STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/1/5

2022-03-30

NOTICE OF THE 3RD MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY WEDNESDAY, 2022-03-30 AT 10:00

TO

The Speaker, Cllr Q Smit [Chairperson]
The Executive Mayor, Ald GMM Van Deventer (Ms)
The Deputy Executive Mayor, Cllr JS Fasser

COUNCILLORS

RA Adams
J Andrews
Ald JC Anthony
FJ Badenhorst
PR Crawley (Ms)
A Crombie (Ms)
ZJ Dalling (Ms)
MM Danana
I De Taillerfer (Ms)
R Du Toit (Ms)
A Ferns (Ms)
E Groenewald (Ms)
AJ Hanekom
RB Hendrikse (Ms)
P Johnson
J Joon
O Jooste
X Kalipa
N Mananga-Gugushe (Ms)
C Manuel
EP Masimini
NE Mcombring [Ms]
XL Mdemka (Ms)
NM Mkhontwana (Ms)
RS Nalumango [Ms]
ZR Ndalasi
CD Noble
L Nkamisa
M Nkopane [Ms]
N Ntsunguzi (Ms)
N Olayi
WC Petersen [Ms]
RO Pheiffer
WF Pietersen
MG Rataza
JP Serdyn [Ms]
A Tomose [Ms]
RB Van Rooyen
M Van Stade
CA Van Wyk
E Vermeulen
J Williams

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 **3RD MEETING** of the **COUNCIL** of **STELLENBOSCH MUNICIPALITY** will be held via **MS TEAMS** on **WEDNESDAY, 2022-03-30** at **10:00** to consider the items on the Agenda.

SPEAKER
CLLR Q SMIT

A G E N D A

3RD MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2022-03-30

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1.	**OPENING AND WELCOME**

2.	**MAYORAL ADDRESS**

3.	**COMMUNICATION BY THE SPEAKER**

4.	**COMMUNICATION BY THE MUNICIPAL MANAGER**

5.	**DISCLOSURE OF INTERESTS**

6.	**APPLICATIONS FOR LEAVE OF ABSENCE**

7.	**CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING**

7.1	**2ND COUNCIL MEETING: 2022-01-28**

The minutes of the 2nd Council Meeting: 2022-01-28 is attached as **APPENDIX 1**.

FOR CONFIRMATION

APPENDIX 1

STELLENBOSCH
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Ref no.3/4/1/5

2022-01-28

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MINUTES

2ND MEETING OF THE

COUNCIL OF STELLENBOSCH MUNICIPALITY

2022-01-28 AT 10:00

M I N U T E S

2ND MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2022-01-28

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19.	**MATTERS TO BE CONSIDERED IN–COMMITTEE**	
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MINUTES **2ND MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY** **2022-01-28**

PRESENT

The Speaker, Cllr Q Smit [Chairperson]
The Executive Mayor, Ald GMM Van Deventer (Ms)
The Deputy Executive Mayor, Cllr JS Fasser

COUNCILLORS

RA Adams
Ald JC Anthony
FJ Badenhorst
PR Crawley (Ms)
A Crombie (Ms)
ZJ Dalling (Ms)
MM Danana
I De Taillerfer (Ms)
R Du Toit (Ms)
A Ferns (Ms)
E Groenewald (Ms)
AJ Hanekom
RB Hendrikse (Ms)
P Johnson
J Joon
X Kalipa
N Mananga-Gugushe (Ms)
C Manuel
XL Mdemka (Ms)
NM Mkhontwana (Ms)
ZR Ndalasi
CD Noble
L Nkamisa
M Nkopane [Ms]
N Ntsunguzi (Ms)
WC Petersen [Ms]
RO Pheiffer
WF Pietersen
MG Rataza
JP Serdyn [Ms]
A Tomose [Ms]
RB Van Rooyen
CA Van Wyk
E Vermeulen
J Williams

****

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 (D Louw)
Director: Planning and Economic Development (A Barnes)
Chief Audit Executive (F Hoosain)
Senior Administration Officer (T Samuels (Ms))

****

1.	OPENING AND WELCOME

The Speaker, Cllr Q Smit, welcomed all present at the 2nd Council meeting.

2.	MAYORAL ADDRESS

"Speaker;

Executive Deputy Mayor;

Council 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.

Goeiemore, good morning, molweni, as-salamu alaykum

ESKOM

- On the 14th of January I submitted an objection to NERSA in respects of the proposed 20.5% electricity price increase by Eskom;
- I wish to reiterate my stance on this matter at this meeting;
- Our residents simply cannot afford to pay more for a service they are not receiving;
- Over the years, electricity prices have sky-rocketed, and yet we have yet to experience/enjoy any relieve from the devastating effects of load shedding;
- We also have to consider the dire effects that COVID had on each and every person, not just in South Africa, but the entire world;
- Very few have managed to recover financially, and to expect people to fork out more money on a daily, weekly and monthly basis for a basic service is unreasonable;
- I would like to encourage every resident, student and visitor to visit our Website, Facebook and Twitter pages to sign our petition against this injustice and have their say;
- I would also like to thank the media for their assistance the past two weeks, ensuring that we drive this issue;
- This is an issue that affects all of us, and the time is now to take a stand;
- Our plan to rid Stellenbosch of Load shedding is well underway and I will release a statement in the coming week, outlining more details in this regard.

Condolences

- Speaker, on the morning of 24 January we were informed of the passing of Prof. Jaap Durand;
- Just less than a year ago, I had the privilege to bestow Honorary Citizenship upon this larger than life person;
- Professor Durand, an alumnus of Stellenbosch University and long-time resident of Stellenbosch, was a distinguished academic, theologian, writer, struggle activist and the first Vice-Rector of The University of the Western Cape;

- Throughout his life and career, he made significant contributions in unifying South Africa and speaking out against the injustices of our past;
- Professor Durand was well-known in theological circles and was also highly regarded in the academic community for his role at UWC and for his work in creating inclusive spaces for students and academics;
- I would like to again express our heart-felt condolences to his family and friends in this difficult time;
- Let's never forget the immense contribution he made to Stellenbosch and our Country.

Facilities

- During the past three weeks, the Western Cape has experiences severe hot conditions;
- Reaching record high temperatures in the high 40ºC;
- I'm proud that regardless of all the matters outside of our control, we were able to open the newly upgraded pool in Cloetesville;
- This project has been planned for a while, but I'm extremely happy that the various communities can now enjoy some relieve on these warmer than normal days we've been experiencing.

Achievements

- This week we also celebrated placing in the 23rd position on the tourism destinations list in South Africa;
- The Western Cape has claimed four of the positions on this prestigious list – Knysna #19, Stellenbosch #24, Hermanus #41 and Cape Town #54;
- This is a testament to the great work being done in our Municipality;
- We should always remember the importance of tourism and the positive impact it has on stable economic growth;
- I would like to thank all the role players for their exceptional work, and congratulate them on this achievement;
- This should also be used as a motivator to do more and improve on our ranking.

3.	**COMMUNICATION BY THE SPEAKER**

- **SALGA TRAINING**: Councillors are reminded of the SALGA Training which will commence on Monday, 31 January 2022 until 4 February 2022. Attendees are requested to bring along a certified copy of their ID's for purposes of registration.

- **SASRIA:** The submissions date of SASRIA Insurance Forms was 28 January 2022 @ 09:00am - time extended to 16:30pm on same day.

- **CENSUS 2022:** Census 2022 starts on 1 February 2022. Ward Councillors are requested to share the information on various platforms to the public. Its imperative that we all partake in the Census survey because Stellenbosch Municipality is currently listed as a Grade 4 municipality. If all partake, we might move up to a Grade 5 municipality, that will have huge financial benefits for the municipality. Residents can register online. Thank you to the Executive Mayor and the Municipal Manager for their assistance in promoting the census process. For the first time in the history of Stellenbosch the municipality have managed to convince the Census Board to count the student population of Stellenbosch as well. In the previous Census the student population were not counted because they were not considered rate paying citizens.

- **ESTABLISHMENT OF SECTION 80 COMMITTEES AND DISCIPLINARY COMMITTEE:** The establishment of the Section 80 Committees will serve at a Special Council meeting in February 2022 and the Executive Mayor will announce the members who will serve on these Section 80 Committees. The date of the Special Council meeting will be announced. Thank you in advance to those Councillors who indicated on which Section 80 Committees they would like to serve.

- **ESTABLISHMENT OF WARD COMMITTEES:** The schedule for respective dates, times and venues for the establishment of Ward Committees were communicated to all and the process already begun. Thank you to Mr Nicky Caeser; Director: De Beer and the Administration for the hard work. Council agreed to a hybrid model, the current Policy only makes provision for a sectoral and a geographical model. However, the Hybrid model makes it a lot easier because it facilitates both. Within the Policy, the procedure for the voting of members to a ward committee has not changed. The fact that we are using a Hybrid model, does not affect the actual process of the election of Ward Committee Members. Therefore, the election of Ward Committee members still remains the same and the Policy remains the same. An item will be submitted to Council to condone the Hybrid Model. Speaker will arrange with the Administration to assist.

- Congratulations to Councillors who celebrated their birthdays during the month of January.

4.	COMMUNICATION BY THE MUNICIPAL MANAGER

"A warm welcome to all Councillors, staff and members of the public attending this meeting, may this year be a fruitful year and let us be proud of being employees of Stellenbosch municipality. We welcome the students back to town and wish all returning students the best for this year. Do remember that your attitude determines your altitude and let's be grateful for this opportunity to serve the community. We should also give our best in what we do. Similar to all school going children especially the ones who started school for the first year and the matric as they start with their last schooling year.

We mourn the passing of prof Durand whose funeral is on Saturday. A stalwart who played a pivotal role in our fight for democracy and in the religious fraternity. We honour our honorary citizen as he is laid to rest to tomorrow. Covid is still with us and please always remember the Covid protocols - social distancing and sanitizing.

We received an unqualified audit for the 2020/2021 financial year, our 14th unqualified audit. This year it was again a clean audit which means no matter of concern and emphasis. This is indicative of good governance, transparency, and well managed administration. Congratulation to the team Stellenbosch as we aspire to become a well-run and city of excellence.

I thank you!"

5.	DISCLOSURE OF INTERESTS

NONE

6.	APPLICATIONS FOR LEAVE OF ABSENCE

6.1 The following applications for leave of absence was approved in terms of the Rules and Order By-law of Council: -

Cllr J Andrews	–	28 January 2022
Cllr N Olayi	–	28 January 2022
Cllr O Jooste	–	28 January 2022
Cllr E Masimini	–	28 January 2022
Cllr NE Mcombring (Ms)	–	28 January 2022
Cllr M Van Stade	–	28 January 2022

6.2 ABSENT

Cllr RS Nalumango (Ms) – 28 January 2022

7.	CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING

7.1	FIRST AND ADJOURNED COUNCIL MEETINGS: 2021-11-15 & 2021-11-23

The minutes of the First Council Meeting: 2021-11-15 and the Adjourned 1st Council meeting: 2021-11-23 was **confirmed as correct.**

7.2	SPECIAL COUNCIL MEETING: 2021-12-10

The minutes of a Special Council Meeting: 2021-11-10 was **confirmed as correct.**

8.	STATUTORY MATTERS

8.1	TABLING OF THE DRAFT ANNUAL REPORT 2020/21

Collaborator No: *3/4/5/2/32 X 8/1/2/6*
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **Council, 28 January 2022**

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

2. PURPOSE

(a) To table to Council the Draft Annual Report 2020/21 for consideration and to be released for public comment.

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

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

The Annual Report must be tabled, by the Executive Mayor, within 7 months after the end of the financial year. The Draft Annual Report must be made public, and the Municipal Manager must invite the public to provide input into the draft report. It has become a practice 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 MPAC meetings is also attached 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.

2ND COUNCIL MEETING: 2022-01-28: ITEM 8.1

RESOLVED (nem con)

(a) that Council takes note of the Draft Annual Report 2020/21;

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

(c) that Council refer the Draft Annual Report 2020/21 **(ANNEXURE B)** to the MPAC to consider the Draft Annual Report 2020/21 and to make recommendations to Council as contemplated in terms of Section 129(1) of the MFMA;

(d) that Council takes note of the proposed dates for the MPAC / Oversight meetings, where the Draft Annual Report 2020/21 will be discussed, as detailed in Annexure A hereto. These dates are subject to change. Final dates will be published on the municipality's website and in the local media;

(e) that Council approves the MPAC's mandate to co-opt two members of the public with expertise in specific fields to assist and advise the Committee;

Rates for additional nominated community members as per Treasury Regulation 20.2.2. The once-off preparation tariff was used as a guide since the national Treasury does not have guidance in that regard. Consultation must take place to decide if the rate will remain the same.

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

(f) that Council approve that the co-opted members can be remunerated in line with the recommendations of National Treasury Regulation in this regard;

(g) that Council take notice that the AGSA has not yet concluded its audit on the Annual Financial Statements 2020/21 and the Annual Performance Report 2020/21; and

(h) that Council takes notice that the AGSA audit outcome will be made available to Council as soon as it is available.

FOR FURTHER DETAILS CONTACT:

NAME	*Geraldine Mettler*
POSITION	*Municipal Manager*
DIRECTORATE	*Office of the Municipal Manager*
CONTACT NUMBERS	*021 808 8025*
E-MAIL ADDRESS	*mm@stellenbosch.gov.za*
REPORT DATE	*24 January 2022*

8.2	MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT FOR 2021/2022

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **21 January 2022 and 28 January 2022**

1. SUBJECT: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT FOR 2021/2022

2. PURPOSE

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

3. DELEGATED AUTHORITY

FOR NOTICE BY MUNICIPAL COUNCIL

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

4. EXECUTIVE SUMMARY

This report provides the progress made by the Municipality in terms of the Service Delivery Budget and Implementation Plan (SDBIP) for the period 1 July 2021 to 31 December 2021.

2ND COUNCIL MEETING: 2022-01-28: ITEM 8.2

RESOLVED (nem con)

(a) that Council take note of the report and more specifically the assessment and forecasts contained in the report;

(b) that Council take note that an Adjustments Budget will be tabled to Council as a result of the following:

- the appropriation of additional allocations received and increased realistically anticipated revenue during the financial year;
- the reprioritization of projects in line with being completed by the communicated cut-off dates to facilitate year- end preparation;

(c) that Council notes the performance of the Municipality against the set objectives contained in Section 2; and

(d) that the Accounting Officer attend to ensuring that Directors put the necessary corrective measures in place to ensure that projects are managed proactively in a bid to ensure that Council meet its strategic objectives contained in the Service Delivery and Budget Implementation Plan and to report on same at the end of quarter.

FOR FURTHER DETAILS CONTACT:5

NAME	**Kevin Carolus**
POSITION	***Chief Financial Officer***
DIRECTORATE	***Financial Services***
CONTACT NUMBERS	***021 – 808 8528***
E-MAIL ADDRESS	***Kevin.Carolus@stellenbosch.gov.za***
REPORT DATE	***20 January 2020***

8.3	MFMA SECTION 52 REPORTING UP TO DECEMBER 2021

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **21 January 2022 and 28 January 2022**

1. SUBJECT: MFMA SECTION 52 REPORTING UP TO DECEMBER 2021

2. PURPOSE

To comply with section 52(d) of the Municipal Finance Management Act and report to Council on the budget; financial and service delivery budget implementation plan by the Municipality for quarter 2 of the 2021/22 financial year.

3. DELEGATED AUTHORITY

THE EXECUTIVE MAYOR TO SUBMIT TO COUNCIL

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

"The mayor of a municipality—

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

4. EXECUTIVE SUMMARY

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

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

This report provides the overall performance of the Municipality for the period 1 July 2021 to 31 December 2021.

2ND COUNCIL MEETING: 2022-01-28: ITEM 8.3

NOTED

the Section 52 Report (including quarterly performance report) – Second Quarter.

FOR FURTHER DETAILS CONTACT:

NAME	**Monique Steyl**
POSITION	***Senior Manager Financial Management Services***
DIRECTORATE	***Financial Services***
CONTACT NUMBERS	***021 – 808 8516***
E-MAIL ADDRESS	***Monique.Steyl@stellenbosch.gov.za***
REPORT DATE	***January 2022***

8.4	OVERSIGHT ROLE OF COUNCIL: SUPPLY CHAIN MANAGEMENT POLICY-REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY OF STELLENBOSCH MUNICIPALITY: QUARTER 2 (01 OCTOBER 2021 - 31 DECEMBER 2021)

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **21 January 2022 and 28 January 2022**

1. SUBJECT: OVERSIGHT ROLE OF COUNCIL: SUPPLY CHAIN MANAGEMENT POLICY-REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY OF STELLENBOSCH MUNICIPALITY: QUARTER 2 (01 OCTOBER 2021 - 31 DECEMBER 2021)

2. PURPOSE

To submit to Executive Management a report for the period 01 October 2021 - 31 December 2021 on the implementation of Council's Supply Chain Management Policy. The report covers the performance of the various delegated functions and the implementation thereof.

3. FOR DECISION BY MUNICIPAL COUNCIL

Section 6 (3) & 4 of the SCM Policy 2021/2022, determines that the Accounting Officer must within 10 days at the end of each quarter; submit a report on the implementation of the SCM Policy to the Executive Mayor. This report must be made public in accordance with section 21A of the Municipal Systems Act (32 of 2000).

4. EXECUTIVE SUMMARY

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

2ND COUNCIL MEETING: 2022-01-28: ITEM 8.4

NOTED

(a) the report and **ANNEXURE A** attached to the report, and

(b) that the report be made public in accordance with section 21A of the Municipal Systems Act.

8.5	MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR DECEMBER 2021

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **21 January 2022 and 28 January 2022**

1. SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR DECEMBER 2021

2. PURPOSE

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy 2021/2022 to report the deviations to Council.

3. DELEGATED AUTHORITY

Council

FOR NOTING.

4. EXECUTIVE SUMMARY

Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy (2021/2022) stipulate that SCM deviations be reported to Council. In compliance thereto, this report presents to Council the SCM deviations that occurred during December 2021.

2ND COUNCIL MEETING: 2022-01-28: ITEM 8.5

NOTED

the deviations as listed for the month of December 2021.

FOR FURTHER DETAILS CONTACT:

NAME	Kevin Carolus
POSITION	***CFO***
DIRECTORATE	***Finance***
CONTACT NUMBERS	***021 808 8528***
E-MAIL ADDRESS	***Kevin.Carolus@stellenbosch.gov.za***
REPORT DATE	***November 2021***

9.	REPORT BY THE MUNICIPAL MANAGER RE OUTSTANDING RESOLUTIONS

As per Council directive (2021-01-27: Item 9) the Report by the Municipal Manager re Outstanding Resolutions taken at previous meetings of Council, is referred to the Section 80 Committees for scrutiny and interrogation.

The report attached hereto as **APPENDIX 1, IS FOR INFORMATION ONLY.**

2ND COUNCIL MEETING: 2022-01-28: ITEM 9

NOTED

the report by the Municipal Manager re outstanding resolutions taken at previous meetings of Council and that the Outstanding Resolutions be submitted to the different Section 80 Committees.

FOR FURTHER DETAILS CONTACT:

NAME	*Geraldine Mettler*
POSITION	*Municipal Manager*
DIRECTORATE	*Office of the Municipal Manager*
CONTACT NUMBERS	*021 808 8025*
E-MAIL ADDRESS	*mm@stellenbosch.gov.za*
REPORT DATE	*28 January 2022*

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 2021 UNTIL DECEMBER 2021

Collaborator No:

IDP KPA Ref No: **Good Governance**

Meeting Date: **28 January 2022**

1. SUBJECT: REPORT ON THE DECISIONS TAKEN BY THE EXECUTIVE MAYOR FOR THE QUARTER OCTOBER 2021 UNTIL DECEMBER 2021

2. PURPOSE

To inform Council of the decisions taken by the Executive Mayor from October 2021 to December 2021 **(**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."

2ND COUNCIL MEETING: 2022-01-28: ITEM 10.1.1

NOTED

the decisions by the Executive Mayor for the quarter October 2021 until December 2021.

FOR FURTHER DETAILS CONTACT:

NAME	DONOVAN MULLER
POSITION	***MANAGER: COUNCILLOR SUPPORT***
DIRECTORATE	***CORPORATE SERVICES***
CONTACT NUMBERS	***021 808 8314***
E-MAIL ADDRESS	***Donovan.Muller@stellenbosch.gov.za***
REPORT DATE	***5 January 2022***

10.1.2	**REQUEST TO NOMINATE COUNCILLORS TO SERVE IN CLINIC COMMITTEES: AAN-HET-PAD CLINIC; CLOETESVILLE COMMUNITY DAY CENTRE; DON AND PAT BILTON CLINIC (JAMESTOWN); GROENDAL CLINIC; DIRKIE UYS STREET SATELLITE CLINIC; IDAS VALLEY CLINIC; KAYAMANDI CLINIC; KLAPMUTS CLINIC; KYLEMORE CLINIC**

Collaborator No:
IDP KPA Ref No: **Good Governance**
Meeting Date: **28 January 2022**

1. SUBJECT: REQUEST TO NOMINATE COUNCILLORS TO SERVE IN CLINIC COMMITTEES: AAN-HET-PAD CLINIC; CLOETESVILLE COMMUNITY DAY CENTRE; DON AND PAT BILTON CLINIC (JAMESTOWN); GROENDAL CLINIC; DIRKIE UYS STREET SATELLITE CLINIC; IDAS VALLEY CLINIC; KAYAMANDI CLINIC; KLAPMUTS CLINIC; KYLEMORE CLINIC

2. PURPOSE

To inform Council of nomination of the ward Councillors to serve on the respective Clinic Committees.

3. DELEGATED AUTHORITY

According to the Stellenbosch Municipality System of Delegations (2019), delegation CL2 [section 59(1) of the Systems Act], Council delegated the Executive Mayor the "*nomination / appointment of councillors to represent the municipality at meetings, functions and on outside bodies, etc. or to open projects, events, facilities and new buildings, etc".*

4. EXECUTIVE SUMMARY

The Executive Mayor was requested to nominate Councillors to serve in the following clinic committees, namely Aan-Het-pad Clinic (Cloetesville), Cloetesville Community Day Centre (Tennantville), Don and Pat Bilton Clinic (Jamestown), Groendal Clinic (Groendal, Franschhoek), Dirkie Uys Street satellite Clinic (Franschhoek), Idas Valley Clinic (Idas Valley), Kayamandi Clinic (Kayamandi), Klapmuts Clinic (Klapmuts) and Kylemore Clinic (Kylemore).

After the Local Government elections on 1 November 2021, new ward Councillors were elected in certain wards. The new ward Councillors must replace the non-returning ward councilors on the clinic committees for the clinic situated in the respective ward.

The letter of request from the Western Cape Provincial Minister of Health as well as communication from the Community Outreach Officer, Ministry of Health, Western Cape Government are attached as **ANNEXURE A**.

2ND COUNCIL MEETING: 2022-01-28: ITEM 10.1.2

RESOLVED (nem con)

(a) that Council note the nomination of the following councillors to the respective Clinic Committees:

- Aan-het-Pad Clinic (Cloetesville) – Cllr E Vermeulen;
- Cloetesville Community Day Centre (Tennantville) – Cllr R du Toit;
- Don And Pat Bilton Clinic (Jamestown) – Cllr R Badenhorst;
- Groendal Clinic – Cllr W Petersen;
- Dirkie Uys Street Satellite Clinic – Cllr R Pheiffer;
- Idas Valley Clinic – Cllr N Mcombring;
- Kayamandi Clinic – Cllr E Masimini;
- Klapmuts Clinic – Cllr JC Anthony; and
- Kylemore Clinic – Cllr R Adams

(b) that the office of Western Cape Provincial Minister of Health be informed of the respective ward councillors that will serve on the respective clinic committees, as per the request from the Western Cape Provincial Minister of Health.

FOR FURTHER DETAILS CONTACT:

NAME	DONOVAN MULLER
POSITION	***MANAGER: COUNCILLOR SUPPORT***
DIRECTORATE	***CORPORATE SERVICES***
CONTACT NUMBERS	***021 808 8314***
E-MAIL ADDRESS	***Donovan.Muller@stellenbosch.gov.za***
REPORT DATE	***5 January 2022***

10.2	REPORT/S BY THE SPEAKER

NONE

10.3	REPORT/S BY THE MUNICIPAL MANAGER

10.3.1	DECISIONS TAKEN BY DIRECTORATES IN TERMS OF DELEGATED AUTHORITY FROM 01 APRIL 2021 UNTIL 30 JUNE 2021

Collaborator No:

IDP KPA Ref No: **Good Governance**

Meeting Date: **28 January 2022**

1. SUBJECT: DECISIONS TAKEN BY DIRECTORATES IN TERMS OF DELEGATED AUTHORITY FROM 1 OCTOBER 2021 UNTIL 31 DECEMBER 2021

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 1 October 2021 until 31 December 2021, 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

2ND COUNCIL MEETING: 2022-01-28: ITEM 10.3.1

NOTED

the decisions taken, for the period 1 October 2021 until 31 December 2021, by the following Section 56 Managers:

- Municipal Manager – Ms G Mettler (1 October 2021 – 31 December 2021)
- Chief Financial Officer – Mr K Carolus (1 October 2021 – 31 December 2021)
- Director Infrastructure Services – Mr D Louw (1 October 2021 – 31 December 2021)
- Director Planning and Economic Development – Mr A Barnes (1 October 2021 - 31 December 2021)
- Director Corporate Services – Ms A de Beer (1 October 2021 – 31 December 2021)
- Director Community and Protection Services - Mr G Boshoff (1 October 2021
- 31 December 2021).

11.	**CONSIDERATION OF ITEMS BY THE EXECUTIVE MAYOR: [ALD G VAN DEVENTER (MS)]**

11.1	**COMMUNITY AND PROTECTION SERVICES: (PC: CLLR R BADENHORST)**

11.1.1	**GRANT IN AID POLICY REVIEW**

Collaborator No: **722001**
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **21 January 2022 and 28 January 2022**

1. SUBJECT: GRANT IN AID POLICY REVIEW

2. PURPOSE

To obtain Council approval for the Grant in Aid Policy Review.

3. DELEGATED AUTHORITY

FOR DECISION BY MUNICIPAL COUNCIL

4. EXECUTIVE SUMMARY

Council approved the Grant in Aid 2021-2022 Policy in May 2021 as part of the policies with financial implications. To ensure that every effort is made to provide each child access to good quality education during the early childhood development phase, the municipality needs to ensure that all policies are aligned to this desired outcome.

2ND COUNCIL MEETING: 2022-01-28: ITEM 11.1.1

RESOLVED (nem con)

that the reviewed Grant in Aid 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	2021-11-30

11.2	CORPORATE SERVICES: (PC: CLLR L NKAMISA)

NONE

11.3	FINANCIAL SERVICES: (PC: CLLR P JOHNSON)

NONE

11.4	HUMAN SETTLEMENTS: (PC: CLLR J FASSER)

NONE

11.5	INFRASTRUCTURE SERVICES : (PC : CLLR Z DALLING (MS))

11.5.1	THE ORGANIC WASTE DIVERSION PLAN FOR STELLENBOSCH MUNICIPALITY

Collaborator No: **721413**
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **21 January 2022**

1. SUBJECT: THE ORGANIC WASTE DIVERSION PLAN FOR STELLENBOSCH MUNICIPALITY

2. PURPOSE

to obtain Council's approval to circulate the draft Organic Waste Diversion Plan (OWDP) for public comment (**APPENDIX 1**).

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The Department of Environmental Affairs and Development Planning (DEA&DP) took a policy decision to implement a 50% restriction on organic waste being disposed to landfill by 2022 and a full prohibition of organic waste disposed to landfill by 2027. The Western Cape Integrated Waste Management Plan (IWMP) (2017- 2022) puts an obligation on municipalities to divert 50% of organic waste streams away from landfill sites by 2022 and a complete ban on organic waste disposed at landfill sites by 2027.

DEA&DP subsequently amended the conditions of authorisations (Permits/Licenses) for Waste Disposal Facilities (WDFs) in the Western Cape to include diversion of organic waste. To enable this diversion the Municipality has compiled an OWDP to reach these organic diversion targets. This OWDP will form part of the approved IWMP.

The OWDP has been internally reviewed and requires public comment to be finalised.

2ND COUNCIL MEETING: 2022-01-28: ITEM 11.5.1

RESOLVED (nem con)

(a) that Council accept the draft OWDP and approve that the draft OWDP be circulated for public comment;

(b) that the draft OWDP be submitted to D:EA&DP (Department of Environmental Affairs & Development Planning) for comment, and

(c) that relevant comments be incorporated into the document for it to become final.

FOR FURTHER DETAILS CONTACT:

NAME	Deon Louw
POSITION	***DIRECTOR: INFRASTRUCTURE SERVICES***
DIRECTORATE	***INFRASTRUCTURE SERVICES***
CONTACT NUMBERS	***021 -808 8213***
E-MAIL ADDRESS	***Deon.louw@stellenbosch.gov.za***
REPORT DATE	***9 December 2021***

11.6	PARKS, OPEN SPACES AND ENVIRONMENT: (PC: J JOON)

NONE

11.7	PLANNING :(PC: CLLR C VAN WYK (MS)

11.7.1	PROPOSED RESTRUCTURING OF THE INTERNAL MEMBERSHIP OF THE STELLENBOSCH MUNICIPAL PLANNING TRIBUNAL

Collaborator No: **721983**
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **21 January 2022**

1. SUBJECT: PROPOSED RESTRUCTURING OF THE INTERNAL MEMBERSHIP OF THE STELLENBOSCH MUNICIPAL PLANNING TRIBUNAL

2. PURPOSE

To provide Council with the pertinent facts to consider the Removal and Replacement of the internal (municipal employees) serving on the Stellenbosch Municipal Planning Tribunal ("MPT") in terms of Sections 38(5)(a) and 38(6) of the Spatial Planning and Land Use Management Act, Act No. 16 of 2013 ("SPLUMA") and Sections 73(2)(c), 73(7) and 74(5)(a) of the Stellenbosch Municipality Land Use Planning Bylaw, August 2015.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The report and proposed recommendations are aimed at ensuring that the Stellenbosch MPT and the Stellenbosch Municipality, as an organisation, is more efficient and effective. As such, it is proposed to reconstitute the internal municipal membership of the current MPT.

The internal membership of the current MPT includes the following post designations (and employees):

- Manager: Spatial Planning, Directorate Planning and Economic Development - Currently represented by Mr. B de la Bat
- Senior Manager: Infrastructure Planning, Development and Implementation, Directorate Infrastructure Services - Currently vacant
- Senior Legal Advisor, Directorate Corporate Services - Currently represented by Mr. M Williams
- Senior Manager: Community Services, Directorate Community and Protection Services - Currently represented by Mr. A van der Merwe
- Senior Environmental Planner, Environmental Management, Directorate Community and Protection - Currently represented by Mr. S van der Merwe
- Manager: IDP and Performance Management, Department Governance, Office of the Municipal Manager - Currently represented by Mr. G Cain – Manager

- Manager Infrastructure Implementation Services, Directorate Infrastructure Services - Currently represented by Ms. M. Francis

The proposed new internal membership of the MPT includes the following post designations:

- Senior Manager: Infrastructure Planning, Development and Implementation, Directorate Infrastructure Services - Incumbent to this position resigned during 2021, and the position is currently vacant.
- Senior Legal Advisor, Directorate Corporate Services - Currently represented by Mr. M Williams
- Senior Manager: Community Services, Directorate Community and Protection Services - Currently represented by Mr. A van der Merwe.
- Senior Manager: Development Planning – To be represented by Mr C Alexander.

The proposal will improve the efficiency of Stellenbosch Municipality in that the number of internal members (municipal employees) on the MPT is proposed to be decreased from seven (7) to four (4), thus releasing staff to perform their core functions. The proposal will also promote the effectiveness of Stellenbosch Municipality in that the proposed internal MPT membership will all be at senior manager level.

No changes are proposed to the external membership of the Stellenbosch MPT.

2ND COUNCIL MEETING: 2022-01-28: ITEM 11.7.1

RESOLVED (nem con)

that the following amendment to the internal membership of the Stellenbosch MPT **BE APPROVED:**

(a) The **Removal** in terms of Section 38(5)(a) of the Spatial Planning and Land Use Management Act (Act 16 of 2013) and Sections 73(2)(c), 73(7) and 74(5)(a) of the Stellenbosch Municipality Land Use Planning Bylaw, August 2015, of the following post designations as municipal employee members from the current membership of the Stellenbosch Municipal Planning Tribunal:

(i) Manager: Spatial Planning, Directorate Planning and Economic Development - Currently represented by Mr. B de la Bat

(i) Senior Environmental Planner, Environmental Management, Directorate Community and Protection - Currently represented by Mr. S van der Merwe

(ii) Manager: IDP and Performance Management, Department Governance, Office of the Municipal Manager - Currently represented by Mr. G Cain – Manager

(iii) Manager Infrastructure Implementation Services, Directorate Infrastructure Services - Currently represented by Ms. M. Francis

(b) The **Retention** of the following post designations as municipal employee members of the Stellenbosch Municipal Planning Tribunal in terms of their appointment by the Acting Municipal Manager on 15 May 2019 in terms of an authorisation and delegation of a Council decision vide item 7.3.3 and dated 26 July 2017:

(i) Senior Manager: Infrastructure Planning, Development and Implementation, Directorate Infrastructure Services - Currently vacant
(ii) Senior Legal Advisor, Directorate Corporate Services - Currently represented by Mr. M Williams

(iii) Senior Manager: Community Services, Directorate Community and Protection Services - Currently represented by Mr. A van der Merwe

(c) The **Appointment** in terms of Section 38(5)(a) of the Spatial Planning and Land Use Management Act (Act 16 of 2013) and Section 71(1) of the Stellenbosch Municipality Land Use Planning Bylaw, August 2015 of the following a post designation as a municipal employee member of the Stellenbosch Municipal Planning Tribunal:

(i) Senior Manager: Development Planning, Directorate Planning and Economic Development – To be represented by Mr. Craig Alexander

(d) that, in terms of Section 72(11) of the Stellenbosch Municipality Land Use Planning By-law, August 2015 the Municipal Manager publish the Reconstituted MPT in the Provincial Gazette as stipulated in Section 72(11)(c) of the said By-law.

FOR FURTHER DETAILS CONTACT:

NAME	Anthony Barnes
POSITION	Director Planning and Economic Development
DIRECTORATE	Planning and Economic Development
CONTACT NUMBERS	021 808 4006
E-MAIL ADDRESS	Anthony.Barnes@stellenbosch.gov.za
REPORT DATE	18 January 2022

11.8	**LOCAL ECONOMIC DEVELOPMENT AND TOURISM: (PC: CLLR R DU TOIT (MS)**

NONE

11.9	**RURAL MANAGEMENT: (PC: CLLR J WILLIAMS)**

NONE

11.10	**YOUTH, SPORT AND CULTURE: (PC: CLLR R ADAMS)**

NONE

11.11	**MUNICIPAL MANAGER**

NONE

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	APPOINTMENT OF COUNCILLORS TO SERVE ON THE LOCAL LABOUR FORUM

1. SUBJECT: APPOINTMENT OF COUNCILLORS TO SERVE ON THE LOCAL LABOUR FORUM

2. PURPOSE

For Council to appointment Councillors to serve on the Local Labor Forum.

3. DELEGATED AUTHORITY

(FOR DECISION BY MUNICIPAL COUNCIL, EXECUTIVE MAYOR AND MAYORAL COMMITTEE, PORTFOLIO COMMITTEE, EXECUTIVE MANAGEMENT, ETCETERA)

Council

4. EXECUTIVE SUMMARY

The termination of the 2016-2021 Council's term of office necessitates the appointment of Councillors to represent the Employer on the Local Labour Forum.

As per the SALGBC Main Collective Agreement, the Employer representatives shall consist of at least 2 (two) Councillors and Management.

During the previous term of office, 6 (six) Councillors were appointed to serve on the Local Labour Forum.

The Local Labour Forum consists of a total number of 12 members per party (employer/employee).

Employer = 12 members

SAMWU = 6 members

IMATU = 6 members

The administration is represented by the following six (6) officials:

Director Infrastructure; CFO; Director Corporate Services; Senior Manager Human Resources; Manager Labour Relations; Director Community Services. Council will chair the LLF during the next year. The chairpersonship is rotated between the employer and the unions on an annual basis.

The item was on the agenda of the inauguration meeting but stood over to the January 2022 council meeting.

2ND COUNCIL MEETING: 2022-01-28: ITEM 13.1

RESOLVED (nem con)

that Council appoint the following Councillors to serve on the LLF:

1. Cllr L. Nkamisa (DA)
2. Cllr C. Van Wyk (Ms) (DA)
3. Cllr R. Pheiffer (DA)
4. Cllr N. Mananga-Gugushe (Ms) (ANC) and
5. Cllr I. De Taillerfer (Ms) (VF+)

FOR FURTHER DETAILS CONTACT

NAME	Annalene de Beer
POSITION	***Director***
DIRECTORATE	***Corporate Services***
CONTACT NUMBERS	***021808 8018***
E-MAIL ADDRESS	***Annalene.deBeer@stellenbosch.gov.za***
REPORT DATE	***25/01/2022***

13.2	ESTABLISHMENT OF A RULES COMMITTEE

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **Council: 15 November 2021**

1. SUBJECT: ESTABLISHMENT OF A RULES COMMITTEE

2. PURPOSE

For Council to establish a Rules Committee for the Stellenbosch Council.

3. DELEGATED AUTHORITY

(FOR DECISION BY MUNICIPAL COUNCIL, EXECUTIVE MAYOR AND MAYORAL COMMITTEE, PORTFOLIO COMMITTEE, EXECUTIVE MANAGEMENT, ETCETERA)

Council

4. EXECUTIVE SUMMARY

The termination of the 2016-2021 Council's term brought to a close the previously established Rules of Order Committee. It is prudent for the newly elected Council to establish a multi-party Rules Committee to be responsible for developing Rules of Order and amendments thereto, and to recommend same to Council for adoption.

The former Council had established an 8-member multi-party Rules Committee, with The Speaker serving as its Chairperson.

The item was on the agenda of the inauguration meeting but stood over to the January 2022 council meeting.

2ND COUNCIL MEETING: 2022-01-28: ITEM 13.2

RESOLVED (nem con)

(a) that Council establishes an 8 (eight) member multi-Party Rules Committee consisting of the whips of the following parties: GOOD, ACDP, PA, ANC, EFF, DA, FF+ & PDM;

(b) that Council appoints the Speaker, Cllr. Quintin Smit as Chairperson of the Rules Committee; and

(c) that it be noted that the Chairperson of this Committee is not a full-time Councillor flowing from the Chairmanship of this Committee.

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	*10 November 2021*

13.3	RECRUITMENT AND SELECTION PROCESS OF THE DIRECTOR: INFRASTRUCTURE SERVICES – SELECTION PANEL

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **2nd Council: 28 January 2022**

1. SUBJECT: RECRUITMENT AND SELECTION PROCESS OF THE DIRECTOR: INFRASTRUCTURE SERVICES – SELECTION PANEL

2. PURPOSE OF REPORT

Council to approve the recruitment and selection panel of the Director Infrastructure Services as set out in the Government Gazette 37245: Local Government Regulations on Appointment and Conditions of Employment of Senior Manager.

3. DELEGATED AUTHORITY

Municipal Council

4. EXECUTIVE SUMMARY

Council at the Special Council Meeting: 2021-12-10 approved the commencement of the recruitment and selection process for the Director Infrastructure Services.

2ND COUNCIL MEETING: 2022-01-28: ITEM 13.3

RESOLVED (nem con)

that Council approves the recruitment and selection panel of the Director Infrastructure Services as set out in the Government Gazette 37245: Local Government Regulations on Appointment and Conditions of Employment of Senior Manager that constitute as follows:

- The Municipal Manager who will be the Chairperson (Ms Geraldine Mettler);
- A member of the Mayoral Committee responsible for the Portfolio under this directorate (Cllr Zelda Dalling);
- At least one person who is not a councillor or staff member, and who has expertise or experience in the area of the advertised post (Mr Gerhard Smit from Saldanha Municipality).

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	25 January 2022

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

14.1	**MOTION BY COUNCILLOR M RATAZA (ANC): REVIEW OF THE INDIGENT AND DEBT COLLECTION POLICY**

A Notice of a Motion dated 2022-01-17 was received from Councillor M Rataza regarding the Review of the Indigent and Debt Collection Policy.

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

FOR CONSIDERATION

2ND COUNCIL MEETING: 2022-01-28: ITEM 14.1

NOTED

The Speaker allowed Cllr M Rataza to put his Motion, duly seconded. After the Motion was motivated, the Speaker allowed debate on the matter.

The matter was put to the vote, yielding a result of majority of Councillors not in support of the Motion.

RESOLVED (majority vote)

that this Motion not be accepted.

15.	CONSIDERATION OF URGENT MOTIONS

NONE

16.	URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER

NONE

17.	REPORTS SUBMITTED BY THE SPEAKER

NONE

18.	REPORTS SUBMITTED BY THE EXECUTIVE MAYOR

NONE

19.	MATTERS TO BE CONSIDERED IN–COMMITTEE

NONE

The meeting adjourned at 11:35.

CHAIRPERSON: ……

DATE: ……

Confirmed on …… **with**

7.2	**SPECIAL COUNCIL MEETING: 2022-02-23**

The minutes of a Special Council Meeting: 2022-02-23 is attached as **APPENDIX 1**.

FOR CONFIRMATION

APPENDIX 1

STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/1/5

2022-02-23

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MINUTES

SPECIAL MEETING OF THE

COUNCIL OF STELLENBOSCH MUNICIPALITY

2022-02-23 AT 10:00

M I N U T E S

SPECIAL MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2022-02-23

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8.1	**COMMUNITY SERVICES (PARKS, OPEN SPACES AND ENVIRONMENT): [PC: CLLR J JOON]**	
	NONE	
8.2	**CORPORATE SERVICES: [PC: CLLR L NKAMISA]**	
	NONE	
8.3	**FINANCIAL SERVICES: [PC: CLLR P JOHNSON]**	
	NONE	
8.4	**HUMAN SETTLEMENTS: [PC: CLLR JS FASSER]**	
	NONE	
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8.5.1	APPROVAL OF THE STELLENBOSCH MUNICIPALITY ROADS AND STREETS BY-LAW DELEGATIONS OF ADMISSION OF GUILT FINES	15
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	NONE	

ITEM	SUBJECT	PAGE
8.7	**PLANNING, LOCAL ECONOMIC DEVELOPMENT AND TOURISM: [PC: CLLR C VAN WYK (MS)]**	
	NONE	
8.8	**PROTECTION SERVICES: [PC: CLLR FJ BADENHORST]**	
	NONE	
8.9	**RURAL MANAGEMENT: [PC: CLLR J WILLIAMS]**	
	NONE	
8.10	**YOUTH, SPORTS AND CULTURE: [CLLR RA ADAMS]**	
	NONE	
8.11	**REPORT/S BY THE MUNICIPAL MANAGER**	
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	NONE	

MINUTES **SPECIAL MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY** **2022-02-23**

PRESENT

The Speaker, Cllr Q Smit [Chairperson]
The Executive Mayor, Ald GMM Van Deventer (Ms)
The Deputy Executive Mayor, Cllr JS Fasser

COUNCILLORS

RA Adams
J Andrews
Ald JC Anthony
FJ Badenhorst
PR Crawley (Ms)
A Crombie (Ms)
ZJ Dalling (Ms)
MM Danana
I De Taillerfer (Ms)
R Du Toit (Ms)
A Ferns (Ms)
E Groenewald (Ms)
AJ Hanekom
RB Hendrikse (Ms)
P Johnson
J Joon
O Jooste
X Kalipa
C Manuel
EP Masimini
NE Mcombring (Ms)
XL Mdemka (Ms)
RS Nalumango (Ms)
CD Noble
L Nkamisa (from 10:25)
M Nkopane (Ms)
N Ntsunguzi (Ms)
N Olayi
WC Petersen (Ms)
RO Pheiffer
WF Pietersen
MG Rataza
JP Serdyn (Ms)
A Tomose (Ms)
RB Van Rooyen
M Van Stade
CA Van Wyk
E Vermeulen
J Williams

****

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 (D Louw)
Director: Planning and Economic Development (A Barnes)
Chief Audit Executive (F Hoosain)
Senior Administration Officer (Ms T Samuels)

****

1.	OPENING AND WELCOME

The Speaker, Cllr Q Smit, welcomed all present at the Special Council meeting.

2.	MAYORAL ADDRESS

Adjustments Budget Speech

Speaker;

Executive Deputy Mayor;

Council 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.

Goeiemore, good morning, molweni, as-salamu alaykum

Introduction

Speaker, as the Executive Mayor of Stellenbosch Municipality I have an obligation to submit the adjustments budget for the current financial year of 2021/22 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:

1. Must adjust the revenue and expenditure estimates downwards if there is material under collection of revenue during the current year;

2. 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;

3. May authorize the utilization of projected savings in one vote towards spending in another vote; and
4. 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, while our country has seen a decrease in COVID infections and relaxed restrictions in terms of the COVID preventative measures, our country has a long way to go to heal economically.

There's a quote that always stands out to me – **Storms come and go, and with every storm there is a new lesson to learn from.**

The past two years has had a significant impact on our budget, and this impact cannot be understated. It has also thought us very valuable lessons on how to work smarter with lesser money, work with our available funds more carefully and structure our available funds to ensure that we still deliver world class services to our communities.

Numerous projects had to be halted or postponed to accommodate for the drastic affects COVID had on our revenue streams (Income), to abide by the requirements as a result of the pandemic. Ultimately, we had to take up lesser loans to minimise future interests in payments in order to take stress off our available income and cash reserves.

Recent Stats SA figures shows how certain aspects of our economy, which in the previous assessment showed a significant decrease, is slowly starting to show positive growth. It should however be noted that we still have a long way to go.

The largest positive contributions were made by the following divisions:

1. Basic iron and steel, non-ferrous metal products, metal products and machinery **(4,4% and contributing 0,8 of a percentage point)**;
2. Wood and wood products, paper, publishing and printing **(6,7% and contributing 0,7 of a percentage point)**;
3. Textiles, clothing, leather and footwear **(13,4% and contributing 0,5 of a percentage point)**; and
4. Food and beverages **(1,9% and contributing 0,5 of a percentage point)**.

These are just some of the factors which directly affect our economy and affects how we have to spend our available funds.

The main purpose of the adjustments budget is 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 with the Executive Mayor and the Budget Steering Committee.

As a result of the above-mentioned impacts on our income, we've had to make changes on our capital and operational budget.

Details on all the adjustments can be found on page 24 – 41 of Council Agenda for 2022-02-23.

Capital Adjustments Budget

During the mid-year budget and performance assessment process, it was identified that the approved capital budget had to be adjusted to make some necessary amendments to various projects which includes pausing some projects until the next annual budget in June, and to accelerate prioritised projects.

Speaker it should be noted, that with careful planning we managed to not remove any projects permanently, but simply put them on hold for four months, hence the roll overs of multi-year projects in the adjustments budget.

Speaker, it is of the utmost importance to the Executive Mayor and financial team that we rather be conservative with regards to spending in these uncertain times and financially sound and a sustainable Municipality.

Nobody can predict the future development of the pandemic with certainty, and we have to remain cautious at all times. Speaker, the good news is that when the pandemic is finally over, our Municipality will be financially strong enough to continue in great stride.

We remain committed to investing in our communities. The limitations of COVID-19 and the lockdown that followed however curbed our capital spending to 25% of our capital spending for the first 6 months of the financial year, in comparison to the 33% for the same period in December 2020.

Taking all proposed adjustments into consideration, resulted in the current approved capital budget of **R 471 680 164** decreasing by 16% with **R 73 572 528.** The proposed adjusted capital budget for 2021/2022 will be **R 398 107 636.**

Speaker, this capital budget of **R 398 107 636** 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 various factors.

Stellenbosch municipality vested the majority of the 2021/2022 capital budget in infrastructure services (R312million or 78% of the R 398 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.

I would like to refer to some key factors of the adjustments budget.

- An additional **R 3 900 000** has been allocated to the establishment of the Northern extension: feasibility. The additional funding has been received as part of a Human Settlement Development grant and will see to the completion of this vital project, which will help create job opportunities for local residents.
- Funding for the planning upgrading projects of Kayamandi Town Centre **(R 2 638 605)** and Enkanini Planning and Implementation **(R 1 500 000)** has been reduced in accordance with the latest funding agreements by the Human Settlements Development Grant.
- The funding for the Jamestown housing projects (Phase2,3 and 4) have been aligned with the funding from the Provincial Department with **R 676 000**
- Additional funding has been allocated for **ERF64 in Kylemore**
- **ERF7001** is a multi-year project currently in the planning phase which will continue into the next financial year.
- An additional **R710 000** has been received for the **Alternative Energy project** that is funded by the Municipal Energy Resilience grant. In August 2021, the Western Cape Government (WCG) announced the launch of a first-of-its-kind fund to support municipalities as we prepare for renewable energy projects. The fund is a critical component in the Municipal Energy Resilience (MER) Initiative, which aims to help municipalities to implement and enable lower carbon energy projects in municipalities across the province, for municipalities, businesses and households to generate, procure and sell own power.
- **R1 997 157** has been rolled over for the **Bien don 66/11kv substation**. This is a multiyear project which will continue in the next financial year.
- **R6 798 839** has been rolled over for the **Laterra substation.** This is a multi-year project that has been delayed due to the purchasing of land.
- Additional funding is required for the completion of the **Jan Marais upgrading project.**
- **R74 000 000** has been rolled over the next financial year for the new reservoir and Pipeline in Vlottenburg. 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 Multi-year projects of Small Capital: FTE Electrical Services and System Control Centre and the upgrade of the Telemetry are currently in the planning phase and will continue in the next financial year.

- The upgrade of the Waste Water Treatment Works in Pniel and decommissioning of Franschhoek 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 of **R14 000 000** for this project has been rolled forward 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 **R14 000 000** has been rolled over to continue this project in the next financial year.
- The funding for the adhoc Reconstruction of roads have been aligned to the latest funding allocation from National Government.
- Ensuring a stable and reliable water supply forms part of critical infrastructure.
- The Jamestown Bulk Water Supply Pipeline & Reservoir project is in the planning phase and will continue into the next financial year. **R12 500 000** has been rolled over for this purpose.
- The Kayamandi Zone O funding has been aligned with the latest funding allocation received from the Provincial Department.
- Additional funding has been allocated for the replacement of sewer pipes.
- The Bridge Construction Project is a multi-Year project still in the planning phase and will continue into the next financial year. R35 000 000 has been rolled over to continue this project in the next financial year.
- Additional funds have been made available for the implementation of Non-motorised transport.
- The Idas Valley ERF9445 project has been aligned with the latest allocation from the Provincial Department.
- **R3 500 000** 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.

Operational Adjustments 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 2021/2022 decreases with **2,0%** from **R2,129 billion** (R2 129 644 950) to the proposed budget of **R2,110 billion** (R2 110 706 759).

The operational expenditure budget of 2021/2022 decreases with 1.59% from **R2,017 billion** (R2 017 490 423) to the proposed budget amount of **R1,977 billion** (R1 977 195 012).

Operational Income Budget

Material changes to the operating budget include:

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:

- **Property Rates**: The municipality has billed **R35 956 065** more property rates than initially anticipated. The over performance is due to the annual applications which did not form part of the monthly budgeted revenue projections. The municipality has re-assessed the property rates revenue budget and anticipates that a downward adjustment of **R7 964 892** will be necessitated during the Mid-year adjustments budget process.

- **Sanitation revenue:** An under performance is noted for sanitation revenue due to the noticeable decline in billed revenue. The municipality has re-assessed the sanitation revenue budget as the decline in the industrial wastewater charges has negatively affected the revenue stream. The budget will be reduced with **R11 528 774** during the Mid-year adjustments budget process.

- **Interest earned - external investments:** An under performance was noted for interest earned – external investments to the amount of **R2 605 340**. The variance is mainly due to the Covid- 19 pandemic which resulted in the prime interest rate being reduced. This reduction has resulted in a significant decrease in our call accounts and primary bank account interest rates. Furthermore, we have received lower rates on offer from investing institutions than the previous financial years and a decline in the availability of capital investment further negatively impacts this line item.

  The municipality has re-assessed the interest earned –external investments revenue budget and anticipates that an upward adjustment of **R6 412 812** will be necessitated during the Mid-year adjustments budget process.

- **Fines, penalties and forfeits:** An underperformance was noted to the amount of **R23 871 261**. The past three financial years yielded an average income of **R100 294 857** per year which renders the adjustments budget of **R147 425 010** as unattainable. The municipality has re-assessed the fines, penalties and forfeits revenue budget and anticipates that a downward adjustment of **R27 260 178** will be necessitated during the Mid-year adjustments budget process.

- **Transfers and subsidies:** The transfers and subsidies will be increased with **R1 430 310** during the Mid-year Adjustments budget process. A decrease of **R566 897** relates to operating grants and an increase of **R1 997 207** relates to capital grants.

  - An increase in the budget due to the unspent grant balances as at 30
  - June 2021 in respect of the following;
    - Development Bank of South Africa Grant: **R18 472**
    - Cape Winelands Disaster Grant: **R146 959**
    - Community Library Services Grant: **R2 302 051**
    - Title Deeds Restoration Grant: **R1 371 711**
    - Municipal Accreditation and Capacity Building Grant: **R238 000**
    - Financial Management Capacity Building Grant: **R164 751**
    - Khaya Lam Free Market Foundation: **R102 000**
    - Integrated Transport Planning Grant: **R600 000**
    - National Lottery: **R307 361**
  - An increase in the budget due to additional as well as new grant allocations in respect of the following:
    - LGSETA Funding: **R237 440**
    - Municipal Library Support Grant: **R3 252 000**
    - Municipal Accreditation and Capacity Building Grant: **R200 000**
    - Western Cape Financial Management Support Grant: **R550 000**
    - Western Cape Municipal Energy Resilience Grant (WC MER Grant): **R710 000**
    - Local Government Public Employment Support Grant: **R1 800 000**
    - Informal Settlements Upgrading Partnership Grant: Provinces (Beneficiaries): **R11 918 906**
    - Households - Cash - Other (National Housing Programme): **R4 929 738**
  - A decrease in the grant funding in respect of the following:
    - Human Settlements Development Grant due to the funding being gazetted under a new grant (Informal Settlements Upgrading Partnership Grant: Provinces (Beneficiaries)) and a **R23 000** reduction in the roll over approval granted during August 2021 as a result of a debtor which had been cleared after the application.

- A revised funding allocation letter has been approved by the transferring department indicating that an amount of **R708 230** to be moved from operating to capital in order to expedite the spending of the Urban Infrastructure Development grant.

- **Other Revenue:** The municipality has re-assessed the other revenue budget and anticipates that an upward adjustment of **R 3 520 000** will be necessitated during the Mid-year adjustments budget process.

- **Sales of Goods and Rendering of Services:** Cemetery and Burial. An underperformance of R933 062 has been noted. The past three financial years yielded an average income of **R940 817** per year. Considering the average increase of 9% per year based on actual collections it is probable that **R1 118 089** will be collected during the 2021/22 financial year.
- This renders the adjustments budget of **R3 302 015** as unattainable. The municipality has re-assessed the cemetery and burial revenue budget and anticipates that a downward adjustment of **R2 200 000** will be necessitated during the Mid-year adjustments budget process.
- **The sales of goods and rendering of services:** Development Charges
- The municipality has generated an average of **R12 324 314** over the past 4 financial years and has generated **R12 360 208** to date. The revenue budget will be increased to **R16 354 714** in order to include a budget for the development charges levied by the municipality.

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.

We have identified savings on the following expenditure categories:

- Employee related costs: An under performance of **R12 496 679** is noted against the year-to-date budget projections. The underspending is due to vacancies which have not yet been filled. Various advertisements for vacancies have been issued during the last quarter. The expenditure budget for this line item will have to be adjusted downwards with R34 768 803 during the Mid-year adjustments budget process.

Closing

Speaker, A good financial plan is a road map that shows us exactly how the choices we make today will shape our future.

Speaker, this is not the adjustments budget we wanted to present at this point of our current term in office. We were hoping that COVID would have been something in the past by now, in order to present an adjustment that will be completing all our envisioned projects, creating a springboard from which to launch our next chapter from, unfortunately this is not yet possible.

I am however very optimistic that with these necessary changes, we will be able to complete our planned projects, as well as stabilize our budget in terms of income and expenditure following the impact of the past two years.

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

Speaker, we continue to proof to be 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 further improve and deliver services and opportunities to our most beautiful valley.

I table this adjustments budget, with great responsibility, and gratitude that we could survive this unprecedented storm. We shall continue to work hard to provide the best leadership and guidance and to create a business ready environment, filled with opportunity for all.

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 12, a to c**, in the Special Council Agenda, for consideration and approval of the **2020/2021** Adjustments Budget.

Baie dankie, Thank you very much, Enkosi kakhulu."

3.	COMMUNICATION BY THE SPEAKER

- **BIRTHDAYS**: Congratulations to the following Councillors who celebrated their birthdays during February: Councillor WC Petersen (Ms): 8 February
  Councillor A Hanekom: 21 February

- **CENSUS 2022:** Online registration closed on 21 February 2022. Stats SA will send field workers to do door-to-door surveys. Ward Councillors should encourage members in the community to be accessible for these services as it will help with accurate counting, which in turn will assist with better planning for infrastructure and budgeting.

- **OPERATIONAL WARD PROJECTS:** Tender B/SM02/22 was awarded on 30 November 2021 (the value of 1.1). We anticipate that the first orders will be delivered during the first week of March 2022 at the Beltana Stores. The distribution of the one part of the project (bulk goods: sanitiser, atomiser bottles) were concluded during October 2021.

- **YOUTH LEARNER AND DRIVER LICENSING PROGRAMME:** This programme targets young people particularly those from disadvantaged areas based on socio-economic challenges. Councillors of Wards 1-6, 10-21 and 23 will be able to nominate 2 people per ward to either obtain a Code-8 or Code-10 license. For any additional information the Manager: Community Development, Ms Michelle Aalbers can be contacted.

- **ESTABLISHMENT OF WARD COMMITTEES:** Congratulations to the following Wards that were successfully established: Wards 1-10, 12, 15, 17, 18, 19, 21-23. The outstanding wards must establish their Ward Committees, because a Ward Establishment Report must be submitted to the MEC of Local Government before 15 March 2022, indicating the number of wards established in the area, how many were not established and the reasons why. Ward Councillors will be held responsible for non-establishment of ward committees because the administrative staff went far and beyond with the help in the establishment of these ward committees.

- **APPOINTMENT OF WARD ADMINISTRATORS:** Interviews and practical assessments in certain wards intended for 24/25 February and it is anticipated that the process will hopefully be concluded by 28 February 2022 and commencement of appointing of successful candidates soon thereafter.

  Thank you very much."

4.	COMMUNICATION BY THE MUNICIPAL MANAGER

"Good morning Honourable Speaker, Mayor, Councillors, Colleagues and Members of the public.

