLENBOSCH</p> <p>38TH COUNCIL MEETING: 2020-10-28: ITEM 11.2.4</p> <p>RESOLVED (majority vote)</p> <p>(a) that Erf 4810, Erf 4811 and Erf 4812 Stellenbosch, be identified as land not needed to Provide the minimum of basic services;</p> | 2020-10-28 | ANNALEND B | 70.00 | The terms of reference and date is in the process of with the auctioneer. As soon as that is done the auctioneer will advertise the date for the auction as well as all requirements and prescriptions attached. |

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| | | <p>(b) that Council approves the disposal of the 3 erven by public auction at a market related price with a reserve set price determined by a valuation;</p> <p>© that the Municipal Manager be authorised to conclude the sale agreements after the auction, provided that the sale prices are not lower than the reserve price; and</p> <p>(d) that the three erven be disposed of to different buyers.</p> <p><i>The following Councillors requested that their votes of dissent be minuted:</i></p> <p><i>Cllrs FT Bangani-Menziwe (Ms); C Moses (Ms); RS Nalumango; N Sinkinya (Ms); P Sitshoti (Ms) and LL Stander.</i></p> | | | | Planned to be dealt with in April 2021. |
| | <p>STELLENBOSCH MUNICIPALITY:
ALIGNMENT OF THE MUNICIPAL INTEGRATED HUMAN SETTLEMENT PLAN (IHSP) WITH THE GUIDELINES AS PROPOSED BY THE WESTERN CAPE GOVERNMENT: HUMAN SETTLEMENTS</p> | <p>11.4.1 STELLENBOSCH MUNICIPALITY: ALIGNMENT OF THE MUNICIPAL INTEGRATED HUMAN SETTLEMENT PLAN (IHSP) WITH THE GUIDELINES AS PROPOSED BY THE WESTERN CAPE GOVERNMENT: HUMAN SETTLEMENTS</p> <p>38TH COUNCIL MEETING: 2020-10-28: ITEM 11.4.1</p> <p>RESOLVED (majority vote)</p> <p>(a) that a new Integrated Human Settlement Plan (IHSP) be compiled that adheres to the "Guidelines for the Preparation of Municipal Human Settlement Plans" as proposed by the Western Cape Government: Department Human Settlements, subject to funding being made available; and</p> <p>(b) that a new Integrated Human Settlements Plan (IHSP) be developed that aligns housing development with the long-term vision as envisaged in the approved Integrated Development Plan and the Municipal Spatial Development Framework.</p> <p><i>The following Councillors requested that their votes of dissent be minuted:</i></p> <p><i>Cllrs FT Bangani-Menziwe (Ms); DA Hendrickse; LK Horsband (Ms); C Moses (Ms); RS Nalumango; N Sinkinya (Ms); P Sitshoti (Ms) and LL Stander.</i></p> | 2020-10-28 | LESTERVS | 60.00 | <p>It is a requirement that the IHSP be aligned with the Stellenbosch Municipality's approved Integrated Development Plan and Spatial Development Framework.</p> <p>The tender closed on 15 February 2021 and the bids have been received, evaluated, and sent to Supply Chain Management for appointment of a suitable service provider to commence with the project.</p> |

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| | <p>FEEDBACK AND WAY FORWARD IN RESPECT OF THE BUSINESS WEBINAR STELLENBOSCH WC024 & COVID-19: REALITIES, REMEDIES, ROAD AHEAD, HELD ON 23 JULY 2020</p> | <p>11.7.2 FEEDBACK AND WAY FORWARD IN RESPECT OF THE BUSINESS WEBINAR STELLENBOSCH WC024 & COVID-19: REALITIES, REMEDIES, ROAD AHEAD, HELD ON 23 JULY 2020</p> <p>38TH COUNCIL MEETING: 2020-10-28: ITEM 11.7.2</p> <p>RESOLVED (majority vote)</p> <p>(a) that Council takes note of the comments and / or inputs submitted during the webinar and the written submissions;</p> <p>(b) that the Department: Development Planning be authorised to, through the Office of the Municipal Manager, allocate point person(s) from each Directorate to investigate the submissions and compile an Action Plan, which must be submitted to the next Council Meeting;</p> <p>(c) that, as part of point (b), an engagement be held with the following sectors, through virtual meetings, and if required, in person engagements, on the following preliminary dates, as per schedule attached as APPENDIX 3:</p> <ul style="list-style-type: none"> • Tourism (Wine Industry, Events & Filming) – 04 September 2020 • Manufacturing – 08 September 2020 • Construction & Finance – 15 September 2020 • Agriculture – 09 September 2020 • Informal Sector – 10 September 2020 • Education – 18 September 2020 <p>(d) that the Department: Development Planning compiles a detailed proposed Action Plan, to be included in the Stellenbosch Municipality Economic Recovery Plan, which must be completed before end February 2021, and which must be submitted to Council for consideration by November 2021, taking into account the financial, operational and risk implications; and</p> <p>© that, in the event 'quick' wins or responses are identified, that such initiatives be brought to Council at the next Council Meeting and be documented as part of the proposed Action Plan, and where such interventions are delegated to the Municipal Manager, that such interventions be implemented and Council be notified accordingly.</p> | 2020-10-28 | CRAIGA | 55.00 | Workshops to be arranged during April 2021 whereafter a final report will be submitted for Council consideration in May 2021. |
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| | | <i>Cllrs FT Bangani-Menziwe (Ms); DA Hendrickse; LK Horsband (Ms); C Moses (Ms); RS Nalumango; N Sinkinya (Ms) and LL Stander.</i> | | | | |
| 691675 | INVESTIGATION OF THE RHENISH COMPLEX FOR ECONOMIC DEVELOPMENT OPPORTUNITIES | <p>11.7.3 INVESTIGATION OF THE RHENISH COMPLEX FOR ECONOMIC DEVELOPMENT OPPORTUNITIES</p> <p>38TH COUNCIL MEETING: 2020-10-28: ITEM 11.7.3</p> <p>RESOLVED (majority vote)</p> <p>(c) that Council takes note of the numerous studies and planning over the years that were done on the Rhenish Complex without any noticeable implementation of the approved recommendations;</p> <p>(d) that Council approves the request of the Directorate: Planning & Economic Development to investigate the development of all municipal owned landholdings within the demarcated areas as depicted within the boundaries of Dorp-, Herte-, Alexander-, Market-, Bird- and Mill Street for potential economic opportunities to kick start the development of the entire Rhenish Complex;</p> <p>(e) ©that the investigation into the development of the Council owned landholdings considers the context of the surrounding spaces in the town centre; and</p> <p>(f) that such an investigation be done within three months after which a report with a request for the advertisement of the proposals be tabled to Council to enable the phased implementation of such proposals.</p> <p><i>Cllrs FT Bangani-Menziwe (Ms); DA Hendrickse; LK Horsband (Ms); C Moses (Ms); RS Nalumango; N Sinkinya (Ms) and LL Stander.</i></p> | 2020-10-28 | BERNABEDLBAT | 45.00 | <p>FQ was advertised for Service Provider to do comparative analysis report on all the studies compiled within the area. The preferred bid exceeded the threshold for FQ of R200 000 and had to be re-advertised as preferred bidder included a landscape proposal which was not required for the TOR.</p> <p>FQ re-advertised on 25/03/2021 with a closing date of 01/04/2021. Completion date envisaged to be 3 months (end June 2021).</p> |

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| 694269 | PROGRESS REPORT IN RESPECT OF THE USAGE OF THE AGRICULTURAL LAND LEASED TO THE EMERGING FARMERS AND PROVIDING FEEDBACK ON POTENTIAL FURTHER LEASEHOLD FARMS TO POTENTIAL EMERGING FARMERS | <p>11.8.1 PROGRESS REPORT IN RESPECT OF THE USAGE OF THE AGRICULTURAL LAND LEASED TO THE EMERGING FARMERS AND PROVIDING FEEDBACK ON POTENTIAL FURTHER LEASEHOLD FARMS TO POTENTIAL EMERGING FARMERS</p> <p>38TH COUNCIL MEETING: 2020-10-28: ITEM 11.8.1</p> <p>RESOLVED (majority vote)</p> <p>(a) that cognizance be taken of the farming activities as outlined in paragraph 6.3 of this report;</p> <p>(b) that an investigation be launched in respect of the land not previously allocated, as outlined in paragraph 6.4 of this report, for the use of livestock farming, specifically for the purposes of accommodating piggeries and bee farming, and that a report with recommendations in respect of such an investigation be tabled to Council;</p> <p>© that note be taken of the additional agricultural land parcels referred to in paragraph 6.5 of this report, and that the further investigation by the Directorate: Planning & Economic Development be supported to inform Council of the possible and best use of such agricultural land for the purpose of allocating such land to emerging farmers;</p> <p>(d) that financial support mechanisms be investigated by the Directorate: Planning & Economic Development, in consultation with the Western Cape Government: Department of Agriculture (Farmers Support Programme) and the National Department of Rural Development and Land Reform, to support emerging farmers with potential infrastructure- and operational shortcomings;</p> <p>© that the Directorate: Planning & Economic Development submits the investigation report referred to in recommendation (d) above to Council for noting purposes, and to distribute the list of funding organisations and / or mechanisms to emerging farmers to assist with the compilation of their business plans; and</p> <p>(f) that the Department: Development Planning & Economic Development commences with research to provide proposals to enable emerging farmers with the option for the placement of accommodation units for security and storage purposes, which include ablution facilities on the individual land parcels which were allocated.</p> | 2020-10-28 | DUDLEYA
TAMZINL | 80.00 | A progress report will be submitted to the S80 Committee scheduled for April 2021 and thereafter to MayCo. |
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OUTSTANDING RESOLUTIONS MARCH 2021

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| | | <i>Cllrs DA Hendrickse and LK Horsband (Ms) requested that their votes of dissent be minuted.</i> | | | | |
| | REPORT TO COUNCIL REGARDING THE INVESTIGATION INTO ALLEGATIONS OF MISCONDUCT BY COUNCILLOR F ADAMS | <p>17.1 REPORT TO COUNCIL REGARDING THE INVESTIGATION INTO ALLEGATIONS OF MISCONDUCT BY COUNCILLOR F ADAMS</p> <p>38TH COUNCIL MEETING: 2020-10-28: ITEM 17.1</p> <p>Before deliberations on the matter, the Executive Mayor, Ald G Van Deventer (Ms); Cllrs P Crawley (Ms) and AR Frazenburg recused themselves for the duration of the matter.</p> <p>RESOLVED (majority vote with abstentions)</p> <p>(a) that the matter be referred to the Disciplinary Committee for Councillors to investigate and make a finding on any alleged breach of the Code of Conduct; and</p> <p>(b) that, following the investigation, to make appropriate recommendations to the Council in the event of a guilty finding.</p> <p><i>Councillor DA Hendrickse requested that his vote of dissent be minuted.</i></p> | 2020-10-28 | JCANTHONY | 78.00 | <p>Initiator appointed through SCM process in February 2021.</p> <p>Disciplinary Committee to meet in April 2021 to conclude case.</p> |
| | REPORT ON NON-ATTENDANCE OF THREE OR MORE CONSECUTIVE COUNCIL MEETINGS RE: COUNCILLOR MD OLIPHANT | <p>17.2 REPORT ON NON-ATTENDANCE OF THREE OR MORE CONSECUTIVE COUNCIL MEETINGS RE: COUNCILLOR MD OLIPHANT</p> <p>38TH COUNCIL MEETING: 2020-10-28: ITEM 17.2</p> <p>During deliberations on the matter, the DA requested a 5 minuted break, which the Speaker allowed.</p> <p>After the meeting resumed it was</p> <p>RESOLVED (majority vote with abstentions)</p> <p>(a) that Council notes the absence without substantiated evidence of Cllr MD Oliphant from the respective three Council meetings dated Wednesday, 29 July 2020, Monday 24th August 2020 and Friday 11th September 2020;</p> <p>(b) that Council notes that the Councillor was requested to provide input by the Speaker's office;</p> | 2020-10-28 | JCANTHONY | 80.00 | <p>Disciplinary Committee Meeting held on 22/02/2021.</p> <p>Item submitted for Council consideration at the March 2021 Council Meeting.</p> |

OUTSTANDING RESOLUTIONS MARCH 2021

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| | | <p>(c) that the matter be referred to the disciplinary Committee for finalization of the process</p> <p><i>Councillor DA Hendrickse requested that his vote of dissent be minuted.</i></p> | | | | |
| | <p>APPLICATION FOR A OF LEASE AGREEMENT: FRANSCHHOEK LIFE CRAFT CENTRE: ERF 143, FRANSCHHOEK</p> | <p>11.2.2 APPLICATION FOR A OF LEASE AGREEMENT: FRANSCHHOEK LIFE CRAFT CENTRE: ERF 143, FRANSCHHOEK</p> <p>39TH COUNCIL MEETING: 2020-11-25: ITEM 11.2.2</p> <p>RESOLVED (majority vote with 1 abstention)</p> <p>(a) that a portion of Erf 143, Franschhoek, be identified as land not needed for own use as provided for in Regulation 36 of the Asset Transfer Regulations;</p> <p>(b) that Council does not approve the application;</p> <p>(c) that the department be requested to advertise for businesses to provide proposals on the future use of the property, and that the proposals include an indication of the type of business, a business plan, and the number of employment opportunities;</p> <p>(d) that Council will consider the proposals and then make a determination on which proposal to approve before a lease agreement will be entered into with a new lessee; and</p> <p>(e) that the Life Craft Centre be given notice to vacate the property by no later than 30 March 2021.</p> | 2020-11-25 | PIETS | 90.00 | Call for proposals was advertised with a closing date of 25 January 2021. A return item is currently in circulation for inputs from Directorates. |
| | <p>INVESTIGATION WITH REGARDS TO THE VARIOUS RESIDENTIAL PROPERTIES IN MONT ROCHELLE NATURE RESERVE</p> | <p>11.6.1 INVESTIGATION WITH REGARDS TO THE VARIOUS RESIDENTIAL PROPERTIES IN MONT ROCHELLE NATURE RESERVE</p> <p>39TH COUNCIL MEETING: 2020-11-25: ITEM 11.6.1</p> <p>RESOLVED (majority vote with 1 abstention)</p> <p>(a) that Council approves Option 3: the redesign of the existing layout of erven in Mont Rochelle Nature Reserve;</p> <p>(b) that Option 3 be implemented once budget for this purpose becomes available;</p> <p>(c) that existing landowners of erven in sensitive areas be offered a like-for-like (with reference to erf size) proposal in a less sensitive location within</p> | 2020-11-25 | SCHALKVDM | 15.00 | A proposal, in consultation with Property Management, on the way forward to be submitted to the Municipal Manager for consideration by end of May 2021. |

OUTSTANDING RESOLUTIONS MARCH 2021

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| | | <p>the revised layout, as provided for in Paragraph 9.2.3 of the Property Management Policy;</p> <p>(d) that the Municipal Manager be authorised to finalise the above process insofar as an agreement between the relevant landowners can be reached; and</p> <p>(e) that the remaining unsold erven be de-proclaimed and consolidated into Mont Rochelle Nature Reserve.</p> <p><i>Councillors DA Hendrickse and LK Horsband (Ms) requested that their votes of dissent be minuted.</i></p> | | | | |
| | LEASE OF COUNCIL-OWNED LAND FOR (ADDITIONAL) PARKING PURPOSES: ATTERBURY: PORTION OF LEASE FARM 369P | <p>13.6 LEASE OF COUNCIL-OWNED LAND FOR (ADDITIONAL) PARKING PURPOSES: ATTERBURY: PORTION OF LEASE FARM 369P</p> <p>39TH COUNCIL MEETING: 2020-11-25: ITEM 13.6</p> <p>RESOLVED (majority vote)</p> <p>(a) that the portion of Lease Farm 369P, consisting of 100 parking bays be identified as land not needed for any other municipal service;</p> <p>(b) that council in principle approves the lease agreement with Atterbury, to enable them to use a portion of Lease Farm 369P, consisting of 100 parking bays;</p> <p>(c) that Council's intention to conclude a lease Agreement with Atterbury for a period of 12 months without following a supply chain process be advertised for public comments/inputs/objections, whereafter a return item will be submitted to Council to make a final determination in this regard;</p> <p>(d) that council lease the land based on the "encroachment" parking tariffs as approved in the latest tariff book; and</p> <p>(e) that the applicants be allowed to use the parking bays until council can make a final determination provided that the tariff set out in the tariff book is paid on a monthly basis.</p> <p><i>Councillors DA Hendrickse and LK Horsband (Ms) requested that their votes of dissent be minuted.</i></p> | 2020-11-25 | PIETS | 90.00 | Return item submitted is currently circulating for departmental inputs. |
| 698326 | FEEDBACK ON PUBLIC PARTICIPATION | FEEDBACK ON PUBLIC PARTICIPATION PROCESS: PROPOSED DISPOSAL (THROUGH A LAND AVAILABILITY AGREEMENT) OF MUNICIPAL LAND, ERF | LESTERVS | 2020-11-25 | 60.00 | Stage 2 of the Call for Proposals served at the BSC on 04 November |

OUTSTANDING RESOLUTIONS MARCH 2021

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| | PROCESS: PROPOSED DISPOSAL (THROUGH A LAND AVAILABILITY AGREEMENT) OF MUNICIPAL LAND, ERF 7001, CLOETESVILLE, STELLENBOSCH AND THE APPOINTMENT OF A TURNKEY DEVELOPER / IMPLEMENTING AGENT IN ORDER TO FACILITATE THE DELIVERY OF GAP HOUSING UNITS | <p>7001, CLOETESVILLE, STELLENBOSCH AND THE APPOINTMENT OF A TURNKEY DEVELOPER / IMPLEMENTING AGENT IN ORDER TO FACILITATE THE DELIVERY OF GAP HOUSING UNITS</p> <p>39TH COUNCIL MEETING: 2020-11-25: ITEM 13.10</p> <p>RESOLVED (majority vote)</p> <p>(a) that Council takes note of inputs/comments that were received, following the public notice advertised;</p> <p>(b) that preference be given to residents that qualify as first-time homeowners living in Cloetesville area and thereafter to qualifying first-time homeowners within the WCO24;</p> <p>(c) that the procurement process to appoint a Turnkey Developer / Implementing Agent for the planning and implementation of Erf 7001, Cloetesville, Stellenbosch, continues as advertised; and</p> <p>(d) that after the procurement process has been concluded by the BAC, a further report will be submitted to Council.</p> | | | | <p>2020 to approve the specifications in order to request the bidders to submit their financial proposals. An item was submitted to MayCo/Council in February 2021 to obtain approval on the preferred conceptual site development layout. Stage 2 of the Call for Proposals will be concluded thereafter.</p> <p>Note:
As a result of a Council meeting held on 24 February 2021 (In-Committee), the tender was cancelled at the BAC on 05 March 2021.</p> <p>The user department is currently drafting new specifications for a Tender / Call for Proposal and will be submitted to the BSC for approval.</p> |
| | PROPOSED AMENDED LEASE AGREEMENT: KARLIEN AND KANDAS CRECHE: ERVEN 12758 AND 12759, STELLENBOSCH | <p>11.2.2 PROPOSED AMENDED LEASE AGREEMENT: KARLIEN AND KANDAS CRECHE: ERVEN 12758 AND 12759, STELLENBOSCH</p> <p>40TH COUNCIL MEETING: 2021-01-27: ITEM 11.2.2</p> <p>RESOLVED (majority vote)</p> <p>(a) that it be confirmed that erven 12758 and 12759 were identified as land not needed for municipal purpose for the period for which the rights are awarded;</p> <p>(b) that Council notes that a current lease agreement with the Lessee exists;</p> <p>(c) that Council approves, in principle, the amendment to the period of lease from an undetermined period to a period of 9 years and 11 months;</p> <p>(d) that public comments/objections be requested on the amendment of the lease, and that the item be resubmitted after the public participation process; and</p> | PIETS | 2021-01-27 | 50.00 | <p>Notice was published for public comment/input.</p> <p>Return item will be submitted in April 2021.</p> |

OUTSTANDING RESOLUTIONS MARCH 2021

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| | | <p>(e) that the determination of the monthly rental and the decision on the costs for rezoning of the property stand over until after the public participation process has been completed.</p> <p><i>Councillors F Adams; G Cele (Ms) and LK Horsband (Ms) requested that their votes of dissent be minuted.</i></p> | | | | |
| | <p>APPLICATION FOR A LONG-TERM LEASE AGREEMENT BETWEEN STELLENBOSCH MUNICIPALITY AND THE STELLENBOSCH FLYING CLUB: PORTION L OF FARM 502, STELLENBOSCH</p> | <p>11.2.3 APPLICATION FOR A LONG-TERM LEASE AGREEMENT BETWEEN STELLENBOSCH MUNICIPALITY AND THE STELLENBOSCH FLYING CLUB: PORTION L OF FARM 502, STELLENBOSCH</p> <p>40TH COUNCIL MEETING: 2021-01-27: ITEM 11.2.3</p> <p>RESOLVED (majority vote)</p> <p>(a) that Council takes note of the inputs received from the WCED;</p> <p>(b) that the lease be approved to be entered into for a period of 9 years and 11 months with an option to renew the agreement after this initial period;</p> <p>(c) that before the lease is signed, proof be submitted from the Western Cape Education Department on the agreement reached between the WCED and the Flying Club;</p> <p>(d) that a market-related monthly rental of R30 080.00 (the average of the two new evaluations) be charged from 1 April 2021;</p> <p>(e) that the rental be escalated by CPI on the first day of the financial year annually, excluding 1 July 2021;</p> <p>(f) that, if the Flying Club wishes to enter into a sub-lease arrangement, such sub-lease must be approved by Council;</p> <p>(g) that Council approves the sub-leases with the current companies operating on the field and with whom sub-leases were approved previously;</p> <p>(h) that the delegation to approve any other sub-leases be delegated to the Municipal Manager;</p> | PIETS | 2021-01-27 | 50.00 | <p>Stellenbosch Flying Club was informed of the outcome.</p> <p>Awaiting confirmation that an agreement was reached with Provincial Governments regarding aeronautical school.</p> |

OUTSTANDING RESOLUTIONS MARCH 2021

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| | | <p>(i) that the agreement may be terminated earlier on a 12 months' notice period if the land is needed for municipal services; and</p> <p>(j) that the Flying Club pays the taxes and services punctually.</p> <p><i>Councillors F Adams; C Moses (Ms) and LK Horsband (Ms) requested that their votes of dissent be minuted.</i></p> | | | | |
| | REQUEST TO COMMENCE WITH THE INVESTIGATION INTO THE USE AND GENERATION OF ALTERNATE ELECTRICITY ENERGY SUPPLIES | <p>11.5.1 REQUEST TO COMMENCE WITH THE INVESTIGATION INTO THE USE AND GENERATION OF ALTERNATE ELECTRICITY ENERGY SUPPLIES</p> <p>40TH COUNCIL MEETING: 2021-01-27: ITEM 11.5.1</p> <p>RESOLVED (nem con)</p> <p>(a) that Council approves the investigation into alternate methods of electricity generation and purchases;</p> <p>(b) that Council approves the joint investigation to be done by University of Stellenbosch, Council for Scientific and Industrial Research (CSIR), and the Western Cape Government;</p> <p>(c) that Council accepts the initiating of the following processes as may be required:</p> <p>i. Municipal Systems Act, Section 78(1) processes</p> <p>ii. Municipal Finance Management Act, Section 33 investigation processes</p> <p>iii. Electricity Regulation Act, Section 13; and</p> <p>(d) that Council considers the funding of such investigations and implementation of completed investigations within the determination of the 2021/22 budget process.</p> | DEONL | 2021-01-27 | 40.00 | <p>1. MOU with University and CSIR signed.</p> <p>2. MOU with PGWC to be signed shortly.</p> <p>3. Commenced with study on Solar Panels on Municipal Buildings.</p> <p>4. Proposed funds on 2021/22 budget for implementation of Solar Panels and investigations into Economically Viable Projects as well as licencing to generate or purchase from Independent Power Producers.</p> |
| | ALLOCATION OF FUNDS TO ORGANISATIONS PROVIDING FOOD TO THE HOMELESS DURING THE COVID-19 LOCKDOWN PERIOD | <p>13.1 ALLOCATION OF FUNDS TO ORGANISATIONS PROVIDING FOOD TO THE HOMELESS DURING THE COVID-19 LOCKDOWN PERIOD</p> <p>40TH COUNCIL MEETING: 2021-01-27: ITEM 11.10.3</p> | CRAIGA | 2021-01-27 | 60.00 | Return item to be submitted at April 2021 Council meeting. |

OUTSTANDING RESOLUTIONS MARCH 2021

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| | | <p>RESOLVED (nem con)</p> <p>that this matter be referred back to the Administration for further refinement, whereafter same be resubmitted at a next Council meeting.</p> | | | | |
| | <p>ERF 13246, STELLENBOSCH: DUTCH REFORM CHURCH: WELGELEGEN: APPLICATION TO ENFORCE FALL-BACK CLAUSE</p> | <p>8.1.1 ERF 13246, STELLENBOSCH: DUTCH REFORM CHURCH: WELGELEGEN: APPLICATION TO ENFORCE FALL-BACK CLAUSE</p> <p>SPECIAL COUNCIL MEETING: 2021-02-24: ITEM 8.1</p> <p>RESOLVED (majority vote)</p> <p>(a) that Council invokes the buy-back clause;</p> <p>(b) that the Municipal Manager be mandated to negotiate a mutually agreed price to buy back erf 13246, Stellenbosch, from the Dutch Reform Church: Welgelegen; and</p> <p>(c) that the Municipal Manager reports back to Council on the price before a final decision is made and the sale agreement is signed.</p> <p><i>The following Councillors requested that their votes of dissent be minuted:</i></p> <p><i>Cllr G Cele (Ms); FT Bangani-Menziwe (Ms); N Mananga-Gugushe (Ms); C Moses (Ms); RS Nalumango (Ms); N Sinkinya (Ms); P Sitshoti (Ms) and LL Stander.</i></p> | PIETS | 2021-02-24 | 50.00 | <p>Dutch Reform Church to be informed of the outcome.</p> <p>Negotiations on the price to buy back Erf 13246 from the DRC in process and will be concluded in due course.</p> |

NB: RESPONSES OBTAINED FROM RELEVANT DEPARTMENTS

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| 10. | ITEMS FOR NOTING |
| 10.1 | REPORT/S BY THE EXECUTIVE MAYOR |
| 10.1.1 | REPORT ON THE DECISIONS TAKEN BY THE EXECUTIVE MAYOR FOR THE QUARTER: OCTOBER 2020 TO DECEMBER 2020 |

Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance

24 February 2021

1. **SUBJECT: REPORT ON THE DECISIONS TAKEN BY THE EXECUTIVE MAYOR FOR THE QUARTER: OCTOBER 2020 TO DECEMBER 2020**

2. **PURPOSE**

To inform Council of the decisions taken by the Executive Mayor from April 2020 to September 2020 (see **APPENDIX 1**).

3. **DELEGATED AUTHORITY**

As per the delegations from Council and powers vested in the Executive Mayor by legislation.

For Notification

4. **EXECUTIVE SUMMARY**

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."

5. **RECOMMENDATIONS**

that Council take note of the decisions by the Executive Mayor.

6. **DISCUSSION / CONTENTS**

6.1 **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."

6.2 **Discussion**

Council approved delegations to the Executive Mayor and legislation also contains powers that are vested in the Executive Mayor on which reports are made for notification.

6.3 **Financial Implications**

Dealt with in terms of the approved budget.

6.4 Legal Implications

The decisions are in line with approved delegations or powers vesting in the Executive Mayor.

6.5 Staff Implications

This report has no additional staff implications to the Municipality.

6.6 Previous / Relevant Council Resolutions

Item 10.1.1 – Council meeting: 2020-10-28

6.7 Risk Implications

Risk implications are mitigated when decisions taken are in line with approved powers and functions.

6.8 Comments from Senior Management:

The report was not circulated for comment. The Executive Mayor discusses relevant issues with the Municipal Manager who takes up actions with the Directors directly.

ANNEXURES

Annexure 1: Decisions taken by the Executive Mayor in the period October to December 2020.

FOR FURTHER DETAILS CONTACT:

| | |
|------------------------|--|
| <i>NAME</i> | DONOVAN MULLER |
| <i>POSITION</i> | <i>MANAGER: COUNCIL SUPPORT</i> |
| <i>DIRECTORATE</i> | <i>CORPORATE SERVICES</i> |
| <i>CONTACT NUMBERS</i> | <i>021 8088314</i> |
| <i>E-MAIL ADDRESS</i> | Donovan.Muller@ Stellenbosch.gov.za |
| <i>REPORT DATE</i> | <i>14 January 2021</i> |

ANNEXURE 1

DELEGATIONS EXERCISED FOR PERIOD [OCTOBER - DECEMBER 2020]

EXECUTIVE MAYOR

| Delegation | Category | Report Subject and Recommendations | Date Received | Date Resolved | Resolution and Comments (if any) |
|------------|----------|--|---------------|---------------|--|
| 110 | FINANCE | S 71 monthly budget monitoring report for September 2020 | 24/11/2020 | 26/11/2020 | Approved |
| 110 | FINANCE | S 71 monthly budget monitoring report for October 2020 | 24/11/2020 | 26/11/2020 | Approved |
| 110 | FINANCE | S 71 monthly budget monitoring report for November 2020 | 15/12/2020 | 15/12/2020 | Approved |
| | | | | | |
| 110 | FINANCE | S 52 Quarterly budget monitoring report 1st quarter | 28/10/2020 | 28/10/2020 | Approved |
| | | | | | |
| | PLANNING | Appeal lodged in terms of section 79(2) of the Stellenbosch Municipal Land Use Planning by-law (2015) against the decision of the Stellenbosch Municipal Planning Tribunal to approve the application for a consent use in order to establish a guest house on erf 660, Franschhoek [LU/8676] | 15/09/2020 | 22/12/2020 | Confirm [see attached document – APPENDIX 1] |
| | PLANNING | Appeal lodged in terms of section 79(2) of the Stellenbosch Municipal Land Use Planning by-law (2015) against the decision of the MPT to approve the application for removal of restrictive title deed conditions, rezoning, consolidation and permanent departures: erf 139 and 140, Stellenbosch [LU/8381] | 15/09/2020 | 22/12/2020 | Vary [see attached document – APPENDIX 2] |
| | PLANNING | Appeal lodged in terms of section 79(2) of the Stellenbosch Municipal Land Use Planning by-law (2015) against the decision of the Stellenbosch MPT to approve the application for the consolidation, rezoning, departure, site development plan, removal of restrictive title conditions: erf 141 & 142, 163 – 165, Stellenbosch. | 15/09/2020 | 22/12/2020 | Vary [see attached document – APPENDIX 3] |
| | PLANNING | Appeal lodged in terms of section 79(2) of the Stellenbosch Municipal Land Use Planning by-law (2015) against the decision of the Stellenbosch MPT to approve the application for the removal of restrictive title deed conditions, consolidation, rezoning, departures and approval of the site development plan for unregistered | 15/09/2020 | 22/12/2020 | Vary [see attached document – APPENDIX 4] |

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| | | consolidated erven 143, 144, 145, 166, 167, 168, 169, 170, Stellenbosch [LU/8676] | | | |
| | PLANNING | Appeal in terms of section 79 of the Stellenbosch land Use Planning by-law (2015) against the approval of application for the removal of restrictive title conditions, consolidation, rezoning, departure, site development plan: erf 184, Stellenbosch. | 15/09/2020 | 22/12/2020 | Vary [see attached document – APPENDIX 5] |

NOTICE OF DECISION OF APPEAL AUTHORITY

APPEAL LODGED IN TERMS OF SECTION 79(2) OF THE STELLENBOSCH MUNICIPAL LAND USE PLANNING BY-LAW (2015) AGAINST THE DECISION OF THE STELLENBOSCH MUNICIPAL PLANNING TRIBUNAL TO APPROVE THE APPLICATION FOR A CONSENT USE IN ORDER TO ESTABLISH A GUEST HOUSE, ON ERF 660 FRANSCHHOEK

DECISION OF APPEAL AUTHORITY:

The Appeal Authority hereby, in terms of Section 81 (7) of the Stellenbosch Municipal Land Use Planning By-law 2015:

Tick the appropriate box:

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| CONFIRM | X | VARY | | REVOKE | |
| THE DECISION OF THE STELLENBOSCH MUNICIPAL PLANNING TRIBUNAL, ON THE 25th OF OCTOBER, TO APPROVE IN TERMS OF SECTION 60 OF THE STELLENBOSCH MUNICIPAL LAND USE PLANNING BY-LAW DATED 20 OCTOBER 2015, THE APPLICATION FOR A CONSENT USE IN ORDER TO ESTABLISH A GUEST HOUSE, ON ERF 660 FRANSCHHOEK | | | | | |
| <ol style="list-style-type: none"> 1. The abovementioned appeal refers. 2. The Municipal Planning Tribunal, on the 25th of October 2019, approved in whole, in terms of Section 60 of the Stellenbosch Municipal Land Use Planning By-law, promulgated by Notice no 354/2015 dated 20 October 2015, the application the application for a consent use in order to establish a guest house, on Erf 660 Franschhoek. 3. The application was approved subject to a number of conditions imposed in terms of Section 66 of the Stellenbosch Municipality Land Use Planning By-Law (2015). 4. Mr Gysbert Nicolaas Van Zyl from BvZ Plan Consultants lodged an appeal in terms of Section 79(2) of the By-Law, with the Municipality on the 05th of December 2019, against the decision of the Stellenbosch Municipal Planning Tribunal. | | | | | |

5. The appeal assessment report was drafted based on all documentation provided.
6. In order to comply section 81(6) of the Stellenbosch Municipality Land Use Planning By-Law (2015), an inspection of the documents must be held before the handover to the Appeal Authority for consideration and decision making, however as the report was completed during the National Lockdown period, the report was forwarded electronically to the appellant and affected parties on the 06th of August 2020.
7. Ms. NM van der Linde submitted comments relating to the appeal assessment report, on the 12th of August 2020.
8. An oral hearing was held on the on the 26th of November 2020 where the interested and affected parties were afforded the opportunity to make further submissions to the Appeal Authority.
9. After careful consideration of the written appeal, as well as all relevant documents, information and submissions made to me as Appeal Authority, I have decided, in terms of Section 81(7)(b) of the By-Law to **CONFIRM** the decision of the Stellenbosch Municipal Planning Tribunal:

REASONS FOR THE DECISION

1. By reducing the number of guest bedrooms to six, the remainder of the house can still be used for residential purposes by the family of the manager or owner.
2. A six-bedroom guest house will have a minimal impact on the existing residential character of the property and surrounding area.
3. A smaller scale guesthouse would be more compatible with the residential nature of the surrounding land uses.