It with sadness that I have to inform you of the passing of one of our staff members while on duty. Mr David Williams working in our Wastewater Department passed on while on duty. He lived in Idasvalley and on behalf of our Council and Administration we want to extend our deepest condolences to the family, in particular his wife and children.

It's the second month of the year and the students are back. The town is buzzing with economic activity, I request residents to please keep our town and residential areas clean. We are proud of our town and want to keep it clean. We recently launched a programme against illegal dumping and request residents to report illegal dumping to the municipality. Furthermore, rather put additional waste in bag plastic out with refuse day.

There is growing concern over the increase of Enteric Fever (Typhoid Fever) cases in the Western Cape as well as a separate spate of a viral tummy bug doing the rounds.

We hereby confirm that our municipal drinking water is safe to consume and adheres to all SANS 241 standards for drinking water. Our water undergoes routine quality checks and laboratory testing on a regular basis. *As an added safety measure, additional water samples will be taken today and sent to laboratories in Pretoria for full spectrum bacteriological and microscopic testing.*

It is also important to note that the National Institute for Communicable Diseases (NICD) has found that there is NO EVIDENCE THAT CASES OF TYPHOID FEVER ARE LINKED TO CONTAMINATED MUNICIPAL WATER IN ANY PART OF THE COUNTRY.

Our water is safe for human consumption.

I thank you."

5.	**DISCLOSURE OF INTEREST**

NONE

6.	**APPLICATION FOR LEAVE OF ABSENCE**

6.1 The following applications for leave of absence were approved in terms of the Rules Of Order By-law of Council:-

Cllr N Mananga-Gugushe (Ms) – 23 February 2021
Cllr NM Mkhontwana (Ms) – 23 February 2021
Cllr ZR Ndalasa – 23 February 2021

7.	STATUTORY MATTERS

7.1	MID-YEAR ADJUSTMENTS BUDGET FOR 2021-2022

Collaborator No: 723583
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: 16 & 23 February 2022

1 SUBJECT: MID-YEAR ADJUSTMENTS BUDGET FOR 2021/2022

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 2021/2022 financial year, for approval. The adjustments budget emanates from the approval of roll-over of unspent conditional grants from the Western Cape Provincial Government, additional allocations from Western Cape Provincial Government and National Government and reallocation and reduction of existing grants.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Roll-over of unspent conditional grants

The Western Cape Provincial Minister of Finance and Economic Opportunities has granted approval, in terms of section 10(2) of the Western Cape Appropriation Act (WCAA) 2020 (ACT No. 2 of 2020) to roll-over the unspent amounts of R164 751 for the Western Cape Financial Management Capacity Building Grant, R238 000 for the Municipal Accreditation and Capacity Building Grant, R600 000 for Integrated Transport Planning Grant and R2 302 051 for Community Library Services Grant.

Approval is also granted to roll-over the 2019/20 unspent amount of R1 371 711 for Tittle- Deeds Restoration Grant with the condition that these funds are fully spent by 30 June 2022.

Additional allocations and amendments of provincial conditional grants

Minister David John Maynier tabled the 2021/22 Western Cape Provincial Adjustment Budget in the Provincial Parliament on 06 December 2021 in terms of the section 30 (2) (c) of the Division of Revenue Act (Act 4 of 2021), read with the Western Cape Adjustments Appropriation (COVID-19) (Act 3 of 2020) and arising from this, grant allocations were reduced, and additional funding added for Stellenbosch Municipality, for the 2021/22 financial year.

This adjustment 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. Regulation 23 (1) and 23 (3) of the Municipal Budget & Reporting Regulations (17 April 2009) also has reference.

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

SPECIAL COUNCIL MEETING: 2022-02-23: ITEM 7.1

The Speaker afforded the Executive Mayor, Ald G Van Deventer (Ms) an opportunity to deliver her Adjustment Budget Speech. (Captured under **Item 2 MAYORAL ADDRESS**).

RESOLVED (majority vote)

(a) that the Adjustments Budget as prescribed by the Budgeting and Reporting Regulations, as set out in **APPENDIX 1 and 2** be approved;

(b) that the list of capital projects be adjusted over the MTREF (2022/2023), as set out in **APPENDIX 1**; and

(c) that the Service Delivery and Budget Implementation Plan be adjusted accordingly inclusive of the non-financial information (performance measurement).

7.2	REVISED TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2021/22

Collaborator No: 723668
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: 16 & 23 February 2022

1. SUBJECT: REVISED TOP LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2021/22

2. PURPOSE

To obtain Council's approval for the revisions made to the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) 2021/22.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The TL SDBIP 2021/22 was approved by the Executive Mayor on 23 June 2021. It is common practice for a municipality, as provided for in the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), to review its performance indicators and targets after approving the adjustments budget. All the changes, which must be deleted and or amended, are indicated with a strikethrough and an underline respectively (for ease of reference). It should be noted that the TL SDBIP 2021/22 is the in-year plan of the municipality, and amendments made to the TL SDBIP 2021/22 must be read in conjunction with the Integrated Development Plan (IDP). Therefore, changes made to the Revised TL SDBIP 2021/22 are considered to be made in the IDP as well.

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

a) KPI018- Target adjusted from 80% to 70%. The target was revised in line with available resources to realistically achieve the planned target.

b) KPI085- Indicator removed due to the difficulty experienced to consult all relevant stakeholders due to the COVID-19 pandemic.

c) KPI075- Target was adjusted from 24 000 to 25 500 to bring it in line with KPI074, KPI076 and KPI077.

d) KPI071- Indicator removed due to the Energy Master Plan which must first be completed before the Electricity Master Plan can be completed.

e) To bring KPIs in line with the adjustments budget.

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

SPECIAL COUNCIL MEETING: 2022-02-23: ITEM 7.2

RESOLVED (majority vote)

(a) that the Revised TL SDBIP 2021/22 be approved;

(b) that the Revised TL SDBIP 2021/22 be published on the Municipal Website; and

(c) that the Revised TL SDBIP 2021/22 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.

FOR FURTHER DETAILS CONTACT:

NAME	*Geraldine Mettler*
POSITION	*Municipal Manager*
DIRECTORATE	*Office of the Municipal Manager*
CONTACT NUMBERS	*021 – 808 8025*
E-MAIL ADDRESS	*mm@stellenbosch.gov.za*
REPORT DATE	*03 February 2022*

7.3	MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR JANUARY 2022

Collaborator No: 723736
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: 16 & 23 February 2022

1. SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR JANUARY 2022

2. PURPOSE

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy 2021/2022 to report the deviations to Council.

3. DELEGATED AUTHORITY

Council. For Noting.

4. EXECUTIVE SUMMARY

Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy (2021/2022) stipulate that SCM deviations be reported to Council. In compliance thereto, this report presents to Council the SCM deviations that occurred during January 2022.

SPECIAL COUNCIL MEETING: 2022-02-23: ITEM 7.3

NOTED

that there were no deviations listed for the month of January 2022.

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	***January 2022***

8.	ITEMS FOR CONSIDERATION FROM THE EXECUTIVE MAYOR OR MAYORAL COMMITTEE: [ALD. G VAN DEVENTER (MS)]

8.1	COMMUNITY SERVICES (PARKS, OPEN SPACES AND ENVIRONMENT): CLLR J JOON

NONE

8.2	CORPORATE SERVICES: [PC: CLLR L NKAMISA]

NONE

8.3	FINANCIAL SERVICES: [PC: CLLR P JOHNSON]

NONE

8.4	HUMAN SETTLEMENTS: [PC: CLLR JS FASSER]

NONE

8.5	INFRASTRUCTURE: [PC: CLLR ZJ DALLING (MS)]

8.5.1	APPROVAL OF THE STELLENBOSCH MUNICIPALITY ROADS & STREETS BY-LAW DELEGATIONS AND ADMISSION OF GUILT FINES

Collaborator No: 723770
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: 16 & 23 February 2022

1. SUBJECT: APPROVAL OF THE STELLENBOSCH MUNICIPALITY ROADS STREETS BY-LAW DELEGATIONS AND ADMISSION OF GUILT FINES

2. PURPOSE

To request approval from Council for the approval of the delegations linked to the approved Roads & Streets By-Law as well as the proposed Admission of Guilt Fines.

3. DELEGATED AUTHORITY

The Stellenbosch Municipality By-Law relating to Roads & Streets was approved by Council on the 24 August 2021.

4. EXECUTIVE SUMMARY

The Stellenbosch Municipality Roads & Streets By-Law (2020) regulates activities and functions on roadways, walkways, and other spaces within road reserves.

Under Section 59: Delegations of the Municipal Systems Act, Council is to approve the proposed delegations of powers in terms of this By-Law to various key officials and incorporate these into the System of Delegations. A proposed set of delegations is shown under **ANNEXURE B**.

Under the provisions of Section 43 of the By-Law, a person convicted of an offence is liable to a fine. A set of proposed Admission of Guilt Fines (AGF) has been attached as **ANNEXURE C**.

SPECIAL COUNCIL: 2022-02-16: ITEM 8.5.1

RESOLVED (majority vote with abstentions)

(a) that the content of this report be noted;

(b) that the set of delegations as proposed in **ANNEXURE B** be approved and incorporated in the System of Delegations; and

(c) that the proposed set of Admission of Guilt Fines (Attached as **ANNEXURE C**) be accepted as the proposed fines to the Chief Magistrate for approval in regard to the transgressions listed in the Stellenbosch Municipality Roads & Streets By-Law adopted on 24 August 2021.

FOR FURTHER DETAILS CONTACT:

NAME	Deon Louw
POSITION	***Director***
DIRECTORATE	***Infrastructure Services***
CONTACT NUMBERS	***021 808 8213***
E-MAIL ADDRESS	***Deon.louw@stellenbosch.gov.za***
REPORT DATE	***February 2022***

8.6	LOCAL ECONOMIC DEVELOPMENT & TOURISM: [PC: CLLR R DU TOIT (MS)]

NONE

8.7	PLANNING, LOCAL ECONOMIC DEVELOPMENT AND TOURISM: [PC: CLLR C VAN WYK (MS)]

NONE

8.8	PROTECTION SERVICES: [PC: CLLR FJ BADENHORST]

NONE

8.9	RURAL MANAGEMENT: [PC: CLLR J WILLIAMS]

NONE

8.10	YOUTH, SPORT AND CULTURE: [CLLR RA ADAMS]

NONE

8.11	MUNICIPAL MANAGER: [MS G METTLER]

8.11.1	ESTABLISHMENT OF SECTION 80 COMMITTEES (PORTFOLIO COMMITTEES)

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **16 February 2022**

1. SUBJECT: ESTABLISHMENT OF SECTION 80 COMMITTEES (PORTFOLIO COMMITTEES)

2. PURPOSES

Council must approve the established the section 80 committee and must appoint the members on these committees.

3. DELEGATED AUTHORITY

Council establishes the committees and appoints the members, whilst the Executive Mayor appoints the Chairpersons.

4. EXECUTIVE SUMMARY

In terms of Section 80 of the Structures Act, if a municipality has an Executive Mayor, it may appoint Committees of Councillors to assist the Executive Mayor.

Such Committees may not in number exceed the number of members of the Executive Committee (10, including the Deputy Executive Mayor).

The Executive Mayor, *inter alia:-*

- appoints a Chairperson for each Committee; and
- may delegate any powers and duties of the Executive Mayor to the Committee.

Such Committee(s) must assist the Executive Mayor in accordance with the directions of the Executive Mayor and in line with the provisions as indicated in section 80.

The members are appointed by council in accordance with the principle of representation amongst the number of members allocated to each committee.

The previous council accepted terms of references for each committee which are now outdated and needs to be revised.

SPECIAL COUNCIL: 2022-02-16: ITEM 8.11.1

RESOLVED (nem con)

(a) that it be noted that Council approved the following Section 80 portfolio committees on 23 November 2021:

- Corporate Services;
- Planning
- Financial Services;
- Human Settlements;
- Infrastructure Services;
- Protection Services
- Local Economic Development and Tourism
- Rural Management
- Youth, Sport and Culture
- Parks, Open Spaces and Environment

(b) that the following members be appointed to the section 80 Committees

Corporate Services, total 4 members:

DA – 3
Opposition – 1

L Nkamisa (DA) - Chairperson
J C Anthony (DA)
J Serdyn (DA)
M Rataza (ANC)

Planning total 5 members:

DA – 3
Opposition – 2

C van Wyk (DA) – Chairperson
A Hanekom (DA)
J C Anthony (DA)
M Danana (ANC)
R Hendrickse (GOOD)

Financial Services, total 5 members:

DA – 3
Opposition – 2

P Johnson (DA) – Chairperson
W Petersen (DA)
E Groenewald (DA)
A Tomose (ANC)
R Hendrickse (GOOD)

Human Settlements, total 5 members:

DA – 3
Opposition – 2

J Fasser (DA) – Deputy Executive Mayor – Chairperson
E Vermeulen (DA)
J Serdyn (DA)
N Ntsunguzi (ANC)
M van Stade (GOOD)

Infrastructure Services, total 5 members:

DA – 3
Opposition – 2

Z Dalling (DA) – Chairperson
R van Rooyen (DA)
N Mcombring (DA)
R Nalumangu (ANC)
Z Ndalasi (EFF)

Protection Services, total 5 members:

DA – 3
Opposition – 2

R Badenhorst (DA) – chairperson
C Manuel (DA)
A Hanekom (DA)
M Nkopane (ANC)
N Mkhontwana (EFF)

Local Economic Development and Tourism, total 4 members:

DA - 3 members
Opposition – 1 member

R Du Toit (DA) – Chairperson
N Mcombring (DA)
R Pheiffer (DA)
I De Taillerfer (VF)

Rural Management, total 4 members:

DA - 3
Opposition - 1

J Williams (DA) – Chairperson
X Mdemka (DA)
C Manuel (DA)
E Masimini (ANC)

Youth, Sport and Culture, total 5 members of which:

DA – 3
Opposition – 2

R Adams (DA) – Chairperson
R Pheiffer (DA)
R van Rooyen (DA)
C Noble (Good)
J Andrews (PA)

Parks, Open Spaces and Environment total 4 members –

DA –3
Opposition –1

J Joon (DA) – Chairperson
E Vermeueln (DA)
A Hanekom (DA)
M Nkopane (ANC)

(c) that it be noted that the Executive Mayor have appointed the chairpersons to the committees on 23 November 2021;

(d) that the current terms of reference for all section 80 committees be adopted; and

(e) that the various terms of references be referred to the relevant section 80 committees for revision after which said items must be re-submitted to Mayco and subsequent to Council for final adoption.

FOR FURTHER DETAILS CONTACT:

NAME	Annalene de Beer
POSITION	***Director***
DIRECTORATE	***Corporate Services***
CONTACT NUMBERS	***021 808 8018***
E-MAIL ADDRESS	***Annalene.deBeer@stellenbosch.gov.za***
REPORT DATE	***8/2/2022***

8.11.2	AMENDMENT OF DECISION IN REGARD TO SECTION 78(4) ON THE PROVISION OF A PARKING SERVICE TO THE PUBLIC

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **16 February 2022**

1. SUBJECT: AMENDMENT OF DECISION IN REGARD TO SECTION 78(4) ON THE PROVISION OF A PARKING SERVICE TO THE PUBLIC

2. PURPOSE

To request approval from Council to review, rescind and amend the decision of a Council resolution taken on 26 February 2020 in regard to the management of single level parking internally to allow the outsourcing of the management of off-street parking to a third party(ies) on a short-term basis as a pilot.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Council has launched and completed a Section 78 process to determine methods of providing parking as required by the Constitution Schedule 5B. Council inter alia resolved as follows on 26 February 2020 when considering Section 78(4):

"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:

*a. Provision of open one level parking space needs, be performed on **an internal mechanism***
b. Provision of multi storied parking space needs, be performed on an external mechanism."

Council also indicated that Eikestad Mall and Techno Park should be the areas where multi story parking should be used.

The administration implemented this decision after the pervious service provider's tender came to an end and started to manage the on street and off-street parking internally as a pilot project. It has however become clear over the last more than nine months that the internal option to manage the parking is not viable as an long term solution. We have investigated other options and we have received requests from the retailers situated at the mayor retail areas Pick-and-Pay, Checkers and Eikestad Mall Council that they will be willing to manage these areas whilst renting the properties. It is therefore proposed that council review, rescind and amend the decision on 26 February 2020 to allow for the management of off-street parking at the three (3) single level areas adjacent to the retail outlets of Pick and Pay, Checkers and the Eikestad Mall to be outsourced to Checkers, Pick and Pay and the Eikestad Mall on an interim basis as a pilot and after the advertising of council's intention to lease the areas and the management thereof to them for public for comment. The comments will be brought back to council before a final decision on the leasing and management of these areas by the proposed companies.

Council is also requested to allow an interim short-term solution of an external management of a Service Delivery Mechanism of off-street parking while a proper long term external service delivery option is investigated and implemented.

SPECIAL COUNCIL: 2022-02-16: ITEM 8.11.2

RESOLVED (nem con)

(a) that the content of this report be noted;

(b) that it is noted that a MSA section 78 (3) investigation was done to which Council took a section 78 (4) decision on 26 February 2020;

(c) that Council now review, rescind and replace 4.5 of the 26 February 2020 decision to read as follows:
"4.5 that Council, in terms of the MSA Act 32 of 2000 as amended, section 78 (4), accepts that the method of providing parking generally be considered as follows:

a Provision of open one level **off-street** parking space needs, be performed on **an external service delivery Mechanism except where the internal mechanism is clearly more viable and effective; "**

(d) that the two requests of the management of the following parking spaces:

a Checkers Complex Parking, **ANNEXURE A**

b Stelmark Centre Parking, **ANNEXURE B**

be approved in principle as interim pilot projects for a period of not more than three years.

(e) Council confirm that Eikestad multi-level parking will be done through a Public-Private Partnership as envisage in the Section 78 (3) report,

(f) that given the project life cycle for PPP process the parking be leased out a short-term base until the PPP process is finalised.

(g) that the intention to outsource the management of these areas on an interim basis be advertised for public comment; and

(h) that after the public participation process the comments be considered by Council before a final decision is taken.

FOR FURTHER DETAILS CONTACT:

NAME	Deon Louw
POSITION	***Director***
DIRECTORATE	***Infrastructure Services***
CONTACT NUMBERS	***021 808 8213***
E-MAIL ADDRESS	***Deon.louw@stellenbosch.gov.za***
REPORT DATE	***10 February 2022***

8.11.3	ESTABLISHMENT OF A DISCIPLINARY COMMITTEE

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **23 February 2022**

1. SUBJECT: ESTABLISHMENT OF A DISCIPLINARY COMMITTEE

2. PURPOSE

For Council to establish a Disciplinary Committee for the Stellenbosch Council.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

By virtue of the termination of the 2016-2021 Council's term of office, the former 5-member Disciplinary Committee has also dissolved. It is prudent for the newly elected Council to establish a Disciplinary Committee to assist in the discipline of Councillors by conducting disciplinary hearings and to make recommendations to Council in terms of its findings.

SPECIAL COUNCIL: 2022-02-16: ITEM 8.11.3

RESOLVED (nem con)

that the following Councillors serve on the Disciplinary Committee:

Cllr R Badenhorst (DA)
Cllr C Van Wyk (Ms) (DA)
Cllr J Fasser (DA)
Cllr N Rataza (ANC)
Cllr R Hendrickse (GOOD)

FOR FURTHER DETAILS CONTACT:

NAME	Annalene de Beer
POSITION	***Director***
DIRECTORATE	***Corporate Services***
CONTACT NUMBERS	***021 808 8018***
E-MAIL ADDRESS	***Annalene.deBeer@stellenbosch.gov.za***
REPORT DATE	***16/2/2022***

8.11.4	RECRUITMENT AND SELECTION PROCESS OF THE DIRECTOR: INFRASTRUCTURE SERVICES: ROUND 2

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **Special Council: 23 February 2022**

1. RECRUITMENT AND SELECTION PROCESS OF THE DIRECTOR: INFRASTRUCTURE SERVICES: ROUND 2

2. PURPOSE OF REPORT

To provide feedback to Council and to obtain Council's approval to re-advertise the Director Infrastructure Services position.

3. DELEGATED AUTHORITY

Municipal Council

4. EXECUTIVE SUMMARY

The contract period of Mr Deon Louw, Director Infrastructure Services comes to an end on 30 April 2022. It is therefore critical to continue with the recruitment and selection process for the Director Infrastructure Services to cultivate stability within the Directorate. The position was advertised and closed on 14 January 2022. A Service Provider was appointed as per Council approval. A Selection Panel was also appointed as per Council's approval.

The Service Provider compiled a longlist whereafter the Selection Panel proceeded with the shortlisting process on 04 February 2022.

One (1) of the two (2) shortlisted candidates withdrew from the process therefor the request to re-advertise as there is no way to measure the remaining candidate.

SPECIAL COUNCIL: 2022-02-16: ITEM 8.11.4

RESOLVED (majority vote)

(a) that as recommended by Council approves the re-advertisement in order to continue recruitment and selection process of the Director Infrastructure Services; within the budgetary framework;

(b) that the advertisement indicates a minimum of 10 years and/or open a negotiated period for the preferred candidate;

(c) that the current selection panel remain unchanged to ensure continuity of the process;

(d) that the independent external consultant appointed to assist with the recruitment and selection process in line with abovementioned Regulations, Roy Steele and Associates CC, continue with the process;

(e) that should a suitably qualified candidate not be appointed during this round; the Municipal Manager be mandated to commence with the next round/s of the recruitment and selection process; and

(f) that should the recruitment and selection process not be finalised by the end of Mr Deon Louw's, the current Director Infrastructure Services, contract of employment, an Acting Director Infrastructure Service be appointed for 3 months, within the legal framework.

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	*14 February 2022*

9.	URGENT MATTERS

NONE

10.	MATTERS TO BE CONSIDERED IN–COMMITTEE

NONE

The meeting adjourned at 12:00.

CHAIRPERSON: ……

DATE: ……

Confirmed on …… **with**

8.	**STATUTORY MATTERS**

8.1	**ANNUAL REPORT OVERSIGHT REPORT 2020/21**

Collaborator No: **726543**
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **23 March 2022 and 30 March 2022**

1. SUBJECT: ANNUAL REPORT OVERSIGHT REPORT 2020/21

2. PURPOSE

To submit to Council, the Annual Report Oversight Report 2020/21 for **Adoption**.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The Draft Annual Report 2020/21 was referred by Council, on 28 January 2022, to the Municipal Public Accounts Committee (MPAC) which fulfilled the functions of the Oversight Committee. The appointment and mandate of the MPAC / Oversight Committee were informed by the MFMA Circular 32 of 2006.

Committee members, including the two co-opted members, scrutinised the Draft Annual Report 2020/21 and requested, where required, responses from the relevant Directorates. The Annual Report 2020/21 was objectively reviewed by the MPAC Members to ascertain whether the Annual Report 2020/21 is a true and accurate reflection of the municipality's performance for the 2020/21 financial year.

The public was invited to attend a public hearing and to submit any representations on the Draft Annual Report 2020/21. All the councillors were also invited to attend the public hearing and to deliberate on the Draft Annual Report 2020/21.

No members of the community attended the public hearing.

5. RECOMMENDATIONS

(a) that Council, having fully considered the Annual Report Oversight Report 2020/21 of the Stellenbosch Municipality, ADOPTS the Annual Report Oversight Report 2020/21;

(b) that Council, having fully considered the Annual Report 2020/21, attached as Annexure B to the Annual Report Oversight Report 2020/21, APPROVES the Annual Report 2020/21 without any reservations;

(c) that the Annual Report Oversight Report 2020/21 be made public in accordance with Section 129(3) of the MFMA, and;

(d) that the Annual Report Oversight Report 2020/21 be submitted in accordance with Section 129(2) and 132(2) of the MFMA to the Auditor General of South Africa, Provincial Treasury: Western Cape, Department of Local Government: Western Cape and the Provincial Legislature: Western Cape.

6. DISCUSSION

6.1 Background

The format of the Annual Report 2020/21 is guided Nationally by the MFMA Circular 63 of 2012, which seeks to establish uniform reporting by all municipalities. It is envisaged with this template that national and provincial governments can better benchmark municipalities when there is a single reporting framework.

The Draft Annual Report 2020/21 was completed and submitted to Council on 28 January 2022. As prescribed by legislation, the Draft Annual Report 2020/21 was released for public comment on 03 February 2022. Comments on the Draft Annual Report 2020/21 closed on 28 February 2022. No feedback from the community was received on or before 28 February 2022. However, Provincial Treasury made a written submission to the municipality on 25 February 2022. This submission was presented to the MPAC on 28 February 2022.

All Directorates were presented with the opportunity to review their information and to provide feedback at the MPAC.

The MPAC Annual Report Oversight Report 2020/21 is attached hereto as **ANNEXURE A.**

Commentary from the MPAC and responses from Directorates are incorporated as **ANNEXURE A** of the MPAC Annual Report Oversight Report 2020/21.

The Final Annual Report 2020/21 is attached to the MPAC Annual Report Oversight Report 2020/21 as **ANNEXURE B.**

6.2 Financial Implications

There are no financial implications beyond that which has been provided for in the 2021/22 MTREF Budget.

6.3 Legal Implications

In terms of Section 129(1) of the MFMA:

"The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council has -

(a) approved the annual report with or without reservations;

(b) rejected the annual report; or

(c) referred the annual report back for revision of those components that can be revised."

6.4 Staff Implications

This report has no additional staff implications to the Municipality.

6.5 Risk Implication

None

6.6 Previous / Relevant Council Resolutions

Item 8.1 of the 2nd Meeting of the Council of Stellenbosch Municipality.

6.7 Comments from Senior Management

6.7.1 Director: Community and Protection Services

Supported

6.7.2 Chief Financial Officer

Supported

6.7.3 Director: Infrastructure Services

Supported

6.7.4 Director: Corporate Services

Supported

6.7.5 Director: Planning and Economic Development

Supported

6.7.6 Comments from the Municipal Manager

Supported

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-03-23: ITEM 6.1

(a) that Council, having fully considered the Annual Report Oversight Report 2020/21 of the Stellenbosch Municipality, ADOPTS the Annual Report Oversight Report 2020/21;

(b) that Council, having fully considered the Annual Report 2020/21, attached as **ANNEXURE B** to the Annual Report Oversight Report 2020/21, APPROVES the Annual Report 2020/21 without any reservations;

(c) that the Annual Report Oversight Report 2020/21 be made public in accordance with Section 129(3) of the MFMA, and;

(d) that the Annual Report Oversight Report 2020/21 be submitted in accordance with Section 129(2) and 132(2) of the MFMA to the Auditor General of South Africa, Provincial Treasury: Western Cape, Department of Local Government: Western Cape and the Provincial Legislature: Western Cape.

ANNEXURES

Annexure A: Annual Report Oversight Report 2020/21

FOR FURTHER DETAILS CONTACT:

NAME	Geraldine Mettler
POSITION	Municipal Manager
DIRECTORATE	Office of the Municipal Manager
CONTACT NUMBERS	021 – 808 8025
E-MAIL ADDRESS	mm@stellenbosch.gov.za
REPORT DATE	08 March 2021

ANNEXURE A

STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

ANNUAL REPORT OVERSIGHT REPORT 2020/21

This Oversight Report is based on the Annual Report 2020/21 and is drafted and submitted in accordance with the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)

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1. INTRODUCTION

The annual report is one of the key instruments of transparent governance and accountability. It is a post-financial year document that provides an overview of the process of financial and non-financial performance in respect of the previous financial year, which in this instance relates to the 2020/21 financial year. The tabling and adoption of the annual report is a legislative requirement in terms of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

1.1 PURPOSE

The purpose of this report is to present to Council for adoption, the Annual Report 2020/21 as well as the Annual Report Oversight Report 2020/21, as required in terms of Section 129 of the MFMA.

2. ANNUAL REPORT 2020/21

2.1 LEGAL FRAMEWORK

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

121. Preparation and adoption of annual reports.

(1) Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

(2) The purpose of an annual report is—

(a) to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;

(b) to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and

(c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

127. Submission and tabling of annual reports

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

129. Oversight reports on annual reports.

(1) The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council—

(a) has approved the annual report with or without reservations;

(b) has rejected the annual report; or

(c) has referred the annual report back for revision of those components that can be revised.

2.2 COMPONENTS OF THE ANNUAL REPORT

The format of the Annual Report 2020/21 is based on the annual report template issued by the National Treasury in terms of the MFMA Circular 63 of 2012, which differs significantly from the Annual Report Guidelines (MFMA Circular 11) issued by the National Treasury in 2005.

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

3. ANNUAL REPORT 2020/21 CONSULTATION AND ADOPTION PROCESS

3.1 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

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

As required by the MFMA, the Municipal Manager attended the Council Meeting where the Annual Report 2020/21 was tabled (28 January 2022) to be released for public comment as well as the MPAC Meetings to answer questions posed by MPAC Members and to respond to written and oral representations from the community. All the councillors were also invited to attend the public hearing and to deliberate on the Draft Annual Report 2020/21.

No members of the community attended the public hearing.

The attendance of the MPAC members for the purpose to review the Draft Annual Report 2020/21 are recorded as follows:

TABLE 1: MPAC MEETINGS

Name	MPAC Meetings					
	07 February 2022 Orientation and Review of Chapters 1,2 and 3	10 February 2022	14 February 2022 (Public Hearing)	21 February 2022	28 February 2022 and site visits	07 March 2022
Cllr Wilfred Pietersen (MPAC Chairperson)	☺	☺	☺	☺	☺	☺
Cllr Ansaaf Crombi (MPAC Member)	☺	☺	☺	☺	☺	☺
Cllr Annemarie Ferns (MPAC Member)	☺	☺	☺	☺	☺	☺
Cllr Nokuthula Gugushe (MPAC Member)	☺	☺	😐	☺	😐*	☹
Cllr Xolile Kalipa	☹	☺	☺	☺	☺	☺
Cllr Ndipiwe Olayi	☺	😐	☹	☺	☺	☹
Cllr Otniel Linden Jooste	☺	☺	☺	☹	☺	☹
Ms Emily Fredericks (MPAC Member)	☺	☺	☺	☺	☺	☺
Mr Jacobus Davids (Co-opted Member)	☺	☺	☺	☺	☺	☺

☺ - Attended 😐 - Absent with an apology ☹ - Absent without an apology

** Submitted a medical certificate*

3.2 ADOPTION AND PUBLIC CONSULTATION PROCESS

The Annual Report 2020/21 was tabled in Council on 28 January 2022 in accordance with the MFMA, which requires under Section 127(2) that:

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

In terms of Section 121(3) of the MFMA, the Annual Report of a municipality or municipal entity must include the following core components. These core components are formally 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 Draft Annual Report 2020/21 was made public on the Municipal Website within five (5) days and within seven (7) days in the local newspaper after it was approved by Council on 28 January 2022. In addition, the Annual Report 2020/21 was also made available at all Municipal Libraries and other identified offices where the public could access the report.

Members of the community and other stakeholders were invited to submit written comments / inputs on the Draft Annual Report 2020/21. The councillors, the community and other stakeholders were also invited to attend the public hearing which was held on **14 February 2022** to present the MPAC with any oral or written inputs on the Draft Annual Report 2020/21.

The Draft Annual Report 2020/21 was furthermore submitted in terms of Section 127(5)(b) to the Auditor General of South Africa (AGSA), Provincial Treasury (Western Cape) and the Department of Local Government (Western Cape).

The closing date for public comments was 28 February 2022. No written submissions from the public were received.

The Provincial Treasury: Western Cape submitted written comments on the Draft Annual Report 2020/21 on 24 February 2022. These comments were tabled and considered by the MPAC on 28 February 2022.

3.3 HIGHLIGHTS IDENTIFIED IN THE DRAFT ANNUAL REPORT 2020/21

The MPAC noted and congratulated the Stellenbosch Municipality on the announcement by the Auditor General of South Africa (AGSA) that the municipality received a **clean audit outcome for the 2020/21 financial year**. Stellenbosch Municipality is once again able to report credible and reliable financial and performance results. The clean audit outcome reflects that the municipality maintained a healthy financial position and that all money spent is properly accounted for. The latest audit outcomes mark the 14th consecutive year of unqualified audit outcomes for the Stellenbosch Municipality.

Further highlights and words of gratitude were identified as outlined below:

1. MPAC members noted that the MPAC Orientation Session held on 07 February 2022 was very successful and insightful;
2. Great leadership was shown from the Executive Mayor, Municipal Manager and administrative team as a result of the clean audit obtained for the Stellenbosch Municipality, despite the challenges posed by the COVID-19 pandemic;
3. Public participation awareness through the Stellenbosch Citizen App;
4. MPAC take note of the Economic Hub for local entrepreneurs (CoCreate Hub);
5. The Municipal Manager was commended for her outstanding leadership and strategic guidance during the year under review;
6. Ward committee meetings and public meetings were held, despite the COVID-19 pandemic,
7. The MPAC expressed their delight that Erf 2183, La Rochelle, Klapmuts, was identified for housing development; and
8. The actual capital budget expenditure for most of the departments was noted as satisfactory when considering the impact of the pandemic.

3.4 MPAC SITE VISITS

The Draft Annual Report 2020/21 highlighted a number of projects either completed or in various stages of completion. The MPAC identified a number of projects and conducted site visits on Monday 28 February 2022. The purpose of the visit was to verify the progress on the implementation of the projects against the reported information, which is outlined in the table below:

TABLE 2: MPAC SITE VISITS

Project name	Area verification of the project by MPAC	Status as per Annual Report	Current status of the project	Remarks by MPAC
Follow up on the Waste Material Recovery Facility	Devon Valley	Follow up visit	Follow up visit	None
Longlands Housing Project	Longlands, Devon Valley	Multi-Year Project	In progress	None
Follow up on the Agricultural Property Small Farmers Allocation: Mr H Arendse	Jamestown	Follow up visit	Follow up visit	Mr H Arendse to contact the Section: Local Economic Development (LED) with regards to expansion and development of unused land and Mr Smit to assist with the application for establishing a permanent structure (packhouse).
Okuhle Connies Educare (ECD Centre)	Kayamandi	100%	100%	The Section: Community Development to possibly assist the ECD centre with further sponsors.
EPWP Projects – Street Sweeping	Cloetesville	100%	To be visited again	To take it up with the department that no workers were on site.
Upgrading of the Ida's Valley Fire Station	Ida's Valley	100%	100%	None
Upgrading of the Waste Water Treatment Works (WWTW)	Pniël	Multi-Year Project	Multi-Year Project	None
	Wemmershoek	Multi-Year Project	Multi-Year Project	The workers on-site to focus on wearing PPE clothing and to adhere to the COVID-19 protocols (wearing of masks)

The new waste material recovery facility (MRF) was launched by the Executive Mayor, Adv G van Deventer, on 25 March 2021 and is currently fully operational. The MRF serves as a place where recyclables are taken to, grouped, baled and provided to companies for use as raw material in the manufacturing of new products. The sorted recyclables have a much higher value than mixed recyclables and will be easily accepted into the booming recycling market. The facility also features a public drop-off area, which will allow residents to bring garage and recyclable waste to dispose of responsibly.

Effective progress was seen on the municipal land that was allocated to Mr H Arendse to plant fresh produce and to create job opportunities. After the MPAC site visit in April 2021, Mr Arendse requested more water supply and additional land.
To date, the success of this emerging farmer pays off as it is evident how the unused land was transformed into a variety of herbs and vegetables. Mr Arendse further indicated that storage capacity remains a challenge and the municipality will be contacted for additional support as the need arise.

The Okuhle Connies Educare is successfully established with the support of the Grant in Aid scheme funded by the Stellenbosch Municipality. The head master shared the story of how her home was redesigned to fulfil her passion for the kids and to nurture them. The facility was well and neatly presented with classrooms full of educational visuals.

The Ida's Valley Fire Station was upgraded with a modern corporate boardroom and CCTV control room, firehouse for the firefighters as well a state-of-the-art fire fighting vehicle. The new fire fighting vehicle is made in South Africa and the municipality was the first municipality in the country to receive this particular model (*Marce 4×4 CAFS Pum*per) and two all-terrain double cab response vehicles.
The municipality is very proud of this latest addition to the fleet as it will improve and modernise the firefighting capabilities by keeping communities safer and serving towns for generations to come.

The construction of the 4.5 Ml/day Pniël Waste Water Treatment Works (WWTW) upgrade commenced within the 2019/20 financial year and it is estimated that the project will be completed within the 2021/22 financial year. The municipality will only commission the new section of the plant in the 2021/22 financial year if Eskom does the necessary upgrading. The full upgrade will only be operational in the 2022/23 financial year as the construction to change the process on the old section of the plant can only commence once the new section is operational.

The intent of the upgrade at the Wemmershoek WWTW was to increase the capacity from 3ML/day to 7ML/day in phases to eradicate the Franschhoek WWTW challenges. Thus, the upgrade is necessary in order to address the challenges with the current NERADA technology at the Wemmershoek WWTW.

4. CONCLUSION

As MPAC, we are of the opinion that the Annual Report 2020/21 is a **true and accurate reflection** of the Stellenbosch Municipality's financial and non-financial performance for the 2020/21 financial year.

The oversight process on the Annual Report 2020/21 is herewith concluded and as Chairperson of the MPAC, I would like to thank the MPAC Committee Members, the Executive Mayor and Mayoral Committee, the Municipal Manager, Directors, Senior Managers, as well as all the officials for their contribution to the development and finalisation of the Annual Report 2020/21. Their diligence and constructive commitment during this oversight period are noted and appreciated.

5. RECOMMENDED RESOLUTION TO BE ADOPTED BY COUNCIL

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

1. That Council, having fully considered the Annual Report Oversight Report 2020/21 of the Stellenbosch Municipality, **ADOPTS** the Annual Report Oversight Report 2020/21;
2. That Council, having fully considered the Annual Report 2020/21, attached hereto as Annexure B, **APPROVES** the Annual Report 2020/21 without any reservations;
3. That the Annual Report Oversight Report 2020/21 be made public in accordance with Section 129(3) of the MFMA, and;
4. That the Annual Report Oversight Report 2020/21 be submitted in accordance with Section 129(2) and 132(2) of the MFMA to the Auditor General of South Africa, Provincial Treasury: Western Cape, Department of Local Government: Western Cape and the Provincial Legislature: Western Cape.

CLLR WILFRED PIETERSEN
MPAC CHAIRPERSON

DATE: 7 MARCH 2022.

MPAC Site Visits





Material Recovery Facility





Longlands Vlottenburg (±144 Services and ±144 units)





Mr H Arendse, Agricultural Land





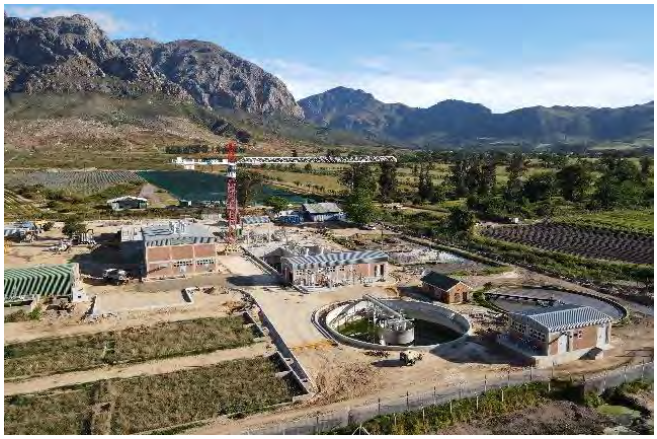




Okuhle Connies Educare



Idas's Valley Fire Station



Pniël WWTW



Wemmershoek WWTW

Annexure A:

MPAC Comments and Feedback from Directorates

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MPAC COMMENTS AND FEEDBACK FROM DIRECTORATES

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MPAC COMMENTS AND FEEDBACK FROM DIRECTORATES

1. Directorate: Office of the Municipal Manager

OFFICE OF THE MUNICIPAL MANAGER			
Page no.	**Comment/s**	**Response**	**Responsible Department**
10	Under the heading, Strategic Focus Area, indicate if it is a norm that the strategic focus areas remain the same as the previous FY?	The municipality indicated that the Strategic Focus Areas have not changed as the priorities / objectives are the same. This was discussed at strategic sessions.	Office of the Municipal Manager
	Under figure 1, Strategic Focus Area 1, indicate what infrastructure investments are generated to the benefit of the community.	The municipality indicated that the spending on infrastructure and infrastructure upgrades is creating an enabling environment.	Office of the Municipal Manager
	Under figure 1, Strategic Focus Area 1, indicate what measurements are in place to encourage developers to employ people from local areas?	The municipality indicated that it does not have control over who and how developers employ people. According to the municipal mandate the National Policies are being adhered to which states to include local labour in contracts / tenders and reports to Provincial Treasury on a regular basis. COVID-19 had an impact on industries. The municipality is compelled to report on the procurement delivery processes and will put measures in place for developers to comply with the request.	Office of the Municipal Manager
11	Under the heading, Core Principles in Executing the strategy, fourth paragraph. Clarify if the total wards are correct.	The municipality indicated the wards are reported as at 30 June 2021 before the 2021 local government elections where one ward was added.	Office of the Municipal Manager
13	Under table 1, indicate what was the percentage for access to basic services for the previous financial year, and does it show an improvement?	The municipality indicated that the statistics were based on the MERO 2020. The latest MERO was not available when the Draft Annual Report was compiled. All statistics will be updated in the Final Annual Report 2020/21.	Office of the Municipal Manager
	Will the statistics be updated in the final annual report?		Office of the Municipal Manager
14	Under the heading, State of the Greater Stellenbosch, paragraph six, indicate the organisations who assisted with the neglected communities?	The municipality referred the MPAC to pages 174-178 where a detailed breakdown is given on organisations assisted on various aspects.	Office of the Municipal Manager
18	Under the heading, Age Cohorts, the word "was" needs to be corrected with "will be".	The municipality takes note and will update the grammar accordingly.	Office of the Municipal Manager
	It is requested to update the statistics in the socio-economic section.	The municipality takes note and will update the semantics and grammar accordingly.	Office of the Municipal Manager
	Under 1.6.4: Household sizes, clarify what the 3,7 refers to?	The municipality indicated that the calculations were done by the Department of Social Development and not the municipality.	Office of the Municipal Manager
38	Under table 25, the challenges reflect a negative image of the municipality.	The municipality indicated the comments for ICT and Communication should be deleted. The municipality takes note and will update the draft Annual Report 2020/21 accordingly.	Office of the Municipal Manager
43	Under table 30, indicate if the fraud hotline is still in use and necessary? People tend to call in and make false allegations.	The municipality indicated that a municipality must have a fraud hotline.	Office of the Municipal Manager

OFFICE OF THE MUNICIPAL MANAGER			
Page no.	**Comment/s**	**Response**	**Responsible Department**
95	Under table 113, noted that the licensing and control of people selling food to the public is not a function of the municipality. People are selling ready-made foods as well a lot of informal shops without licenses. What measures are in place to eradicate this.	The municipality indicated that the function resorts under the District Municipality where a health inspector will investigate if a premise is compliant to sell food and will issue a permit. The municipality request that all complaints be addressed to the District Municipality.	Office of the Municipal Manager
96	Under table 114, the indigent households should be verified.	The municipality indicated that the indigent households for the 2020/21 financial year are correct and do not include indigent households in informal settlements.	Office of the Municipal Manager
101	Under table 119, replace "Rosedal" with Rozendal. This must be corrected throughout the Draft Annual Report 2020/21.	The municipality takes note and will update the Annual Report 2020/21 accordingly.	Office of the Municipal Manager
120	Table 113: Replace the heading "electricity services" to waste management services.	The municipality take note and will update the heading description accordingly.	Office of the Municipal Manager
172	A different heading for pauper burials as no burials	The municipality will exclude the service statistics for cemeteries and update it in the Final Annual Report 2020/21 – a better definition of pauper burials.	Office of the Municipal Manager
ANNUAL PERFORMANCE REPORT			
9	Clarify the annual actual for TL59?	Addressed in the performance comment and improvement plan.	Office of the Municipal Manager
15	TL60 does not give a true reflection of what is recorded in the section as stated only 3 SMMEs were conducted.	The municipality indicated that departments set goals and deliverables that should be achieved at the end of a financial year. The Annual Performance Report is quarterly audited by the internal audit unit and annually by the Auditor-General. Addressed in the performance comment and improvement plan.	Office of the Municipal Manager

2. Directorate: Infrastructure Services

INFRASTRUCTURE SERVICES			
Page no.	**Comment/s**	**Response**	**Responsible Department**
33	Under Key Basic Services, 1.7.1, figure 16, confirm if the Klapmuts Taxi Rank was upgraded or completed in the 2020/21 financial year?	The municipality indicated that the highlight refers to phase 1 which was the civil and roadworks phase. Phase 2 was the construction of the top structures and completion of the Taxi Rank.	Transport
35	Under Key Basic Challenges, table 17, "Increasing infrastructure backlogs". Explain what measures are in place to eradicate the lack of staff capacity as it was picked up through the entire Draft Annual Report 2020/21?	The municipality indicated that electricity posts are identified as a scarce skill and do have a challenge when it comes to specialised services to get the correct staff at the salary that is offered. Each municipality must adhere to the grading in terms of the ratio calculated by the National Treasury for employee costs. The municipality indicated the requirements for electricians were lowered. However, these appointees must then be trained to be effective as the municipality doesn't get the necessary incumbents.	Electrical Services
	There are things called exemptions, to apply for the norms set in terms of attracting skilled people. The process is a tireless process when after training the person the municipality Is there no room to be exempted in the electricity field, the salary attached to the post	The Electricity Act is very clear in terms of what type of qualification to work on what type of work is being done. And cannot compete with the Metro's salary scale.	
35	Under Key Basic Challenges, table 17, "Damages to electricity cable network by fibre optic installers". Indicate what other innovative measures are in place to curb damages to the electricity cable network by fibre optic installers?	The municipality indicated that it is not in control of the installation of the optic fibre but monitors how service providers operate nearby municipal assets.	Electrical Services
58	Under the heading, Infrastructure, last paragraph. Indicate what is the AMEU Project and covers the whole WC024 and should rephrase the paragraph for ease of better reading?	The municipality indicated that the AMEU is not a project, but an association the Municipality Affiliates with. The last sentence in section (d), was misaligned. It forms part of the Hot Water Load Control project and yes, the project (Hot Water Load Control) is for the entire WCO24. The municipality takes note and will correct rephrasing in the Final Annual Report 2020/21.	Electrical Services
101	Under table 119, explain the spending for Rozendal and the zero spending on the bulk water supply in Klapmuts?	The municipality indicated for the spending on the New Reservoir: Rozendal that the budget was put on hold and will follow in the 2021/22 financial year. The reflected expenditure for the bulk water supply in Klapmuts is incorrect and should be 100%.	Water and Wastewater Services
102	Under table 120, Sanitation Service Delivery Levels, indicate why no reporting was reported on the sanitation service delivery levels under "pit toilet".	The municipality indicated that pit toilets are not provided as a sanitation service.	Water and Wastewater Services
104	Under the heading, Electricity, provide a description of the Hot Water Load Control Project.	The municipality indicated that it is a project where the municipality installs an Appliance Control Device (ACD) to switch off, during peak time, all electrical hot water cylinders installed. This is done to shift the total load during peak time and therefore helps the municipality to save on demand.	Electrical Services

INFRASTRUCTURE SERVICES			
Page no.	**Comment/s**	**Response**	**Responsible Department**
105	Under the heading, Electricity losses, indicate why the electricity losses were recorded the same as the previous financial year of 48%.	The municipality indicated it is the same issue with the take-over from Drakenstein. **Note from the previous Annual Report:** "The Municipality had meetings with role players in terms of the 48% in losses. The meters that Drakenstein put in were investigated and a comparison was made with the set of meters Stellenbosch Municipality has put in place which indicated that all meters were correct. Further investigation was to see whether the municipality actually billed those customers (which the municipality took over). If consumers paid the accounts to the Drakenstein Municipality then it can be claimed from the Drakenstein Municipality. Check meters have been installed at the intake point and more meters will be installed in the mini-substations. The Stellenbosch Municipality acted on the list received from the Drakenstein Municipality. The Stellenbosch Municipality can only act in terms of the bylaw by demanding payments on arrear accounts.	Electrical Services
109	Under table 129, confirm if the totals are correct for wheelie bin distribution.	The municipality confirmed that the totals are correct for the annual wheelie bin distributions: Broken bins: 208 New bins: 239 Stolen bins: 279 Additional bins: 99	Solid Waste Management Services
110	Under the heading, Green Waste Chipping, clarify why a contractor was appointed in the 2020/21 financial year if there was a contractor already on site at the previous MPAC site visit at the recycling waste facility last year as per the Annual Report 2019/20?	The municipality indicated there were challenges with the previous contractor during the 2019/20 financial year and had to re-tender. At the time of the site visit by the MPAC, the new contractor was appointed who was already on site.	Solid Waste Management Services
112	Under the heading, Relocation of Eskom Power Lines, paragraph 3, explain how feasible is it to use methane mining for electricity services deliverance? Will half an MW (megawatt) of energy be sufficient to power a sewage plant on its own?	The municipality indicated that the Act does not allow the build-up of methane on landfill sites therefore the landfill has to remove the gas from the landfill. The municipality indicates that by law the methane must be extracted and the landfill site.	Solid Waste Management
114	Under the heading, Relocation of Eskom Power Lines, indicate to who does the lines belong?	The municipality indicated that the relocation of the Eskom power lines is to create space for the expansion of the landfill site. The power lines belong to Eskom. It is Eskom Infrastructure.	Electrical Services

3. Directorate: Planning and Economic Development

PLANNING AND ECONOMIC DEVELOPMENT SERVICES			
Page no.	**Comment/s**	**Response**	**Responsible Department**
34	Under table 17, will the Erf 7001, Cloetesville (Soek Mekaar) SCM process be re-opened in the current financial year?	Yes.	Integrated Human Settlements
	Under table 17, explain the challenges experienced in Kayamandi Town Centre	The municipality referred the MPAC to the column which lists the actions to address the challenges.	Integrated Human Settlements
	Did COVID-19 play a role in the delay of SCM processes in the Jamestown Phase 2, 3 and 4 housing project?	The municipality indicated that the urban edge was the issue, the area of development was much higher than anticipated.	Integrated Human Settlements
		The municipality indicated that the provisions of the tender were that 30% of the tender should be sub-contracted The tender was cancelled to amend the specifications in order to adhere to the SCM requirements.	Integrated Human Settlements
34-35	Has the land been transferred to the Stellenbosch Municipality and what plans are in place pertaining to the three areas: Maasdorp Village Franschhoek; Portion 1 of the farm Meerlust No 1006 Paarl, Franschhoek; and Portion of the farm Elsenburg No 34 Stellenbosch (Vaaldraai, Elsenburg).	The municipality indicated that land has not been transferred.	Integrated Human Settlements
121	Erf 7001, Cloetesville: What actions did the municipality put in place after the objections raised at the public participation process and to what extent of the impact it has on what the municipality is planning?	The municipality indicated that all comments / objections were considered and the project was amended to include those comments and actions addressed to the amended project.	Integrated Human Settlements
123	What type of housing is envisaged for the new tender for Farm 527, Jamestown (phase 2, 3 and 4)?	The municipality indicated the type of housing is focussing on mixed housing development.	Integrated Human Settlements
128	Northern Extension, Kayamandi: Clarify if it is municipal land or to buy farms? When will the project be finalised and should speed the process as this is a high priority?	The municipality confirmed that the land (project) belongs to the municipality. It's a process that will take longer as it is agricultural land. Timeframe – after the development rights are in place – 2022/23	Integrated Human Settlements
129	Under the heading, Erf 64, Kylemore, clarify if it is municipal land?	The municipality confirmed that the Department of Public Works indicated the land will be transferred to the Stellenbosch Municipality.	Integrated Human Settlements
		The municipality indicated that the transfer of land process is currently with National Treasury and is in the final stage for transferring the land to the municipality. The National Treasury indicated the transfer will take place after the approvals.	Integrated Human Settlements
132	Under the heading, Erf 2183, La Rochelle, Klapmuts, indicate if the process has been finalised? If not, how far is the housing project?	The municipality indicated that the consultants have concluded their baseline studies and proposed layout. The subdivision application will be submitted to Land Use Management by end of March 2022. The estimated time for planning approval will be 8-10 months.	Integrated Human Settlements

<table>
<tr><th colspan="4">PLANNING AND ECONOMIC DEVELOPMENT SERVICES</th></tr>
<tr><th>Page no.</th><th>Comment/s</th><th>Response</th><th>Responsible Department</th></tr>
<tr><td>132</td><td>Under the heading, Botmaskop, first parapgraph, indicate if the last sentence can be read as, “Botmaskop is earmarked for GAP and Social Housing and the feasibility is in the process?</td><td>The municipality indicated the sentence be rephrased as to a feasibility study will inform the type of housing to be provided.</td><td>Integrated Human Settlements</td></tr>
<tr><td>140</td><td>Under table 145, explain why is the expenditure so low against the adjustment budget for Enkanini?</td><td>The municipality indicated that the project is funded by the municipality’s own resources (CRR). The funding from the Provincial Department of Human Settlements (PDoHS) was only approved and claimed in the subsequent financial year.
Only a small portion of the original work had to be paid. After discussion with PDoHS, it was decided that an application will be submitted to repurpose the outstanding funding for the upgrading of informal settlements.</td><td>Integrated Human Settlements</td></tr>
<tr><td>160</td><td>Under the heading, Private Joint Initiatives, indicate the progress in relation to private initiatives?</td><td>The municipality has prepared a Draft Planning Framework known as the Adam Tas Corridor Local Spatial Development Framework for the defined ATC Area. This policy framework provides a planning vision and guidelines for development for the area and also guides the phasing of development for the area through an implementation framework. The implementation framework is specifically important as it assists and guides the public sector with the phasing of the public sector projects, which include the provision of bulk infrastructure to unlock the development of the defined ATC area.
The ATC consists of both public and private sector landholdings.</td><td>Development Planning</td></tr>
<tr><td>161</td><td>Under table 162, explain why is the capital expenditure so low? The directorate should include an explanation under the recorded capital expenditure for Planning and Development.</td><td>The municipality indicated that the capital expenditure referred to the capital expenditure of the Section: Land Use Management and not the capital expenditure of the entire Directorate: Planning and Economic Development. The funds were to be used for the purchasing of Information Technology equipment (laptops), but due to the COVID-19 pandemic, the municipality experienced delays in the deliveries of the ordered equipment. Hence the underspending in the financial year.</td><td>Director: PED</td></tr>
<tr><td>162</td><td>Informal trading: Give clarity why the trading site is still closed</td><td>The municipality indicated that the Informal Trading Site in Cloetesville is open and operational, while the sites in Groendal and Klapmuts are completed and an advertisement calling for traders will be placed in March 2022.</td><td>Development Planning</td></tr>
<tr><td>163</td><td>Under table 166, confirm the total jobs.</td><td>This will be rectified. The total number of jobs created was 1 212 and the total number of projects was 185.</td><td>Development Planning</td></tr>
<tr><td></td><td>Under table 166, a column should be included which indicates the areas where jobs were created.</td><td><table><tr><th>Stellenbosch & Surrounds</th><th>Kayamandi Wards</th><th>Franschhoek & Surrounds</th><th>Dwarsrivier Valley</th><th>Klapmuts</th><th>Rural</th></tr><tr><td>405</td><td>547</td><td>111</td><td>41</td><td>74</td><td>34</td></tr></table></td><td>Development Planning</td></tr>
<tr><td>164</td><td>Under the heading, Tourism, indicate if there is there a Tourism Strategy in place?</td><td>The Municipality is currently reviewing and finalising the 1st draft Tourism Strategy which must be completed by 30 June 2022.</td><td>Development Planning</td></tr>
</table>

4. Directorate: Community and Protection Services

COMMUNITY AND PROTECTION SERVICES			
Page no.	**Comment/s**	**Response**	**Responsible Department**
58	Under the heading, Community and Protection Services, indicate if the municipality still acknowledges the RTMC structure and what does the structure envisages to do if it's still applicable to the municipality taking into consideration of the court ruling.	The municipality indicated that the structure is acknowledged as it still governs the Traffic Management Act in SA. The municipality is opposed to the implementation of the AARTO act as certain measures and structures are not in place yet within the municipality. Council has been notified as well the RTMC and other structures on the formal objections.	Protection Services
		The municipality indicated that payments must be made to the Post Offices and that there are no post offices in the Stellenbosch area. This comes with a lot of extra services to be paid for example Post Office Services.	Protection Services
		The municipality is currently not implementing the Act and should be seen as beneficial to the municipality as revenue on fines can still be collected.	Protection Services
171	Under the heading Cemeteries, no pauper burials were done during the year under review.	The municipality indicated that such cases are referred to the Executive Mayor who then provides funding and negotiate with service providers to undertake to provide the service at a minimum cost.	Community Services
		The municipality takes note that the list in the Draft Annual Report 2020/21 is referred to as pauper burials. The Final Annual Report 2020/21 will be updated accordingly with a better heading.	Office of the Municipal Manager
172	Under the heading, Cemeteries, indicate if the new cemetery in Kylemore was established?	The department is in the process of rezoning the relevant erven to be able to use as a cemetery. Part of the process is input from the community. The advert will be in the local newspaper during the week of 21 February 2022.	Community Services
	Under table 174, confirm the total number of burials. Pniël of 5.	The municipality indicated that the totals are correct. The total of COVID-19 burials should be excluded.	Community Services
	Is the covid burials included in totals of other towns?	Yes.	Community Services
184	Under the heading, Traffic Law Enforcement, indicate why the Vehicle Testing Station and Driver's License Testing Station are still closed?	The information is incorrect as the Driving License Centre is operational. The Vehicle Testing Station is not fully operational due to defective testing equipment that needs to be fixed and SCM procedures that had to be followed. Repairs took place on 15 February 2022 but the calibration of the equipment is due to be done. The service provider is expected to be on-site on 17 February 2022. The testing of motorbikes and trailers was never stopped at the VTS. It was only closed for motor vehicles due to the defective roller brake testing machine.	Protection Services
188	Under the heading Highlights, indicate if the smoke alarms installed in Klapmuts were useful?	It is confirmed that it worked but should note that the backyard dwellers did not have the alarms installed however It is confirmed that it helped a lot where installed.	Protection Services
189	Under table 193, explain the Capex on fire and disaster management	The municipality indicated that there were challenges experienced with the appointed service provider and resulted in a delay in the completion of the project hence after intervening with the service provider, the project is now in the completion phase.	Protection Services
190	Under the heading, Sports facilities and Swimming Pools, the last paragraph, indicate if the Covid-19 regulations are being adhered to in terms of the 275 people and hosting of swimming galas? Should be included in the paragraph.	The municipal swimming pool was closed for the last 4 years due to renovations needed. These renovations were completed during the 2020/21 financial year. No swimming galas were held since the opening of the pool.	Community Services
191	Table 197, explain the underperformance for the	The municipality indicated that capital expenditure reflects as at 30 June 2021.	Community Services