4. The property is well located for its use as a guest house, having good access and being located close to the historic town and business centre of Franschhoek.
5. Adequate number of parking bays for six guest bedrooms, can be provided on-site, as prescribed by Franschhoek Town Planning Scheme Regulation, 1985.
6. The subject property is located within the approved urban edge of Franschhoek town in terms of the approved MSDF. The proposed use promotes infill development and limit urban sprawl.
7. The increase in traffic will be minimal and as such it will not create nuisance to the neighborhood.

SIGNATURE:  **DATE:** 22 December 2020
Adv. Gesie van Deventer
EXECUTIVE MAYOR
(Appeal Authority in terms of Section 79(1) of the Stellenbosch Municipal Land Use Planning By-Law)

NOTICE OF DECISION OF APPEAL AUTHORITY

NOTICE OF DECISION OF APPEAL AUTHORITY

APPEAL LODGED IN TERMS OF SECTION 79(2) OF THE STELLENBOSCH MUNICIPAL LAND USE PLANNING BY-LAW (2015) AGAINST THE DECISION OF THE STELLENBOSCH MUNICIPAL PLANNING TRIBUNAL TO APPROVE THE APPLICATION FOR REMOVAL OF RESTRICTIVE TITLE DEED CONDITIONS, REZONING, CONSOLIDATION AND PERMANENT DEPARTURES: ERF 139 AND 140, STELLENBOSCH

DECISION OF APPEAL AUTHORITY:

The Appeal Authority hereby, in terms of Section 81(7) of the Stellenbosch Municipal Land Use Planning By-law 2015:

Tick the appropriate box:

| CONFIRM | | VARY | X | REVOKE | |
|--|--|------|---|--------|--|
| THE DECISION OF THE STELLENBOSCH MUNICIPAL PLANNING TRIBUNAL, ON THE 31 st OF JANUARY 2020, TO APPROVE IN TERMS OF SECTION 60 OF THE STELLENBOSCH MUNICIPAL LAND USE PLANNING BY-LAW DATED 20 OCTOBER 2015, THE APPLICATION FOR REMOVAL OF RESTRICTIVE TITLE DEED CONDITIONS, REZONING, CONSOLIDATION AND PERMANENT DEPARTURES: ERF 139 AND 140, STELLENBOSCH | | | | | |

1. The abovementioned appeal refers.
2. The Municipal Planning Tribunal, on 31 January 2020, **approved, in whole**, in terms of section 60 of the Stellenbosch Municipal Land Use Planning By-law, promulgated by Notice no 354/2015 dated 20 October 2015, the applications for the removal of restrictive title deed restrictions, Rezoning, Consolidation and Permanent Departures on Erven 139 and 140, Stellenbosch.

3. The application was approved subject to a number of conditions imposed in terms of Section 66 of the Stellenbosch Municipality Land Use Planning By-Law (2015).
4. A valid Appeal was submitted in terms of Section 79(2) of the By-Law by Meglis (PYT) Ltd on behalf of the owner of Erven 139 and 140, Stellenbosch, against the decision of the Stellenbosch Municipal Planning Tribunal.
5. The appeal assessment report was duly drafted based on all documentation provided and available.
6. In terms section 81(6) of the Stellenbosch Municipality Land Use Planning By-Law (2015), the Appeal assessment report and all relevant documentation to which the Appeal Authority proposes to have regard in reaching a decision in the appeal proceeding, was presented to the Appellant and all affected parties for inspection and to which submissions from such parties were received and duly considered before reaching the decision.
7. In accordance with Section 81(b) & (3), an oral hearing was held on the 26th of November 2020 where the interested and affected parties were afforded the opportunity to make further submissions to the Appeal Authority.
8. After having independently considered and weighted all the relevant information, reports and submissions, it is decided that the appeals submitted against the decision on the subject applications on Erven 139 and 140, Stellenbosch, **BE PARTIALLY DISMISSED** and **PARTIALLY UPHELD** that the decision by the Stellenbosch Municipal Planning Tribunal **BE VARIED** in terms

of section 81(7) (b) of the Stellenbosch Municipal Land Use Planning By-law, 2015.

9.1 The reason(s) to confirm the decision of the Stellenbosch Municipal Planning Tribunal in terms of section 81(7) (c) of the said By-law relating to **densification**, are as follows:

9.1.1 This appeal is considered a wide appeal; hence all relevant information should be taken into account by the Appeal Authority. The Dennesig area was identified in the Stellenbosch Municipal Integrated Development Plan (IDP) and the Spatial Development Framework (SDF) as an area of well-located land to be targeted for redevelopment, densification and optimisation.

9.1.2 Duty of care was duly exercised in the processing of the application and considered and decided on in accordance with the prescripts of the prevailing Stellenbosch Municipal Planning Bylaw, 2015.

The Covid-19 situation impacted on the easy flow of communication and as the appellants and applicants remarked on this in the appeal process, the Appeal Authority invited all applicants and appellants in terms of the applicable by-law, to make oral representations to the appeal authority.

This was done to ensure that all parties have every opportunity to present their case to the appeal authority.

Without dealing with all the arguments raised to the appeal authority, the impact of the Dennesig Urban Design Guidelines has been fully argued and its applicable status needs consideration.

It was inter alia the contention of the appellant that the Dennesig Urban Design Guidelines ("the Guidelines") should be formally adopted as a statutory document or tool like an overlay zone as alluded to in the Guidelines.

Statutory tools and processes like the IDP and MSDF determine what must be done and non-statutory tools and processes like guidelines assist with how it should be done (implemented).

The redevelopment and objectives for Dennesig was already decided on and dictated in the IDP and MSDF, i.e. its densification to optimize the potential of well-located land, its role and purpose in the bigger development of Stellenbosch as a critical corridor link to the Adam Tas development, and the associated importance of non-motorised transport and safe places by ensuring a public interface between developments and the street scape.

Guidelines have a specific purpose to inform responsible decision making on the implementation (how to do things) of law and policies (which determines what should be done).

The Guidelines were developed to assist with the consistent and responsible implementation of the developments to ensure that the overall objectives as stated in the MSDF are achieved. These informants relate to matters of design, aesthetics, and functionality to achieve and compliment the overall development strategy of densification and the priority of non-motorized transport and a pedestrian interface of functional areas.

Guidelines do not dictate and decide on statutory processes to establish land use rights and should therefore not be elevated to statutory status and should also not be binding on a decision maker to dictate the outcome of any development.

It was furthermore *inter alia* the contention of the appellant that the process to draft the guidelines was undertaken by the current applicants for their purposes and that such process was closed to other parties and notably other developers and land owners of the Dennesig area and that reasonable participation and inputs was not allowed during the process. The applicants also appointed, paid and managed the service provider to draft the guidelines and that it was done purely to benefit their own interest.

The process to draft the guidelines was initiated, managed, and approved by the municipality. Due to capacity constraints at the municipality and for the sake of progress, the applicants facilitated the process and provided the upfront financing for the study. The Municipality however has remained the custodians of the study and its outcome and application. Consequently, the municipality dictated and approved the terms of reference for the study, approved the appointment of the consultants, managed their outcomes and approved the resulting guidelines. The payment of the study will be offset from the development contributions.

During the process to draft the guidelines properties under consideration, all the landowners and developers who had an interest in the Dennesig properties were invited to participate in the process.

During the process a significant team of a wide array of professionals participated and contributed towards the study to produce a credible outcome to assist in responsible decision making. It has to be noted that, in terms of the scope of interested and affected parties, the extent and grounds for objections is very limited.

Furthermore, it was inter alia the contention of the appellant that the Stellenbosch Municipal Planning Bylaw does not make provision on Section 65 that Guidelines is a relevant consideration to be taken into account when deciding on land use and land development applications. Section 65 only refers to "Provincial" guidelines, which the Dennesig Guidelines are clearly not.

Section 65 of the Bylaw only refers to those matters which MUST be taken into account when considering a land use and land development application. It is by no means aimed at being an exhaustive list and to suggest that only those matters may be taken into account, is ludicrous and petition against Section 6(2) (e) (iii) of PAJA which prescribes that ALL relevant considerations (unqualified insofar as they are not deemed irrelevant considerations) should be taken into account when a decision maker makes a decision. It is common cause that development guidelines form an integral and relevant part in land use and land development decisions. To suggest otherwise will result in a flawed argument and will result in a procedural error to disregard such guidelines.

It was furthermore inter alia the contention of the appellant, that the amended applications that followed on its alignment with the subject

development guidelines was material and ought to have been re-advertised.

The amendments which were required to the original applications to align them with the outcome of the development guidelines mostly related to the design and aesthetical features and which involved building lines, with the lowering of proposed buildings (less floors) in some instances. All changes were to adhere to the required design features to ensure an active public interface between the developments and the street scape.

Section 52(3) and 53(2) requires that a municipality must cause that the publishing or serving of a notice be re-undertaken if material changes are made to an application. The decision to re-advertise is however a discretionary and not a mandatory requirement. The municipality consequently did consider the need and used its discretion to not undertake any additional publishing or serving of notices due to the non-material nature of the changes to the land use applications.

The municipality consequently did exercise duty of care to consider and decide on the matter on rational grounds.

It was furthermore inter alia the contention of the appellant, that the guidelines have no status and should be discarded for the purpose of deciding on the subject land use applications.

The development objectives adopted in the MSDF for Dennesig included inter-alia to re-develop the Dennesig neighborhood as an important corridor link with the Adam Tas development area, to

densify the Dennesig neighborhood to optimize the development potential of this well located area, to promote non-motorized transport, mixed use development and to enhance community integration and safety by providing an active interface between the developments and street scape.

The Dennesig Development Guidelines was developed to provide coherent guidance for the implementation and achievement of these development objectives. The decisions to support these applications was thus based on the basis of rational grounds to achieve these development objectives. If the guidelines are not applied to ensure that these development objectives are met, it would in fact undermine the MSDF and result in ad-hoc developments with a baseless rationale for its redevelopment.

- 9.1.3 The Dennesig Urban Design Guidelines ("the Guidelines") was duly drafted to fulfil a specific purpose and serves as a relevant consideration to inform consistent and responsible decisions in the implementation of the IDP and SDF objectives regarding the redevelopment of the Dennesig area.
- 9.1.4 By not considering the Guidelines would constitute relevant considerations not been taken into account and would result therein that the IDP and SDF objectives are undermined with ad-hoc developments with a baseless rationale for its redevelopment.
- 9.1.5 No justifiable alternative rationale for the specific development proposal or the objective for the redevelopment of the Dennesig area was provided in the appeals submitted.

9.1.6 The decision by the Stellenbosch Municipal Planning Tribunal re: densification, are consequently considered to be rationally connected to the relevant information that was considered and the reasons that was provided by the Stellenbosch Municipal Planning Tribunal for its decision to approve the subject application.

9.2 The reason(s) to vary the decision of the Stellenbosch Municipal Planning Tribunal in terms of section 81(7) (c) of the said By-law relating to **parking**, are as follows:

The following synopsis of the rationale for the provision of parking in Dennesig derives from the provisions of the Stellenbosch MSDF, and more specifically Section 6.6.2 that deals with "Movement"

The point of departure in the provision of parking in the redevelopment of Dennesig, is not the perceived shortage of parking in Stellenbosch, but the fact that there are too many motor vehicles. Providing more parking space will therefore only address the symptoms of the problem to some degree. It will however not address the problem of too many vehicles. The continuous upgrading and provision of additional infrastructure to accommodate a motor-priority mode of transport is also not sustainable and will continue to impact negatively on the rural and productive landscape due to ongoing urban sprawl as a result of prioritizing motor vehicle mode of transport.

The long-term solution is rather to progressively limit the number of motor vehicles through a comprehensive strategy of public and non-motorised transport. To progressively limit the provision of parking is an inherent aspect to inhibit the ownership and use of private motor vehicles, as well as to ultimately make public transport viable and sustainable.

Such approach can however not be implemented on a blanket approach but requires a targeted approach for well-located land which lends itself for the required densification that will support viable public and non-motorised public transport.

The redevelopment of Dennesig through appropriate densification for the needed critical mass is such prime targeted area due to being well located in close proximity to the central business district, the university campus, and its role as a corridor link with the redevelopment of the Adam Tas corridor.

The development objectives for such redevelopment requires an urban landscape which favors non-motorised transport, and for which purpose the provision of off-street parking should also be avoided at all cost. Motor vehicles in off street parking as well as in dedicated parking areas sterilizes the street scape and public places and may in some instance contribute to anti-social behavior. This is also the prime consideration to allow the building line departures to permit that the buildings are build right on the street and public places, in order to give priority to inter-active public spaces rather than creating dead spaces that does not prioritize pedestrian priority spaces.

The concept of pedestrian and non-motorised transport and the prior knowledge of the limitation on parking is still to be developed in Stellenbosch. Sufficient public transport and safe walkways have not been developed yet. In a society where students and young people who will potentially be the residents in the proposed development, will have to walk at night in unsafe conditions or park their cars off-street. Until such time as more definite parameters for the development of non-

motorized transport are implemented, it is not desirable to limit parking opportunities and to approve the decision of the Municipal Planning Tribunal (MPT).

10. After having independently considered and weighted all the relevant information, reports and submissions, it is decided that the appeals submitted against the decision on the subject applications on Erf 184, Stellenbosch, **BE PARTIALLY DISMISSED** and **PARTIALLY VARIED** that the decision by the Stellenbosch Municipal Planning Tribunal **BE VARIED** in terms of section 81(7) (b) of the Stellenbosch Municipal Land Use Planning By-law, 2015:

1. The Municipal Planning Tribunal, on 31 January 2020, **approved, in whole**, in terms of section 60 of the Stellenbosch Municipal Land Use Planning By-law, promulgated by Notice no 354/2015 dated 20 October 2015, the applications for the following:

2.1 **Removal of the Title Deed Restrictions** from the Title Deed T28075/1996 for Erf 139 and Title Deed T54174/2012 for Erf 140 which reads as follows:

The Title Deed T28075/1996 for Erf 139

- 1.1.1 Clause B: "Not entitled as a result of condition (a) in paragraph C hereunder to the benefit of the reservation of water rights but otherwise entitled to the benefit of the conditions as referred to in the two notes dated 2 June 1939 and 5 June 1939 on deed of Transfer No T7492/1932 which reads as follows:

"Deur die ondergenoemde Aktes van Transport van erwe in die Kromme Rivier C Dorp is deur die eienaar en sy opvolgers in titel van die restant van die eiendomme paras. 1, 2, 3, en 4 van hierdie Akte al sy bestaande regte as oewereienaar uitgehou en die grond deur die gesegde Aktes oorgedra is onderhewig ten gunste van die gemelde eiendomme hieronder gehou en sekere regte wat betref die bedryf van sekere besighede en verkoop van sterk drank, soos meer volledig sal blyk uit transportakte Nrs. 5594 gedateer 2.6.1939; 9842 gedateer 8.9.1939; 536 gedateer 25.1.1940; Nr 4379 gedateer 9.5.1940;"

1.1.2 Clause C (a) "dat die bogenoemde erf nie geregtig sal wees op die gebruik van enige water uit die Kromme Rivier vir huishoudelike of enige ander doeleindes die Transportgewer behou vir homself as eienaar van die grond nog in sy naam geregistreer onder die gemelde Akte van Transport gedateer 10 Desember 1970 nr. 7492 en sy opvolgers in titel al sy teenwoordige bestaande regte as oewereienaar op sulke regte"

1.1.3 Clause C(b): "Geen bottelstoor, kantien of plek waar sterk drank kan verkry word sal op die hierbogemelde grond opgerig word nog sal enige hotel, slagter, algemene handelaar of andere besigheid van sulke aard gedryf of gedoen word daarop."

1.1.4 Clause D(a): "Die erf moet uitsluitlik vir woning doeleindes gebruik word."

1.1.5 Clause D(b): "Dat die erf nie verdeel sal word nie."

1.1.6 Cause D(c): "Dat nie meer as een woonhuis met die nodige buitegeboue en toebehoorsels op die erf gebou sal word nie en dat nie meer as een helfte van die oppervlakte van die erf op gebou word nie."

1.1.7 Clause D(d): "Dat geen gebou binne 5,67 meter van enige straatlyn wat die grens van die erf is, moet opgerig word nie."

1.1.8 Clause E (3): "Dat die eienaar van elke erf en die namalige eienare daarvan verplig sal wees om die rioleering en rioolstelsel van enige erf of erwe oor sodanige erf te laat neem indien nodig geag deur die Munisipaliteit redelik vereis word."

Title Deed T54174/2012 for Erf 140:

1.1.9 Clause B (a): "dat die bogenoemde erf nie geregtig sal wees op die gebruik van enige water uit die Kromme Rivier vir huishoudelike of enige ander doeleindes die Transportgewer behou vir homself as eienaar van die grond nog op 23 Augustus 1932 in sy naam geregistreer onder die gemelde Sertifikaat van gegistreerde Titel gedateer 15 Oktober 1888 en Sertifikaat van geregistreerde Titel gedateer 16 September 1932 nr. 7492 en sy opvolgers in titel al sy teenwoordige bestaande regte as oewereienaar op sulke regte"

1.1.10 Clause B(b): "Geen bottelstoor, kantien of plek waar sterk drank kan verkry word sal op die hierbogemelde grond opgerig word nog sal enige hotel, slagter, algemene handelaar of andere besigheid van sulke aard gedryf of gedoen word daarop."

1.1.11 Clause C(a): "die erf moet uitsluitelik vir wonings doeleindes gebruik word. Geen winkel of hotel en geen handel of industriële besigheid van enige aard sal daarop gedryf word nie."

1.1.12 Clause C(b): "dat die erf nie sal verdeel word nie".

1.1.13 Cause C(c): "Dat nie meer as een woonhuis met die nodige buitegeboue en toebehoorsels op die erf gebou sal word nie en dat nie meer as een helfte van die oppervlakte van die erf op gebou word nie."

1.1.14 Clause C(d): "Dat geen gebou binne 18 voet van enige straatlyn wat die grens van die erf is moet opgerig word nie."

1.1.15 Clause D (3): "Dat die eienaar van elke erf en die namalige eienare daarvan verplig sal wees om die rioleering en rioolstelsel van enige erf of erwe oor sodanige erf te laat neem indien nodig geag deur die Munisipaliteit redelike vereis word."

1.2 **Consolidation** of erf 139 and erf 140 into a single, consolidated unregistered property;

- 1.3 **Rezoning** of the consolidated unregistered property from Single Residential to General Residential;
- 1.4 **Permanent** departures to allow for the relaxation of the following building lines:
 - 1.4.1 Street boundary building line (R44) from 7.6m to 5.0m for the basement parking;
 - 1.4.2 Street boundary building line (R44) from 7.6m to 1.620m for the basement parking area;
 - 1.4.3 Street boundary building line (R44) from 7.6m to 5.35m for the building;
 - 1.4.4 Street boundary building line (Paul Kruger Road) from 7.6m to 1.62m for the basement parking area;
 - 1.4.5 Street boundary building line (Paul Kruger Road) from 7.6m to 1.1m on Ground Floor and 0m on Floors 1- 3;
 - 1.4.6 Common boundary building line (Erf 141) from 4.6m to 0m for the parking area on ground floor and the basement parking area;
 - 1.4.7 Common boundary building line (Erf 141) from 4.6m to 0m on Floors 1 – 4 (only on front 4-storey section of building);
 - 1.4.8 Common boundary building line (rear -Erf 16399 and 163) from 4.6m to 4.2m on Floors 1 – 4.
- 1.5 **Permanent departures** to allow for:
 - 1.5.1 Relaxation of permissible **coverage** from 25% to 60%;
 - 1.5.2 Relaxation of permitted **floor factor** from 0.5 to 1.6;

- 1.5.3 Relaxation of **height restrictions** to allow for a five-storey building in lieu of a 3 storey building;
 - 1.5.4 To permit 99 parking bays (which would include parking provision for 66 bicycles, 77 standardized motorized vehicles and 11 tandem bays.
2. The above approvals granted are subject to the following conditions in terms of Section 66 of the above-mentioned by-law;
3. The approval applies only to the application under consideration and shall not be construed as authority to depart from any other legal prescriptions or requirements from Council;
- 3.1 The conditions of approval as imposed by the Manager: Development (Infrastructure Services) in its memo dated 30 January 2020, condition C & D of the memo be adhered to (**Annexure H**);
- 3.2 The applicant submits an electronic copy (shp,dwg,dxf) of the consolidation diagram which was preliminary approved by the SG indicating the newly allocated Erf Number, Co-ordinates and Survey Dimensions;
- 3.3 The development be undertaken generally in accordance with the approved site development plan as attached in **Annexure B**, The Edge, Rev 12, dated 28 October 2019;
- 3.4 Building plans be submitted to the Municipality for approval prior to any building work taking place on the property;

3.5 A landscaping plan be submitted for approval and implemented prior to an occupation certificate being issued;

3.6 An occupation certificate only be issued once the title deed has been endorsed and registered in the deed office;

3.7 The landscaping plan for the subject property is to tie in with the Master Landscaping Plan for Dennesig to ensure that the Dennesig areas landscaping is a cohesive project and to ensure continuity for all communal areas located on the sidewalk of the subject property and the sidewalk area located within the road reserve;

3.8 Inclusionary housing component be included to expand housing opportunity for a broader range of income groups.

SIGNATURE:  **DATE:** 22 December 2020
Adv. Gesie van Deventer

NOTICE OF DECISION OF APPEAL AUTHORITY

APPEAL LODGED IN TERMS OF SECTION 79(2) OF THE STELLENBOSCH MUNICIPAL LAND USE PLANNING BY-LAW (2015) AGAINST THE DECISION OF THE STELLENBOSCH MUNICIPAL PLANNING TRIBUNAL TO APPROVE THE APPLICATION FOR THE CONSOLIDATION, REZONING, DEPARTURE, SITE DEVELOPMENT PLAN, REMOVAL OF RESTRICTIVE TITLE CONDITIONS: ERF 141 & 142, 163-165, STELLENBOSCH

DECISION OF APPEAL AUTHORITY:

The Appeal Authority hereby, in terms of Section 81(7) of the Stellenbosch Municipal Land Use Planning By-law 2015:

Tick the appropriate box:

| CONFIRM | | VARY | X | REVOKE | |
|---|--|-------------|----------|---------------|--|
| THE DECISION OF THE STELLENBOSCH MUNICIPAL PLANNING TRIBUNAL, ON THE 31st OF JANUARY 2020, TO APPROVE IN TERMS OF SECTION 60 OF THE STELLENBOSCH MUNICIPAL LAND USE PLANNING BY-LAW DATED 20 OCTOBER 2015, THE APPLICATION FOR THE CONSOLIDATION, REZONING, DEPARTURE, SITE DEVELOPMENT PLAN, REMOVAL OF RESTRICTIVE TITLE CONDITIONS: ERF 141 & 142, 163-165, STELLENBOSCH | | | | | |

1. The abovementioned appeal refers.
2. The Municipal Planning Tribunal, on 31 January 2020, approved, in whole, in terms of section 60 of the Stellenbosch Municipal Land Use Planning By-law, promulgated by Notice no 354/2015 dated 20 October 2015, the application the Consolidation, Rezoning, Departure, Site Development Plan, Removal of Restrictive Title Conditions: Erven 141 & 142, 163-165, Stellenbosch.

3. The application was approved subject to a number of conditions imposed in terms of Section 66 of the Stellenbosch Municipality Land Use Planning By-Law (2015).
4. Two valid appeals were submitted in terms of Section 79(2) of the By-Law against the decision of the Municipal Planning Tribunal by appellants Meglis (PTY) Ltd on behalf of the owner of Erven 132, 133 & 134 (Consolidated Erf 17274), Stellenbosch as well as Mr. Andries Hamman.
5. The appeal assessment reports were duly drafted based on all documentation provided and available.
6. In terms section 81(6) of the Stellenbosch Municipality Land Use Planning By-Law (2015), the Appeal assessment report and all relevant documentation to which the Appeal Authority proposes to have regard in reaching a decision in the appeal proceeding, was presented to the Appellants and all affected parties for inspection and to which submissions from such parties were received and duly considered before reaching the decision.
7. In accordance with Section 81(b) & (3), an oral hearing was held on the 26th of November 2020 where the interested and affected parties were afforded the opportunity to make further submissions to the Appeal Authority.
8. After having independently considered and weighed all the relevant information, reports and submissions, it is decided that the appeals submitted against the decision on the subject applications on Erven 141 & 142, 163-165, Stellenbosch, **BE PARTIALLY DISMISSED** and **PARTIALLY UPHELD** that the

decision by the Stellenbosch Municipal Planning Tribunal **BE VARIED** in terms of section 81 (7) (b) of the Stellenbosch Municipal Land Use Planning By-law, 2015:

9.1 The reason(s) to confirm the decision of the Stellenbosch Municipal Planning Tribunal in terms of section 81 (7) (c) of the said By-law relating to **densification**, are as follows:

9.1.1 This appeal is considered a wide appeal; hence all relevant information should be taken into account by the Appeal Authority. The Dennesig area was identified in the Stellenbosch Municipal Integrated Development Plan (IDP) and the Spatial Development Framework (SDF) as an area of well-located land to be targeted for redevelopment, densification and optimisation.

9.1.2 Duty of care was duly exercised in the processing of the application and considered and decided on in accordance with the prescripts of the prevailing Stellenbosch Municipal Planning Bylaw, 2015.

The covid-19 situation impacted on the easy flow of communication and as the appellants and applicants remarked on this in the appeal process, the appeal authority invited all applicants and appellants in terms of the applicable by-law, to make oral representations to the appeal authority.

This was done to ensure that all parties have every opportunity to present their case to the appeal authority.

Without dealing with all the arguments raised to the appeal authority, the impact of the Dennesig Urban Design Guidelines has been fully argued and its applicable status needs consideration.

It was inter alia the contention of the appellant that the Dennesig Urban Design Guidelines ("the Guidelines") should be formally adopted as a statutory document or tool like an overlay zone as alluded to in the Guidelines.

Statutory tools and processes like the IDP and MSDF determine what must be done and non-statutory tools and processes like guidelines assist with how it should be done (implemented).

The redevelopment and objectives for Dennesig was already decided on and dictated in the IDP and MSDF, i.e. its densification to optimize the potential of well-located land, its role and purpose in the bigger development of Stellenbosch as a critical corridor link to the Adam Tas development, and the associated importance of non-motorised transport and safe places by ensuring a public interface between developments and the street scape.

Guidelines have a specific purpose to inform responsible decision making on the implementation (how to do things) of law and policies (which determines what should be done).

The Guidelines was developed to assist with the consistent and responsible implementation of the developments to ensure that the overall objectives as stated in the MSDF are achieved. These informants relate to matters of design, aesthetics, and functionality to achieve and compliment the overall development strategy of

densification and the priority of non-motorized transport and a pedestrian interface of functional areas.

Guidelines do not dictate and decide on statutory processes to establish land use rights and should therefore not be elevated to statutory status and should also not be binding on a decision maker to dictate the outcome of any development.

It was furthermore inter alia the contention of the appellant that the process to draft the guidelines was undertaken by the current applicants for their purposes and that such process was closed to other parties and notably other developers and land owners of the Dennesig area and that reasonable participation and inputs was not allowed during the process. The applicants also appointed, paid and managed the service provider to draft the guidelines and that it was done purely to benefit their own interest.

The process to draft the guidelines was initiated, managed, and approved by the municipality. Due to capacity constraints at the municipality and for the sake of progress, the applicants facilitated the process and provided the upfront financing for the study. The Municipality however has remained the custodians of the study and its outcome and application. Consequently, the municipality dictated and approved the terms of reference for the study, approved the appointment of the consultants, managed their outcomes and approved the resulting guidelines. The payment of the study will be offset from the development contributions.

During the process to draft the guidelines properties under consideration, all the landowners and developers who had an interest in the Dennesig properties were invited to participate in the process.

During the process a significant team of a wide array of professionals participated and contributed towards the study to produce a credible outcome to assist in responsible decision making. It has to be noted that, in terms of the scope of interested and affected parties, the extent and grounds for objections is very limited.

Furthermore, it was inter alia the contention of the appellant that the Stellenbosch Municipal Planning Bylaw does not make provision on Section 65 that Guidelines is a relevant consideration to be taken into account when deciding on land use and land development applications. Section 65 only refers to "Provincial" guidelines, which the Dennesig Guidelines are clearly not.

Section 65 of the Bylaw only refers to those matters which MUST be taken into account when considering a land use and land development application. It is by no means aimed at being an exhaustive list and to suggest that only those matters may be taken into account, is ludicrous and petition against Section 6(2) (e) (iii) of PAJA which prescribes that ALL relevant considerations (unqualified insofar as they are not deemed irrelevant considerations) should be taken into account when a decision maker makes a decision. It is common cause that development guidelines form an integral and relevant part in land use and land development decisions. To suggest otherwise will result in a flawed argument and will result in a procedural error to disregard such guidelines.

It was furthermore inter alia the contention of the appellant, that the amended applications that followed on its alignment with the subject development guidelines was material and ought to have been re-advertised.

The amendments which were required to the original applications to align them with the outcome of the development guidelines mostly related to the design and aesthetical features and which involved building lines, with the lowering of proposed buildings (less floors) in some instances. All changes were to adhere to the required design features to ensure an active public interface between the developments and the street scape.

Section 52(3) and (53(2) requires that a municipality must cause that the publishing or serving of a notice be re-undertaken if material changes are made to an application. The decision to re-advertise is however a discretionary and not a mandatory requirement. The municipality consequently did consider the need and used its discretion to not undertake any additional publishing or serving of notices due to the non-material nature of the changes to the land use applications.

The municipality consequently did exercise duty of care to consider and decide on the matter on rational grounds.

It was furthermore inter alia the contention of the appellant, that the guidelines have no status and should be discarded for the purpose of deciding on the subject land use applications.

The development objectives adopted in the MSDF for Dennesig included inter-alia to re-develop the Dennesig neighborhood as an important corridor link with the Adam Tas development area, to densify the Dennesig neighborhood to optimize the development potential of this well located area, to promote non-motorized transport, mixed use development and to enhance community integration and safety by providing an active interface between the developments and street scape.

The Dennesig Development Guidelines was developed to provide coherent guidance for the implementation and achievement of these development objectives. The decisions to support these applications was thus based on the basis of rational grounds to achieve these development objectives. If the guidelines are not applied to ensure that these development objectives are met, it would in fact undermine the MSDF and result in ad-hoc developments with a baseless rational for its redevelopment.

9.1.3 The Dennesig Urban Design Guidelines ("the Guidelines") was duly drafted to fulfil a specific purpose and serves as a relevant consideration to inform consistent and responsible decisions in the implementation of the IDP and SDF objectives regarding the redevelopment of the Dennesig area.

9.1.4 By not considering the Guidelines would constitute relevant considerations not been taken into account and would result therein that the IDP and SDF objectives are undermined with ad-hoc developments with a baseless rationale for its redevelopment.

9.1.5 No justifiable alternative rationale for the specific development proposal or the objective for the redevelopment of the Dennesig area was provided in the appeals submitted.

9.1.6 The decision by the Stellenbosch Municipal Planning Tribunal re: densification, are consequently considered to be rationally connected to the relevant information that was considered and the reasons that was provided by the Stellenbosch Municipal Planning Tribunal for its decision to approve the subject application.

9.2 The reason(s) to **vary** the decision of the Stellenbosch Municipal Planning Tribunal in terms of section 81 (7) (c) of the said By-law relating to parking, are as follows:

The following synopsis of the rationale for the provision of parking in Dennesig derives from the provisions of the Stellenbosch MSDF, and more specifically Section 6.6.2 that deals with "Movement"

The point of departure in the provision of parking in the redevelopment of Dennesig, is not the perceived shortage of parking in Stellenbosch, but the fact that there are too many motor vehicles. Providing more parking space will therefore only address the symptoms of the problem to some degree. It will however not address the problem of too many vehicles. The continuous upgrading and provision of additional infrastructure to accommodate a motor-priority mode of transport is also not sustainable and will continue to impact negatively on the rural and productive landscape due to ongoing urban sprawl as a result of prioritizing motor vehicle mode of transport.

The long-term solution is rather to progressively limit the number of motor vehicles through a comprehensive strategy of public and non-motorised transport. To

progressively limit the provision of parking is an inherent aspect to inhibit the ownership and use of private motor vehicles, as well as to ultimately make public transport viable and sustainable.

Such approach can however not be implemented on a blanket approach but requires a targeted approach for well-located land which lends itself for the required densification that will support viable public and non-motorised public transport.

The redevelopment of Dennesig through appropriate densification for the needed critical mass is such prime targeted area due to being well located in close proximity to the central business district, the university campus, and its role as a corridor link with the redevelopment of the Adam Tas corridor.

The development objectives for such redevelopment requires an urban landscape which favors non-motorised transport, and for which purpose the provision of off-street parking should also be avoided at all cost. Motor vehicles in off street parking as well as in dedicated parking areas sterilizes the street scape and public places and may in some instance contribute to anti-social behavior. This is also the prime consideration to allow the building line departures to permit that the buildings are build right on the street and public places, in order to give priority to inter-active public spaces rather than creating dead spaces that does not prioritize pedestrian priority spaces.

The concept of pedestrian and non-motorised transport and the prior knowledge of the limitation on parking is still to be developed in Stellenbosch. Sufficient public transport and safe walkways have not been developed yet. In a society where students and young people who will potentially be the residents in the proposed development, will have to walk at night in unsafe conditions or park their cars off-

street. Until such time as more definite parameters for the development of non-motorized transport are implemented, it is not desirable to limit parking opportunities and to approve the decision of the Municipal Planning Tribunal (MPT).

10. After having independently considered and weighed all the relevant information, reports and submissions, it is decided that the appeals submitted against the decision on the subject applications on Erven 141 & 142, 163-165, Stellenbosch, **BE PARTIALLY DISMISSED** and **PARTIALLY UPHELD** that the decision by the Stellenbosch Municipal Planning Tribunal **BE VARIED** in terms of section 81(7) (b) of the Stellenbosch Municipal Land Use Planning By-law, 2015.

1. The Municipal Planning Tribunal, on 31 January 2020, **approved, in whole**, in terms of section 60 of the Stellenbosch Municipal Land Use Planning By-law, promulgated by Notice no 354/2015 dated 20 October 2015, the applications for the following:

2.1 The consolidation of erven 141, 142, 163, 164 and 165, Stellenbosch.

2.2 The removal of the restrictive title conditions applicable to each property as listed below:

2.2.1 **Erf 141, Stellenbosch**

T148892/1998 Conditions B(c)

T105912/1998 Conditions B(c)

T72846/1997 Condition (b)3

T16275/2017 Condition B3

T88203/2001 Condition B (3)

No bottle store, canteen, or place for obtaining strong drink shall be erected on the above land, nor shall any hotel, butcher, general or other business of a like nature be carried on or conducted thereon.