COMMUNITY AND PROTECTION SERVICES			
Page no.	**Comment/s**	**Response**	**Responsible Department**
	swimming pool and in the narrative, it states the swimming pool and skateboard park are completed?	The municipality indicated that the swimming pool opened up recently as the work was not completed as at 30 June 2021. The municipality only pays for work completed therefore the money was rolled over to the 2021/22 financial year.	Community Services
191	Under table 197: What measures have the municipality in place to curb vandalism being committed although there is security on-site?	The municipality indicated that the security cameras and an alarm system has been installed. These cameras are connected to the control room.	Community Services

5. Directorate: Corporate Services

CORPORATE SERVICES			
Page no.	**Comment/s**	**Response**	**Responsible Department**
35	Under table 17, indicate if there is any way the grading of posts can be addressed if it means attracting more skilled persons?	The municipality indicated that funding is required and policies need to be developed and approved. To increase a grading of a municipality, the population, income size as well other formulae determine the grading outcomes of municipalities.	HRM
37	Under table 22, confirm the actual Employee Costs?	The norm was explained to the MPAC.	HRM / Finance
38	Under table 25, clarify if the comment under ICT is correct as it reflects concern and if there are any measures in place?	The municipality indicated there are improvements in the department in terms of systems. An audit had been conducted on all ICT-related systems (to be integrated with the financial system and other systems). The municipality indicated that the comment should be deleted.	ICT
49	Under table 44, indicate why no meetings for Portfolio Corporate Services.	The municipality indicated all issues related to Corporate Services go directly to MayCo.	Committee Services
70-72	Under the heading, Ward Committees, indicate the norm of conducting ward committee meetings?	The municipality indicated that the table refers to ward committee meetings as well as public meetings. It depends on the needs identified for particular wards. The norm is bi-monthly dependent on the needs obtained to be discussed and addressed.	Committee Services
		COVID-19 played a significant role in the meetings not being held as required. This statement should be included in the narrative	Committee Services
189	Table 194: Why was the FTE so low for Section Fire and Disaster? Give an explanation below the table. Clarify the high vacancy rate.	The municipality provided feedback to the MPAC.	HRM
194	When will the placement of permanent staff as well as those in the pool be finalised?	The municipality indicated that the placement process has been completed.	HRM
		This statement will be updated in the Final Annual Report 2020/21.	HRM
	Has the Job Evaluation Process been finalised?	The municipality indicated that the Job Evaluation Process has been finalised in the 2019/20 financial year. This process is normally sent to the JD unit at the Cape Winelands District Municipality thereafter to the Provincial Task Unit and can be sent back if any additional information is required.	HRM
	How did the municipality monitor attendance of workers working from home during COVID-19?	The municipality indicated during the COVID-19 pandemic the employees worked on a rotational schedule basis under the lockdown levels.	HRM
	What measures were put in place to recover arrear monies from employees?	There is a policy in place through which employees who have more than 3 months arrears must make provisions to repay the money, bonusses are used to repay the money and disciplinary action may be taken where employees do not adhere to requests by the municipality.	HRM
	What was the alternative registering methods that were under investigation?	The municipality is in place to look for alternative measures such as a palm–no-touch system. It should be noted that it will require additional cost as we need to replace the current biometric system.	HRM
196	Under the second bullet, clarify if the camera footage is used in the court for proof of admissibility? Does it adhere to a registered watermark?	The municipality indicated that it depends on the presiding officer to use it as proof provided.	ICT
197	Under the heading, Challenges, clarify the statement on the	The municipality indicated that the comments need to be updated as mentioned on 7th February 2022.	ICT

CORPORATE SERVICES			
Page no.	**Comment/s**	**Response**	**Responsible Department**
	challenges as it raises a great concern on ICT and reflects negatively in the Annual Report.	Comment to be deleted.	
	What backup does the municipality have and what generators?	The municipality indicated that there are after-hours systems and do have generators in place even during loadshedding. The municipality does not have control over the cell phone towers when complaints are being submitted to the municipality during loadshedding.	
197	Under table 204, what is the norm on the ICT requests being attended to requests (turnaround time)?	It depends on the type of query. Some queries are dealt with within the day it is logged and other queries that need reprogramming takes longer.	ICT
197	Under table 206, clarify the low staff levels in ICT.	12 posts from 15 posts are filled. The 3 remaining pots are not budgeted. Job Level* Posts* Employees* Vacancies (full time equivalents) Vacancies (as a % of total posts) Number 18 – 22 1 1 0 0% 14 – 17 5 4 1 20% 9 – 13 9 7 2 22.2% 4 – 8 0 0 0 0% 3 – 0 0 0 0 0% Total 15 12 3 20%	HRM
198	Under table 207, clarify the low staff levels in the Section Legal Services as the municipality deals with specialist legal issues. Can the municipality source the legal services in-house or is it a norm to get external legal specialists?	The municipality indicated that this section speaks to administrative support. The municipality does have a panel of legal experts who can appear in court and who have a right to appear in court and have specialised legal experts.	Corporate Services
198	Under table 207, indicate if there are any measures in place to address the lack of skilled administrative support to the Chief Legal Advisor?	The municipality indicated that the official is assisting the section and the Office of the Directorate assist where possible.	Legal Services
199	Under table 208, why were there so many cases withdrawn?	The reason for matters to be withdrawn will be the decision of the Public Prosecutor. The Magistrate also has a prerogative to struck matters from the roll. The manner in which the fines were written and issued may also have an impact.	Municipal Court
200	Table 209, insert a column to indicate the percentage of monthly revenue (fines) collected?	That can only be addressed in the next annual report.	Municipal Court
208	Table 215, indicate if there is a reason why the male targets are higher than females and disability?	Most applications received are from male applicants across all skill levels.	HRM
209	Under table 216, indicate what type of formulae were used to calculate to determine the occupational categories (which demographics are used)?	The municipality indicated that the Occupational Categories are determined based on the persons' job (occupation) that the person is functioning in. These occupational categories are guided by the Organising Framework for Occupations (OFO). A copy of these OFO codes is available on request.	HRM
209	Under the heading, Vacancy Rate, The narrative should be rephrased as the reading content is confusing and does it include EPWP workers.	The municipality indicated that the 1 120 reflects the funded posts, not the entire organogram. According to the National Treasury norm, the percentage is between 30 – 40% of the operational budget. As income declined the number of posts to fill became lower to stay within the ratio, therefore it became unfunded.	HRM

CORPORATE SERVICES			
Page no.	**Comment/s**	**Response**	**Responsible Department**
		EPWP is not included, therefore the paragraph needs to be elaborated.	
210	Under table 218, verify the vacancy rate?	104/1996 = 0,05%	HRM
210	Under the heading, Turnover Rate, indicate what the norm is on the turnover rate?	The municipality indicated this was raised and addressed in the previous financial year's MPAC engagement. There is no norm or standard on a turnover rate. Measures were put in place to fill a vacant position within 3 months. Sometimes the posts need to get re-advertised as the applicants did not comply with the requirements (more technical staff).	HRM
211	Under table 220, list the type of injuries incurred and mitigating actions to reduce injuries at work.	A central health and safety meeting takes place to discuss the type of injures. Not all injuries are of a serious nature. Process and PPP are in place to ensure people do sustain any injuries.	HRM
211	Under table 221, indicate why the sick leave rate is so high?	The municipality indicated that COVID-19 had a massive impact on sick leave.	HRM
		OHS compliant and have safety reps.	HRM

6. Directorate: Financial Services

FINANCIAL SERVICES			
Page no.	**Comment/s**	**Response**	**Responsible Department**
189	Under table 193: What was the reason for the low capital expenditure?	The municipality indicated it was the implementation phase of the project. The project was delayed due to challenges with the service provider at the time and will be completed during the 2021/22 financial year after interventions were implemented by the municipality.	CFO / Financial Management Services
191	Under table 197: The capital expenditure indicates under spending whilst it is stated as completed.	The municipality indicated that the capital expenditure was spent as at 30 June 2021 and funds rolled over as the project was launched in the 2020/21 financial year.	CFO / Financial Management Services
213	Under table 225: Explain the low percentage on budgets allocated and spent for skills development and financial year the calculation?	The budget depicted in the table (second column) is for the entire employee-related cost expenditure. Column three of the table will be amended to reflect the total budget for skills development.	CFO / Financial Management Services
213	Under table 225: the CFO should include an explanation of the 1% calculation. Verify the narrative.	The percentage of the actual payroll budget spent on implementing the Municipal Workplace Skills Plan is a requirement in terms of (NKPI Proxy – MSA, Reg. S10f). An explanation will be added.	CFO / Financial Management Services
218	Under the heading, Financial Summary, table 228, indicate where would consultants be reflected?	The municipality indicated under "Other expenditure" in the financial summary and in the Financial Statements as a note for other expenditure that gives a detailed description of the other expenditure and type of consultant will be stated.	CFO / Financial Management Services
	Are there specific requirements to appoint consultants?	The municipality indicated that there are specific requirements when appointing consultants and are contained in the cost-containment policy.	CFO / Financial Management Services
Financial performances per department	Is it fair to measure performance against revenue as some departments are not revenue-generated?	The municipality indicated that it must report on the revenue per department as per the prescribed guidelines by National Treasury.	CFO / Financial Management Services
229	Under table 254, give a short background on all financial performances where there are under / overspending and how the spending works?	The municipality explained the layout and breakdown of the actuals where over expenditure reflects. This applies to all columns – layout A note will be included under the tables.	CFO / Financial Management Services
231	Under table 257, verify all actual expenditures (zero spending).	The municipality indicated that the Human Settlement Grant is a claim-based grant. The municipality can only claim expenditure once the money is spent and submits claims to the Department. The Department will then allocate funds to the municipality. The other grant funding is received at the start of the financial year and the municipality needs to report in-yearly on the funds received.	CFO / Financial Management Services
231	A footnote be inserted on how the funding and actual spending works in terms of the type of grants.	The municipality refers the MPAC to the Annual Financial Statements (AFS) under Note 33, which gives a description and breakdown of the type of grants and spending thereof.	CFO / Financial Management Services

FINANCIAL SERVICES			
Page no.	**Comment/s**	**Response**	**Responsible Department**
	Is there a limit on the grant funding to request?	The municipality indicated that the Equitable share has a formula that is used by National Treasury to allocate funds to a municipality.	
235	Under table 264, line of "Other Assets". Give a breakdown of all capital expenditure for training centres, housing and social housing.	The municipality indicated that these items are all on the detailed asset register.	CFO / Financial Management Services
236	Under table 264, verify the expenditure against the budget amount under tangible assets, machinery and Equipment and transport assets as well the total actual expenditure?	The municipality indicated that the amounts have been verified as correct. No intangibles have been procured in the current year.	CFO / Financial Management Services
236	Under table 264, clarify why adjust a budget if the municipality cannot spend the funds? Add a note: over and underspending of funds throughout Chapter 5 of the Annual Report.	The municipality indicated that the additional allocations were gazetted during the financial year that must be included in the Adjustments Budget. Cognisance must also be taken of the state of disaster and multi-year projects.	CFO / Financial Management Services
237	Did the municipality receive any donations from the Government?	The municipality confirms that donations are received, however, nothing was received during the 2020/21 financial year. If donations are received, an agreement needs to be in place before it is captured on the budget for approval by Council.	CFO / Financial Management Services
238	Under table 266: Why is the actual spending higher than what was budgeted for WWTW in Pniël and decommissioning of Franschhoek as well the underspending for the Bulk Sewer Outfall: Jamestown? Give clarity on the spending. If valid reason, a brief description must be included under the tables for ease of better reading.	The municipality indicated that the WWTW in Pniël is a multi-year to be completed over the next financial year. Funding is being implemented and the total expenditure is within the total budget over three years as well as what was awarded to the service provider.	CFO / Financial Management Services
243	In Chapter 6, under the introduction, clarify why does it state the audit outcomes for the past two financial years?	The municipality indicated that it will be updated as the audit report is attached to the Draft Annual Report 2020/21.	CFO / Financial Management Services
AGSA AUDIT REPORT			
2	Under Note 10, explain the irregular expenditure statement. Is there a conclusion to the outcome with regards to the irregular expenditure?	The municipality indicated the outcome with the Auditor-General was not concluded on this matter. It was a tender which was a multi-year tender, running over three years. The Auditor-General (AG) indicated that the spending for each financial year of the tender will be recorded as an irregular expenditure and insists it must be declared. There were differences of opinions and has put it forward to a Provincial and National level.	CFO / Financial Management Services
AFS 2020/21			
4	Under the heading, Housing Development Fund, indicate if the Developer Contributions (funds) are being paid in the Housing	The municipality indicated that the Development contributions are specific for different services and are not being paid in the Housing Development Fund.	CFO / Financial Management Services

FINANCIAL SERVICES			
Page no.	**Comment/s**	**Response**	**Responsible Department**
	Development Fund as per the guidelines?		
	Are there any other monies that are paid in this fund other than developers' contributions?	The municipality indicated that no other monies have been allocated to the Housing Development Fund as it is depleted and is operating in accordance with the prescripts.	CFO / Financial Management Services
	How can the fund be depleted if you still have rental stock – housing relating income must be deposited in the Housing Development Fund.	The municipality indicated that the fund needs to reflect the profit you make on the rental schemes. Currently, our rental scheme is operating at a loss.	CFO / Financial Management Services
95	Note 35: Explain the performance bonuses for Director Planning and Economic Development and Protection and Community Services.	Directors started late in the financial year and could not be evaluated for the entire financial year. Thus, the performance bonusses were calculated pro-rata.	CFO / Financial Management Services
109	Note 54, are a person allowed to make business with the state if working for the state?	The municipality indicated that Employee and Cllr need to complete a declaration of interest form each financial year.	CFO / Financial Management Services
124	Note 66: How far is the process of finalising the legal costs?	The matter referred to is disclosed as a contingent liability and was not finalised on 30 June 2021. Contingent liability is defined as a liability that may arise depending on the outcome of a specific event. It is a possible obligation that may or may not arise depending on how a future event unfolds.	CFO / Financial Management Services
112	Note 58: Explain the irregular expenditure as per non-compliance for not including a specific condition on local production and content when inviting bidders to tender?	The local content is related to a process according to the Auditor-General which was not followed, leading to non-compliance.	CFO / Financial Management Services
	Explain the irregular expenditure. Is there a conclusion to the outcome with regards to the irregular expenditure?	The content was not included in the local newspaper although it was in the tender.	CFO / Financial Management Services

Annexure B:

Annual Report 2020/21

STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

ANNUAL REPORT

2020/21

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







List of Abbreviations

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

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

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

Abbreviation	Description
REFSO	Renewable Energy Finance and Subsidy Office
RUMC	Rural Urban Market Centre
SAB	South African Breweries
SABS	South African Bureau of Standards
SALGA	South African Local Government Organisation
SAMDI	South African Management Development Institute
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
TPAMS	Town Planning Application Management System
SPLUMA	Spatial Planning and Land Use Management Act
SPV	Special Purpose Vehicles
SSI	Stellenbosch Safety Initiative
STOD	Sustainable Transit-Oriented Development Plan
SWWTW	Stellenbosch Wastewater Treatment Works
TASK	Tuned Assessment of Skills and Knowledge
TIATCP	Technical Innovation Agency Technical Centre Programme
VTS	Vehicle Testing System
WC	Western Cape
WCO24	Greater Stellenbosch Area
WoF	Working on Fire
WRC	Water Research Commission
WWF	World Wildlife Fund

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VISION AND MISSION STATEMENT

Vision

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

"Valley of Opportunity and Innovation"

Mission

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

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

Values

Integrity:

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

Accountability:

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

Transformation:

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

Innovation:

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

MESSAGE OF THE EXECUTIVE MAYOR

CLLR ADV G VAN DEVENTER

CHAPTER 1: EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: EXECUTIVE MAYOR'S FOREWORD



It is an honour to present the Annual Report of Stellenbosch Municipality for the 2020/21 financial year. This was yet another year full of turbulence and accomplishments. This report provides information about the municipality's financial, operational, social and environmental performance over the 12 months in review, namely the period from 01 July 2020 to 30 June 2021. It also reflects on the progress made towards reaching our objectives as set out in the Integrated Development Plan (IDP).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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ADV GESIE VAN DEVENTER
EXECUTIVE MAYOR

MESSAGE FROM THE MUNICIPAL MANAGER

G METTLER

COMPONENT B: MUNICIPAL MANAGER'S OVERVIEW



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

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

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

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

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

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

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

Sincerely,

MS GERALDINE METTLER
MUNICIPAL MANAGER

COMPONENT C: EXECUTIVE SUMMARY AND MUNICIPAL OVERVIEW

1.1 Introduction

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

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

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

Chapter 1: An overview of the municipality's overarching strategy and its accountability processes, social and demographic profile and key highlights and challenges regarding finance, institutional transformation and key basic service delivery.

Chapter 2: Details about the governmental workings of the municipality addressing the key aspects of good governance.

Chapter 3: Highlights the municipality's performance for the year, focussing on the service delivery and the pre-determined objectives of the Council.

Chapter 4: Provides insight into the Human Resources and organisational management areas of the municipality, focussing on organisational structure and legislation.

Chapter 5: An overview of the municipality's financial performance, reflecting on the municipality's financial position, assets, cash flow and intergovernmental grants received by the municipality.

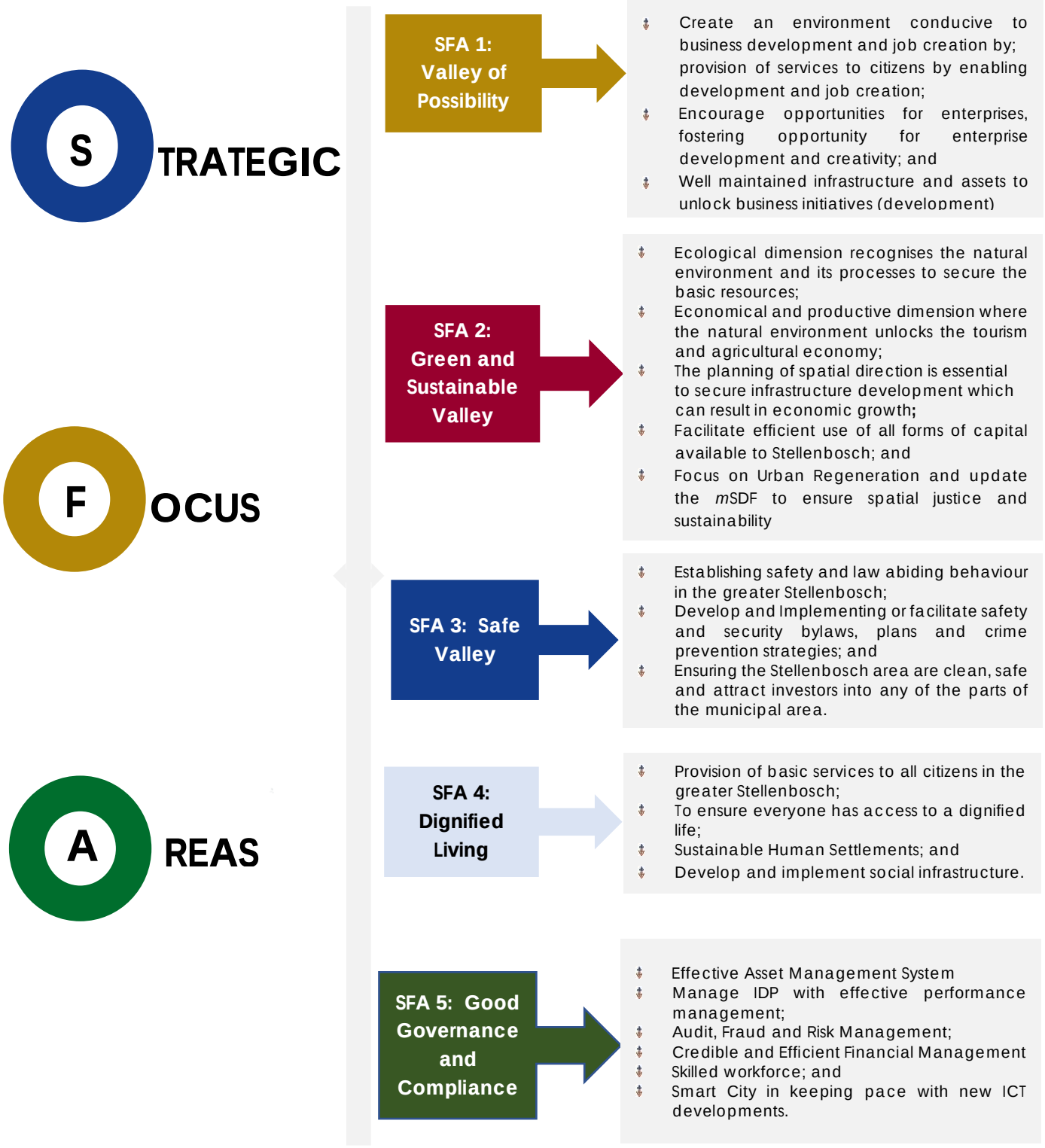
Chapter 6: An overview of the audit key findings per the Auditor-General.

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

1.2 Strategic Focus Areas

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

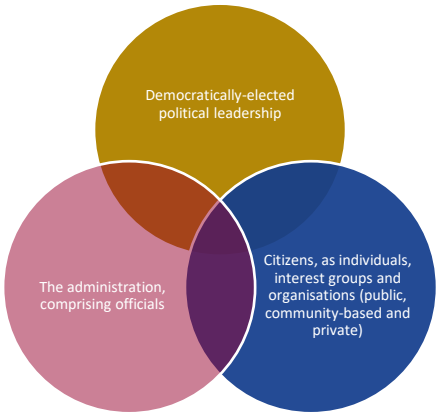
Figure 1: Strategic focus areas



1.3 Core Principles in Executing the Strategy

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

Figure 2: Core components in executing strategy



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

International best practice shows that the only way to carry out sustainable urban management is to engage in meaningful partnerships with communities, where communities take full responsibility for the development of their neighbourhoods. Stellenbosch Municipality is committed to ensure that real social and economic development of its 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. These plans mobilise communities and citizens to take responsibility for their destiny and capture what communities see as their desired outcomes. These plans also help to fast-track the implementation of the IDP. This ensures that the focus areas of the IDP become the collective responsibility of community members, ward councillors, ward committees, the business community, NGOs and CBOs and all other stakeholders in the greater Stellenbosch.

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

1.4 Alignment with Institutional Structures and Processes

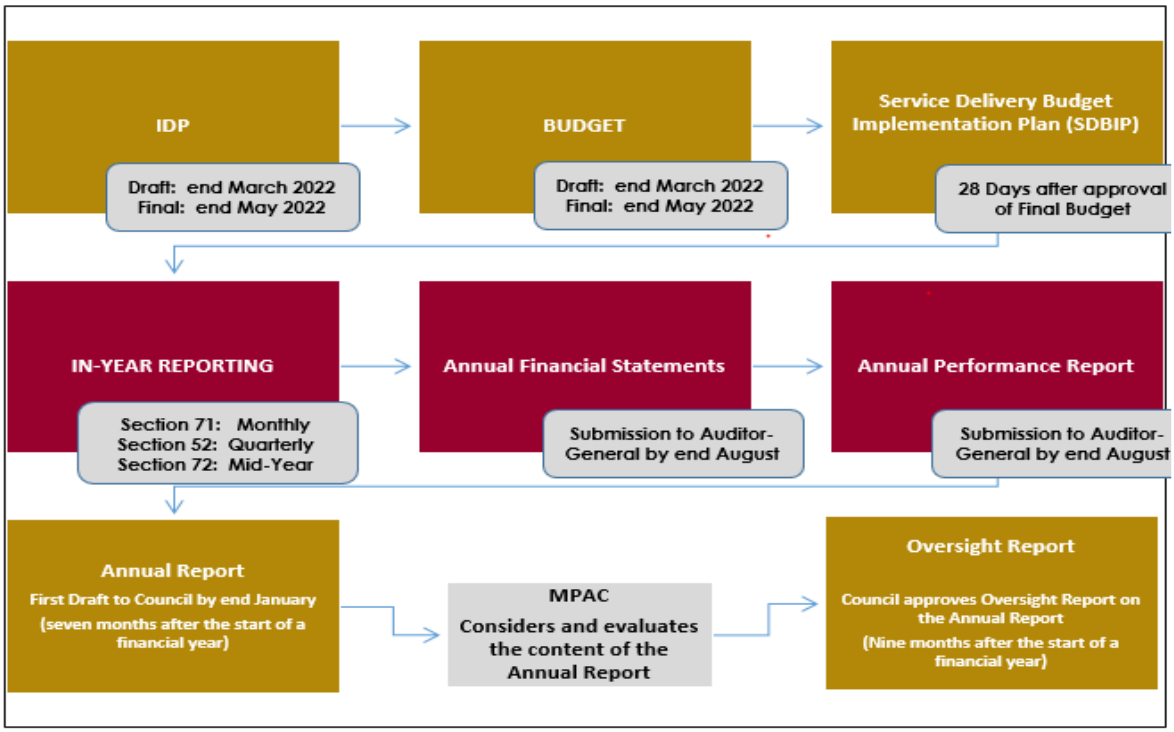
Conventional strategic planning processes are aimed at guiding development and management decisions are time-consuming. Preparing a detailed strategic framework and implementation programme can take months. Unfortunately, these processes do not provide for the "now" – the need to guide decisions today.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

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

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

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

Figure 3: Accountability Process flow



1.5 Demographical Overview of the Greater Stellenbosch

1.5.1 Stellenbosch at a Glance

According to the Western Cape Local Economic Profile 2021, the statistics below give a synopsis of the key aspects of the overview of the Greater Stellenbosch

Table 1: Socio economic summary

Demographics		Estimated households 2020	
Population	196 036	Households	50 328

Education	2020	Poverty	2020
Matric Pass Rate	81.1%	Gini-Coefficient	0.61
Learner Retention Rate	73.1%	Human Development Index	0.74
Learner-Teacher Ratio	26.8%		

Health	2020/21		
Primary Health Care Facilities	Immunisation Rate	Maternal Mortality Ratio (per 100 000 live births)	Teenage Pregnancies – Delivery rate to women U/18
8(excl. mobile / satellite)	52.7%	57.3%	11.4%

Safety and Security	Annual number of reported cases in 2020/21			
Residential Burglaries	DUI	Drug-related Crimes	Murder	Sexual Offences
904	164	1252	70	194

Access to Basic Service Delivery	% households with access to basic services, 2020			
Water	Refuse Removal	Electricity	Sanitation	Housing
94.4%	86.7%	92.2%	91.1%	72.7%

Road Safety 2020/21		Labour, 2020	Socio-economic Risks	
Fatal Crashes	31	Unemployment (narrow definition)	Risk 1	Rising Unemployment
Road User Fatalities	39	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
21.7%	21.1%		16.6%

1.5.2 State of the Greater Stellenbosch

Stellenbosch is situated about 50 km from Cape Town and is flanked by the N1 and N2 main routes. According to population growth estimates, of the Community Survey the population figures for Stellenbosch for 2021 indicates 196 036 people and 50328 households. The municipality's area of jurisdiction includes the town of Stellenbosch and stretches past Jamestown to Raithby in the South, Bottelary, Koelenhof, and Klapmuts to the North, and over the Helshoogte Pass to Pniël, Kylemore, Groendal and Franschhoek in the East.

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

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

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

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

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

The following municipalities share their borders with Stellenbosch Municipality:

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

1.5.3 Wards



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

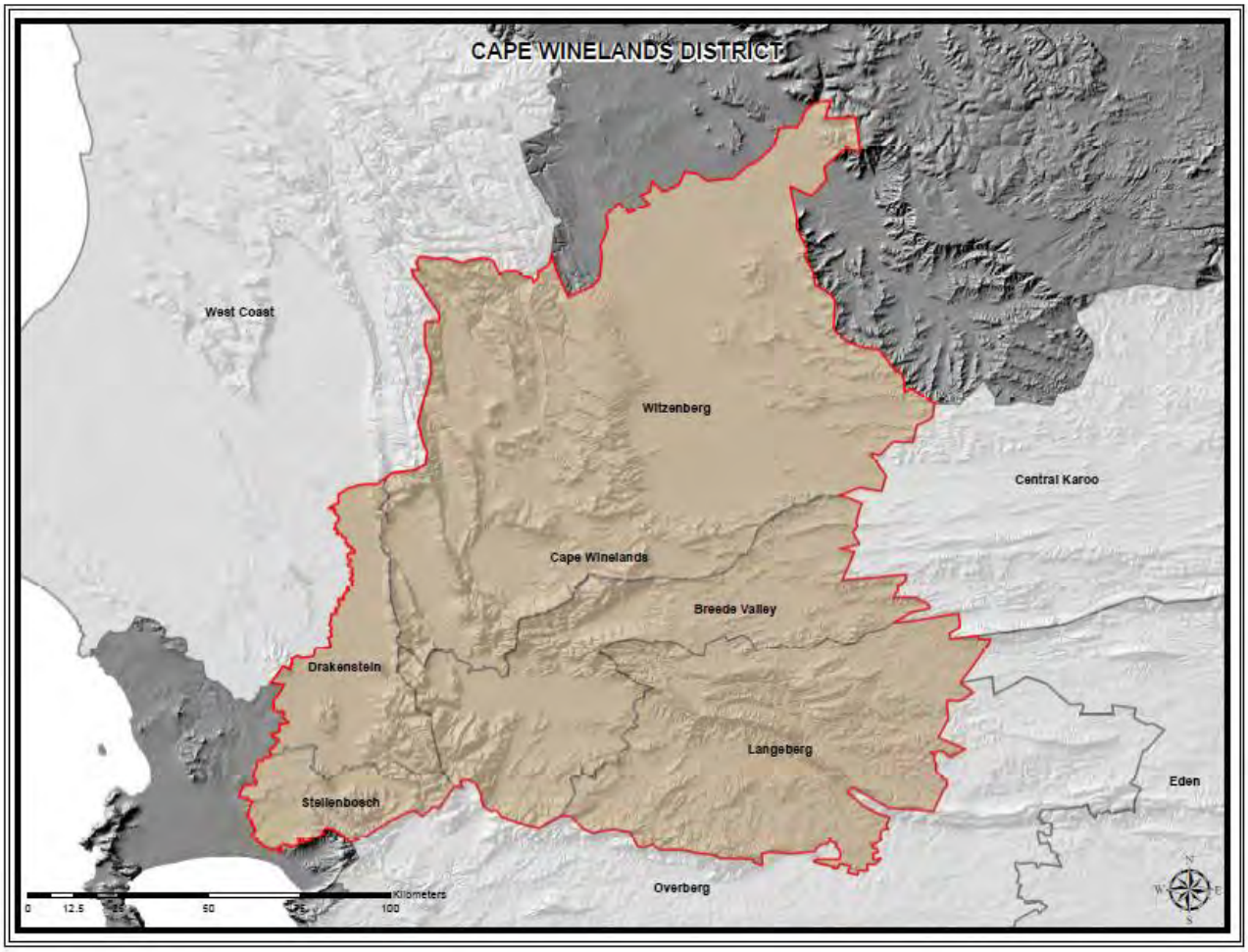
Table 2: Population per ward

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

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

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

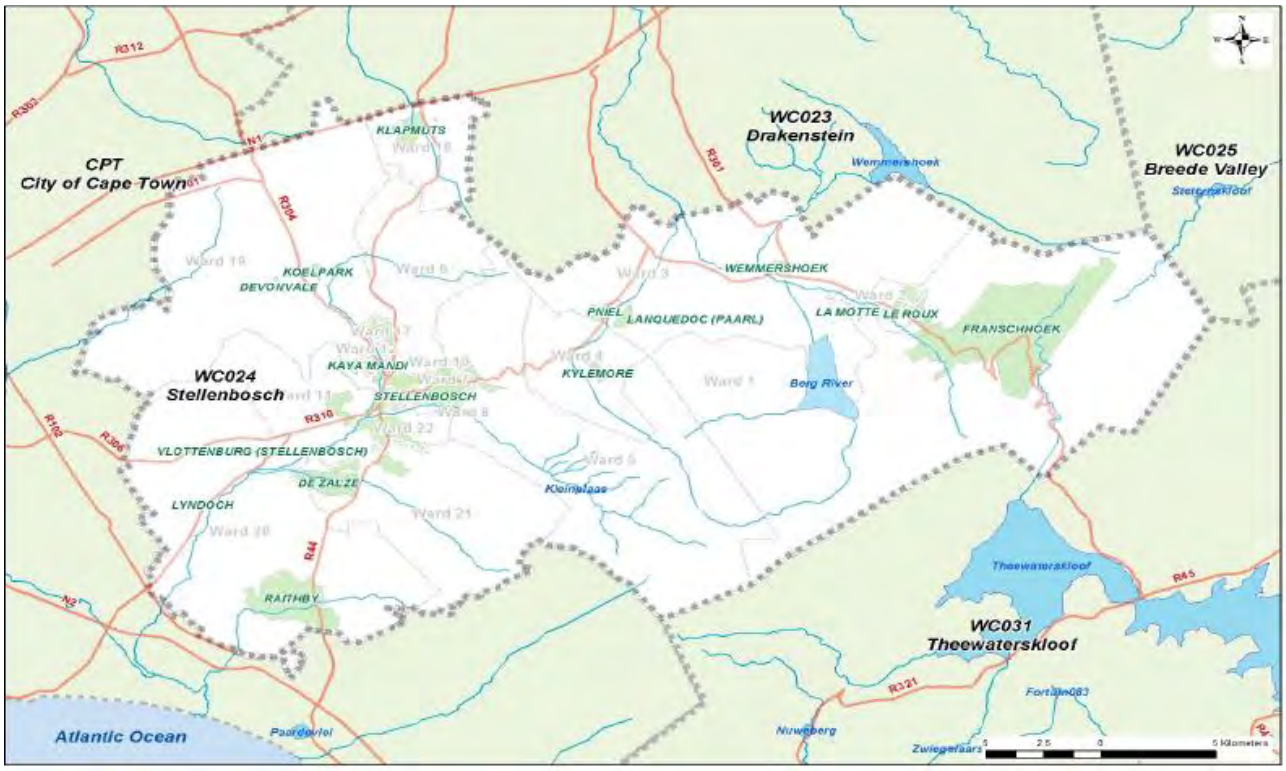
Figure 4: Locality map of Stellenbosch Municipality in relation to Cape Winelands District Boundaries



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

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

Figure 5: Locality map of Municipal Boundaries



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

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

1.6 Socio-Economic Context

All socio-economic information is sourced from the Local Government Socio Economic Profile 2021.

1.6.1 Population Growth



The population of Stellenbosch is 196 036 persons in 2021, which is the second most populated municipal area in the Cape Winelands District (CWD). This total is expected to grow to 209 854 by 2025, equating to an average annual growth rate of 1.7 per cent for the period.

1.6.2 Sex Ratio



The overall sex ratio (SR) depicts the number of males per 100 females in the population. The data indicates that there are notably more females than males in the Stellenbosch municipal area with a ratio of 95.8 males per 100 females in 2021. The increasing SR for Stellenbosch could be attributed to a wide range of factors such as a decrease in female mortality rates as well as the potential inflow of working females to the municipal area.

1.6.3 Age Cohorts

It is evident that Stellenbosch has an ageing population. Between 2021 and 2025, the highest population growth is estimated for the aged cohort, with expected growth for the period reaching an average annual rate of 3.6 per cent. This is more than double the growth in the working age cohort (1.6 per cent). The size of the aged cohort is however relatively small in comparison to the working age category. As such, the dependency ratio remains mostly unchanged between 2021 and 2025.

Table 3: Age Cohorts

Year	Children: 0 – 14 Years	Working Age: 15 – 65 Years	Aged: 65 +	Dependency Ratio
2021	43 660	141 601	10 775	38.4
2023	44 839	146 905	11 324	38.2
2025	46 468	151 496	11 890	38.5
Growth	**1.6%**	**1.7%**	**2.5%**	**-**

Source: Western Cape, Socio-Economic Profile 2021

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

1.6.4 Household sizes



Household size refers to the number of people per household. The actual size of households in the municipal area is trending downwards between 2021 and 2025. Contributing factors to a stagnation in household size growth could include, but are not limited to, lower fertility rates, occurrences of divorces, ageing population etc.

1.6.5 Population density



Amidst rapid urbanisation across the Western Cape, population density figures will aid public sector decision makers to mitigate environmental, health and service delivery risks. In 2021, the population density of the Cape Winelands District was 44 persons per square kilometer. In order of highest to lowest, the various local municipal areas compare as follows:In order of highest to lowest, the various local municipal areas in the CWD compare as follows:

- Stellenbosch 236 people/km2;
- Drakenstein 191 people/km2;
- Breede Valley 51 people/km2;
- Langeberg 27 people/km2; and
- Witzenberg 14 people/km2.

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

1.6.6 Education

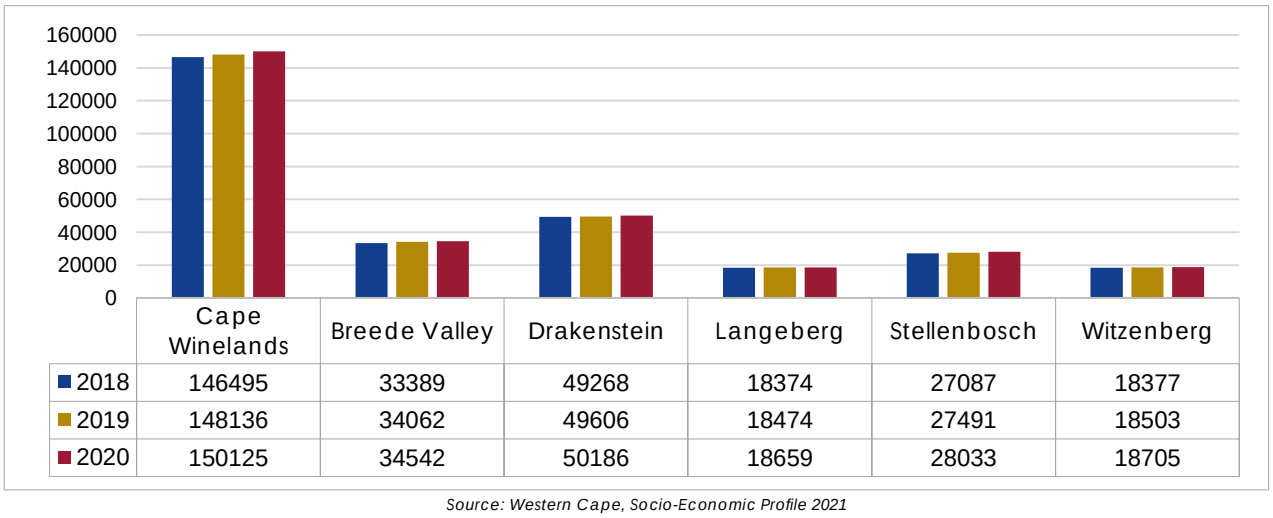


Education and training improve access to employment opportunities and helps to sustain and accelerate overall development. Quality Education is the 4th Sustainable Development Goal, whilst the National Development Plan (NDP) emphasises the link between education and employment as well as the significant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

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

Learner enrolment in Stellenbosch increased from 27 087 enrolments in 2018 to 28 033 in 2020, an increase of 1.7 per cent. The growth rate in learners is slightly above the Western Cape average of 2.1 per cent across the same period.

Figure 6: Learner enrolment

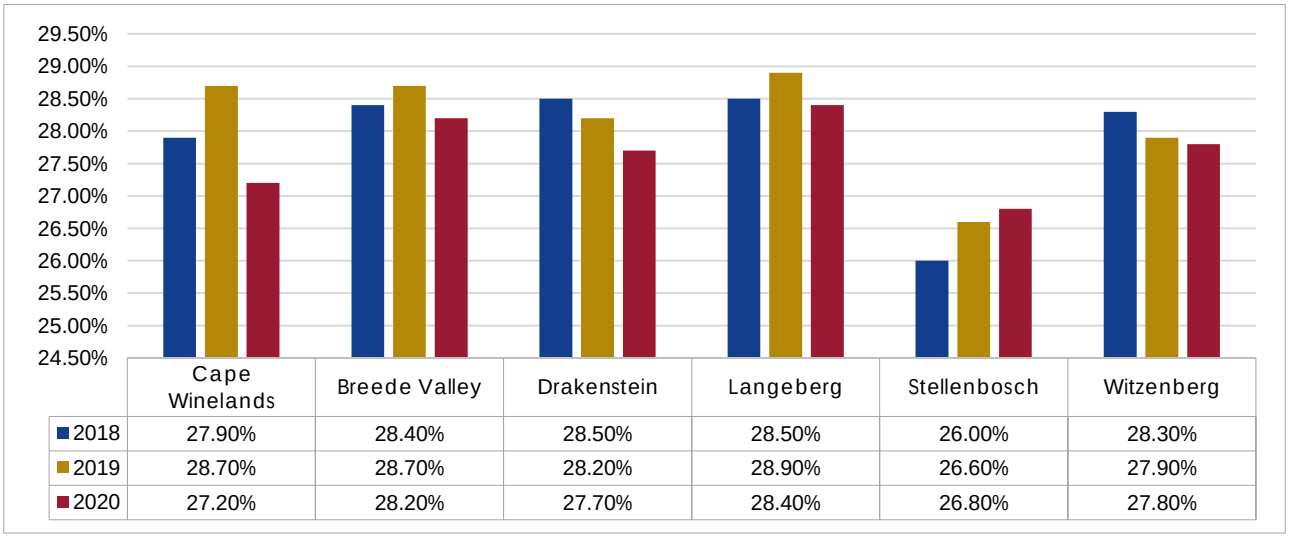


	Cape Winelands	Breede Valley	Drakenstein	Langeberg	Stellenbosch	Witzenberg
2018	146495	33389	49268	18374	27087	18377
2019	148136	34062	49606	18474	27491	18503
2020	150125	34542	50186	18659	28033	18705

Source: Western Cape, Socio-Economic Profile 2021

The learner-teacher ratio in the Stellenbosch municipal area has gradually been on the rise from 26.0 in 2018 to 26.6 in 2019 and 26.8 in 2020. This is still below the Provincial average of 30.3. 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.

Figure 7: Learner-Teacher Ratio



	Cape Winelands	Breede Valley	Drakenstein	Langeberg	Stellenbosch	Witzenberg
2018	27.90%	28.40%	28.50%	28.50%	26.00%	28.30%
2019	28.70%	28.70%	28.20%	28.90%	26.60%	27.90%
2020	27.20%	28.20%	27.70%	28.40%	26.80%	27.80%

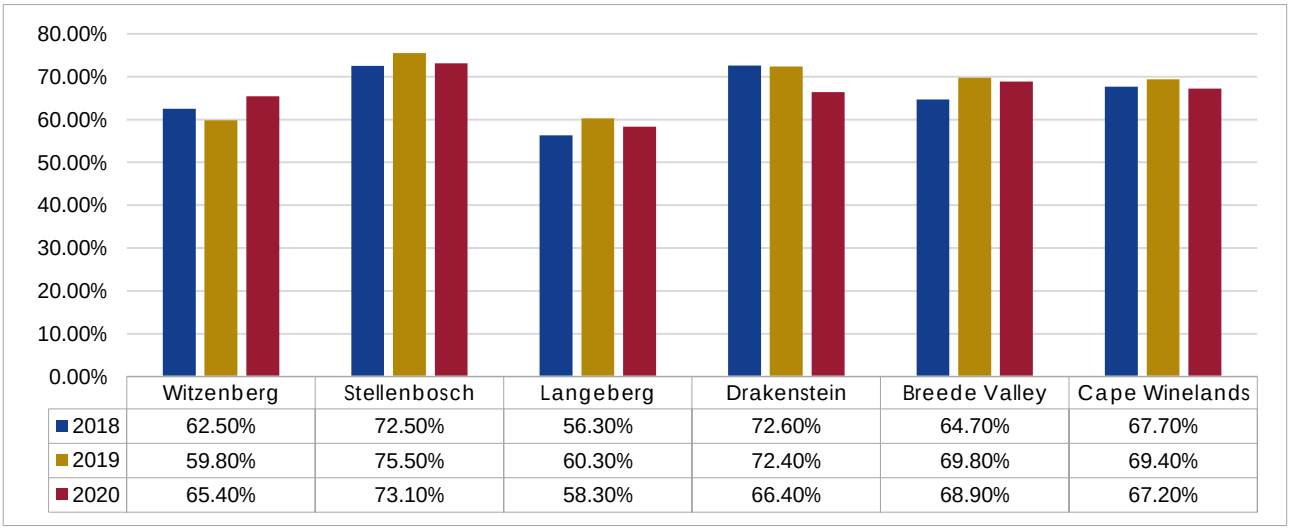
Source: Western Cape, Socio-Economic Profile 2021

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.

Although the Stellenbosch municipal area has the highest learner retention rate (73.1 per cent) in the Cape Winelands District, school drop-outs remain a serious concern.

The learner retention rate is influenced by a wide array of factors, including economic influences such as unemployment, poverty/ very low household income, as well as social concerns such as teenage pregnancies. Retention rates should be kept in mind when considering education outcomes/ results, as low retention rates are likely to skew outcomes, as drop-outs are automatically excluded from any outcomes/results. Being able to retain learners is essential for overall positive education outcomes.

Figure 8: Learner retention



	Witzenberg	Stellenbosch	Langeberg	Drakenstein	Breede Valley	Cape Winelands
2018	62.50%	72.50%	56.30%	72.60%	64.70%	67.70%
2019	59.80%	75.50%	60.30%	72.40%	69.80%	69.40%
2020	65.40%	73.10%	58.30%	66.40%	68.90%	67.20%

Source: Western Cape, Socio-Economic Profile 2021

1.6.8 Number of schools and no-fee schools

In 2020, the Stellenbosch municipal area had a total of 39 public ordinary schools. The number of schools has remained constant since 2018.

1.6.9 Schools with libraries and media centres

The number of schools with libraries / media centres decreased from 29 in 2018 and 2019 to 22 in 2020.

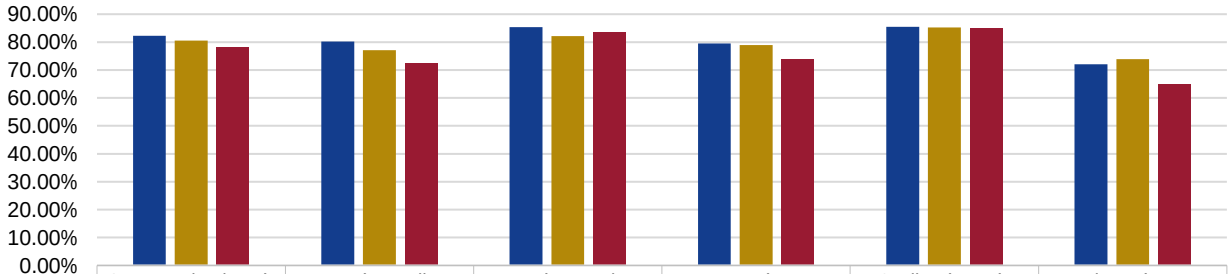
The availability of library facilities within schools contribute towards narrowing the academic attainment gap by allowing students access to information which in turn directly links to improved education outcomes.

1.6.10 Education Outcomes (Matric Pass Rates)



Education remains one of the key avenues through which the state is involved in the economy. In preparing individuals for future engagements in the labour market, policy decisions and choices in the sphere of education play a critical role in determining the extent to which future economic and poverty reduction plans may be realised. Education outcomes across the entire South Africa and Western Cape on general deteriorated as a result of COVID-19. The matric pass rate for Stellenbosch however increased ever so slightly from 85.0 per cent in 2019 to 85.1 per cent in 2020.

Figure 9: Education Outcomes



	Cape Winelands	Breede Valley	Drakenstein	Langeberg	Stellenbosch	Witzenberg
2018	82.30%	80.20%	85.40%	79.50%	85.50%	72.10%
2019	80.60%	77.10%	82.10%	79.00%	85.20%	73.90%
2020	78.40%	72.50%	83.70%	73.80%	85.10%	65.00%

Source: *Western Cape, Socio-Economic Profile 2021*

1.6.11 Health

According the LGSEP 2021, the Stellenbosch municipal area had 8 primary healthcare facilities in 2020, which comprised of 7 fixed clinics and 1 community day centre; there were also 6 mobile/satellite clinics. In addition to these primary healthcare facilities, there is also a district hospital, 9 ART treatment sites and 13 TB clinics.

Table 4: Health care facilities

Area	PHC facilities (Fixed clinics, CHCs and CDCs)		Community Health Centres[1]	Community Day Centres[2]	Hospitals		Treatment Sites	
	Fixed	Non-fixed			District	Regional	ART Clinics	TB Clinics
Stellenbosch	7	6	0	1	1	0	9	13
Cape Winelands District	39	33	0	5	4	2	49	100

Source: Western Cape, Socio-Economic Profile 2021

1.6.12 Emergency Medical Services

The provision of more operational ambulances can provide greater coverage of emergency medical services. The Stellenbosch municipal area had a total of 6 ambulances servicing the region, which translates to 3 ambulances per 10 000 people in 2020. It is worth noting that this number only refers to Provincial ambulances and excludes all private service providers.

1.6.13 HIV / AIDS and TB

The number of clients (patients) that remain committed to their antiretroviral treatment (ART) plan in the Stellenbosch municipal area decreased by 46 patients between 2019/20 and 2020/21. In total, 6

[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.

914 registered patients received antiretroviral treatment in the Stellenbosch municipal area in 2020/21.

The number of new patients receiving ART also declined from 538 in 2019/20 to 460 in 2020/21. There has been an average annual decline of 7.8 per cent between 2016/17 (1 173) and 2020/21 (849) in the number of registered patients receiving TB treatment in the Stellenbosch municipal area.

Table 5: HIV/AIDS Management

Area	Registered patients receiving ART		Number of new ART patients	
	2019/20	2020/21	2019/20	2020/21
Stellenbosch	6 960	6 914	538	460
Cape Winelands District	32 366	32 949	3 434	2 825

Source: Western Cape, Socio-Economic Profile 2021

1.6.14 Child Health



The immunisation coverage rate for children under the age of one in the municipal area declined slightly from 55.1 per cent in 2019/20 to 52.7 per cent in 2020/21. The overall CWD rate also declined from 63.1 to 60.6 per cent across the same period. The number of malnourished children under five years of age (severe acute malnutrition) per 100 000 people in the municipal area declined notably from 2.6 in 2019/20 to 0.9 in 2020/21.

The Western Cape average from 1.6 to 0.9. The CWD rate also declined from 3.3 to 1.8 per cent. The neonatal mortality rate (deaths per 1 000 live births before 28 days of life) for the municipal area increased from 5.2 in 2019/20 to 6.3 in 2020/21. The rate was still notably below the CWD average of 10.7.

A total of 8.5 per cent of all babies born in facility in the municipal area in 2020/21 weighed less than 2 5000 grams. This is slightly worse than the 8.2 per cent recorded in 2019/20. This total was the lowest amongst all other local municipalities in the District.

Table 6: Child Health

Area	Low Birth Rate		Neonatal Mortality Rate per 1000		Acute Malnutrition Rate (Under 5) per 100 000		Immunisation Rate (Under 1)	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
Stellenbosch	8,2	8,5	5,2	6,3	2,6	0,9	55,1	52,7
Cape Winelands District	**15,1**	**15,5**	**7,9**	**10,7**	**3,3**	**1,8**	**63,1**	**60,6**

Source: Western Cape, Socio-Economic Profile 2021

1.6.15 Maternal Health

In 2020/21, the Stellenbosch municipal area recorded the lowest number of maternal deaths (57.3) and teenage pregnancies (11.4 per cent) in the CWD.

Although the number of teenage pregnancies decreased between 2019/20 and 2020/21, there was a significant deterioration in the maternal mortality rate (increase) in the municipal area. The termination of pregnancy rate (0.6 per cent) remained unchanged across this period.

Table 7: Maternal Health

Area	Maternal Mortality Rate		Delivery rate to women under 20 years		Termination of pregnancy rate	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
Stellenbosch	0.0	57.3	13.5	11.4	0.6	0.6
Cape Winelands District	42.7	118.3	15.1	13.6	0.8	0.7

Source: Western Cape, Socio-Economic Profile 2021

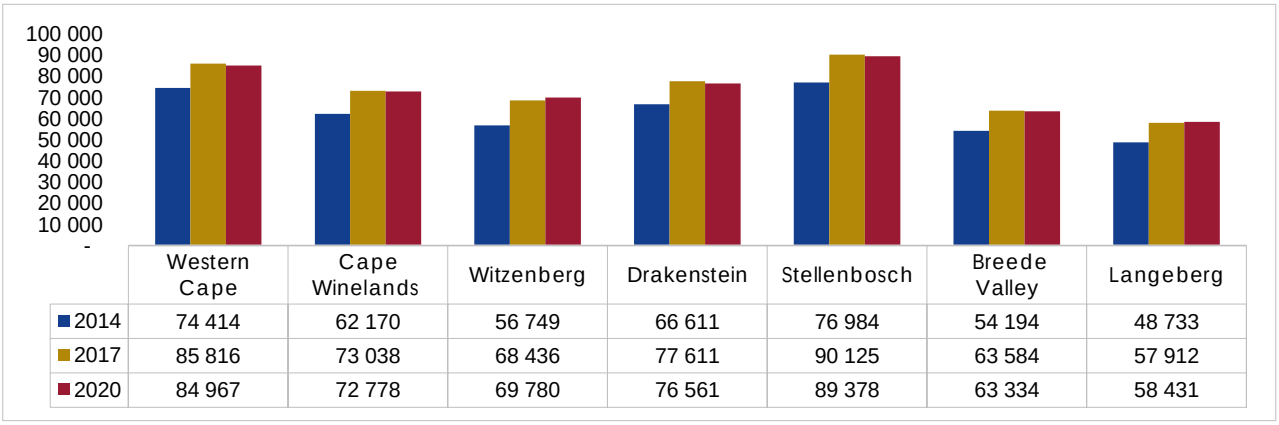
1.6.16 Poverty

a) GDPR Per Capita

An increase in real regional gross domestic product (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 GDPR 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.

GDPR per capita for the Stellenbosch municipal area was at R89 378 in 2020 (current prices) higher than the CWD (R72 778) and Western Cape (R84 967) averages. Constraint growth, coupled with growing population numbers, has resulted in a downward trend in GDPR per capita across most local municipal areas.

Figure 10: GDPR Per Capita



	Western Cape	Cape Winelands	Witzenberg	Drakenstein	Stellenbosch	Breede Valley	Langeberg
2014	74 414	62 170	56 749	66 611	76 984	54 194	48 733
2017	85 816	73 038	68 436	77 611	90 125	63 584	57 912
2020	84 967	72 778	69 780	76 561	89 378	63 334	58 431

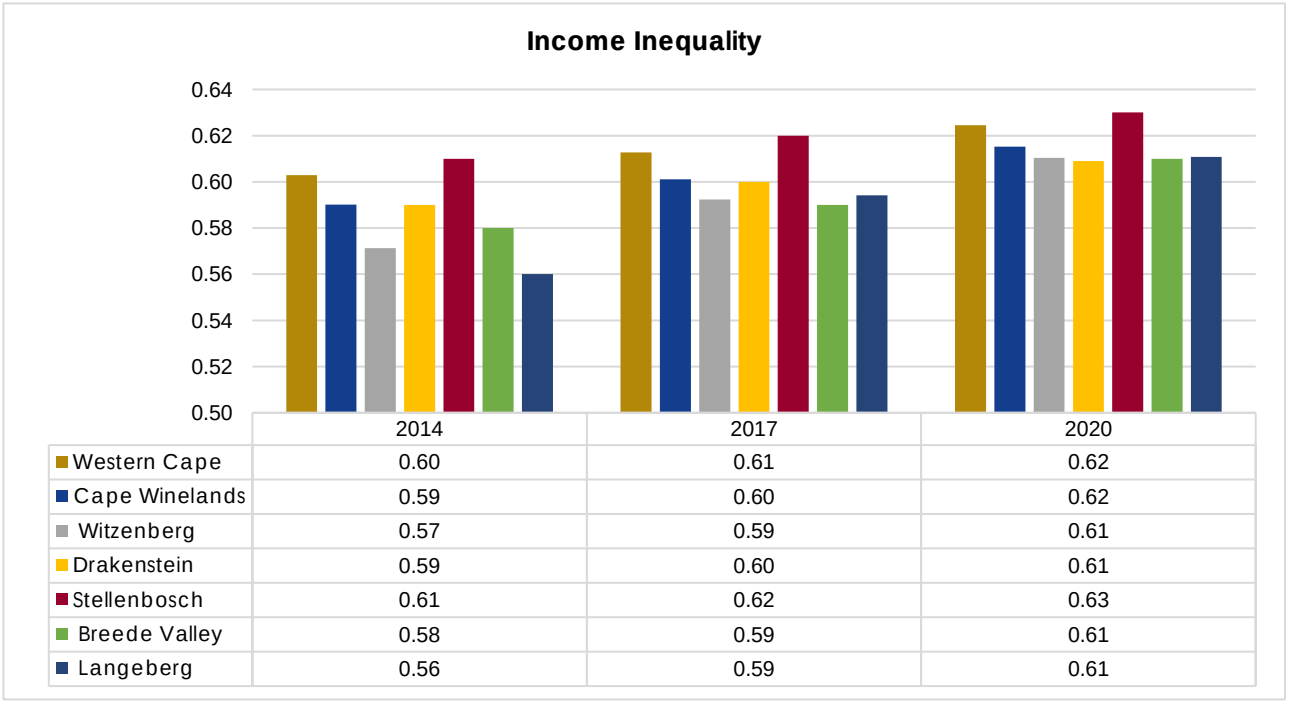
Source: Western Cape, Socio-Economic Profile 2021

b) Income Inequality

The National Development Plan (NDP) has set a target of reducing income inequality in South Africa from a Gini coefficient of 0.7 in 2010 to 0.6 by 2030. However, between 2014 and 2020, income inequality in the Stellenbosch municipal area has worsened, with the Gini-coefficient increasing from 0.614 in 2014 to 0.631 in 2020.

Worsening income inequality was also observed across the CWD (0.590 in 2014 and 0.615 in 2020) as well as the Western Cape Province (0.603 in 2014 and 0.625 in 2020)

Figure 11: Income Inequality



	2014	2017	2020
Western Cape	0.60	0.61	0.62
Cape Winelands	0.59	0.60	0.62
Witzenberg	0.57	0.59	0.61
Drakenstein	0.59	0.60	0.61
Stellenbosch	0.61	0.62	0.63
Breede Valley	0.58	0.59	0.61
Langeberg	0.56	0.59	0.61

Source: Western Cape, Socio-Economic Profile 2021

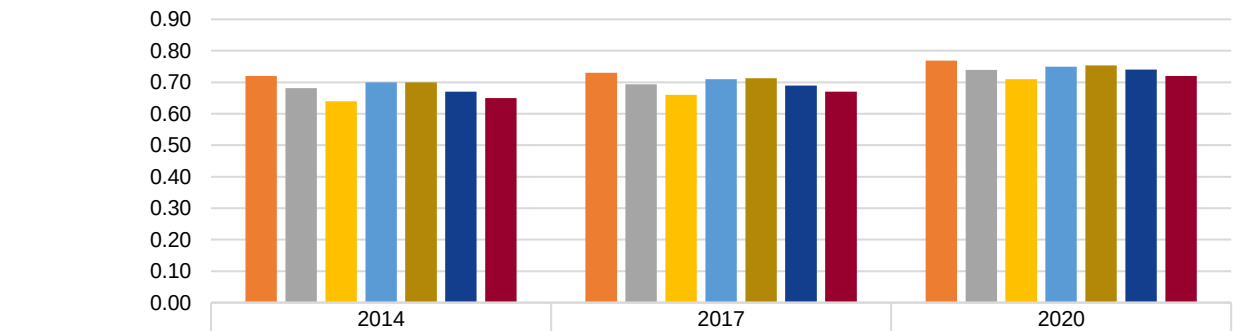
c) Human Development

The Human Development Index (HDI) is a composite indicator reflecting on 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 represent no human development. The United Nations uses the HDI to assess the relative level of socio-economic development within countries.