2.2.2 Erf 142, Stellenbosch

T148892/1998 Conditions C(a)

T105912/1998 Conditions C(a)

T72846/1997 Condition (d)(b)

T16275/2017 Condition C(b)

T88203/2001 Condition D(b)

That the lots be used for residential purposes only.

2.2.3 Erf 163, Stellenbosch

T148892/1998 Conditions C(b)

T105912/1998 Conditions C(b)

T72846/1997 Condition (d)(c)

T16275/2017 Condition C(c)

T88203/2001 Condition D(c)

That the lots be not subdivided without the approval of the Administrator.

2.2.4 Erf 164, Stellenbosch

T148892/1998 Conditions C(c)

T105912/1998 Conditions C(c)

T72846/1997 Condition (d)(d)

T16275/2017 Condition C(d)

T88203/2001 Condition D(d)

That not more than one dwelling house be erected on any lot, and that not more than one-third of the area of any one lot be built upon.

2.2.5 Erf 165, Stellenbosch

T148892/1998 Conditions C(d)

T105912/1998 Conditions C(d)

T72846/1997 Condition (d)(f)

T16275/2017 Condition C(f)

T88203/2001 Condition D(f)

That all buildings to be erected on this property shall stand back not less than 5.67m (T148892) / 18 feet (T105912) / 10 feet (T72846) / 3.15m (T16275 & T88203) from the line of any street or avenue on which the lots may abut. Such spaces may be used as gardens but shall not be built upon.

2.3 Rezoning of the unregistered consolidated property from Single Residential to General Residential to develop 176 residential units within a 5 storey building;

2.4 Relaxation of the street building line (Dennesig & Paul Kruger Roads) from 7.6m to 0.0m.

2.5 The relaxation of the lateral building lines adjacent to erven 140, 162 & 166 from 4.6m to 0.0m for the main building;

2.6 Relaxation of the lateral building line adjacent to erven 140, 143, 162 & 166 from 4.6m to 0.0m for the semi-basement and parking structure.

2.7 Departure to exceed the permitted coverage from 25% to 79.4%.

2.8 Departure to exceed the permitted floor factor from 0.75 to 1.6.

2.9 Departure to relax the required recreational space from 25% to 20%.

2.10 Permit 204 parking bays.

2.11 Departure to exceed the number of storeys from four storeys to five storeys.

2.12 Site Development Plan.

2. The above approvals granted are subject to the following conditions in terms of Section 66 of the above-mentioned by-law;

3.1 The approval only applies to the proposed development in question, as indicated on Drawing Nos. P001 dated 15 May 2018, SDP001 dated 24 October 2018, 201-207 dated 23 October 2019 and 301 dated 23 October 2019, drawn by Dennis Moss Partnership, and shall not be construed as authority to depart from any other legal prescriptions or requirements from Council;

3.2 Building plans be substantially in accordance with the approved SDP;

3.3 No building plan be submitted for approval prior to the applicable conditions of approval being adhered to;

- 3.4 All landscaping be implemented as indicated on the Site and Landscape Development Plan (Drawing No. SDP001 dated 24 October 2019) before any occupational certificates be issued.
- 3.5 The conditions imposed by the Director: Engineering Services in its memo dated 30 January 2020 be adhered to attached as **Annexure H**;
- 3.6 The conditions imposed by the Manager: Electrical Engineering in its memo dated 7 August 2018 be adhered to;
- 3.7 The conditions imposed by the Manager: Community Services in its memo dated 6 September 2018 be adhered to;
- 3.8 The landscaping plan for the subject property is to tie in with the Master Landscaping Plan for Dennesig to ensure that the Dennesig areas landscaping is a cohesive project and to ensure continuity for all communal areas located on the sidewalk of the subject property and the sidewalk area located within the road reserve;
- 3.9 Inclusionary housing component be included to expand housing opportunity for a broader range of income groups.

SIGNATURE: _____



Adv. Gesie van Deventer

DATE: 22 December 2020

NOTICE OF DECISION OF APPEAL AUTHORITY

APPLICATION FOR REZONING AND PERMANENT DEPARTURES: ERF 184, STELLENBOSCH

DECISION OF APPEAL AUTHORITY:

The Appeal Authority hereby, in terms of Section 81 (7) of the Stellenbosch Municipal Land Use Planning By-law 2015:

Tick the appropriate box:

| CONFIRM | | VARY | X | REVOKE | |
|---|--|------|---|--------|--|
| THE DECISION OF THE STELLENBOSCH MUNICIPAL PLANNING TRIBUNAL, ON THE 31 st OF JANUARY 2020, TO APPROVE IN TERMS OF SECTION 60 OF THE STELLENBOSCH MUNICIPAL LAND USE PLANNING BY-LAW DATED 20 OCTOBER 2015, APPLICATION FOR REZONING AND PERMANENT DEPARTURES: ERF 184, STELLENBOSCH | | | | | |

1. The abovementioned appeal refers.
2. The Municipal Planning Tribunal, on 31 January 2020, **approved, in whole**, in terms of section 60 of the Stellenbosch Municipal Land Use Planning By-law, promulgated by Notice no 354/2015 dated 20 October 2015, the Application for Rezoning and Permanent Departures: Erf 184, Stellenbosch.
3. The application was approved subject to a number of conditions imposed in terms of Section 66 of the Stellenbosch Municipality Land Use Planning By-Law (2015).

4. Appeals were submitted in terms of Section 79(2) of the By-Law against the decision of the Municipal Planning Tribunal, by appellants Meglis (PTY) Ltd on behalf of the owner of Erven 132, 133 & 134 (Consolidated Erf 17274), Stellenbosch as well as Mr. Andries Hamman.
5. The appeal assessment reports were duly drafted based on all documentation provided and available.
6. In terms section 81(6) of the Stellenbosch Municipality Land Use Planning By-Law (2015), the Appeal assessment report and all relevant documentation to which the Appeal Authority proposes to have regard in reaching a decision in the appeal proceeding, was presented to the Appellant and all affected parties for inspection and to which submissions from such parties were received and duly considered before reaching the decision.
7. In accordance with Section 81(b) & (3), an oral hearing was held on the 26th of November 2020 where the interested and affected parties were afforded the opportunity to make further submissions to the Appeal Authority.
8. After having independently considered and weighed all the relevant information, reports and submissions, it is decided that the appeals submitted against the decision on the subject applications on Erf 184, Stellenbosch, **BE PARTIALLY DISMISSED** and **PARTIALLY UPHELD** that the decision by the Stellenbosch Municipal Planning Tribunal **BE VARIED** in terms of section 81(7) (b) of the Stellenbosch Municipal Land Use Planning By-law, 2015.

9. 1 The reason(s) to confirm the decision of the Stellenbosch Municipal Planning Tribunal in terms of section 81(7) (c) of the said By-law relating to **densification**, are as follows:

9.1.1 This appeal is considered a wide appeal; hence all relevant information should be taken into account by the Appeal Authority. The Dennesig area was identified in the Stellenbosch Municipal Integrated Development Plan (IDP) and the Spatial Development Framework (SDF) as an area of well-located land to be targeted for redevelopment, densification and optimisation.

9.1.2 Duty of care was duly exercised in the processing of the application and considered and decided on in accordance with the prescripts of the prevailing Stellenbosch Municipal Planning Bylaw, 2015.

The Covid-19 situation impacted on the easy flow of communication and as the appellants and applicants remarked on this in the appeal process, the Appeal Authority invited all applicants and appellants in terms of the applicable by-law, to make oral representations to the Appeal Authority.

This was done to ensure that all parties have every opportunity to present their case to the appeal authority.

Without dealing with all the arguments raised to the Appeal Authority, the impact of the Dennesig Urban Design Guidelines has been fully argued and its applicable status needs consideration.

It was inter alia the contention of the appellant that the Dennesig Urban Design Guidelines ("the Guidelines") should be formally

adopted as a statutory document or tool like an overlay zone as alluded to in the Guidelines.

Statutory tools and processes like the IDP and MSDF determine what must be done and non-statutory tools and processes like guidelines assist with how it should be done (implemented).

The redevelopment and objectives for Dennesig was already decided on and dictated in the IDP and MSDF, i.e. its densification to optimize the potential of well-located land, its role and purpose in the bigger development of Stellenbosch as a critical corridor link to the Adam Tas development, and the associated importance of non-motorised transport and safe places by ensuring a public interface between developments and the street scape.

Guidelines have a specific purpose to inform responsible decision making on the implementation (how to do things) of law and policies (which determines what should be done).

The Guidelines were developed to assist with the consistent and responsible implementation of the developments to ensure that the overall objectives as stated in the MSDF are achieved. These informants relate to matters of design, aesthetics, and functionality to achieve and compliment the overall development strategy of densification and the priority of non-motorized transport and a pedestrian interface of functional areas.

Guidelines do not dictate and decide on statutory processes to establish land use rights and should therefore not be elevated to

statutory status and should also not be binding on a decision maker to dictate the outcome of any development.

It was furthermore inter alia the contention of the appellant that the process to draft the guidelines was undertaken by the current applicants for their purposes and that such process was closed to other parties and notably other developers and land owners of the Dennesig area and that reasonable participation and inputs was not allowed during the process. The applicants also appointed, paid and managed the service provider to draft the guidelines and that it was done purely to benefit their own interest.

The process to draft the guidelines was initiated, managed, and approved by the municipality. Due to capacity constraints at the municipality and for the sake of progress, the applicants facilitated the process and provided the upfront financing for the study. The Municipality however has remained the custodians of the study and its outcome and application. Consequently, the municipality dictated and approved the terms of reference for the study, approved the appointment of the consultants, managed their outcomes and approved the resulting guidelines. The payment of the study will be offset from the development contributions.

During the process to draft the guidelines properties under consideration, all the landowners and developers who had an interest in the Dennesig properties were invited to participate in the process.

During the process a significant team of a wide array of professionals participated and contributed towards the study to produce a

credible outcome to assist in responsible decision making. It has to be noted that, in terms of the scope of interested and affected parties, the extent and grounds for objections is very limited.

Furthermore, it was inter alia the contention of the appellant that the Stellenbosch Municipal Planning Bylaw does not make provision on Section 65 that Guidelines are a relevant consideration to be taken into account when deciding on land use and land development applications. Section 65 only refers to "Provincial" guidelines, which the Dennesig Guidelines are clearly not.

Section 65 of the Bylaw only refers to those matters which MUST be taken into account when considering a land use and land development application. It is by no means aimed at being an exhaustive list and to suggest that only those matters may be taken into account, is ludicrous and petition against Section 6(2) (e) (iii) of PAJA which prescribes that ALL relevant considerations (unqualified insofar as they are not deemed irrelevant considerations) should be taken into account when a decision maker makes a decision. It is common cause that development guidelines form an integral and relevant part in land use and land development decisions. To suggest otherwise will result in a flawed argument and will result in a procedural error to disregard such guidelines.

It was furthermore inter alia the contention of the appellant, that the amended applications that followed on its alignment with the subject development guidelines was material and ought to have been re-advertised.

The amendments which were required to the original applications to align them with the outcome of the development guidelines mostly related to the design and aesthetical features and which involved building lines, with the lowering of proposed buildings (less floors) in some instances. All changes were to adhere to the required design features to ensure an active public interface between the developments and the street scape.

Section 52(3) and 53(2) requires that a municipality must cause that the publishing or serving of a notice be re-undertaken if material changes are made to an application. The decision to re-advertise is however a discretionary and not a mandatory requirement. The municipality consequently did consider the need and used its discretion to not undertake any additional publishing or serving of notices due to the non-material nature of the changes to the land use applications.

The municipality consequently did exercise duty of care to consider and decide on the matter on rational grounds.

It was furthermore inter alia the contention of the appellant, that the guidelines have no status and should be discarded for the purpose of deciding on the subject land use applications.

The development objectives adopted in the MSDF for Dennesig included inter-alia to re-develop the Dennesig neighborhood as an important corridor link with the Adam Tas development area, to densify the Dennesig neighborhood to optimise the development potential of this well located area, to promote non-motorised

transport, mixed use development and to enhance community integration and safety by providing an active interface between the developments and street scape.

The Dennesig Development Guidelines was developed to provide coherent guidance for the implementation and achievement of these development objectives. The decisions to support these applications was thus based on the basis of rational grounds to achieve these development objectives. If the guidelines are not applied to ensure that these development objectives are met, it would in fact undermine the MSDF and result in ad-hoc developments with a baseless rationale for its redevelopment.

9.1.3 The Dennesig Urban Design Guidelines (" the Guidelines") was duly drafted to fulfil a specific purpose and serves as a relevant consideration to inform consistent and responsible decisions in the implementation of the IDP and SDF objectives regarding the redevelopment of the Dennesig area.

9.1.4 By not considering the Guidelines would constitute relevant considerations not been taken into account and would result therein that the IDP and SDF objectives are undermined with ad-hoc developments with a baseless rationale for its redevelopment.

9.1.5 No justifiable alternative rationale for the specific development proposal or the objective for the redevelopment of the Dennesig area was provided in the appeals submitted.

9.1.6 The decision by the Stellenbosch Municipal Planning Tribunal re: densification, are consequently considered to be rationally

connected to the relevant information that was considered and the reasons that was provided by the Stellenbosch Municipal Planning Tribunal for its decision to approve the subject application.

- 9.2 The reason(s) to **vary** the decision of the Stellenbosch Municipal Planning Tribunal in terms of section 81 (7) (c) of the said By-law relating to parking, are as follows:

The following synopsis of the rationale for the provision of parking in Dennesig derives from the provisions of the Stellenbosch MSDF, and more specifically Section 6.6.2 that deals with "Movement"

The point of departure in the provision of parking in the redevelopment of Dennesig, is not the perceived shortage of parking in Stellenbosch, but the fact that there are too many motor vehicles. Providing more parking space will therefore only address the symptoms of the problem to some degree. It will however not address the problem of too many vehicles. The continuous upgrading and provision of additional infrastructure to accommodate a motor-priority mode of transport is also not sustainable and will continue to impact negatively on the rural and productive landscape due to ongoing urban sprawl as a result of prioritizing motor vehicle mode of transport.

The long-term solution is rather to progressively limit the number of motor vehicles through a comprehensive strategy of public and non-motorised transport. To progressively limit the provision of parking is an inherent aspect to inhibit the ownership and use of private motor vehicles, as well as to ultimately make public transport viable and sustainable.

Such approach can however not be implemented on a blanket approach but requires a targeted approach for well-located land which lends itself for

the required densification that will support viable public and non-motorised public transport.

The redevelopment of Dennesig through appropriate densification for the needed critical mass is such prime targeted area due to being well located in close proximity to the central business district, the university campus, and its role as a corridor link with the redevelopment of the Adam Tas corridor. The development objectives for such redevelopment requires an urban landscape which favors non-motorised transport, and for which purpose the provision of off-street parking should also be avoided at all cost. Motor vehicles in off street parking as well as in dedicated parking areas sterilizes the street scape and public places and may in some instance contribute to anti-social behavior. This is also the prime consideration to allow the building line departures to permit that the buildings are build right on the street and public places, in order to give priority to inter-active public spaces rather than creating dead spaces that does not prioritize pedestrian priority spaces.

The concept of pedestrian and non-motorised transport and the prior knowledge of the limitation on parking is still to be developed in Stellenbosch. Sufficient public transport and safe walkways have not been developed yet. In a society where students and young people who will potentially be the residents in the proposed development, will have to walk at night in unsafe conditions or park their cars off-street. Until such time as more definite parameters for the development of non-motorized transport are implemented, it is not desirable to limit parking opportunities and to approve the decision of the Municipal Planning Tribunal (MPT).

10. After having independently considered and weighed all the relevant information, reports and submissions, it is decided that the appeals submitted against the decision on the subject applications on Erf 184, Stellenbosch, **BE PARTIALLY DISMISSED** and that the decision by the Stellenbosch Municipal Planning Tribunal **BE VARIED** in terms of section 81 (7) (b) of the Stellenbosch Municipal Land Use Planning By-law, 2015:

The Municipal Planning Tribunal, on 31 January 2020, **approved, in whole**, in terms of section 60 of the Stellenbosch Municipal Land Use Planning By-law, promulgated by Notice no 354/2015 dated 20 October 2015. The varied decision of the Appeal Authority is as follows:

- 1.1 **Rezoning** of Erf 184 from Single Residential to Specific Business Zone, in terms of the Stellenbosch Municipality Zoning Scheme Regulations, 1996 to develop 86m² of commercial space and 50 residential units in a 5-storey building.
- 1.2 **Permanent departures** for the following:
 - 1.2.1 **Street Building Line** (Dennesig) of 0.0m in lieu of 7.6m on Floors 1 – 4;
 - 1.2.2 **Street Building Line** (Hofman) of 0.0m for a portion of the building and 1.7m for the remainder of the building in lieu of 7.6m on Floors 1 – 4;
 - 1.2.3 **Common boundary** (Erf 155) 0.0m for a portion of the building on Ground and Floors 1 – 4 in lieu of 3.0m on ground and 4.6m on Floors 1- 4;
 - 1.2.4 **Common boundary** (Erf 4683) 0.0m on Ground Floor to allow for the stairwell and 0.0m (stairwell) and 1.7 (remainder building) on Floors 1 – 4 in lieu of 3m (ground floor) and 4.6m on Floors 1-4;

- 1.2.5 **Coverage** of 76% in lieu 50% for the residential component of the building on Floors 1-3;
 - 1.2.6 **Height** of the building to be 5 storeys in lieu of 4;
 - 1.2.7 **Provision** of 10.6% of the site for communal open space, in lieu of 25%;
 - 1.2.8 **Provision** of 74 parking bays (which would include parking for standard motorised vehicles, 12 motorcycles, and 50 bicycle bays).
2. The above approvals granted are subject to the following conditions in terms of Section 66 of the above-mentioned by-law;
 3. The approval applies only to the application under consideration and shall not be construed as authority to depart from any other legal prescriptions or requirements from Council;
 - 3.1 The conditions of approval as imposed by the Manager: Development (Infrastructure Services) in its memo dated 30 January 2020, condition C & D of the memo be adhered to (**Annexure H**);
 - 3.2 The development be undertaken in general accordance with the Site Development Plan as attached in **Annexure B**, drawings 3618/C/101-108 rev 8 dated 2019-10-23;
 - 3.3 Building plans be submitted to the Municipality for approval prior to any building work taking place on the property;
 - 3.4 A revised SDP and landscaping plan be submitted for approval by the Director: Planning and Economic Development with the building plans and implemented prior to an occupation certificate being issued;
 - 3.5 The commercial portion of the building only be used for convenience retail purposes;

- 3.6 The landscaping plan for the subject property as well as the sidewalk areas within the sidewalk must tie in with the Master Landscaping Plan for the Dennesig area to ensure that the landscaping for the areas is a cohesive project and that there is continuity for all communal areas;
- 3.7 Inclusionary housing component be included to expand housing opportunity for a broader range of income groups.

SIGNATURE:  **DATE:** 22 December 2020
Adv. Gesie van Deventer

| | |
|------|-------------------------|
| 10.2 | REPORT/S BY THE SPEAKER |
|------|-------------------------|

NONE

| | |
|------|-----------------------------------|
| 10.3 | REPORT/S BY THE MUNICIPAL MANAGER |
|------|-----------------------------------|

NONE

| | |
|-----|---|
| 11. | ITEMS FOR CONSIDERATION FROM THE EXECUTIVE MAYOR OR MAYORAL COMMITTEE: [ALD. G VAN DEVENTER (MS)] |
|-----|---|

| | |
|------|---|
| 11.1 | COMMUNITY DEVELOPMENT AND PROTECTION SERVICES:
(PC: CLLR R BADENHORST) |
|------|---|

NONE

| | |
|------|--|
| 11.2 | CORPORATE SERVICES: (PC: CLLR AR FRAZENBURG) |
|------|--|

| | |
|--------|---|
| 11.2.1 | LEASE PORTIONS 528A AND 529CC: MOUNTAIN BREEZE CARAVAN PARK |
|--------|---|

Collaborator No: 702286
IDP KPA Ref No: Good Governance
Meeting Date: 24 March 2021

1. SUBJECT: LEASE PORTIONS 528A AND 529CC: MOUNTAIN BREEZE CARAVAN PARK

2. PURPOSE

To inform Council that the current lease agreement comes to an end on 31 March 2021. Council has to resolve on a way forward.

3. DELEGATED AUTHORITY

The Municipal Council must consider the matter. The property is worth more than 10 Million Rand.

4. EXECUTIVE SUMMARY

Stellenbosch Municipality and Stellenbosch Caravan Park cc (Malan) concluded a long term Lease Agreement during 1992 for a period of 30 years (1 April 1991-31 March 2021)

This Lease Agreement was later ceded to the Mountain Breeze Caravan Park cc (Visser).

The lease Agreement will expire on 31 March 2021. The current Lessee send a letter attached as **APPENDIX 6** expressing her interest to continue with a lease provided that it is a 10 year period to get some returns on investment.

A letter and email was also received from a one of the persons occupying a stand on a long term basis requesting to rent the land from Council – **APPENDIX 7**.

Council must now decide on how to deal with this property, i.e. whether to dispose of it, or enter into a further rental agreement with the current lessee or someone else or use the property for another purpose. A decision also needs to be taken on the short term process (after March 2021) until a final decision has been reached.

The item was discussed at the January 2021 Mayco meeting and further information was requested and the item referred back.

Attached hereto please find **APPENDIX 8**, a further letter from Me Sonnekus, writer of appendix 7, is also attached providing some information on the people living on the land. **APPENDIX 9** is an email response received from the current lessee on the questions raised in Mayco. The rates are paid up and we could find no approval of building plans. We therefore have to deduct that the structures were not approved by the Building plan section. Proof of the current members of the close corporation is attached as **APPENDIX 10**. The Executive Mayor requested the Municipal Manager to provide a report categorising all council properties by December 2021 to enable the Council to make a determination on how the different categories of properties should be dealt with.

5. RECOMMENDATION

For Consideration

6. DISCUSSION / CONTENT

6.1 Background

6.1.1 Existing Lease Agreement

Stellenbosch Municipality and Stellenbosch Caravan Park cc (C.P Malan) concluded a long-term Lease Agreement on 18 May 1992 for the period 1 April 1991 to 31 March 2021.

This Lease Agreement, however, was later ceded to the Mountain Breeze Caravan Park cc (R.P. Visser) during 1995.

Copies of the Lease Agreement, as well as the Cession and Assignment Agreement are attached as **APPENDICES 1** and **2**, respectively.

6.1.2 Current Lessee

The current Lessee, Mrs Visser, she indicated that she would be interested in a further lease period.

The long term residents in the park has also expressed an interest to rent the properties they currently occupy.

Council must now decide on the most appropriate use of the property and should Council consider the disposal or awarding of long term rights (lease agreement). See paragraph 6.2.9 for a more detailed discussion on the various options.

6.2 Discussion

6.2.1 Locality and context

Mountain Breeze Caravan Park is situated on Lease Portions 528 and 529C, measuring 20.3ha in size, as indicated on Fig 1 and 2 below.

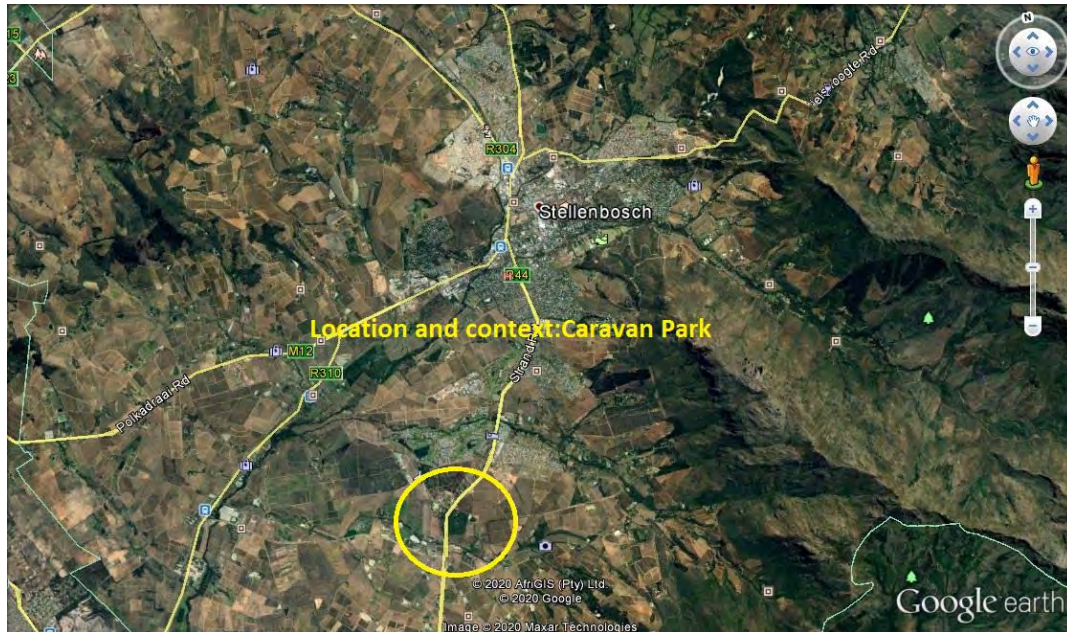


Fig 1: Location and regional context



Fig 2: Extent of property(s)

6.2.2 Ownership

The ownership of the two properties vests in Stellenbosch Municipality by virtue of Title Deeds STFH-891 and STFH6-4/1890, respectively. See Windeed records attached as **APPENDICES 3** and **4** respectively.

6.2.3 Access

Access to the property is *via* a registered servitude access off the R44, over a portion of Farm 1166, Stellenbosch as shown on Fig 3, below.

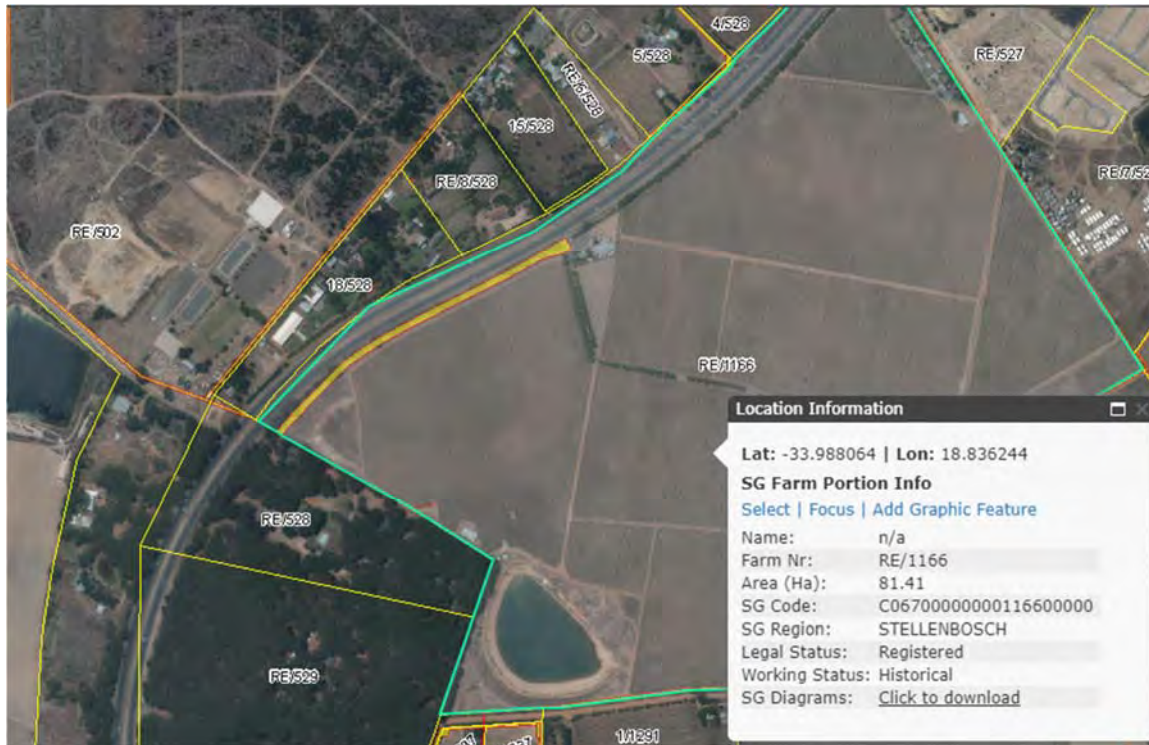


Fig 3: Access road

The servitude was registered at the Surveyor General in 1985, see copy of LG Diagram 8786/83 hereto attached as **APPENDIX 5**.

6.2.4 Access to services

The property has access to irrigation water (Theewaterskloof) and is getting drinking water from a borehole situated on the neighbouring farm 1166.

Electricity is supplied by Eskom.

6.2.5 Improvements

The following buildings were constructed by the Lessee during the lease period:

6.2.5.1 Temporary structures

6.2.5.1 .18 x Nutec Houses

Although the houses differ in size, the average size is about 150m². The Reception Area is part of 1 of the houses. See figures 4-12 below.



Fig 4: Reception (part of house 1)



Fig 5: House 1



Fig 6: House 2



Fig 7: House 3



Figure 8: House 4



Fig 9: House 5



Fig 10: House 6



Fig 11: House 7



Fig 12: House no 8

6.2.5.1.2 4 x Wood/Nutec Bungalows

These units are 38m² each. See Fig 13-14



Fig 13: Units 1 and 2



Fig 14: Units 3 and 4

6.2.5.1.3:2 x Big Nutec Bungalows

These units are 57m² each. See Fig 15.



Fig 15: Units 1 and 2

6.2.5.1.4: 2 x Plett. Caravans

These units are 52m² each. See Fig 16.



Fig 16: Units 1 and 2

6.2.5.1.5 1 x Nutec Hall

This facility is 860m² in size. See Fig 17.



Fig 17

6.2.5.2 Permanent Structures**6.2.5.2.1 1 x Swimming pool with ablutions facilities**

The swimming pool is 104m², whilst the ablution facilities are 102m². See Fig 18.



Fig 18: Swimming pool and ablution facilities

6.2.5.2.2 1 x Ablution facility

This facility is 189m² in size. See fig 19 below.



Fig 19: Main ablution facilities

6.2.5.2.3 6 X Chalets

These units (2x3) are 80m² each. See Fig 20 and 21



Fig 20: Units 1 and 2



Fig 21: Units 3 and 4



Fig 22: Units 5 and 6

6.2.5.2.4 2 x Staff houses

These units are 45m² and 130m² respectively. See fig 23 below.



Fig 23: Units 1 and 2

6.2.5.3 Temporary Structures put up by tenants

There are 9 temporary units that were put up by tenants. See Fig 24-32



Fig 24: Unit 1



Fig 25: Unit 2



Fig 26: Unit 3



Fig 27: Unit 4



Fig 28: Unit 5



Fig 29: Unit 6



Fig 30: Unit 7



Fig 31: Unit 8



Fig 32: Unit 9

6.2.5.4 Caravan/Camping stands

A total of 60 sites have been developed with electrical points and shared water points.
See fig 33 below.



Fig 33: Camping sites

6.2.6 Number of staff working at facility

There are 4 permanent staff members, being the maintenance Manager and his wife, working at Reception and two labourers.

All the staff members are currently residing on the property.

6.2.7 Current rental payable

The current rental payable is R47 873.59 per annum.

6.2.8 Legal requirements

Depending on whether Council is considering the disposal of the asset or whether to award long term rights various sections/regulations of the Municipal Finance Act, No 56 of 2003, (MFMA), the Asset Transfer Regulations (ATR) and the Municipality's Policy on the Management of Council owned property, will apply.

6.2.8.1 Disposal of fix properties**6.2.8.1.1 Municipal Finance Management Act (MFMA)**

In terms of the Section 14 of the MFMA,

"A municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.

(2) A municipality may transfer ownership or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public—

(a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and

(b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

(3) A decision by a municipal council that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset has been sold, transferred or otherwise disposed of.

(4) Municipal council may delegate to the accounting officer of the municipality its power to make the determinations referred to in subsection (2)(a) and (b) in respect of movable capital assets below a value determined by the council.

(5) Any transfer of ownership of a capital asset in terms of subsection (2) or (4) must be fair, equitable, transparent, competitive and consistent with the supply chain management policy which the municipality must have and maintain in terms of section 111".

6.2.8.1.2 Asset Transfer Regulations (ATR)

In terms of Regulation 5 of the ATR

"(1) A municipality may transfer or dispose of a non-exempted capital asset only after—

(a) the accounting officer has in terms of regulation 6 conducted a public participation process to facilitate the determinations a municipal council must make in terms of section 14(2)(a) and (b) of the Act; and

(b) the municipal council—

(i) has made the determinations required by section 14(2)(a) and (b) and

(ii) has as a consequence of those determinations approved in principle that the capital asset may be transferred or disposed of.

(2) Sub regulation (1)(a) must be complied with only if the capital asset proposed to be transferred or disposed of is a high value capital asset" (i.e. in excess of R50M)".

6.2.8.1.3 Policy on the Management of Council owned property

In terms of paragraph 7.2.3 (general principles pertaining to the disposal of immovable property), of the policy;

"Before alienating Immoveable property or rights in Immoveable property the Municipality shall be satisfied that alienation is the appropriate methodology and that reasonable economic, environmental and social return cannot be derived whilst ownership of the Immoveable property or Property rights is retained by the Municipality".

Further in terms of paragraph 8 of the policy:

- "8.1 Before an Immoveable property is declared as surplus, and earmarked for disposal or the awarding of rights, it must first be assessed for its most appropriate use.*
- 8.2 The most appropriate use for a surplus property is one which achieves an optimum balance between the following three key elements of sustainable development:*
 - (a) the protection of ecological processes and natural systems;*
 - (b) the optimum financial return to and economic development of the municipal area; and*
 - (c) the enhancement of the cultural, economic, physical and social wellbeing of people and communities.*
- 8.3 The three elements of sustainability will apply to all surplus Immoveable Properties, however their significance and the relationships between them will vary for individual Immoveable Properties.*
- 8.4 In determining the most appropriate use of surplus properties, regard should be given to:*
 - (a) Spatial development framework(s);*
 - (b) Regional plans;*
 - (c) Sectoral studies/plans;*
 - (d) Government policies;*
 - (e) Relevant legislation; and*
 - (f) The views of interested and affected parties.*
- 8.5 Where appropriate, opportunities should be provided for community involvement in the assessment process".*

Further, Subsequent to determining the most appropriate use of a property and after the Municipality has decided that the Immoveable property could be disposed of, or that rights may be awarded, the method of disposal or method of awarding rights should be determined".

In terms of paragraph 9.1 the Municipality may use any of the following methods, depending on the circumstances pertaining the specific Immoveable property:

Tender process

- a) Auction*
- b) Call for proposals (will include a tender process)*

6.2.8.2 Granting of rights to use, Control or Manage a Capital asset**6.2.8.2.1 Asset Transfer Regulations (ATR)**

In terms of Regulation 34, a municipality may grant a right to use, control or manage a capital asset only after:

- "1)a) The accounting officer has, in terms of Regulation 35, concluded a public participation process regarding the proposed granting of the right; and*
- b) The municipal Council has approved in principle that the right may be granted.*
- 2) Sub-regulation (1)(a) must be complied with only if:*
 - a) the capital asset in respect of which the proposed right is to be granted has a value in excess of R10m; and*
 - b) a long-term right is proposed".*

In considering options Council must treat the property as a property that falls within this category valued in excess of R10M.

- "3)a) Only a Municipal Council may authorise the public participation process referred to in sub-regulation (a)*
- b) a request to the Municipal Council for the authorisation of a public participation process must be accompanied by an Information Statement*, stating:*
 - i) the reason for the proposal to grant a long term right to use, control or manage the relevant capital asset;*
 - ii) any expected benefit to the municipality that may result from the granting of the right;*
 - iii) any expected proceeds to be received by the municipality from the granting of the right; and*
 - iv) any expected gain or loss that will be realised or incurred by the municipality arising from the granting of the right".*

Council must consider its options and decide on the future use of the property. Only after Council had decided on a way forward, an Information Statement will be prepared and submitted with a further item.

6.2.8.2.2 Policy on the Management of Council owned property

In terms of paragraph 7.2.1, *"unless otherwise provided for in the policy, the disposal of viable immovable property shall be affected by means of a process of public competition".*

In terms of paragraph 9.1.1 of the Policy,

"The type of a formal tender may vary, depending on the nature of the transaction:

- i) **Outright tender** may be appropriate where the Immoveable property ownership is not complex, and the Municipality is seeking obligations to be placed on the successful tenderer which are clear and capable of specification in advance.*

ii) **Qualified tenders/call for proposals** will be appropriate where the Immovable property ownership position is complex or the development proposals for the Immovable property are insufficiently identified or otherwise incapable of detailed specification at the pre-tender stage.

iii) **Call for proposals on a build-operate transfer (B.O.T) basis** will be used if a developer is required to undertake the construction, including the financing, of a facility on Municipal-owned land, and the operation and maintenance thereof. The developer operates the facility over a fixed term during which it is allowed to charge facility users appropriate fees, rentals and charges not exceeding those proposed in its bid or as negotiated and incorporated in the contract, to enable the developer to recover its investment and operating and maintenance expenses in the project. The developer transfers the facility to the municipality at the end of the fixed term.

Such a process may, depending on the nature of the transaction, include a two-stage or two-envelope bidding process (proposal call) in terms of which only those bidders that meet the pre-qualification criteria specified in the first stage are entitled to participate in the second

Council may also decide to deal with any other competitive process like an auction.

In terms of paragraph 9.2.2 of the Policy, "the Municipal Council may dispense with the prescribed, competitive process, and may enter into a private treaty agreement through any convenient process, which may include direct negotiations, but only in specific circumstances, and only after having advertised Council's intention so to act. Should any objections be received as a consequence of such a notice, such objections first be considered before a final decision is taken to dispense with the competitive process established in this policy.

Here under a list of circumstances where Council dispense with a competitive process.

- a) Due to **specific circumstances** peculiar to the property under consideration, it can only be utilized by the one person/organisation wishing to enter into the Property Transaction;
- (e) in **exceptional cases** where the Municipal Council is of the opinion the public competition would not serve a useful purpose or that it is in the interest of the community and the Municipality. In such cases reasons for preferring such out of hand sale or lease to those by public competition must be recorded".
- l) **lease contracts with existing tenants** of immovable properties, not exceeding ten (10) years, may be renegotiated where the Executive Mayor is of the opinion that public competition would not serve a useful purpose or that renewal is aligned with the Municipality's strategic objectives and in the interest of the Community, subject to such renewal being advertised calling for public comment. The existing tenant shall give notice of the intention to renegotiate the lease at least six months before the date of termination;

The reasons for any such deviation from the competitive disposal process must be recorded".

From the above it is clear the Council may, under the circumstances described above, decide to dispose with a competitive (tender) process.

6.2.9 Consideration of options

From the above it is clear that Council may consider any of the following options:

6.1.1.1 Disposal of property

Should Council decide to dispose of the properties, then the legal provisions set out in paragraph 6.2.8 (*supra*) will apply. Council's attention is specifically drawn to paragraph 8 of the Policy on the Management of Council-owned property, requiring the Council to first assess the properties for its "*most appropriate use*" before declaring the property as surplus.

6.1.1.2 Awarding of rights: Long term Lease

Should Council decide to grant a right to use (Lease agreement) or manage the properties to a third party, then the legal provisions set out in paragraph 6.2.8.2 (ATR and Policy) will apply.

Under this option, Council must first consider whether to enter into a **private treaty agreement** with the existing Lessee (i.e. without following a tender process) or to follow a **public tender process**.

If Council decides to follow a public tender process, then it must decide on the type of process to be followed, i.e.:

- Outright tender;
- Qualified tender/Call for proposals, or
- Call for proposals on a Built-Operate-Transfer basis.

6.3 Financial Implications

The possible financial implications can only be determined after Council has decided which route to follow.

6.4 Legal Implications

The recommendations in this report comply with the Council's policies and applicable legislation.

6.5 Staff Implications

This report has no staff implications to the Municipality;

6.6 Previous / Relevant Council Resolutions

None

6.7 Risk Implications

The risks are addressed in the item.

6.8 Comments from Senior Management

Will be obtained when Council has indicated its preference on the way forward.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2021-03-24: ITEM 7.2.2

- (a) that lease portions 528a and 529cc, known as Mountain Breeze Caravan Park, be identified as land not needed for own use during the period for which such rights are to be granted, as provided for in Regulation 36 of the Asset Transfer Regulations;
- (b) that the lease agreement be extended on a month-to-month basis until a property register has been compiled and considered by Council to determine the future of Council properties per category;
- (c) that the lessee be informed to strictly adhere to the conditions of the lease agreement;
- (d) that the Caravan Park pay their municipal account and that the Municipal Manager be mandated to determine the lease amount;
- (e) that the Municipal Manager be mandated to take the necessary steps to ensure the drafting and finalisation of the property register and submit it to Council by not later than December 2021; and
- (f) that the item be brought back to Council as soon as the property register has been adopted by Council.

ANNEXURES:

- Appendix 1: Lease Agreement
- Appendix 2: Cession and Assignment Agreement
- Appendix 3: Windeed records
- Appendix 4: Windeed records
- Appendix 5: LG Diagram 8786/83
- Appendix 6: Letter from current Lessee
- Appendix 7: Letter from one of the long term residents
- Appendix 8: Letter from Me Sonnekus 11.01.21
- Appendix 9: Email response from Current lessee on questions raised
- Appendix 10: Membership of Close Corporation

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 | 08.03.2021 |

APPENDIX 1

2.1

MEMORANDUM VAN HUUROOREENKOMS

Aangegaan deur en tussen

DIE MUNISIPALITEIT STELLENBOSCH

hierin verteenwoordig deur

ERASMUS PETRUS SMITH TALJAARD EN GERHARDUS MATTHYS STRYDOM

in hul onderskeie hoedanighede as Burgemeester en/of Uitvoerende Hoof/Stadsklerk van gemelde Munisipaliteit

("die **VERHUURDER**")

en

STELLENBOSCH CARAVAN PARK CC**NO CK 85/08481/23**

hierin verteenwoordig deur **DANIE MALAN** as synde die gevolmagdigde verteenwoordiger ingevolge 'n besluit van die Beslote Korporasie gedateer 1992-⁰³⁻²⁴~~03-24~~ waarvan 'n afskrif as Bylae A aangeheg is

("die **HURDER**")**NADEMAAL** die **VERHUURDER** die eienaar is van die eiendom bekend as

Plase 528A en 529C groot 20,3 hektaar

soos aangedui op die aangehegte kaart

("die **EIENDOM**")

EN NADEMAAL die **VERHUURDER** begerig is om die **EIENDOM** aan die **HURDER** te verhuur vir die uitsluitlike gebruik van 'n karavaanpark en om 'n gedeelte van die verhuurde eiendom van nywerheidswater te voorsien kragtens 'n ooreenkoms of ooreenkomste tussen die **VERHUURDER** en die Departement van Waterwese en Bosbou en/of die Helderberg Besproeiingsraad (**DIE OOREENKOMS**), die terme en voorwaardes van die ooreenkoms waarvan aan die **HURDER** bekend is.

Gemeenskapsdienste : 1994-07-05 : Item 2.1.A

AANHANGSEL 2

2.1

MEMORANDUM VAN HUUROOREENKOMS

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DIE MUNISIPALITEIT STELLENBOSCH

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ERASMUS PETRUS SMITH TALJAARD EN GERHARDUS MATTHYS STRYDOM

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soos aangedui op die aangehegte kaart

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 huur vir die uitsluitlike gebruik van 'n karavaanpark en om 'n gedeelte van die verhuurde eiendom
 van nywerheidswater te voorsien kragtens 'n ooreenkoms of ooreenkomstige tussen die
VERHUURDER en die Departement van Waterwese en Bosbou en/of die Helderberg Be-
 sproeiingsraad (**DIE OOREENKOMS**), die terme en voorwaardes van die ooreenkoms waarvan aan
 die HUURDER bekend is.

(Handwritten signatures and initials)
 ER. RJ
 bgr

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EN NADEMAAL die **HURDER** begerig is om die **EIENDOM** te huur en om die water wat as gevolg van sodanige ooreenkoms ten opsigte van die verhuurde eiendom verkry word, op die verhuurde eiendom aan te wend.

EN NADEMAAL die verhuring van die **EIENDOM** aan die **HURDER** onder voorwaardes van **DIE OOREENKOMS** op 'n vergadering van die Stadsraad gehou op 1991-05-14 (item 5.1.B) goedgekeur is.

NOU DERHALWE KOM DIE PARTYE ONDERLING SOOS VOLG OOREEN

1. TERMYN VAN VERHURING

Die **VERHUURDER** verhuur hiermee aan die **HURDER** die eiendom, wat deur die **HURDER** in huur aangeneem word, vir 'n tydperk wat begin op die eerste (1) dag van April 1991 en afsluit op die 31ste dag van Maart 2021 dog is steeds onderworpe aan die bepalinge van subklousules 4.4 (laat betaling), 13.1 (sessie), klousule 20 (opsegging) en die bepalinge van Bylae B hiervan.

2. Die **VERHUURDER** onderneem om alles te doen, of te laat doen, om 2 ha van die **EIENDOM**, of sodanige gedeelte wat goedgekeur mag word, soos uitgewys tussen die partye, kragtens die ooreenkoms van nywerheidswater te laat voorsien.

3. Die **HURDER** sal geregtig wees om gedurende die huurtermyn in klousule 1 bepaal die water wat as gevolg van sodanige ooreenkoms verkry word ten opsigte van die verhuurde eiendom, op die verhuurde eiendom aan te wend op sodanige wyse soos goedgekeur deur die **VERHUURDER** en onderhewig aan alle terme en voorwaardes kragtens die bepalinge van **DIE OOREENKOMS**, of andersins bepaal, welke terme en voorwaardes aan die **HURDER** bekend is.

4. HURGELD, KOSTE VAN WATER, MUNISIPALE BELASTING

4.1 Die **HURDER** betaal eenmalig voor of op die 30ste dag van April 1992 by die kantoor van die Stadstoesourier die bedrag van **R12 486,01** (welke bedrag bereken is vir die tydperk vanaf die datum waarop die ooreenkoms 'n aanvang neem tot die 31ste dag van

2.2

EN NADEMAAL die **HURDER** begerig is om die **EIENDOM** te huur en om die water wat as gevolg van sodanige ooreenkoms ten opsigte van die verhuurde eiendom verkry word, op die verhuurde eiendom aan te wend.

EN NADEMAAL die verhuring van die **EIENDOM** aan die **HURDER** onder voorwaardes van **DIE OOREENKOMS** op 'n vergadering van die Stadsraad gehou op 1991-05-14 (item 5.1.B) goedgekeur is.

NOU DERHALWE KOM DIE PARTYE ONDERLING SOOS VOLG OOREEN

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2.3

Maart 1993. Die **HUURDER** betaal daarna jaarliks voor of op die 31ste dag van Maart van elke daaropvolgende jaar die basiese huurgeld plus verhoging plus addisionele huurpremie soos bereken volgens die voorwaardes wat as Bylae B hierby aangeheg is.

4.2 Die **HUURDER** sal verder aanspreeklik wees om op aanvraag deur die **VERHUURDER** die volgende bedrae aan die **VERHUURDER**, of sy genomineerde, te betaal, naamlik:

4.2.1 enige en alle belastings en vorderings gehef te word deur die Helderberg Besproeiingsraad wat jurisdiksie het oor die verhuurde eiendom. Die Departement van Waterwese en Bosbou, of enige ander owerheidsliggaam, vir of ten opsigte van, maar nie uitsluitend nie -

4.2.1.1 basiese bydrae vir rente en delging van die beoogde nywerheidswatervoorsiening;

4.2.1.2 administratiewe koste;

4.2.1.3 verpligte bydraes ten opsigte van 'n reserwefonds;

4.2.1.4 verpligte bydraes tot die Watervorsingsraad;

4.2.1.5 koste van die gelewerde water soos deur die Besproeiingsraad en bereken teen die aankoopkoste van water soos van tyd tot tyd deur die Departement van Waterwese bepaal.

4.2.1.6 enige en alle belastings of ander heffings of vorderings, van welke aard en omvang ookal gehef deur voormelde liggame.

4.2.2 voorlopige uitgawes en tussentydse heffings wat deur die Besproeiingsraad of die Departement van Waterwese en Bosbou opgelê word.

4.3 Die **VERHUURDER** beskou die voorlegging van 'n rekening van die Besproeiingsraad en/of die Departement van Waterwese en Bosbou as afdoende stawende bewys van die bedrag wat deur die **HUURDER** verskuldig is, opvallende foute en weglatings uitgesluit.

4.4 Enige huurgeld of gelde verskuldig kragtens klousule 4.1 en 4.2 wat na die vervaldatum deur die **HUURDER** aangebied word ten opsigte van enige jaar, indien die **VERHUURDER** dit aanvaar, is onderworpe aan 'n rente wat maandeliks vooruit bereken sal word teen die standaardrentekoers, soos deur die Munisipale Ordonnansie, Ordonnansie

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nr 20 van 1974, of enige vervanging of wysiging daarvan of enige ander toepaslike Ordonnansie van tyd tot tyd bepaal ten opsigte van elke maand of gedeelte daarvan.

4.5 Dit is 'n spesiale voorwaarde van hierdie ooreenkoms dat die **VERHUURDER** die reg voorbehou om hierdie ooreenkoms summier te kanselleer, sonder enige voorafgaande skriftelike kennisgewing, indien die **HUURDER** sou versuim om enige verskuldigde huurgeld of gelde verskuldig kragtens klousule 4.1. en 4.2 binne sewe dae vanaf die vervaldatum te vereffen, en so 'n kansellering affekteer generwyse die reg van die **VERHUURDER** om enige bedrag wat die **HUURDER** skuld of verskuldig aan word, geregtelik van hom te vorder nie.

4.6 Die **HUURDER** sal aanspreeklik wees om enige wetlike verpligte heffing sowel as die eiendomsbelastings en/of diensgelde deur die Stadsraad op die **EIENDOM** gehef te betaal, onderworpe aan die voorwaardes en vereistes soos bepaal mag word in terme van die toepaslike wetgewing of die Munisipale Ordonnansie, Ordonnansie nr 20 van 1974, of enige vervanging of wysiging daarvan, of enige ander toepaslike Ordonnansie.

5. STREEKSDIENSTERAADHEFFING

Die **HUURDER** onderneem om alle heffings wat deur die Streeksdiensteraad op die **EIENDOM** gehef word, regstreeks aan daardie owerheid te betaal.

6. MYN- EN ANDER REGTE

Die **VERHUURDER** behou voor alle regte op metale, minerale, steenkool, klip van alle soorte, klei en gruis, met inbegrip van die reg van toegang tot die eiendom te alle tye om sodanige metale, minerale of steenkool te myn of om klei, gruis en klip te verwyder, onderworpe aan 'n vermindering van die huurgeld in verhouding tot die oppervlakte wat deur die **VERHUURDER** vir sodanige mynwerk of verwydering teruggeneem word.

7. BESKERMING VAN BOME

7.1 Alle bome, wingerde of dergelike verbeteringe op die verhuurde perseel bly die eiendom van die **VERHUURDER** en mag nie deur die **HUURDER** beskadig of verwyder word nie.

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7.2 Die **HUURDER** moet die geskrewe toestemming van die **VERHUURDER** vooraf verkry vir die verwydering van enige bome, wingerde en dergelike verbeteringe op 'n terrein wat hy vir verbouing nodig het, en as sodanige toestemming verleen word, behou die **VERHUURDER** die reg voor om oor die hout vir sy eie voordeel te beskik.

7.3 Die **VERHUURDER** behou die reg oor om deur sy amptenare periodieke inspeksies van bome, en ander verbeteringe op die eiendom uit te voer en om sodanige stappe ter beskerming daarvan te doen as wat hy nodig mag ag.

7.4 Die **VERHUURDER** behou die reg voor om self enige bome op die eiendom wat nie deur die **HUURDER** aangeplant is nie, te kap en te verwyder, en hiervoor het hy vrye toegang tot die eiendom.

8. **WATERBRONNE**

8.1 Die **VERHUURDER** waarborg geen voorraad van oppervlakte- of ondergrondse water nie.

8.2 Die **HUURDER** onderneem om nie met fonteine of met die natuurlike vloei van oppervlakte afloopwater in te meng nie deur kanale, vore of damme te bou of om enige ander werke uit te voer sonder die voorafverkreë skriftelike toestemming van die **VERHUURDER** nie, en vir die toepassing van hierdie subklousule is 'n opinie van die betrokke Staatsdepartemente en/of onderafdelings daarvan bindend en finaal.

8.3 Die **VERHUURDER** behou die reg voor om water op die **EIENDOM** op te gaar of om die gebruik van water uit fonteine of strome te beperk, indien sodanige opgaring of beperking na sy mening noodsaaklik is ter beskerming van die regte van derde partye.

8.4 Die **HUURDER** onderneem om alle strome, fonteine of opgaardamme teen besoedeling te beskerm, en om sodanige instruksies uit te voer as wat die **VERHUURDER** periodiek te dien einde mag uitreik.

8.5 'n Serwituut is ten gunste van die **EIENDOM** op die boorgat gemerk A en pyplyn gemerk AB op die aangehegde diagram no 8743/87 geregistreer.

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9. GRONDBEWARING

- 9.1 Die **HURDER** onderneem om die **EIENDOM** op 'n versigtige en sorgsame wyse, te gebruik en ook om verswakking van die natuurlike vrugbaarheid en kwaliteit van die grond teen te werk.
- 9.2 Die **HURDER** onderneem om gronderosie teen te werk en om stiptelik uitvoering te gee aan die bepalinge van enige grondbewaringskema wat volgens wet op die **EIENDOM** van toepassing mag wees, en te dien einde behou die **VERHUURDER** die reg voor om periodieke instruksies uit te reik.
- 9.3 Die **VERHUURDER** behou die reg voor om sodanige werke uit te voer as wat hy nodig mag ag vir die bestryding van gronderosie, en wel op die koste van die **HURDER** as laasgenoemde versuim om dit op die **VERHUURDER** se versoek te doen.
- 9.4 Die **HURDER** onderneem om geen sand, grond, gruis, klip of ander grondstof vanaf die **EIENDOM** vir verkoping of gebruik elders te verwyder nie.
- 9.5 Die **HURDER** onderneem om toe te sien dat geen vullis, rommel of afval op die **EIENDOM** gestort word nie.

10. SKADELIKE GEWASSE

- 10.1 Die **HURDER** onderneem om die **EIENDOM** van skadelike gewasse skoon te hou.
- 10.2 Die **VERHUURDER** behou die reg voor om sodanige stappe as wat hy dienlik mag ag, te doen ter verwydering van dergelike geproklameerde onkruid, en wel op die koste van die **HURDER** ingeval laasgenoemde versuim om dit op die **VERHUURDER** se versoek te doen.

11. BRANDBESTRYDING

- 11.1 Die **HURDER** onderneem om die uiterste sorg uit te oefen ter beskerming van die **EIENDOM** teen veldbrande, en die **VERHUURDER** kan vereis dat die **HURDER** op sy eie koste sodanige brandpaaie bou as wat die **VERHUURDER** nodig mag ag.
- 11.2 Die **HURDER** is aanspreeklik vir vergoeding aan die **VERHUURDER** vir enige uitgawe aangegaan om brande te voorkom of te blus. Brandskade aan bome of ander plante

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9. GRONDBEWARING

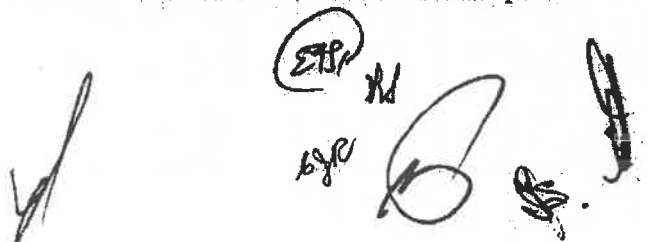
- 9.1 Die **HURDER** onderneem om die **EIENDOM** op 'n versigtige en sorgsame wyse, te gebruik en ook om verswakking van die natuurlike vrugbaarheid en kwaliteit van die grond teen te werk.
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op die **EIENDOM** wat aan die **VERHUURDER** behoort word deur 'n taksateur wat deur die **VERHUURDER** aangestel en wie se bevinding bindend is, aangeslaan, en aan die **VERHUURDER** deur die **HUURDER** vergoed.

12. OMHEINING

12.1 Die **HUURDER** is verantwoordelik vir die oprigting en koste van enige omheining wat hy vir die beskerming van sy onderneming op die **EIENDOM** nodig mag ag. Geen motorvoertuighek mag op die grens, aangedui as Kabode op die aangehegte kaart aangebring word nie.

12.2 Omheining wat deur die **HUURDER** opgerig word, kan binne een maand na die afloop van die huurooreenkoms verwyder word, maar die **VERHUURDER** kan uitstel vir sodanige verwydering verleen totdat die **EIENDOM** weer verhuur is om onderhandeling met die opvolger vir die verkoping of oordrag daarvan moontlik te maak, met dien verstande dat die **VERHUURDER** eienaar van sodanige omheining word indien geen finale reëlins binne sestig dae vanaf die datum van herverhuring deur die **HUURDER** getref is nie, en in so 'n geval is die **HUURDER** nie geregtig tot enige vergoeding vir die omheining wat aldus deur hom verbeur is nie.

13. ONDERVERHURINGS, SESSIES OF OORDRAGTE, ENS

13.1 Die **HUURDER** sal nie hierdie huurooreenkoms seeder of oordra nie, en onderverhuur nie die **EIENDOM** of enige deel daarvan sonder die voorafverkreë skriftelike toestemming van die **VERHUURDER** nie.

13.2 Die **VERHUURDER** kan 'n sertifikaat as bewys vereis dat die maatskappy wat 'n **HUURDER** is, wel as 'n maatskappy geregistreer is.

13.3 By verandering van die beherende aandeelhouding of belange in 'n maatskappy of beslote korporasie wat 'n **HUURDER** is of by verandering van direkteure of by likwidasie van die maatskappy of beslote korporasie of ingeval die maatskappy onder geregtelike bestuur geplaas word, bly die oorspronklike borge ten behoeve van die maatskappy of beslote korporasie gesamentlik en afsonderlik en as mede-hoofskuldenaars teenoor die **VERHUURDER** aanspreeklik, tensy die **VERHUURDER** op skriftelike aansoek van die **HUURDER** toestem tot vervanging van sodanige borge.

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op die **EIENDOM** wat aan die **VERHUURDER** behoort word deur 'n taksateur wat deur die **VERHUURDER** aangestel en wie se bevinding bindend is, aangeslaan, en aan die **VERHUURDER** deur die **HURDER** vergoed.

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12.1 Die **HURDER** is verantwoordelik vir die oprigting en koste van enige omheining wat hy vir die beskerming van sy onderneming op die **EIENDOM** nodig mag ag. Geen motorvoertuighek mag op die grens, aangedui as Kabode op die aangehegte kaart aangebring word nie.

12.2 Omheining wat deur die **HURDER** opgerig word, kan binne een maand na die afloop van die huurooreenkoms verwyder word, maar die **VERHUURDER** kan uitstel vir sodanige verwydering verleen totdat die **EIENDOM** weer verhuur is om onderhandelinge met die opvolger vir die verkoping of oordrag daarvan moontlik te maak, met dien verstande dat die **VERHUURDER** eienaar van sodanige omheining word indien geen finale reëlins binne sestig dae vanaf die datum van hervrhuring deur die **HURDER** getref is nie, en in so 'n geval is die **HURDER** nie geregtig tot enige vergoeding vir die omheining wat aldus deur hom verbeur is nie.

13. **ONDERVERHURINGS, SESSIES OF OORDRAGTE, ENS**

13.1 Die **HURDER** sal nie hierdie huurooreenkoms seeder of oordra nie, en onderverhuur nie die **EIENDOM** of enige deel daarvan sonder die voorafverkreë skriftelike toestemming van die **VERHUURDER** nie.

13.2 Die **VERHUURDER** kan 'n sertifikaat as bewys vereis dat die maatskappy wat 'n **HURDER** is, wel as 'n maatskappy geregistreer is.

13.3 By verandering van die beherende aandeelhouding of belange in 'n maatskappy of beslote korporasie wat 'n **HURDER** is of by verandering van direkteure of by likwidasie van die maatskappy of beslote korporasie of ingeval die maatskappy onder geregtelike bestuur geplaas word, bly die oorspronklike borge ten behoeve van die maatskappy of beslote korporasie gesamentlik en afsonderlik en as mede-hoofskuldenaars teenoor die **VERHUURDER** aanspreeklik, tensy die **VERHUURDER** op skriftelike aansoek van die **HURDER** toestem tot vervanging van sodanige borge.

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- 13.4 Verandering van die beherende aandeelhouding of verandering van ledebelang, direkteure of Trustees vir 'n Maatskappy, Beslote Korporasie of 'n Trust wat 'n **HURDER** is, word geag 'n onderverhuring te wees.

14. **GEBoue EN STRUKTURELE VERBETERINGE**

- 14.1 Enige gebou of strukturele verbeteringe wat op die **EIENDOM** by die aanvang van die huurooreenkoms bestaan, of mettertyd gedurende die huurtermyn opgerig mag word, sal deur die **HURDER** op sy eie koste hetsy binne of buite in 'n goeie toestand gehou word en wel tot die bevrediging van die **VERHUURDER** en indien die **HURDER** versuim om dit te doen kan die **VERHUURDER** sodanige reparasies as wat hy nodig mag ag, laat aanbring terwyl die **HURDER** vir die uitgawe aanspreeklik bly.
- 14.2 Geen nuwe gebou, struktuur of ander permanente verbetering sal op die **EIENDOM** aangebring, opgerig of uitgevoer word sonder die voorafverkreë skriftelike toestemming van die **VERHUURDER** nie, en sonder dat bouplanne ten opsigte van sodanige verbeteringe vooraf deur die **VERHUURDER** goedgekeur is nie en laasgenoemde kan gelas dat sodanige gebou, struktuur of verbetering wat inderdaad sonder sy skriftelike goedkeuring en toestemming opgerig, aangebring of gebou is deur die **HURDER** op sy eie koste verwyder word.
- 14.3 Goedgekeurde verbeteringe van 'n permanente aard sal deur die **HURDER** op sy eie risiko aangebring of opgerig word.
- 14.4 Die **VERHUURDER** sal enige geboue of ander verbeteringe wat by die aanvang van die huurtermyn op die **EIENDOM** is teen skade verseker en sodanige versekering instand hou, met dien verstande dat die **HURDER** verantwoordelik sal wees vir die volle kostes verbonde aan sodanige versekering, en die **VERHUURDER** sal derhalwe die premies direk van die **HURDER** vorder.
- 14.5 Indien die **VERHUURDER** kontant van 'n versekeringsmaatskappy sou ontvang ter vergoeding van 'n eis ten opsigte van skade aan enige verbetering op die **EIENDOM** soos in subklousule 14.4 van hierdie ooreenkoms genoem, kan hy die verbetering herstel of die kontant hou, na gelang hy dit dienlik ag.
- 14.6 Behuising kan, met behoud van die bepalinge van subklousules 14.1, 14.2, 14.3 en 14.4 van hierdie ooreenkoms aan werkers wat die **HURDER** op die **EIENDOM** in diens het, met inbegrip van hul onmiddellike afhanklikes, op die **EIENDOM** voorsien word, onderworpe aan die voorafverkreë skriftelike toestemming van die **VERHUURDER**, en

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die stiptelike nakoming van die bepalings en vereistes van die toepaslike wetgewing met betrekking tot behuising.

Enige plakkery op die **EIENDOM** is ten strengste verbode.

14.7 Die **HURDER** sal geen reg of aanspraak hê of vergoeding kan eis ten opsigte van verbeteringe, met inbegrip van landboukundige verbeteringe wat tydens die huurtermyn op die **EIENDOM** aangebring is nie, en die **VERHUURDER** behou die reg voor om, by beëindiging van hierdie ooreenkoms ingevolge die bepalings van klousule 3, subklousules 4.4, 20.1.1, 20.1.2 en 20.2 of andersins volgens sy eie diskresie en goeëdunke te besluit of die **VERHUURDER** bereid is om die **HURDER** enigsins te vergoed vir sodanige verbeteringe. Voorts kan die **VERHUURDER** in die alternatief toestem tot die verwydering van enige verbetering binne 'n tydperk soos deur die **VERHUURDER** voorgeskryf, by gebreke waarvan die **HURDER** enige reg op verwydering van sodanige verbeteringe of enige verdere aanspraak van watter aard ookal sal verbeur, ten gevolge waarvan die betrokke verbeteringe sonder enige aard van vergoeding die **EIENDOM** van die **VERHUURDER** word. NB

14.8 Die **EIENDOM** sal bo-en-behalwe die bepalings van hierdie ooreenkoms, ook onderhewig wees en voldoen aan die bepalings van die **VERHUURDER** se Verordening insake parke vir woonwaens en mobiele wonings.

14.9 Die uitlegplan waarvolgens die **EIENDOM** as park ontwikkel sal word, sal op koste van die **HURDER** deur 'n gekwalifiseerde Stadsbeplanner gedoen word en sodanige plan sal onderworpe wees aan die goedkeuring van die **VERHUURDER**,

14.10 Op 'n maksimum van 10 % van die ontwikkelde persele mag permanente okkupasie toegelaat word van welke 10 % permanente okkupasie minstens 50 % in woonwaens moet geskied. Hierdie laasgenoemde persentasie kan egter by skriftelike kennisgewing van die **VERHUURDER** aan die **HURDER**, gewysig word.

14.11 Die beplanning en voorsiening van siviele en elektriese dienste op die eiendom moet volgens die voorskrifte van die **VERHUURDER** op koste van die **HURDER** geskied.

14.12 Minstens 50 % van die ontwikkelde persele moet elk oor 'n 220 V elektriese kragpuntaansluiting beskik.

14.13 Op 'n gedeelte van die **EIENDOM**, gemerk CDEFGHJKjhgfC op die aangehegte kaart, mag geen persele ontwikkel word nie. Gemelde gedeelte moet gebruik word vir die huisvesting van personeel werksaam op die eiendom en voorts vir doeleindes van buitelugontspanning deur dag besoekers.

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15. **BAKENS**

15.1 Deur die huurooreenkoms te onderteken erken die **HUURDER** dat hy bewus is van die werklike ligging van alle bakens wat die **EIENDOM** se grense bepaal en enige onkunde of misverstand aan sy kant in hierdie verband raak nie die geldigheid van die huurooreenkoms of maak hom nie geregtig tot 'n vermindering van die huurgeld of tot kompensasië en enige vorm nie.

15.2 Indien enige baken wat die grense van die **EIENDOM** bepaal na ondertekening van hierdie ooreenkoms nie gevind kan word nie, is die **HUURDER** aanspreeklik vir alle opmetings- en ander kostes verbonde aan die herplasing van sodanige bakens.

16. **PAAIE**

16.1 Die **HUURDER** onderneem om alle bestaande paaie op die **EIENDOM** in 'n goeie toestand te hou, en voorts om geen verdere paaie te bou of oop te maak sonder die voorafverkreë skriftelike toestemming van die **VERHUURDER** nie.

16.2 'n Ewigdurende reg van weg soos aangedui as ABCDEFGHIJKLMNOPQRS op die aangehegte diagram no 4534/85, is ten gunste van die **EIENDOM** geregistreer.

17. **INSPEKSIES**

Die gemagtigde amptenare van die **VERHUURDER** kan te eniger tyd die **EIENDOM** betree om sodanige inspeksies as wat hulle nodig mag ag, uit te voer en om vas te stel of die voorwaardes en bepalings van die huurooreenkoms stiptelik nagekom word.

18. **ADVERTENSIE TEKENS**

Die **HUURDER** sal geen advertensietekens hoegenaamd op die **EIENDOM** oprig nie, en sal ook nie toelaat dat sulke tekens opgerig word sonder die voorafverkreë skriftelike toestemming van die **VERHUURDER** nie.

2.10

15. **BAKENS**

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Die **HURDER** sal geen advertensietekens hoegenaamd op die **EIENDOM** oprig nie, en sal ook nie toelaat dat sulke tekens opgerig word sonder die voorafverkreë skriftelike toestemming van die **VERHUURDER** nie.

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19. ERFDIENSBAARHEID EN VERJARING

19.1 Die huur is onderworpe aan enige erfdiensbaarheid wat aan die **EIENDOM** kleef, en as dit te eniger tyd sou blyk dat die **VERHUURDER** nie daartoe geregtig was om die **EIENDOM** of enige deel daarvan te verhuur nie, het die **HURDER** geen eis vir skadevergoeding behalwe dat die huurgeld *pro rata* verminder word ten opsigte van daardie deel van die **EIENDOM** wat nie vir okkupasie of gebruik deur die **HURDER** beskikbaar is nie.