An overall improvement in human development is observed across the entire Western Cape with HDI levels increasing in all districts between 2014, 2017 and 2020. It is interesting to note that despite general economic hardship impacting on households, the HDI score for the Stellenbosch municipal area increase significantly more in recent times i.e., HDI in Stellenbosch was 0.704 in 2014 and increased to 0.709 in 2017; the increase was however more pronounced in 2020 at 0.751. The HDI score for the municipal area was in 2020 higher that the CWD average of 0.740.

Figure 12: Human Development



	2014	2017	2020
Western Cape	0.72	0.73	0.77
Cape Winelands	0.68	0.69	0.74
Witzenberg	0.64	0.66	0.71
Drakenstein	0.70	0.71	0.75
Stellenbosch	0.70	0.71	0.75
Breede Valley	0.67	0.69	0.74
Langeberg	0.65	0.67	0.72

Source: Western Cape, Socio-Economic Profile 2021

1.6.17 Basic Service Delivery

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

This section considers to what extent this has been achieved by reflecting on the latest available information from Quantec Research for 2020. The latest official statistics was collected by Statistics South Africa for the 2016 Community Survey; the 2022 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.

a) Housing and Household Services

With a total of 50 328 households in the Stellenbosch municipal area, 72.7 per cent had access to formal housing, the lowest access level when compared with other municipalities in the CWD area; the CWD average was 80.8 per cent. The municipal area also had the highest percentage of people living in informal settlements at 25.2 per cent. In comparison, 17.4 per cent of people across the CWD resided in informal settlements. Access levels to basic services in the municipal area were as follows in 2019:

- Piped water inside / within 200 m of the dwelling: 94.4 per cent;
- Flush or chemical toilet: 91.1 per cent;
- Electricity (for lighting): 92.2 per cent; and
- Refuse at least weekly by local authority: 86.7 per cent.

While access to electricity and sanitation services were on par with the CWD average, access to piped water was notably below the district average. Access to refuse removal services were however above the District average.

b) Free basic services

According to the Department of Local Government, the number of registered indigent households in the Stellenbosch municipal area decreased from 6 813 in 2019 to 7 011 in 2020 (2.9 per cent increase). Municipalities 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 an overall increasing trend between 2017 and 2019. The stressed economic conditions continue to exert pressure on household income levels, which in turn is likely to see the number of indigent households and the demand for free basic services increase

1.6.18 Safety and Security

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

The number of actual murders in the Stellenbosch municipal area decreased from 76 in 2019/20 to 70 in 2020/21. This amounted to a decrease in the murder rate from 39 occurrences per 100 000 people to 36 (-9.2 per cent) which was still slightly below the District average of 38. In comparison, the Provincial average was 53 in 2020/21.

Table 8: Murder cases per 100 000

Area	Actual Number			Per 100 000		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Stellenbosch	69	76	70	37	39	36
Cape Winelands District	356	398	365	38	42	38

Source: Western Cape, Socio-Economic Profile 2021

a) Sexual Offences

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

Sexual offences in the municipal area decreased by 17.1 per cent from 119 occurrences per 100 000 people in 2019/20 to 99 in 2020/21, but was still the highest amongst the various municipal areas of the District. Across the same period, the CWD sexual offences rate decreased from 103 occurrences per 100 000 people to 79 (23.4 per cent decline).

Table 9: Sexual Offenses per 100 000

Area	Actual Number			Per 100 000		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Stellenbosch	204	230	194	108	119	99
Cape Winelands District	885	969	752	96	103	79

Source: Western Cape, Socio-Economic Profile 2021

b) Drug-related Offences

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

Occurrences of drug related crimes declined significantly across the entire Western Cape - the drug-related crime rate in the Province decrease by 29.8 per cent from 890 occurrences per 100 000

people in 2019/20 to 625 in 2020/21. Mirroring this trend, the rate in the CWD decreased substantially from 834 to 559 (33.1per cent) while it decreased from 1 119 in 2019/20 to 639 in 2020/21. The municipal area had the second highest drug-related crime rate in the CWD.

Table 10: Drug Related Offenses per 100 000

Area	Actual Number			Per 100 000		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Stellenbosch	2 553	2 157	1 252	1 353	1 119	639
Cape Winelands District	11 181	7 864	5 337	1 208	834	559

Source: Western Cape, Socio-Economic Profile 2021

c) Driving under the influence (DUI)

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

Restrictions on the sale of alcohol and limited personal movement outside of a person's dwelling were always going to impact on the number of reported cases of driving under the influence (DUI) and residential burglaries. The total number of DUI cases reported in the Stellenbosch municipal area decreased from 236 in 2019/20 to 164 in 2020/21. Expressed per 100 000 people, the DUI rate was 84 occurrences in 2020/21 (31.7 per cent decrease). The DUI rate in the CWD in turn declined by 55.4 per cent from 100 to 45 occurrences across the same period.

The number of road user fatalities in the Stellenbosch area decreased from 34 in 2019/20 to 31 in 2020/21. The number of fatal crashes decreased from 35 to 39 for the same reference period.

Table 11: DUI Offenses

Area	Actual Number			Per 100 000		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Stellenbosch	308	236	164	163	122	84
Cape Winelands District	953	944	427	103	100	45

Source: Western Cape, Socio-Economic Profile 2021

d) Road user fatalities

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

The number of road user fatalities in the Stellenbosch area decreased from 34 in 2019/20 to 31 in 2020/21. The number of fatal crashes decreased from 35 to 39 for the same reference period.

Table 12: Road user fatalities

Area	Stellenbosch		
	2018/19	2019/20	2020/21
Fatal Crashes	34	34	31
Road User Fatalities	37	35	39

Source: Western Cape, Socio-Economic Profile 2021

e) Residential Burglaries

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

Residential burglaries in the municipal area decreased sharply from 1 239 reported cases in 2019/20 to 904 in 2020/21. The burglary rate per 100 000 people subsequently decreased by 31.3 per cent from 643 occurrences in 2019/20 to 461 in 2020/21. Across the same period, the burglary rate in the CWD decreased by 18.9 per cent from 586 to 475 occurrences.

Table 13: Residential Burglaries per 100 000

Area	Actual Number			Per 100 000		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Stellenbosch	1 358	1 239	904	720	643	461
Cape Winelands District	5 776	5 518	4 537	624	586	475

Source: Western Cape, Socio-Economic Profile 2021

1.6.19 Economy and Labour Market Performance

a) Sectoral Overview

In 2019, the economy of the Stellenbosch municipal area was valued at R16.759 billion (current prices) and employed 78 449 people. Historical trends between 2015 and 2019 indicate that the municipal area realised an average annual growth rate of 0.9 per cent which can mostly be attributed to the tertiary sector which registered a positive annual growth rate of 1.9 per cent. The economy is expected to contract by 6.7 per cent in 2020 with 4 659 jobs being shed.

In terms of sectoral contribution, the finance, insurance, real estate and business services (R3.634 billion), wholesale and retail trade, catering and accommodation (R3.530 billion) and the manufacturing
(R2.779 billion) sectors were the main drivers that contributed to the positive growth. The former two sectors on average grew by 2.4 and 2.1 per cent respectively between 2015 and 2019, while the manufacturing sector declined by 0.9 per cent. The fastest growing sector across this period was however the transport, storage and communication sector (3.1 per cent). Except for agriculture, all sectors in the municipal area are expected to have contracted in 2020. The agriculture, forestry and fishing sector, which provides inputs for the manufacturing sector and purchases goods and services from a large portion of the tertiary sector industries, declined by 4.2 per cent between 2015 and 2019. The largest decline is anticipated to be observed in the construction sector which is expected to decline by 19.8 per cent.

The wholesale and retail trade, catering & accommodation (20 675); finance, insurance, real estate & business (13 509) and agriculture (10 610) sectors were in 2019 the largest sources of job creation. Although these sectors experienced positive average job creation between 2015 and 2019, all three are set to shed a significant number of jobs in 2020. The highest number of job losses are expected to be experienced in the wholesale and retail trade, catering & accommodation (-1 298) sector. General government is the only sector to experience job creation in 2020**.**

b) Formal and Informal Employment

It is estimated that total employment in the municipal area will in 2020 amount to 73 790 workers, of which 54 341 (73.6 per cent) are in the formal sector while 19 476 (26.4 per cent) are informally employed. Most of the formally employed consisted of semi-skilled (43.5 per cent) and low-skilled (32.1 per cent) workers. Average annual growth in the skilled (0.4 per cent) and semi-skilled (0.5 per

cent) categories were relatively equal while low-skilled employment contracted at an average annual rate of 1.4 per cent.

The growth in the skilled cohort reflects the market demand for more skilled labour and the ability to sustain and slightly expand the demand for skilled employment even during times of economic hardship. The growth in the skilled and semi-skilled cohorts evidently reflect the need to capacitate and empower low-skilled workers in order to be absorbed in the labour market. Overall, formal and informal employment contracted by 0.4 and 2.1 per cent respectively between 2016 and 2020.

c) Unemployment

Despite above mentioned decline in total employment, the unemployment rate for the Stellenbosch municipal area slightly improved from 11.6 per cent in 2019 to 11.3 in 2020. The unemployment rate was however still the second highest in the Cape Winelands District (10.8 per cent). This is particularly concerning given that the estimate is based on the narrow definition of unemployment i.e. the percentage of people that are able to work, but unable to find employment.

In turn, the broad definition generally refers to people that are able to work, but not actively seeking employment (excludes those who have given up looking for work.

Table 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	**821.8**	**-4.1**	**10.1**	**10 639**	**172**	**-490**
Agriculture. forestry & fishing	789.5	-4.2	10.9	10 610	172	-489
Mining & quarrying	32.2	0.2	-18.4	29	- 0	-1
Secondary sector	**3 908.1**	**-0.6**	**-12.9**	**11 825**	**26**	**-1 081**
Manufacturing	2 779.0	-0.9	-11.5	7 873	- 8	-601
Electricity. gas & water	247.2	-0.4	-6.4	155	3	-3
Construction	881.9	0.7	-19.8	3 797	31	-477
Tertiary sector	**12 029.2**	**1.9**	**-6.3**	**55 985**	**1 149**	**-3 088**
Wholesale & retail trade. catering & accommodation	3 529.8	2.1	-9.6	20 675	625	-1 298
Transport. storage & communication	1 856.3	3.1	-13.9	3 551	113	-127
Finance. insurance. real estate & business services	3 634.3	2.4	-4.2	13 509	365	-644
General government	1 853.9	-0.2	-0.1	7 645	-21	60
Community. social & personal services	1 154.9	0.7	-2.8	10 605	66	-1 079
Stellenbosch	**16 759.1**	**0.9**	**-6.7**	**78 449**	**1 346**	**-4 659**

Source: Western Cape, Socio-Economic Profile 2021

Table 15: Skill Levels Formal employment

Skill Levels Formal employment	Skill Level Contribution 2020 (%)	Average growth (%) 2016 - 2020	Number of jobs	
			2019	2020
Skilled	24.4	0.4	13 818	13 254
Semi-skilled	43.5	0.5	24 883	23 607
Low-skilled	32.1	-1.4	18 639	17 453
Total	**100.0**	**-0.2**	**57 340**	**54 314**

Source: Western Cape, Socio-Economic Profile 2021

Table 16: Informal Employment

Informal Employment	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Number of informal jobs	19 913	19 790	19 904	21 110	21 546	22 950	21 214	22 239	21 851	21 109	19 476
% of Total Employment	30.6	29.9	29.3	29.9	30.0	30.2	28.0	28.7	27.9	26.9	26.4

Source: Western Cape, Socio-Economic Profile 2021

Table 17: Unemployment Rates

Unemployment rates	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Drakenstein	13.1	13.4	13.1	12.7	13.1	12.1	13.1	13.7	13.6	14.5	14.1
Langeberg	6.4	6.6	6.5	6.2	6.5	5.6	6.4	6.7	6.7	7.3	7.3
Stellenbosch	**9.8**	**10.1**	**10.0**	**9.7**	**10.1**	**9.3**	**10.3**	**10.7**	**10.7**	**11.6**	**11.3**
Witzenberg	7.3	7.4	7.1	6.7	6.9	5.9	6.4	6.7	6.6	7.1	6.9
Breede Valley	10.3	10.6	10.3	9.8	10.2	9.1	10.0	10.4	10.3	11.1	10.7
Cape Winelands	10.1	10.3	10.1	9.7	10.0	9.1	10.0	10.4	10.3	11.1	10.8
Western Cape	15.9	16.1	16.1	16.0	16.4	16.5	17.7	18.4	18.3	19.6	18.9

Source: Western Cape, Socio-Economic Profile 2021

1.6.20 Public Infrastructure Spending

The followings content reflects on provincial and municipal infrastructure spending priorities within the Stellenbosch municipal area for 2021/22

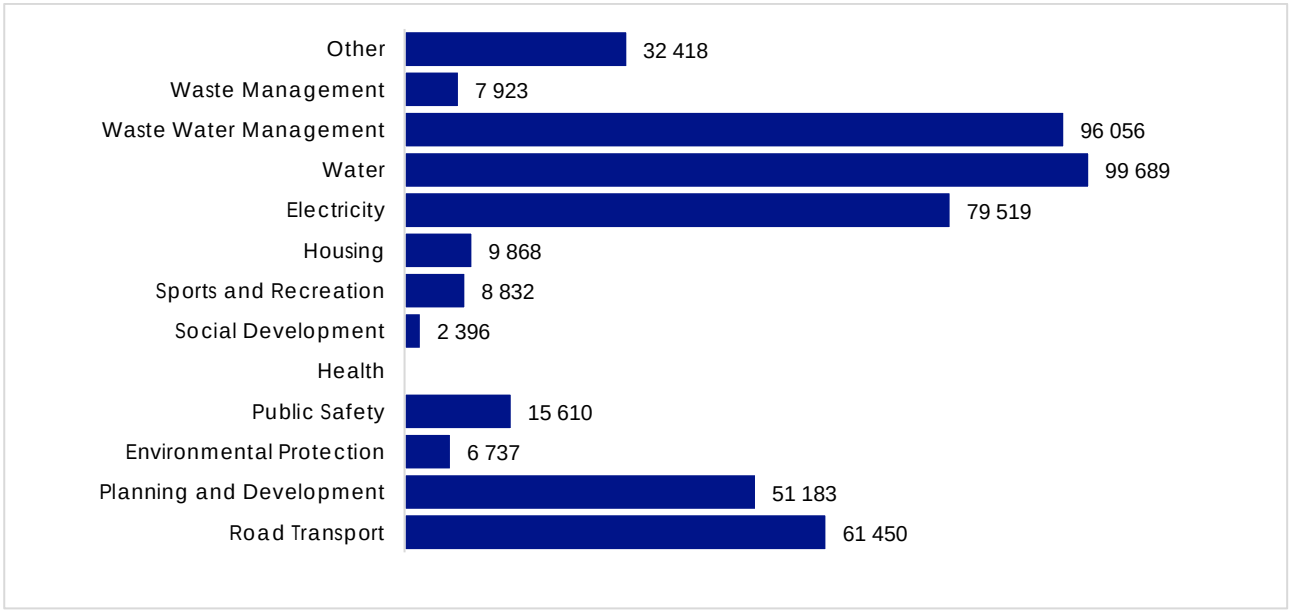
Spending on Social Infrastructure aids in social development and has the spill-over effect of enabling economic growth. A total of 41.1 per cent of the total WCG infrastructure allocation towards the Stellenbosch municipal area will be spent on social infrastructure. As displayed in the pie chart, the WCG will be spending 10.2 per cent (R17.0 million) of the total infrastructure budget in the municipal area on the Education function. 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. The WCG will in 2021/22 spend R344 000 on Health-related infrastructure within the municipal area. An allocation has also been made by the WCG towards the Housing function (R51.4 million; 25.1 per cent) to improve the quality of life of individuals within the municipal area. The Municipality allocated R9.9 million million towards the Housing function.

Community safety is a cornerstone of the Western Cape Economic Recovery Plan. 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 R15.6 million (3.3 per cent) of its capital budget towards the Public Safety function.

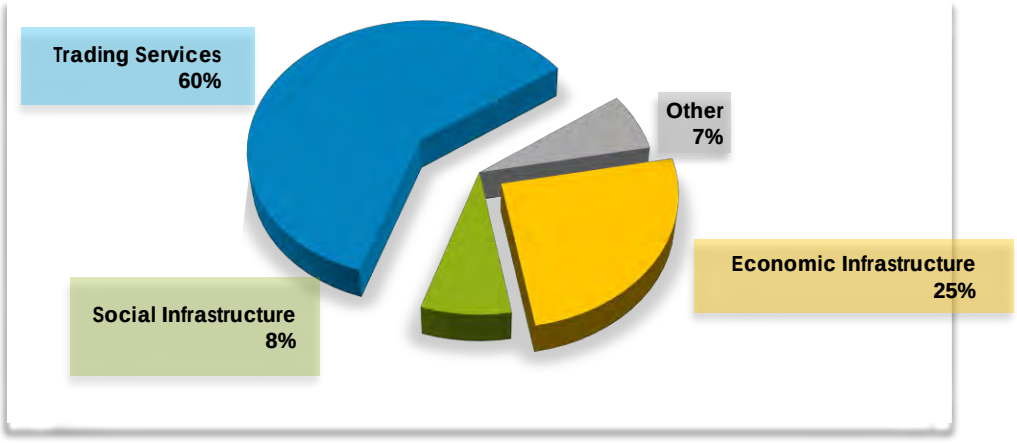
Economic infrastructure is defined as infrastructure that promotes economic activity. Considering the sluggish economic growth throughout the Country, spending on economic infrastructure is crucial to stimulating economic activity. The WCG will in 2020/21 spend R98.6 million on economic infrastructure, more specifically towards road transport and public works. Road transport infrastructure goes a long way towards unlocking the region's economic potential, especially due to it having the largest natural port in Africa and being a tourist destination. The Municipality assists in this regard with its own contribution of R61.5 million (13.0 per cent of total municipal infrastructure spending) towards road transport.

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 Municipality will in 2021/22 channel R283.2 million towards **Trading Services** to reduce backlogs, improve service delivery standards, provide for future residential developments and to roll-out basic services to informal settlements. The 2021/22 trading services budget is mostly focused on water (R100.0 million; 35.2 per cent), wastewater management (R96.1 million; 33.9 per cent) and electricity services (R79.5 million; 28.1 per cent). A smaller allocation of R7.9 million (2.8 per cent) has been made towards the solid waste management function.

Figure 13: Public Infrastructure Spending



Source: Western Cape, Socio-Economic Profile 2021



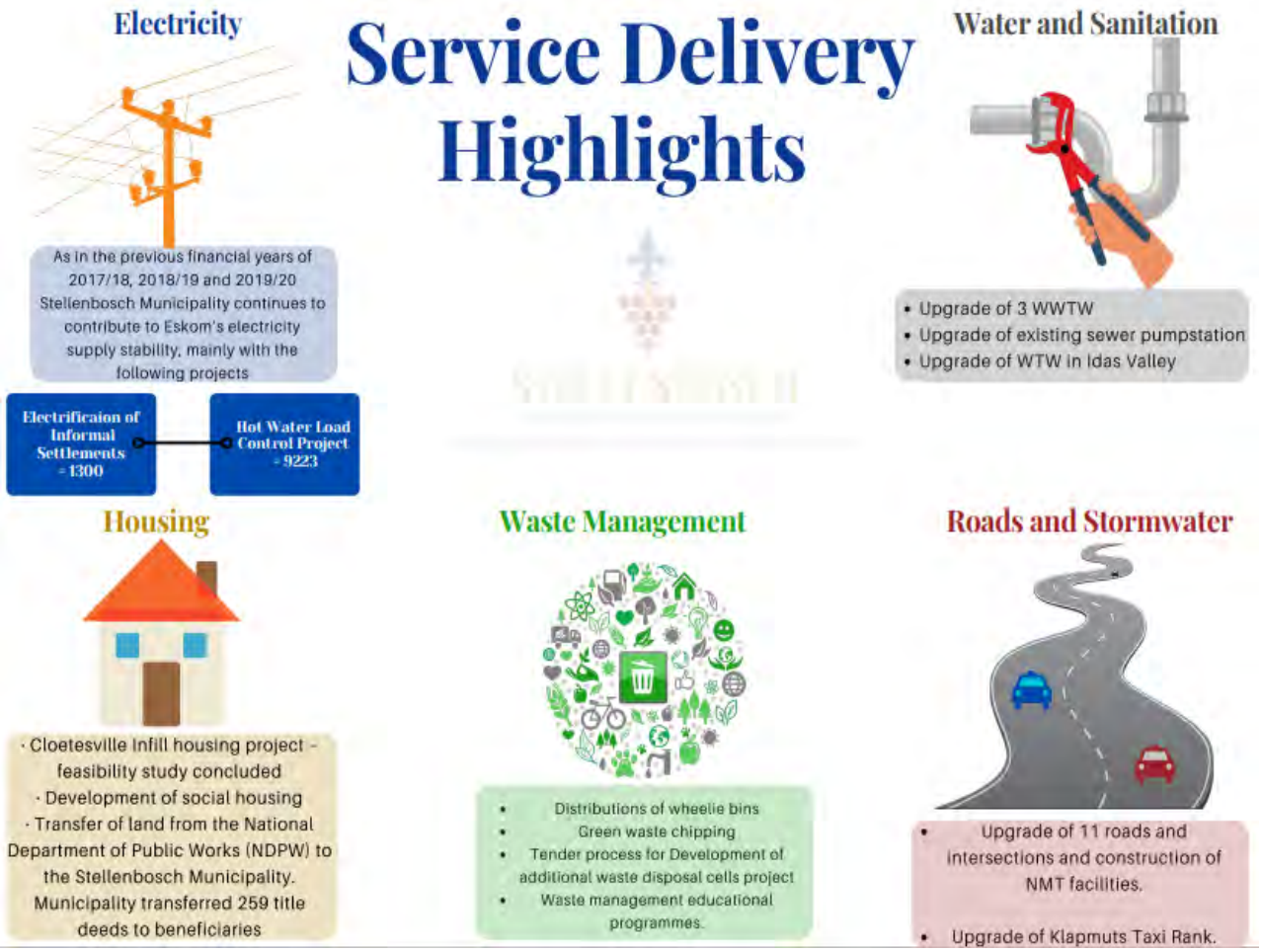
Source: Western Cape, Socio-Economic Profile 2021

1.7 Basic Service Delivery Highlights and Challenges

1.7.1 Key Basic Services Delivery Highlights

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

Figure 14: Basic Services Highlights



It should be noted under Roads and Transport, Phase 1 was civil and roadworks. Phase 2 was the construction of the top structures and completion of the Rank.

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

1.7.2 Key Basic Services Challenges

The following general challenges were experienced by the municipality:

Table 18: Key Basic Service Challenges

Challenge	Actions to address
Erf 7001, Cloetesville ("Soek-mekaar"): • Cancellation of SCM process	The bid was cancelled, and a new tender was advertised. The procurement process to appoint a service provider to undertake a Broad Conceptual Urban Design framework for Erf 7001has commenced.
Cloetesville Infill housing project: • Topography of sites	A funding application will be submitted in order to start the process of obtaining development rights.
Jamestown Phase 2, 3 and 4: • Delayed SCM processes.	A new tender was advertised in the 2020/21 financial year and will be evaluated during the 2021/22 financial year.
Kayamandi Town Centre: • The general slope of the area – the gradient is such that it has an impact on the number of opportunities; • the safety concerns with regards to the communal living; • public acceptance of the high density development and decanting site; and • the impact of the COVID-19 pandemic – social distancing requirements.	The service provider will appoint a community facilitator to address the public concerns and a funding application will be submitted to PDoHS to address the project challenges.
Langrug, Franschhoek: • Continuous land invasion hampers the provision of basic services. Limited access for emergency services.	A revised proposal to address the challenges in Langrug will be submitted to PDoHS for approval.
Northern Extension, Kayamandi	A service provider was appointed to obtain the development rights by considering the informal settlements and design different development options.
Maasdorp Village, Franschhoek	The sizes of the current properties exceed the current norm and standards for subsidised housing. This relates to an expensive development to provide internal services. The service provider is currently in the process of obtaining all financial information through a survey. This will allow the municipality to make an informed decision on the way forward pertaining to the beneficiaries.
Botmaskop Precinct	The biodiversity of the area identified for possible housing development, might influence the potential for future housing development. The feasibility study will determine the suitability of future housing development considering the biodiversity of the area.
Farms 81/2 and 81/9 Stellenbosch	After discussions with NASHO it became evident that a successful Social Housing project, if a long-term lease agreement is considered should be for more than 50 years. The site itself has certain constraints which limits the number of units that could be build. When a suitable SHI and/or ODA is appointed, the lease period and rental opportunities will be finalised through a Land Availability Agreement (LAA).

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

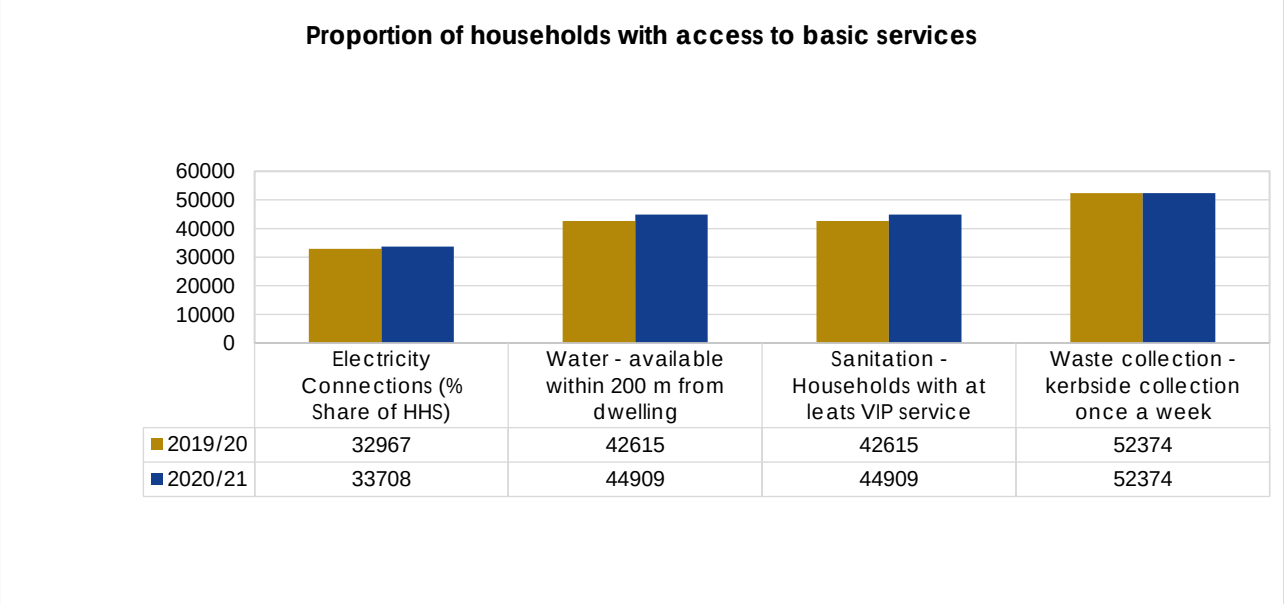
1.8 Proportion of Households with Minimum Access to Basic Services

The source of the information below indicates municipal statistics:

Table 19: Households with minimum level of Basic Services

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

Figure 15: Proportion of households with access to basic services



1.9 Financial Viability Highlights

Table 20: Municipal Viability Highlights

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

1.10 Financial Viability Challenges

Table 21: Financial Viability Challenges

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

1.11 Financial Overview

Table 22: ***Financial Viability and Management Financial Overview (000')***

Details	Original budget	Adjustment Budget	Actual
	R'000		
Income			
Grants (Operating and Capital)	291 976	291 571	264 637
Taxes, Levies and Tariffs	1 099 680	1 073 680	1 319 673
Other	301 816	241 521	221 370
Sub-Total	1 693 473	1 830 891	1 805 680
Less **Expenditure**	1 887 464	1 830 891	1 812 392
Net surplus / (deficit)	-193 991	-224 118	-6 712

1.11.1 Operating Ratios

Table 23: Operating Ratios

Detail	Expected norm	Actual	Variance
Employee Cost	25 %– 40 %	29.99%	8.23%
Repairs and Maintenance	8%	4.88%	3.12%
Finance Charges	6%-8%	1.34%	6.66%

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

1.11.2 Total Capital Expenditure

Table 24: ***Total Capital Expenditure (000')***

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

1.12 Municipal Standard Chart of Accounts

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

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

1.13 Organisational Development Overview

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

Table 25: Organisational development highlights

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

1.14 MFMA Competencies

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

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

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

Table 26: Financial Competency Development: Progress Report

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

1.15 COVID-19

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

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

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

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

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

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

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

Table 27: COVID-19 Risk Register

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

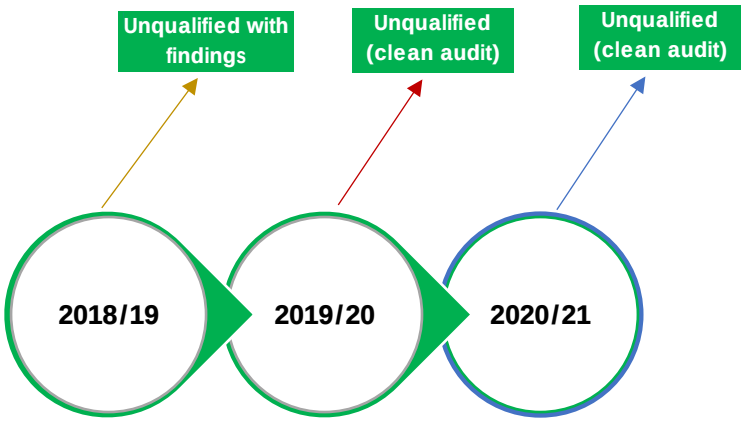
Risk	Description	Action
	The lockdown has placed a mandatory need for social distancing and a ban on gatherings and meetings.	A council resolution delegated all functions to the MM and Executive during the disaster period to ensure continuity.
	Some of the regulatory governance processes have been severely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

1.16 Auditor General Report

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

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

Figure 16: Audit outcomes from 2018/19 - 2020/21



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

CHAPTER 2: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

2.1 Introduction

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

2.2 National Key Performance Indicators - Good Governance and Public Participation

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

Table 28: National KPI - Good Governance and Public Participation

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

The COVID-19 pandemic severely impeded the municipality's ability to spent its capital budget during the past two financial years. However, despite the numerous challenges posed by the pandemic, the municipality attained and average capital expenditure of at least 81.44% for the period 2018/19 – 2020/21.

2.3 Performance Highlights - Good Governance and Public Participation

Table 29: Highlights of Good Governance and Public Participation

Highlight	Description
Council	Council has remained stable and well-functioning throughout 2020/21.
Audit Outcomes	Clean Audit for the 2019/20 and 2020/21 financial years.
Institutional Transformation	The new organisational structure was approved and the placement process is largely completed.
S.80 and S.79 Committees of Council	The establishment of functional S.80 and S.79 Committees of Council and held meetings regularly.
Public Participation	Public participation sessions were held with all 22 ward committees in September 2019 and in April 2020. Despite the had lockdown as a result of the COVID-19 pandemic in March 2020, public participation was moved to online platforms and hybrid spaces. Interested and affected parties were encouraged to participate online and provide feedback on the IDP and Budget through the newly developed

Highlight	Description
	Stellenbosch Citizen App and email. The council introduced hybrid venues to conduct public participation.
Communication	Stakeholder engagement has improved significantly and media releases / media responses for local, regional and national publications and broadcasters are released on a weekly basis. Activity on the municipality's social media platforms and municipal website has improved. Social media platforms have grown significantly and now reaches a much larger, ever-growing audience.
Compliance	The municipality adhered to all laws and regulations in terms of compliance.

2.4 Challenges - Good Governance and Public Participation

Table 30: Challenges of Good Governance and Public Participation

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

2.5 Public satisfaction with municipal services

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

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.6 Political Governance Structure

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

2.6.1 Council – 01 July 2020 to 30 June 2021

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

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

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

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

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

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

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

2.6.2 Executive Mayoral Committee

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

The Executive Mayoral Committee positions were occupied as follows.

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

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

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

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

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

Table 35: Executive Mayoral Committee Meetings 2020/21

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

2.6.3 Portfolio Committees

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

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

2.6.3.1 Planning and Economic Development Portfolio Committee

Table 36: Planning and Economic Development Committee

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

Table 37: Planning and Economic Development Meetings

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

2.6.3.2 Infrastructure Committee

Table 38: Infrastructure Services Portfolio Committee

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

Table 39: Infrastructure Services Portfolio Committee meeting

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

2.6.3.3 Finance Portfolio Committee:

Table 40: Finance Portfolio Committee

Period 1 July 2020 – 30 June 2021	
Name of member	**Capacity**
PR Crawley [Ms]	Portfolio Chairperson
A Florence	Committee Member
J Hamilton	Committee Member
RS Nalumango [Ms]	Committee Member
MD Oliphant	Committee Member

Table 41: Finance Portfolio Committee Meeting Dates

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

2.6.3.4 Community and Protection Services Portfolio Committee

Table 42: Community and Protection Services Portfolio Committee

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

Table 43: Community and Protection Services Portfolio Committee Meeting Dates

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

2.6.3.5 Corporate Services Portfolio Committee

Table 44: Corporate Services Portfolio Committee

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

Table 45: Corporate Services Portfolio Committee Meeting Dates

Meeting dates	Number of reports
None	

2.6.3.6 Human Settlements Portfolio Committee

Table 46: Human Settlements Portfolio Committee

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

Table 47: Human Settlements Portfolio Committee Meetings

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

2.6.3.7 Rural Management and Tourism Portfolio Committee

Table 48: Rural Management and Tourism Portfolio Committee

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

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

Table 49: Rural Management and Tourism Portfolio Committee Meeting Dates

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

2.6.3.8 Youth, Sport and Culture Portfolio Committee

Table 50: Youth, Sport and Culture Portfolio Committee

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

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

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

2.6.3.9 Parks, Open Spaces and Environment Portfolio Committee

Table 52: Parks, Open Spaces and Environment Portfolio Committee

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

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

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

2.6.4 Section 79 Committees

2.6.4.1 Municipal Public Accounts Committee (MPAC)

Table 54: MPAC Committee

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

Table 55: MPAC Committee Meeting Dates

Meeting dates	Number of reports
05 November r2020	3
18 March 2021	3
29 June 2021	8

2.6.4.2 Appeals Committee

Table 56: Appeals Committee

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

Table 57: Appeals Committee Meeting Dates

Meeting dates	Number of reports
None	

2.6.4.3 Local Labour Forum (LLF)

Table 58: Local Labour Forum (LLF)

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

Table 59: Local Labour Forum Meeting Dates

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

2.6.4.4 Employment Equity Committee

Table 60: Employment Equity Committee

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

Table 61: Employment Equity Committee Meeting dates

Meeting dates	Number of reports
None	

2.6.4.5 Councillor Disciplinary Committee

Table 62: Councillor Disciplinary Committee Portfolio Committee

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

Table 63: Councillor Disciplinary Committee Portfolio Committee meeting dates

Meeting dates	Number of reports
None	

Table 64: Councillor Disciplinary Portfolio Committee Meeting Dates

Meeting dates	Number of reports
22 February 2021	1

2.6.4.6 Rules Portfolio Committee

Table 65: Rules Portfolio Committee

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

Name of member	Capacity
P Sitshoti [Ms]	Committee Member

Table 66: Rules Portfolio Committee Meeting dates

Meeting dates	Number of reports
None	

2.7 Strategic Governance Structure

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

Figure 17: Top Management Structure

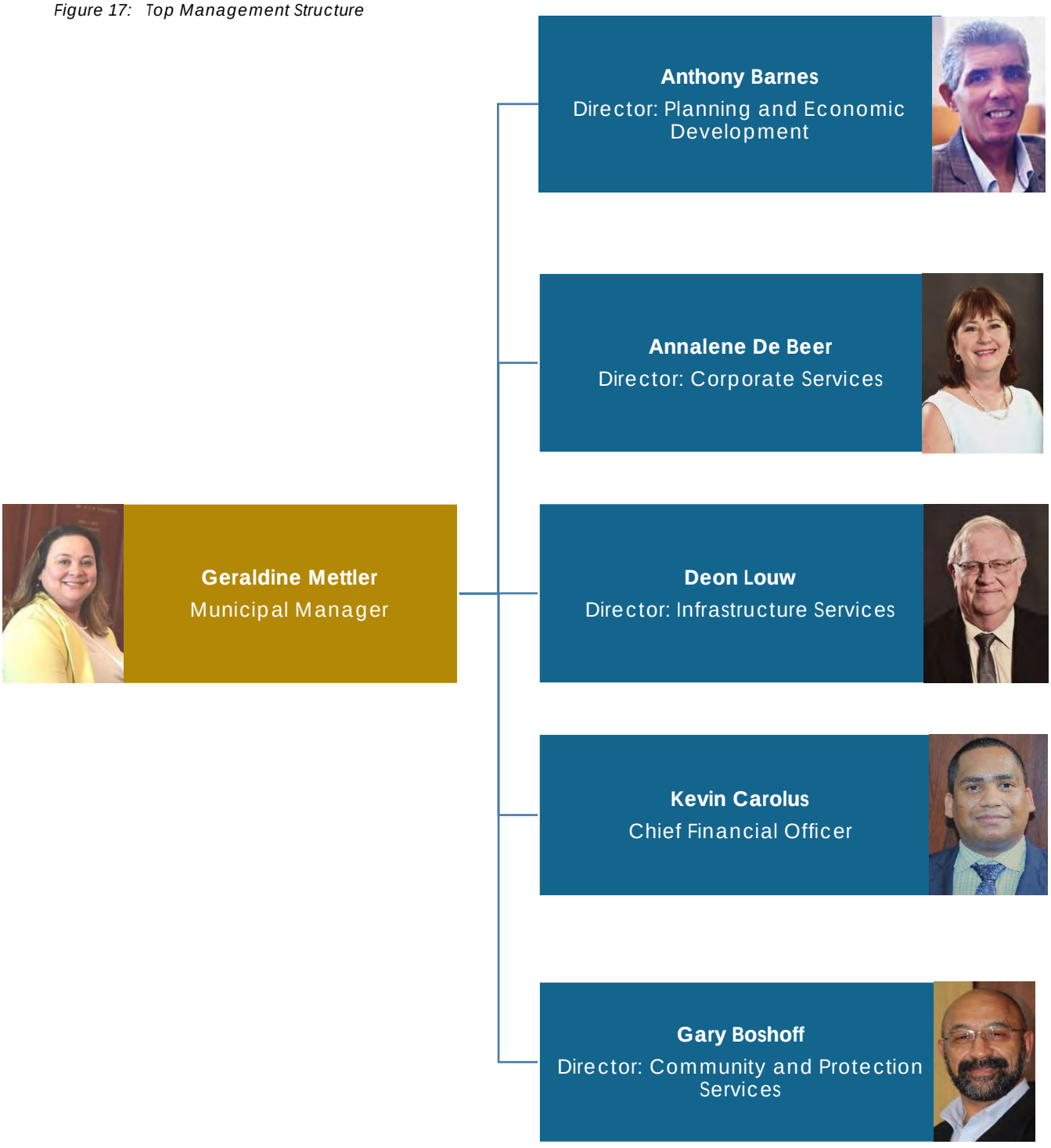
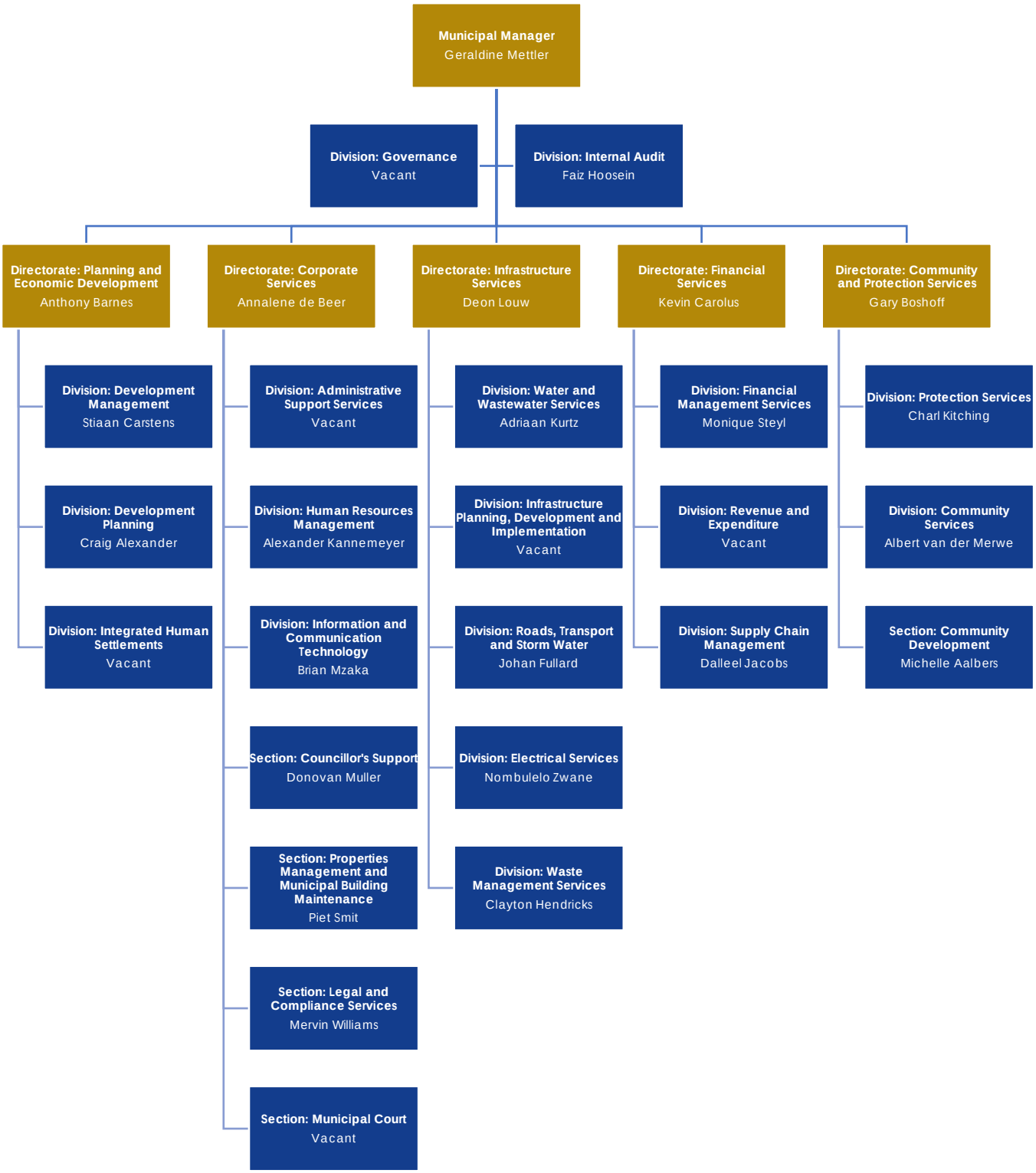


Figure 18: Macro Structure



COMPONENT B: PUBLIC ACCOUNTABILITY

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

The participation outlined above is required in terms of the:

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

2.8 Intergovernmental Relations

2.8.1 National Intergovernmental Structures

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

The Directorate: Infrastructure Services represented by the Director: Infrastructure Services as a member of the national WRC / SALGA Municipal Benchmarking Initiative in Water Services, which collaborates in a national programme towards the improvement of water services, co-driven by SALGA and the Water Research Commission (WRC) and in collaboration with 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).

2.8.2 Provincial Intergovernmental Structures

a) Office of the Municipal Manager

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

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

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

b) Financial and Corporate Services

The Directorate: Financial Services participates in several provincial fora quarterly. 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 regularly.

c) Planning and Economic Development

The municipality is represented by the Manager: Spatial Planning on the task team set up by DEA&DP to revise the Provincial Spatial Development Framework (PSDF). Through this inter-governmental process, Stellenbosch Municipality can 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 quarterly to discuss all Housing Development policies and budget-related matters in housing delivery. During the meeting, all the housing officials of the various municipalities are present to share and discuss challenges as well as innovative ideas, in the built environment. The overall performance of each municipality is discussed in detail and mitigating options if the need arises;
- Applications of new and existing projects are also discussed with the PDoHS. The municipalities receive information relating to: beneficiary administration, outstanding approvals, informal settlement challenges, title deed transfers, farmworker 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 allowed to host this engagement;
- The Section: Informal Settlements also represents the municipality at the bi-monthly Informal Settlements Support Programme (ISSP) meetings of the Provincial Department of Human Settlements (PDoHS). The latter programme aims to interpret National and Provincial guidelines with respect to upgrading of the informal settlements. The purpose of these monthly meetings is to discuss best practices in informal settlements within the Cape Winelands region; and
- The Section: Informal Settlements furthermore collaborates between various municipal departments and Stats SA. The collaboration is aimed at regularising the municipality's data

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

d) Infrastructure Services

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

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

Stellenbosch Municipality is 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 about 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 Department: Electrical Services is extensively involved with other local municipalities' electricity departments through the Association of Municipal Electricity Utilities (AMEU). The AMEU promotes quality of service and management excellence amongst its members in the field of electricity supply, and facilitates communication between its members and between members and the technical, economic and political environment, in order to influence that environment.

e) Community and Protection Services

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

The department further engages with RTIA, RTMC, Director of Public Prosecutions and the 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 to address the social determinants of health through interaction with Department Education, Health Department and SAPS.

The municipality engages in numerous partnerships to facilitate service delivery.

Table 67: Municipal Partnerships

Name of Partner / Partnership	Purpose
Mayor / Rector Forum	A partnership with the University of Stellenbosch to ensure aligned development planning and that the municipality draws from the university's expertise and resources.
Memorandum of Cooperation between the Stellenbosch Municipality and Stellenbosch University (SU)	Cooperation in terms of closed-circuit television in the interest of the security of the town and the campus with a view to a crime-free university town.
Landfill Monitoring Committee	A partnership with the Devon Valley residents, whereby residents monitor the Stellenbosch landfill site.
IMESA (Institute for Municipal Engineers South Africa)	A partnership with IMESA aimed at strengthening knowledge and capacity related to municipal infrastructure and service delivery.
Integrated Development Committee (IPC)	A partnership with the university and other stakeholders aimed at exploring spatial and urban planning possibilities for Stellenbosch to meet the needs of the municipality and university.
Department Social Development, DCAS, Cape Winelands District Municipality	Joint implementation of programmes focussing on common issues within WC024.
SALGA Municipal Benchmarking Initiative	The partnership is aimed at improving efficiency and effectiveness through comparative process benchmarking, peer-to-peer operational knowledge sharing and iterative performance improvements.
Bergriver Improvement Programme	The partnership was formed to improve the quality of the stormwater run-off from the Langrug Informal Settlement. The project entails the implementation of biomimicry, waste recycling and a Sustainable Urban Drainage lab.
LTAB	The partnership was formed between political leaders to discuss Land Transport-related matters that affect transport in the area.
Transport Working Group	The 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	The partnership is aimed at multidisciplinary research and development by supporting innovation in Stellenbosch.
Genius of Space	This initiative developed from, and forms part of the Western Cape 110% Green Initiative. The Biomimicry Genius of Space project is a registered flagship project of 110% Green. This initiative combines two priorities of the Western Cape Government – the Berg River and the Green Economy – to find an innovative solution to water pollution in the Berg River.
General	Municipal Partnerships.
District Intergovernmental Structures	
District Coordinating Forum	This forum meets quarterly and seeks to promote and facilitate intergovernmental relations between the district municipality and the local municipalities in the district. The Stellenbosch Municipality participates in this forum and the Cape Winelands District Municipal Managers Forum and benefits 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 uses indigenous sports to create social cohesion amongst communities in the district.

Name of Partner / Partnership	Purpose
	Special focus and attention were given to communities in rural areas. The 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 improved and the Department: Community Services have managed to exceed all expectations. A targeted approach was followed and sports were used as a catalyst to cement this relationship with the district. 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.

2.8.3 Ward Committees

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

Figure 19: Main duties of the ward committees



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

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

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

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

Composition of Ward Committees:

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

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

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

The COVID-19 pandemic has undeniably brought about profound changes on all levels of society. These changes, inter alia, demand new ways of thinking regarding development and public participation.

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

Table 68: Ward 1 Committee Members

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

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

Table 69: Ward 2 Committee Members

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

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

Table 70: Ward 3 Committee Members

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

Ward 4: Pniël, Kylemore and Johannesdal

Table 71: Ward 4 Committee Members

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

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

Table 72: Ward 5 Committee Members

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

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

Table 73: Ward 6 Committee Members

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

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

Table 74: Ward 7 Committee Members

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

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

Table 75: Ward 8 Committee Members

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

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

Table 76: Ward 9 Committee Members

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

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

Table 77: Ward 10 Committee Members

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

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

Table 78: Ward 11 Committee Members

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

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

Table 79: Ward 12 Committee Members

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

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

Table 80: Ward 13 Committee Members

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

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

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

Table 81: Ward 14 Committee Members

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

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

Table 82: Ward 15 Committee Members

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

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

Table 83: Ward 16 Committee Members

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

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

Table 84: Ward 17 Committee Members

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

Ward 18: Klapmuts and surrounding farms

Table 85: Ward 18 Committee Members

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

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

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

Table 86: Ward 19 Committee Members

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

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

Table 87: Ward 20 Committee Members

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

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

Table 88: Ward 21 Committee Members

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

Name of representative	Capacity representing
N Williams	Ward Administrator

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

Table 89: Ward 22 Committee Members

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

2.8.3.1 Functionality of Ward Committees

The purpose of a ward committee is to:

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

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

In an effort to limit the spread of the COVID-19 pandemic, large gatherings were banned including all public meetings, ward meetings at the local government level and other invited or created spaces of engagement. The rapid transmission of the pandemic with various variants thereof across the globe caused panic and its prevention became the number one priority to be addressed.

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

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

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

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

Table 90: Ward Committees and their functionality

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

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

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

Note: The COVID-19 pandemic had a direct result on the number of public meetings held due lockdown regulations.

COMPONENT C: CORPORATE GOVERNANCE

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

2.9 Risk Management

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a) Likelihood rating scale

Table 91: Risk likelihood rating scale

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

b) Risk management grid

Table 92: Risk management grid

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

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

2.9.1 Strategic Risks Identified

Table 93: Risk register

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

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

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

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

2.9.2 Anti-Corruption and Anti-Fraud

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

Management and Council have taken ownership of combatting fraud and corruption throughout the municipality.

The Anti-Fraud and Corruption Prevention Policy was consulted with key internal stakeholders and the Audit and Audit Performance Committee. The policy intends to strengthen fraud and corruption prevention at all levels within the municipality and re-invest the management of fraud and corruption to management at all levels.

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

2.10 Functions of the Audit and Performance Audit Committee

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

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

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

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

The responsibilities of the APAC are further to review the:

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

The committee members are as follows:

Table 94: Members of the Audit and Performance Audit Committee

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

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

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

2.11 Internal Auditing

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

The internal audit unit of a municipality must: –

a. prepare a risk-based audit plan and an internal audit programme for each financial year; and
b. advise the accounting officer and report to the Audit Committee on the implementation of the internal audit plan and matters relating to:

    - internal audit;
    - internal controls;
    - accounting procedures and practices;
    - risk and risk management;
    - performance management;
    - loss control; and
    - compliance with this Act, the annual Division of Revenue Act and another applicable legislation.

c. perform such other duties as may be assigned to it by the Accounting Officer.

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

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

2.11.1 Risk Register and Three-Year Strategic Plan

Table 95: ***√ Confirms audit activity completed in the financial year***

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

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

2.11.2 Annual Risk Based Audit Plan

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

Table 96: Annual Risk-Based Audit Plan

Audit Activity	Status
DoRA Compliance	Combined Assurance – AG
MGRO 1 and 2 (MGAP)	Report submitted to PT
IA follow up review:	
Risk Management: Follow up	Completed - refer to QAR
Applications for Building Plans	Final report submitted
Applications for Re-zoning	Final report submitted
AG Audit Action plan 2019/20	Final report submitted
Quarterly Key Control reviews (SORR):	
Quarter 4	AG to set up SORR with IA
Quarter 1	
Quarter 2	
Quarter 3	
Performance Management:	
Pre-determined Objectives	
Quarter 4	Final Report submitted
Quarter 1	Final Report submitted
Quarter 2	Final Report submitted
Quarter 3	Final Report submitted
Performance Management System	Final Report submitted
Performance Reviews: MM and Directors (mid-year and annual assessments)	Final Report submitted
Information Technology:	
ITGC, Applications review and support services equipment	Approved roll over 2021/22
Review of Cobit compliance	Final Report submitted
Other:	
Stores Inventory Review	IA provided direct assistance on behalf of the AG(SA)
Contracts Management	Approved roll over 2021/22
Asset Management	Approved roll over 2021/22
Allowances (Overtime, Standby and Scarcity Skills)	Final Report submitted
COVID-19: Compliance	Phase 1: Final Report submitted Phase 2: Final Report submitted
Quality Assessment Review	Final Report submitted
Mont Rochelle (Ad-hoc review)	In progress – approved roll over 2021/22

2.11.3 PMS Audits

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

2.11.4 Functions of the Audit and Performance Audit Committee

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

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

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

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

The responsibilities of the APAC are further to review the:

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

The committee members are as follows:

Table 97: Members of the Audit and Performance Audit Committee

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

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

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

2.12 Supply Chain Management

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

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

2.12.1 Competitive bids in excess of R200 000

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

Table 98: Bid Committee Meetings

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

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

Table 99: Attendance of Members of Bid Specification Committee

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

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

Table 100: Attendance of Members of Bid Evaluation Committee

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

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

Table 101: Attendance of Members of Bid Adjudication Committee

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

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

2.12.2 Awards made by the Bid Adjudication Committee

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

Table 102: Ten Highest Bids Awarded by Bid Adjudication Committee

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

2.12.3 Awards made by the Accounting Officer

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

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

Table 103: Awards made by the Accounting Officer

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

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

2.12.4 Objections Lodged

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

Table 104: Objections Lodged

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

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

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

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

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

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

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

2.12.6 Deviation from normal Procurement Processes

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

Table 106: Deviation from Normal Procurement Process

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

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

2.12.7 Disposal Management

The system of disposal management envisages the following:

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

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

2.12.8 Supply Chain Management Performance Management

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

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

2.12.9 Service Providers Strategic Performance

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

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

2.12.10 B-BBEE Compliance Performance Information

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

a) Management Control

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

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

b) Skills Development

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

Category	% for each category	Race Classification		Gender		Disability	Total amount spend
		Category	Total	Category	Total		
Black Employees	317	A	116	F	88	None	R 3 135 206 (95% of total spent)
		C	200	M	229		
		I	1				
Non-Black employees	17	W	17	F	6	None	R 165 011 (5% of total spent)
				M	11		
Black People on internships, apprenticeship, learnership	34	A	11	F	17	None	R1 068 800 (28 300 x 8) (32 400 x 26)
				M	17		

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

2.13 By-Laws and Policies

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

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

Table 109: Budget Related Policies Reviewed

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

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

Table 110: Bylaws reviewed

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

2.14 Municipal Website

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

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

Table 111: Municipal Website Checklist

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

2.15 Communication

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

The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) MSA, section 4, encourages the involvement of communities in the affairs of their municipalities. As a local government, the municipality has 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 the Communication Policy, adopted by Council in July 2020, lies the notion of improved communication that facilitates public participation.

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

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

The municipal Facebook page and the 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, social media platforms are used to broadcast important alerts and notices. Traffic is also diverted to the website through the municipality's social media platforms. Municipal advertisements are regularly placed in the 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 provide the municipality with additional platforms for communicating with residents and other stakeholders.

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

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

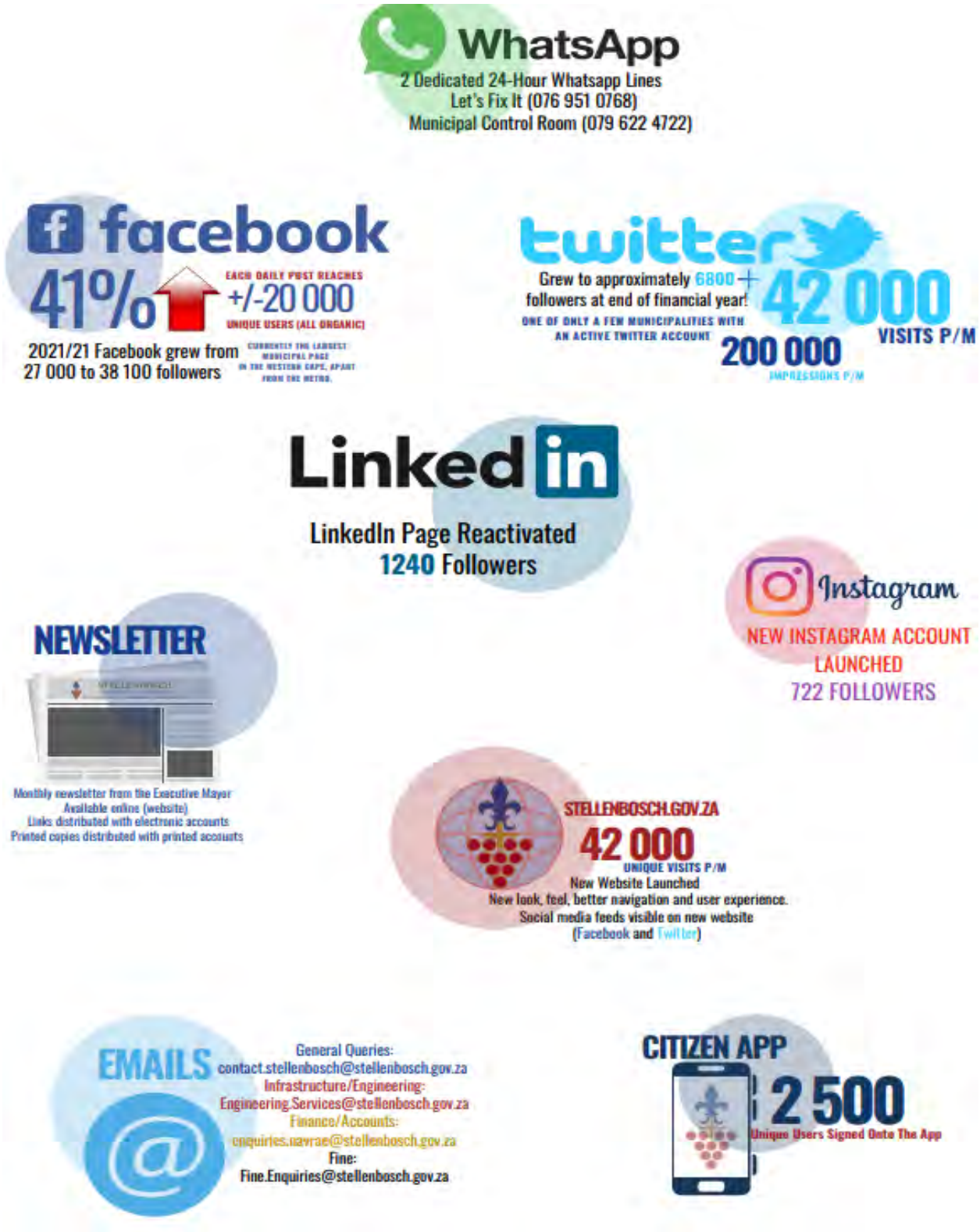
Below is a communication checklist of the compliance to the communication requirements.

Table 112: Communication Activities

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

The image below illustrates the volume of visitors to the municipality's social media platforms.

Figure 20: Social media activity



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.1 Overview of performance within the organisation

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

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 them measurable.

COMPONENT A: BASIC SERVICES

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

3.2 Municipal Functions

3.2.1 Analysis of Functions

The municipal functional areas are indicated below.

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

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

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

3.3 National Key Performance Indicators – Basic Service Delivery

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

Table 114: Basic Service Delivery

KPA and Indicators	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Basic Service Delivery*						
The percentage of households earning less than R6,500 per month with access to free basic services (In the case of Stellenbosch Municipality- number of registered Indigent households are being reported)	6 486	5 686	6 453	6 813	6 666	7 283
Service for water, sanitation and refuse removal (Average)	7 042	5 686	6 453	6 813	6 666	7 283

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

3.4 Water Provision

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

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

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

After the drought disaster and a good rainfall season during 2020, the municipalities in the Western Cape lifted water restrictions. Stellenbosch Municipality currently has no water restriction. Stellenbosch Municipality supplies water to the consumers in their area of jurisdiction through the following six water supply systems:

- Stellenbosch (Ida's Valley - Own sources, DWS allocation and Paradyskloof WTW – Theewaterskloof Dam);
- Western Cape Water Supply Scheme (WCMSS) via a 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 136 036 people. Water is also supplied to a fairly extensive industrial area.

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

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

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

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

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

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

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

	System input volume: July 2020 to June 2021 ; kl * (water demand in reticulation system)			**10 003 874**	**100%**
Potable	Authorised consumption 85,1%	Revenue water 81,9%	Billed metered (normal) *	7 701 782	77,0%
			Billed unmetered	486 778	4,9%
		Non-revenue water 18,1%	Un-billed metered	300 116	3,0%
			Un-billed unmetered	20 008	0,2%
	UAW 14,9%		Apparent losses	500 194	5,0%
			Real network losses	994 996	9,9%
	Non-revenue water (NRW) ; kl			**1 815 314**	**18,1%**
	Real network losses ; kl			**994 996**	**9,9%**

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

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

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

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

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

The 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 because its water sources contribute a large percentage of the water input volume into the WC024 area.

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

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

Table 115: Western Cape Dams

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

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

Stellenbosch's own Dams

Table 116: Stellenbosch dams

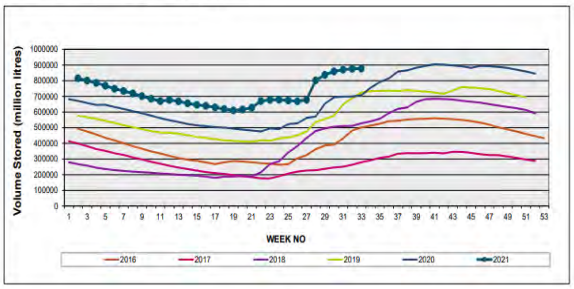
Ida's Valley 1	100	100	100
Ida's Valley 2	100	100	103

Overal Water Usage Trend (2010 - Present)



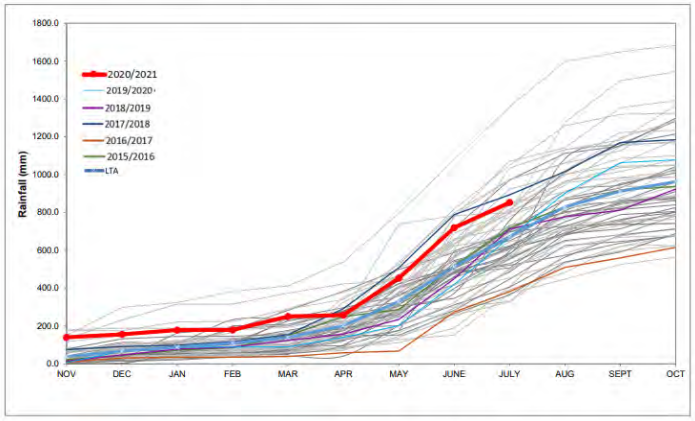
WCWSS means Western Cape Water Supply System
MLD means million litres per day
More information on Water Saving and Restrictions is available on the City of Cape Town's 'ThinkWater' website

WCWSS Comparative Storage Graph



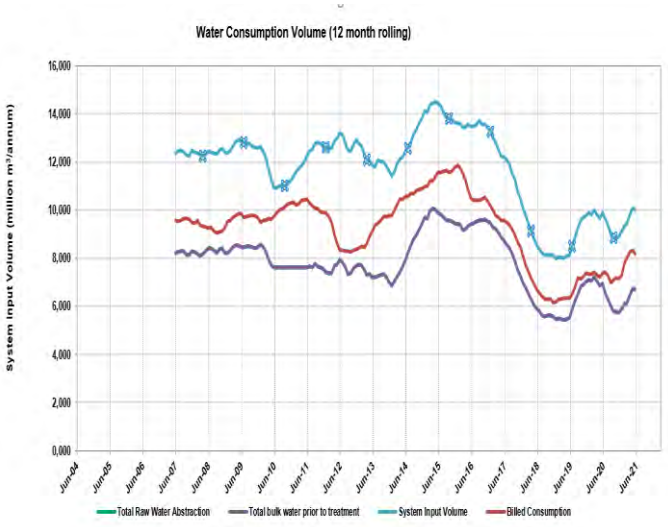
Accumulated Monthly Rainfall at Wemmershoek

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

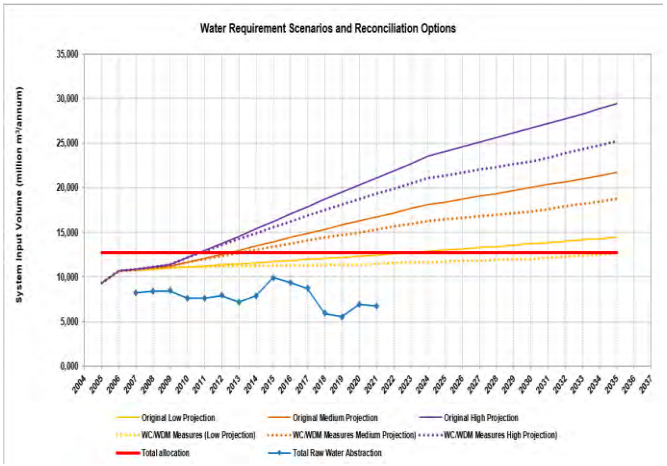


Groundwater is now seen as a potential water source and will be investigated and evaluated after the new water resources study is completed.

Water Consumption Volume (12 month rolling)



Water Requirement Scenarios and Reconciliation Options



3.4.1 Service Statistics – Water Services

The table below outlines water usage totals per category:

Table 117: ***Total Use of Water (Mℓ)***

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

3.4.2 Water Service Delivery Levels

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

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

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

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

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

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

Table 118: Water Service Delivery Levels

Description	2015/16 *(audited)*	2016/17 *(audited)*	2017/18	2018/19	2019/20	2020/21
Household						
Water: **(above minimum level)**						
Piped water inside	37 902	37 989	38 027	40 321	42 615	38 120
Piped water inside yard (but not in dwelling)	3 596	3 596	3 596	3 596	3 596	3 596
Using public tap (within 200m from dwelling)	8 491	9 238	9 699	11 327	12 955	10 504
Other water supply (within 200m)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Minimum Service Level and Above Sub-Total	**49 989**	**50 823**	**51 323**	**55 244**	**59 166**	**52 220**
Minimum Service Level and Above Percentage	**99.75**	**99.75**	**99.75**	**99%**	**98,93%**	**98%**
Water: **(below minimum level)**						
Using public tap (more than 200m from dwelling)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Other water supply (more than 200m from dwelling)	125	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
No water supply	405	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Below Minimum Service Level Sub-Total	**530**	**0**	**0**	**581**	**632**	**1 263**
Below Minimum Service Level Percentage	**1.06**	**0**	**0**	**1%**	**1,07%**	**2%**
Total Number of Households (formal and informal)	**48 002**	**48 002**	**52 374**	**55 825**	**59 798**	**53 483**

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

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

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

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

3.5 Wastewater (Sanitation) Provision

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

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

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

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

Table 120: Sanitation service delivery levels

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

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

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

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

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

The table below indicates the total number of employees in the Department: Water and Wastewater Services:

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

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

3.6 Major projects implemented

The table below indicates all major projects implemented for Department: Water and Wastewater Services.

Table 123: Major projects implemented

Project Name	Scope	Project Cost	Benefit, Impacts and Goals achieved	Other Comments
Water Conservation and Water Demand Management (Wc/Wdm) Initiatives				
Water Treatment Works Ida's Valley	Upgrading of the existing works to increase the current treatment capacity as well as to introduce colour removal.	R100M	Various upgrades and modifications to treatment works processes are to be made to increase treatment capacity.	A consultant was appointed and the project is currently in the inception phase.
Extension of the Stellenbosch Wastewater Treatment Works (SWWTW).	The extension of the Stellenbosch Wastewater Treatment Works (SWWTW) is one of the largest projects in Stellenbosch history.	R480M	Increased Treatment capacity to 35 Ml/day Resolves the critical need for present and future WWT demand in the area. Enable economic development in the area	Phase 1 consists of constructing new a 27Ml/day MBR lane. In Phase 2 the existing plant will be upgraded to BNR (Biological Nutrient Removal) system with a capacity of 8Ml/day. The project

Project Name	Scope	Project Cost	Benefit, Impacts and Goals achieved	Other Comments
Water Conservation and Water Demand Management (Wc/Wdm) Initiatives				
			Support the housing provision pipeline.	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 3ML/day to 7ML/day in phases to eradicate Franschhoek WWTW challenges. Allow decommissioning of existing Franschhoek WWTW.	A consultant was appointed to design phase 1 of the new CAS plant. The construction will commence in July 2021. Staff is constantly trained to operate this highly technical plant.
Upgrade of Pniël WWTW	The upgrade of existing WWTW.	R144M	Capacity increased to 4.5Ml/day.	Activated sludge process with Belt press and new UV disinfection system.
Jamestown Outfall sewer	Upgrade existing Sewer and construct a new pump station	R60M	Capacity increased to accommodate Jamestown new developments	Near completion

3.7 Electricity

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

a) The Demand Side Management

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

b) Hot Water Load Control Project

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

c) Alternative Energy

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

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

Stellenbosch Municipality is now exploring least-cost electricity pathways that are accessible to

mitigate against load-shedding amongst other aspirations.[3]

d) Electrification of Informal Settlements

Through the Integrated National Electrification Programme (INEP) grant received, the municipality managed to construct an electricity network in Enkanini to cater for 1 300 connections, the contractor is still on-site implementing the project.

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

e) Pniël take-over

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

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

3.7.1 The Electricity Service Delivery Statistics

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

Table 124: Stellenbosch Municipality notified demand per intake point

Major Towns	Notified Maximum Demand (NMD)	Maximum Demand Growth (NMD)	Maximum Demand Peak (NMD)
Stellenbosch	60 MVA	0	50.94 MVA
Franschhoek	10 MVA	0	9.30 MVA
Cloetesville	16 MVA	0	15.09 MVA
Pniël	9 MVA	0	6.83 MVA (Peak from July 2020 to May 2021)
Note: There was no growth in Maximum Demand released from the previous financial year. In fact, a decline was experienced. This probably due to the effect COVID-19 had particularly on business.			

3.7.2 Electricity Losses

The electricity losses as at 30 June 2021 were 8.86%

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

Preliminary findings on the investigations indicate the following:

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

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

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

3 The Hot Water Load Control Project: The municipality installs an Appliance Control Device (ACD) to switch off, during peak time, all electrical hot water cylinders installed. This is done to shift the total load during peak time and therefore helps the municipality to save on demand.

Letters were issued to all the affected customers, stating what had occurred and how this is to be rectified in order to collect the revenue that was not collected.

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

Table 125: Access to basic electricity

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

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

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

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Integrated National Electrification Programme (Enkanini)	13 706 319	12 787 621	-6,70%
General Systems Improvements - Stellenbosch	14 795 082	12 132 548	-18%
General System Improvements - Franschhoek	2 000 000	1 810 451	-9,48%
Electricity Network: Pniël	3 500 000	3 479 387	-0.59%
Kwarentyn Sub cables: 11kV 3 core 185mmsq copper cabling, 3.8km	2 500 000	2 921 458	16.86%
Only the 5 largest capital projects are listed			

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

The table below indicates the total number of employees in the Department: Electricity Services.

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

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

3.8 Waste Management, Refuse Collections, Waste Disposal and Recycling

3.8.1 Waste Management

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

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

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

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

Staffing within the Department: Waste Management is a major challenge with only 34% of the positions filled.

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

3.8.2 COVID-19

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

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

3.8.3 Area Cleaning

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

Area cleaning services are provided through a blue and black bag system. Where the municipality faces severe illegal dumping, it provides its plant machinery (digger loaders and tipper trucks) to clean and clear such areas.

The municipality noticed an increase in the illegal dumping of builders' rubble and green waste within the hotspot area.

Before



After



EPWP Employment opportunities 2020/21 financial year

Table 128: EPWP employment opportunities

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

3.8.4 Refuse Collection

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

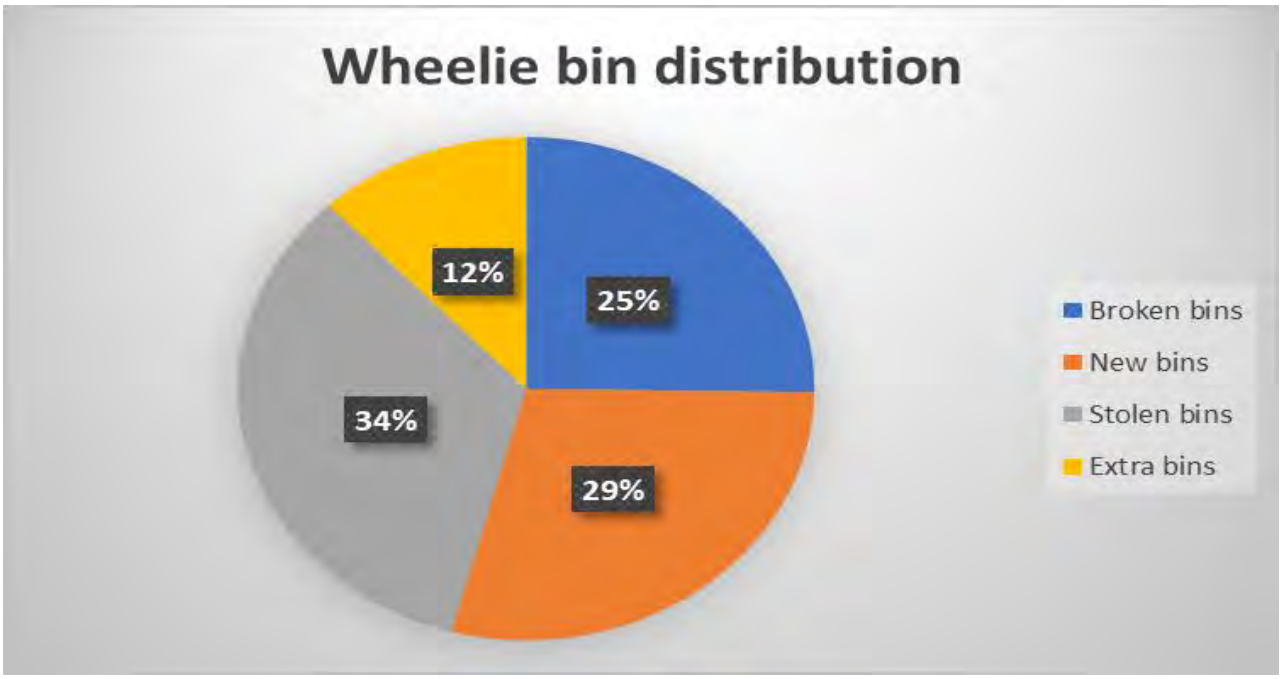
Wheelie 240 litre bins

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

Table 129: Refuse bins distribution

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

Figure 21: Wheelie bin distribution



3.8.5 Waste Disposal and Waste

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

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

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

Photo: New MRF building at the opening





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

a) Green waste chipping

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



Photo: Area allocated for chipping of Green Waste

b) Door-to-door recycling collection

There were some challenges in rendering the door-to-door recycling service, with a resultant decline in recycling initiatives. A new contractor was appointed in the last quarter of the 2020/21 financial year to manage and operate the newly completed Materials Recovery Facility (MRF).

Disposal Stellenbosch landfill



Photo: Stellenbosch Landfill Site

The Stellenbosch landfill situated in Devon Valley Road is in the care and maintenance phase and receives limited waste. Cell three has filled up since August 2019. Work is currently underway to license a new cell at the site.

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

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

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

Table 130: Landfill statistics for incoming waste in tons

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

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

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

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

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

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

Builders' rubble and soil on-site are used to build a ring road that may serve the purpose of a fire break and access to various points on the premises.

Gas monitoring has been identified as a need and noted as such in audits conducted on-site. A total of 13 gas monitoring wells were installed. The installations of these wells formed part of the service rendered by an appointed contractor who is also tasked to conduct gas monitoring activities as per legislative requirements.



Photo: Drilling of well on-site



Photo: One of the installed gas monitoring wells

c) Klapmuts Transfer Station

The Klapmuts Refuse Transfer Station (RTS) has a design capacity of 150 tons per day transfer capacity. Since August 2019 the Klapmuts RTS has been utilised at near capacity to transfer waste to VHWMF. Waste from all areas are being transported in collection vehicles to the site and is transferred into open-top 30m^3 bins for onward transport using three containers at a time, by way of bulk transport to VHWMF by an appointed contractor that renders this service.

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

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



Photo: Klapmuts Transfer Station

d) Franschhoek drop off

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

e) Relocation of Eskom Power Lines

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

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

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

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

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

Progress was made with the municipality and affected landowners signing the servitude agreement with Eskom.

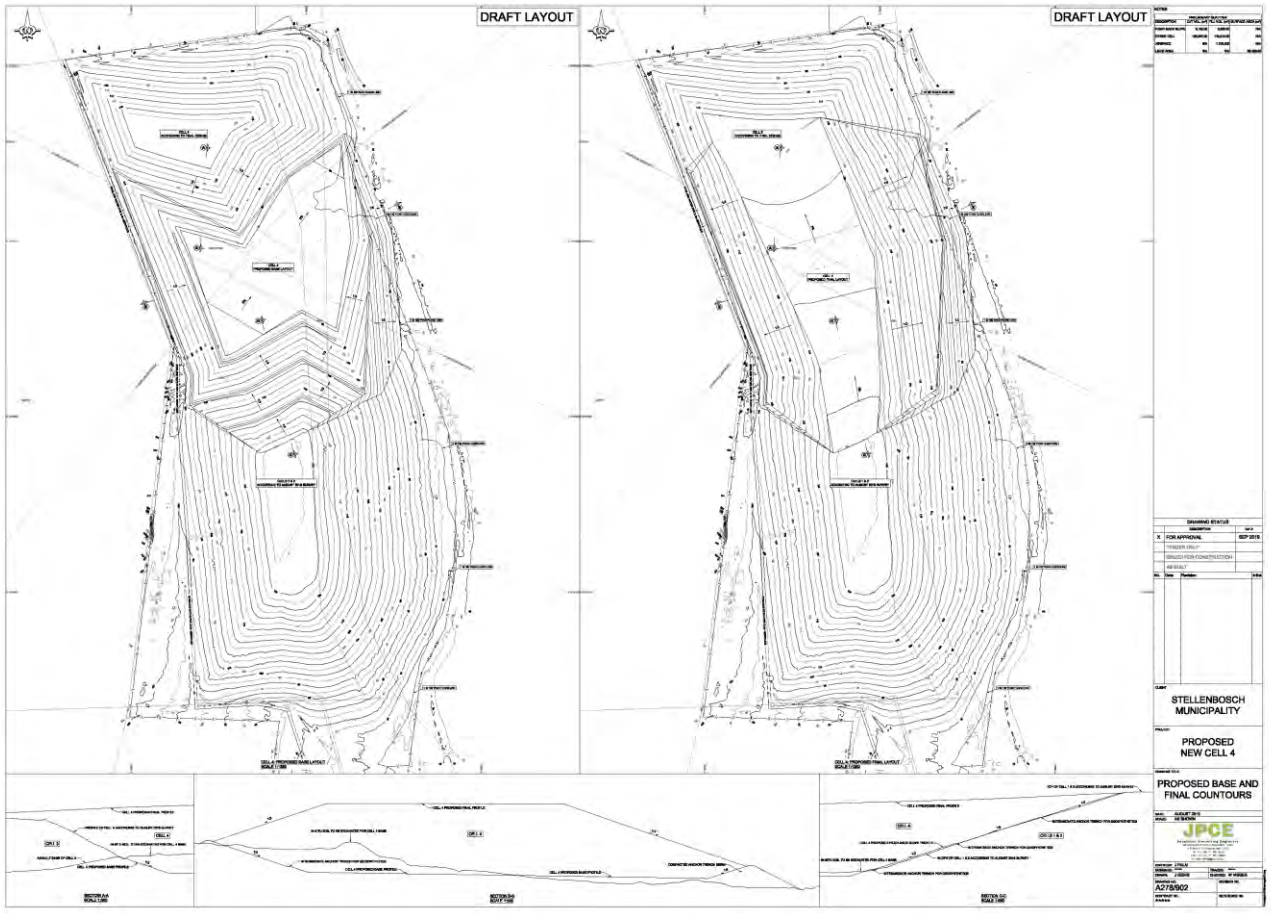
Thereafter the project will be ready for final approval, design and updating of the quotation which will be sent to the municipality. Any outstanding funding will need to the paid over to Eskom to ensure that the project can proceed to tender and construction.

f) Development of additional waste disposal cells project

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

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

Figure 22: New waste disposal cells between cells1 and 2 and cell3



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

i) Landfill gas extraction, flaring and electricity generation

Review of Landfill gas extraction and utilisation project:

A number of investigations into the use of the landfill for harvesting and the beneficial utilisation of landfill gas have been undertaken. The most recent study document in a report dated 12 June 2017 recommends extraction flaring and electricity generation. The GasSim peak landfill gas generation rate was established as 515 Nm^3/hr in 2017. This investigation has indicated that at least 0,5MW of electricity generation could be sustained from the landfill for some 10 years.

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

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

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

This study will ensure that the municipality does not embark on a project with significant funding requirements that do not show potential to realise the projected benefits with regard to carbon mitigation and energy production through the installation of a landfill gas well field, flaring station and electricity generation.

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

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

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

Compliance

(i) Internal audits

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

(ii) External audits

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

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

To ensure compliance, external audits have been undertaken by an independent specialist consultant, at the Stellenbosch landfill and at the Klapmuts Transfer Station, in accordance with the waste management licence conditions. The Materials Recovery Facility will be included and audited during the 2021/22 financial year. Six months later a review of the audit finding to ascertain improvements has been carried out. The independent auditor reported back to the municipality as well as to the Monitoring Committee. The municipality is compliant with most of its permit conditions, except for stormwater, groundwater and gas monitoring. All the non-compliances are being addressed with the establishment of a new borehole monitoring network as well as appointments for groundwater and landfill gas monitoring.

(iii) Monitoring Committee

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

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

h) Waste Managers Officers Forum

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

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

i) Social Engagement and Environmental clean-ups

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

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

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

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

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

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

j) Involvement with Professional and Educational Institutions

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

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

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



Relevant Site Photographs

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





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



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



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



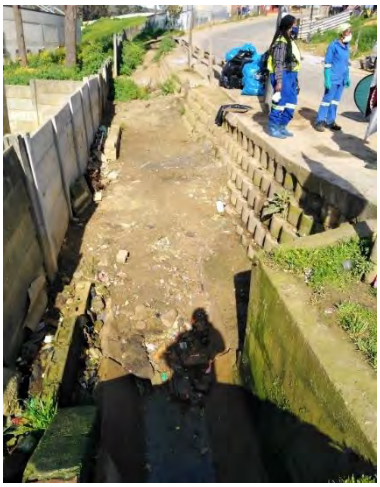


Photo 5: Kayamandi car wash clean-up by YCOP, EPWP's and Wildlands project manager before and after pictures.



Photo 6: Kayamandi library environmental corner.

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

Table 131: Service delivery levels of waste management

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

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

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

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

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

The table below indicates the total number of employees in the Department: Waste Management Services.

Table 133: Total number of employees in the Department: Waste Management Services

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 1 7	3	3	0	0%
9 – 13	10	5	5	50%
4 – 8	43	28	15	34.8%
3 – 0	85	15	70	82%
Total	**141**	**51**	**90**	**63.8%**

3.9 Integrated Human Settlements

3.9.1 Housing Development

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

The Section: Housing Development's main function is to plan for future housing developments, in accordance with the Housing Pipeline planned the following multi-year projects:

a) Erf 7001, Cloetesville

This development is to deliver medium to upper (GAP) houses (not BNG housing units). There is an urgent need for this site to be developed to create an integrated urban development area (Cloetesville) area.

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

Figure 23: Erf 7001, Cloetesville



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

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

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

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

The Public Participation Process received a considerable amount of inputs / comments which served before Council on the proposed disposal (through a land availability agreement) of municipal land,

Erf 7001, Cloetesville and the appointment of a turnkey developer / implementing agent to facilitate the delivery of gap housing units.

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

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

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

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

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

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

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

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

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

Figure 24: Map illustrating the location of each of the sites



Table 134: *Housing sites*

Site	Type	Yield	Constraints	Opportunities	Recommendation
Site 5: Erf 7271	Serviced sites (Plot and Plan) GAP and / or FLISP units	16 152	Swartland Shale Renosterveld vegetation	• Each high-rise building provides safe recreational space; • Concept plan makes provision for pedestrian walkways.	Serviced sites (Plot and Plan)
• Site 6: • Option 1: Erf 6847, Erf 6886, Erf 6300 Option 2:	• GAP / and or FLISP units Serviced sites (Plot and Plan)	279 90	Within 100m from a stream – to be considered during design	The outdoor gym is effectively being used as a hangout area for the youth	• A small apartment block is proposed • Each high-rise building is designed with an internal courtyard which provide safe recreational space.

Site	Type	Yield	Constraints	Opportunities	Recommendation
					• Serviced sites (Plot and Plan)
Site 7: Erf 8776	GAP / and or FLISP units	37	An ESA is located to the north of the site along the stream which should be avoided	• Park has great significance to the community. • U-shaped building will provide the opportunity to develop accommodation.	• Ideal location for a high-rise building.
Site 11: Erf 6705	• GAP / and or FLISP units	12	• Title Deed restrictions. • visual impact - R44. Significant groundwater	• In an established residential neighbourhood. • Lends itself to be developed.	Proposed housing typology should blend with the existing houses

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

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

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

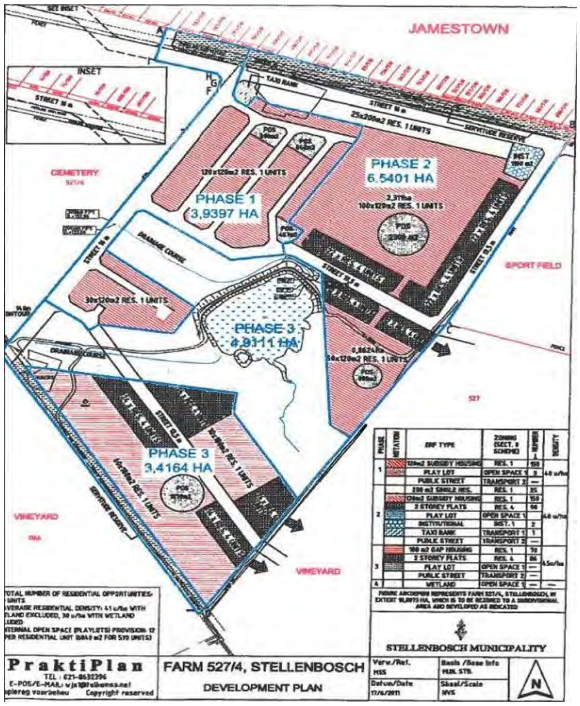
Portion 4 of Farm 527, has been rezoned for residential purposes allowing for a mix of residential types. Phase 1 of the development consisting of 162 subsidised housing opportunities has recently (November 2016) been completed.

Figure 25: Farm 527, Jamestown (Phase 2, 3 and 4)



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

Figure 26: Approved Development Plan for Portion 4 of Farm 527



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

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

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

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

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

d) Kayamandi Town Centre

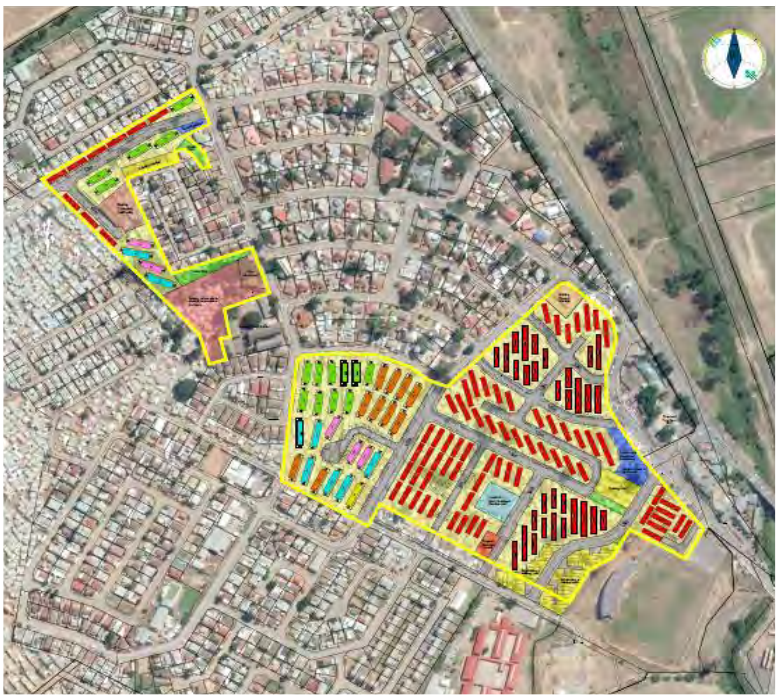
The Kayamandi Town Centre project has been developed over a number of years. The project is still in its planning stage whereby development rights must be obtained. This project must be viewed as a multi-year project.

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

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

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

Figure 27: Kayamandi Town Centre



The proposed town planning layout consists of ±1 800 housing opportunities (2 to 3 storey BNG walk-ups). The development parameters will include a mix of housing typologies, business units and community facilities. This design methodology was utilised to suit the demand and the needs of the affected community.

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

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

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

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

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

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

e) Langrug, Franschhoek

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

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

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

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

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

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

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

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

The dam be pumped, as and when required, by the Department: Roads and Stormwater.

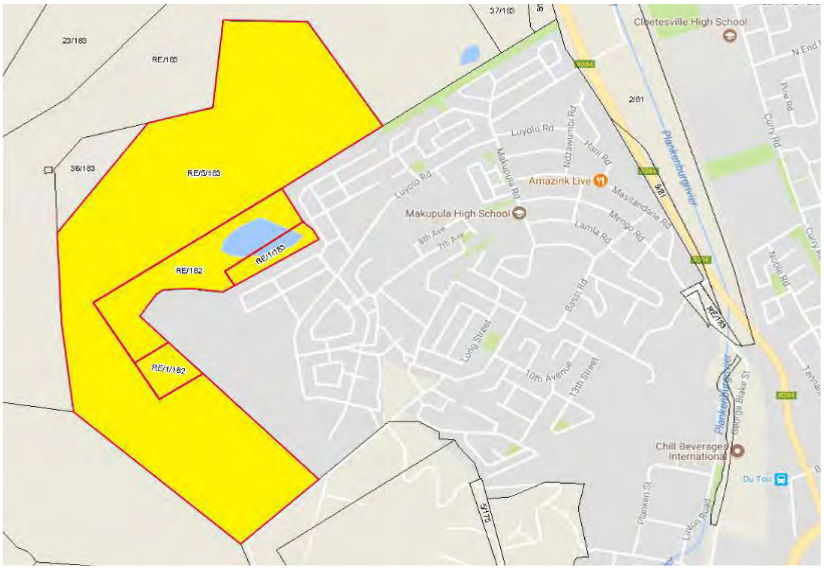
f) Northern Extension, Kayamandi

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

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

The specific site has been suggested by the Stellenbosch Municipality for the northward extension of the urban area of Stellenbosch. The intention was to determine the feasibility of establishing a multiple-use development, providing ±5 000 – 6 000 residential opportunities in the Northern Extension of Stellenbosch.

Figure 28: Locality plan, Northern Extension, Kayamandi



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

The subject properties are as follows:

Table 135: Total farms measured in extent

Farms	Measuring in Extent
Farm 183 A	35.54ha
Farm 183 B	11ha
Farm 183 C	8.5ha
Farm 183/23	20.5ha
Total	**75.54ha**

Table 136: Total farms measured per HA

Farms	Measuring per ha
Remainder Farm 182, Stellenbosch	7.296ha
Portion 1 of Farm 182, Stellenbosch	1.4175ha
Portion 1 of Farm 183, Stellenbosch	1.3856ha
Portion 5 of Farm 183, Stellenbosch	50.8432ha
Total	**60.9449ha**

The Section: Housing Development advertised a tender to appoint a service provider to undertake a Broad Conceptual Urban Design framework for the Northern Extension and to obtain town planning and development rights. This project timeframe for completion is 2022/23 financial year.

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

g) Erf 64, Kylemore

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

Figure 29: Locality plan of Erf 64, Kylemore



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

The feasibility study was completed during the 2019/20 financial year and awaited the transfer of Erf 64, Kylemore to the municipality. It should be noted that pre-feasibility studies were conducted more than 10 years ago and need to be reviewed and amended where necessary.

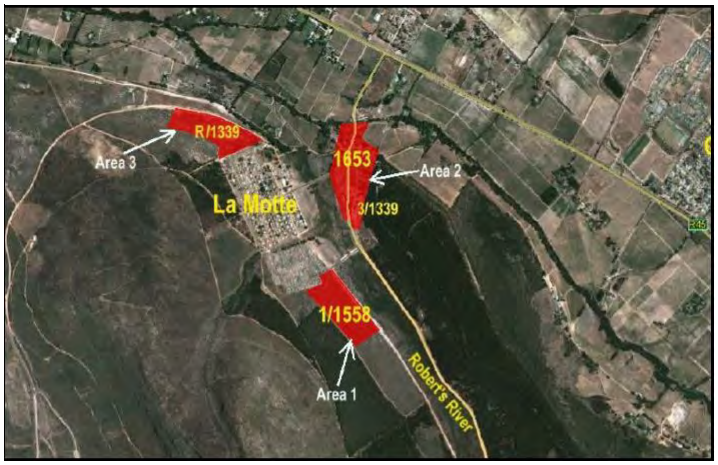
The Housing Development Agency (HDA) has been appointed via an Implementation Protocol agreement to assist with the transfer of land from the National Department of Public Works (NDPW) to the Stellenbosch Municipality and to further attend to the required applications to obtain land use rights, the registration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

The project is ongoing.

h) La Motte, Franschhoek

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

Figure 30: La Motte, Franschhoek



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

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

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

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

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

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

Figure 31: Farms 81/2 and 81/9, Stellenbosch



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

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

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

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

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

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

j) Erf 2183, La Rochelle, Klapmuts

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

Figure 32: Erf 2183, La Rochelle, Klapmuts



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

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

k) Botmaskop

A service provider was appointed during the 2020/21 financial year to undertake a feasibility study for Botmaskop and the remainder of erft 3363 and a portion of remainder erf 3931 Stellenbosch. The site abuts Helshoogte Pass and Simonsberg Road, between Ida's Valley, Simonswyk and Uniepark / Rozendal. The study area is approximately 40 hectares in extent, with road access to two sides, without having to inconvenience existing neighbourhoods. In addition, it is within walking distance from a primary and secondary school and abuts large open spaces.

Figure 33: Botmaskop housing development



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

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

Access to the site poses very few problems. The capacity of bulk services would have to be tested against a final development model. The approved Stellenbosch Municipality Spatial Development Framework earmarks the site for mixed-use community and residential infill.

The number of units per price category will be determined based on the required analysis and assessments from the feasibility study which is underway.

On conclusion of the feasibility study, Council will make an informed decision on a development proposal of the municipal land.

l) Maasdorp Village, Franschhoek

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

Figure 34: Maasdorp Village, Franschhoek



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

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

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

m) Faire Donne Estate, Franschhoek

In accordance with a Council decision, the municipality embarked on a marketing strategy for medium-cost housing development.

Herewith below an extract of the approved Council Resolution:

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

(i) *potential beneficiaries must reside or work in the Franschhoek Valley or be in the service of Stellenbosch Municipality for at least for 3 years;*

(ii) preferential treatment will be given to First Time Home Owners;

(iii) preferential treatment will begin to previously disadvantaged individuals in the allocation process, if they qualify in term of 3.3.1; and

(iv) *should the need (people who qualify) outweigh the demand, then the criteria listed above will be converted into a point system in determining the final list of qualifying beneficiaries."*

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

3.9.2 Informal Settlements

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

a) Informal Settlements population

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

b) Development proposals / strategy

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

The strategy is premised on 3 pillars:

i) a synopsis of existing basic services. This synopsis includes an analysis of the shortfalls in service provision;
ii) Cryptic demographic information of the head of households, as well as a desktop risk analysis of the settlement; and
iii) the third pillar / component consists of development proposals. These proposals are aligned with 3 strategic documents, i.e. the IDP, SDF and the housing pipeline.

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

c) Emergencies

The Section: Informal Settlements assists the Section: Disaster Management in emergencies by verifying the data that is collected about the disaster victims. These emergencies are usually fire incidents in informal settlements or flooding incidents and excessively strong winds.

d) Housing Statistics

Table 137: Households with Access to Basic Housing - Source StatsSA 2011

Year	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
2017/18	52 374	26 506	50.60%
2018/19	52 374	34 071	65.1%
2019/20	52 374	34 071	65.1%
2020/21	52 374	36 017	65.1%

The following table shows an **increase** in the number of people on the housing waiting list. There are currently approximately **17 652** applicants on the waiting list.

Table 138: Housing waiting list as at 30 June

Year	No. of people on the Housing Waiting List	% Housing waiting list increase
2014/15	18 833	0.6% (Decrease due to sanitisation of the waiting list data).
2015/16	18 791	0.2% (Decrease due to sanitation of the waiting list data).
2016/17	18 953	7.7% (Increase based on the previous year's "sanitised" figures. This is as a result of new applications received).
2017/18	16 482	13.04% (Decrease due to sanitisation of the waiting list data).
2018/19	16 231	The department rolled out an updating of the waiting list programme which resulted in all the deceased applicants being removed and duplicate applications removed and this has resulted in the decrease of the total number of active applicants on the waiting list.
2019/20	16 590	2.21% (Increase due to new applications received).
2020/21	17 652	6% (increase) is due to the drive by the municipality which targeted farm dwellers and those who never registered their names on the housing demand database.

3.9.3 Housing Administration

a) Transfer of housing stock

During the period under review, the municipality continued with the process to deal with the historic backlog and transfer of properties to beneficiaries of state-subsidised houses. A process action plan was devised in terms of which administrative procedures would be streamlined. A panel of attorneys were appointed to transfer identified properties. A total of 259 title deeds were transferred for the 2020/21 financial year. The transfers were completed in the following areas:

Table 139: Transfer of housing stock

Area	Total
Cloetesville	12
Kayamandi	44
Franschhoek	06
Klapmuts	38
Kylemore	2
Pniël	17
Ida's Valley	85
Mooiwater	50
Tennantville	3
Kylemore	2
Total	**259**

The Section: Housing Administration is conducting continuous Housing Consumer Education Programmes with affected beneficiaries and addressing issues around title deeds. The municipality also appointed temporary field workers to assist with beneficiary administration which includes tracing of beneficiaries and conducting occupation surveys to ensure that title deeds are registered correctly.

The municipality partnered with an NGO which assists municipalities to deal with the historic backlog in terms of transfer of properties. The NGO provides funding for the temporary appointment of staff to enhance capacity and also provides funding to the municipality of R500 per title deed registered. The donation is used to appoint the field workers to assist with the beneficiary administration of the transfer processes.

Table 140: Total properties registered at deeds office (during 2020/21)

Total properties registered at deeds office (during 2020/21)	
Historical project title deeds registered	105
New project title deeds registered*	154
Total erven	259

** Funding for the title deeds was provided through the Title Deed Restoration Programme. It is only given for houses of subsidies approved.*

b) Waiting list administration





The municipality continues with the "data-cleaning" process pertaining to applications that appear on the waiting list where vital information is outstanding. An area-based approach was used where staff members went out to the various areas and invited applicants to workshops during which the applicant's information was updated. The entire Stellenbosch municipal area was covered during this programme.

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 updated and verified regularly 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.

This new online database system and mobile app were launched in August 2019. The mobile app makes it easier for applicants to use their smartphones to submit housing applications in the comfort of their own homes on the Housing Demand Database. The Housing Demand Database System is being updated regularly to ensure that Council has credible data for planning for future housing projects to be implemented.

c) Administration of public rental stock

On 25th June 2014, Council adopted a Policy for the Administration of Public Rental Stock. This document was the culmination of a collaboration between stakeholder departments within the municipality. The purpose of the policy is to ensure effective management and well-maintained assets that will improve the quality of life for residents. The Section: Housing Administration is busy with the review of the Human Settlements Administration and Allocation Policy, which will include the allocation and management of the Public Rental Stock. This policy will be referred to Council for adoption after due public participation processes have been completed.

A caretaker programme was implemented in all public rental stock to deal with the increase in anti-social behavioural problems. This programme was implemented to ensure that communities "take" their neighbourhoods back into their hands and also to improve the communication between the municipality and the tenants. The total number of caretakers appointed for all the public rental flats was eleven (11).

d) Housing consumer education (HCE)

A total of thirteen (13) workshops were held with mainly tenants in municipal rental stock. The Housing Consumer Education (HCE) workshops are also used to address issues around anti-social behaviour in public rental flats. The HCE programmes were also held for beneficiaries of houses that were built between 1994 and 2010. These are houses that form part of the Title Deeds Restoration Programme. These beneficiaries are advised about the security of tenure, issues of inheritance and drafting of a Will. The HCE workshops were also held with beneficiaries of the Ida's Valley Housing Project during the 2020/21 financial year to educate them about homeownership, writing of a Will and By-laws governing properties. Housing Consumer Education workshops will be concluded for the Longlands Housing Project beneficiaries during the 2021/22 financial year.

Figure 35: Housing Consumer Education and Public Participation





e) Job Creation

A job creation programme was initiated via the EPWP project and as a result, 25 job opportunities were created listed below:

- Thirteen (13) EPWP workers were appointed to assist with the cleaning of the rental units and this resulted in the decrease in complaints received from tenants as properties are in a neater state; and
- Twelve (12) temporary field workers were also appointed to assist with the transfer of state-subsidised houses and to eradicate the historic backlog in terms of the transfer of these houses.

The tables below indicate the total number of employees in the Department: Integrated Human Settlements.

Table 141: Total employees in the Department: Integrated Human Settlements

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	0	0	100%
14 – 17	3	3	0	0%
9 – 13	28	14	14	50%
4 – 8	23	7	16	69.5%
3 – 0	-	-	-	-
Total	**55**	**24**	**30**	**54.5%**

Table 142: Total employees in the Section: New Housing

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	1	0	1	100%
9 – 13	3	0	3	100%
4 – 8	0	0	0	0%
3 – 0	0	0	0	0%
Total	**5**	**1**	**4**	**80%**

Table 143: Total employee in the Section: Housing Administration

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	1	1	0	0
9 – 13	12	9	3	25%
4 – 8	8	7	1	12.5%
3 – 0	9	7	2	22.20%
Total	**30**	**24**	**6**	**20%**

Table 144: Total employees in the Section: Informal Human Settlements

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	1	1	0	0%
9 – 13	6	2	4	66%
4 – 8	9	4	5	55%
3 – 0	0	0	0	0%
Total	**16**	**7**	**9**	**56.25%**

The table below indicates the capital expenditure for New Housing as at 30 June 2021.

Table 145: Capital Expenditure as at 30 June 2021: New Housing

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Enkanini Planning	3 000 000	90 000	-97%
Northern Extension: Feasibility	3 400 000	2 575 873	-24.24%
Kylemore Erf 64	992 335	-983 800	-0.86%
La Motte Old Forest Station (±430 services and ±430 units)	1 200 000	-	-100%
Kayamandi Town Centre: Planning (±700 units)	1 000 000	1 000 000	0%
Only the 5 largest capital projects are listed			

New Housing spent**, 55.26%** of the capital budget for the financial year.

3.10 Property Management

This section 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 section.

The following properties were transferred to 3rd parties, i.e. transferred from Stellenbosch Municipality (disposals):

Table 146: La Motte Transfers

Erf No.	Date Registered	Purchase Price
233	02/07/2021	R170 000
234	10/09/2020	R140 000
237	17/08/2020	R200 000
254	07/10/2020	R120 000
255	27/10/2020	R130 000
256	22/07/2020	R150 000
264	20/05/2021	R200 000
265	15/10/2020	R120 000
266	15/03/2021	R130 000

Erf No.	Date Registered	Purchase Price
267	01/10/2020	R160 000
270	17/11/2020	R150 000
271	24/11/2020	R190 000
283	18/09/2020	R120 000

The following property was bought by Stellenbosch Municipality and was transferred accordingly:

Table 147: Property bought and transferred

Erf No.	Purchaser	Date Registered	Purchase Price
1852, Stellenbosch	Stellenbosch Municipality	2020-07-08	R51 360 000

The following new Lease agreements were concluded:

Table 148: Lease agreements concluded

Property Description	Lessee
Lease area 502L, Stellenbosch	Stellenbosch Flying Club
Lease area 502N, Stellenbosch	Stellenbosch District Riding Club
Portion of Rem Erf 235, Stellenbosch	Bergzicht Training Centre
Erf 3389, Stellenbosch	Historical Homes of SA
Erf 1693, Franschhoek	Franschhoek Tennis Club
Erf 2885, Franschhoek	Franschhoek Bowling Club
Portion of Rem Erf 23, Franschhoek	Franschhoek Methodist Church
Portion of Farm 1653, La Motte	La Refuge

The following property transactions were approved by Council, but not yet transferred):

Table 149: Property transactions approved by Council during 2020/21

Property Description	Purchaser
Erf 758 Kayamandi	The United Methodist Church of SA
Erf 718, Kayamandi	PGWC (clinic)
Portion of Farm Rem Farm 502, Stellenbosch	PGWC (Aeronautical School)
Portion of Farm 1653, La Motte	PGWC(School)
Portion of Erf 342, and Remainder Erf 1331 Klapmuts	PGWC (clinic)
Erf 1523, Kayamandi	Seventh Day Adventist Church
Erven 4810,4811 and 3648, Onder-Papegaaiberg, Stellenbosch	To be confirmed

A new draft policy for the management of encroachments was compiled but still needs to be considered by Council.

Municipal Buildings Maintenance and Project Management

This section is also responsible for the maintenance of all Council-owned buildings and the construction / project management of all upgrading and or new facilities. Some of the highlights of the past financial year include the following:

- Completion of phase three of Cloetesville Flats (multi-year project valued at R10.8m);
- New public ablution facilities in Franschhoek;

- New sport Clubhouse in La Motte;
- Upgrade of Cloetesville Hall;
- Upgrade of Stellenbosch Townhall Kitchen and Bar Area;
- Hard and Soft landscaping at Klapmuts MPC; and
- Various fencing projects.

The planning phase of the following projects was finalised or started with:

- Redevelopment of ex Kleine Libertas precinct;
- Stellenbosch Traffic Offices;
- Upgrade / conversion of the residential unit into office space in Simonsbergweg / Stellenbosch;
- Upgrade of Kayamandi Corridor;
- Upgrading of Kayamandi Library;
- Upgrading of various heritage buildings, incl. Voorgelegen, Rhenish Complex and Bergzicht buildings;
- Upgrading of Makapula Hall;
- Upgrading of van der Stel Complex;
- Structural upgrade to Jamestown Ward Office / Library;
- Structural upgrade Ida's Valley Pavilion;
- Structural upgrade Raithby Pavilion; and
- Structural upgrade Franschhoek Municipal Depot.

Various projects / acquisitions were processed under the following term tenders:

- Furniture, tools and equipment;
- Hygienic services;
- Fencing;
- Maintenance and replacement of air conditioners;
- Maintenance of lifts; and
- Pest control.

The following term tenders were awarded:

- New term tender for the rental of indoor plants; and
- New term tender furniture, tools and equipment.

Table 150: Service Data Statistics – Property Management

Details	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Encroachment Agreements: New	23	22	16	2	0	0
Encroachment Agreements: Renewals	7	5	0	0	0	0
Lease Agreements: New	4	1	0	1	1	1
Lease Agreements: Renewals	-	2	2	0	1	8
Sales Agreements	2	3	0	0	3	7
Servitudes	29	-	-	5	2	1

The table below indicates the capital expenditure for Property Management and Building Maintenance Section as at 30 June 2021.

Table 151: Capital Expenditure as at 30 June 2021: Property Management and Building Maintenance

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Purchasing of land	46 960 585	46 224 000	-1.57%
La Motte Clubhouse	3 050 000	3 050 000	0%
Upgrading of Traffic Offices: Stellenbosch	2 848 787	2 205 424	-22.58%
Upgrading of Eike Town Hall	2 735 187	2 732 955	-0.08%
Structural Improvement: General	2 397 244	1 766 295	-26.32%
Only the 5 largest capital projects are listed			

Property Management have spent, **93.94%** of the capital budget for the financial year.

The table below indicates the total number of employees in the Section: Property Management and Building Maintenance.

Table 152: Total number of employees in the Section: Property Management and Building Maintenance

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	0	0	0	100%
9 – 13	12	7	5	41.6%
4 – 8	13	7	6	46.1%
3 – 0	1	1	0	0%
Total	**27**	**16**	**11**	**40.7%**

3.11 Free Basic Services and Indigent Support

Access to Free Basic Services

The following table indicates the percentage of average registered indigent households that have access to free basic municipal services. The total indigent households exclude all informal households and include formal households that have been registered as indigent households. The total i.t.o. free basic electricity includes only indigent households claiming 100 kWh from the Stellenbosch Municipality. It also does not include the totals where the electricity distribution is conducted by ESKOM.

In accordance with the approved indigent policy of the municipality, all households earning less than R6 500 per month will receive the free basic services as prescribed by national policy and in terms of Stellenbosch Municipality's Indigent Policy.

The table below indicates the number of households receiving free basic services.

Table 153: Access to Free Basic Services

Year	Number of Households							
	Total no. of HH	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse Removal	
		Access	%	Access	%	Access	%	Access	%
2018/19	52 374	6 813	13.01	6 813	13.01	4 833	9.23	6 813	13.01
2019/20	52 374	6 666	100%	6 666	100%	4 932	100%	6 666	100%
2020/21	50 328	7 283	100%	7 283	100%	5 189	100%	7283	100%

The percentage is based on indigent household access compared to a total of 50 328 households.

Services subsidised are:

- Water - basic charge + 6 kl;
- Electricity - basic charge + 100 kWh;
- Sanitation - based on a 250m² erf; and
- Refuse - one removal per week.

Free Basic Services per basic service

The provision of free basic services is summarised in the tables below.

Table 154: Free basic electricity to indigent HH

Electricity			
Financial year	Indigent Households		
	No. of HH	Unit per HH (kwh)	Value R'000
2017/18	6 453	100	6 216
2018/19	6 813	100	8 415
2019/20	4 932**	100	6 888
2020/21	5 198	100	7 711
*Average for the year **Only Indigent consumers who claimed free units			

Table 155: Free basic water services to indigent HH

Water			
Financial year	Indigent Households		
	No. of HH	Unit per HH (kl)	Value R'000
2013/14	5 095*	6	2 949
2014/15	5 757	6	4 783
2015/16	6 486	10	7 760
2016/17	5 686	10	7 280
2017/18	6 453	10	2 391
2018/19	6 813	6	2 634
2019/20	6 666	6	2 741
2020/21	7 283	6	3 178
*Average for the year			

Table 156: Free basic sanitation to indigent HH

Sanitation			
Financial year	Indigent Households		
	No. of HH	Service per HH per week	Value R'000
2017/18	6 453	102.98	8 330
2018/19	6 813	112.25	9 177
2019/20	6 666	135.99	9 518
2020/21	7 283	145.73	11 075
*Average for the year			

Table 157: Free basic refuse removal services to indigent

Refuse Removal			
Financial year	Indigent Households		
	No. of HH	Service per HH per week	Value R'000
2017/18	6 453	1	8 662
2018/19	6 813	1	9 543
2019/20	6 666	1	10 878
2020/21	7 283	1	17 926
*Average for the year			

COMPONENT B: ROADS, TRANSPORT AND STORMWATER

3.12 Roads

This component includes roads, transport, traffic engineering and wastewater (stormwater drainage).

a) Transportation Planning and Traffic Engineering

The municipality has compiled its Draft Non-Motorised Transport (NMT) Master Plan and Policy. The Draft NMT Master Plan and Policy is a review consolidation, and update of the NMT policy and master plans which were compiled in 2015.

The NMT Master Plan and Policy strives to promote and encourage alternative modes of transport such as walking and cycling. The NMT Master Plan and Policy aim to analyse the capacity of the current network, identify current and future NMT needs, and recommend improvements that will ensure an effective NMT network.

The NMT Master Plan and Policy further strives to position NMT as a consistent long-term municipal priority. The strategic objective and implementation plan are the implementation of a coherent, logical and integrated NMT network for Stellenbosch by 2024.

The 2019 – 2020 update of the 2016 Comprehensive Integrated Transport Plan (CITP) has also been compiled. The 2019/20 update considers recent amendments to the SDF and proposes more effective approaches to improving transport, including public transport, freight and NMT within Stellenbosch.

The main road networks through Stellenbosch currently operate at capacity and at times beyond capacity, resulting in traffic congestion. Analysis of the road networks and assessments of the public transport operations and facilities are periodically carried out to identify shortcomings and opportunities for improvements. The municipality has compiled its Draft Road Master Plan (RMP), the RMP aims to analyse the capacity of the current network, identify current and future needs and recommend infrastructure improvements that will aid in establishing an effective road network.

Stellenbosch Municipality, in collaboration with Stellenbosch University, continues with research and development to establish a real-time traffic signal control system for Stellenbosch. This research project will assist in addressing everyday congestion through the application of Smart Transportation technology namely Traffic-Adaptive-Signal-Control (TASC). TASC refers to the real-time control of signalised intersections and enables the real-time adjustment of traffic signal timing to increase vehicle flows through the intersection thereby reducing congestion.

b) Road Construction and Intersection Upgrades

To reduce the effects of congestion, improve traffic flow and increase traffic safety at intersections within Stellenbosch, various intersections were upgraded by the municipality through the intersection improvement programme that had commenced about 8 years ago.

The following has been completed in the 2020/21 financial year:

- The modification of the R44 / Paradyskloof intersection and extension of Skuilplaats Road to Trumali Road; and
- The upgrading of Technopark Intersection with R44 and the Technopark Access Road.

The following Roads and Intersection Upgrades at the construction phase at the end of the 2020/21 financial year:

- Upgrading of the R44 / Helshoogte Intersection;
- Upgrading of the Oude Libertas Road and Adam Tass Road Intersections;
- Upgrading of Vredenderg Road and Adam Tas Road Intersection; and
- Realignment of Devon Valley Road and upgrading Devon Valley and Adam Tas Road Intersections.

c) Gravel Road Upgrading to Asphalt Surface Standards

The municipality previously commenced with a gravel Road Upgrading Programme where gravel roads in the municipality's residential settlements are being upgraded to permanent asphalt standards. In the previous financial year, gravel roads were upgraded in the Wemmershoek and La Motte residential settlements. During the 2020/21 financial year, the municipality has completed the upgrading of the following roads in Franschhoek:

- Pepler;
- Haumann;
- Naude;
- Louis Botha; and
- Cabriere.

d) Non-Motorised Transport (NMT)

In line with the municipality's NMT Master Plan, NMT Infrastructure is annually rolled out and implemented to ensure continuous expansion of the NMT network. During the 2019/20 financial year, sidewalks have been constructed in the following areas, namely Stellenbosch CDB and Noordwal Oos Street, Paradyskloof, Ida's Valley and Onder-Papagaaiberg. During the 2020/21 financial year NMT facilities were constructed at the following areas:

- R44 non-motorised transport (NMT) facility linking Blaauklippen and Jamestown;
- Cloetesville: Waaiepalm Street, Kloof Street, Crombi Road and Last Road;
- Ida's Valley: Davy's Street and Old Helshoogte Road;
- Pniël: Silwermyn Street;
- Stellenbosch CBD: Noordwal Wes Road and Louw Street; and
- Stellenbosch: Merriman Ave.

e) Public Transport

To facilitate and improve local public transport services, the municipality commissioned the construction of a new Taxi rank in Groendal Franschhoek and the upgrading of existing taxi ranks in Kayamandi and Klapmuts.

The following taxi rank had been completed in the 2020/21 financial year:

- Klapmuts Taxi Rank.

The following taxi ranks are at the final stages of the construction phase, at the end of the 2020/21 financial year:

- Groendal Taxi Rank; and
- Kayamandi Taxi Rank.

f) Stormwater

The municipality's Stormwater Master Plan was updated in a previous financial year. Improvements, as identified in the Master Plan are implemented annually, and the system is periodically maintained to ensure preparedness for the winter season.

The municipality's By-Law on Stormwater was promulgated in May 2021. The By-Law on Stormwater regulates stormwater systems in built-up areas and regulates activities that may have a detrimental effect on the development, operation or maintenance of the stormwater system.