19.2 Die **HURDER** erken hiermee dat hy geen aanspraak op eiendomsreg by wyse van verjaring ten opsigte van die **EIENDOM** wat verhuur word sal verkry nie.

20. OPSEGGING EN BEÏNDIGING VAN HUUROOREENKOMS

20.1 Die **VERHUURDER** kan, sonder om afbreuk te doen aan enige bepaling of vereistes van hierdie ooreenkoms, met spesifieke verwysing na die bepalings van klousule 4 hiervan, en nadat 'n skriftelike kennisgewing op die **HURDER** gedien is, hierdie ooreenkoms beëindig -

20.1.1 indien die **HURDER** versuim om enige voorwaarde of bepaling ten opsigte van hierdie ooreenkoms na te kom; of

20.1.2 indien die **VERHUURDER** daarvan oortuig is dat die **HURDER** die grond en op onbehoorlike of onverantwoordelike wyse benut; of

20.1.3 indien die **VERHUURDER** daarvan oortuig is dat die **HURDER** deur sy handelinge op die **EIENDOM** 'n oorlas vir ander uitmaak; of

20.1.4 indien die **HURDER** teenstrydig met enige bepaling van die Dorpsaanlegskemaregulasies van die Munisipaliteit van Stellenbosch afgekondig by PK 73 van 1979-07-20, soos gewysig, optree; of

20.1.5 indien die **EIENDOM** in sy geheel of gedeeltelik vir *bona fide* munisipale doeleindes, waarby dorpsstigting ingesluit is, benodig word:

met dien verstande dat 'n grasiëperiode van hoogstens een (1) jaar in die gevalle soos in subklousules 20.1.1; 20.1.2; 20.1.3; 20.1.4 en 20.1.5 genoem aan die **HURDER** verleen word, op voorwaarde dat die **HURDER** gedurende die grasiëperiode aan al die bepalings en vereistes van hierdie ooreenkoms, of ander voorwaardes wat die **VERHUURDER** in hierdie verband mag stel moet voldoen, by gebreke waarvan die toegestane grasiëperiode sonder verdere kennisgewing deur die **VERHUURDER** in heroorgeweging geneem sal word.

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20.2 die **HURDER** kan, sonder om afbreuk te doen aan enige bepaling of vereiste van hierdie ooreenkoms en nadat 'n skriftelike kennisgewing van ses (6) maande deur die **HURDER** aan die **VERHUURDER** gegee is, hierdie ooreenkoms beëindig.

20.3 Wanneer subklousule 20.1.5 toegepas word sal die **HURDER** kwytgeskeld word van alle oorblywende verpligtinge soos in paragraaf 4.2.1 bepaal word en geregtig wees op vergoeding van die koste van die gepaardgaande noodsaaklike infrastruktuur, wat as 'n direkte gevolg van die voorsiening van die nywerheidswater aangebring is (pypleiding, kleppe, krane en meters), wat soos volg vanaf vestigings- tot huuropseggingsdatum bereken word:

bedrag betaalbaar ten opsigte van infrastruktuur is gelyk aan die historiese vestigingskoste - volgens die gemiddelde waardasie van twee onafhanklike buitestaanders wat vir die **VERHUURDER** aanvaarbaar is - minus die waardevermindering wat in gelyke paalemente oor twintig (20) jaar bereken is. Koste vir voorlegging ter staving van eise deur **HURDER** en alle uitgawe verbonde aan die aanstelling van buitestaanders berus by die **HURDER**.

21. SKADELOOSSTELLING

Die **HURDER** onderneem hierby om die **VERHUURDER** te vrywaar en gevrywaar te hou teen alle gedinge, stappe, eise, vorderings, koste, skadevergoeding en uitgawes wat gehef, gebring of gemaak mag word teen die **VERHUURDER** of wat die **VERHUURDER** mag betaal, opdoen of aangaan as gevolg van enige handeling aan die kant van die **HURDER**, sy werknemers of persone wat onder sy beheer handel.

22. KOSTE VAN OOREENKOMS

Alle kostes wat deur die **VERHUURDER** aangegaan is vir die voorbereiding en opstel van hierdie ooreenkoms, plus die koste van die verhuringsadvertensie, opmetingskoste en ander toevallige uitgawes sal deur die **HURDER** gedra word, en die **HURDER** kan nie die korrektheid van die bedrag wat deur die **VERHUURDER** in hierdie verband geëis word, betwis nie. Die Huurooreenkoms sal slegs op die uitdruklike versoek van die **HURDER** en op sy koste notarieël verly en in die Aktekantoor geregistreer word. Die **HURDER** moet in sodanige geval 'n deposito betaal soos deur die **VERHUURDER** bepaal ten opsigte van die kostes hierbo vermeld.

Handwritten signatures and initials at the bottom of the page, including a large signature on the left and several smaller initials and signatures on the right, some enclosed in circles.

2.13

23. **ARBITRASIE**

23.1 Enige geskil wat te eniger tyd tussen die partye mag ontstaan in verband met enige aangeleentheid voortspruitende uit hierdie ooreenkoms, sal onderwerp word aan en besleg word deur arbitrasie.

23.2 Iedere sodanige arbitrasie moet plaasvind

23.2.1 te Stellenbosch;

23.2.2 op 'n informele summiere wyse sonder enige pleitstukke of blootlegging van dokumente en sonder die noodsaaklikheid om aan die strenge reëls van die bewysreg te voldoen;

23.2.3 onverwyld, met die oog daarop om dit af te handel binne drie (3) maande vanaf die datum waarop die geskil na arbitrasie verwys is; en

23.2.4 onderworpe aan die bepalings van die Wet op Arbitrasie, No 42 van 1986, of sodanige ander Arbitrasiewette as wat van tyd tot tyd mag geld, behalwe waar die bepalings van hierdie klousule anders voorskryf.

23.3 Die arbiter moet 'n persoon wees op wie deur die partye onderling ooreengekom is en by onstentenis van 'n ooreenkoms, een aangestel deur die diensdoenende President van die Wetsgenootskap van die Kaap die Goeie Hoop.

23.4 Die partye kom hiermee onherroeplik ooreen dat die beslissing van die arbiter in sodanige arbitrasieverrigtinge finaal en bindend op hulle sal wees.

24. **INVORDERINGSKOSTE**

Indien die **VERHUURDER** opdrag aan sy prokureurs sou gee om enige gelde wat kragtens hierdie ooreenkoms betaalbaar is, op die **HUURDER** te verhaal, is die **HUURDER** aanspreeklik vir die betaling van alle koste deur die **VERHUURDER** in hierdie verband aangegaan, bereken op 'n prokureur/kliëntbasis, insluitende sodanige heffings wat betaalbaar is kragtens Regulasie 62 van die Wet op Prokureursordes nr 41 van 1975, of enige vervanging of wysiging daarvan, of enige soortgelyke heffings.

Handwritten signatures and initials at the bottom of the page, including a large signature on the left, a circular stamp with 'ETP' in the center, and several other initials and marks on the right.

2.14

GETEKEN TE STELLENBOSCH HIERDIE 18 DAG VAN Mei 1991 2

GETUIE

TEN BEHOEWE VAN DIE VERHUURDER

1. B. Sydel.

2. Bj Robinson

BURGEMEESTER

**UITVOERENDE HOOFD-
STADSKLERK**

GETEKEN TE STELLENBOSCH HIERDIE 8^{ste} DAG VAN April 1991

GETULIE

TEN BEHOWE VAN DIE HUURDER

1. current

2. 

111.

1992-02-24

(#SKLUB/KONTRAK/mc)



BELEID EN TOEPASSING VAN DIE HUURGELDBEREKENING

1. (a) Vir die doeleindes van hierdie ooreenkoms word die huurgeld gebaseer op die onverbeterde waarde van die Landbougrond in welke geval die volgende woordbepaling van toepassing sal wees:

"Onverbeterde grond" - beteken grond soos in sy natuurlike staat, met of sonder natuurlike plantegroei, waarop geen spesifieke struik of gewasse voorkom en verbou word met die doel om dit te oes nie;

1. (b) die waarde van die onverbeterde Landbougrond sal deur die KWV bepaal word; en

1. (c) vir die jaar 1989 word die waarde van die grond vasgestel op R7 200,00 per hektaar waarop die Stadsraad 'n opbrengs van 5 % verwag.

2. **Huurgeld betaalbaar in eerste termyn van vyf (5) jaar**

- (a) Die jaarlikse basiese huurgeld ingevolge klousule 4.1 van die huurooreenkoms betaalbaar, is die som van R360,00 per hektaar per jaar;
- (b) die basiese huurgeld sal jaarliks met 70 % van die styging van die amptelike verbruikersprysindeks soos op 31 Desember van die vorige jaar eskaleer.

3. **Aangepaste huurgeld na vyf (5) jaar**

Die basis van die huurgeld sowel as die persentasie aanpassing soos beskryf in paragrawe 1 en 2 sal elke vyf (5) jaar herbepaal word ooreenkomstig die basis beskryf in par. 1 of op 'n ander basis waarop onderling ooreengekom word. Indien die partye nie konsensus kan bereik oor die huurgeld nie, sal sodanige kwessie verwys word vir arbitrasie ingevolge klousule 23 van die hoofooreenkoms.

1992-02-24

(/SKLUB/KONTRAK/mc)

A

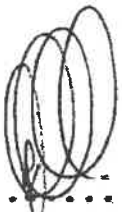
STELLENBOSCH CARAVAN PARK C.C.

No CK 85/08481/23

Minutes of a meeting of the members held at D.F.Malan Industria on Tuesday 24th March 1992.

Resolved that Mr.Danie Malan in his capacity as a member of the close corporation be empowered to sign on behalf of the close corporation all documents relating to a lease for land to be entered into with the Municipality of Stellenbosch.

Signed at D.F.Malan Industria on 24th March 1992.



.....
D.J.WALL
SECRETARY



APPENDIX 2

7/2/12/103

Page 2220
A/5a/214

Van der Westhuizen Vos & Horn Inc.
Attorneys, Notaries & Conveyancers
9 Helderberg Street
Stellenbosch
(Ref: A M Vos)
Tel: 021 - 887 6860
Fax: 021 - 886 5793

CESSION AND ASSIGNMENT OF LEASE BY LESSEE

MEMORANDUM OF AGREEMENT ENTERED INTO BY AND BETWEEN

THE MUNICIPALITY OF STELLENBOSCH

(herein represented by JACOBUS PETRUS RETIEF in his capacity as Town Clerk/Executive Officer and hereinafter referred to as "the Lessor")

and

STELLENBOSCH CARAVAN PARK CC

(herein represented by CARL PHILIP MALAN in his capacity as duly authorised member and hereinafter referred to as "the Lessee")

and

MOUNTAIN BREEZE CARAVAN PARK CC

(herein represented by RUDOLPH PHILIPPUS VISSER, duly authorised thereto and hereinafter referred to as "the Cessionary")

WHEREAS the Lessor and the Lessee did on the 18th day of May 1992 at Stellenbosch enter in a Lease Agreement, a copy of which is annexed hereto marked Annexure "A"; and

WHEREAS the Lessee is desirous of ceding his rights and delegating his obligations in terms of the aforesaid agreement to the Cessionary; and

WHEREAS the Cessionary is prepared to take cession of the Lessee's rights and assignment of the Lessee's obligations under the agreement; and

Handwritten signatures and initials are present at the bottom right of the page. There are several distinct signatures, including one that appears to be 'R. P. Visser' and others that are less legible. The signatures are written in dark ink.

- 2 -

WHEREAS the Lessor has consented to the cession and assignment of the Lease Agreement by the Lessee to the Cessionary;

NOW THEREFORE it is agreed as follows:

1. INTERPRETATION

In this agreement, except in a context indicating the contrary,

- 1.1 "the Effective date" shall mean 18th December 1995; and
- 1.2 "the Lease" shall the agreement entered into by and between the Lessor and the Lessee, dated at Stellenbosch on the 18th day of May 1992; and
- 1.3 "the parties" shall mean the parties to this agreement; and

2. CESSION & DELEGATION

- 2.1 Regardless of the date of signing hereof, the Lessee hereby cedes to the Cessionary all the Lessee's rights, title and interest under, in and to the Lease, and delegates to the Cessionary all its obligations under the Lease.
- 2.2 The Cessionary hereby accepts the cession and delegation in terms of clause 2.1 above.
- 2.3 The Lessor hereby consents to the cession and delegation in terms of clause 3.1 above.

3. SURETYSHIP

- 3.1 It is recorded that upon signing of the Lease, the members of the Lessee bound themselves in their personal capacity as sureties and co-principal debtors in favour of the Lessor for the due fulfilment of the Lessee obligations under the Lease. A copy of the relevant Deed of Suretyship is annexed hereto marked "Annexure B".
- 3.2 It is recorded that the Lessor hereby releases all the sureties reflected in Annexure B unconditionally with effect from the Effective date.
- 3.3 It is hereby further recorded that **RUDOLPH PHILIPPUS VISSER**, the sole member of the Cessionary, binds himself as surety and co-principal debtor in favour of the Lessor for the due fulfilment of the Cessionary's obligations under the Lease from the Effective date.

Handwritten signatures and initials at the bottom of the page, including a large signature on the right and several initials or smaller signatures on the left and center.

- 3 -

4. INDEMNITY

- 4.1 The Lessee indemnifies the Cessionary against all claims by the Lessor against the Cessionary in terms of the Lease on causes arising prior to the Effective date.
- 4.2 The Cessionary indemnifies the Lessee and all its members in their personal capacity against any claims by the Lessor against the Lessee or its members in their personal capacity on causes arising from the Effective date and thereafter.

5. SOLE MEMORIAL

It is recorded that this document and annexures thereto constitute the entire agreement between the parties and that no variation shall be of any legal force or effect unless reduced to writing and signed by the parties.

THUS DONE and SIGNED at Stellenbosch on this the 16th
day of March 1998.

AS WITNESSES:

1. 

2. _____

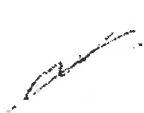

LESSOR

THUS DONE and SIGNED at D.F. Malan Industrie on this the 17th
Day of February 1998.

AS WITNESSES:

1. 2. 


LESSEE







- 4 -

THUS DONE and SIGNED at STELLENBOSCH

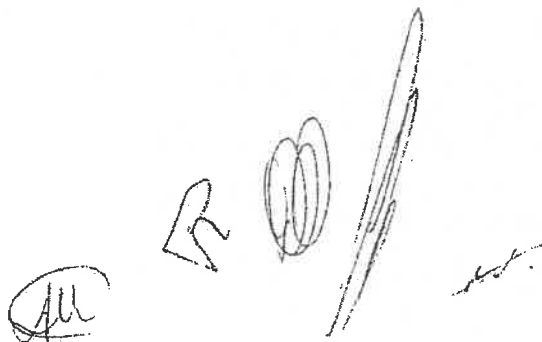
on this the 29TH

Day of JANUARY 1998.

AS WITNESSES:

1. 
ANTON MARIUS VOS
Kommissaris van Ede/Commissioner of Oaths
Prokureur/Attorney
2. Heiderbergstraat 9 Heiderberg Street
STELLENBOSCH


CESSIONARY



APPENDIX 3

Deeds Office Property

windeed
A LexisNexis® Product

FARM 529, 529, 0 (REMAINING EXTENT) (CAPE TOWN)

GENERAL INFORMATION

| | |
|--------------------|------------------|
| Deeds Office | CAPE TOWN |
| Date Requested | 2020/05/18 10:45 |
| Information Source | DEEDS OFFICE |
| Reference | - |



PROPERTY INFORMATION

| | |
|-----------------------|-----------------------|
| Property Type | FARM |
| Farm Name | FARM 529 |
| Farm Number | 529 |
| Portion Number | 0 (REMAINING EXTENT) |
| Local Authority | STELLENBOSCH MUN |
| Registration Division | STELLENBOSCH RD |
| Province | WESTERN CAPE |
| Diagram Deed | STF6-4/1890 |
| Extent | 86.7292H |
| Previous Description | - |
| LPI Code | C06700000000052900000 |

OWNER INFORMATION

Owner 1 of 2

| | |
|---------------------|------------------|
| Company Type | LOCAL AUTHORITY |
| Name | MUN STELLENBOSCH |
| Registration Number | |
| Title Deed | ST FH 6-4/1890 |
| Registration Date | 1890/12/12 |
| Purchase Price (R) | SECT 16 |
| Purchase Date | - |
| Share | |
| Microfilm Reference | 2006 0406 0383 |
| Multiple Properties | NO |
| Multiple Owners | NO |

Owner 2 of 2

| | |
|---------------------|------------------|
| Company Type | LOCAL AUTHORITY |
| Name | MUN STELLENBOSCH |
| Registration Number | |
| Title Deed | T101559/2005 |
| Registration Date | - |
| Purchase Price (R) | TRANSFER BY ENDO |
| Purchase Date | - |
| Share | |
| Microfilm Reference | 2006 0406 0391 |
| Multiple Properties | NO |
| Multiple Owners | NO |

Printed: 2020/05/18 10:45

ENDORSEMENTS (10)

| # | Document | Institution | Amount (R) | Microfilm |
|----|----------------------|------------------|------------|----------------|
| 1 | EX758/1965-ST FH 6-4 | /1890 | UNKNOWN | |
| 2 | K1262/2005S | - | UNKNOWN | 2006 0406 0395 |
| 3 | K325/2018S | - | UNKNOWN | |
| 4 | K401/1992S | - | UNKNOWN | 1992 0430 0843 |
| 5 | VA1405/1986-6-4/1890 | STF | UNKNOWN | |
| 6 | VA2447/2018 | MUN STELLENBOSCH | UNKNOWN | |
| 7 | VA544/1989-STF6-4/18 | 90 | UNKNOWN | |
| 8 | VA8545/2005 | MUN STELLENBOSCH | UNKNOWN | 2006 0406 0376 |
| 9 | FARM ST 529 | - | UNKNOWN | 1985 0072 0660 |
| 10 | PTN'S ST RD 529/1-2 | - | UNKNOWN | |

HISTORIC DOCUMENTS (1)

| # | Document | Owner | Amount (R) | Microfilm |
|---|----------------|------------------|------------|----------------|
| 1 | ST FH 6-4/1890 | MUN STELLENBOSCH | UNKNOWN | 2006 0406 0383 |

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APPENDIX 4

Printed: 2020/05/18 10:40

Deeds Office Property

windeed
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FARM 528, 528, 0 (REMAINING EXTENT) (CAPE TOWN)

GENERAL INFORMATION

Deeds Office CAPE TOWN
Date Requested 2020/05/18 10:40
Information Source DEEDS OFFICE
Reference -



PROPERTY INFORMATION

Property Type FARM
Farm Name FARM 528
Farm Number 528
Portion Number 0 (REMAINING EXTENT)
Local Authority STELLENBOSCH MUN
Registration Division STELLENBOSCH RD
Province WESTERN CAPE
Diagram Deed ST FH 6-6/1891
Extent 4.8639H
Previous Description -
LPI Code C06700000000052800000

OWNER INFORMATION

Owner 1 of 1

Company Type LOCAL AUTHORITY
Name MUN STELLENBOSCH
Registration Number
Title Deed ST FH 6-6/1891
Registration Date 1891/06/29
Purchase Price (R) -
Purchase Date -
Share
Microfilm Reference
Multiple Properties NO
Multiple Owners NO

ENDORSEMENTS (4)

| # | Document | Institution | Amount (R) | Microfilm |
|---|----------------------|-------------|------------|----------------|
| 1 | EX758/1965-ST FH 6-6 | /1891 | UNKNOWN | |
| 2 | K401/1992S | - | UNKNOWN | 1992 0430 0843 |
| 3 | FARM ST 528 | - | UNKNOWN | 1985 0072 0648 |
| 4 | PTNS ST RD 528/1-8,1 | 5 | UNKNOWN | |

HISTORIC DOCUMENTS

No documents to display

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APPENDIX 5

| SYE
METER | | RIJINGS-
HOEKE | | Y | KOÖRDINATE
STELSEL Lo 10° X |
|--------------|--------|-------------------|---|-------------|--------------------------------|
| | | Konstante | | | 0,00 +3700000,00 |
| | | A 258 16 00 | A | + 15 385,80 | + 62 209,39 |
| | | | B | | |
| | | | C | | |
| | | | D | | |
| | | | E | | |
| | | | F | | |
| | | | G | | |
| HJ | 348,07 | H 86 43 20 | H | + 14 419,28 | + 61 925,14 |
| JK | 370,05 | J 270 12 50 | J | + 14 720,98 | + 62 098,75 |
| KL | 493,54 | K 54 46 10 | K | + 14 535,21 | + 62 418,80 |
| | | | L | + 15 026,80 | + 62 374,94 |
| LM | 22,50 | L 278 16 10 | L | + 15 026,87 | + 62 374,78 |
| MN | 66,56 | M 88 27 20 | M | + 15 025,63 | + 62 397,25 |
| NP | 193,44 | N 186 00 10 | N | + 15 092,16 | + 62 399,13 |
| PQ | 179,38 | P 176 05 30 | P | + 15 283,89 | + 62 424,79 |
| QR | 151,00 | Q 67 32 30 | Q | + 15 462,89 | + 62 436,41 |
| RA | 88,92 | R 179 59 30 | R | + 15 414,37 | + 62 293,42 |
| | | | R | + 15 414,35 | + 62 293,58 |
| | | Stel 7 | Δ | + 14 377,22 | + 65 509,37 |
| | | Helderberg | Δ | + 10 986,97 | + 66 847,76 |

Komponente:

- Die figuur ABCDEFGHJKLR stel die Restant van Gedeelte 1 van die plaas No. 528 voor. Sien kaart No. 3271/1940 T.A. 1941/22-1064
- Die figuur RLMNPQ stel Gedeelte 3 van die plaas No. 529 voor. Sien kaart No. 8785/83 T.A. 1985- -7289

Die figuur A B C D E F G H J K L M N P Q R

stel voor 81,7271 hektaar grond, synde
PLAAS No. 1166 en bevat 1., 2. soos hierbo beskryf

geleë in die Munisipaliteit en Administratiewe Distrik
Stellenbosch Provinsie Kaap die Goeie Hoop.

Opgemaak in Saamgestel in Oktober 1983
deur my,

Burger
Landmeter

Hierdie kaart is geheg aan
Sert.Verren.Titel
No. T.7290/1985
gedateer
t.g.v.

Die oorspronklike kaarteis.
soos hierbo aangetoon.
No. geheg-aan
Transport/Grondbrief
-No.

Lêer No. Stel. 1166
M.S. No. Saamgestel
BH-8DCD (3785)
Komp. Bakens H,J,K,L,R,
A,en Grense GH,HJ,JK,KL
LR,RA en AB gevestig.
BA 05/1940

Bakens:

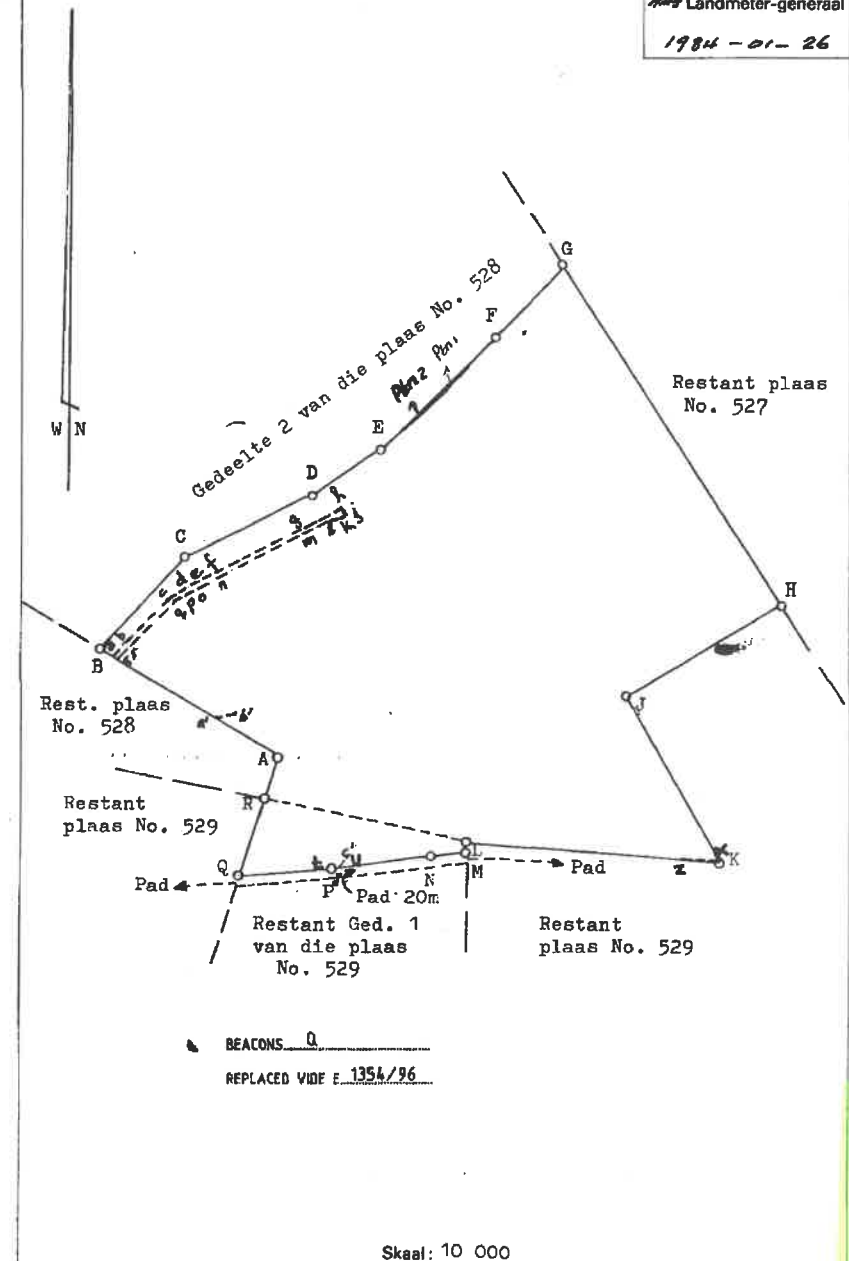
wat 305mm uitsteek
A,H,J,K : Ysterdraadpaal in klipstapel
wat 305mm uitsteek
L : Ysterpaal in klipstapel
R,M,N,P,Q : Ysterpaalseksies in klipstapels
M,N,P,Q : 16mm ysterpenne in klipstapels

8786-83

Goedgekeur

Landmeter-generaal

1984-01-26



| GEWATTE/NUURKONTRAKTEBIEDE | | | | |
|----------------------------|-----------|---|---------|------------|
| MEETSTUKKE | KAARTNO. | BEKRYWING | AKTE | GEPAARFEER |
| E433/1985 | 4534/1985 | Die figuur doedelgelyklynopstei van 'n sentrale veg van weg. | K401/92 | WJ |
| E2165/87 | 8743/87 | Die lyn d's stel voor die suide van 'n sentrale veglyn 100m wyd. Die lyn e'd stel voor die suide van 'n sentrale veglyn 100m wyd. Die punte a'e en b'e stel voor die suide van 'n sentrale veglyn 100m in diameter. | | |
| E1766/2010 | 4459/2010 | Die lyn b'ym represente die Suidgrens boundary van 'n Pipelyne 3m wide. Die figuur X12 represente ligpunt in oekant van 'n sentrale pipelyne area. | | |

| DIE VOLGENDE APLASERINGES IS VAN HIERDIE KAAFT GEBOEEN | | | | | | |
|--|----------|----------------------|--------------------|----------|-----------------|--------|
| MEET-
STUKKE | KAARTNO. | ONDERVER-
DEELING | GRONTE
KANT. M. | AKTENO. | GEPAAR-
FEER | RESTAT |
| E338/90 | 172/90 | Ged. 1 | 247 | 41693/99 | GLC | |
| " | 913/90 | Ged. 2 | | | | |

APPENDIX 6

Annalene De Beer

From: Dome Sonnekus <domesonnekus@gmail.com>
Sent: Tuesday, 29 September 2020 10:22
To: Annalene De Beer; Aldridge Frazenburg
Subject: [EX] Mountain Breeze Karavaan Park

Goeie môre Annalene en Aldridge

Ek het jul inligting by Rikus Badenhorst gekry,

Ek glo dat my e-pos wat ek vir hom gestuur het en sy antwoord terug aan my, waarin jul in gesluit is, sal kan help om vir my te help met die nodige inligting.

Ek sal baie graag wil voortgaan met 'n tydelike kontrak indien moontlik, of dalk met die nuwe Bestuur van die park wil saam werk ivm die toekoms van die permanente inwoners.

Ek het baie ondervinding in Gastehuse en Safari Lodges, bestuur asook die finansiële funksies.

Die ander inwoners maak om een of ander rede staat op my, om 'n antwoord/gerus te stel, aan hul te verskaf.

Byvoorbaat dank
Domé Sonnekus
0845181951

APPENDIX 7

Annalene De Beer

From: Rikus Badenhorst
Sent: Tuesday, 29 September 2020 10:01
To: domesonnekus@gmail.com
Cc: Annalene De Beer; Aldridge Frazenburg
Subject: FW: [EX] Mountain Breeze Karavaan Park

Dag Me Sonnekus

Die Direktooraat wat met eiendoms verhuring deel is Corp & Strategic Services, Dir Annalene De Beer – sy sal meer lig kan werp, ek sluit haar en Raadslid Frazenburg in (Rdsl Frazenburg is die Burgemeesters Komitee Lid van die afdeling)



Kind regards, Vriendelike Groete

Cllr. Rikus Badenhorst

Councillor: Ward 21

Mayco Member: Community & Protection Services

T: +27 21 808 8350 Ward Office

T: +27 21 808 8012 Mayco Office C:

+27 82 654 1048

Email:

Rikus.Badenhorst@ Stellenbosch.gov.za

Plein Street, Stellenbosch, 7600

www.stellenbosch.gov.za



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http://www.stellenbosch.gov.za/main_pages/disclaimerpage.htm



From: Dome Sonnekus [mailto:domesonnekus@gmail.com]
Sent: Tuesday, 29 September 2020 09:13
To: Rikus Badenhorst
Subject: [EX] Mountain Breeze Karavaan Park

Goeie môre Rikus

Ek het geen idee met wie moet ek kontak maak nie, maar hoop dat jy my kan leiding gee.

Dit is ivm die voortbestaan van Mountain Breeze Karavaan Park.

Die dame wat nou die kontrak het, het vir die 9 permanente inwoners, op 1 Augustus 2020 kennis gegee dat haar kontrak op 28 Feb 2021 klaar maak en ons moet ons huise afbreek en die perseel ontruim.

Ek het verskeie kere by haar (mev Visser) probeer uitvind wat gaan gebeur, maar sonder sukses.

Daar is van ons wat al 22 jaar plus daar woon en geniet die Bos baie. My eie huis het ek al 18 jaar.

Ons wil baie graag weet of daar al 'n tender uit is en/of 'n tender reeds aan iemand toegestaan is.

Ek is ook bereid om die park op 'n tydelike verlengde kontrak te bestuur (miskien vir 5 jaar).

Almal van ons wat permanent daar woon is langtermyn inwoners en nie 'fly by night' mense nie, aangesien dit ons keuse is om daar te woon.

Ek hoor graan van jou.

Vriendelike groete
Domé Sonnekus
0845181951

APPENDIX 8

Annalene De Beer

From: Piet Smit
Sent: Tuesday, 12 January 2021 08:59
To: Annalene De Beer
Subject: FW: [EX] Mountain Breeze Karavaanpark
Attachments: Budget.xlsx; Mountain Breeze Karavaanpark.docx; FW: [EX] Mountain Breeze Karavaanpark; FW: [EX] Mountain Breeze Karavaanpark

Annalene,

Aangehegte korrespondensie het betrekking.

Soos jy weet verval die huurkontrak van die Mountain Breeze karavaanpark einde Maart, en het die agenda item wat die pad vorentoe moet bepaal, nog nie by die Raad gedien nie, niesteenstaande verskeie versoeke in die verband.

Kan ons asb dringend hierdie versoek bespreek. Alternatiewelik kan ek dit byvoeg by die bestaande agenda item, siodat die Raad een keer oor die saak kan besin.

Ek verwys ook na die versoek van die huidige huurder, waarin sy aansoek doen om die huur te verleng, wat in November aan jou gestuur is.

Ek verneem graag dringend van jou.

Piet

From: Dome Sonnekus [mailto:domesonnekus@gmail.com]
Sent: 12 January 2021 08:42 AM
To: Piet Smit; riaanbadenhorst002@gmail.com
Subject: [EX] Mountain Breeze Karavaanpark

Goeie môre mnr Smit

Ek rig hierdie skrywe na aanleiding van verskeie gespreke met u ivm Mountain Breeze Karavaanpark.

Ilzamarie van Dreyer Prokureurs was reeds by u gedurende Oktober 2020 en Riaan Badenhorst het ook telefonies met u kontak gemaak.

Vind asb aangeheg 'n voorlegging asook 'n voorlopige begroting om moontlik die park te bestuur op 'n maand tot maand basis, totdat Die Raad, geleentheid het om te besluit wat die pad vorentoe gaan wees.

Laat weet asb indien nog inligting nodig word

Vriendelike groete
 Domé Sonnekus
 0845181951
 ns. Die Permanente Inwoners van Mountain Breeze Karavaanpark

Wie dit mag aangaan

1. Onderwerp

Huur van afdelings 528A en 529CC: Mountain Breeze Woonwapark te Stellenbosch.

2. Agtergrond

2.1 Met die oorneem van die huidige Huur Ooreenkoms, deur Mnr en Mev Visser, op 1 April 1991, was die 9 permanente woonhuis reeds opgerig.

2.2 Die huise is opgerig in die vorige huur periode, Stellenbosch Woonwapark CC (Malan)

2.3 Soos u bewus is, eindig die kontrak met huidige huurder op die laaste dag van Maart 2021 en het (Mev J Visser) geen voorneme om die kontrak te verleng nie.

3. Doel van aansoek

3.1 Hiermee word aansoek gedoen om aan die Permanente Inwoners Bestuur, die geleentheid te gee om namens die 9 permanente inwoners van Mountain Breeze Woonwapark, die oord op n maand tot maand basis te bestuur, tot die Raad n besluit geneem het tov Mountain Breeze Woonwapark.

4. Rede

4.1 Dit is vir die permanente inwoners belangrik om n antwoord te kry tov hul verblyf in hul eie huise, aangesien die huidige kontrak houer dreig om die elektrisiteit te laat afskakel op die laaste dag van Maart 2021.