The By-Law also aims to improve the management of stormwater systems by reducing the probability and impacts of flooding, protecting natural aquatic environments and maintaining acceptable water quality within the system.

g) Bridges

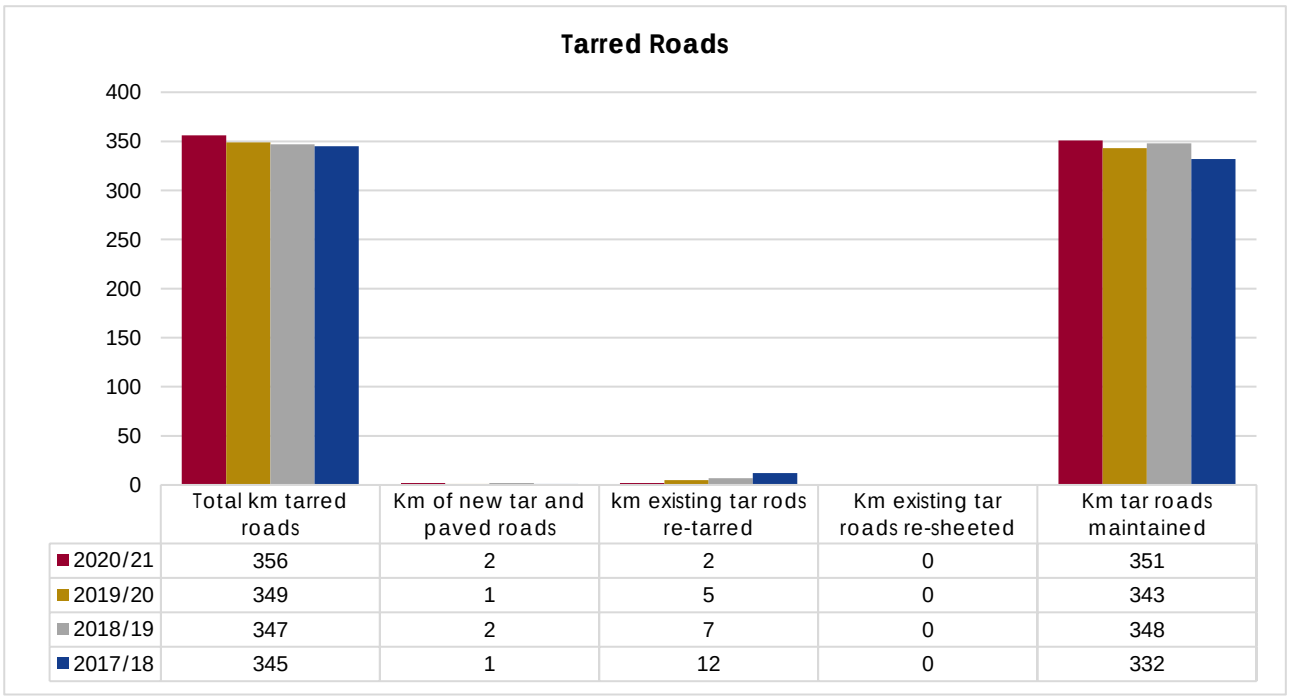
Planning for the reconstruction of the Distillery Road Bridge in Bosman's Crossing, Stellenbosch, commenced in the 2019/20 financial year. The Distillery Road Bridge is the only access road into Bosman's Crossing, a small mixed development area within Stellenbosch comprising of various commercial developments and apartment complexes. Designs for the bridge are complete, and all necessary approvals for the reconstruction of the bridge have been attained. The procurement process for the appointment of a contractor had commenced towards the end of the financial year.

Planning and design had previously commenced for the construction of a pedestrian bridge that would link Kayamandi with Cloetesville. The proposed bridge would create a safe passage for pedestrians between the two communities, crossing the R304, the railway line and the Plankenbrug River. Designs for the bridge is complete and the necessary approvals for the construction of the pedestrian bridge have been attained. Implementation will commence once the project prioritisation and procurement processes (for the appointment of a contractor) are concluded.

3.12.1 Roads Statistics

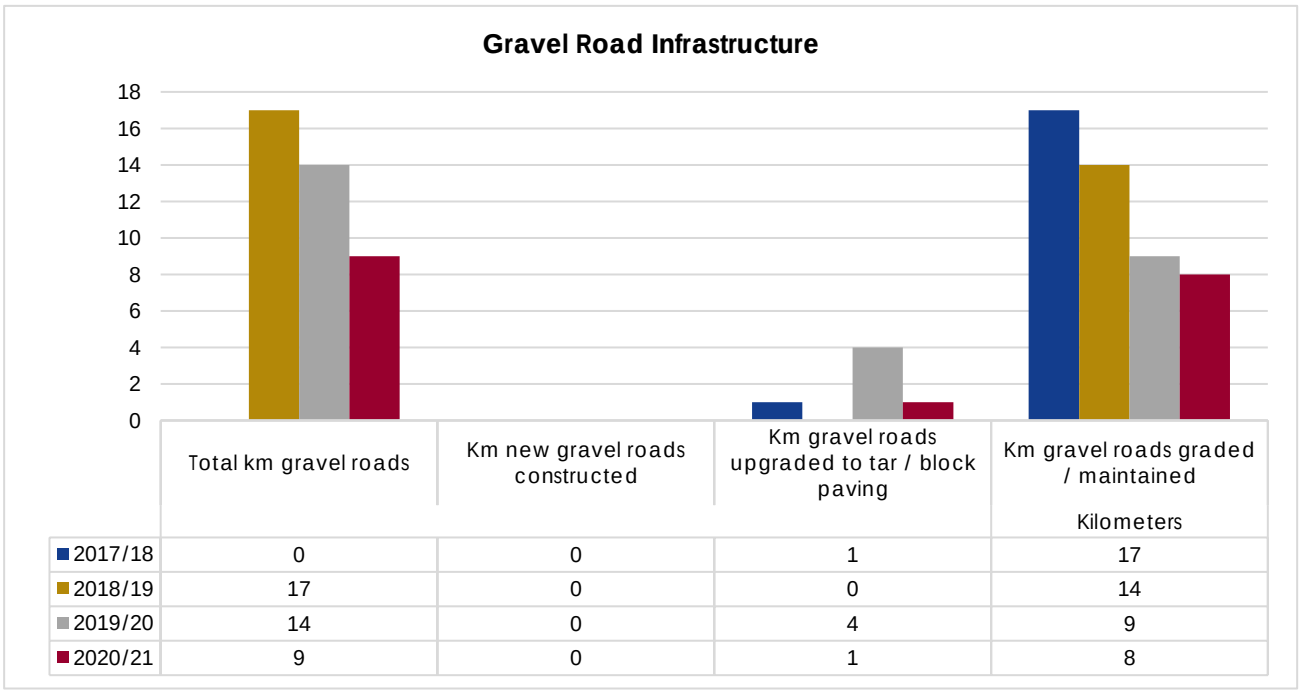
The following graphs give an overview of the total kilometres of roads maintained and new roads tarred: *Tarred (Asphalted) Roads.*

Figure 36: Tarred Roads



	Total km tarred roads	Km of new tar and paved roads	km existing tar rods re-tarred	Km existing tar roads re-sheeted	Km tar roads maintained
2020/21	356	2	2	0	351
2019/20	349	1	5	0	343
2018/19	347	2	7	0	348
2017/18	345	1	12	0	332

Figure 37: Gravel road infrastructure



	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar / block paving	Km gravel roads graded / maintained Kilometers
2017/18	0	0	1	17
2018/19	17	0	0	14
2019/20	14	0	4	9
2020/21	9	0	1	8

3.12.2 Stormwater Infrastructure

The graph below shows the total kilometres of stormwater infrastructure maintained and upgraded as well as the kilometres of new stormwater pipes installed.

Figure 38: Stormwater Infrastructure



The table below indicates the capital expenditure for Roads, Transport and Stormwater Services as at 30 June 2021.

Table 158: Capital Expenditure as at 30 June 2021: RTS

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Adhoc Reconstruction of Roads (WC024)	15 755 412	15 519 995	-1.49%
Schuilplaats Road Link	4 077 911	4 063 368	-0.36%
Specialised Vehicles	2 013 225	2 013 225	0%
Bridge Rehabilitation	3 102 451	3 102 447	0%
Reseal Roads - Stellenbosch and Surrounding	2 178 000	2 178 000	0
Only the 5 largest capital projects are listed			

Roads and Stormwater spent **95.61%** of the capital budget for the financial year.

The table below indicates the total number of employees in the Department: Roads, Stormwater, Transport and Traffic Engineering.

Table 159: Total number of employees in the Department: Roads, Stormwater, Transport and Traffic Engineering

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	3	3	0	0%
9 – 13	34	19	15	44.1%
4 – 8	28	16	12	42.8%
3 – 0	91	63	28	30%
Total	**157**	**102**	**55**	**35.0%**

3.13 Development Services and Project Management Development Services, Asset Management and Systems and Project Management Unit (PMU)

The Department: Development Services, Asset Management and Systems and Project Management Unit (PMU) is responsible for Technical Information Management, Asset Management, Wayleave Management, Development Services and Project / Programme Management in the Directorate: Infrastructure Services.

During the 2020/21 financial year, the department successfully facilitated the adoption of eight Asset Management Improvement projects over the medium term (i.e. 3-5 years) as indicated in the Asset Management Maturity Assessment performed in the previous financial year. The department continued to provide operational services in terms of wayleave applications, building plan assessments, land use applications and project management.

3.13.1 Project Management Unit (PMU)

During the 2020/21 financial year, the PMU managed a capital expenditure budget of R29.2M (of which R14.4M was Human Settlements Grant funding). Multi-year projects included Basic Improvements:

- Langrug, Ida's Valley IRDP / FLISP;
- Kayamandi: Zone O (±711 services);
- Klapmuts TRA (298 Nutec Structures);
- Klapmuts: Erf 2181 (298 serviced sites);
- Longlands Vlottenburg (±144 Services and ±144 units);
- Smartie Town, upgrading of The Steps / Orleans Lounge; and
- Watergang Farm upgrading.

The Project Management Unit assists other municipal departments to implement their projects. The Section: PMU is currently assisting departments with the following capital projects:

- Roll out of optic fibre – Section: Roads and Stormwater;
- La Terra substation – Department: Electrical Services;
- Taxi rank: Franschhoek – Section: Transport Planning and Public Transport;
- Taxi rank: Kayamandi – Section: Transport Planning and Public Transport;
- Taxi rank: Klapmuts – Section: Transport Planning and Public Transport;

- Jamestown Cemeteries – Directorate: Community and Protection Services; and
- Integrated National Electrification Programme – Department: Electrical Services.

The PMU is also responsible for the administration of the Integrated Urban Development Grant (IUDG). The Integrated Urban Development Framework (IUDF) marks a new deal for South Africa's cities and towns. It sets a policy framework to guide the development of inclusive, resilient and liveable urban settlements while addressing the unique conditions and challenges facing South Africa's cities and towns. The key outcome of the IUDF is spatial transformation and to create a growth model of compact, connected and coordinated cities and towns.

Within the IUDF's Intermediate City Municipality (ICM) programme, which targets 39 municipalities, support is provided for the municipalities in the middle size and density range of the continuum. The purpose of the ICMs support strategy is to help translate IUDF policy into practical programmes of action in the ICMs. Stellenbosch Municipality again achieved 100% IUDG expenditure (an allocation of R46 906 000 for the 2020/21 financial year).

3.13.2 Asset Management and Systems

Maximising municipal infrastructure management supports the current Strategic Focus Areas as well. Foremost is in Strategic Focus Area 5: Good Governance and Compliance. As the 13th largest economy nationally, the greater Stellenbosch area and municipality is a significant seat of power and deliverer of services. Deciding what to do, when, where, and for whose benefit is, is the difficult task that infrastructure asset management addresses. Enhanced infrastructure capabilities also augment the achievement of the other four Strategic Focus Areas, i.e. 1: Valley of Possibility, 2: Green and Sustainable Valley, 3: Safe Valley and 4: Dignified Living.

A sound financial basis is central to implementing any strategy. The greater Stellenbosch area is no exception. In order to deliver on the needs of its citizens, the municipality is required to manage revenue streams sustainably. It also needs to ensure that funds available are utilised for identified projects that have been correctly prioritised, and that value for money is achieved. The range of services to be provided is vast in scope, and citizens and enterprises' needs vary significantly. Given the depth of need in many communities and limited resources, tough choices have to be made. An Enterprise Asset Management System will deliver the information that will aid this type of decision making.

As such, Stellenbosch Municipality is positioning itself to adopt an Enterprise Asset Management System, i.e. Cityworks which is built exclusively on Esri's ArcGIS technology. The Cityworks web GIS-centric platform can help to streamline the care and maintenance of infrastructure assets. Using the ArcGIS geodatabase as the authoritative system of record, Cityworks can leverage the inherent power of GIS through spatial analysis of work activities and mobile field operations. Cityworks and ArcGIS together offer a system of record, a system of engagement, and a system of insight for asset management. Additionally, once asset data is verified and established as correct, Stellenbosch Municipality can begin to understand its infrastructure's health. Cityworks would assist the municipality in identifying and prioritising risk, preparing for emergency events, and gaining new operational insights.

This will only be possible through the result of improvements it has to make to its asset management practices. The municipality is building on its sound performance in financial asset management to establish, in particular, improved physical asset management (that focuses on infrastructure-based service delivery) and is in line with recognised good industry practice; the integration of these two domains. These AM improvement projects have been endorsed by the MM and Directors over the

medium term (i.e. 3-5 years) as was indicated in the Asset Management Maturity Assessment performed in the previous financial year.

Wayleave Management also falls under this section. The collective value of services infrastructure contained within the Public Road Reserve and the road itself amounts to a considerable value. This infrastructure needs to be maintained, periodically rehabilitated and replaced from time to time. Such activities can result in considerable delays, inconvenience, danger and additional costs to the road users and municipality itself if not well planned and coordinated. This activity is coordinated through the wayleave management function.

Unfortunately, most of the posts in this function remain vacant. This function is performed by staff seconded partially or entirely from within the department – regardless, 89% of applications received during the 2020/21 financial year were processed (compared with 62% of applications in 2019/20 financial year).

The monthly and annual applications are summarised in the table below, Wayleave Applications.

Table 160: Wayleave Applications

Activity	2020/21												Total
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Wayleave Applications - Received	15	18	19	20	32	2	23	24	27	15	32	13	**240**
Wayleave Applications - Commented on	28	10	25	15	10	11	6	23	36	13	27	9	**213**
% completion to date:													**88.8%**

3.13.3 Development Services

The Manager: Development Services comments on behalf of the Directorate: Infrastructure Services on all land-use applications, which 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. Hence, should Council be in a position to supply such services, an application can be supported. If not, then an application for a land-use change will not be supported by the Directorate: Infrastructure Services. Thus, any planned development will be brought under the attention of the Section: Development Services by Town Planning to determine if bulk services will be available and if not, by when the budget will allow for such bulk infrastructure to be implemented.

The Section: Development Services is also responsible to coordinate and approve the final handover of newly serviced stands through the approval of engineering services clearance certificates.

The figures for the different Land Use Applications for the 2020/21 financial year are outlined in the below.

Table 161: Land-use Applications

Activity	2020/21												Total
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Building Plans- Received	74	56	100	95	75	52	15	73	26	38	49	89	742
Building Plans- Commented on by due date	52	34	53	41	50	28	5	44	23	11	39	51	431
Land-use Applications - Received	15	31	23	29	20	25	4	8	11	11	5	12	194
Land-use Applications - Commented on by due date	7	21	13	10	7	10	0	6	7	4	4	9	98
DCs received for completed developments	*Excluding VAT - R9.4m*												
Total of aforementioned requests received													**936**
Total of aforementioned requests commented on													**529**
% completion by due date:													**56.5 %**

Additionally, DCs are calculated by this section and set as a development condition for new developments. Social and economic development has a positive impact on the municipality's finances as it increases revenue from property rates, fees, service charges and tariffs by expanding the base of ratepayers. However, development associated with this economic growth impacts the demand for municipal infrastructure services as well as social infrastructure services such as clinics, schools and other public amenities. Therefore, infrastructure is needed to support sustainable social and economic development in Stellenbosch.

Development charges are a more targeted and more fair way of ensuring that the primary beneficiaries of infrastructure make an appropriate and fair contribution to that cost, without unduly burdening the municipality's ratepayers. Development Charges are thus an important form of capital contribution raised by the municipality to pay for infrastructure upgrades required in support of new developments. This section thus also performs a project management function by ensuring that developer-created infrastructure is completed according to the municipality's engineering standards and guidelines.

A summary of the annual DCs management in 2020/21:

- DCs Calculated: R45.3M;
- DCs received by the municipality: R9.4M;
- Assets created in lieu of DCs: R6.8M; and
- Total value created for the municipality in 2020/21: R16,2M.

COMPONENT C: PLANNING AND DEVELOPMENT

3.14 Town- and Spatial Planning

a) Stellenbosch and an appropriate approach to spatial development and management

The Municipal Spatial Development Framework (*m*SDF) is a core component of, and part of the Integrated Development Plan as stipulated in Section 26(e)of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and Section 20(2) of the Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013). The spatial planning system in the Republic of South Africa consists of the following components:

- Spatial development frameworks to be prepared and adopted by national, provincial and municipal spheres of government;
- Development principles, norms and standards that must guide spatial planning, land use management and land development;
- The management and facilitation of land use through the mechanisms of land use schemes, i.e. zoning scheme bylaws; and
- Procedures and processes for the preparation, submission and consideration of land development applications and related process.

Section 8 of SPLUMA stipulate that the norms and standards must, amongst others:

- Promote social inclusion, spatial equity, desirable settlement patterns, rural revitalisation, urban regeneration and sustainable development;
- Ensure that land development and land use management processes, including applications, procedures and timeframes are efficient and effective;
- Include: -
  - (i) A report on and on analysis of existing land use patterns;
  - (ii) A framework for desired land use patterns;
  - (iii) Existing and future land use plans, programmes and projects relative to key sectors of the economy; and
  - (iv) Mechanisms for identifying strategically located vacant or under-utilised land and for providing access to, and the use of land.

Based on the above it is clear that the Municipal SDF is not just mostly a technical document, but in fact the strategic spatial representation of the IDP, and also must determine a capital expenditure framework ("CEF") for the municipality's development programmes, depicted spatially. The Municipal SDF "as part of" and "a core component of" the IDP further "*must include sectoral requirements, including budgets and resources for implementation*", thereby guiding the municipal infrastructure and development budget. We present the critical underlying narrative here and argue that adhering to it, through numerous individual actions and decisions – across sectors of society – is at the core of managing development and land use in Stellenbosch better, at the heart of a better future for all.

"Stellenbosch Municipality is a special place; all of it … its various settlements, its nature areas, farms, education institutions, its innovative corporations, small businesses, its places to visit, its places to live, its festivals, its history … its people. In terms of its space – activities in space, landscapes, urban places, streets, and buildings – Stellenbosch Municipality continue to impress and bring opportunity, joy, and contentment; in different ways, to visitors and residents alike. Many would love to live here, work here, or visit more often. Stellenbosch Municipality has been judged as a place of high opportunity.

Numerous factors combine to a recognition that this place can contribute more to growing societal needs, in its region, and our country. If one lives here, the chances are that you can make a good livelihood. Stellenbosch Municipality is truly a place of opportunity.

Many who live within the municipal area do not have adequate shelter, or the opportunity to work. Many study here, but cannot enjoy university life to its full extent, because there is limited residential opportunity for students. Then again, many struggle in traffic every day, on congested roads, wasting time and money for fuel, even if privileged enough to own a private vehicle.

Stellenbosch Municipality's challenges increasingly impact on all, albeit in different ways. Citizens respond to challenges differently. Many owners of agricultural land have indicated a desire to develop their land for other, predominantly urban activities. These thoughts already involve a large land area, comparable to the size of Stellenbosch town. Others, tired of waiting for a housing opportunity here or elsewhere – and government support – invade land, staking a claim, the right to a place to live, on virgin land, even if the land is not suitable for development because of its agricultural and / or environmental value, is prone to risk, or allocated to someone else. Some, with the necessary material means, elect to close themselves off, to obtain a place to live in gated communities, secure from perceived threat to body and property.

The Stellenbosch Municipal Area grows, both naturally, and because more people are attracted here. Those drawn include the poor, middle- to higher income groups, and large corporations. Stellenbosch Municipality has a special quality of accommodating hope, good opportunities, and a better life; the perception is that your needs can be met faster, your children can get access to a school promptly, or, your journey to work will be less cumbersome.

In terms of how we manage development and space, we know what direction to take. We know that we should adopt a more precautionary approach to nature and agricultural land, we know that we should contain and compact settlements, we know that we should provide more choice in shelter and housing opportunity, and that we should focus on public and non-motorised transport.

This knowledge is also embedded in policy, from global conventions to national, provincial and local frameworks, including the Stellenbosch Municipal Integrated Development Plan that include the Stellenbosch Municipality Spatial Development Framework, 2019, the legal plan which directs the municipal budget and resource allocation. It requires new ways of thinking, acting, living and doing. Higher densities, leaving the car, more interaction between groups of society sharing public space, more partnership in unlocking development opportunity, and so on.

The potential of 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.

b) Specifically, it asks us to consider seven principles:

1. *First, maintain and grow the assets of Stellenbosch Muni**cipality's natural environment and farming areas.***

Humanity depends on nature for physical and spiritual sustenance, livelihoods, and survival. Ecosystems provide numerous benefits or ecosystem services that underpin economic development and support human well-being. They include provisioning services such as food, freshwater, and fuel as well as an array of regulating services such as water purification, pollination, and climate regulation. Healthy ecosystems are a prerequisite to sustaining economic development and mitigating and adapting to climate change. The plan provides for activities enabling access to nature and for diversifying farm income in a manner which does not detract from the functionality and integrity of nature and farming areas and landscapes.

2. Second, respect and grow our cultural heritage, the legacy of physical artefacts and intangible attributes of society inherited from past generations maintained in the present and preserved for the benefit of future generations.

Cultural heritage underpins aspects of the economy and differentiates places. Culture is a dynamic construct; forever emerging in response to new challenges, new interactions and opportunity, and new interpretations. Spatially, we must organise Stellenbosch in a manner which also sets the stage for new expressions of culture.

3. Third, within developable areas – areas not set aside for limited development owing to its natural or cultural significance – allow future opportunity to build on existing infrastructure investment, on the opportunity inherent in these systems when reconfigured, augmented or expanded.

Infrastructure represents significant public investment over generations, not readily replicated over the short term. It represents substantial assets for enabling individual and communal development opportunity of different kinds. From a spatial perspective, movement systems are particularly significant. Elements of the movement system, and how they interconnect, have a fundamental impact on accessibility, and therefore economic and social opportunity. Specifically, important is places of intersection between movement systems – places which focus human energy, where movement flows merge – and where people on foot can readily engage with public transport.

4. Fourth, clarify and respect the different roles and potentials of existing settlements.

All settlements are not the same. Some are large, supported by significant economic and social infrastructure, offer a range of opportunity, and can accommodate growth and change. Others are small and the chance to provide for growth or change is minimal. Generally, the potential of settlements to help change and growth relates directly to their relationship with natural assets, cultural assets, and infrastructure. We must accommodate change and growth where existing assets will be impacted on the least or lend itself to generating new opportunity.

5. Fifth, address human needs – for housing, infrastructure, and facilities – clearly in terms of the constraints and opportunity related to natural assets, cultural assets, infrastructure, and the role of settlements.

We must meet human need in areas where the assets of nature will not be degraded, where cultural assets can be best respected and expanded, and where current infrastructure and settlement agglomeration offers the greatest opportunity. Generally, we can help human need in two ways. The first is through infill and redevelopment of existing settled areas. The second is through new green-field development. We need to focus on both while restricting the spatial footprint of settlements outside existing urban areas as far as possible.

6. Sixth, pursue balanced communities. All settlements should be balanced.

That means they should provide for all groups, and dependent on size, a range of services and opportunities for residents. It also says they should provide for walking and cycling, not only cars.

7. Finally, focus energy on a few catalytic areas that offer extensive opportunity and address present risk.

Planning cannot attempt to treat all areas equally. Some areas offer more opportunity for more people than others. We need to focus on the areas and actions where a significant number of people will benefit, where we will meet their needs. There is also a need to focus on areas of 'deep' need, notwithstanding location, where limited opportunity poses a risk to livelihoods. Some informal settlements and poorer areas may not be located to offer the best chance for inhabitants, yet services need to be provided and maintained here. However, significant new development should not occur in these places, exacerbating undesirable impacts or further limiting the opportunity for people to pursue sustainable livelihoods. Spatial plans are 'partial' frameworks for action. They deal with space. Command of space is not enough to develop or manage a settlement in the interest of all. Each spatial principle, each concept, requires parallel actions in other sectors, including how we form institutions for execution, how we transport people, how we fund things, where we focus resources, and so on. The spatial principles must help us to think through these implications, action by action, decision by decision."

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

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

- The measures required to ensure that settlements provide for a range of housing types and income groups (in a balanced manner);
- Establishing regular public transport services between settlements, including services between

the expanded smaller settlements and Stellenbosch town; and
- Understanding to what extent settlements can provide local employment, in this way minimising the need for transport to other settlements.

d) Other local planning initiatives

Ideally, each of the settlements in SM should have a LSDF, applying the principles of the *m*SDF in more detail. The priority for LSDFs should be determined by the position and role of settlements in the SM settlement hierarchy, but should start with the Adam Tas Corridor Development Area and Klapmuts.

e) Institutional Arrangements

The Stellenbosch Municipality has limited staffing resources within the Directorate: Planning and Economic Development, which include the departments of Development Management (Land Use Management and Building Development Management); Development Planning (Spatial Planning, Economic Development and Tourism, Development Information ("GIS") and Heritage Resource Management) and Integrated Human Settlements (Housing Development, Informal Settlements and Housing Administration) SM have appointed two (2) Senior Managers in the position for Development Management and Development Planning, and the position of the Senior Manager: Integrated Human Settlements is an unfunded post and remains vacant. Work occurs within the framework set by annually approved Service Delivery and Budget Implementation Plans (aligned with the IDP), decision-making processes and procedures set by Council, and a suite of legislation and regulations guiding spatial planning, land use management, and environmental management (including SPLUMA, LUPA, and the National Environmental Management Act).

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

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

f) Inter-municipal planning

The first relates to inter-municipal planning. As indicated elsewhere in the *m*SDF, SM (and other adjoining municipalities) appears to experience increasing challenges related to development pressure in Cape Town. This pressure is of different kinds. The first is pressure on the agricultural edges of Stellenbosch Municipality through residential expansion within Cape Town. The second is migration to SM (whether in the form of corporate decentralisation, or both higher and lower income home seekers), leading to pressure on available resources, service capacity, and land within and around the settlements of SM. While municipal planners do liaise on matters of common concern, there

appears to be a need for greater high-level agreement on spatial planning for "both sides" of municipal boundaries. The spatial implications of pressure related to migration to SM could be managed locally, should there be agreement to redevelop existing settlement footprints rather than enabling further greenfields development (as a general rule).

However, the municipality's increased resource needs to accommodate new growth – a non-spatial issue – should be acknowledged and addressed.

g) Private sector joint planning

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

- The municipal human and financial resource base is simply too small to achieve the vision of the *m*SDF or implement associated strategies and plans;
- Many matters critical to implementing the *m*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 the *m*SDF objectives;
- It is increasingly evident that individual landowners 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 landowners 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 of what is needed to implement the *m*SDF 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 the 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 landowners, the municipality, University, and investors work together, including undertaking joint planning, the "pooling" of land resources, sharing of professional costs, infrastructure investment, and so on. The municipality simply does not have the resources – and is overburdened with varied demands in different locations – to lead the work and investment involved.

h) Land Use Management

Continually ensure timeous consideration of land-use applications 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 has been reduced significantly, which in turn has the resultant impact of creating economic development opportunities within the Stellenbosch Municipality.

The table below indicates the capital expenditure for planning and development services as at 30 June 2021.

Table 162: Capital Expenditure as at 30 June 2021: Planning and Development

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Furniture, Tools and Equipment	163 000	42 302	-23.67%

Planning and Development have spent, **25.95%** of the capital budget for the financial year.

The capital expenditure referred to in the table above refers to the capital expenditure of the Land Use Management Section. The funds were to be used for the purchasing of information technology equipment (laptops), but due to the COVID-19 pandemic, the municipality experienced delays in the deliveries of the ordered equipment. Hence, the underspending in the 2020/21 financial year.

The table below indicates the total number of employees in the Department: Development Management:

Table 163: Total number of employees in the Department: Development Management

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	3	3	0	0%
14 – 17	19	14	5	35.7%
9 – 13	30	18	12	40%
4 – 8	14	9	5	35%
3 – 0	0	0	0	0%
Total	**66**	**44**	**22**	**33.3%**

3.15 Local Economic Development (LED)

The table below indicates the highlights within the Section: LED and Tourism.

Table 164: LED Achievements

Achievement / Highlight	Description	Financial years		
		2018/19	2019/20	2020/21
Business Interventions	Business registrations	37	37	29
	Municipal Database Registrations	27	n/a	181
	Advice to walk-ins	1 795	n/a	334
	Workshops	12	15	1
	Business Licences	13	2	22
Mentorship	No mentorship activities were completed for the first two quarters of the financial year, as it was planned for the latter part of the financial year, however, this could not happen because of the pandemic and lockdown regulation that was in place.	n/a	n/a	0
Tendering Process Training	This was planned for the third quarter of the financial year; however, this could not take place due to the pandemic.	n/a	n/a	0

Achievement / Highlight	Description	Financial years		
		2018/19	2019/20	2020/21
Informal Trading	The SectionL LED and Tourism has implemented various informal trading sites that will be completed in the new financial year including Cloetesville, Kayamandi, Klapmuts and a process to advertise for the sites to be occupied will be followed. The Informal trading by-law is in the process of being drafted and will be circulated for public comment in the new financial year.	n/a	n/a	n/a
Enterprise Development and Support	Training for Stellenbosch-based entrepreneurs has been hampered because of the pandemic however, a virtual meeting was held with various sectors of the economy including tourism and agriculture to ascertain the impact of the pandemic on these sectors. The municipality partnered with Ranyaka and Stellenbosch Network and provided three (3) SMME training workshops during the 4th quarter of the financial year. Assistance was provided to SMME with PPE to ensure compliance with health protocols during the pandemic. The Unit has been very active with the processing of informal trading permits during the lockdown to ensure that these micro-businesses could trade.	n/a	n/a	3
Vacant Agricultural Property	The two (2) vacant land that was advertised during November / December 2020 is currently being evaluated in line with the Policy on the Management of Municipal Agricultural Land. The Municipal Council during July 2021 approved the re-establishment of the Operational Committee and will assist with the evaluation of the applications received to provide recommendations to the Council for allocation of the land parcels.	n/a	n/a	2

3.15.1 Economic Development and Tourism Challenges

The table below gives a brief description of all the challenges within the Section: Economic Development and Tourism during 2020/21.

Table 165: LED Challenges

Description	Actions to address
Human Resources are insufficient to drive an effective economic development and tourism programme.	The current organogram for the Directorate: Planning and Economic Development remains a huge challenge, coupled with the high vacancy rate, especially within the Section: Economic Development and Tourism. This high vacancy rate makes it extremely challenging for the Section to perform its function to create and coordinate the creation of an enabling environment within the economy of the Stellenbosch Municipality.
Slow processing of land use applications impacts negatively on new investments and economic growth in the municipal area.	Appointment of the Senior Manager: Development Management has resulted in a significant reduction of the number of land use applications classified as backlog applications. The current pressure for development within the municipal area has, however, even with the pandemic not significantly slowed down, and has resulted in a further increase in development applications and building plan approvals, therefore interventions may be required in dealing with the high influx of such development applications and processes.
Implementation of Infrastructure Projects	The LED: Unit is currently partnering with the Project Management Unit of the municipality to implement the Kayamandi Informal Trading Site. The Section will

Description	Actions to address
	further not implement any further infrastructure projects as this is not the constitutional mandate of the section.
Current entrepreneurship development initiatives show minimal or minor impact on new venture creation.	Establish partnerships with the private sector to the ensure uptake of new entrants into the mainstream of the economy. The municipality's procurement must also be used to ensure local businesses are given opportunities to partner with big businesses to nurture and grow new businesses.

3.15.2 EPWP Job Creation 2020/21

The Expanded Public Works Programme (EPWP) could not meet the expected target of 1300 as planned for the year 2020/21 due to the COVID-19 pandemic. This caused significant delays in several projects and to some instances failure to start projects. The table below illustrates the job creation through the EPWP for the 2020/21 financial year.

Table 166: Job Creation through EPWP Projects*

EPWP Projects	Number of jobs created	
External EPWP Grant Projects		
IG: LED	28	
IG: Ward Office Cleaners	21	
IG Cleaning of Stormwater	12	
IG: School Safety	11	
IG: Community Development	5	
IG: Jan Marais	6	
IG: Tittle Deeds	12	
IG: Disaster Field Workers	6	
IG: Fire and Disaster	13	
IG: Jonkershoek Picnic Site	4	
IG: Sport Clerk:	1	
IG: Cleaning Warriors	4	
IG: Parks Wardens Stellenbosch	30	
Wheelie Bins	1	
Cleaning of Libraries	2	
IG: Integrated River	15	
IG: Mountain Trails	14	
Total Projects	**Total Jobs**	**185**
Municipal Funded Projects		
Municipal Stock Take	6	
Integrated Fire	14	
Municipal Store	2	
Kayamandi Backyard Survey	13	
Biodiversity Veld Rehabilitation	12	
Klapmuts Backyard Survey	14	
Klapmuts Taxi Rank	18	
Rectification of 161 Houses in Cloetesville	14	

EPWP Projects	Number of jobs created
Environmental Clerk	1
Municipal Asset Stock	6
Alien Species WCO24 (Cemeteries)	6
Urban Forestry	24
IG: Parks and Franschhoek Wardens	18
Forest Guards	26
Economic Tourism Cleaners	4
Area Cleaning	867
Ornamental Horticulture	27
Rental Stock Maintenance	13
Inkanini Electrical	36
Total Projects	**185**
Total Jobs	**1 212**

Table 167: Jobs created per area

Jobs created per area					
Stellenbosch and Surrounds	**Kayamandi**	**Franschhoek and surrounds**	**Dwarsriver Valley**	**Klapmuts**	**Rural areas**
405	547	111	41	74	34

The table below indicates the total number of employees in the Section: LED and Tourism.

Table 168: Total number of employees in the Section: LED and Tourism

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0
14 – 17	1	1	0	100%
9 – 13	7	1	6	85.7
4 – 8	2	1	1	50%
3 – 0	0	0	0	0
Total	**10**	**3**	**7**	**70%**

3.15.3 Tourism

a) Aim and function of Tourism Section:

- Contextualise the strategic goals of tourism promotion and development funding;
- Regularise the operational functioning of external bodies appointed or supported by the municipality in its constitutional mandate toward both tourism and economic development;
- Ensure coordination of the activities of the funded entities;
- Ensure efficient oversight of funding and outcomes;
- Acknowledge and leverage private sector and independent initiatives;
- Develop sustainable tourism events and brands;
- Enable sponsorship opportunities for commercialisation of events, brands and other opportunities;
- Smooth cyclical tourism numbers by establishing developing and implementing off-peak tourism products and initiatives;

- Develop and package opportunities and venues for business tourism;
- Enable market participation for local business;
- Enable training, mentorship and employment opportunities for local citizens; and
- Quantify return on investment into events and funded entities.

b) Highlights:

- The impact the Support Stellenbosch Campaign had on keeping the tourism sector afloat during the COVID-19 pandemic, which primarily focuses on domestic tourism and ensuring the patrons visit Stellenbosch was hugely successful in comparison to other tourist destinations within the Cape Winelands District;
- Visit Stellenbosch partnered with the municipality to improve the tourism experiences and attributes within the Dwarsrivier Valley, which involved engagement with the major tourism and events stakeholders within the Dwarsrivier; and
- A memorandum of agreement was signed with Visit Stellenbosch and Franschhoek Wine Valley Tourism based on the policy to for funding of organisation rendering a municipal function with the condition to integrate the sector and ensure new entrance into this sector are supported and developed.

Challenges: Tourism

- The impact of COVID-19 on the tourism industry has had a severe negative impact on the sector, especially as international travelling was to a large extent prohibited since the start of the lockdown on 27 March 2020.

The table below indicates the capital expenditure for the Led and Tourism section as at 30 June 2021.

Table 169: Capital Expenditure as at 30 June 2021: LED and Tourism

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Establishment of Informal Trading Sites: Kayamandi	4 287 007	-	-100%
Establishment of Informal Trading Sites: Klapmuts	274 614	249 041	-9.31%
Establishment of Informal Trading Sites: Groendal	1 080 422	1 253 616	-16.03%
Establishment of informal trading markets Cloetesville	507 000	505 709	-0.25%
Furniture tools and equipment	352 000	287 437	-3.75%
Only the 5 largest capital projects are listed			

Local Economic Development and Tourism have spent, **34.72%** of the capital budget for the financial year.

3.15.4 Heritage and Resource Management

The Section: Heritage Resources Management is mandated to enable, facilitate and manage cultural heritage development within the Stellenbosch municipal area through the formulation and implementation of long-term cultural heritage plans, strategies, policies and guidelines, which is appropriately integrated with the applicable sectoral plans of the municipality and aligned with the requirements of the National Heritage Resources Act, Act 25 of 1999.

Part of this work was to update the Stellenbosch Municipality Heritage Inventory, which was done in partnership with the Stellenbosch Heritage Foundation. The municipality intends to further expand on this partnership to ensure that the heritage inventory is continually updated.

The Section has also undertaken a process to review and amend the Stellenbosch Municipality Signage, Advertising and Poster Bylaw with the Directorate: Engineering Services. This bylaw will be adopted and promulgated during the 2021/22 financial year.

3.15.5 Development Information

The Section is responsible for managing, coordinating and controlling the professional and technical processes associated with Geographic Information Systems (GIS) in respect of the municipality, Management of Information Systems (MIS) through research and evaluation of best practices and cost-effective approaches and provides guidance and advice on the functionalities to internal departments to ensure that broader goals and service delivery objectives are accomplished and quality and professional standards maintained in accordance with agreed timeframes, budgets and appropriate legislation.

The Section has assisted the Directorate: Planning and Economic Development with the development of the electronic and online submission of building plan- and land use applications. Through this process, the Section have developed the Building Plan Application Management System ("BPAMS") and the Town Planning Application Management System ("TPAMS"). These systems will provide residents and potential developers to submit their development applications online, and also to monitor the progress of their respective applications.

Currently, BPAMS is fully operational and will be launched with TPAMS during the next financial year.

COMPONENT D : COMMUNITY AND SOCIAL SERVICES

3.16 Libraries

Libraries are facing literacy challenges in the 21st century and even more critical challenges with the current global COVID-19 pandemic. Public libraries have always been seen as beacons of hope, courage, pillars of education, and gathering places for their communities. Over the last two decades, there has been a rapid-fire pace at which technological and societal change has occurred. This has caused many people to question the relevance of and need for libraries. The Section: Libraries, therefore, finds itself continuously assessing the needs of its communities to develop relevant services and programs to meet these needs. For libraries to make a cultural shift and become more purposeful, this report includes the data gathered for decision making and strategic planning, all in an effort to measure library impact on the communities it serves.

Stellenbosch Municipality Libraries Section comprises eight public libraries and two school / public libraries.

Table 170: Total number of libraries

Item	Description	Total number
Libraries in the WCO24 Area	**Public Libraries:** • Kayamandi, Cloetesville, Ida's Valley, Jamestown, Stellenbosch, Pniël, Groendal and Franschhoek	8
	• School / Public Libraries • Koelenhof and Klapmuts	2
Library staff (Permanent)	Library Manager	1
	Senior Librarians	7
	Senior Library Assistant	4
	Library Assistants	22
	Library Aid / Cleaner	8
	IT Cadet	1
	Admin Assistant	1
	Book Shelver	1
Vacancies (including Conditional Grant Funded vacancies)	Senior Librarians	4
	Senior Library Assistant	3
	Library Assistants	13
	Library Aid / Cleaner	3
	IT Cadet	1
	Admin Assistant	1

The Stellenbosch libraries were closed to the public between March – October 2020 due to the COVID-19 pandemic. Although library buildings were physically closed to the public, staff continued to provide limited services to the public from August 2020. These services included photocopy facilities, "curbside" and drop-off services for circulation of physical materials, telephonic requests and renewals.

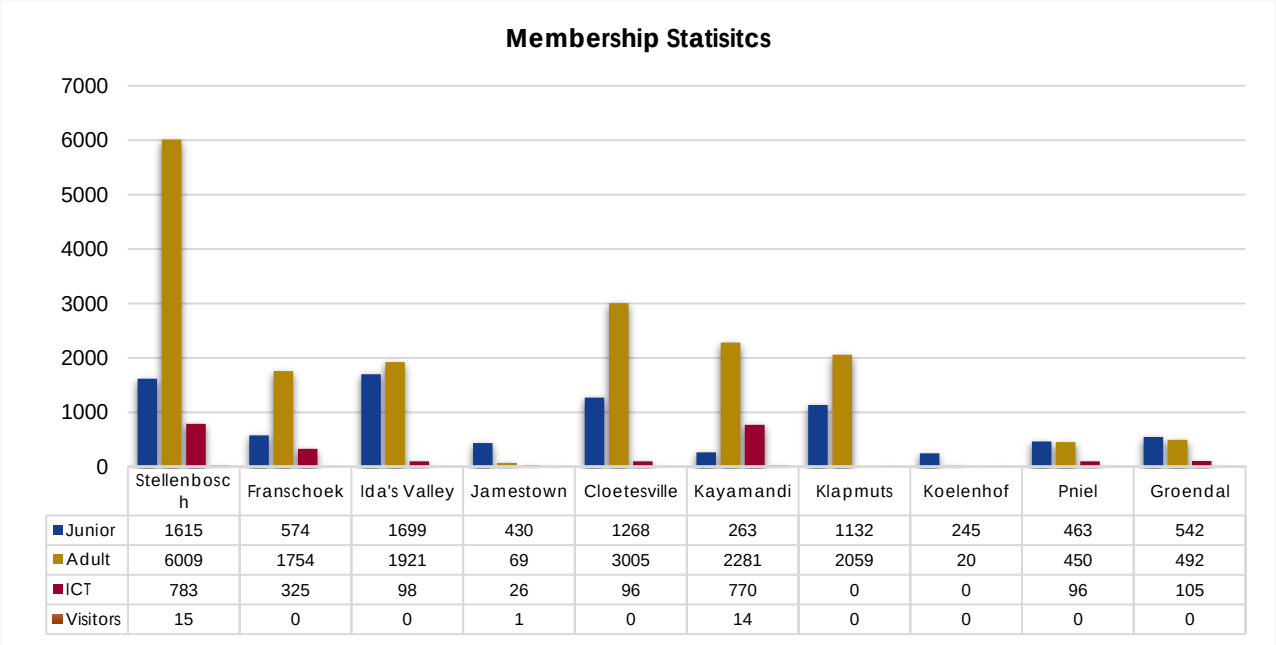
Library halls were and still continue to be used as quarantine rooms for returned library items. All outreach and marketing activities were suspended. The number of patrons allowed into the building is limited to fifty per cent of its capacity.

During the COVID-19 lockdown period, the libraries started the kerbside service for patrons in August 2020. To further assist patrons, Wi-Fi Internet access outside the library buildings was made available to users during the COVID-19 pandemic who had limited access to library service. The number of people that visited the library grounds and car-parks to access research and study materials, health and recreational information or just to chat to family and friends highlighted the need for upgrading the libraries infrastructure.

A number of 13 weeks that, due to the COVID-19 pandemic the libraries were physically closed and the public could not enter when it otherwise would have been open. Due to the hard lockdown regulations, a total number of 5 220 hours were used to open libraries to the public for the year under review. The unit implemented an operational schedule of 17 weeks and has limited public occupancy practices for in-person services at the library in response to the COVID-19 pandemic.

The graph below illustrates the membership statistics for the year under review.

Figure 39: Libraries membership statistics



	Stellenbosch	Franschoek	Ida's Valley	Jamestown	Cloetesville	Kayamandi	Klapmuts	Koelenhof	Pniel	Groendal
Junior	1615	574	1699	430	1268	263	1132	245	463	542
Adult	6009	1754	1921	69	3005	2281	2059	20	450	492
ICT	783	325	98	26	96	770	0	0	96	105
Visitors	15	0	0	1	0	14	0	0	0	0

a) Statistics

Table 171: Library services

Type of service	2018/19	2019/20	2020/21
Libraries			
Number of libraries	9	11	10
Library members	142 616	26 293	28 620
Books circulated	323 200	192 503	53 025
Exhibitions held: Adults	312	304	225
Exhibitions held: Children	316	232	160
Internet access points	32	36	20
Internet sessions granted to library users	53 013	17 818	5406
Children's programmes	243	447	25
Number of children attending programmes	4 512	11 121	458

Type of service	2018/19	2019/20	2020/21
Libraries			
Visits by school groups	254	47	18
Book group meetings for adults – old age homes	102	128	0
Primary and Secondary Book Education sessions	975	25	7
Patrons visits @ Library	398 200	271 621	56 548
Library Hall usage	356	545	48
Total number of Project and Pamphlet files developed	N/A	696	170
Total number of books reviewed	N/A	214	209
In-House usage	N/A	77 783	1 868
Book group meetings for adults – old age homes	N/A	128	0
Primary and Secondary Book Education sessions	N/A	25	0

b) Libraries partnerships

The table below indicates all the libraries and its partnerships within the Stellenbosch area.

Table 172: Libraries partnerships

Cloetesville		
Little Builders	Nora Tyers Crèche	Support creche with storytime sessions and literacy activities.
Pniël		
Section: Community Development	Stellenbosch Municipality	The partnership involved hosting community outreach activities together. The target group was adults and the elderly. Held a Mental Health wellness day in March 2021 to highlight the effect of COVID-19 on mental health. The library assisted Community Development with identifying speakers for the event as well as interested community members. The library provided the venue and the Section: Community Development created the programme, provided catering and gifts.
Ida's Valley		
E'Bosch Heritage Project	Existing partnership	New partnerships could not be formed due to the COVID-19 pandemic. Libraries were closed for most of 2020/21 due to national Lockdown Levels.
Groendal		
Mphozisi Qalekiso Arts Foundation	New Partnership	Worked together to celebrate Africa Day in Groendal.
Kayamandi		
Lokxion Foundation	New Partnership	Partnership to encourage youth to read and write poetry.
Stellenbosch / Jamestown / Franschhoek / Klapmuts / Koelenhof / Kayamandi		
Due to the COVID-19 Pandemic and the limited services the Section: Libraries offered patrons, there were no new partnerships formed for the 2020/21 year. Partnerships with the creches and schools were also suspended.		

c) Challenges facing Libraries

Budget cuts for public libraries are making it harder to keep technology updated, provide great resources, fund new projects and even keep the library doors open.

It is evident that more people are turning to digital resources like eBooks, podcasts and online databases for their information however this doesn't mean that libraries are becoming obsolete. Instead, the municipality is taking advantage of this to invest in digital resources and give a wide variety of people access to them.

Unfortunately, many people still see Libraries as a place to simply spend a day curled up with a good book. The biggest challenge facing libraries is that with diminishing funding and the rapid advancement of technology libraries are finding it difficult to shake off their analogue image in a move towards a digital world. The Section: Libraries has taken steps to bridge this gap by opening up a market space marketing it to library patrons, and introducing an eBook service.

Librarians have an incredible opportunity to be the catalysts of change within their communities. Stellenbosch libraries have been offering career fairs and IT skills workshops to the everyday act of promoting literacy and numeracy skills, housebound services to the elderly and sick persons in the communities. Stellenbosch libraries are all about making an impact on its communities. COVID-19 presents libraries with both a challenge and an opportunity to reconnect with patrons in thoughtful and innovative ways.

However, with community needs for change and the introduction of digital services the municipality is faced with the challenge of qualified and skilled staff. Libraries are highly under-resourced in terms of qualified personnel, physical and digital resources which ultimately results in low patronage of library facilities.

As lockdowns are gradually lifted, libraries are looking to reconfigure the contactless circulation services provided during the lockdown going forward. Many of the "new services" over this period will most likely become a part of libraries regular services. Others services may need to be removed, re-packaged or re-adjusted. Libraries need to be digitally agile during this period in order to remain connected with existing patrons while also expanding digital services to attract a new community of COVID-19 and lockdown-affected patrons requiring online services and information. Digital and non-print technologies will ensure patron engagement throughout lockdown and into the future. With 4IR imminent, libraries are the places where communities are looking for information to help them transition from analogue to a new and exciting digital world.

The table below indicates the capital expenditure for the Section: Library Services as at 30 June 2021.

Table 173: Capital Expenditure as at 30 June 2021: Library Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Libraries: CCTV	350 000	318 333	-9.05%
Library Books	146 000	41 349	-71.68%
Franschhoek: Furniture, Tools and Equipment	101 124	89 485	-11.51%

Libraries Services have spent, **63.08%** of the capital budget for the financial year.

The table below indicates the total number of employees in the Section: Library Services.

Table 174: Total number of employees in the Section: Library Services

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	1	1	0	100%
9 – 13	17	11	6	35.2%
4 – 8	26	16	10	38.4%
3 – 0	0	0	0	0%
Total	**44**	**28**	**16**	**36.3%**

3.17 Cemeteries

Stellenbosch Municipality is responsible for the maintenance and management of six cemeteries in the greater Stellenbosch. Jamestown, Pniël and Groendal have reached their capacity, whilst Wemmershoek and Franschhoek South and North are fully operational. Onder-Papegaaiberg Cemetery is also to capacity [only reserved graves available]. A new cemetery in Kylemore is currently being established.

Consultants were appointed (3-year project) during 2016 to assist Stellenbosch Municipality with the identification and planning of two regional cemetery sites to address the critical need for burial space within the municipality. This project is at an advanced stage of acquiring the required environmental-, water and land use approvals.

The objective of the Section: Cemeteries 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.

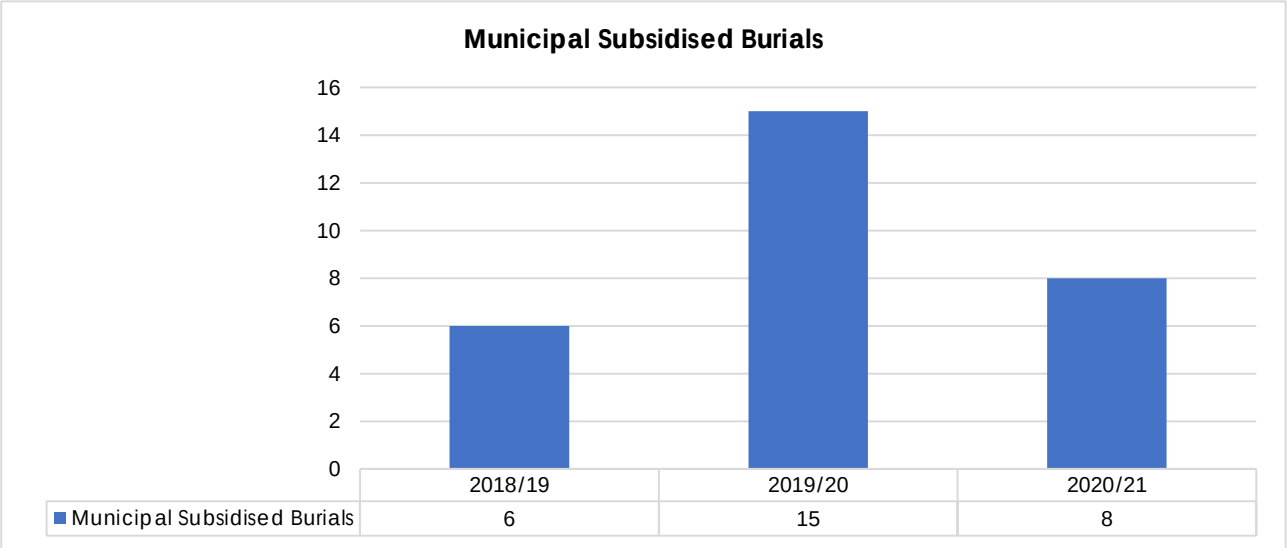
Challenges:

- the shortage of burial space;
- to convert burial records to electronic soft copies (in progress as per the five-year plan); and
- to promote alternative burial methods such as cremations amongst various religious groups.

3.17.1 Service Statistics – Cemeteries

The graph below indicates the service statistics from 2018/19 – 2020/21 financial years.

Figure 40: Municipal Subsidised burials



The municipality assist families with burials where such families are struggling financially. Funds are raised through the mayoral fund. No municipal funds are used for this initiative.

3.17.2 Income – Cemeteries

The table below indicates the income generated from the financial years of 2018/19 – 2020/21.

Table 175: Cemeteries Income

Gravesite locations	2018/19		2019/20		2020/21	
	Number of Burials	Income	Number of Burials	Income	Number of Burials	Income
Onder-Papegaaiberg	24	R50 389	103	R87 791	35	R25 033.80
Jamestown	356	R900 294	478	R1 321 781	396	R937642.21
Pniël	11	R7 855	17	R13 676	5	R9740.42
Wemmershoek	9	R7 650	26	R27 219	9	R8 341.70
Franschhoek North Groendal	38	R40 710	39	R11 052	18	R4 056.18
Franschhoek South	54	R45 580	140	R80 172	30	R53 305.60

The table below indicates the capital expenditure for the Cemetery and Parks Services Section as at 30 June 2021.

Table 176: Capital Expenditure as at 30 June 2021: Cemetery and Parks Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Purchase of Specialised Vehicles	2 132 998	2 101 305	-1.49%
Integrated and Spray Parks	2 100 000	1 923 752	-8.39%
Upgrading of Parks	1 112 104	935 754	-15.86%
Extension of Cemetery Infrastructure	762 999	619 044	-18.87%
Horticulture Furniture, Tools and Equipment	198 900	118 629	-40.36%

Cemeteries and Parks have spent, **89.63%** of the capital budget for the financial year.

The table below indicates the total number of employees in the Section: Cemeteries.

Table 177: Total number of employees in the Section: Cemeteries

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	1	1	0	0%
9 – 13	2	1	1	50%
4 – 8	8	4	4	50%
3 – 0	10	10	0	0%
Total	**21**	**16**	**5**	**23.8%**

3.18 Child Care; Aged Care; Social Programmes– Community Development

The Section: Community Development acknowledge the impact that COVID-19 had on the most vulnerable within communities. All designated groups that the municipality served were impacted directly and indirectly as a result of the virus. The impacts vary from being sick, losing family members, losing income and security to losing valuable time in school and other forms of education. The physical impact of violence against women and children became more prevalent with the gap between the poor and those with better means in life has widened.

Table 178: Service Statistics – Child Care, Aged Care, Social Programmes

Focus area	Description	Ward	Activity
Early Childhood Development Services / Children	• Capacity Building of ECD Practitioners; • Initiatives in awareness programmes (ECD children); • ECD Registration Compliance; • Strengthening and Establishing ECD Forums; • Transversal committees / Adhoc committees; • Grant in Aid to ECDs;	18	COVID-19: Capacity Building and Starter Pack Distribution.
		All	Workplace Readiness and PPE compliance programme at ECD facilities.
		All	Capacity Building and access to information related to ECD registration in collaboration with DSD, CWDM, Municipal Planning and Fire services and TEEC.
		12 -17	Holiday programme.

Focus area	Description	Ward	Activity
	• COVID-19 Awareness and PPE support; and • Support to access the Stimulus Grant.	12-15	Foster Children and Parent Programme.
		2-4 12,18 and 19	Back to School programme.
		All	Assist with the application process for the ECD Stimulus Funding Applications.
		1,2,12,13,14 and 15	ECD Disaster Management Training.
		1-5 11-18	Core Curriculum training through the Indaba Institute reaching 28 ECD practitioners.
		1-3 and 12-15	Disaster Management workshop was conducted with 33 ECD practitioners from the Franschhoek and Kayamandi ECD forums.
		12-15	SAECD Congress Workshop.
		All	Assistance with the ECD Stimulus Funding Applications.
		All	GIS mapping of 131 ECD status.
		1-6 12-16 18 and 21	Child Protection Week was celebrated in partnership with DSD, Stellcare, Elru, Cotlands, Working on Fire, SAPS and Internal municipal departments.
		16-17	A substance abuse awareness and prevention programme to encourage positive role models was conducted in Cloetesville with 35 boys.
		4-5, 16-17, 12-15	Foster Care capacity building workshops were conducted with 70 foster care parents.
		18	World Foster Day was celebrated in Klapmuts with a focus to strengthen organisations working with foster children and parents.
Persons with Disabilities	Awareness programmes Universal Access Grant in Aid Donations	16	Accessible bathroom facilities and access to the building: Stellenbosch Night Shelter.
		1-2, 16-17, 12-15	3 x Wellness programme in partnership with US, Changeability and Good Hope Psychological Services.
		All	Child Protection for persons with disability. Review Universal Access Policy.
Older Persons	COVID-19 awareness and prevention Services to Elderly persons were severely compromised by the COVID-19 pandemic. As the most vulnerable group of citizens all unnecessary events were postponed or cancelled. The services	1-3, 5-6, 16-17, 20	Elderly Group Capacity Building on financial reporting by clubs and distribution of sanitising equipment.
		12-15, 20	Will writing programme.
		1-6, 12-17, 20	Vaccination registration awareness and assistance.
		All	EVDS Registration: Assisted with the registration at Old Age Homes, Elderly Citizen Community Clubs, Door 2 Door and at Vaccination Sites.

Focus area	Description	Ward	Activity
	that were delivered focused on COVID-19 awareness, prevention and vaccination. Attention was also paid to the impact of mental health on the elderly resulting from social isolation.	All	Distribution of awareness information and PPE to Old Age Homes and Community Clubs relating to COVID-19.
		20	Access to information re funeral services, the writing of wills and social support.
Gender	Special Events and Awareness programmes	12-16	Help a Girl Child programme with a GBV focus reaching 230 children in Kayamandi and 350 children from Pieter Langeveldt Primary
		13-15	Women Health and Wellness.
		16	GBV Awareness and Education.
		4	FAS Education for parents.
		12-15	Diabetic Group Wellness Day.
		All	16 Days of Activism launch and community programmes.
		12-15	Widow Empowerment Programme.
		18	Single Parent Workshop.
		All	World Aids Day was celebrated with @heart.
		12-15	SALGA Mandela Day to celebrate women.
		1-2 12-15:	Widow Empowerment session focussing on the effects of COVID-19 on families and their survival.
		21	Jamestown women empowerment session discussed the biological onslaught on women that accompanied COVID-19.
		3-4	Mental Health and Wellness in Pniël reaching 55 women.
		18	50 Fathers engaged in Klapmuts around the concept of fatherhood and the impact positive fatherhood had on children.
		12-15	Kayamandi young mothers were invited to a discussion on wellness and what it means ito finances, choices, health and living with purpose.
		All	**116 Days of Activism Launch and projects speaking to** • A launch of the campaign was hosted by the Executive Mayor.
		12-19	Thematic discussions on GBV, abuse, selfcare and finding help was conducted for communities of De Novo, Klapmuts, Cloetesville and Kayamandi in partnership with SAPS and local NGOs.