4.2 Indien die Permanente Inwoners Bestuur, toestemming van Die Raad kry, sal dit moontlik wees om huidige Eskom rekening oor te neem.

4.3 Die Permanente Inwoners Bestuur, bestaande uit permanente inwoners, onderneem om die Woonwapark oop te hou en om huidige personeel in diens te hou sover moontlik.

- 4.4 Dit is noodsaaklik dat die park instand gehou word en sodoende te verhoed dat negatiewe elemente die huidige toestand van oord benadeel.
- 4.5 n Mondelike onderneming vanaf woonwagklubs is gekry waarin hul bevestig het om die park weer in die toekoms te ondersteun.
- 4.6 Die Permanente Inwoners Bestuur het reeds n Bankrekening geopen waarin enige inkomste van 1 April 2021 wat vanuit Mountain Breeze Woonwagpark gegenereer, inbetaal sal word en dus die Bestuur instaat sal stel om die finansies van die park asook ander uitgawes te betaal.

5. Pleidooi

- 5.1 Die permanente inwoners voel sterk tot hul posisie hier by Mountain Breeze Woonwagpark aangesien van die inwoners al **langer as 33 jaar** hier woonagtig is.
- 5.2 Die permanente inwoners het ook finansiële uitgawes aangegaan om hul wonings aan te koop en gereeld instand te hou.
- 5.3 Die permanente inwoners dien alreeds as 'n sekuriteit vir die oord dmv n sekuriteits whatsapp groep wat gebruik word om enige insident onmiddelik aan mekaar te rapporteer.
- 5.4 Die permanente inwoners bestaan ook 'n verskeidenheid van persone, nl. Blankes, Kleurlinge, pensioenarisse, gestremdes asook baie jong kinders en baba's.
- 5.5 Van die inwoners het geen ander heenkome nie.

APPENDIX 9

Annalene De Beer

From: Piet Smit
Sent: Friday, 05 February 2021 14:24
To: Annalene De Beer
Subject: FW: [EX] Re: FW: Item Karavaan park

Importance: High

Ter inligting,soos versoek.

Piet

From: mountainbreezeresort@adept.co.za [mailto:mountainbreezeresort@adept.co.za]
Sent: 05 February 2021 01:11 PM
To: Piet Smit
Subject: [EX] Re: FW: Item Karavaan park
Importance: High

D

Goeiedag Piet,

Ek vra om verskoning dat ek nou eers reageer - my internet het probleme gegee - gedink ek was gehack!

Jy moet onthou hierdie park kom al baie jare aan (tagtige jare) en ons het meeste van die huisies "ge erf" en die verblyf het net aangegaan.Ek aanvaar dat die vorige eienaar die nodige toestemming destyds van die Munisipaliteit ontvang het dat n sekere persentasie (10% +) van die persele wel deur langtermyn kampeerders beset kan word.

My man het baie jare terug planne indien vir die een of twee wat bygekom het, maar ek vermoed dat Mnr D Malan destyds die planne sekerlik ook ingedien het.

Julle amptenare kom ook jaarliks by ons aan om die perseel na te gaan vir enige aanbouings ens.

Ek weet vir n feit dat die afgelope 12 jaar geen nuwe huisies oppgerig is nie.

Ons het altyd gese ons kwota is reeds vol, al wou baie persone daar kom bly!

Daar word 'n maandlikse "site levy" gehef ..soos vir kamperders, die huisies is die individuele persone se eiendom...dit is n redelike los ooreenkoms en daar was nie werklik ernstig klem geplaas op n huurkontrak nie.

My man het destyds - in 2008 , vir elkeen wat daar gewoon het, n Ooreenkoms opgetrek om te teken , maar die inwoners wou nie die ooreenkoms teken nie - behalwe een, howewel elkeen een ontvang het....en daarin is genoem dat die huurtermyn van die grond op 31 Maart 2021 tot n einde kom.

Daar het wel drie nuwe inwoners bygekom, na my man se dood (2009) wat n bestaande houtkonstruksie by die vorige inwoner(s)oorgeneem het (nie n niwe een gebou het nie) en met hulle is daar wel n Ooreenkoms opgetrek en die is geteken.

Ons ontvang geen dienste van die Munisipaliteit nie.

Ek betaal wel Eiendomsbelasting jaarliks, wat opbetaal is , asook Grondhuur, wat opbetaal is tot 31 Maart 2021.

Jy het self met die betrokke amptenaar by die Rekening afdeling die reëling getref dat ek slegs betaal tot 31 Maart 2021.

Niemand kon my tot dusver inlig wat werklik daarna gebeur nie.

Ek noem weereens - dit is n uiters moeilike situasie vir my, die huidige langtermyn inwoners, asook die personeel (sommige woon en werk al tussen 20-30 jaar daar) weens die onsekerhede wat tans heers.

Mountain Breeze Karavaanpark is steeds n besige "ongoing concern" en nie iets wat net in n oogwink toegemaak kan word nie. My gereelde kliente wil ook weet wat aangaan en wat die toekoms van die kamplek is.

Jul begrypende betokkenheid word waardeer.

Vriendelike groete,

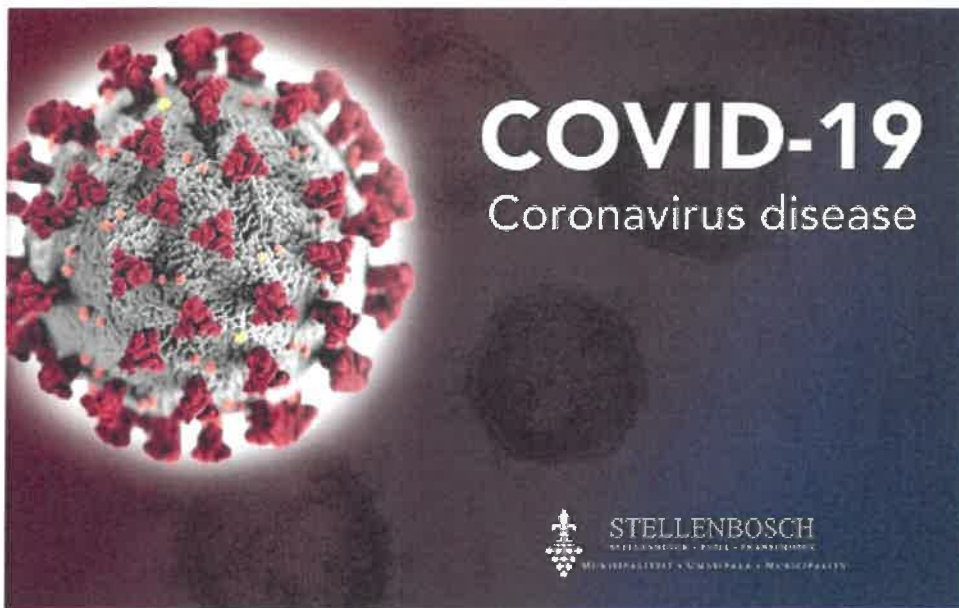
Jeanine Visser

On Tue, 2 Feb 2021 10:05:06 +0000, Piet Smit wrote:

Hi Jeanine,

Sien onderstaande navraag vanaf Annalene. Kan jy moontlik help met die beantwoording hiervan insoverre dit gaan oor die onderverhuring.

Piet



Visit the dedicated COVID-19 page on our municipal website for information on this disease:

<https://www.stellenbosch.gov.za/documents/general>

For official COVID-19 advice, updates and queries:

- National Hotline 0800 029 999
- Provincial Hotline 021 9284102
- WhatsApp 0600 123 456

Stay alert, stay updated and stay safe.



STELLENBOSCH
STELLENBOSCH • BOUTÉ • FRANKENSTON
MUNICIPALITEIT • UMKOPPA • 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 piet.smit@stellenbosch.gov.za sent at 2021-02-02 12:05:41 is confidential and may be legally privileged. It is intended solely for use by mountainbreezeresort@adept.co.za and others authorized to receive it. If you are not mountainbreezeresort@adept.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 [IOCO](#)

From: Annalene De Beer

Sent: 02 February 2021 11:55 AM

To: Piet Smit; Andre Treurnich; Stiaan Carstens

Cc: Rikus Badenhorst; Aldridge Frazenburg; Anthony Barnes; Geraldine Mettler

Subject: Item Karavaan park

Importance: High

More Piet

1. Wie het toestemming gegee dat die huise in die karavaanpark opgerig kan word?
2. Is daar planning permission verkry?
3. Is daar huurkontrakte met die persone wat in die huise bly?
4. Kan ons ab die afskrifte van die ooreenkomste kry ingevolge waarvan die persone toegelaat is om die huise te bewoon?
5. Het die munisipaliteit toestemming gegee vir die onderverhuring gegee?
6. Betaal die karavaanpark vir dienste en is die rekening op datum insluitend huurrekening?

Die item moet weer voorgelê word aan Mayco so ek het die inligting dringend nodig asb.



Kind regards,

Annalene de Beer

Director: Corporate Services

T: +27 21 808 8018 | C: +27 83 305 3685

Email:

Annalene.deBeer@ Stellenbosch.gov.za

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

APPENDIX 10

STIGTINGSVERKLARING

1996-01-11

Voor voltooiing van die Bogen, let op die notas op die leersy van bladsy 2. Voltooi bladsy 1 slegs in een taal.

Plak Inkomste- en plaas-
inkomstefrankeermerk op hier

100 1995 -12

REGISTRASIENOMMER
VAN KORPORASIE

CK 1996/002627/23

REGISTRAR OF COMPANIES
AND OF CLOSE CORPORATIONS

REGISTRAR OF COMPANIES
AND OF CLOSE CORPORATIONS

Nieu Nr

CK 1996/002627/23

tyg versamelskrywe 3 Okt 2000 van Louw + du Plessis

Volle naam van korporasie Mountain Breeze Karavaanpark Bt

Letterlike vertaling van naam (indien van toepassing)

Verkorte vorm van naam (indien van toepassing)

Mountain Breeze

Beskrywing van vernaamste besigheid Bedryf van Karavaanpark

Datum van einde
van boekjaar 28 Februarie

Aantal lede 2

Totale ledebydrae R 100.00

Posadres Postbus 367

Stellenbosch, 7599

Adres van geregistreerde kantoor (nie posbus nie)

Bellville, 7530

7de Vloer, Sarelgebou Ou Paardweg 2,

Naam en posadres van rekeningkundige beampte

Bellville, 7535

Coopers & Lybrand, Posbus 168

Leg skriftelike toestemming tot aanstelling aan

Volle naam van erkende professie van rekeningkundige beampte

Gedtraeete Rekenmeester (SA)

Lid/praktyknr 906654

SERTIFIKAAT VAN INLYWING

Die stigtingsverklaring is geregistreer en die korporasie is ingelyf op

22 Januarie 1996

Bogenoemde korporasie is omskep van maatskappy:

(Reg No

Dataverwerking

Klassifikasie

Opengem

Paraaf en datum

REGISTRATEUR VAN BESLOTE KORPORASIES

DATUM 1996-1-22

Bladsy 1 van 2 bladsye

WET OP BESLOTE KORPORASIES

Artikels 12, 13, 14, 24, 27, 29, 47 en 50
Regulasies 2, 5 en 17

CK1
Page 2.

STIGTINGSVERKLARING

1996-01-11

Voor voltooiing van die stichtingsverklaring moet in die notaris op die keersy van bladsy 2 Voltooiingsbladsy 1 slegs in een taal.

Plak inkomste- of plaas
inkomstefrankeermagnestempel hier

R100 1995-12

REGISTRASIENOMMER
VAN KORPORASIE 01-1 CK 96 02627/23

Nr CK 1996/002627/23
14/10/1996 3 Okt 2007 van Landbou & L&F

Volle naam van korporasie ... Mountain Breeze Karavaanpark Bk

Letterlike vertaling van naam (indien van toepassing)

Verkorte vorm van naam (indien van toepassing) ... Mountain Breeze

Beskrywing van vernaamste besigheid ... Bedryf van Karavaanpark

Datum van einde van boekjaar 28 Februarie Aantal lede 2
Totale ledebydrae R 100.00

Posadres Posbus 347
Stellenbosch, 7599

Adres van geregistreerde kantoor (nie posbus nie) 7de Vloer, Sanbelgebou, Ou Paardweg 2,
Bellville, 7530

Naam en posadres van rekeningkundige beampte Coopers & Lybrand, Posbus 168,
Bellville, 7535

Heg skriftelike toestemming tot aanstelling aan

Volle naam van erkende professie van rekeningkundige beampte Geledeerde Rekenmeester (S)
Lid/praktyknr 906654

SERTIFIKAAT VAN INLYWING

Die stigtingsverklaring is geregistreer en die korporasie is ingelyf op

22 Januarie 1996

Bogenoemde korporasie is omskep van maatskappy:

(Reg No)

REGISTRATEUR VAN BESLOTE KORPORASIES

DATUM 1996-1-22

Dataverwerking
Klassifikasie
Opgeneem
Perseel en datum

NAAM VAN KORPORASIE
NAME OF CORPORATION

Mountain Breeze Karavaanpark bk

REGISTRASIENOMMER
REGISTRATION NUMBER

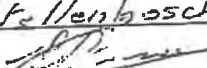
CK 96 02627

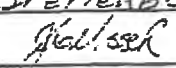
LEDE / MEMBERS

Ek/Ons* die lid/lede* wie se naam/name* op hierdie stigtingsverklaring aangeteken is, bevestig deur my/ons* handtekening(e)* / die handtekening(e)* van my/ons* gevolmagtigde(s)* hiertoe dat die besonderhede hierin vervat, korrek is en versoek die inlywing van die korporasie (volmag aangeheg indien van toepassing).
*Skrap wat nie van toepassing is nie.

I/We* the member(s)* whose name(s)* is/are* recorded on this founding statement, confirm by my/our* signature(s)* / the signature(s)* of my/our* proxy(ies)* hereto that the particulars stated herein are correct and request the registration of the corporation (power of attorney attached if applicable).
*Delete which is not applicable.

VIR SLEUTEL TOT BESONDERHEDE, KYK NOTA 6 OP KEERSY VAN BLADSY 2
FOR KEY TO PARTICULARS SEE NOTE 6 ON REVERSE SIDE OF PAGE 2

| | | | | | | | | | | | | | | |
|---|------|---|---|---|---|---|---|---|---|---|---|---------|----------|---|
| 1 | (a) | Wisser | | | | | | | | | | | | |
| | (b) | Rudolph Philippus | | | | | | | | | | | | |
| 2 | (i) | 4 | 4 | 0 | 9 | 2 | 8 | 5 | 0 | 7 | 7 | 0 | 8 | 6 |
| 2 | (ii) | 3 | | | | | | | | | | 50 % | | |
| 4 | | Kantant | | | | | | | | | | R 50.00 | | |
| 5 | | Draaibaan 11, Dalsig | | | | | | | | | | | | |
| | | Stellenbosch, 7600 | | | | | | | | | | | | |
| 6 | | Posbus 367 | | | | | | | | | | | | |
| | | Stellenbosch, 7599 | | | | | | | | | | | | |
| 7 | |  | | | | | | | | | | 8 | 13.11.95 | |

| | | | | | | | | | | | | | |
|---|------|--|---|---|---|---|---|---|---|---|---|---------|----------|
| 1 | (a) | Wisser | | | | | | | | | | | |
| | (b) | Jeanine Cecile | | | | | | | | | | | |
| 2 | (i) | 5 | 2 | 0 | 7 | 1 | 6 | 0 | 0 | 6 | 3 | 0 | 0 |
| 2 | (ii) | 3 | | | | | | | | | | 50 % | |
| 4 | | Kantant | | | | | | | | | | R 50.00 | |
| 5 | | Draaibaan 11 Dalsig | | | | | | | | | | | |
| | | Stellenbosch, 7600 | | | | | | | | | | | |
| 6 | | Posbus 367 | | | | | | | | | | | |
| | | Stellenbosch, 7599 | | | | | | | | | | | |
| 7 | |  | | | | | | | | | | 8 | 13.11.95 |

| | | | | | | | | | | | | | |
|---|------|---|--|--|--|--|--|--|--|--|--|---|--|
| 1 | (a) | | | | | | | | | | | | |
| | (b) | | | | | | | | | | | | |
| 2 | (i) | | | | | | | | | | | | |
| 2 | (ii) | 3 | | | | | | | | | | % | |
| 4 | | R | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | 8 | |

| | | | | | | | | | | | | | |
|---|------|---|--|--|--|--|--|--|--|--|--|---|--|
| 1 | (a) | | | | | | | | | | | | |
| | (b) | | | | | | | | | | | | |
| 2 | (i) | | | | | | | | | | | | |
| 2 | (ii) | 3 | | | | | | | | | | % | |
| 4 | | R | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | 8 | |

Certificate issued by the Registrar of Companies & Close Corporations on Friday, March 25, 2011 04:16
Certificate of Amended Founding Statement



COMPANIES AND INTELLECTUAL
PROPERTY REGISTRATION OFFICE

a member of the dti group

| | |
|-----------------------------------|--|
| Registration number | 1996 / 002627 / 23 |
| Enterprise Name | MOUNTAIN BREEZE KARAVANPARK |
| Enterprise Shortened Name | None provided. |
| Enterprise Translated Name | None provided. |
| Registration Date | 22/01/1996 |
| Business Start Date | 22/01/1996 |
| Enterprise Type | Close Corporation |
| Enterprise Status | In Business |
| Financial year end | February |
| Number of members | 3 |
| Aggregate members' contribution | R 100.00 |
| Description of Principal Business | BEDRYF VAN KARAVANPARK |
| Postal address | POSBUS 367
STELLENBOSCH
7599 |
| Address of registered office | 7DE VLOER
SANBELGEBOU
OU PAARLWEG 2
BELLVILLE
ILLE |



COMPANIES AND INTELLECTUAL PROPERTY REGISTRATION OFFICE:

Registrar of Companies & Close Corporations

P.O. BOX 429, PRETORIA, 0001, Republic of South Africa. Docex 256, PRETORIA.

Call Centre Tel 086 184 3384, Website www.cipro.co.za, WAP www.cipro.co.za/mob5e

2011-04-11



COMPANIES AND INTELLECTUAL
PROPERTY REGISTRATION OFFICE

a member of the dti group

Date: 25/03/2011

Our Reference: 19722805

LDP SECRETARIAL & ADMINISTRATIVE SERVICES
Docex: 39 STELLENBOSCH
P O BOX 920
STELLENBOSCH
7599

RE: Application to Amend Close Corporation
Close Corporation Number: 1996/002627/23
Close Corporation Name: MOUNTAIN BREEZE KARAVANPARK

We have received a CK2 from you dated 02/03/2011.

Yours truly

Registrar of Close Corporations
DME



COMPANIES AND INTELLECTUAL PROPERTY REGISTRATION OFFICE:

Registrar of Companies & Close Corporations

P.O. BOX 429, PRETORIA, 0001, Republic of South Africa. Docex 256. PRETORIA.

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Certificate of Amended Founding Statement



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Change Summary for 1996/002627/23 as a result of the lodging of document number 19722805.

Member Change on 15/03/2011.

Add Record

Surname/Instt : = VISSER

First Names : = RUDOLPH PHILIPPUS

Status : = Resigned



COMPANIES AND INTELLECTUAL PROPERTY REGISTRATION OFFICE:

Registrar of Companies & Close Corporations

P.O. BOX 429, PRETORIA, 0001, Republic of South Africa. Docex 256, PRETORIA.

Call Centre Tel 086 184 3384. Website www.cipro.co.za, WAP www.cipro.co.za/mobile

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COMPANIES AND INTELLECTUAL
 PROPERTY REGISTRATION OFFICE

a member of the dti group

Registration number

Enterprise Name

Accounting Officer

Name

Postal Address

Profession

Membership/Practice No

Active Members

| Surname and first names | ID number or date of birth | Contrib. (R) | Interest (%) | Appoint-ment date | Addresses |
|-------------------------|----------------------------|--------------|--------------|-------------------|---|
| VISSER, JEANNE-MARIE | 8205170130880 | 16.67 | 16.67 | 15/03/2011 | Postal: DRAAILAAN 11,
DALSIG, STELLENBOSCH,
7600
Residential: DRAAILAAN 11,
DALSIG, STELLENBOSCH,
7600 |
| LA-COCK, RUNINE CECILE | 7812270031082 | 16.66 | 16.66 | 25/03/2011 | Postal: 402 FOREST CROWNE
RISE, KIMBERLEY, BC V1A
OA5, CANADA, 0000
Residential: 402 FOREST
CROWNE RISE, KIMBERLEY,
BC V1A OA5, CANADA, 0000 |
| VISSER, JEANINE CECILE | 5207160063000 | 66.67 | 66.67 | 22/01/1996 | Postal: POSBUS 367,
STELLENBOSCH, 7599
Residential: DRAAILAAN 11,
DALSIG, STELLENBOSCH,
7600 |

Change Summary for 1996/002627/23 as a result of the lodging of document number 19722805.

Principle Business Change on 15/03/2011.

6

Change of Financial Year End on 15/03/2011.

2

Member Change on 15/03/2011.

Add Record

Surname/Instt : = VISSER

First Names : = JEANINE CECILE

Status : = Active

Member Change on 15/03/2011.

Add Record

Surname/Instt : = LA-COCK

First Names : = RUNINE CECILE

Status : = Active

Member Change on 15/03/2011.

Add Record

Surname/Instt : = VISSER

First Names : = JEANNE-MARIE

Status : = Active



COMPANIES AND INTELLECTUAL PROPERTY REGISTRATION OFFICE:

Registrar of Companies & Close Corporations

P.O. BOX 429, PRETORIA, 0001, Republic of South Africa. Docex 256, PRETORIA.

Call Centre Tel 086 184 3384, Website www.cipro.co.za, WAP www.cipro.co.za/nbille

**Certificate issued by the Commissioner of Companies & Intellectual
Property Commission on Wednesday, December 16, 2020 at 18:21**



**Companies and Intellectual
Property Commission**
a member of the dti group

Registration Number: 1996 / 002627 / 23
Enterprise Name: MOUNTAIN BREEZE KARAVANPARK

CHANGE SUMMARY

23/01/2015 SMS Notification that Annual Return is due was sent on 23/01/2015.
E-Mail sent to RUNINE CECILE LA-COCK for 2015

22/01/1996 Registration of CC/CO on 22/01/1996.

09/01/2019 Email Notification that Annual Return is due was sent on 09/01/2019.
E-Mail sent to RUNINE CECILE LA-COCK for 2019

05/01/2020 Email Notification that Annual Return is due was sent on 05/01/2020.
E-Mail sent to RUNINE CECILE LA-COCK for 2020

24/01/2014 SMS Notification that Annual Return is due was sent on 24/01/2014.
E-Mail sent to RUNINE CECILE LA-COCK for 2014

01/01/2016 SMS Notification that Annual Return is due was sent on 01/01/2016.
E-Mail sent to RUNINE CECILE LA-COCK for 2016

02/01/2017 Email Notification that Annual Return is due was sent on 02/01/2017.
E-Mail sent to RUNINE CECILE LA-COCK for 2017

02/01/2018 Email Notification that Annual Return is due was sent on 02/01/2018.
E-Mail sent to RUNINE CECILE LA-COCK for 2018

25/03/2011 Change of Financial Year End on 15/03/2011.
2

25/03/2011 Member Change on 15/03/2011.
Add Record
Surname/Instit : = VISSER
First Names : = JEANNE-MARIE
Status : = Active

25/03/2011 Member Change on 15/03/2011.
Add Record
Surname/Instit : = VISSER
First Names : = JEANINE CECILE
Status : = Active

25/03/2011 Member Change on 15/03/2011.
Add Record
Surname/Instit : = VISSER
First Names : = RUDOLPH PHILIPPUS
Status : = Resigned

25/03/2011 Principle Business Change on 15/03/2011.
6

25/03/2011 Member Change on 15/03/2011.
Add Record
Surname/Instit : = LA-COCK
First Names : = RUNINE CECILE
Status : = Active

25/03/2011 Postal Address Change on 15/03/2011.
POSBUS 367
STELLENBOSCH

7599

25/03/2011 Registered Address Change on 15/03/2011.
7DE VLOER
SANBELGEBOU
OU PAARLWEG 2
BELLVILLE
ILLE

Page 2 of 3

Physical Address
the dti Campus - Block F
77 Meintjies Street
Sunnyside 0001

Postal Address: Companies
P O Box 429
Pretoria
0001

Docex: 256
Web: www.cipc.co.za
Contact Centre: 086 100 2472 (CIPC)
Contact Centre (International): +27 12 394 9573



Certificate issued by the Commissioner of Companies & Intellectual Property Commission on Wednesday, December 16, 2020 at 18:21



Companies and Intellectual Property Commission

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Disclosure Certificate: Companies and Close Corporations

Registration Number: 1996 / 002627 / 23
Enterprise Name: MOUNTAIN BREEZE KARAVANPARK

ENTERPRISE INFORMATION

Registration Number: 1996 / 002627 / 23
Enterprise Name: MOUNTAIN BREEZE KARAVANPARK
Registration Date: 22/01/1996
Business Start Date: 22/01/1996
Enterprise Type: Close Corporation
Enterprise Status: In Business
Compliance Notice Status: NONE
Financial Year End: February
TAX Number: 9201539021
Addresses: POSTAL ADDRESS

P O BOX 920
STELLENBOSCH

7599

ADDRESS OF REGISTERED OFFICE

DE WATERKANT BUILDING
HELDERBERG STREET
STELLENBOSCH

7600

ACTIVE MEMBERS / DIRECTORS

| Surname and First Names | Type | ID Number / Date of Birth | Contrib. (R) | Interest (%) | Appoint. Date | Address |
|-------------------------|--------|---------------------------|--------------|--------------|---------------|---|
| LA-COCK, RUNINE CECILE | Member | | 16.66 | 16.66 | 25/03/2011 | Postal: 402 FOREST CROWNE RISE, KIMBERLEY, BC V1A 0A5, CANADA, 0000
Residential: 402 FOREST CROWNE RISE, KIMBERLEY, BC V1A 0A5, CANADA, 0000 |
| VISSER, JEANNE-MARIE | Member | | 16.67 | 16.67 | 15/03/2011 | Postal: DRAAILAAN 11, DALSIG, STELLENBOSCH, 7600
Residential: DRAAILAAN 11, DALSIG, STELLENBOSCH, 7600 |
| VISSER, JEANINE CECILE | Member | | 66.67 | 66.67 | 22/01/1996 | Postal: POSBUS 367, STELLENBOSCH, 7599
Residential: DRAAILAAN 11, DALSIG, STELLENBOSCH, 7600 |

AUDITOR DETAILS

| Auditor Name | Type | Status | Appointment Date | Resignation Date | Email Address |
|---------------------------------|------|---------|------------------|------------------|---------------|
| LOUBSER DU PLESSIS INCORPORATED | ACC | Current | | ACTIVE | SEK@LDP.CO.ZA |

Profession Number: 944270

Page 1 of 3

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the dū Campus - Block F
77 Meinljes Street
Sunnyside 0001

Postal Address: Companies
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Pretoria
0001

Docex: 258
Web: www.cipc.co.za
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Contact Centre (International): +27 12 394 9573



Certificate issued by the Commissioner of Companies & Intellectual Property Commission on Wednesday, December 16, 2020 at 18:21



**Companies and Intellectual
Property Commission**
a member of the dti group

Disclosure Certificate: Companies and Close Corporations

Registration Number: 1996 / 002627 / 23
Enterprise Name: MOUNTAIN BREEZE KARAVANPARK

25/03/2011 Accounting Officer Change on 15/03/2011.
Add Record
Name : = LOUBSER DU PLESSIS INCORPORATED
Status : = Current

27/01/2014 Annual Return completed on 27/01/2014.
Company / Close Corporation AR Filing - Web Services : Ref No. : 51854090

17/01/2019 Annual Return completed on 17/01/2019.
Company / Close Corporation AR Filing - Web Services : Ref No. : 5159191969

28/01/2020 Annual Return completed on 28/01/2020.
Company / Close Corporation AR Filing - Web Services : Ref No. : 5223954767

23/01/2015 Annual Return completed on 23/01/2015.
Company / Close Corporation AR Filing - Web Services : Ref No. : 523840530

14/01/2016 Annual Return completed on 14/01/2016.
Company / Close Corporation AR Filing - Web Services : Ref No. : 531656865

20/02/2017 Annual Return completed on 20/02/2017.
Company / Close Corporation AR Filing - Web Services : Ref No. : 563993869

18/01/2018 Annual Return completed on 18/01/2018.
Company / Close Corporation AR Filing - Web Services : Ref No. : 599801650



CK2A

Certificate issued by the Registrar of Companies & Close Corporations on Friday, March 25, 2011 04:18
Certificate of Amended Founding Statement



| | |
|-----------------------------------|--|
| Registration number | 1996 / 002627 / 23 |
| Enterprise Name | MOUNTAIN BREEZE KARAVANPARK |
| Enterprise Shortened Name | None provided. |
| Enterprise Translated Name | None provided. |
| Registration Date | 22/01/1996 |
| Business Start Date | 22/01/1996 |
| Enterprise Type | Close Corporation |
| Enterprise Status | In Business |
| Financial year end | February |
| Number of members | 3 |
| Aggregate members' contribution | R 100.00 |
| Description of Principal Business | BEDRYF VAN KARAVANPARK |
| Postal address | P O BOX 920
STELLENBOSCH
7600 |
| Address of registered office | DE WATERKANT BUILDING
HELDERBERG STREET
STELLENBOSCH
7600 |



COMPANIES AND INTELLECTUAL PROPERTY REGISTRATION OFFICE:

Registrar of Companies & Close Corporations

P.O. BOX 428, PRETORIA, 0001, Republic of South Africa. Docx 286, PRETORIA.

| | |
|------|---|
| 11.3 | FINANCIAL SERVICES: [PC: CLLR P CRAWLEY (MS)] |
|------|---|

NONE

| | |
|------|---|
| 11.4 | HUMAN SETTLEMENTS: (PC: CLLR N JINDELA) |
|------|---|

NONE

| | |
|------|-----------------------------------|
| 11.5 | INFRASTRUCTURE: (PC: CLLR Q SMIT) |
|------|-----------------------------------|

| | |
|--------|--------------------------------------|
| 11.5.1 | NEW WASTE MATERIAL RECOVERY FACILITY |
|--------|--------------------------------------|

Collaborator No: 702616
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: 24 March 2021

1. SUBJECT: NEW WASTE MATERIAL RECOVERY FACILITY

2. PURPOSE

To note that the construction of our new waste Material Recovery Facility (MRF) has now been completed.

3. DELEGATED AUTHORITY

Municipal Council, however the Mayor may request the Portfolio Committee to render assistance in terms of Section 80 of the Local Government Municipal Structures Act, Act 117 of 1998, as amended.

4. EXECUTIVE SUMMARY

Stellenbosch Municipality has completed the construction of its new MRF. This facility will allow the municipality to expand on its waste minimization initiatives, divert waste away from landfill and maximize the landfill lifespan.

The facility also includes a public drop off which will allow residents to bring all waste to be disposed of. This will assist in combating illegal dumping giving residents a responsible option of disposing their waste.

5. RECOMMENDATIONS

- (a) that the completion of the Material Recovery Facility (MRF), be noted;
- (b) that a formal opening ceremony be arranged; and
- (c) that communication be sent to the public informing them of the Material Recovery Facility (MRF) and the public drop-off.

6. DISCUSSION / CONTENTS**6.1 Background**

Inadequate landfill airspace has become a huge problem throughout South Africa. Stellenbosch Municipality is not immune to this problem as the town's population increases adding to the demand of a basic waste removal service.

In amidst all of this, Stellenbosch Municipality operates one landfill which has over time filled up and has resulted in waste being transported to Vissershok in Cape Town for disposal. The Municipality is currently in the planning phase to develop the last remaining portion of land in Devon Valley for landfilling. This new cell will be able to provide the municipality anything from 5 to 30 years of landfill airspace depending on how the residents of Stellenbosch minimize their waste.

To this end, the municipality has started with a recycling pilot program almost 10 years ago which entailed a door-to-door collecting of recyclable waste in clear bags and taking it to a facility in Kraaifontein, Cape Town. This pilot then evolved with the creation of a mini-MRF off Adam Tas Road that was able to handle 100 ton/ month. The collection areas also over time increased but did not include all areas of the WC 024.

The Municipality has now constructed a new waste Material Recovery Facility to the value of R29 million. This facility will have the capacity to handle 450 tons/ month with equipment such as:

- A bag breaker;
- 30 metre sorting conveyor belt, which will allow for 36 sorters;
- 2x waste bailers; and
- Weighbridge.

With these capabilities the Municipality will be able to grow its waste minimization efforts and move from a pilot to formal recyclable program targeting all areas of the WC 024. This facility will make it easier to rollout initiatives such as swap shops and buy back centers.

The MRF will also include a public waste drop off which will provide a facility for residents to bring all waste, recyclables and unwanted goods. This will help in combating illegal dumping which has been plaguing the Municipality in recent months. Vehicles with the capacity of 1.3 tons and below will be able to dispose of their waste free of charge. This will also provide residents with a responsible disposal option.

6.2 Financial Implications

Operational budget needs to be adjusted to make provision for the operation of the MRF

6.3 Legal Implications

Complies with all legal requirements in terms of legislation

6.4 Staff Implications

Staff budget for waste awareness and education needs to be funded.

6.5 Previous / Relevant Council Resolutions

None

6.6 Risk implications

None

RECOMMENDATIONS FROM INFRASTRUCTURE SERVICES COMMITTEE MEETING TO THE EXECUTIVE MAYOR: 2021-03-04: ITEM 5.1.4

- (a) that the completion of the Material Recovery Facility (MRF), be noted;
- (b) that a formal opening ceremony be arranged for Thursday, 25 March 2021 at 10h00 on the premises of the Material Recovery Facility, Devon Valley; and
- (c) that communication be sent to the public informing them of the Material Recovery Facility (MRF) and the public drop-off.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2021-03-24: ITEM 7.5.1

- (a) that the completion of the Material Recovery Facility (MRF), be noted;
- (b) that a formal opening ceremony be arranged for Thursday, 25 March 2021 at 10h00 on the premises of the Material Recovery Facility, Devon Valley; and
- (c) that communication be sent to the public informing them of the Material Recovery Facility (MRF) and the public drop-off.