Focus area	Description	Ward	Activity
Youth	Youth Empowerment programmes Youth Capacity Building Transversal committees / Adhoc programmes Grant in aid Donations	All	• Accredited skills training as part of Mayoral Youth Skills Development Programme The Mayoral Youth Skills Development programme originated from the high unemployment rate among local youth and the need for access to skills development. Successful applicants 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 industries. All courses included a practical placements component along with a job preparedness programme focussing on life-skills. The success of the practical placement was challenged due to the struggles experienced in the hospitality industry; • 26 Youth trained in Basic Plumbing Skills; • 28 youth trained in Five Star Table Attendance; • 13 youth attended the General Building Maintenance training; • 24 youth participate in the Assistant Chef training; and • 20 youth participated in the learner license programme.
		1-2	Fire Awareness Training.
		1,2,4,20	Job readiness training reaching 159 youth.
		12,15 and 18	Life skills session and introduction to NYDA services.
		1-2	Day of Reconciliation reaching 33 youth.
		All	CV Writing and Interviewing skills training.
		12-15	Department of Labour recruitment drive for job opportunities.
		18	Entrepreneurship workshop (44 youth).
		12,16	Life skills training.
		21	• Youth Day was celebrated in Jamestown in partnership with Caleb reaching 40 youth; • The department worked towards the establishment of a youth forum. The final establishment was postponed until after the local elections; • Fire awareness training in Franschhoek was conducted with 23 youth.
Social distress	Provision of basic needs to persons adversely affected by disaster incidences and the Temporary Homeless Shelter.	All (responded on enquiries)	71 incidences were responded to and the following resources were distributed: • Matrasses: 337; • Blankets: 497; • Food Parcels: 155; • Vanity Packs: 458; and • Meals: 17 124.

Focus area	Description	Ward	Activity
Grant in aid	Donations to community organisations serving among others: youth, gender, ECDs, Old Age Homes, Health Organisations and Sport Clubs.	All (responded on enquiries	**Capacity Building** • Three compulsory workshops on the application process and policy were concluded. The workshops were attended by 162 prospective applicants. **Donations** • 126 applications were received.
People on the street	Development, Awareness Raising through collaboration and Services	All	**Give Responsibly** A campaign to stop the cash economy on the street, give in a dignified way to persons on the street who need access to social services and a warm bed, shower facilities and access to social work services. • 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, the municipality has 15 local businesses supporting the campaign through the sale of coupons; and • A total of 2 542 coupons were sold and 2 275 redeemed as part of the programme. A total of 238 app sales and 216 app redemption was done during the year under review. • Five marketing videos are used on different platforms to educate the public on the campaign. • Animal Welfare Stellenbosch – Walk a Dog in exchange for a coupon. The project started towards the end of the financial year with almost 100 persons benefitting. One person gained full-time employment through the project and one was temporarily employed as a driver. **Restorative Justice (ALL WARDS)** A programme in collaboration with Community Safety to assist with the implementation of Street Bylaws that would not only provide a form of paying back for transgressions through manual labour, but also act as a referral system for social services. The following social partners have joined the programme: • Stellenbosch Night Shelter; • ACVV Stellenbosch; and • ABBA Substance Abuse. **Temporary Safe Space for Homeless Persons (ALL WARDS)** With the start of lockdown, the municipality established and managed a temporary shelter for homeless persons first at Klapmuts Sport Grounds and then at Van der Stel. The shelter provided the following services and closed on 12 October 2020 after 6,5 months of service delivery.

Focus area	Description	Ward	Activity
			• Regular referrals and transport to health services; • Ablution Facilities; • Opportunities to wash their clothess; • Bedding and blankets; and • Daily meals.
		4, 7-10 and 18	Mask-Up Project

The table below indicates the number Grant in Aid applications recommended and approved:

Table 179: Number of Grant in Aid applications recommended and approved

Sub Category	Applications Recommended and Approved	Recommended Amount R
Social Development General	6	237 500
ECD	36	1 320 000
Disability	4	142 782,66
Elderly	4	152 000
Youth	8	302 687.57
Substance Abuse	2	80 000
Gender	1	40 000
Food Security	1	40 000
People Living on the Street	1	1 473 230,14
Skills Development	2	80 000
Health	2	80 000
Environment	1	40 000
Sport Clubs	18	675 979,10
Art and Culture	4	160 000
Total	**90**	**4 941 179,47**

COMPONENT E: ENVIRONMENTAL PROTECTION

3.19 Pollution Control, Bio-Diversity, Beautification, Open Spaces and Parks

Stellenbosch Municipality is continuously developing its capacity to protect the environment within its boundaries and to strive towards a municipality and communities that recognise the vital importance of their rich natural capital and manage these in a manner that ensures sustainability and fulfils the needs of all concerned. To this effect, Stellenbosch Municipality has developed the Stellenbosch Environmental Management Framework, administered by the Department: Community Services.

Stellenbosch Municipality is in the process of compiling dedicated Environmental Management Plans (EMPs) for all its declared nature reserves and nature areas. Papegaaiberg Nature Reserve has an approved EMP, currently under review along with Jan Marais Park's EMP. The Paradyskloof Nature Area was accepted by Council during its May 2019 meeting and a draft EMP for Mont Rochelle Nature Reserve has been completed and advertised for public input. A first draft EMP is currently being drafted for the Ida's Valley Dam- / Botmaskop area. Stellenbosch Municipality has also completed an Invasive Alien Plant Management Plan, as required in terms of the National Environmental Management: Biodiversity Act (10 of 2004) and an Integrated Fire Management Plan to assist in the management of large vacant nature areas under the management of Council.

An Air Quality Control By-Law, as well as a Noise Control Policy, has been developed and adopted by Council. The latter is implemented by a dedicated Air Quality / Noise Control Officer appointed within the Department: Community Services.

Stellenbosch Municipality works closely with the Department of Environmental Affairs and Development Planning in reporting on illegal activities, as well as administering the rehabilitation action of Section 30 (National Environmental Management Act, 107 of 1998) Emergency Incidents.

Re: Air Quality- / noise complaints received and dealt with:

Air quality- and noise complaints are captured on a central database and dealt with within the required timeframes. The following statistics included both air quality-related matters and noise complaints. All noise complaints are investigated in terms of The Western Cape Noise Control Regulations PN200/2013.

Table 180: Air Quality Complaints 2018

2018 Complaints	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Fumes	2	2	3	3
Smoke	2	0	3	2
Dust	3	4	3	3
Burning of waste / tyres	0	0	0	0
Farm land burning	0	0	0	0
Crop spraying	0	0	0	0
Offensive odors	0	2	3	2
Unlicensed facilities	0	0	0	0
Noise	34	45	47	40
Other	1	0	0	0
Total	**42**	**53**	**59**	**50**

Table 181: Air Quality Complaints 2019

2019 Complaints	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Fumes	3	4	2	4
Smoke	2	3	4	4
Dust	5	4	3	5
Burning of waste / tyres	0	0	0	2
Farm land burning	2	2	3	3
Crop spraying	0	0	0	2
Offensive odors	2	2	3	3
Unlicensed facilities	0	0	0	0
Noise	40	45	48	45
Other	2	0	0	1
Total	**56**	**60**	**59**	**63**

Table 182: Air Quality Complaints 2020

2020 Complaints	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Fumes	16	2	6	7
Smoke	2	2	0	3
Dust	3	2	3	6
Burning of waste / tyres	0	1	1	1
Farm land burning	0	0	2	1
Crop spraying	1	0	2	1
Offensive odors	7	0	2	4
Unlicensed facilities	0	0	0	0
Noise	64	23	44	53
Other	0	0	0	0
Total	**93**	**30**	**60**	**76**

Table 183: Air Quality Complaints 2021

2021 Complaints	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Fumes	15	15	7 (July. 21 only)	29
Smoke	5	3	0 (July. 21 only)	5
Dust	4	3	0 (July. 21 only)	6
Burning of waste / tyres	2	0	0 (July. 21 only)	2
Farm land burning	3	0	0 (July. 21 only)	0
Crop spraying	6	2	2 (July. 21 only)	0
Offensive odors	5	0	1 (July. 21 only)	3
Unlicensed facilities	0	0	0 (July. 21 only)	0
Noise	35	31	6 (July. 21 only)	41
Other	2	0	0 (July. 21 only)	0
Total	**77**	**54**	**16** (July. 21 only)	**86**

- Total noise complaints for 2018 = **166**
- Total noise complaints for 2019 = **178**
- Total noise complaints for 2020 = **184**
- Total noise complaints for 2021 = **72**
  - **Note: (the total of noise complaints represents the amount of noise complaints for the 1st and 2nd quarter and for July 21 only.**

3.19.1 Environmental Implementation

Table 184: Visitors Statistics – Environmental Implementation

Visitors Statistics: Nature Reserves		
Type of service	**2019/20**	**2020/21**
Paradyskloof Nature Area	5 468	2531
Jan Marais Nature Reserve	2 990	886
Eco Centre Visits – Training, Group Visits / Schools	1 419	50
Mont Rochelle Nature Reserve	3 836	N/A
Ida's Valley Protected Area	2 617	1587
Onder-Papegaaiberg Area	501	N/A

Table 185: EPWP Statistics – Environmental Management

EPWP Statistics		
Type of service	**2019/20**	**2020/21**
Forest Guards	15	23
Fire Management	11	10
Mountain Trails	6	9
Jan Marias Nature Reserve	7	5
Integrated River	16	11
Biodiversity Veld Rehabilitation	12	12
Environmental Clerk	0	1
Urban Forestry Cleaning and Greening Project	11	24

3.19.2 Urban Forestry

The aim of the Urban Forestry Sub-section is to facilitate the planting, protection, blanking, maintenance and long-term management of all trees located on the 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 186: Management of trees in WC024 – Urban Forestry

Type of service	2019/20	2020/21
Management Trees in WC024		
Tree planting programme	60	7
Pruning of trees	129	1 300
Felling of trees	16	51
Stump grinding of trees	5	67
Spraying of oak trees	3	500
Root barrier management	6	5
Wayleaves	65	150

COMPONENT F: SECURITY AND SAFETY

3.20 Law Enforcement

The primary role of Law Enforcement is by-law enforcement and the protection of municipal assets and staff. The function includes the monitoring and prevention of municipal land- invasion of which the responsibility is shared between Community and Protection Services and the Section: Informal Settlements.

A 24/7 control room is in place as well as the monitoring of crime hot areas through CCTV cameras. Licence Plate Recognition Cameras (LPR) have been installed at all entrances / exits to Stellenbosch and Franschhoek towns with several LPR cameras installed on minor roads which are used on a regular basis by thoroughfare traffic to avoid the congested areas during peak times. This has proven to be very successful in the combatting of crime and crime prevention initiatives.

Highlights:

- Weekly operational planning with key stakeholders (SAPS and other safety partners);
- Revamp of control room underway for an improved and more efficient service; and
- In the process of procuring a multi-purpose armoured vehicle to effectively deal with land invasion.

Challenges:

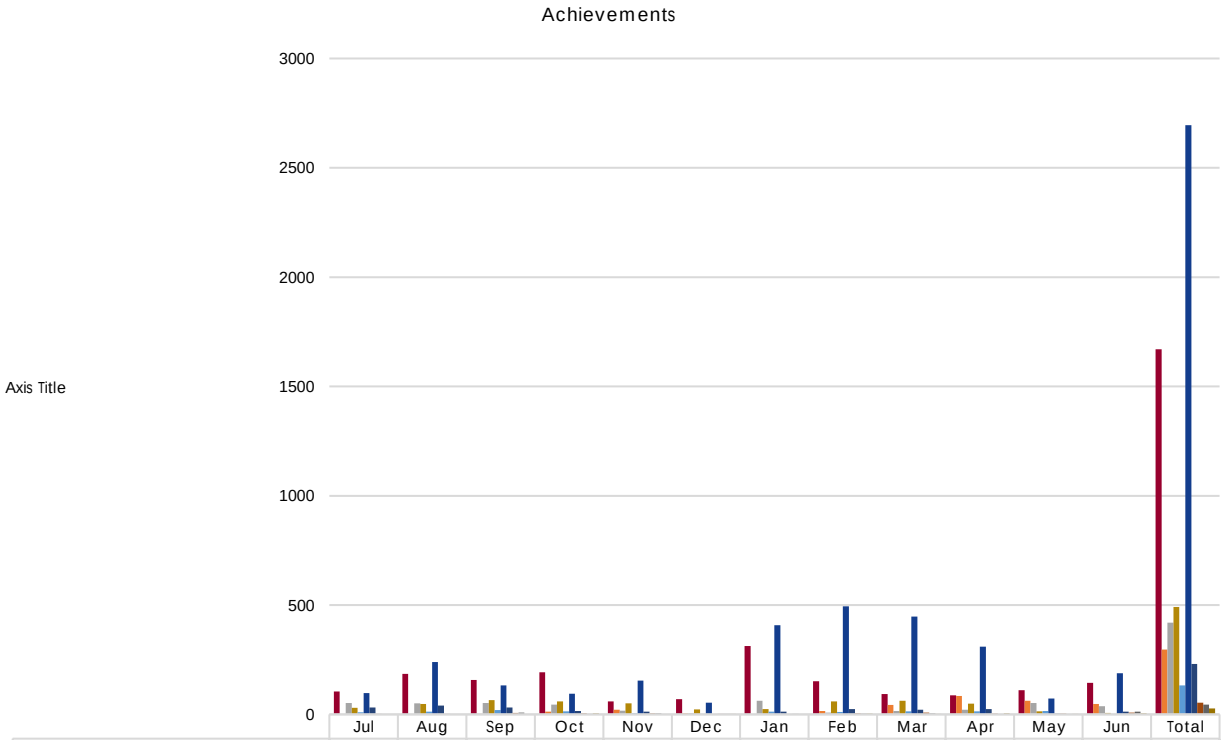
- To render a 24/7 Law Enforcement patrol service;
- Increase and maintain surveillance of key places;
- Prevent land invasions;
- Insufficient staff to fulfil operational requirements; and
- Insufficient office space to accommodate departmental staff.

Law Enforcement attended to the following from 01/07/2020 – 30/06/2021:

Table 187: Law Enforcement highlights

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Vagrants removed	105	185	158	193	60	70	313	152	93	87	110	144	**1 670**
Drinking in public	0	1	3	12	21	6	0	15	43	85	62	48	**296**
Illegal car guard	52	51	52	45	17	5	62	8	16	22	52	38	**420**
Noise complaint	30	48	65	59	51	23	24	60	62	49	14	7	**492**
Dog complaints	9	12	20	14	6	2	12	11	14	14	16	3	**133**
Fines issued Section 56's	98	240	133	95	154	53	408	494	448	310	73	189	**2 695**
Illegal structures demolished	32	40	31	16	13	1	12	25	21	24	4	12	**231**
Liquor compliance Inspections	2	2	7	5	6	3	0	5	8	4	4	8	**54**
Scrap metal / Bucket shop Inspections	0	0	8	3	6	3	2	4	6	0	0	13	**45**
Law Enforcement Awareness sessions	0	0	0	6	0	2	0	4	2	6	2	5	**27**

Figure 41: Law Enforcement Statistics



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Vagrants removed	105	185	158	193	60	70	313	152	93	87	110	144	1670
Drinking in public	0	1	3	12	21	6	0	15	43	85	62	48	296
Illegal car guard	52	51	52	45	17	5	62	8	16	22	52	38	420
Noise complaint	30	48	65	59	51	23	24	60	62	49	14	7	492
Dog complaints	9	12	20	14	6	2	12	11	14	14	16	3	133
Fines issued Section 56's	98	240	133	95	154	53	408	494	448	310	73	189	2695
Illegal structures demolished	32	40	31	16	13	1	12	25	21	24	4	12	231
Liquor compliance Inspections	2	2	7	5	6	3	0	5	8	4	4	8	54
Scrap metal/ Bucket shop Inspections	0	0	8	3	6	3	2	4	6	0	0	13	45
Law Enforcement Awareness sessions	0	0	0	6	0	2	0	4	2	6	2	5	27

3.20.1 Traffic Law Enforcement

Traffic Services is performing its functions as guided by the National Road Safety Strategy with its main objectives being to achieve traffic safety on municipal roads including the functions as defined in the municipality's Integrated Development Plan.

The National Road Safety Strategy provides all-year-round road safety initiatives. The municipality has increased its enforcement strategy in collaboration with stakeholders and affected parties. Operations like Automatic Number-plate Recognition operations are conducted to improve compliance with and payment of traffic fines.

On-going objectives are to improve road user behaviour; reduce the incidence of traffic offences; including speeding; drunk-driving and driving under the influence of narcotics; dangerous overtaking; the removal of unfit road users from traffic; roadworthiness of vehicles; public transport compliance with regard to vehicles and drivers; provide sufficient and coordinated regulation of traffic on strategic roads; pedestrian education and compliance, eradication of corruption; administrative compliance and overall improvement of enforcement systems.

The outbreak of COVID-19 during March 2020 caused the whole country to go into lockdown from

23 March 2020, which affected normal operations negatively. However, although the COVID-19 outbreak negatively affected operational plans the section managed to record a marginal positive achievement on Traffic law Enforcement and Traffic Administration is observed during this financial year. This achievement is a result of additional hours and Saturdays' operation at the Admin Section and a new approach to the Law Enforcement strategies.

3.20.2 Highlights and challenges for Traffic Law Enforcement

The new approach in terms of Traffic Law Enforcement strategies has managed to yield good results; for example, in this financial year, the total number of roadblocks held increased from **267** that was recorded in the previous year to **1 085** during the year under review. An increase in terms of **Awareness Initiatives on public Safety is observed in this period under review a total number of 110 as compared to 75 recorded in the previous financial year.**

Motor Vehicle accidents: There is a marginal improvement observed in other focus areas. During this period the total of accidents with serious injuries recorded is 48 as compared to 60 in the previous financial year. Accidents with slight injuries, a marginal improvement was observed during the financial year under review. A total of 276 was recorded as compared to 306 recorded in the previous financial year.

Pedestrian accidents: a marginal improvement was observed in the previous financial year whereby a total of 8 fatal accidents were recorded, and this period under review a total of 4 were recorded. Pedestrian accidents with serious injuries recorded was a total of 14 as compared to 42 that was recorded in the previous financial year. Pedestrians with slight injuries recorded was a total of 60 compared to 110 recorded in the previous financial year.

During the same period under review, the total number of dockets opened for reckless and negligent records were 14 as compared to 21 recorded in the previous financial year.

A total number of 8 504 defect offences were recorded as compared to 3 663 recorded in the previous financial year.

The total number of roadblocks which includes stops and checks done for 2020/21 equated to 1 085. During COVID-19 lockdown periods, the stop and check operations were increased for compliance purposes.

Awareness initiatives on Public Safety were done for the period equated to 110 sessions.

The total number of speed offences recorded was 318 431 as compared to 284 029 recorded in the previous financial year. A total of 17 423 moving violations was recorded as compared to 16 993 recorded in the previous financial year.

a) Traffic Administration- Highlights

- As a result of additional operational hours and extended services, the municipality managed to record positive results during the period under review. The Drivers Licence Testing Centre (DLTC) total number of appointments conducted for learners' licenses was 4 057 as compared to 3 407 recorded in the previous financial year.
- The total number of Vehicle Licences processed during the period under review was 79 391 as compared to 69 338 recorded in the previous financial year.

- A total number of 11 823 registration only transactions were processed as compared to 11 481 recorded in the previous financial year.
- A total of 1 195 duplicate registration transactions were recorded during the period under review as compared to 1 150 reported previously.

b) Challenges:

- Inadequate Human Resources – Limited Staff;
- The capacity of the DLTC – restricted the municipality to perform limited tests;
- Vehicle Testing Station Infrastructure challenges and manpower; and
- Compliance Requirements: DLTCs and Vehicle Testing Stations (VTS) is supposed to have appointed Management Representatives appointed- up to date we are not in compliance with the requirement.

It is observed that Stellenbosch is fast growing to be a choice of employment and business hub, however, the municipality's resources do not enable it to be on par with such development. This limitation may project a negative reflection on the municipality's core function.

It is also observed that due to the lockdown regulations, most of the people had to work from home and students had to study online. Consequently, traffic volumes reduced on roads and have contributed to the reduction of accident statistics on roads.

c) Service Statistics – Traffic Services

Table 188: Service Data for Traffic Services

Details	2016/17	2017/18	2018/19	2019/20	2020/21
Number of Traffic Officers in the field on an average day	21	21	30	27	25
Number of Traffic Officers on duty on an average day	28	28	30	30	19
Motor vehicle licenses processed	153 119	80 472	77 374	69 338	88 004
Learner driver licenses processed	5 200	4 560	8 677	3 273	3 538
R-value of fines collected	28 652 120	23 773 325	26 557 540	23 138 195	18 360 490
Roadblocks held	25	156	205	267	1 085
Special functions – escorts	144	157	170	42	63
Awareness initiatives on public safety	120	211	104	75	110

Table 189: Additional Service Data of Traffic Services

Description	2016/17	2017/18	2018/19	2019/20	2020/21
Accidents					
Fatal	21	11	33	15	16
Serious injuries	76	66	71	60	48
Slight injuries	517	330	428	306	276
No injuries	2 551	3 145	2 979	2 450	1 749
Reckless / careless: case dockets	48	52	24	21	14
Culpable homicide: case dockets	17	18	18	9	10
Pedestrians: fatal	10	06	11	8	4
Pedestrians: serious injuries	29	34	21	42	14

Description	2016/17	2017/18	2018/19	2019/20	2020/21
Pedestrians: slight injuries	106	68	98	110	60
Learner's licences					
Appointments	5 200	4 560	4 915	3 464	4 057
Applications passed	2 958	2 829	2 829	2201	2 360
Duplicate request	112	136	110	96	131
Applicants tested	4 462	4 146	4 025	3 223	3 407
Applicants failed	1 890	1 601	1 465	1 072	1 081
Applicant absent	644	335	414	386	339
Driver's licences					
Appointments	2 382	2 323	1 739	1 442	2 853
Conversions	9 018	9 492	9 172	7 521	7 185
Applicants tested	1 615	1 640	1 348	1 276	2 215
Driving licenses issued (temp)	4 492	4 692	5 070	3 604	2 948
Applicants passed	824	729	594	564	1 078
Applicants failed	988	1 090	823	711	1 137
Applicants absent	374	284	264	340	306
Applications instructors	6	10	9	4	6
Issued instructors	5	6	10	4	9
Application / issued PRDP	1 686	1 697	1 720	1 428	1 417
Testing centre: roadworthy certificates					
Motor vehicles	637	762	210	0	43
Light delivery vehicles	124	128	45	0	16
Heavy delivery vehicles (trucks)	78	45	22	0	3
Trailers	77	44	40	21	6
Taxis	65	41	18	0	3
Busses	10	17	0	0	0
Motorbikes	90	53	78	31	23
Motor vehicle registration					
Duplicate registrations cert.	1478	1639	1 557	1 150	1 195
Registration only	14 591	14 432	14 457	11 481	11 823
Licence fees (12%) (renew)	83 219	80 472	77 374	69 338	79 371
Temporary permits	236	212	220	194	263
Special permits	380	436	324	284	200
Specific registration number	702	711	581	488	571
RTMC	51 083	52 391	52 857	45 939	51 671
Traffic offences					
Vehicle defective / faulty	834	1 094	1 999	3663	8504
Moving violations	19 994	14 661	1 369	16 993	17 423
Parking offences / violations / mobile	7 055	23 968	25 715	16 254	14 139
Speed camera / mobile / fixed and robot traffic - TMT	233 711	573 339	251 378	284 029	318 431

The tables below indicate the capital expenditure for Law Enforcement and Traffic Services as at 30 June 2021:

Table 190: Capital Expenditure as at 30 June 2021: Law Enforcement

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Install and Upgrade CCTV / LPR Cameras in WC024	3 860 000	2 530 775	-34.44%
Install Computerised Access Security Systems and CCTV Cameras at Municipal Buildings	1 200 000	974 203	-18.82%
Law Enforcement: Vehicle Fleet	1 160 000	975 260	-15.93%
Neighbourhood Watch Safety equipment	505 245	419 216	-17.03%
Law Enforcement Tools and Equipment	300 000	299 425	-0.19%
Only the 5 largest capital projects are listed			

Law Enforcement have spent, **74.61%** of the capital budget for the financial year.

Table 191: Capital Expenditure as at 30 June 2021: Traffic Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Replacement of Patrol Vehicles	1 350 000	1 147 890	-14.97%
Furniture, Tools and Equipment	200 000	131 829	-34.09%
Mobile Radios	170 000	169 422	-0.34%

Traffic Services have spent, **84.25%** of the capital budget for the financial year.

The table below indicates the total number of employees in the Section: Traffic Law Enforcement.

Table 192: Total number of employees in the Section: Traffic Law Enforcement

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	6	3	3	50%
9 – 13	137	75	62	45.5%
4 – 8	81	53	28	34.5%
3 – 0	2	0	2	100%
Total	**227**	**132**	**95**	**41.8%**

3.21 Fire and Disaster Management

The Fire Brigade Service Act, Act 99 of 1987 regulates fire services in South Africa. The functions of the Fire Brigade Services include the prevention and suppression of fires to protect life and property, provision of rescue services, emergency medical care and other functions associated with the fire services. The Act grants extraordinary powers to the Chief Fire Officer to enable him to execute his responsibilities.

The impact of disasters has been part of human history since people first walked on this planet. Disasters have influenced, shaped and modified human behaviour and the way they live and respond to the environment. Despite governments spending billions of dollars on disaster risk

reduction programmes, disasters still result in enormous tangible and intangible losses. Disaster risk is intimately connected to human development. Disasters can put this development at risk while, at the same time, development choices made by people, communities and nations can generate new risks. This, however, is not inevitable, as human development can also contribute to a reduction in disaster risk.

a) Highlights:

- Commencement of the upgrading of the Stellenbosch fire station;
- New major fire / rescue pumper with CAFS system;
- Firekilla disposable fire extinguishers procured for the informal settlements;
- Continuation of the smoke alarm project
- New battery-operated Jaws of Life; and
- Two all-terrain double cab response vehicles.



b) Challenges:

- Rapid expansion / density of informal settlements.

c) Service Statistics – Fire and Disaster Management

Table 193: Service Data for Fire and Disaster Management

Details	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Total fires attended in the year	817	794	647	1 011	1 043	947	944
Total of other incidents attended in the year	1 953	555	1 952	1 655	1 511	1 740	3416
Average turnout time - urban areas (minutes)	8.25	8.25	8.25	8.25	8.25	8.25	8.25
Average turnout time - rural areas (minutes)	22.75	22.75	22.75	20.5	20	15	15
Fire fighters in post at year end	43	56	52	57	57	58	61
Total fire appliances at year end	11	9	10	11	13	15	17
Average number of appliances off the road during the year	2	2	3	2	2	2	2
Total operational callouts	2 770	1 349	2 704	2 666	2 556	2 687	4 360
Immediate relief to victims	552	1 021	831	849	437	573	555
Emergency flood kits	116	411	300	184	118	372	37
Emergency housing kits	299	341	277	190	149	262	156
Meals (food parcels)	215	349	327	180	158	138	155
Blankets	297	699	315	526	473	479	497

The table below indicates the capital expenditure for the Section: Fire and Disaster Management as at 30 June 2021.

Table 194: Capital Expenditure as at 30 June 2021: Fire and Disaster Management Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Major Fire Pumper*	4 491 570	4 491 570	0%
Upgrading of Stellenbosch Fire Station	4 476 209	944 939	-78.89%
Vehicle Fleet	1 182 47	1 359 844	-15%
Rescue equipment	590 780	554 119	-6.21%
Vehicle Fleet	410 573	385 618	-6.08%
Only the 5 largest capital projects are listed			

**Note: The finalisation of the Major Fire Pumper was delayed due to challenges with the service provider. The project willl be completed during the 2021/22 financial year after interventions were implemented by the municipality.*

Fire and Disaster Management have spent, **69.37%** of the capital budget for the financial year.

The table below indicates the number of employees in the Section: Fire and Disaster Management.

Table 195: Total number of employees in the Section: Fire and Disaster Management

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	5	5	0	0%
9 – 13	46	42	3	6.52%
4 – 8	38	25	13	34.2%
3 – 0	0	0	0	0%
Total	**90**	**73**	**17**	**18.8%**

COMPONENT G: SPORT AND RECREATION

3.22 Holiday resorts and camp sites

The Stellenbosch Municipality is responsible for the management and maintenance of one picnic site, the Jonkershoek Picnic Site. This 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 and provides outdoor leisure for visitors, catering for braai and picnics along the river course.

3.22.1 Sports facilities and Swimming Pools

Table 196: Service Statistics – Holiday Resorts and Campsites

Type of service	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of resorts	1	1	1	1	1	1	1
% Occupation for the year for Jonkershoek picnic site (open from 1 September to 30 April)	PAX: 17 248 CARS: 5 234 Income: R462 790	PAX:16 256 CARS:4687 Income: R459 197	PAX:15840 CARS:3372 Income: R448 701	PAX:13636 CARS:2434 Income: R403 579.74	PAX:20690 CARS:5246 Income: R648 115	PAX:12993 CARS:2063 Income: R462 832.73	PAX:0 CARS:0 Income: R0

The Stellenbosch Municipality is responsible for the management and maintenance of seventeen (17) sports grounds in its municipal area. These grounds are surrounded by the scenic beauty of the Stellenbosch Mountains. Ten (10) are located in the urban areas and seven in the rural areas.

It is the municipality's goal to create active, healthy communities and to provide a sporting hub for all its residents and visitors by offering a wide range of well-maintained and well-managed sporting facilities.

Stellenbosch Municipality manages and maintains one swimming pool in the greater Stellenbosch area. The swimming pool is situated in Cloetesville and can accommodate two hundred and seventy-five (275) people at any time per day. The existing facility can host swimming galas and aims to further sports development and recreation.

3.22.2 Service Statistics Sport - Grounds and Swimming Pools

Table 197: Service Statistics Sport Grounds and Swimming Pool

Type of service	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of sport grounds / fields	17	17	17	17	17	17	17
Number of swimming pools	1	1	1	1	1	1	1
Number of stadiums	10	10	10	10	10	10	10

The table below indicates the capital expenditure for Sport – Grounds and Swimming Pools section as at 20 June 2021.

Table 198: Capital Expenditure: Sports Grounds and Swimming Pools

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Upgrading of swimming pool	2 958 879	1 416 779	-52.12%
Skateboard Park	1 516 282	437 784	-71.13%
Fencing: Sport Grounds (WC024)	1 195 797	1 174 491	-1.78%
Upgrading of Tennis Courts: Ida's Valley and Cloetesville	861 133	566 842	-2.04%
Vehicle Fleet	578 653	215 974	-74.92%
Only the 5 largest capital projects are listed			

Sport Grounds and Swimming Pools have spent, **57.99%** of the capital budget for the financial year.

The table below indicates the total number of employees in the Section: Sport – Grounds and Swimming Pools.

Table 199: Total Employees Section: Sport - Grounds and Swimming Pools

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	1	1	0	0%
9 – 13	10	6	4	40%
4 – 8	27	20	7	10.3%
3 – 0	11	8	3	27.27%
Total	**49**	**35**	**14**	**28.5%**

3.23 Community Halls and Facilities

Stellenbosch is the proud owner of two top-class town halls and nine community facilities that cater for 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 200: Total functions: Community Halls and Facilities

Type of service	2019/20	2020/21
Total functions at municipal halls		
Stellenbosch Town Hall	65	0
Klapmuts Centre	59	28
Eikestad Hall	142	17
Wemmershoek Hall	31	7
La Motte Community Hall	12	14
Franschhoek Town Hall	11	1
Groendal Community Hall	76	18
Kylemore Community Hall	20	19

Type of service	2019/20	2020/21
Pniël Banquet Hall	44	15

The table below indicates the total revenue for Community Halls and Facilities.

Table 201: Total Revenue / Income: Community Halls and Facilities

Type of service	2019/20	2020/21
Stellenbosch Town Hall	R1 047 814.66	R0
Klapmuts Centre	R47 356	R23 475.60
Eikestad Hall	R93 475	R9 407.60
Wemmershoek Hall	R35 526	R3 662.63
La Motte Community Hall	R23 731	R7 068.61
Franschhoek Town Hall	R66 260.90	R9 403
Groendal Community Hall	R61 394.10	R13 488.50
Kylemore Community Hall	R11 260.70	R10 855.72
Pniël Banquet Hall	R36 706.20	R8 522.12

The table below indicates the total number of employees in the Section: Community Halls and Facilities as at 30 June 2021.

Table 202: Total Employees- Section: Community Halls and Facilities

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	0	0	0	0%
9 – 13	4	2	2	50%
4 – 8	2	1	1	50%
3 – 0	18	11	7	38.8%
Total	**24**	**14**	**10**	**41.6%**

COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services and property services.

3.24 Financial Services

3.24.1 Service statistics

Table 203: Financial service statistics

Details of the types of account raised and recovered	2020/21		
	Billed in Year	Actual for accounts billed in year	Proportion of value of accounts billed that were collected
	R		%
Property Rates	387 056 675	384 149 816	99.25
Electricity	632 401 484	627 907 196	99.29
Water	134 425 799	133 099 001	99.01
Sanitation	92 638 767	93 529 987	100.96
Refuse	73 150 291	70 026 317	95.73

3.25 Human Resources Services

Stellenbosch Municipality views the Human Resources Management component as the governance of the organisation's employees. More commonly, human resources per se refer to the people or human capital appointed or employed by the organisation whose skills are used to reduce risk and maximise return on investment. The vision of the Department: Human Resources Management is undoubtedly to build partnerships with management at all levels of the organisation, to create a culture or working environment where employees are valued or appreciated and to ensure a diverse, qualified, healthy and highly motivated workforce focused on achieving the critical outcomes, through the development and administration of cost-effective and results-oriented human resources. Accordingly, the mission of the Department: Human Resources Management is to address and achieve the goals and challenges of Stellenbosch Municipality by providing services that promote a work environment that is characterised by fair treatment of staff, open communications, personal accountability, trust and mutual respect. The municipality will seek and provide solutions to workplace issues that support and optimise the operating principles of the organisation.

The Department: Human Resources Management objectives for Stellenbosch Municipality include but are not limited to:

- Helping the organisation achieve its goals;
- Ensuring effective utilisation and maximum development of human resources;
- Ensuring respect for human beings;
- Identifying and satisfying the needs of individuals;
- Ensuring reconciliation of individual goals with those of the organisation;
- Achieving and maintaining high morale among employees;
- Providing the organisation with well-trained and well-motivated employees;

- Increasing employees job satisfaction and self-actualisation;
- Developing and maintaining the quality of work-life;
- Being ethically and socially responsive to the needs of the community;
- Developing the overall personality of each employee in its multidimensional aspect;
- Enhancing employee's capabilities to perform the present job; and
- Ensuring service excellence for the broader Stellenbosch community.

The Human Resources services include:

- Strategic Human Resources Management;
- Labour Relations;
- Recruitment and Selection;
- Training and Development;
- Employee Assistance;
- Occupational Health and Safety;
- Employment Equity; and
- All Human Resources Administration.

Each director, manager, departmental head, superintendent, assistant superintendent and foreman are responsible for setting objectives, delegating responsibilities and tasks, motivating staff, disciplining staff, developing skills and career paths, measuring performance and generally guiding their staff. In these endeavours, management and line management are assisted by the Department: Human Resources Management, who provides policies, guidelines, support, systems and specialised inputs.

The main focus priorities for HR Services in 2020/21 were:

- Implementation of the biometric time and attendance system. The system was implemented in November 2018 and most workplaces have a finger device installed where employees log in. The system worked and accurate records of movement and attendance could be monitored. However, due to the COVID-19 pandemic, the system was disabled in March 2020 until further notice. Other options in terms of alternative registering methods are currently under investigation and consideration; and
- Implementation of COVID-19 related regulations, monitoring and reporting thereof.

The following activities were done in terms of the policy during 2020/21:

- Measures to Recover Arrear Monies from Employees owing on their municipal accounts to Stellenbosch Municipality for a period of 90 plus – 01 August 2019.

- Implementation of the TASK Job Evaluation System:

  The policy was adopted and concluded and currently, job descriptions are forwarded for evaluation to the CWJEU.

The highlights for the Department: Human Resources Management in 2020/21 are the following:

- 230 employees were trained;
- 1st online / virtual training for the Directorate: Financial Services;
- 14 employees sent for Municipal Minimum Competency Level Training;
- During 2020/21 only 5 out of 19 SALGBC arbitrations were ruled against the municipality;

- OHS Training was provided to 55 Health and Safety Representatives, 23 First Aider Training and 13 Fire Warden;
- 6 directorate specific recruitment email addresses for emailed job applications were created;
- Virtual shortlisting discussions were conducted via MS Teams;
- Virtual interviews and assessments were conducted via MS Teams; and
- Virtual induction sessions were conducted via Zoom and MS Teams.

The challenges for the Department: Human Resources Management in 2020/21 were the following:

- Shortage of conducive training venues;
- The provision of staff wellness services to the employees of Stellenbosch Municipality; and
- Suitably qualified / trained Chairpersons and Initiators within the Stellenbosch Municipality.

The following was submitted within the 2020/21 year and is under consideration at the LLF:

- Measures to recover arrear monies from employees;
- TASK Evaluation policy; and
- Employee Parking Policy.

The table below indicates the total number of employees in the Department: Human Resources Management:

Table 204: Total number of employees in the Department: Human Resources Management

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	3	2	1	33.30%
9 – 13	14	11	3	21.40%
4 – 8	4	2	2	50%
3 – 0	0	0	0	0%
Total	**22**	**16**	**6**	**27.30%**

3.26 Information and Communication Technology (ICT) Services

The Department: ICT committed its time in the 2020/21 financial year to purchase and replace computer software and hardware to improve the efficiency of the various municipal business units.

a) Highlights:

- The Firewall Project was completed by installing two additional firewalls. This was installed at the Teraco DR Site and acts as backup firewalls for the Production site. The sites are synchronised, and failover will occur in the case that the Production site firewalls go down or lose connection;
- The Stellenbosch Municipality's Data Storage for ICT systems was further enhanced by procuring an additional Tintri VMstore T850 hybrid-flash solution. Tintri's VMware storage speeds performance 6x to save the municipality time and packs storage 10x more densely to save money;
- Telephony Voice Services was successfully upgraded from PRI to SIP and continued the service agreement from BCX/Telkom to further enhance the municipality's service to the public. This procurement included redundancy by way of making available a redundant service at the

Section: Traffic Services that can provide a service in the event the main building's service fails;

- High site wireless hardware links were procured and delivered during this time with the plan to upgrade the municipal network to the outer lying areas under the WC024 area. A rates tender for WAN Infrastructure was approved to assist in shortening the municipality's turnaround time in commissioning new sites and improving current location services;
- The network support encompasses both the ICT and camera infrastructure by way of expanding the Avalon contract services to cover this critical service. The SLA was further been expanded to include labour support for network cabling as well as hardware support for the commissioning of new camera locations. This has reduced the cost of this service as the ICT network has been able to incorporate the camera infrastructure. This has, in turn, saved the municipality and the public money in providing this critical service;
- The newly commissioned Server Room received additional server storage hardware to accommodate for the other law enforcement and traffic services moving into the server room. This included flexible high-speed storage which is easily shared as and when required. Additional storage cabinets (x2) were further procured to accommodate for future growth in this space. Newly acquired backup infrastructure has been installed in the new server room to provide the municipality with a further recovery point to mitigate the constant cyber threats;
- The Department: ICT spent a large amount of its effort on once again reducing costs by way of procuring printers via the National Treasury RT3-2018 contract. As a result of this contract, the municipality reduced its printer footprint and begin to centrally manage usage across printers. The many office printers were replaced with shared departmental printers further assisting in reducing costs;
- The upgrade of the Backup Infrastructure to accommodate and include all critical systems to ensure the sustainability of the ICT services was also completed;
- Microsoft System Canter Configuration Manager (SCCM) was deployed to assist with Microsoft 365 upgrade;
- ICT embarked on a Microsoft Office 365 and Windows 10 migration which is a project that should be completed by the 31 December 2021;
- All existing ICT Policies were reviewed, and new ICT Policies were developed and approved by the ICT Steering Committee;
- The Disaster Recovery and Colocation Services project including WAN and Internet Services was successfully implemented by First Technology and will remain in place till 30 June 2022. The DR site is at TERACO in Claremont and meets all the AG requirements;
- The municipality is currently implementing a cyber-security solution called F-Secure which will give the municipality better protection and is the best Anti-Malware, best Ransomware defence security to protect from ransomware and prevent data encryption;
- Assisting the Infrastructure Services with the Cityworks implementation – Asset Management. The Cityworks web GIS-centric platform can help to streamline the care and maintenance of infrastructure assets. Using the ArcGIS geodatabase as the authoritative system of record, Cityworks has the potential to leverage the inherent power of GIS through spatial analysis of work activities and mobile field operations. Cityworks and ArcGIS together offer a system of record, a system of engagement, and a system of insight for asset management;
- 4 Quarterly GIS Forum meetings took place during the financial year 2020/21;
- 4 Quarterly ICT Steering Committee meetings took place during the financial year 2020/21;
- The Department: ICT implemented a mobile application to assist with the IDP public participation meeting especially the budget presentation and ward priorities; and
- ICT also implemented MS Teams to ensure that majority of Council Meetings are conducted on a virtual platform to limit the spread of the COVID-19 virus.

3.26.1 Service Statistics – Information and Communication Technology (ICT)

Table 205: Service Statistics – ICT

Details	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	%						
Ensure the availability of the network to ensure effective ICT systems for municipal processes	98	98	99.9	99.9	99	99	99
Provide ICT support to all municipal departments by attending to requests within 4 working days	97	98	98	98	98	98	98
Connecting all municipal sites to the ICT network	100	100	100	100	100	100	100

The table below indicates the capital expenditure for ICT services as at 30 June 2021.

Table 206: Capital expenditure - ICT services as at 30 June 2021

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Upgrade and Expansion of IT Infrastructure Platforms	6 351 050	6 263 310	-1.38%
Purchase and Replacement of Computer / software and Peripheral devices	1 953 956	1 453 466	-25.61%
Public WI-FI Network	548 950	544 409	-0.83%

ICT have spent, **93.31%** of the capital budget for the financial year.

The table below indicates the number of employees in the Department: ICT.

Table 207: Total number of employees in the Department: ICT

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	5	4	1	20%
9 – 13	9	5	4	44%
4 – 8	0	0	0	0%
3 – 0	0	0	0	0%
Total	**15**	**10**	**5**	**33.3%**

3.27 Legal Services

The Section: Legal Services in conjunction with user departments ensures and manages the implementation, monitoring, evaluation and reporting on key service delivery objectives with respect to Legal Services.

a) The main objectives are the following:

- Advise and manage litigations instituted by the municipality and against it;
- Provide legal advice, opinions and input on policies, contracts, agreements, memorandums, legislation, by-laws and authorities;
- Advising Council on items submitted to meetings;
- Ensuring by-laws are promulgated after consultation with user departments and approval by Council; and
- Attend to new legislation and proclamations for comment as and when required.

b) Challenges:

- To deal with urgent requests for legal input to Portfolio and Council Committees;
- Lack of skilled administrative support to chief legal advisor; and
- Availability of well-maintained legal library and reference resources.

The table below indicates the total number of employees in the Section: Legal Services.

Table 208: Total number of employees in the Section: Legal Services

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	0	0	0	0%
9 – 13	0	0	0	0%
4 – 8	1	0	1	100%
3 – 0	0	0	0	0%
Total	**2**	**1**	**1**	**50%**

3.28 Municipal Court – Additional Court - Stellenbosch

The Municipal Court is responsible for the following prosecutions:

- Traffic by-laws;
- Provincial Traffic by-laws;
- SAPS by-laws;
- Law Enforcement by-laws;
- Fire by-laws;
- Building and Land Use Regulations, and all other By- Law contraventions;
- Electrical By-laws; and
- Noise pollution.

a) Mission Statement of the Municipal Court

Our aim is to: -

- promote justice and service delivery;
- enhance revenue to invest in the community;
- "*let Justice be seen to be done*"; and
- minimise crime and have a safer Stellenbosch.

The Municipal Court was established to:

- Support and secure good governance;
- Ease the burden on regular courts;
- Increase the speed of services;
- Allow for more successful prosecutions by applying specialist knowledge;
- Improve communications between the by-law prosecutors and enforcers;
- Support by-law enforcement;
- Ensure a user-friendly court; and
- Keeps members of the public who committed a minor crime (such as a traffic offence) away from hardened criminals.

Our revenue for the past financial year amounted to a healthy R3 957 980 with 13 859 cases on the court role.

The municipality is also looking into having an Ad Hoc Court in Franschhoek / Klapmuts in the near future. This could be another boost for the Municipal Court service to the community. Prosecuting some of the 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.

3.28.1 Statistical Report – Case Load

Table 209: Statistical Report Case load

Months:	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Cases on the role	656	1 255	1 096	1 096	1 297	823	1 693	577	457	21	894	1 058
Withdrawn	6	0	0	10	4	1	6	8	2	0	0	38
Struck off the role	30	48	69	31	33	63	68	11	21	0	2	0
Warrants authorised	576	1 110	965	986	1 197	748	1 589	547	410	0	885	991
Deferment	0	14	7	4	29	0	0	0	0	0	0	0
Payments	40	73	53	65	34	10	5	2	20	0	4	1
Postponed	4	5	0	0	0	1	25	9	4	21	3	28
Mediations	0	5	2	0	0	0	0	0	0	0	0	0

3.28.2 Financial Report

Table 210: Financial Report of the Municipal Court

	Traffic Fines	SAPS Fines	Law Enforcement Fines	Contempt of Court Fines	Provincial Fines	Electricity	Building	Total Amount
Jul	R372 110	R0	R0	R0	R800	R7 500	R0	R38 0410
Aug	R291 070	R0	R0	R30 600	R300	R7 500	R0	R329 470
Sep	R393 880	R200	R250	R54 600	R0	R0	R5 000	R453 930
Oct	R385 430	R0	R0	R67 800	R0	R0	R1 500	R454 730
Nov	R312 320	R250	R0	R57 900	R1 000	R5 000	R12 000	R388 470
Dec	R251 780	R500	R0	R46 200	R0	R4 000	R3 500	R305 980
Jan	R395 470	R0	R0	R60 000	R0	R0	R0	R455 470
Feb	R387 130	R500	R0	R53 500	R0	R2 500	R3 500	R447 130
Mar	R445 560	R0	R2 600	R50 400	R250	R0	R12 500	R511 310
Apr	R32 740	R2 100	R0	R1 500	R0	R2 500	R0	R38 840
May	R20 300	R5 100	R4 500	R300	R0	R0	R4 000	R34 200
June	R73 430	R3 700	R1 600	R5 700	R0	R2 000	R0	R86 430

The table below indicates the total number of employees in the Section: Municipal Court.

Table 211: Total number of employees in the Section: Municipal Court

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	2	1	1	50%
9 – 13	1	1	0	0%
4 – 8	3	2	1	33%
3 – 0	0	0	0	0%
Total	**6**	**4**	**2**	**33.3%**

COMPONENT H: ORGANISATIONAL PERFORMANCE SCORECARD

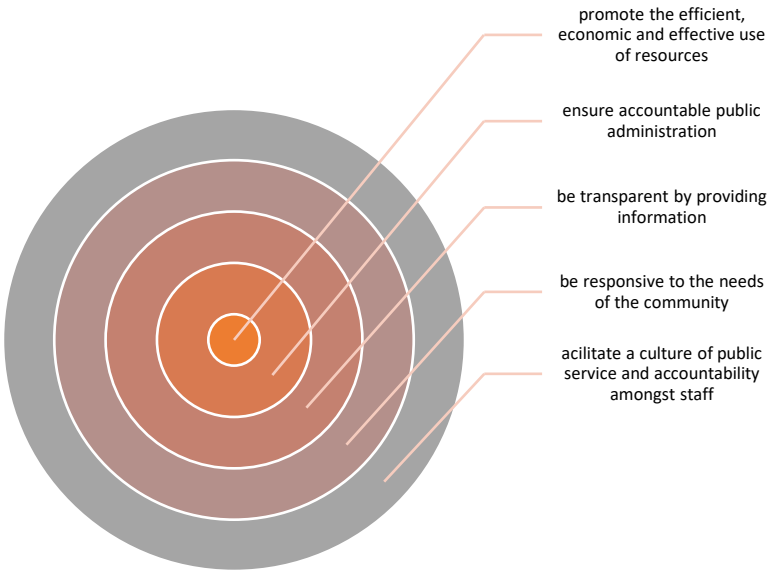
3.29 Performance Management

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

At a 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:

Figure 42: Performance management principles



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

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players". Performance management is not only relevant to the organisation as a whole, but also to the

individuals employed in the organisation, as well as the external service providers and the municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, the Budget and the SDBIP.

3.29.1 Legislative requirements

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

3.29.2 Organisational performance

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

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

The Performance Management Policy 2020/21 was reviewed and submitted to Council for approval on 27 July 2020.

3.29.3 Governance framework for the IDP, Budget and Performance Management

The draft review of the 4th Generation IDP was tabled in March 2021 and was advertised for public comment thereafter. Stellenbosch Municipal Council adopted the reviewed Fourth Generation IDP (2017/18 – 2021/22) together with the 2020/21 MTREF Budget on 23 June 2020.

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

The IDP for the period July 2017 to June 2022 gives expression to the political mandate that was 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 the Council in accordance with the MFMA. The allocation of funds needs to be aligned with the priorities in the IDP.

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

3.29.4 Service Delivery and Budget Implementation Plan

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

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

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

The purpose of performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview of 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 an organisational level and through the Service Delivery and Budget Implementation Plan (SDBIP) at departmental levels.

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

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

- IDP and budget must be aligned;
- budget must address the strategic priorities;

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

3.29.5 The municipal scorecard (Top Layer SDBIP)

The municipal scorecard (Top-Layer SDBIP) consolidates service delivery targets set by Council / senior management and provides an overall picture of the performance of the municipality as a whole, reflecting performance in its strategic priorities for the 2020/21 financial year. The scorecard is the performance evaluation tool and is used during the informal and formal

Components of the Top-Layer SDBIP include:

One-year detailed plan with the following components:

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

Top-Layer KPIs were prepared based on the following:

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

3.29.6 Amendment of the Top Layer SDBIP

The TL SDBIP 2020/21 was reviewed once during the financial year under review and submitted to Council for approval on 23 June 2020 and revised 27 June 2021.

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

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

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

3.29.7 Monitoring of the Service Delivery and Budget Implementation Plan

Municipal performance is measured as follows:

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

b) **Quarterly assessment i.t.o. section 52(d) of the MFMA** to assess the performance of the municipality during the first half of the financial year.

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

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

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

Other Municipal Personnel

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

Municipal Manager and Managers directly accountable to the Municipal Manager

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

The revised (latest) performance plans for the Municipal Manager and section 56 appointments for the 2020/21 financial year were signed on 27 June 2021 as prescribed. They include performance agreements for the:

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

Table 212: Performance management governance

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

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

Table 213: Performance Assessment Criteria

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

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

3.29.8 Overall Performance per Municipal Strategic Focus Area

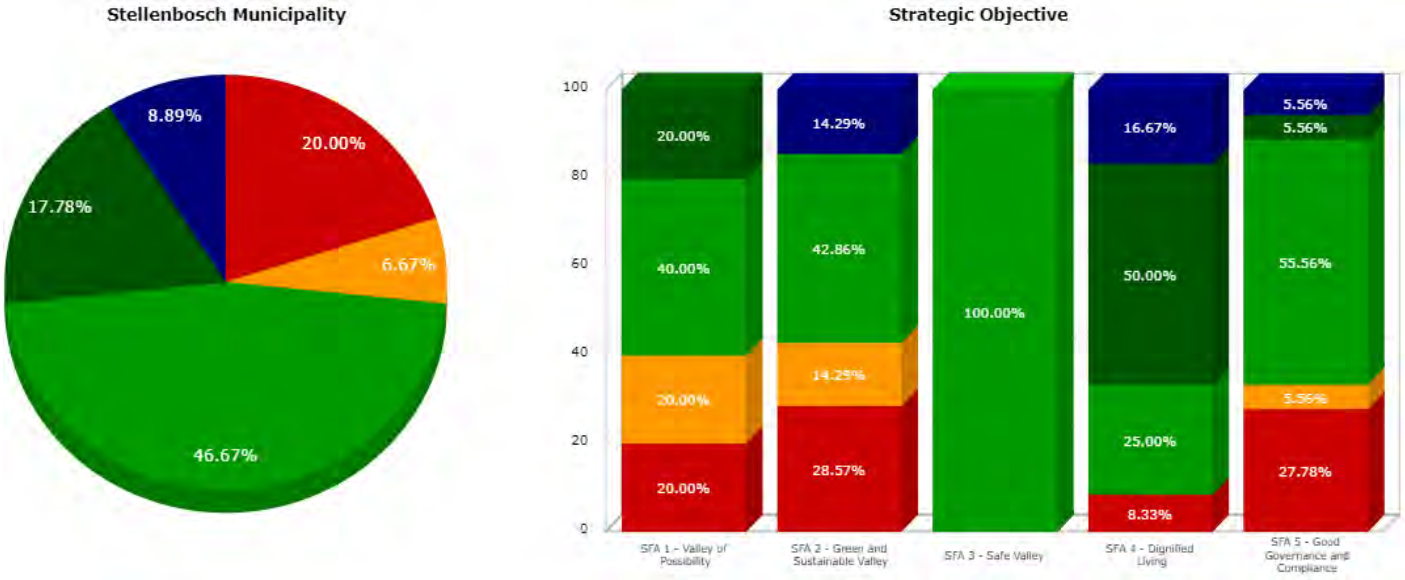
Table 214: Overall Performance per Municipal Strategic Focus Area

Stellenbosch Municipality		Municipal Strategic Focus Areas (SFAs)				
		SFA 1 - Valley of Possibility	SFA 2 - Green and Sustainable Valley	SFA 3 - Safe Valley	SFA 4 - Dignified Living	SFA 5 - Good Governance and Compliance
KPI Not Yet Measured	**-**	-	-	-	-	-
KPI Not Met	**9 (20%)**	1 (20%)	2 (28.57%)	-	1 (8.33%)	5 (27.78%)
KPI Almost Met	**3 (6.67%)**	1 (20%)	1 (14.29%)	-	-	1 (5.56%)
KPI Met	**21 (46.67%)**	2 (40%)	3 (42.86%)	3 (100%)	3 (25%)	10 (55.56%)
KPI Well Met	**8 (17.78%)**	1 (20%)	-	-	6 (50%)	1 (5.56%)
KPI Extremely Well Met	**4 (8.89%)**	-	1 (14.29%)	-	2 (16.67%)	1 (5.56%)
Total:	**45**	**5**	**7**	**3**	**12**	**18**
	100%	**11.11%**	**15.56%**	**6.67%**	**26.67%**	**40%**

The following graph and table illustrate the municipality's overall performance per Municipal Strategic Focus Area (SFA). The Annual Performance Report 2020/21 was submitted to the Stellenbosch Municipal Council as well the Auditor General in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), Section 46(1) and (2).

This tables below give a clear indication which was reported to Council on the municipality's performance in terms of the five (5) National Government's Key Performance Areas for local government, which are (1) Basic Service Delivery; (2) Local Economic Development; (3) Municipal Institutional Transformation and Development; (4) Municipal Financial Viability and Management and (5) Good Governance and Public Participation.

Figure 43: Overall Performance per Municipal Strategic Focus Area



CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 Introduction to the Municipal Workforce

Stellenbosch Municipality, as of 30 June 2021, employed 1 142 officials (excl. Councillors and excluding non-permanent positions), who individually and collectively contribute to the achievement of the municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.2 Employment Equity

The Employment Equity Act (1998), Chapter 3, section 15 (1), states that affirmative action measures are measures designed to ensure that suitably 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 215: EE Targets / Actual by Racial Classification

Financial Year	African			Coloured			Indian			White		
	Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached
2018/19	334	372	111.4%	497	651	131%	23	4	17%	75	94	125.3%
2019/20	334	383	111.4%	497	680	137%	23	4	17%	75	96	128%
2020/21	334	395	118.3%	497	660	132.8%	23	4	17%	75	83	110.67%

Table 216: Targets / Actual by Gender Classification

Financial Year	Male			Female			Disability		
	Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached
2018/19	681	750	110.1%	670	371	55.3%	10	10	100%
2019/20	681	760	111.6%	670	398	59.4%	10	10	100%
2020/21	681	737	108.22%	670	405	60.45%	10	10	100%

4.3 Occupational Categories - Race

The table below categorises the number of employees by race within the occupational levels.

Table 217: Occupational Categories – Race

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management and Councillors	4	15	0	7	5	11	0	7	**49**
Senior management	2	11	0	7	1	3	0	0	**24**
Professionally qualified and experienced specialists and mid-management	5	25	2	9	12	16	1	10	**80**
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	49	130	1	26	56	101	0	19	**382**
Semi-skilled and discretionary decision making	91	165	0	6	49	87	0	4	**402**
Unskilled and defined decision making	108	96	0	0	22	22	0	0	**248**
Total permanent	259	442	3	55	145	240	1	40	**1 185**
Non- permanent employees (incl. EPWP, Conditional Grants, Provincial Grants)	6	15	0	3	10	20	0	3	**57**
Grand total	**265**	**457**	**3**	**58**	**155**	**260**	**2**	**43**	**1 242**

4.4 Directorates by Race

The following table categorises the number of employees by race within the different Directorates:

Table 218: Directorates by Race

Directorate	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Mayor	4	12	0	6	5	10	0	6	**43**
Office of the Municipal Manager	0	2	0	1	4	7	0	2	**16**
Financial Services	9	34	1	2	21	50	0	5	**122**
Planning and Economic Development	6	25	0	5	16	22	0	7	**81**
Corporate Services	8	25	1	2	13	22	0	5	**76**
Community and Protection Services	81	131	1	23	60	96	1	11	**404**
Infrastructure Services	138	227	0	15	26	33	0	4	**443**
Total permanent	**246**	**456**	**3**	**54**	**145**	**240**	**1**	**40**	**1 185**
Non-permanent (incl. EPWP, Conditional Grants, Provincial Grants)	6	15	0	3	10	20	0	3	**57**
Grand total	**252**	**471**	**3**	**57**	**155**	**260**	**1**	**43**	**1 242**

4.5 Vacancy Rate

The approved organogram for the municipality had **1 120** (funded) posts based on the 2017/18 financial year. On 01 July 2018 the approved organogram of 25th October 2017 was implemented which brought about a total post compliment of 1 873 posts and was further reviewed and revised with another 123 posts which made the total post compliment 1 996 posts on 27 February 2019. The actual positions filled in the 2020/21 financial year are indicated in the tables below by post level and by functional level. A total of 854 posts were vacant at the end of 2020/21, resulting in a vacancy rate of **42,78%.** Below is a table that indicates the vacancies within the municipality:

Table 219: Vacancy rate per post and functional level

Per Post Level		
Post level	**Filled**	**Vacant**
Top Management (MM and MSA section 57 Managers)	6	0
Senior Management	24	4
Middle management	80	21
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	382	255
Semi-skilled	402	334
Unskilled and defined decision making	248	240
Total	**(Excluding Councillors) 1 142**	**854**
Per Functional Level		
Functional area	**Filled**	**Vacant**
Office of the Mayor	43	0
Office of the Municipal Manager	16	9
Financial Services	122	55
Planning and Economic Development	81	52
Corporate	76	82
Community and Protection Services	404	214
Infrastructure Services	443	442
Total	**(Including Councillors) 1 185**	**854**

4.6 Turnover rate

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory / organisational knowledge. Below is a table that shows the turnover rate in the municipality.