FOR FURTHER DETAILS CONTACT:

| | |
|------------------------|---|
| NAME | Deon Louw |
| POSITION | <i>DIRECTOR: INFRASTRUCTURE SERVICES</i> |
| DIRECTORATE | <i>INFRASTRUCTURE SERVICES</i> |
| CONTACT NUMBERS | <i>021 -808 8213</i> |
| E-MAIL ADDRESS | <i>Deon.louw@ Stellenbosch.gov.za</i> |
| REPORT DATE | <i>4 February 2021</i> |

| | |
|------|--|
| 11.6 | PARKS, OPEN SPACES AND ENVIRONMENT: (PC: XL MDEMKA (MS)) |
|------|--|

NONE

| | |
|------|---|
| 11.7 | PLANNING, LOCAL ECONOMIC DEVELOPMENT AND TOURISM:
(PC: CLLR E GROENEWALD (MS)) |
|------|---|

NONE

| | |
|------|---------------------------------------|
| 11.8 | RURAL MANAGEMENT: (PC: CLLR S PETERS) |
|------|---------------------------------------|

NONE

| | |
|------|--|
| 11.9 | YOUTH, SPORTS AND CULTURE: (PC: CLLR J FASSER) |
|------|--|

NONE

| | |
|-------|-------------------|
| 11.10 | MUNICIPAL MANAGER |
|-------|-------------------|

| | |
|---------|--|
| 11.10.1 | ESTABLISHMENT OF THE MUNICIPAL HONOURS AND MEDALS ADVISORY PANEL |
|---------|--|

Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

24 March 2021

1. SUBJECT: ESTABLISHMENT OF THE MUNICIPAL HONOURS AND MEDALS ADVISORY PANEL

2. PURPOSE

To establish the Municipal Honours and Medals Advisory Panel in terms of clause 5 of the Stellenbosch Municipal Honours By-Law of 2002.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The Stellenbosch Municipal Council in 2002 promulgated The Municipal Honours By-Law (**Annexure A**) in terms of which Council can recognise and consider persons for exceptional achievements or for rendering of exceptional, meritorious service in the interest of the municipality. The By-law requires that a Municipal Honours Advisory Panel should advise Council on the conferral of Municipal Honours. The Municipality has recently received such an application; the candidate is over 90 years of age and is in frail health. However, due to the fact that no advisory panel is currently approved by Council, the administration is unable to process the application.

5. RECOMMENDATIONS

- (a) that Council establishes the Municipal Honours and Medals Advisory Panel;
- (b) that Council appoints five (5) Councillors, broadly representative of the Council, to serve on the Municipal Honours and Medals Advisory Panel; and
- (c) that Council appoints five (5) people, broadly representative of the people of Stellenbosch Municipality, to serve on the Municipal Honours and Medals Advisory Panel.

6. DISCUSSION / CONTENTS**6.1 Background**

The Stellenbosch Municipal Council in 2002 promulgated The Municipal Honours By-Law (**Annexure A**) in terms of which Council can recognise and consider persons for exceptional achievements or for rendering of exceptional, meritorious service in the interest of the municipality. The By-law requires the Executive Mayor to obtain advice on the referral, annulment or restoration of Municipal honours from an advisory panel. The advisory panel shall meet at the request of the Executive Mayor. Furthermore, the advisory panel will make recommendations to the Executive Mayor. It is imperative to note that the Executive Mayor is the patron of the municipal honours, and may, after approval of Council, confer municipal honours on any person, and make a posthumous conferral of a municipal honour.

6.2 Discussion

The Municipality has recently received an application for Council's consideration for bestowing of municipal honours. However, due to the fact that no advisory panel is currently approved by Council, the administration is unable to process the application.

6.3 Financial Implications

Budget must be made available for the manufacturing of medals and for the hosting of ceremonial events.

6.4 Legal Implications

The recommendations are in line with the provisions of the Stellenbosch Municipal Honours By-law, 2002.

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions

None

6.7 Risk Implications

This report has no risk implications for the Municipality.

6.8 Comments from Senior Management

None required

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2021-03-24: ITEM 7.10.1

- (a) that Council establishes the Municipal Honours and Medals Advisory Panel;
- (b) that Council appoints five (5) Councillors, broadly representative of the Council, to serve on the Municipal Honours and Medals Advisory Panel; and
- (c) that Council appoints five (5) people, broadly representative of the people of Stellenbosch Municipality, to serve on the Municipal Honours and Medals Advisory Panel.

ANNEXURES

Annexure A: Stellenbosch Municipal Honours By-law, 2002

| | |
|------------------------|--|
| NAME | Geraldine Mettler |
| POSITION | Municipal Manager |
| DIRECTORATE | Office of the Municipal Manager |
| CONTACT NUMBERS | 021 808 8025 |
| E-MAIL ADDRESS | Municipal.manager@ Stellenbosch.gov.za |
| REPORT DATE | 23 March 2021 |

ANNEXURE A

STELLENBOSCH MUNICIPAL HONOURS BY-LAW**BY-LAW**

To provide for Municipal honours, the conferral thereof, the amendment of conferral, of Municipal honours, and to provide for matters incidental thereto.

PREAMBLE

WHEREAS section 156(5) of the Constitution of the Republic of South Africa, Act No 108 of 1996, in general authorise a municipality to exercise any power concerning a matter reasonably necessary for, or incidental to, the effective performance of its functions;

WHEREAS section 186(9) and (10) of the Municipal Ordinance 1974 (No 20 of 1974), in particular, authorise a municipality to confer the freedom of the municipality on a person or to present a medal, memento, address or other commemorative token to persons;

WHEREAS section 156(2) of the Constitution of the Republic of South Africa authorise a municipality to make by-laws for the effective administration of the matters which it has the right to administer;

WHEREAS it is desirable to take into consideration and recognise persons for exceptional achievements or the rendering of exceptionally meritorious service in the interest of the municipality; and

WHEREAS this needs to be done in an orderly manner;

Be it, therefore, enacted by the Council of the Stellenbosch Municipality.

TABLE OF CONTENTS

1. Definitions
2. Municipal Honours
3. Conferral of Municipal Honours
4. Annulment of Conferral of Municipal Honours
5. Municipal Honours Advisory Panel
6. Criteria for the bestowing of Municipal Honours
7. Warrants
8. Short Title and Date of Commencement

1. DEFINITIONS

1. "*The Council*" means the political structure of Stellenbosch Municipality in terms of section (4) of the Establishment Notice (P.N. 489/2000) as contemplated in section 18 of the Municipal Structures Act.
2. "*Stellenbosch Municipality*" means the municipality established in terms of section (4) of the Establishment Notice (P.N. 489/2000).
3. "*Municipal Manager*" means the person that is the head of administration and also accounting officer for the municipality, appointed in terms of section 82 of the Municipal Structures Act, Act 117 of 1998.
4. "*Councilor*" means a member of the Municipal Council of Stellenbosch Municipality.
5. "*Municipality*" for the purposes of section 7 means:
 - (a) the Municipality of Stellenbosch established by Provincial Notice 489 of 2000 dated 22 September 2000;
 - (b) any municipality established under the provision of the Local Government Transition Act, 1993;
 - (c) any municipality established under the provisions of the Municipal Ordinance, 1974 or any previous ordinance providing for the establishment of a municipality;
 - (d) any council or committee established under the provisions of the Black Local Authorities Act, 1982;
 - (e) any management committee established under the provisions of Provincial Ordinance No 6 of 1963.
6. "*Employee*" means an employee of Stellenbosch Municipality and shall for the purposes of section 6(8) include commencement service at one of the following established municipalities:

Stellenbosch Municipality
 Franschhoek Municipality
 Pniel Local Council
 Boland District Municipality
 Winelands District Council
 Western Cape Metropool Council
 Stellenbosch Divisional Council.

2. MUNICIPAL HONOURS

2. (1) There are the following Municipal honours for Stellenbosch Municipality:
 - (a) freedom of the Municipality or freedom of the town of Stellenbosch, Franschhoek or Pniel;
 - (b) honorary citizenship of the Municipality of Stellenbosch;
 - (c) illuminated address of the Municipality or illuminated address of the town of Stellenbosch, Franschhoek or Pniel;
 - (d) Aldermanship certificate;
 - (e) a Council's commendation certificate;
 - (f) a Mayor's commendation certificate; and
 - (g) certificate for long or outstanding service with the Council.
2. (2) There are the following medal for the Stellenbosch Municipality:
 - (a) the Simonsberg medal (gold) for exceptional achievement or for performing an act of bravery within the Municipal area of Stellenbosch;
2. (3) The Mayor is the patron of the Municipal honours as described in section (1) and (2).

3. CONFERRAL OF MUNICIPAL HONOURS

3. (1) The Mayor, after of approval of Council may confer municipal honours on any person and may make a posthumous conferral of a municipal honour.

4. ANNULMENT OF CONFERRAL OF MUNICIPAL HONOURS AND MEDALS

4. (1) The Mayor, after approval of Council may annul the conferral of a Municipal honour if the holder of the honour has performed any action or has behaved in a manner which harmed the interest of the Municipality of Stellenbosch, or otherwise has become unworthy of the Municipal honour concerned.
4. (2) The Mayor shall, in annulling the conferral of a Municipal honour in terms of subsection (1), do so in accordance with the advice of the panel referred to in section 5.

5. MUNICIPAL HONOURS ADVISORY PANEL

5. (1) The Mayor must obtain advise on the conferral, annulment or restoration of Municipal honours from an advisory panel, consisting of:
 - (a) a maximum of five (5) councillors, broadly representative of the council, appointed by council; and
 - (b) a maximum of five (5) people, highly respected by and who are broadly representative of the people of Stellenbosch Municipality, appointed by Council, if Council so wishes.
5. (2) The advisory panel shall meet at the request of the Mayor.

6. CRITERIA FOR THE BESTOWING OF MUNICIPAL HONOURS

6. (1) The freedom of the Municipality or the freedom of the town of Stellenbosch, Franschhoek or Pniel will be conferred:
 - (a) a non-resident person or organisation, when such a person or organisation is worthy of such an honour in the opinion of Council;
 - (b) if approved by Council by way of a broad consensus. The freedom of the Municipality or of a town shall not be conferred on an active politician.
6. (2) Honorary citizenship of the Municipality of Stellenbosch will be conferred:
 - (a) on a person of national and/or international stature residing in Stellenbosch Municipality for a period of at least 25 years, when such person is worthy of such an honour in the opinion of Council;
 - (b) on such a person if unanimously approved by Council at a Special Council Meeting. Alternatively when approved by Council by way of a broad consensus.
 - (c) Honorary citizenship will not be conferred on an active politician.
6. (3) An illuminated address of the municipality or an illuminated address of the town of Stellenbosch, Franschhoek or Pniel will be conferred:
 - (a) on a person when such person is worthy of such an honour in the opinion of Council;
 - (b) if approved by Council by a two-thirds majority vote;
6. (4) Aldermanship will be conferred on a serving Councillor of Stellenbosch Municipality:
 - (a) who has served on one or more municipalities within the Republic of South Africa for a total period of 20 years. Such terms of office need not be consecutive;

- (b) upon the assumption of the office of Mayor. This criterium does not apply to acting Mayors or acting chairperson of Council. Such title shall be removed if such Councillor does not serve the Council for a full term of office as Mayor;
- (c) who obtains the minimum of 20 points on the following scale:
 - (i) one point for each completed year served as a Councillor on any municipality; plus
 - (ii) one additional point for each completed year service as a member of the executive of any municipality or as chairperson of a standing committee or portfolio committee of such municipality; plus
 - (iii) one additional point for each completed year service as a deputy mayor of a municipality; plus
 - (iv) two additional points for each completed year served as a mayor or chairperson of any municipality; plus
 - (v) two additional points for each completed year served as a member of the executive committee or chairperson of a standing committee of the Stellenbosch Municipality subsequent to 5 December 2000; plus
 - (vi) three additional points for each completed year served as deputy mayor or speaker of the Stellenbosch Council.
- 6. (5) Any current serving Councillor who is of the view that he/she qualifies for Aldermanship, should notify the Municipal Manager in writing, together with the necessary details to the satisfaction of the Municipal Manager. The Municipal Manager shall make a recommendation to Council, after having considered all the relevant details. The Municipal Manager shall for the purpose of this by-law create an appropriate database of all current serving councillors of the Council of Stellenbosch as from 5 December 2000.
- 6. (6) The Council's recommendation certificate will be conferred;
 - (a) a resident of Stellenbosch Municipality when such person is worthy of such an honour in the opinion of Council;
 - (b) if approved by Council;
- 6. (7) The Mayor's recommendation certificate will be conferred on:
 - (a) a resident of Stellenbosch Municipality; and
 - (b) in the sole discretion of the Mayor.
- 6. (8) A certificate for long outstanding service with the Council will be conferred on an employee:
 - (a) who has served the municipality for a period of 25 years, on condition that such an employee has not been found guilty of misconduct for a period of 10 years prior to his/her 35th year of service.
- 6. (9) A medal will be conferred on a resident of Stellenbosch Municipality when:
 - (a) such person is worthy of such an honour in the opinion of Council; and
 - (b) if approved by Council by way of a broad consensus.

7. WARRANTS

The Mayor together with the other members of Council may, by special Council decision and after publication thereof in the Provincial Gazette, issue warrants for the better carrying out of the objects of this by-law and in particular, but without prejudice to the generality of the foregoing, relating to:

- (a) the keeping and administering of the Municipal honours referred to in section 1;
- (b) the keeping of a register of Municipal honours conferred;
- (c) the replacement of lost or stolen Municipal honours and the charges, therefor;
- (d) the publication of an annual Municipal honours list;
- (e) the wearing of Municipal medals;
- (f) benefits and privileges of Alderman;
- (g) rules regarding the annulment and restoration of provincial honours;
- (h) the issuing of accompanying certificates;
- (i) the lay-out/description of Municipal honours/medals; and
- (j) the protocol regarding the handing over of Municipal honours.

8. SHORT TITLE

This by-law is called the Stellenbosch Municipal Honours By-law and takes effect on date of publication thereof.

| | |
|-----|--|
| 12. | CONSIDERATION OF ITEMS, REPORTS, COMMUNICATIONS, PETITIONS AND APPLICATIONS SUBMITTED VIA THE OFFICE OF THE MUNICIPAL MANAGER |
|-----|--|

| | |
|------|--|
| 12.1 | MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC): [CLLR WF PIETERSEN] |
|------|--|

NONE

| | |
|-----|---|
| 13. | REPORTS BY THE MUNICIPAL MANAGER |
|-----|---|

| | |
|------|--|
| 13.1 | MORATORIUM ON FILLING OF VACANCIES ON WARD COMMITTEES |
|------|--|

Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

31 March 2021

1. SUBJECT: MORATORIUM ON FILLING OF VACANCIES ON WARD COMMITTEES

2. PURPOSE

To submit to Council a report to consider placing a moratorium on the filling of vacancies on ward committees.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

Stellenbosch Municipality has opted for a Mayoral Committee System coupled with a Ward Participatory System. In terms of Section 73(1) of the Local Government: Municipal Structures Act, 117 of 1998:

"If a metro or local council establishes ward committees, it must establish a ward committee for each ward in the municipality"

Section 73(2) determines that a ward committee consists of –

"(a) the councillor representing that ward in the council who is the chairperson of the committee; and

(b) not more than 10 other persons".

Ward committee members were elected during January and February 2017 in line with the Policy and Procedures for Ward Committees. Vacancies that occurred during the term of this Council were filled through a process of co-option¹ as stipulated in paragraph 14 of said Policy.

¹ (3) The intention to fill a vacancy through a process of co-option must be placed on the ward committee's agenda beforehand, and the agenda must be circulated to members at least seven days before the meeting.

(4) The geographical area representation of the member who vacated his/her position must be taken into account when filling a vacancy.

(5) A person co-opted as a ward committee member must comply with the criteria stipulated in clause 6 above

Table I below provides a layout of the current number of ward committee members as well as the number of vacancies per ward. The filling of vacancies were discussed at the All Ward Councillors Meeting held on 01 March 2021. During deliberations the ward councillors concur with the idea of putting a moratorium on the filling of vacancies until after the upcoming local elections in October 2021 (predicted date). A representative from the Provincial Department of Public Participation also attended the meeting virtually and suggested that, should Council resolve to place a moratorium on the filling of vacancies the said Department be informed accordingly.

5. RECOMMENDATIONS

- (a) that a moratorium be placed on the filling of vacancies on ward committees for the remainder of Council term of office;
- (b) that, where the number of ward committee members drop below five members, such ward committee be allowed to co-opt a new member/s in line with the Policy and Procedures for Ward Committees until they have 5 members; and
- (c) that the Administration be commissioned to inform the Provincial Government Department of Public Participation of this decision.

6. DISCUSSION / CONTENTS

6.1 Background

Section 73(1) of the Municipal Structures Act, 117 of 1998 stipulates that if a municipality opt to establish ward committees, establishment must be done for all wards within the municipality.

According to Section 73(2) a ward committee consists of –

- “(a) the councillor representing that ward in the council who is the chairperson of the committee; and*
- (b) not more than 10 other persons”.*

There are a number of vacancies on most of the wards as indicated in **Table 1** below:

Table 1: Current ward committee members and number of vacancies on wards

| Ward | Current members | Number of vacancies |
|------|-----------------|---------------------|
| 1 | 8 | 2 |
| 2 | 8 | 2 |
| 3 | 7 | 3 |
| 4 | 8 | 3 |
| 5 | 7 | 3 |
| 6 | 10 | 0 |
| 7 | 7 | 3 |
| 8 | 6 | 4 |
| 9 | 9 | 1 |
| 10 | 6 | 4 |
| 11 | 7 | 3 |
| 12 | 9 | 1 |
| 13 | 10 | 0 |
| 14 | 10 | 0 |
| 15 | 9 | 1 |
| 16 | 7 | 3 |
| 17 | 8 | 2 |

| | | |
|---------------------------|----|----|
| 18 | 9 | 1 |
| 19 | 7 | 3 |
| 20 | 8 | 2 |
| 21 | 8 | 2 |
| 22 | 10 | 0 |
| Total number of vacancies | | 43 |

These vacancies exist due to resignations and deaths of members due to Covid-19.

6.2 Financial Implications

Ward Committee members are paid a stipend for their work related to the ward committee.

6.3 Legal Implications

The recommendations in this report comply with Council's policies and all applicable legislation.

6.4 Staff Implications

It does not affect the work of the ward administrator.

6.5 Risk Implications

Where a ward committee's membership falls below 50% of the membership it will not be able to operate and have meetings as they need a quorum for the meetings. This risk is addressed in the item.

Ward committees are made up with geographical representation and where representatives are not replaced the risks exist that the information may not reach those communities.

6.6 Comments from Senior Management

6.6.1 Chief Financial Officer

Agree with the recommendations

6.6.2 Municipal Manager

Agree with the recommendations

FOR FURTHER DETAILS CONTACT:

| | |
|-----------------|--|
| NAME | Nicky Ceasar |
| POSITION | Executive Support Officer |
| DIRECTORATE | Corporate Services |
| CONTACT NUMBERS | 021 808 8618 |
| E-MAIL ADDRESS | nicky.ceasar@ Stellenbosch.gov.za |
| REPORT DATE | 23 March 2021 |

| | |
|------|---|
| 13.2 | PAYMENT OF WARD COMMITTEE MEMBERS FEBRUARY 2021 |
|------|---|

Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

31 March 2021

1. SUBJECT: PAYMENT OF WARD COMMITTEE MEMBERS FEBRUARY 2021**2. PURPOSE**

To submit to Council a report to consider payment to be made to ward committee members for February 2021 as per schedule of meetings.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The coronavirus pandemic, is still prevalent in most countries around the world including South Africa. Since the declaration of a disaster in terms of the Disaster Management Act, 2002, the country has been placed under various alert levels.

The country experienced a second wave of the virus during December 2020 and January 2021. Stellenbosch Municipality was also badly hit by this wave and this subsequently prompted Management and the Speaker to engage in discussions surrounding the safety at ward offices. Management sent out a communication to ward councilors on 7th January stating that the ward offices will be closed effective from 08 January 2021. The closing of ward offices was prompted amongst other as a result of protective screens for ward offices not being installed by then. Ward administrators had instructions however to be available and attend to ward councillor and ward committee business. (See e-mail/s attached as **APPENDIX 1**).

The ward offices were closed until 12 February 2021 and re-opened on 15 February 2021. A communication in this regard is attached as **APPENDIX 2**. The notice of re-opening of ward offices to the public clearly emphasized the Covid-19 protocols that must be observed at all times.

Not all wards convened meetings during the time that the ward office were closed. Wards 7 and 22 convened virtual meetings on 27 and 20 January 2021 respectively. Over the past 4 years only a few wards convened meetings during January while all wards convened meetings during February of each year. It is therefore recommended that Council consider waiving the Policy and Procedures for Ward Committees to enable the Administration to make payment for February 2021 to ward committee members of all ward committees' as they continued with their assistance to the ward councilors and the work in the wards. The payment is not only for attending meetings.

Table 1: Schedule of ward committee meetings and indication of ward committees that held no meetings during February 2021

| Ward | Meeting as per schedule 2021 | | Actual date of February meeting |
|------|------------------------------|----------|---------------------------------|
| | January | February | |
| 1 | - | 25 | 21 |
| 2 | - | 18 | 20 |
| 3 | - | - | No meeting |
| 4 | - | - | No meeting |
| 5 | - | - | No meeting |
| 6 | - | 3 | 3 |
| 7 | 27 | 10 | No meeting |

| | | | |
|----|----|----|------------|
| 8 | - | 3 | 3 |
| 9 | - | 2 | 2 |
| 10 | - | 2 | No meeting |
| 11 | - | 9 | 9 |
| 12 | 27 | 10 | 16 |
| 13 | - | 2 | No meeting |
| 14 | - | 17 | 17 |
| 15 | - | 23 | 25 |
| 16 | - | 9 | 22 |
| 17 | - | 3 | No meeting |
| 18 | - | 18 | No meeting |
| 19 | 28 | 2 | 2 |
| 20 | - | 11 | No meeting |
| 21 | - | 2 | 9 |
| 22 | 20 | 3 | 2 |

5. RECOMMENDATIONS

- (a) that the following stipulations in Clause 25 (2) of the Policy outlining the payment of ward committee members where meetings did not take place, be waived:

“(1) Members of ward committees will be reimbursed for out-of-pocket expenses as contemplated in clause 25(2)(a)(i) below.

- (2) *The Municipality will annually budget for the reimbursement of:*

- (a) *out-of-pocket expenses for members of ward committees in respect of their participation in ward committees subject to the following criteria as approved by the Council on 20 June 2012 and revised by the Council on 28 October 2015:*

- (i) *that 14 ward committee meetings which will comprise one ward committee meeting every month and one open public meeting every semester (every six months) be identified and approved by the ward committee as paid meetings and that each serving member present at these meetings be paid an out-of-pocket allowance of R350.00 per meeting (R350 x 14 = R4 900.00). Payment of out-of-pocket allowances will be made quarterly.*

... (iii) that reimbursements only be paid on verification of the attendance register of meetings attended and that reimbursements only be electronically transferred to the bank account of the relevant ward committee members ...”

- (b) that this waiving of Clause 25 be applicable for the month of February 2021 for wards where meetings did not take place;
- (c) that the Administration be commissioned to make payments of R350.00 for February 2021 to active ward committee members for all wards; and
- (d) that it be noted that ward committee members continued their work in assisting the ward councillor and attending to their other duties as ward committee members.

6. DISCUSSION / CONTENTS

Clause 25 of the Policy *inter alia* stipulates:

“(1) Members of ward committees will be reimbursed for out-of-pocket expenses as contemplated in clause 25(2)(a)(i) below.

(2) *The Municipality will annually budget for the reimbursement of:*

(a) *out-of-pocket expenses for members of ward committees in respect of their participation in ward committees subject to the following criteria as approved by the Council on 20 June 2012 and revised by the Council on 28 October 2015:*

(i) *that 14 ward committee meetings which will comprise one ward committee meeting every month and one open public meeting every semester (every six months) be identified and approved by the ward committee as paid meetings and that each serving member present at these meetings be paid an out-of-pocket allowance of R350.00 per meeting (R350 x 14 = R4 900.00). Payment of out-of-pocket allowances will be made quarterly.*

... (iii) that reimbursements only be paid on verification of the attendance register of meetings attended and that reimbursements only be electronically transferred to the bank account of the relevant ward committee members ..."

The above-mentioned stipulations necessitate that Council consider waiving these stipulations to enable the Administration to effect payment to ward committee members of all wards for the month of February 2021.

6.1 Background

Council approved the Policy and Procedures for Ward Committees at a Council meeting on 2019-04-24. This policy makes provision for Ward Committee members to be reimbursed for out-of-pocket expenses for attending ward committee meetings. Item 25(2) stipulates that payment be made on verification of attendance registers of meetings held.

The country has been on various levels of lockdown since the Declaration of a disaster in terms of the Disaster Management Act, 2002 to be effective from 27 March 2020 as a result of the global Covid-19 pandemic.

The country experienced a second wave of the virus during December 2020 and January 2021. Stellenbosch Municipality was also badly hit by this wave and this subsequently prompted Management and the Speaker to engage in discussions surrounding the safety at ward offices. The closing of ward offices was prompted among other as a result of protective screens for ward offices not being installed by then.

With the exception of two ward committees (Wards 7 & 22) no other wards convened meetings during January 2021. During February 2021 a total of 12 wards - of which 5 held virtual meetings - convened meetings during February 2021. The other wards did not meet due to the closure of ward offices.

6.2 Financial Implications

Budgetary provision has been made in the 2020/2021 Budget for the payment of ward committee members.

6.3 Legal Implications

The recommendations is supported as although the policy states that it is out for pocket expenses for attendance of meetings the reality is that the ward committee members assist the ward councillor with their work and also performs the functions required of them outside the meetings even when those meetings do not take place.

6.4 Staff Implications

The ward administrators were paid at all times during Covid lockdown.

6.5 Risk Implications

The waiving of the provisions in the policy is addressed in the item.

6.6 Comments from Senior Management**6.6.1 Chief Financial Officer**

Supports the recommendations

6.6.2 Municipal Manager

Supports the recommendations

ANNEXURES:

Appendix 1: Email closure of offices

Appendix 2: Email re-opening of ward offices

FOR FURTHER DETAILS CONTACT:

| | |
|------------------------|---|
| NAME | Nicky Ceasar |
| POSITION | Executive Support Officer |
| DIRECTORATE | Corporate Services |
| CONTACT NUMBERS | 021 808 8618 |
| E-MAIL ADDRESS | nicky.ceaser@ Stellenbosch.gov.za |
| REPORT DATE | 23 March 2021 |



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MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

APPENDIX 1

E-MAIL/S RELATING TO **CLOSURE OF WARD OFFICES**

Nicky Ceaser

From: Donovan Muller
Sent: 07 January 2021 03:19 PM
To: Aldridge Frazenburg; Wilhelmina Petersen; Charles Manuel; Malcolm Johnson; Donovan Joubert; Nateshia Mcombring; Alwyn Hanekom; Quintin Smit; Zelda Dalling; Rozette DuToit; Johanna Serdyn; Nokuthula Gugushe; Faith Bangani; Phelisa Sitshoti; Nosibulele Sinkinya; Elsabe Vermeulen; Paul Biscombe (Whip); Emily Fredericks; 'jankarelhendriks@gmail.com'; Ansaaf Crombie; Rikus Badenhorst; Esther Groenewald; Nicky Ceaser
Cc: 'faithbanganimenziwa@gmail.com'; Ward Administrator 12 (Siyanda Mafenyanga); 'ayamahmananga@gmail.com'; Elzona Morris; Rachel Pearce; Gregory Viljoen; Melicia Simpson (Pniel Ward Office); Sinobia Zass; Cerelmiel VanRooyen; Reginald Pheiffer; Janetta Giliomee; Moses Michaels; 'SIYANDA MAFENYANGA (3409482@myuwc.ac.za)'; Moses Michaels; 'boilesaoana@gmail.com'; 'neliswa tolobisa'; Nosibulele Sinkinya; Yvonne Lamberts; Heidi Sauls; Belinda Foster; James Williams; Enathi Mpemnyama; Nelmar Williams
Subject: CLOSING OF WARD OFFICES - 8 JANUARY 2021 UNTIL FURTHER NOTICE
Importance: High

Good day councillors and ward administrators

Here's wishing you a Blessed New Year.

Please refer to the correspondence below from Director: Corporate Services. It is urgent and the arrangement must be adhered to.

Should the ward councillor want the ward administrator to come to the office to assist with work, then please liaise with the ward administrator on WhatsApp in order for there to be a record of communication.

Please read the dub-joined email below very carefully.

Be safe and look after yourselves.

MASK; SANITIZE; PHYSICAL DISTANCING; STAY HOME

**Kindly acknowledge receipt of this communiqué / Bevestig asseblief ontvangs van die kommunikasie
 Please copy me into your reply / Kopieër myself asseblief in u terugvoer!**



Kind regards / Vriendelike groete

Donovan Muller
Office Manager: Executive Mayor
Kantoorbestuurder: Uitvoerende
 Burgemeester

T: +27 21 808 8314 | F: +27 886 6761
 2nd Floor, Main Building, Plein Street
 Stellenbosch, 7600
www.stellenbosch.gov.za

"Please note that all invitations and meeting requests are accepted on the basis that they could be cancelled due to emergencies which may arise and require the Mayor's attention." / "Let asseblief daarop dat alle uitnodigings en

vergadering versoeke aanvaar word op die basis dat dit gekanselleer mag word as gevolg van noodgevalle wat mag ontstaan en die Burgemeester se aandag vereis."

Dear all

After discussions with the Municipal Manager I would like to inform all herewith that all ward offices will be closed from tomorrow, 8 January 2021 until further notice. The ward administrators will be on standby to attend to administrative work required by the ward councilor or for the ward committee. When attending to this work at the office, the ward office will however be closed and no members of the public will be received at these offices. All enquiries from members of the public must please be made telephonically either to the ward councilor or ward administrator.

Not all the screens for ward offices has been delivered and it is therefore not safe to have ward administrators working there if the public come to the office. Ward administrators are again reminded to adhere to covid regulations in terms of sanitizing, wearing masks and keeping social distances. When all screens has being delivered and installed we will reassess the opening of the ward offices and keep everybody informed.



Kind regards,

Annalene de Beer

Director: Corporate Services

T: +27 21 808 8018 | C: +27 83 305 3685

Email:

Annalene.deBeer@ Stellenbosch.gov.za

Plein Street, Stellenbosch, 7600

www.stellenbosch.gov.za



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http://www.stellenbosch.gov.za/main_pages/disclaimerpage.htm

vergadering versoeke aanvaar word op die basis dat dit gekanselleer mag word as gevolg van noodgevalle wat mag ontstaan en die Burgemeester se aandag vereis."

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Kind regards,

Annalene de Beer

Director: Corporate Services

T: +27 21 808 8018 | C: +27 83 305 3685

Email:

Annalene.deBeer@ Stellenbosch.gov.za

Plein Street, Stellenbosch, 7600

www.stellenbosch.gov.za



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APPENDIX 2

E-MAIL RELATING TO RE- OPENING OF WARD OFFICES

Nicky Ceaser

From: Donovan Muller
Sent: 12 February 2021 01:24 PM
To: Ward Administrator 12 (Siyanda Mafenyanga); 'ayamahmananga@gmail.com'; Elzona Morris; Rachel Pearce; Gregory Viljoen; Melicia Simpson (Pniel Ward Office); Sinobia Zass; Cerelmiel VanRooyen; Reginald Pheiffer; Janetta Giliomee; Moses Michaels; 'SIYANDA MAFENYANGA (3409482@myuwc.ac.za)'; Moses Michaels; 'boilesaoana@gmail.com'; 'neliswa tolobisa'; Nosibulele Sinkinya; Yvonne Lamberts; Heidi Sauls; Belinda Foster; James Williams; Enathi Mpmemnyama; NelMari Williams
Cc: Nicky Ceaser
Subject: OPENING OF WARD OFFICES - 15 FEBRAUARY 2021
Importance: High

Good day ward administrators

I trust you are all healthy. Please read the notice below from Director de Beer, as well as additional notes:

NOTICE OF RE-OPENING OF WARD OFFICES TO PUBLIC:

We are pleased to announce that we have installed protective screens at all our ward offices now and can now safely re-open the offices to the public residing in the different wards. All ward administrators that have not yet returned to their offices must return to their offices from Monday 15 February 2021 to work from their offices again. Please note that the Covid protocols must be observed and we request all residents visiting the offices to ensure that you follow the protocol:

1. *No mask no entry*
2. *Please wear the mask over the nose and mouth at all time when in contact with ward administrator or ward councillor or any other employee.*
3. *No children allowed in the offices*
4. *Residents are requested to sanitise before and after you leave the office*
5. *Only one client will be allowed in an office at a time*
6. *Please practice safe a safe distance – 1.5 meters in any queue*
7. *Please talk to the ward administrators /ward Councillors through the protective screens and if not possible observe 1,5 distance and masks must be worn over mouth and nose by personnel and clients*
8. *Ward administrators must wash their hands/sanitise before and after every client that was assisted and if pens were used sanitise the pen after each client.*

We request everybody's assistance and co-operation to ensure safe environment for the staff, ward Councillors and the clients.

We thank all residents for their patience during the time we could not be fully operational.

*Annalene de Beer
 Director Corporate Services.*

Please note ward offices are operational again form Monday, 15 February 2021. All the COVID protocols are still in place and **MUST** be adhered to, including:

- a strict and complete record of all visitors to your respective offices that is kept on a daily basis and filed electronically.
- No mask, no entry.
- Sanitising before and after appointments, as well as sanitising when the visitor enters and leaves the office.

- Maintaining physical distancing at all times.
- Wear your mask / protective visor at all times. Masks MUST cover your nose and mouth.
- Handle documents with care. Remember to sanitise the document before handling and leave in a separate space overnight.
- Your daily temperature reading must be submitted to Mr Ceaser before 08h15 on work days.

Kindly acknowledge receipt of this communiqué / Bevestig asseblief ontvangs van die kommunikasie
Please copy me into your reply / Kopieër myself asseblief in u terugvoer!



Kind regards / Vriendelike groete

Donovan Muller

Manager: Councillor Support

T: +27 21 808 8314 | F: +27 886 6761

2nd Floor, Main Building, Plein Street

Stellenbosch, 7600

www.stellenbosch.gov.za

"Please note that all invitations and meeting requests are accepted on the basis that they could be cancelled due to emergencies which may arise and require the Mayor's attention." / "Let asseblief daarop dat alle uitnodigings en vergadering versoeke aanvaar word op die basis dat dit gekanselleer mag word as gevolg van noodgevalle wat mag ontstaan en die Burgemeester se aandag vereis."

- Maintaining physical distancing at all times.
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"Please note that all invitations and meeting requests are accepted on the basis that they could be cancelled due to emergencies which may arise and require the Mayor's attention." / "Let asseblief daarop dat alle uitnodigings en vergadering versoeke aanvaar word op die basis dat dit gekanselleer mag word as gevolg van noodgevalle wat mag ontstaan en die Burgemeester se aandag vereis."

| | |
|------|--|
| 14. | CONSIDERATION OF NOTICES OF QUESTIONS AND NOTICES OF MOTIONS RECEIVED BY THE SPEAKER |
| 14.1 | MOTION BY COUNCILLOR F ADAMS: AMENDMENT OF THE RULES OF ORDER BY-LAW |

A Notice of a Motion, dated 2021-03-05, was received from Councillor F Adams regarding the amendment of the Rules of Order By-Law.

The said Motion is attached as **APPENDIX 1**.

FOR CONSIDERATION

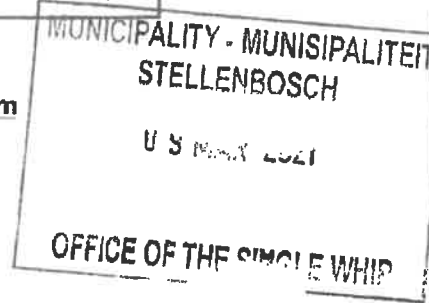
FOR FURTHER DETAILS CONTACT:

| | |
|------------------------|---|
| 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 | <u>Municipal.Manager@ Stellenbosch.gov.za</u> |
| REPORT DATE | |

APPENDIX 1



CONTACT: oackcity2010@yahoo.com
P.O BOX 12445
DIE BOORD
7613



Democratic New Civic Association

"Without Prejudice"

04 March 2021

For attention : The Speaker

Stellenbosch Municipality



Re: Motion

I hereby submit the following Motion to serve at the March 2021 Council meeting.

Motion : The amendment of the Rules of Order by-law.

Motivation/background

1. I refer Council current Rules of Order by- law as adopted by the majority DA Councilors on 24 July 2019.
2. I also refer to the objection by DCNA dated 23 April against this draconian bylaw.
3. DNCA also on 9 October 2019 send the Speaker an email informing her of the intention to submit this motion to Council to consider the amendment of the bylaw which were voted off at November 2019 Council meeting by the DA .
4. DNCA is of the opinion that many parts of this bylaw are unconstitutional and were designed by the influence of the administration to stifle debate and violates the rights of certain opposition members and small parties.



CONTACT: oackcity2010@yahoo.com
P.O BOX 12445
DIE BOORD
7613

5. Recommendation:

That Council hereby agrees to

1. Review and or to amend the current Rules of Order Bylaw.
2. Establish a committee consists of the Speaker, Chief whip and all party whips off Council and support by an internal Senior Legal Advisor.
3. That the committee report back to Council at the May 2021 Council meeting.



Clr. Franklin Adams



Seconded by : _____

"Aluta Continua"

| | |
|------|---|
| 14.2 | MOTION BY COUNCILLOR C MOSES (MS): REQUEST FOR URGENT MAINTENANCE: REPAIRS TO LOW COST HOUSING IN CLOETESVILLE |
|------|---|

A Notice of a Motion, dated 2021-03-08, was received from Councillor C Moses (Ms) Request for urgent maintenance: Repairs to low cost housing in Cloetesville.

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 | <u><i>Municipal.Manager@ Stellenbosch.gov.za</i></u> |
| REPORT DATE | 2020-02-26 |

APPENDIX 1



AFRICAN NATIONAL CONGRESS

8 Latsky Street
Stellenbosch
7600

Cell: 0739667316
Phelisa Sitshoti

OFFICE OF THE CHIEF WHIP

02 March 2021

NOTICE OF MOTION: Councillor Christine Moses

I herewith submit the following motion in terms of the rules of order.

MOTION:

Request for urgently Maintenance/Repairs on low cost houses in Cloeteville: Orlean Lounge and Steps Housing.

MOTIVATION:

People residing in the above mentioned low cost houses have up to now not receive transfer deed for their houses. Because of that this houses should be treated like any other municipal rental stock. The Municipal flats in Cloeteville as well as Lavanda, Aurora and Phylaria are maintained by Council.

It come to our attention that any breakages that occurs in the Steps and Orleans Lounge low cost houses, i.e. electrical problems, the council officials say they must get private electricians to do the repairs because they are the owners of the houses, in our view this is unfair because the properties have not been transferred on their names.

Recommendations:

- That all low cost houses in the greater Stellenbosch be maintained by council until such time that transfer take place.
- That council budget for maintenance of the houses in a dedicated vote that is transparent
- That an annual tender with a pool of service providers from local small businesses be approved to do the maintenance
- That a dedicated office/official be tasked to log maintenance complaints and deal with it
- That a quarterly report be submitted to council to inform council of the process of the above.

Councillor Christine Moses

Councillor Phelisa Sitshoti (Chief whip)



| | |
|------|--|
| 14.3 | QUESTION BY COUNCILLOR F ADAMS: HAWKS: STATUS OF THE INVESTIGATION |
|------|--|

A Notice of a Question, dated 2021-03-05, was received from Councillor F Adams regarding the Hawks: Status of the investigation.

The said Question is attached as **APPENDIX 1** and the appropriate response as **APPENDIX 2**.

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 | <u>Municipal.Manager@ Stellenbosch.gov.za</u> |
| REPORT DATE | |

APPENDIX 1



In terms of Contract syntell and TMT



CONTACT: qackcity2010@yahoo.com
P.O BOX 12445
DIE BOORD
7613

Democratic New Civic Association

04 March 2021

For attention : The Speaker

Stellenbosch Municipality

Re: Question.

I hereby submit the following question to serve at the March 2021 Council meeting.

Motivation/background

1. I refer Council to the agenda of 23 October 2019 with regard to the Investigation of Unauthorized and Irregular Expenditure (Sect. 32 of Act 56 of 2003) in terms of Contract Syntell and TMT.
2. The resolution (b) that after the investigation Council be informed of the outcome.

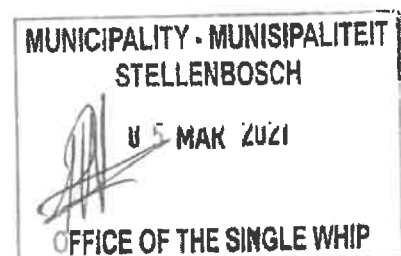
Question:

What is the Case No to the Hawks and what is the status of the investigation and why did Council not receive any report yet?

I request the mayor to answer this in writing.

Clr. Franklin Adams

Aluta Continua



APPENDIX 2



MEMORANDUM

*Office of the Municipal Manager
Kantoor van die Munisipale Bestuurder*

TO : SPEAKER
FROM : MUNICIPAL MANAGER
DATE : 25 MARCH 2021
**RE : REPLY TO QUESTIONS IN TERMS OF SECTION 35 OF THE
STANDING RULES AND ORDER FOR THE MEETINGS OF COUNCIL**

Dear Speaker

With reference to the question received from the DNCA, Councillor F Adams submitted in terms of Section 35 of the Standing Rules and Order for the meetings of council, received by my office.

QUESTION

- a) "What is the Case No to the Hawks and what is the status of the investigation and why did Council not receive any report yet?"

RESPONSE

This matter was reported to the Hawks. A preliminary meeting was held between the Department of Local Government, Stellenbosch Municipality and the Hawks to provide the Hawks with all the base information and background in order to initiate an investigation. The report of the service provider who did the preliminary investigation was also submitted to the Hawks.

To this end, this matter has still not been concluded and we are awaiting feedback from the investigators. We will provide further feedback as soon as it becomes available.

Kind regards,


Geraldine Mettler
Municipal Manager

| | |
|-----|---------------------------------|
| 15. | CONSIDERATION OF URGENT MOTIONS |
|-----|---------------------------------|

| | |
|-----|---|
| 16. | URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER |
|-----|---|

| | |
|-----|----------------------------------|
| 17. | REPORTS SUBMITTED BY THE SPEAKER |
|-----|----------------------------------|

| | |
|------|--|
| 17.1 | REPORT TO COUNCIL REGARDING INVESTIGATION INTO AN ALLEGATION OF MISCONDUCT BY CLLR MD OLIPHANT |
|------|--|

Collaborator No:
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: 31 March 2021

1. **SUBJECT: REPORT BY THE DISCIPLINARY COMMITTEE REGARDING INVESTIGATION INTO AN ALLEGATION OF MISCONDUCT BY COUNCILLOR MD OLIPHANT: NON-ATTENDANCE OF THREE OR MORE CONSECUTIVE MEETINGS**

2. **PURPOSE**

To consider the report submitted by the Municipal Disciplinary Committee in regard to the disciplinary hearing of Cllr MD Oliphant as per the resolution taken by Council on 28/10/2020 for non-attendance of three consecutive meetings of Council by a Councillor.

3. **DELEGATED AUTHORITY**

Municipal Council.

4. **EXECUTIVE SUMMARY**

The Office of the Speaker received a formal complaint from the Single Whip against Cllr MD Oliphant, for being absent for three consecutive Council Virtual Meetings. The Office of the Speaker was requested to assist with the investigation into this allegation. A report was tabled in Council on 28 October 2020. Council considered the report on 28 October 2020 where it was resolved that the Municipal Disciplinary Committee investigates the matter and reports back to Council.

The Disciplinary Committee hearing was set for 22 February 2021 and Councillor Oliphant was informed of the hearing and also informed of his right to have a representative present. A copy of the notice is attached as **APPENDIX A**. Neither Councillor MD Oliphant nor his representative attended the disciplinary hearing held on 22nd February 2021.

The Minutes of the Disciplinary Committee hearing is attached as **APPENDIX B**.

5. RECOMMENDATION

that the MEC be requested to remove Councillor MD Oliphant from office.

6. DISCUSSION / CONTENTS**6.1 Background**

The Systems Act as per Schedule 1 of the Code of Conduct for Councillors determines the mechanism of accountability in fulfilling the role of a Councillor. The same act also makes provision for rules and procedures should councillors not adhere to the rules. The Stellenbosch Municipality's Standing Rules and Order By-law (40.1) determines that all councillors must punctually attend each meeting of Council unless leave of absence has been granted. In connection with Leave of Absence from any Council or committee meeting, the By-law stipulates that an Application for Leave of Absence must be submitted to the single whip for approval by the speaker. The application must be in writing and signed by the member applying for leave.

Rule 40.1 of the bylaw reads: Should any member of the Council or a committee of Council fail to attend three consecutive meetings of the relevant body without leave of absence having been granted as contemplated in rule 21, item 4 of the Code of Conduct (Schedule 1 to the Systems Act) applies.

Cllr MD Oliphant has been in **breach** of the requirement pertaining to the non-attendance by committee members for his absence of three meetings of Council, alternatively in non-compliance with the requirement to submit a formal Application for Leave of Absence on the three occasions as indicated in the Attendance Registers attached.

Hence, an appropriate sanction is applicable, in line with the Municipal Systems Act as per Schedule 1 of the Code of Conduct for Councillors rule 4.2 Sanctions for non-attendance which read: 4.2 A councillor who is absent from three or more consecutive meetings of a municipal council, or from three or more consecutive meetings of a committee, which that councillor is required to attend in terms of item 3, must be **removed** from office as a Councillor.

6.2 Discussion

It **must** be noted that Councillor MD Oliphant has not attended any committee or Council meetings from July 2020 till 24 February 2021. He has therefore been absent for seven (7) consecutive council meetings.

6.3 Financial Implications

Council is still remunerating the councillor despite him not fulfilling his duties to attend meetings.

6.4 Legal Implications

Municipal Systems Act, 2000 – Schedule 1: Code of Conduct for Councillors Section 13 and Section 14:

“Duty of chairpersons of municipal councils

13.1 If the chairperson of a municipal council, on reasonable suspicion, is of the opinion that a provision of this Code has been breached, the chairperson must-

a. authorise an investigation of the facts and circumstances of the alleged breach;

- b. give the councillor a reasonable opportunity to reply in writing regarding the alleged breach; and*
- c. report the matter to a meeting of the municipal council after paragraphs (a) and (b) have been complied with.*

13.2 A report in terms of sub item (1) (c) is open to the public.

13.3 The chairperson must report the outcome of the investigation to the MEC for local government in the province concerned.

13.4 The chairperson must ensure that each councillor when taking office is given a copy of this Code and that a copy of the Code is available in every room or place where the council meets.

Breaches of Code

14.1 A municipal council may-

- a. investigate and make a finding on any alleged breach of a provision of this Code; or*
- b. establish a special committees-*
 - i. to investigate and make a finding on any alleged breach of this Code; and*
 - ii. to make appropriate recommendations to the council.*

14.2 If the council or a special committee finds that a Councillor has breached a provision of this Code, the council may-

- a. issue a formal warning to the councillor;*
- b. reprimand the councillor;*
- c. request the MEC for local government in the province to suspend the councillor for a period;*
- d. fine the councillor; and*
- e. request the MEC to remove the councillor from office.*

14.3 a. Any councillor who has been warned, reprimanded or fined in terms of paragraph (a), (b) or (d) of sub item (2) may within 14 days of having been notified of the decision of council appeal to the MEC for local government in writing, setting out the reasons on which the appeal is based.

- b. A copy of the appeal must be provided to the council.*
- c. The council may within 14 days of receipt of the appeal referred to in paragraph (b) make any representation pertaining to the appeal to the MEC for local government in writing.*
- d. The MEC for local government may, after having considered the appeal, confirm, set aside or vary the decision of the council and inform the councillor and the council of the outcome of the appeal.*

14.4 The MEC for local government may appoint a person or a committee to investigate any alleged breach of a provision of this Code and to make a recommendation on whether the Councillor should be suspended or removed from office.

14.5 The Commissions Act, 1947 (Act No.8 of 1947), may be applied to an investigation in terms of sub item (3).

14.6 If the MEC is of the opinion that the councillor has breached a provision of this Code, and that such contravention warrants a suspension or removal from office, the MEC may-

a. suspend the councillor for a period and on conditions determined by the MEC; or

b. remove the councillor from office.

14.7 Any investigation in terms of this item must be in accordance with the rules of natural justice.

6.5 Staff Implications

The councillor is a PR councillor and therefore no staff implications.

6.6 Previous Council Resolution:

38TH COUNCIL MEETING: 2020-10-28: ITEM 17.2

RESOLVED (majority vote with abstentions)

- (a) that Council notes the absence without substantiated evidence of Cllr MD Oliphant from the respective three Council meetings dated Wednesday, 29 July 2020, Monday 24th August 2020 and Friday 11th September 2020;
- (b) that Council notes that the Councillor was requested to provide input by the Speaker's Office; and
- (c) that the matter be referred to the Disciplinary Committee for finalization of the process.

6.7 Risk Implications

The risks are addressed in the item.

6.8 Comments from Senior Management:

Not requested.

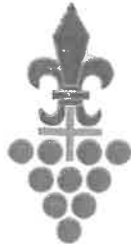
Annexures of the relevant documentation:

Appendix A: Notice of Disciplinary Hearing

Appendix B: Minutes of the Disciplinary Committee of Council – 2021-02-22

APPENDIX A

NOTICE OF DISCIPLINARY HEARING



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

NOTICE OF DISCIPLINARY MEETING

TO: Councillor Mzolisi Oliphant
N22 6th Avenue
Kayamandi
7600

16 February 2021

Dear Sir

NOTICE OF MEETING: INVESTIGATION INTO ALLEGED BREACH OF THE CODE OF CONDUCT FOR COUNCILLORS

You are hereby given notice in terms of item 14 of the Code of Conduct for Councillors [Schedule 1 of the Municipal Systems Act 32 of 2000 – "the Code"] to attend a disciplinary hearing to answer to an alleged breach of the Code.

The alleged breach is contained in the attached charge sheet and it relates to your absenteeism at consecutive Council meetings in breach of the Code.

The hearing meeting will be held at the **Mayoral Boardroom, 2nd Floor, Main Building, Stellenbosch** on **Monday, 22nd February, 2021 at 10H00.**

You have the following rights:

- To be informed of the charges against you;
- To be present at the hearing.
- To be represented by a representative, of your choice at your own cost.
- To request additional information; from the disciplinary committee, that you may require to prepare for the hearing;
- To cross-examine the witnesses of the Council;
- To present your case and call witnesses to testify on your behalf. It is your responsibility to ensure that your witnesses are present at the disciplinary hearing.
- To present evidence in mitigation should you be found guilty of the charge(s)
- To be notified in writing of the decision and of the sanction/penalty imposed as well as the reasons therefor (if applicable); and

- To appeal to the MEC for Local Government against the imposition by the Council of a sanction of a warning, reprimand or fine, within 14 days of the notification of the decision of the Council (see item 14(3) of the code).

Please further note the following:

1. If you do not attend and cannot give reasonable grounds for failing to attend, the meeting will be held in your absence.
2. The charge sheet may be amended before the start of the hearing and should this take place, you will be informed accordingly in writing;

The attached documentation will serve as evidence before the disciplinary committee.

Yours faithfully



SPEAKER

Stellenbosch Municipality

W.C. Petersen

ACKNOWLEDGEMENT OF RECEIPT

I, **Mzolis Oliphant**, acknowledge receipt of this notice on (Date) 16/02/2021
at (place) Zintle Oliphant



Signature (accused Councillor)

Stellenbosch Municipality

Date: 16-02-2021

| DATE | DESCRIPTION | SIGNATURE |
|----------|---------------|-----------------|
| 16/02/21 | CUR. OLIPHANT | me, s. e OL |
| | NOTICE OF | Oliphant |
| | DC HEARING, | Zintle Oliphant |
| | SIGNING OF | Z. Oliphant |
| | NOTICE. | |

CHARGE SHEET

CHARGE 1.

It is alleged that you have transgressed item 3 of Schedule 1 (Code of conduct for Councillors) of the Local Government Act; Municipal Systems act 32 Of 2000 which reads as follows:

A Councillor must attend each meeting of the municipal council and of a committee of which the councillor is a member except when - :

- a) Leave of absence is granted in terms of an applicable law as determined by the rules of order of the council; or
- b) That councillor is required in terms of this Code to withdraw from the meeting.

The Stellenbosch Municipality: Standing Rules and Order for the Meetings of the Council and its Committees Bylaw published on 2 August 2019 determines that in rule 21:

21.1 All councillors must punctually attend and remain in attendance for the full duration of each meeting of Council or one of its committees, unless leave of absence has been granted or a matter serves before the meeting in which a councillor or committee member or their spouse, partner or business associate or close family member has any direct or indirect personal or private business interest and such councillor or committee member is required to withdraw under item 3(b) of the Code of Conduct.

21.2 Applications for leave of absence from any Council or committee meeting must be submitted to the single whip for approval by the speaker or the relevant chair. The application must be in writing and signed by the member applying for leave.

21.3 For any meeting other than an urgent special meeting, all applications for leave must be submitted at least 12 hours before the starting time of the meeting. In case of an urgent special meeting, the single whip must receive the application an hour before the meeting. In the case of extenuating circumstances, an application must be submitted as soon as is reasonably possible.

21.4 The speaker or chair may grant leave at their sole discretion, and the speaker or chair is at liberty to reject an application for leave of absence; except when such request is accompanied by a medical certificate prescribing a member's being absent. A medical certificate that is not attached to a request for absence must be submitted within three (3) working days after the meeting and must be dated at least on the date of the meeting.

It is alleged that you have been absent from consecutive Council meetings as is evident from the minutes of the meetings dated **Wednesday, 29 July 2020; Monday, 26th August 2020 and Friday, 11th September 2020**; without any leave of absence applied for or granted for any of the mentioned meetings.

Copies of the **minutes** is attached for ease of reference.

Item 4 of Schedule 1 ("the Code") provides as follows:

- (1) A municipal Council may impose a fine as determined by the Standard Rules of Order of the municipal Council on a Councillor for:
 - (a) Not attending a meeting which that Councillor is required to attend in terms of item 3; or
 - (b) Failing to remain in attendance of such meeting.
- (2) A Councillor who is absent for three or more consecutive meetings of a council, or from three or more consecutive meetings of a committee, which the Councillor is required to attend in terms of item 3, **must be removed from office as a Councillor.**

The Stellenbosch Municipality: Standing Rules and Order for the Meetings of the Council and its Committees Bylaw published on 2 August 2019 determines that in rule 40:

"40.1 Should any member of the Council or a committee of Council fail to attend three or more consecutive meetings of the relevant body without leave of absence? having been granted as contemplated in rule 21 above, item 4 of the Code of Conduct (Schedule 1 to the Systems Act) applies.

40.2 Members of Council or a committee who fail to attend a meeting of the relevant body without leave of absence having been granted as contemplated in rule 21 above may incur a fine of 10% of their monthly salary.

40.3 A committee consisting of the speaker, the single whip and two other party whips chosen on a rotational basis must investigate before a fine is imposed under rule 40.2, and report to Council on the transgression contemplated by rule 40.2 read with rule 21."

You are herewith given notice to present yourself to the Disciplinary committee with or without a representative to provide reasons why Council should not act in terms of Item 4(1) of the Code of Conduct for Councillors read with rule 40.1 and remove you from office as a councillor for transgressing item 3 of the Code of Conduct for Councillors read with rule 21 of the Stellenbosch Municipality's Rules of Order.

Signed at STELLENBOSCH on this¹⁶..... day of FEBRUARY 2021.



WC Petersen.

APPENDIX B

MINUTES OF THE DISCIPLINARY
COMMITTEE OF COUNCIL

DATED: 22/02/2021



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

2021-02-22

MINUTES

DISCIPLINARY COMMITTEE MEETING

2021-02-22

MINUTES
DISCIPLINARY COMMITTEE MEETING
2021-02-22

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MINUTES

DISCIPLINARY COMMITTEE MEETING

2021-02-22

PRESENT: Cllr Q Smit [Chairperson]

Councillors: A Frazenburg
E Groenewald (Ms)
N Sinkinya (Ms)
L Stander

Officials: Committee Clerk: (N Mbali (Ms))

| | |
|-----------|----------------------------|
| 1. | OPENING AND WELCOME |
|-----------|----------------------------|

The Chairperson, Cllr Q Smit, welcomed everyone present, and for the record, acknowledged the presence of the other Disciplinary Committee members, i.e. Cllrs A Frazenburg, E Groenewald (Ms), N Sinkinya (Ms) and L Stander.

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| 2. | COMMUNICATION BY THE CHAIRPERSON |
|-----------|---|

The Chairperson briefly stated the purpose of the meeting, namely to deal with the investigation into an allegation of misconduct by Councillor MD Oliphant, as contained in the pack of documentation provided to the committee members.

(The proceedings are summarized on pages 5 & 6 of these Minutes)

| | |
|-------------|---|
| 3. 1 | APPLICATION FOR LEAVE OF ABSENCE |
|-------------|---|

NONE

| | |
|-------------|--------------------------------|
| 3. 2 | DISCLOSURE OF INTERESTS |
|-------------|--------------------------------|

NONE

| | |
|-----------|--------------------------------|
| 4. | CONFIRMATION OF MINUTES |
|-----------|--------------------------------|

NONE

| | |
|------------|---|
| 5. | AGENDA ITEMS FOR CONSIDERATION |
| 5.1 | INVESTIGATION INTO AN ALLEGATION OF MISCONDUCT BY CLLR MD OLIPHANT |

Collaborator No:
 IDP KPA Ref No: **Good Governance and Compliance**
 Meeting Date: **22 February 2021**

1. SUBJECT: INVESTIGATION INTO AN ALLEGATION OF MISCONDUCT BY COUNCILLOR MD OLIPHANT RE NON-ATTENDANCE OF THREE OR MORE CONSECUTIVE MEETINGS.

2. PURPOSE

To provide the Chairperson of the Disciplinary Committee and the Disciplinary Committee with the information in regard to the disciplinary hearing of Cllr MD Oliphant as per the resolution taken by council on 28/10/2020 for non-attendance of three consecutive meetings of Council by a Councillor.

To investigate the alleged allegation of misconduct against Councillor MD Oliphant, and to report back to Council.

3. DELEGATED AUTHORITY

Municipal Council.

4. EXECUTIVE SUMMARY

The Office of the Speaker received a formal complaint from the Single Whip against Cllr MD Oliphant, for being absent for three consecutive Council meetings. The Office of the Speaker was requested to assist with the investigation into this allegation.

5. RECOMMENDATIONS

(a) that the Disciplinary Committee makes a factual finding on the evidence presented at the hearing; and

(b) that the Disciplinary Committee makes a recommendation to Council.

6. DISCUSSION / CONTENTS

6.1 Background

The Systems Act as per Schedule 1 of the Code of Conduct for Councillors determines the mechanism of accountability in fulfilling the role of a Councillor. The same act also makes provision for rules and procedures should councillors not adhere to the rules. The Stellenbosch Municipality's Standing Rules and Order By-law (40.1) determines that all councillors must punctually attend each meeting of Council unless leave of absence has been granted. In connection with Leave of Absence from any Council or committee meeting, the By-law stipulates that an Application for Leave of Absence must be submitted to the single whip for approval by the speaker. The application must be in writing and signed by the member applying for leave.

Rule 40.1 of the bylaw reads: Should any member of the Council or a committee of Council fail to attend three consecutive meetings of the relevant body without leave of absence having been granted as contemplated in rule 21, item 4 of the Code of Conduct (Schedule 1 to the Systems Act) applies.

Cllr MD Oliphant has been in **breach** of the requirement pertaining to the non-attendance by committee members for his absence of three meetings of Council, alternatively in non-compliance with the requirement to submit a formal Application for Leave of Absence on the three occasions as indicated in the Attendance Registers attached.

Hence, an appropriate sanction is applicable, in line with the Municipal Systems Act as per Schedule 1 of the Code of Conduct for Councillors rule 4.2 Sanctions for non-attendance which read: 4.2 A councillor who is absent from three or more consecutive meetings of a municipal council, or from three or more consecutive meetings of a committee, which that councillor is required to attend in terms of item 3, must be **removed** from office as a councillor.

6.2 Discussion

All documentation is attached.

6.3 Financial Implications

None

6.4 Legal Implications

Municipal Systems Act, 2000 – Schedule 1: Code of Conduct for Councillors Section 13 and Section 14:

“Duty of chairpersons of municipal councils

13.1 If the chairperson of a municipal council, on reasonable suspicion, is of the opinion that a provision of this Code has been breached, the chairperson must-

- a. authorise an investigation of the facts and circumstances of the alleged breach;*
- b. give the councillor a reasonable opportunity to reply in writing regarding the alleged breach; and*
- c. report the matter to a meeting of the municipal council after paragraphs (a) and (b) have been complied with.*

13.2 A report in terms of subitem (1)(c) is open to the public.

13.3 The chairperson must report the outcome of the investigation to the MEC for local government in the province concerned.

13.4 The chairperson must ensure that each councillor when taking office is given a copy of this Code and that a copy of the Code is available in every room or place where the council meets.

Breaches of Code

14.1 A municipal council may-

- a. *investigate and make a finding on any alleged breach of a provision of this Code; or*
- b. *establish a special committees-*
 - i. *to investigate and make a finding on any alleged breach of this Code; and*
 - ii. *to make appropriate recommendations to the council.*

14.2 *If the council or a special committee finds that a councillor has breached a provision of this Code, the council may-*

- a. *issue a formal warning to the councillor;*
- b. *reprimand the councillor;*
- c. *request the MEC for local government in the province to suspend the councillor for a period;*
- d. *fine the councillor; and*
- e. *request the MEC to remove the councillor from office.*

14.3 a. *Any councillor who has been warned, reprimanded or fined in terms of paragraph (a), (b) or (d) of subitem (2) may within 14 days of having been notified of the decision of council appeal to the MEC for local government in writing, setting out the reasons on which the appeal is based.*

- b. *A copy of the appeal must be provided to the council.*
- c. *The council may within 14 days of receipt of the appeal referred to in paragraph (b) make any representation pertaining to the appeal to the MEC for local government in writing.*
- d. *The MEC for local government may, after having considered the appeal, confirm, set aside or vary the decision of the council and inform the councillor and the council of the outcome of the appeal.*

14.4 *The MEC for local government may appoint a person or a committee to investigate any alleged breach of a provision of this Code and to make a recommendation on whether the councillor should be suspended or removed from office.*

14.5 *The Commissions Act, 1947 (Act No.8 of 1947), may be applied to an investigation in terms of subitem (3).*

14.6 *If the MEC is of the opinion that the councillor has breached a provision of this Code, and that such contravention warrants a suspension or removal from office, the MEC may-*

- a. *suspend the councillor for a period and on conditions determined by the MEC; or*
- b. *remove the councillor from office.*

14.7 *Any investigation in terms of this item must be in accordance with the rules of natural justice.*

6.5 **Staff Implications**

N/A

6.6 **Risk Implications**

N/A

6.7 **Comments from Senior Management:**

None required.

Annexures of the relevant documentation:

- Appendix A: Notice of Disciplinary Meeting
- Appendix B: Charge Sheet
- Appendix C: Council decision on the matter, referring it to the DC
- Appendix D: Proof of Non Attendance at the meetings
- Appendix E: Documentation sent to Cllr MD Oliphant requesting a response
- Appendix F: Notice and minutes of a Party Whips meeting
- Appendix G: Standing rules and order for the meetings of the council and its committees
- Appendix H: Extract of the Code of Conduct for Councillors

DISCIPLINARY COMMITTEE MEETING: 2021-02-22: ITEM 5.1**Summary of proceedings:**

The Chairperson provided the following synopsis of the legal imperatives and the legislative framework that apply to the matter at hand, namely that:

- The Systems Act -- as per Schedule 1 of the Code of Conduct for Councillors -- determines the mechanism of accountability in fulfilling the role of a Councillor. The same Act also makes provision for rules and procedures should councillors not adhere to the rules.
- The Stellenbosch Municipality's Standing Rules and Order By-law (Rule 40.1) determines that all councillors must punctually attend each meeting of Council unless leave of absence has been granted. In connection with Leave of Absence from any Council- or committee meeting, the By-law stipulates that an Application for Leave of Absence must be submitted to the single whip for approval by the speaker. The application must be in writing and signed by the member applying for leave. Rule 40.1 of the By-law reads: *"Should any member of the Council or a committee of Council fail to attend three consecutive meetings of the relevant body without leave of absence having been granted as contemplated in rule 21, item 4 of the Code of Conduct (Schedule 1 to the Systems Act) applies."*

The following pertinent information relating to the allegation of misconduct was then restated by the Chairperson, i.e.

- that Cllr MD Oliphant has been in breach of the Code on account of his absence from three consecutive meetings of Council, alternatively in non-compliance with the requirement to submit a formal Application for Leave of Absence on the three occasions as indicated in the Attendance Registers.

In terms of applicable sanctions for non-attendance of meetings, the Chairperson quoted as follows from the Systems Act, Schedule 1: Code of Conduct for Councillors, paragraph 4.2:

"A Councillor who is absent from three or more consecutive meetings of a municipal council, or from three or more consecutive meetings of a committee, which that councillor is required to attend in terms of item 3, must be removed from office as a councillor."

The Chairperson reiterated the importance that a disciplinary procedure must adhere to the principles of natural justice, key to which are the following:

1. The Speaker of the Municipal Council must authorize an investigation into the alleged breach of the Code of Conduct
2. If the investigation reveals *prima facie* evidence of a breach of the provisions of the Code of Conduct, the Municipal Council or a special Committee must investigate and make a finding on the alleged breach of the Code. The Disciplinary Committee must make a finding and submit such finding to the Municipal Council.

With reference to adherence to the procedural steps as outlined in item 14 of Schedule 1 of the Systems Act, the Chairperson drew the Committee's attention to the salient appendices marked A-H, as substantiation that all requisite steps were scrupulously adhered to, and that the Disciplinary Committee is forthwith required to make appropriate recommendations to Council, based on its findings.

The committee members individually confirmed that, in their respective view, the set of documents are comprehensive, and that the investigation was thorough and free of any irregularities. Councillor Groenewald observed that receipt of the documents addressed to the accused, Cllr MD Oliphant, was however signed for by one Z Oliphant. The Committee was at ease that the documents were hand-delivered to Cllr MD Oliphant's physical address, and that it is likely that a family member (Z Oliphant) signed the acknowledgement of receipt.

The Committee agreed that it is in its full right to deal with the allegation of breach of the Code of Conduct by Cllr MD Oliphant. Cognizance was taken of the stipulation that no new evidence or any other matter outside of the charge sheet, may be brought by the accused.

In continuing the hearing, the Chairperson requested that Cllr MD Oliphant, and/or his representative, be called into chambers to present his case. It transpired that neither Cllr MD Oliphant nor his representative had arrived for the scheduled hearing. As provided for in the Systems Act, the Committee proceeded to finalize the matter in the absence of the accused.

The Chairperson referred to paragraphs 13.1.b and c of the Code of Conduct to confirm that the accused has been given reasonable opportunity to reply both in writing and in person regarding the breach, and that the matter can now be finalized and reported to Council.

The Disciplinary Committee has considered all the evidence produced, and found the evidence adequate to allow for a finding and recommendation to Council.

Factual Finding:

Based on all the evidence submitted to the Disciplinary Committee and disciplinary processes followed as per the regulations provided, the Disciplinary Committee unanimously find Cllr Mzolisi Oliphant guilty of misconduct as per the rules of order of Council and as per the Code of Conduct for Councillors. As per the Municipal Systems Act No. 32 of 2000, Schedule 1 page 150, the Disciplinary Committee unanimously decided as follows: *"A councillor who is absent from three or more consecutive meetings of a municipal council, or from three or more consecutive meetings of a committee, which that councillor is required to attend in terms of item 3, must be removed from office as a councillor"*.

Recommendation:

The Disciplinary Committee therefore recommends to Council that Cllr Mzolisi Oliphant be removed from office as a Councillor as per Schedule 1 subsection 4 of the Municipal Systems Act nr 32 of 2000. (page 149).

RESOLVED

to recommend to Council:

that the MEC be requested to remove Councillor MD Oliphant from office.

MINUTES

DISCIPLINARY COMMITTEE MEETING

2021-02-22

The meeting adjourned at 10:20.

CHAIRPERSON:

DATE:

Confirmed on

with/without amendments.

MINUTES: DISCIPLINARY COMMITTEE: 2021-02-22/NM

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| 18. | REPORTS SUBMITTED BY THE EXECUTIVE MAYOR |
|-----|--|

NONE

| | |
|-----|---------------------------------------|
| 19. | MATTERS TO BE CONSIDERED IN-COMMITTEE |
|-----|---------------------------------------|

SEE IN-COMMITTEE DOCUMENTATION

THE AGENDA HAS BEEN DISCUSSED WITH THE SPEAKER, CLLR WC PETERSEN (MS), AND SHE AGREES WITH THE CONTENT.