The table below indicates the turn-over rate over the last five years.

Table 220: Turn-over Rate

Financial year	Total no appointments at the end of each Financial Year	New appointments	Number of terminations during the year	Turn-over Rate
2018/19	1 121	55	39	3.47%
2019/20	1 158	60	51	4.40%
2020/21	1 142	48	61	5.34%

4.7 Managing the Municipal Workforce

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury / disease and can be costly to a municipality. An occupational injury will influence the loss of man-hours and therefore financial and productivity performance.

The injury rate shows an increase for the 2020/21 financial year from 92 employees in 2019/20 to 121 employees in the 2020/21 financial year. The table below indicates the total number of injuries within the different directorates.

Table 221: Injuries per Directorate

Directorates	2016/17	2017/18	2018/19	2019/20	2020/21
Office of the Municipal Manager	1	1	0	0	0
Financial Services	3	0	0	2	4
Planning and Economic Development Services	0	3	3	2	10
Corporate Services	1	1	1	7	9
Community and Protection Services	54	73	49	36	21
Infrastructure Services	64	42	32	42	77
Total	**130**	**125**	**86**	**92**	**121**

Injuries in the Operational Services are normally higher due to the nature of work and the constant handling of equipment and machinery.

4.8 Sick Leave

The number of days' sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of employees that have taken sick leave during the 2020/21 financial year shows an increase of 4 300.52 working days when comparing it to the 2020/21 financial year.

The table below indicates the total number of sick leave days taken within the different directorates.

Table 222: Table 185: Sick Leave as at 30 June

Directorate	2018/19	2019/20	2020/21	2020/21 (%)
Office of the Municipal Manager	89	83.5	150	35.16
Financial Services	692	679	1351	41.52
Planning and Economic Development	393	425	671	31.06
Corporate Services	493	593.87	806.08	38.26
Community and Protection Services	2 958	1803.19	3598	33.40
Infrastructure Services	2 765	2646	3955	33.48
Total	**7 754**	**6 230.56**	**10 531.08**	**34.49**

4.9 Human Resources Policies and Plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the status of the Human Resources policies and plans:

Table 223: Approved Policies for the year under review

Name of policy	Date approved / revised
Employee Parking Policy	28 October 2020
Consequence Management Policy	26 May 2021

Table 224: Policies still to be developed

Policies still to be developed	
Name of policy	**Proposed date of approval**
Measures to Recover Arrear Monies from Employees owing on their municipal accounts to Stellenbosch Municipality for a period of 90 days plus.	1 August 2019 (this policy was delegated for approval by the Municipal Manager)
HIV / AIDS Policy (Review).	30 June 2021 or in the 2021/22 financial year
New Recruitment and Selection Policy.	30 June 2021 or in the 2021/22 financial year

The Department: Human Resources Management submits policies to the Local Labour Forum on a regularly for review purposes.

4.10 Capacity building of the Municipal Workforce

The Skills Development Act, 1998 (Act No. 97 of 1998) and the MSA, require that employers supply employees with the necessary training to develop its human resource capacity. Section 55(1)(f) states that as head of administration, the Municipal Manager is responsible for the management, utilisation and training of staff.

4.11 Skills Matrix

The table below indicates the number of employees that received training in the year under review.

Table 225: number of employees that received training

Management level	Gender	Number of employees identified for training at start of the year	Number of employees that received training
MM and S57	Female	0	0
	Male	0	0
Legislators, senior officials and managers	Female	3	7
	Male	4	9
Professionals	Female	4	8
	Male	2	7
Associate professionals and Technicians	Female	13	20
	Male	72	44
Community and Personal Services	Female	0	0
	Male	0	0
Clerks	Female	30	32
	Male	11	11
Service and sales workers	Female	17	14
	Male	38	28
Plant and machine operators and assemblers	Female	0	0
	Male	16	11
Elementary occupations	Female	18	13
	Male	137	130

Management level	Gender	Number of employees identified for training at start of the year	Number of employees that received training
Sub-total	Female	85	94
	Male	280	240
Total		365	334

4.12 Skills Development – Training Provided and Budget allocation

The Skills Development Act, 1998 (Act No. 97 of 1998) and the MSA, require that employers supply employees with the necessary training to develop its human resource capacity. Section 55(1)(f) states that as head of administration, the Municipal Manager is responsible for the management, utilisation and training of staff.

The table below indicates that a total amount of **R 3 300 217** was spent on the workplace skills plan. This represents **0.62%** when compared to the total salary budget of the municipality in the 2020/21 financial year.

Municipalities are required, in terms of the Skills Development Act, to spend at least 1% of its salary budget on its workplace skills plan.

Table 226: Budget allocated and spent for skills development

Year	Total personnel budget	Total Allocated	Total Spend	% Spent
	R	R	R	
2020/21	R 532 497 021	R 532 497 021	R 3 300 217	0.62%

4.13 Managing the Municipal Workforce Expenditure

4.13.1 Personnel Expenditure

The percentage of 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 227: Personnel Expenditure as % of Total Operating Expenditure

Financial year	Total expenditure salary and allowances	Total operating expenditure	Percentage
	R		%
2017/18	407 801	1 307 335	31%
2018/19	444 711	1 508 629	29%
2019/20	481 583	1 661 441	29%
2020/21	544 391	1 809 977	30%

Below is a summary of Councillor and staff benefits for the year under review.

Table 228: Councillor and staff benefits

Financial year	2019/20	2020/21	2020/21	2020/21
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Councillors (Political Office Bearers Plus Other)				
Salary	12 139	13 710	13 710	12 149
Pension Contributions	551	848	848	535
Medical Aid Contributions	232	92	92	246
Motor Vehicle Allowance	4 338	4 947	4 947	4 356
Cell Phone and Other Allowances	1 909	1 536	1 536	1 906
Sub-Total - Councillors	19 121	21 133	21 133	19 192
% Increase / (Decrease) on Actual	**4,64%**	**10,52%**	**10,52%**	**0,37%**
Other Municipal Staff				
Basic Salaries and Wages	322 143	339 270	317 662	338 573
Pension and UIF Contributions	48 754	61 260	61 260	54 029
Medical Aid Contributions	23 337	27 962	27 962	25 058
Overtime	37 414	55 059	48 455	40 596
Performance Bonus	710	300	300	1 190
Motor Vehicle Allowance	10 048	15 586	11 623	9 995
Cellphone Allowance	1 631	1 143	1 143	1 883
Housing Allowances	2 916	3 165	3 165	2 773
Other benefits and allowances	25 025	42 250	27 483	47 353
Payments in lieu of leave		2 246	2 246	-
Other Municipal staff				
Long service awards	4 109	72	72	3 904
Post-retirement benefit obligations	5448	31 126	31 126	18 257
Sub-Total - Other Municipal Staff	481 535	579 439	532 497	543 611
% Increase / (Decrease)	8,29%	20,33%	20,32%	12,89%
Total municipality	500 656	600 572	553 630	562 803
% Increase / (Decrease)	8,16%	19,96%	19,95%	12,41%

CHAPTER 5: FINANCIAL PERFORMANCE

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of financial performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

5.1 Financial Summary

The table below indicates the summary of the financial performance for the 2020/21 financial year.

Table 229: Financial Performance

Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Financial Performance						
Property rates	360 089	392 239	399 239	387 057	-1.32	-3.05
Service charges	880 126	1 072 778	1 009 778	932 616	-13.07	-7.64
Investment revenue	40 472	37 870	22 870	19 515	-48.47	-14.67
Transfers recognised - operational	160 652	178 547	207 289	194 790	9.10	-6.03
Other own revenue	166 608	218 297	195 097	188 197	-17.71	-7.92
Total revenue (excluding capital transfers and contributions)	**1 607 947**	**1 899 731**	**1 834 273**	1 722 175	**-9.80**	**-6.58**
Employee costs	481 535	579 439	532 497	543 611	-6.05	2.23
Remuneration of councillors	19 169	21 133	21 133	19 192	-12.88	-12.88
Depreciation and asset impairment	190 367	205 628	200 779	192 216	-7 .70	-5.47
Finance charges	56 004	39 349	31 649	54 475	38.44	72.12
Materials and bulk purchases	445 621	523 902	496 686	453 758	-13.39	-8.64
Transfers and grants	10 855	10 069	11 073	11 010	9.35	-0.57
Other expenditure	450 982	507 944	537 075	538 130	5.94	0.20
Total Expenditure	**1 654 533**	**1 887 464**	**1 830 891**	1 812 392	**-4.11**	**-1.14**
Surplus / (Deficit)	**-46 586**	**12 267**	**3 382**	**-90 217**	**-885.53**	**-2 949.23**
Transfers recognised - capital	124 374	113 429	84 282	69 847	-38.42	-17.13
Contributions recognised - capital and contributed assets	10 275	11 697	11 697	13 658	0	0
Surplus / (Deficit) after capital transfers and contributions	**88 063**	**137 393**	**99 361**	**-6 712**	**-109.36**	**-114.67**
Capital expenditure and funds sources						
Capital expenditure						
Transfers recognised - capital	124 374	145 341	84 282	69 847	-52	-17.23
Public contributions and donations	-	-	-	141	0	0
Borrowing	33 365	102 780	120 000	97 649	-4.99	-18.63
Internally generated funds	248 192	127 630	249 598	225 334	76.60	-9.70
Total sources of capital funds	**405 931**	**375 751**	**453 880**	**392 971**	**4.57**	**-13.43**
Financial position						
Total current assets	710 439	1 124 779	698 237	632 405	-43.78	-9.43
Total non-current assets	5 674 413	6 147 669	6 230 648	5 886 152	-4.21	-5.49
Total current liabilities	390 300	435 060	386 000	425 141	-0.31	12.36

Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Total non-current liabilities	571 099	849 515	849 515	676 674	-20.35	-20.35
Community wealth / equity	5 423 453	5 594 007	5 594 007	5 416 741	-3.28	-3.28
Cash flows						
Net cash from (used) operating	281 952	1 080 460	1 121 236	222 756	-78.59	-79.37
Net cash from (used) investing	-314 371	-407 662	-453 880	-298 096	-24.79	-32.45
Net cash from (used) financing	-25 870	0	0	76 027	100	100
Cash / cash equivalents at the year end	**111 202**	**307 604**	**302 161**	111 889	**-63.62**	**-62.97**
Cash backing / surplus reconciliation						
Cash and investments available	111 202	408 829	329 656	111 889	-72.63	-66.06
Application of cash and investments	5 422 282	481 224	597 516	5 441 471	1 033.21	812.66
Balance - surplus (shortfall)	-5 311 080	-72 395	-267 860	-5 311 080	7 236.25	1 882.78
Asset management						
Asset register summary (WDV)	5 669 262	6 143 793	6 226 771	5 879 460	-4.26	-5.54
Depreciation	190 367	205 628	200 779	192 216	-7.70	-5.47
Renewal of Existing Assets	17 171	34 100	27 041	29 798	-12.62	-10.20
Repairs and Maintenance	58 292	90 823	83 803	83550	-8.01	-0.30
Free Services						
Cost of Free Basic Services provided	92 406	-38 706	-38 706	-	-100	-100
Revenue cost of free services provided	-	18 625	18 625	-	-100	-100
Households below minimum service level						
Water:	1	1	1	1	0	0
Sanitation / sewerage:	1	1	1	1	0	0
Energy:	2	2	2	2	0	0
Refuse:	4	4	4	4	0	0
Variances are calculated by dividing the difference between actual and original / adjustments budget by the actual. This table is aligned.						

The table below shows a summary of performance against budgets.

Table 230: Performance against Budgets

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2016/17	1 490 495	1 534 354	43 859	2.94%	1 450 845	1 316 387	134 458	9.27%
2017/18	1 778 647	1 609 729	-168 918	-9.50%	1 575 255	1 363 953	211 302	13.41%
2018/19	1 738 394	1 629 667	-108 727	-6.25%	1 719 105	1 508 629	210 476	12.24%
2019/20	1 834 539	1 742 596	-91 943	-5.01%	1 778 284	1 661 441	116 843	6.57%
2020/21	1 930 252	1 805 680	-124 572	-6.45%	1 830 891	1 812 392	18 499	1.01%

5.2 Revenue Collection by Vote

The table below indicates the revenue collection performance by vote.

Table 231: Revenue collection performance by vote

Vote Description	2019/20				2020/21 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Municipal Manager	-	-	328	147 535	0	-15.36
Planning and Development	25 044	81 766	30 799	5 271	-73.21	-28.87
Infrastructure Services	143 842	192 985	172 752	481 200	-23.59	-14.64
Community and Protection Services	1 072 412	1 246 149	1 228 147	1 143 877	-9.34	-8.02
Corporate Services	51 062	4 303	5 492	277	43.77	12.64
Financial Services	450 236	487 960	490 895	27 519	0.74	0.14
Total Revenue by Vote	**1 742 596**	**2 013 160**	**1 928 413**	**1 805 680**	**-10.73**	**-6.81**

5.3 Revenue Collection by Source

The table below indicates the Revenue collection performance by source for the 2020/21 financial year.

Table 232: Revenue Collection by Source

Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Property rates	360 089	392 239	399 239	387 057	-1.32	-3.05
Service Charges	880 126	1 072 778	1 009 778	932 616	-13. 07	-7.64
Rentals of facilities and equipment	13 601	16 292	10 592	14 714	-9.69	38.91
Interest earned - external investments	40 472	37 870	22 870	19 515	-48.47	-14.67
Interest earned - outstanding debtors	8 776	13 281	13 281	8 114	-24.07	-24.07
Dividends received	0	0	0	0	0	0
Fines	99 993	140 881	130 881	108 908	-22.70	-16.79
Licences and permits	4 413	5 503	5 503	5 216	-5.21	-5.21
Agency services	3 976	2 931	2 931	4 833	64.90	64.90
Transfers recognised - operational	160 652	178 547	207 289	194 790	9.10	-6.03
Transfers recognised - capital	124 374	113 429	84 282	69 988	-38.30	-16.96
Other revenue	45 380	39 408	43 605	50 493	23.13	11.28
Gains on disposal of PPE	742	0	0	9 436	100	100
Total Revenue (excluding capital transfers and contributions)	**1 742 594**	**2 013 160**	**1 930 252**	**1 805 680**	**-10.73**	**-6.90**

5.4 Operational Services Performance

The table below indicates the operational services performance for the 2020/21 financial year.

Table 233: Operational Services Performance: Expenditure

Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000					%
Operating Cost						
Water	131 579	148 086	127 662	131 801	12.36	-3.14
Wastewater (Sanitation)	124 338	124 565	120 707	138 141	-9.83	-12.62
Electricity	514 263	533 650	521 209	522 700	2.09	-0.29
Waste Management	120 997	105 990	119 548	118 389	-10.47	0.98
Housing	26 101	41 661	42 636	33 977	22.62	25.49
Component A: sub-total	**917 279**	**953 951**	**931 762**	**945 008**	**0.95**	**-1.40**
Roads and Stormwater	102 443	156 454	152 580	114 333	36.84	33.45
Component B: sub-total	**102 443**	**156 454**	**152 580**	**114 333**	**36.84**	**33.45**
Town Planning and Spatial Planning	19 789	18 507	17 152	26 708	-30.70	-35.78
Local Economic Development	10 574	13 060	12 500	10 175	28.36	22.85
Component C: sub-total	**30 363**	**31 568**	**29 651**	**36 883**	**-14.41**	**-19.61**
Libraries	14 787	18 277	18 563	13 118	39.33	41.51
Cemeteries	5 333	6 206	5 899	6 254	-0.77	-5.66
Community development	13 567	5 371	9 792	11 238	-52.20	-12.87
Component D: sub-total	**33 686**	**29 854**	**34 254**	**30 610**	**-2.47**	**11.91**
Environmental Protection	–	-	-	-	0	0
Component E: sub-total	**0**	**0**	**0**	**0**	**0**	**0**
Traffic services	195 854	199 815	198 221	233 793	-14.53	-15.22
Fire Services and Disaster Management	44 278	46 229	46 404	46 237	0.14	0.36
Component F: sub-total	**240 132**	**246 115**	**244 624**	**280 030**	**-12.11**	**-12.64**
Holiday Resorts and Campsites	280	299	303	434	-31.05	-30.28
Sport grounds, parks, swimming pools	52 198	74 363	74 737	67 474	10.21	10.76
Community Halls, Facilities and Thusong Centres	4 229	1 007	707	3 579	-71.85	-80.23
Component G: sub-total	**56 707**	**75 669**	**75 747**	**71 487**	**5.85**	**5.96**
Office of the MM	24 568	32 351	29 279	25 318	27.78	15.64
Financial Services	59 125	110 584	91 859	110 661	-0.07	-16.99
Administration	70 110	105 304	96 149	74 623	41.12	28.85
Property and contract management	31 590	38 972	39 498	36 441	6.94	8.39

Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000					%
HR	33 799	48 398	37 084	18 734	158.35	97.95
IT	32 535	30 071	40 571	41 251	-27.10	-1.65
Internal Audit	11 384	14 001	14 001	11 389	22.93	22.93
Legal Services	10 816	14 173	13 873	13 210	7.29	5.02
Component H: sub-total	**273 925**	**393 853**	**362 312**	**331 626**	**18.76**	**9.25**
Total Expenditure	**1 654 534**	**1 887 463**	**1 830 931**	**1 809 977**	**4.28**	**1.16**
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

5.5 Financial Performance Per Municipal Function

The tables below indicate the financial performance per municipal function as at 30 June 2021.

5.5.1 Water Services

Table 234: Financial Performance: Water Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(197 989)	(188 304)	(169 869)	(155 113)	-21.40
Expenditure:					
Employees	30 116	34 584	32 676	30 923	-11.84
Repairs and Maintenance	3 929	15 177	13 703	6 226	-143.76
Other	97 534	98 325	81 282	94 653	-3.88
Total Operational Expenditure	**131 579**	**148 086**	**127 662**	**131 801**	**-12.36**
Net Operational (Service)	**(66 409)**	**(40 218)**	**(42 207)**	**(23 311)**	**-72.52**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.2 Sanitation Services

Table 235: Financial Performance: Sanitation Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(114 242)	(150 123)	(143 576)	(126 641)	-18.54
Expenditure:					
Employees	43 378	51 131	45 631	44 390	-15.19
Repairs and Maintenance	2 453	25 347	32 957	19 852	-27.68
Other	78 508	48 087	42 119	73 899	34.93
Total Operational Expenditure	124 338	**124 565**	**120 707**	**138 141**	**9.83**
Net Operational (Service)	**10 096**	**(25 558)**	**(22 869)**	**11 500**	**322.25**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.3 Electricity Services

Table 236: Financial Performance: Electricity Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(593 017)	(741 044)	(711 261)	(671 545)	-10.35
Expenditure:					
Employees	31 467	21 082	17 682	31 428	32.92
Repairs and Maintenance	7 851	11 072	10 939	9 969	-11.07
Other	474 945	501 495	492 588	481 304	-4.20
Total Operational Expenditure	514 263	**533 650**	**521 209**	**522 700**	**-2.09**
Net Operational (Service)	**(78 754)**	**(207 395)**	**(190 052)**	**(148 845)**	**-39.34**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.4 Waste Management Services (Refuse collections, Waste disposal and Recycling)

Table 237: Financial Performance: Waste Management Services (Refuse Collections, Waste Disposal, and Recycling)

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(89 912)	(108 265)	(111 497)	(108 186)	-0.07
Expenditure:					
Employees	32 142	28 958	38 654	31 138	7
Repairs and Maintenance	2 381	3 368	6 291	2 155	-56.32
Other	86 474	73 644	74 604	85 096	13.43
Total Operational Expenditure	**120 997**	**105 990**	**119 548**	**118 389**	**10.47**
Net Operational (Service)	**31 086**	**(2 275)**	**8 051**	**10 204**	**122.30**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.5 Housing Development

Table 238: Financial Performance: Housing Personnel Expenditure

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(14 218)	(20 448)	(9 414)	(7 633)	-167.91
Expenditure:					
Employees	19 102	26 560	26 382	20 771	-27.87
Repairs and Maintenance	144	627	1 392	700	10.48
Other	6 855	14 474	14 862	12 505	-15.75
Total Operational Expenditure	26 101	41 661	42 636	33 977	-22.62
Net Operational (Service)	**11 883**	**21 213**	**33 222**	**26 344**	**19.48**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.6 Roads and Stormwater

Table 239: Financial Performance: Roads and Stormwater

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(3 823)	(495)	(495)	(4 726)	89.52
Expenditure:					
Employees	29 877	28 462	24 957	33 269	14.45
Repairs and Maintenance	20 367	13 489	14 528	19 794	31.86
Other	52 199	114 503	113 094	61 270	-86.88
Total Operational Expenditure	102 443	156 454	152 580	114 333	-36.84
Net Operational (Service)	**98 619**	**155 958**	**152 084**	**109 607**	**-42.29**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.7 Town and Spatial Planning

Table 240: Financial Performance: Town Planning and Spatial planning

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(77)	(27)	(27)	(35)	21.33
Expenditure:					
Employees	18 296	16 729	15 999	25 242	33.73
Repairs and Maintenance	–	-	-	3	0
Other	1 494	1 779	1 153	1 463	-21.61
Total Operational Expenditure	19 789	18 507	17 152	26 708	30.70
Net Operational (Service)	**19 712**	**18 480**	**17 125**	**26 673**	**30.72**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.8 Local Economic Development (LED)

Table 241: Financial Performance: LED

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(1 435)	(2 838)	(1 689)	(1 439)	-97.19
Expenditure:					
Employees	4 882	5 475	5 275	3 980	-37.58
Repairs and Maintenance	0	-	-	-	-
Other	5 692	7 585	7 224	6 195	-22.43
Total Operational Expenditure	10 574	13 060	12 500	10 175	-28.36
Net Operational (Service)	**9 139**	**10 223**	**10 810**	**8 736**	**-17.02**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.9 Libraries

Table 242: Financial Performance: Libraries

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(12 574)	(13 197)	(13 142)	(10 761)	-22.65
Expenditure:					
Employees	12 829	16 070	16 081	11 398	-40.99
Repairs and Maintenance	7	145	147	23	-528.66
Other	1 950	2 062	2 335	1 696	-21.56
Total Operational Expenditure	14 787	18 277	18 563	13 118	-39.33
Net Operational (Service)	**2 212**	**5 079**	**5 420**	**2 357**	**-115.48**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.10 Community Development

Table 243: Financial Performance: Community Development

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(1 985)	(56)	(393)	(188)	70.16
Expenditure:					
Employees	4 076	700	700	3 815	81.65
Repairs and Maintenance	5	32	32	7	-373.75
Other	9 486	4 639	9 060	7 416	37.45
Total Operational Expenditure	13 567	5 371	9 792	11 238	52.20
Net Operational (Service)	**11 581**	**5 315**	**9 399**	**11 050**	**51.90**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.11 Cemeteries

Table 244: Financial Performance: Cemeteries

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(1 246)	(3 585)	(3 145)	(1 016)	-252.94
Expenditure:					
Employees	3 166	2 986	2 680	3 305	9.65
Repairs and Maintenance	1 407	1 324	2 493	2 000	33.81
Other	760	1 896	727	949	-99.81
Total Operational Expenditure	5 333	6 206	5 899	6 254	0.77
Net Operational (Service)	**4 087**	**2 620**	**2 755**	**5 238**	**49.97**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.12 Traffic Services and Law Enforcement

Table 245: Financial Performance: Traffic Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(120 391)	(166 761)	(151 135)	(128 709)	-29.56
Expenditure:					
Employees	61 347	58 926	58 579	69 553	15.28
Repairs and Maintenance	1 208	11 648	3 028	1 922	-506.18
Other	133 299	129 241	136 614	162 319	20.38
Total Operational Expenditure	195 854	199 815	198 221	233 793	14.53
Net Operational (Service)	**75 463**	**33 054**	**47 085**	**105 084**	**68.54**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.13 Fire Services and Disaster Management

Table 246: Financial Performance: Fire Services and Disaster Management Personnel Expenditure

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(672)	(296)	(851)	(756)	60.84
Expenditure:					
Employees	36 721	38 136	37 941	39 583	3.65
Repairs and Maintenance	1 090	1 212	1 210	905	-33.86
Other	6 467	6 952	7 253	5 749	-20.92
Total Operational Expenditure	44 278	46 299	46 404	46 237	-0.14
Net Operational (Service)	**43 606**	**46 003**	**45 553**	**45 481**	**-1.15**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.14 Holiday Resorts and Campsites

Table 247: Financial Performance: Holiday Resorts and Campsites

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(398)	(585)	(585)	(3)	-18 864.60
Expenditure:					
Employees	237	130	63	251	48.23
Repairs and Maintenance	4	105	175	142	0
Other	39	64	64	41	-56.76
Total Operational Expenditure	280	299	303	434	31.05
Net Operational (Service)	**(118)**	**(286)**	**(283)**	**431**	**166.36**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.15 Sport grounds, Parks and Swimming Pools

Table 248: Financial Performance: Sport Grounds, Parks and Swimming Pools

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(1543)	(1 461)	(1 990)	(3 088)	52.70
Expenditure:					
Employees	38 089	37 632	37 627	42 291	11.02
Repairs and Maintenance	11 712	9 537	7 490	10 700	10.87
Other	2 396	27 193	29 620	14 482	-87.77
Total Operational Expenditure	52 198	74 363	74 737	67 474	-10.21
Net Operational (Service)	**50 655**	**72 902**	**72 747**	**64 386**	**-13.23**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.16 Community Halls and Thusong Centres

Table 249: Financial Performance: Community Halls and Thusong Centres

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(3 599	(3 041)	(3 041)	(5 550)	45.2
Expenditure:					
Employees	3 046	300	-	2 962	89.87
Repairs and Maintenance	162	130	130	17	-682.46
Other	1 022	577	577	600	3.75
Total Operational Expenditure	4 229	1007	707	3 579	71.85
Net Operational (Service)	**630**	**(2 034)**	**(2 334)**	**(1 971)**	**-3.19**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.17 Office of the Municipal Manager

Table 250: Financial Performance: Office of the Municipal Manager

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	–	-	(328)	(277)	-100
Expenditure:					
Employees	18 525	22 493	18 793	18 004	-24.93
Repairs and Maintenance	8	59	59	17	-255.19
Other	6 035	9 799	10 426	7 297	-34.28
Total Operational Expenditure	24 568	32 351	29 279	25 318	27.78
Net Operational (Service)	**24 568**	**32 351**	**28 951**	**25 040**	**-29.19**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.18 Human Resource Services

Table 251: Financial Performance: Human Resource Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(1 324)	(238)	(1 110)	(1 286)	81.49
Expenditure:					
Employees	13 538	40 350	28 400	14 095	-186.27
Repairs and Maintenance	-	48	48	–	-100
Other	20 261	7 999	8 636	4 639	-72.45
Total Operational Expenditure	33 799	48 398	37 084	18 734	-158.35
Net Operational (Service)	**32 474**	**48 160**	**35 974**	**17 488**	**-176.03**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.19 Information and Communication Technology (ICT) Services

Table 252: Financial Performance: Information and Communication Technology (ICT) Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	8 384	7 987	7 987	8 183	2.40
Repairs and Maintenance	215	540	540	548	-1.55
Other	23 936	21 544	32 044	32 520	33.75
Total Operational Expenditure	32 535	30 071	40 571	41 251	27.10
Net Operational (Service)	**32 535**	**30 071**	**40 571**	**41 215**	**27.10**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.20 Legal Services

Table 253: Financial Performance: Legal Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(1)	(1)	(1)	(2)	43.30
Expenditure:					
Employees	4 636	5 980	5 680	4 714	-26.87
Repairs and Maintenance	–	-	29	–	0
Other	6 180	8 193	8 193	8 497	3.58
Total Operational Expenditure	10 816	14 173	13 873	13 210	-7.29
Net Operational (Service)	**10 816**	**14 171**	**13 871**	**13 871**	**-7.29**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.21 Property Management

Table 254: Financial Performance: Property and Contract Management

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(3 143)	(3 334)	(3 334)	(3 422)	2.57
Expenditure:					
Employees	8 159	7 602	7 428	7 815	2.73
Repairs and Maintenance	5 233	7 405	8 105	7 808	5.16
Other	18 197	23 964	23 964	20 818	-15.11
Total Operational Expenditure	31 590	38 972	39 498	36 441	-6.94
Net Operational (Service)	**28 446**	**35 638**	**36 164**	**33 020**	**-7.93**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.22 Financial Services

Table 255: Financial Performance: Financial Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(450 236)	(487 960)	(490 844)	(481 200)	-1.40
Expenditure:					
Employees	30 219	75 834	55 134	64 602	-17.39
Repairs and Maintenance	53	155	153	670	76.92
Other	28 853	34 595	36 571	45 389	23.78
Total Operational Expenditure	59 125	110 584	91 859	110 611	0.07
Net Operational (Service)	**(391 112)**	**(377 376)**	**(398 986)**	**(370 539)**	**-1.85**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.23 Internal Audit

Table 256: Financial Performance: Financial Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	4 548	5 975	5 975	4 942	-20.91
Repairs and Maintenance	0	0	0	0	0
Other	6 835	8 025	8 025	6 477	-24.48
Total Operational Expenditure	11 384	14 001	14 001	11 389	-22.93
Net Operational (Service)	**11 384**	**14 001**	**14 000**	**11 389**	**-22.93**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.5.24 Administration

Table 257: Financial Performance: Administration

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(6 395)	(7 671)	(16 544)	(15 699)	51.14
Expenditure:					
Employees	24 801	45 357	42 173	27 736	-63.53
Repairs and Maintenance	64	335	397	93	-261.45
Other	45 245	59 612	53 578	46 793	-27.39
Total Operational Expenditure	70 110	105 304	96 149	74 623	-41.12
Net Operational (Service)	**63 715**	**97 633**	**79 605**	**58 923**	**-65.70**
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.6 Grants

5.6.1 Grant Performance

The municipality had a total amount of **R 172 million** for operational expenditure available that was received in the form of grants from the National and Provincial Governments during the 2019/20 financial year. The performance in the spending of these grants is summarised as follows:

Table 258: Grant Performance

Description	2019/20	2020/21			2020/21 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
National Government:	**143 254**	**156 315**	**178 568**	**178 568**	**-14.24%**	**100**
Equitable Share	136 177	149 804	170 632	170 632	-13.90	0
Financial Management Grant	1 550	1 550	1 550	1 550	0	0
EPWP	5 227	4 961	4 961	4 961	0	0
Natural Resources Management Grant	91	0	0	0	0	0
Integrated Urban Development Grant	0	0	1 425	1 425	0	0
Municipal Disaster Management Grant	209	0	0	0	0	0
Provincial Government:	**16 559**	**21 791**	**23 947**	**11 850**	**45.62**	**50.52**
Community Development Workers Operational Support Grant	19	56	93	93	0	0
Library Services: Conditional Grant	12 454	13 077	13 022	10 720	18.02	17.68
WC Financial Management Support Grant	255	-	-	-	0	0
Local Government Support Grant	900	-	-	-	0	0
Municipal Accreditation and Capacity Building Grant	168	238	238	-	100	100
Financial Management Capacity Building Grant	380	400	660	495	-23.75	25
LG Graduate Internship Grant	66	-	74	74	0	0
Human Settlements Development Grant	0	7 570	7 570	0	100	100
Maintenance and Construction of Transport Infrastructure	384	450	450	-	100	0
Title Deeds Restoration Grant	1 933	0	1 840	468	100	1
District Municipality:	**472**	**440**	**2 571**	**2 424**	**0**	**5.72**
Cape Winelands District (COVID-19) Grant	472	0	2 031	1 884	-100	0
Safety Initiative Implementation-whole of society approach (WOSA)	**0**	**440**	**440**	**440**	**0**	**0**
Cape Winelands District Tourism grant	**0**	**0**	**100**	**100**	**-100**	**0**
Other Grant Providers:	**367**	**0**	**2 204**	**1 948**	**0**	**11.62**
LG SETA Discretionary	63	0	376	139	0	63.03
Taipei donation COVID-19 Donation	132	0	0	0	0	100
DBSA Grant	172	0	1 828	1 809	0	1.04
Total Operating Transfers and Grants	**160 652**	**178 546**	**207 290**	**194 790**	**-9.10**	**6.03**

5.6.2 Level of Reliance on Grants and Subsidies

Table 259: Reliance on Grants

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2016/17	227 752	1 534 354	14.84
2017/18	211 190	1 609 728	13.12
2018/19	233 433	1 541 685	15.14
2019/20	285 026	1 742 596	16.36
2020/21	264 637	1 805 680	14.66

Developers contributions have been excluded from the grant item to express only allocations and not policy related revenue which NT allocates to capital revenue. It would distort the reliance on grant calculation if excluded from the above ratio.

5.7 Asset Management

Asset management is practised within the organisation based on a comprehensive Asset Management Policy. The Asset Management Policy provides direction for the management, accounting and control of property, plant and equipment (assets) owned or controlled by the municipality to ensure the following:

- Implementation of the approved Asset Management Policy as required in terms of section 63 of MFMA;
- Verify assets in possession of the Council annually, during the course of the financial year;
- Keep a complete and balanced record of all assets in possession of the Council;
- Report in writing all asset losses, where applicable, to Council; and
- Those assets are valued and accounted for in accordance with a statement of GRAP.

5.8 Repairs and Maintenance

Table 260: Repairs and Maintenance Expenditure

Description	2019/20	2020/21			2020/21 Variance
	Actual	Original Budget	Adjustment Budget	Actual	Budget variance
	R'000				%
Repairs and Maintenance Expenditure	58 292	90 823	83 803	83 550	0.30

5.9 Financial Ratios Based on Key Performance Indicators

Table 261: Liquidity Ratio

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21
Current Ratio	Current assets / current liabilities	2.18	2.02	2.09	1.82	1.46
Current Ratio adjusted for aged debtors	Current assets - debtors > 90 days / current liabilities	2.18	1.38	1.39	1.01	0.69
Liquidity Ratio	Monetary Assets / Current Liabilities	1.51	1.92	1.98	1.66	1.34

5.10 IDP Regulation Financial Viability Indicators

Table 262: IDP Regulation Financial Viability of Indicators

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21
Cost Coverage	(Available cash + investments) / monthly fixed operational expenditure	5.71	4.59	4.70	2.21	1.83
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors / annual revenue received for services	10.22%	18.09%	28.05%	22.02%	21.64%
Debt Coverage	(Total operating revenue - operating grants) / debt service payments due within financial year)	47.16	46.81	43.81	-0.64	29.14

5.11 Borrowing Management

Table 263: Borrowing Management

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21
Capital Charges to Operating Expenditure	Interest and Principal Paid / Operating Expenditure	1.21%	2.31%	2.09%	3.44%	3.04%

5.12 Employee Costs

Table 264: Employee Costs

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21
Employee costs	Employee costs / (total revenue - capital revenue)	26.84	28.80%	29.09%	29.99%	31.77%

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.13 Capital Expenditure

5.13.1 Capital Expenditure by Assets Programme

Table 265: Capital Expenditure by asset programme

Description	2020/21		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
Capital Expenditure by Asset Class			
Infrastructure	**258 740**	**242 088**	**273 925**
Roads Infrastructure	69 130	83 348	62 933
Roads	41 030	48 047	58 722
Road Structures	21 050	30 608	
Road Furniture	3 050	2 197	3 784
Stormwater Infrastructure	4 000	2 496	427
Stormwater Conveyance	-	-	-
Electrical Infrastructure	**41 850**	**44 120**	**40 548**
Power Plants	-	-	-
HV Substations	600	600	-
MV Switching Stations	0	0	-
MV Networks	26 150	32 0001	35 160
MV Substations	1500	1500	
LV Networks	7 200	6 618	2 277
Capital Spares	6 400	3 400	3 111
Water Supply Infrastructure	**69 305**	**55 639**	**51 833**
Dams and Weirs	-	-	-
Boreholes	-	-	-
Reservoirs	12 000	19 710	6 452
Water Treatment Works	4 900	6 634	22 817
Bulk Mains	22 080	16 251	13 829
Distribution	27 825	10 543	8 735
Capital Spares	2500	2500	
Sanitation Infrastructure	**69 355**	**46 234**	**108 550**
Pump Station	1000	0	-
Reticulation	13 000	2 200	108 550
Wastewater Treatment Works	17 355	7 836	0
Outfall Sewers	37 000	35 398	-
Toilet Facilities	1000	800	-
Capital Spares	-	-	-
Solid Waste Infrastructure	**7 500**	**12 436**	**10 044**
Landfill Sites	4 000	10 179	1 833
Waste Transfer Stations	2 000	1 067	8 211
Waste Drop-off Points	500	500	0
Waste Separation Facilities	500	190	-
Capital Spares	500	500	-
Information and Communication Infrastructure	**1 600**	**310**	**17**

Description	2020/21		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
Data Centres	1 550	144	-
Capital Spares	50	166	17
Community Assets	**21 200**	34 867	**8 775**
Community Facilities	**9 150**	**19 886**	**8 775**
Halls	5 150	6 357	4 551
Centres	0	0	-
Fire / Ambulance Stations	500	2 881	0
Testing Stations	0	0	-
Theatres	0	900	-
Libraries	700	647	2 105
Cemeteries / Crematoria	1 500	843	0
Police	0	0	-
Public Open Space	1 150	1 862	111
Nature Reserves	0	50	-
Public Ablution Facilities	0	70	-
Stalls	0	6 126	2 008
Taxi Ranks / Bus Terminals	0	0	-
Capital Spares	150	150	0
Sport and Recreation Facilities	**12 050**	**5 972**	**0**
Outdoor Facilities	12 050	5 972	0
Heritage assets			
Heritage assets	**1 000**	**1 197**	**0**
Historic Buildings	1 000	263	0
Conservation Areas	0	934	0
Investment properties	**17 500**	**17 531**	**0**
Revenue Generating	0	0	0
Improved Property	4 300	7 462	0
Unimproved Property	0	0	0
Non-revenue Generating	13 200	10 069	0
Improved Property	0	0	0
Unimproved Property	0	0	0
Other assets	**44 350**	**68 585**	**67 718**
Operational Buildings	-	-	-
Municipal Offices	2 000	5 120	-
Yards	0	0	-
Stores	0	0	-
Training Centres	42 350	58 984	67 718
Manufacturing Plant	-	-	-
Depots		4 481	-
Capital Spares	-	-	
Housing	11 759	55 793	0
Social Housing	11 759	55 793	0
Biological or Cultivated Assets	**0**	**0**	**0**
Biological or Cultivated Assets	0	0	0

Description	2020/21		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
Intangible Assets	**0**	**0**	**0**
Licences and Rights	0	0	-
Computer Software and Applications	0	0	0
Computer Equipment	**4 700**	**7 300**	**9 833**
Computer Equipment	4 700	7 300	9 833
Furniture and Office Equipment	**3 167**	**4 221**	**5 699**
Furniture and Office Equipment	3 167	4 221	5 699
Machinery and Equipment	**6 110**	**14 471**	**5 884**
Machinery and Equipment	6 110	14 471	5 914
Transport Assets	**7 225**	**16 836**	**20 240**
Transport Assets	7 225	16 836	20 240
Land	**-**	**-**	**867**
Land	-	-	867
Zoo's, Marine and Non-biological Animals	**-**	**-**	**0**
Zoo's, Marine and Non-biological Animals	-	-	0
Total Capital Expenditure	**375 751**	**453 880**	**392 392 971**

5.13.2 Sources of Finance

The table below indicates the capital expenditure by funding source for the 2020/21 financial year.

Table 266: Capital Expenditure by Funding Source

Details	2020/21			
	Original Budget (OB)	Adjustment Budget	Actual	Adjustment Budget Variance
	R'000			%
Source of finance				
External Loans	102 780	120 000	97 649	-18.63
Public Contributions and Donations	-	-	141	-
Grants and Subsidies	145 341	84 282	69 760	-17.23
Other	127 630	249 598	225 421	-9.70
Total	**375 751**	**453 880**	**392 971**	**-13.43**
External Loans	27.35	26.44	24.85	-6.1
Public Contributions and Donations	0	0	0.04	-
Grants and Subsidies	38.68	18.57	17.75	-4.39
Own Funding	33.97	54.99	57.36	4.31
Water and Sanitation	194 400	167 973	159 549	-5.02
Electricity	35 090	46 493	40 548	-12.79
Housing	50	1 350	0	-100
Roads and Stormwater	80 120	82 303	427	-99.48
Other	66 091	155 761	192 447	23.53
Total	**375 751**	**453 880**	**392 971**	**-13.43**
Water and Sanitation	51.74	37.01	40.60	9.72
Electricity	9.34	10.24	10.32	0.74
Housing	0.01	0.30	0	-100
Roads and Stormwater	21.32	18.13	0.11	-99.40
Other	17.59	34.32	48.97	42.69

5.13.3 Capital Spending On 5 Largest Projects

Projects with the highest capital expenditure in 2020/21.

Table 267: Capital Expenditure on the 5 Largest Projects

Name of Project	2020/21			Variance 2020/21	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment Variance
				%	
Upgrade of WWTW: Pniël and Decommissioning of Franschhoek	-	62 962 319	75 649 730	-	20.15%
Purchasing of land	-	46 960 585	46 224 000	-	-1.57%
Bulk Sewer Outfall: Jamestown	-	29 499 970	22 367 831	-	-24.18%
Adhoc Reconstruction of Roads (WC024)	-	15 755 412	15 519 995	-	-1.49%
General Systems Improvements - Stellenbosch	-	14 795 082	12 132 548	-	-18%

5.13.4 Basic Services and infrastructure backlogs - Overview

Out of the various Master Plans revised, various infrastructure backlogs and upgrades were identified which will be required to meet current and future development needs. Budgetary provisions will be made accordingly.

The service level below minimum standard can be interpreted as the backlogs to upgrade current households above minimum standard to households supplied with water inside the 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 the current provision of water and sanitation.

5.13.5 Integrated Urban Development Grant (IUDG)

Table 268: Integrated Urban Development Grant (IUDG)

Details	Budget	Adjustment Budget	Actual	Variance Budgets
	R'000			%
Local Economic Development Hub Jamestown	1500	-	-	-
Transfer Station: Stellenbosch Planning and Design	2000	-	-	-
Bulk Sewer Outfall: Jamestown	5 535	5 035	5 035	-
Upgrade of WWTW: Klapmuts	1 655	-	-	-
Upgrade of WWTW: Pniël and Decommissioning of Franschhoek	20 000	16 732	16 732	-
Bulk Water Supply Pipeline and Reservoir - Jamestown	1 000	769	769	-
Dwarsriver Bulk Supply Augmentation and Network Upgrades	1 000	-	-	-
Northern Extension Bulk Services	1 300	96	96	-
Adhoc Reconstruction of Roads (WC024)	-	12 156	12 156	-
Jamestown South Transport Network	1 000	995	995	-
Re-design of Bergzicht Public Transport Facility	1 000	-	-	-
Taxi Rank: Franschhoek	1 500	2 500	2 500	-
Taxi Rank: Kayamandi	1 500	3 086	3 086	-
Taxi Rank: Klapmuts	1 500	3 197	3 197	-
Upgrading of swimming pool	-	916	916	-
Upgrade of Sport Facilities	7 000	-	-	-
Business and Advisory: Business and Financial Management	-	1 425	1 425	-

5.14 Cash Flow

Table 269: Cash flow

Description	2019/20	2020/21		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Cash Flow from Operating Activities				
Receipts				
Ratepayers and Other	1 342 975	1 516 802	893 935	1 349 991
Government Grants	240 161	291 976	224 321	270 470
Interest	40 472	50 621	2 979	19 515
Employee Costs	-530 498	-549 308	-	-562 744
Suppliers	-780 008	-942 495	-	-826 243
Finance Costs	-31 150	-39 349	-	-28 233
Net Cash from / (Used) Operating Activities	281 952	328 247	1 121 235	222 756
Cash Flow from Investing Activities				
Receipts				
Proceeds on Disposal of PPE	0	0	0	10 185
Proceeds on Disposal of Biological Assets	33	0	0	51
Movement in Non-Current Receivables	0	0	0	0
Payments				
Purchase of PPE	-405 931	-375 750	-453 880	-392 782
Movement in Non-Current Receivables	0	0	0	0
Movement in Investments	91 526	0	0	84 451
Net Cash from / (Used) Investing Activities	-314 372	-375 750	-453 880	-298 095
Cash Flow from Financing Activities				
Receipts				
Proceeds from other Financial Liabilities		102 780	0	102 779
Increase in consumer deposits	0	0	0	0
Payments				
Repayment of Borrowing	-25 870	-26 311		-26 753
Prior period error	0	0	0	0
Net Cash from / (Used) Financing Activities	-25 870	76 469		76 026
Net Increase / (Decrease) in Cash Held	**-58 290**	**-28 966**	**667 355**	**687**
Cash / Cash Equivalents at the Year-Begin:	**169 491**	**408 228**	**-365 194**	**111 201**
Cash / Cash Equivalents at the Year-End:	**111 201**	**437 194**	**302 161**	**111 888**

5.15 Gross Outstanding Debtors per Service

Table 270: Gross Outstanding Debtors per Service

Financial year	Rates	Trading services (Electricity and Water)	Trading services (Sanitation and Refuse)	Housing rentals	Other	Total
	(R'000)					
2018/19	39 149	207 104	46 069	27 274	204 212	523 808
2019/20	44 671	138 830	54 968	27 194	188 755	454 418
Difference	5 522	-68 274	8 899	-80	-15 457	-69 390
% growth year on year	**14%**	**-33%**	**19%**	**0%**	**-8%**	**-13%**
2020/21	47 578	144 651	57 200	27 656	192 635	469 720
Difference	2 907	5 281	2 232	462	3 880	15 302
% growth year on year	**7%**	**4%**	**4%**	**2%**	**2%**	**3%**

Note: Figures exclude provision for bad debt.

5.16 Debtors Age Analysis

Table 271: Debtors Age Analysis

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	Between 90-120 days	More than 120 days	Total
	(R'000)					
2018/19	184 334	18 591	16 417	12 897	291 570	523 809
2019/20	99 308	20 486	197 197	11 414	303 489	631 894
Difference	-85 026	1 895	180 780	-1483	11 919	108 085
% growth year on year	**-46%**	**10%**	**1101%**	**-11%**	**4%**	**21%**
2020/21	98 357	17 589	18 889	11 414	323 471	469 720
Difference	-951	-2 897	-178 308	0	19 982	-162 174
% growth year on year	**-1%**	**-14%**	**-90%**	**0%**	**7%**	**-26%**

Note: Figures exclude provision for bad debt.

5.17 Borrowing and Investments

The municipality's cash position is monitored daily and any cash not required immediately to meet cash flow requirements is invested monthly at approved institutions, strictly in accordance with Council's approved Cash and Investment Policy.

5.18 Actual Borrowings

Table 272: Actual Borrowings

Instrument	2016/17	2017/18	2018/19	2019/20	2020/21
	R'000				
Long-Term Loans	186 386	173 302	318 800	292 930	368 957

5.19 Municipal Investments

Table 273: Municipal Investments

Investment type	2016/17	2017/18	2018/19	2019/20	2020/21
	R'000				
Deposits - Bank	575 418	505 618	398 164	306 637	222 187

CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

3.1 Introduction

This chapter provides the details on the audit outcomes for the past two financial years with the correctives steps implemented.

COMPONENT A: AUDITOR-GENERAL OPINION 2019/20

3.2 Auditor General Report 2019/20

Table 274: Auditor General Report 2019/20

2019/20	
Audit Report Status:	**Unqualified (Clean Audit)**
2019/20	
Issue raised	**Corrective step implemented**
Emphasis of matter:	
Restatement of corresponding figures	
As disclosed in note 61 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2020.	None
Material Impairments	
As disclosed in note 5 to the financial statements, the municipality provided for impairment of receivables from exchange transactions of R151,4 million (2018-19: R142,8 million).	None
As disclosed in note 6 to the financial statements, the municipality provided for impairment of receivables from non-exchange transactions of R153,4 million (2018-19: R167,5 million).	None
Material losses	
None	None
Material Non-Compliance	
The Auditor-General did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.	
Annual financial statements	
The Auditor-General audited the financial statements of the Stellenbosch Municipality set out on pages 5 to 143, which comprise the statement of financial position as at 30 June 2020, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.	None
In the opinion of the Auditor-General , the financial statements present fairly, in all material respects, the financial position of the Stellenbosch Municipality as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 16 of 2019 (Dora).	None

COMPONENT B: AUDITOR-GENERAL OPINION 2020/21

At the time of compiling the Annual Report 2020/21, the audit for the 2020/21 financial year was not completed. The outcome of the audit will be reported after conclusion of the audit by the AGSA.

3.3 Auditor General Report 2020/21

Table 275: Auditor General Report 2020/21

2020/21	
Audit Report Status:	**Outstanding**
2020/21	
Issue raised	**Corrective step implemented**
Emphasis of matter:	
Restatement of corresponding figures	
As disclosed in note 61 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2021.	None
Material Impairments	
As disclosed in note 5 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions amounting to R167,1 million (2019-20: R151,4 million).	None
As disclosed in note 6 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions amounting to R173,2 million (2019-20: R153,4 million).	None
Material losses	
None	
Material Non-Compliance	
The Auditor-General did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.	
Annual financial statements	
The Auditor General have audited the financial statements of the Stellenbosch Municipality set out on pages 5 to 134, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.	None
In the opinion of the Auditor-General , the financial statements present fairly, in all material respects, the financial position of the Stellenbosch Municipality as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 16 of 2019 (Dora).	None

ANNEXURE A: ANNUAL FINANCIAL STATEMENTS 2020/21

Planning by	Reviewed	Performed by	Final review

Client details
Client name: Stellenbosch Municipality
Year end: 30 June 2021

Print details
Printed by
Date printed



Stellenbosch Municipality
Annual Financial Statements
for the year ended 30 June 2021
Auditor-General of South Africa

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence

24 January 2022

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

General Information

Legal form of entity	Stellenbosch municipality is a category B local authority established in terms of section 151 of the Constitution of the Republic of South Africa. The municipality is ordinarily resident in the republic of South Africa and is identified by the demarcation code W024.
The principle activities of the municipality are to:	Provide democratic and accountable government to local communities; Ensure sustanainable 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	G van Deventer
Deputy Executive Mayor	N Jindela
Speaker	W Petersen
Executive Councillors	F Badenhorst
	P Crawley
	A Frazenburg
	E Groenewald
	X Mdemka
	S Peters
	M Pietersen (deceased)
	Q Smit
	J Fasser (01/02/2021)
Councillors	F Adams (resigned: 31/05/2021)
	F Bangani-Menziwa
	P Biscombe
	G Cele
	A Crombie
	Z Dalling
	R Du Toit
	A Florence
	J Fasser
	E Fredericks
	T Gosa
	J Hamilton
	A Hanekom
	D Hendrickse [deceased]
	J Hendricks
	L Horsband
	M Johnson
	D Joubert
	N Mananga-Gugushe
	C Manuel
	M Mc Ombring
	C Moses
	R Nalumango
	N Olayi
	M Oliphant
	C Davidse (01/02/2021)

AUDITOR-GENERAL SOUTH AFRICA
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24 January 2022

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

General Information

	W Pietersen S Schafer J Serdyn N Sinkinya P Sitshoti L Stander E Vermeulen
Accounting Officer	G Mettler
Chief Finance Officer (CFO)	K Carolus
Senior Management	A de Beer D Louw G Boshoff A Barnes
Registered office	Plein Street Stellenbosch 7600
Business address	Plein Street Stellenbosch 7600
Postal address	P O Box 17 Stellenbosch 7599
Bankers	ABSA NEDBANK
Auditors	Auditor-General of South Africa
Legislation Governing the Municipality	Division of Revenue Act (Act 1 of 2007) The Constitution of Republic of South Africa, 1996 The Local Government: Municipal Structures Act,1998 (Act 117 of 1998) The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) The Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) Local Government Property Rates Act, 2004 (Act 6 of 2004) Municipal Fiscal Powers and Functions Act, 2007 (Act 12 of 2007) Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998) Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)

AUDITOR-GENERAL SOUTH AFRICA
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24 January 2022

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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Abbreviations

GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

AUDITOR-GENERAL SOUTH AFRICA
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24 January 2022

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I acknowledges that I am ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

I am of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

I am responsible for the preparation of these financial statements in terms of Section 126(1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) and signed the Annual Financial Statements on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 34 and 35 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 5.

The annual financial statements have been prepared on the going concern basis, is hereby approved.

Accounting Officer
Geraldine Mettler

AUDITOR-GENERAL SOUTH AFRICA
Auditing to build public confidence

24 January 2022

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Position as at 30 June 2021

Figures in Rand	Note(s)	2021	2020 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	111,896,629	111,201,845
Short term investments	4	222,186,762	306,637,342
Receivables from exchange transactions	5	153,119,571	115,860,178
Receivables from non-exchange transactions	6	57,455,962	71,484,038
Other receivables from exchange transactions	7	11,973,032	12,887,565
Inventories	8	53,315,177	64,074,316
VAT receivable	9	19,509,741	25,493,058
Long term receivables	15	2,948,181	2,800,967
		632,405,055	**710,439,309**
Non-Current Assets			
Property, plant and equipment	10	5,452,746,752	5,239,958,743
Investment property	11	412,395,781	412,514,416
Intangible assets	12	7,222,189	9,694,174
Biological assets that form part of an agricultural activity	13	6,321,448	6,321,448
Heritage assets	14	774,002	774,002
Long term receivables	15	4,932,492	3,560,940
Other receivables from exchange transactions	7	1,758,898	1,589,255
		5,886,151,562	**5,674,412,978**
Total Assets		**6,518,556,617**	**6,384,852,287**
Liabilities			
Current Liabilities			
Consumer deposits	16	19,530,073	17,784,517
Employee benefit obligation	17	61,187,957	61,117,388
Operating lease liability	18	3,739,474	4,958,344
Borrowings	19	34,223,893	26,752,931
Payables from exchange transactions	21	291,764,513	270,824,235
Unspent conditional grants and receipts	22	14,695,527	8,862,622
		425,141,437	**390,300,037**
Non-Current Liabilities			
Borrowings	19	334,733,125	266,177,508
Employee benefit obligation	17	200,444,000	183,616,000
Provisions	20	141,497,317	121,305,978
		676,674,442	**571,099,486**
Total Liabilities		**1,101,815,879**	**961,399,523**
Net Assets		**5,416,740,738**	**5,423,452,764**
Accumulated surplus	23	5,416,740,738	5,423,452,764

* See Note 61

AUDITOR-GENERAL SOUTH AFRICA
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24 January 2022

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Performance

Figures in Rand	Note(s)	2021	2020 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	24	932,616,341	880,125,828
Construction contracts	25	7,570,000	5,317,560
Rental of facilities and equipment	26	14,713,664	13,601,431
Interest earned - outstanding receivables	27	8,114,051	6,954,471
Agency services	28	4,833,132	3,976,481
Licences and permits	29	5,216,026	4,413,324
Other income	30	40,953,114	40,061,672
Investment revenue	31	19,515,361	40,472,002
Gain on disposal of assets and liabilities		9,385,448	-
Gain on biological assets and agricultural produce		50,747	33,133
Reversal of inventories losses		-	709,539
Total revenue from exchange transactions		**1,042,967,884**	**995,665,441**
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	32	387,056,675	360,089,277
Property rates - interest earned	32	1,970,109	1,822,264
Donated Assets		140,541	-
Transfer revenue			
Government grants & subsidies	33	264,636,686	285,026,320
Fines, Penalties and Forfeits	34	108,908,055	99,992,810
Total revenue from non-exchange transactions		**762,712,066**	**746,930,671**
Total revenue		**1,805,679,950**	**1,742,596,112**
Expenditure			
Employee related costs	35	(543,610,551)	(481,534,864)
Remuneration of councillors	36	(19,191,670)	(19,169,229)
Contribution to/from provision	38	(6,874,912)	(8,828,974)
Depreciation and amortisation	39	(192,215,913)	(190,367,257)
Impairments loss	10	-	(72,977)
Finance costs	40	(54,474,647)	(56,003,899)
Lease rentals on operating lease	41	(14,880,942)	(11,837,555)
Bad debt written off	42	(108,781,924)	(123,186,856)
Contribution to allowance for doubtful debt	43	(33,985,791)	6,513,822
Bulk purchases	44	(453,758,154)	(445,620,997)
Contracted services	45	(227,703,607)	(183,452,999)
Transfers and Subsidies	46	(11,009,540)	(10,854,823)
Cost of housing sold		(1,925,000)	(700,000)
Fair value adjustments	48	(922,034)	(634,971)
Inventories losses/write-downs		(18,583)	-
General Expenses	47	(143,038,678)	(128,781,895)
Total expenditure		**(1,812,391,946)**	**(1,654,533,474)**
(Deficit) surplus for the year		**(6,711,996)**	**88,062,638**

* See Note 61

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Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	5,347,025,580	5,347,025,580
Adjustments		
Correction of errors	(11,635,454)	(11,635,454)
Balance at 01 July 2019 as restated*	**5,335,390,126**	**5,335,390,126**
Changes in net assets		
Surplus for the year	88,062,638	88,062,638
Total changes	88,062,638	88,062,638
Restated* Balance at 01 July 2020	**5,423,452,734**	**5,423,452,734**
Changes in net assets		
Surplus for the year	(6,711,996)	(6,711,996)
Total changes	(6,711,996)	(6,711,996)
Balance at 30 June 2021	**5,416,740,738**	**5,416,740,738**
Note(s)	23	

* See Note 61

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Cash Flow Statement

Figures in Rand	Note(s)	2021	2020 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		1,349,990,768	1,342,975,143
Grants		270,469,591	240,160,862
Interest income		19,515,361	40,472,002
		1,639,975,720	1,623,608,007
Payments			
Employee costs		(562,743,652)	(530,497,864)
Suppliers		(826,242,505)	(780,008,093)
Finance costs		(28,233,434)	(31,149,574)
		(1,417,219,591)	(1,341,655,531)
Net cash flows from operating activities	49	**222,756,129**	**281,952,476**
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(392,836,401)	(405,767,712)
Proceeds from sale of property, plant and equipment	10	10,184,705	-
Purchase of other intangible assets	12	54,295	(163,200)
Proceeds from sale of biological assets that form part of an agricultural activity	13	50,747	33,133
Proceeds from sale of short term investments		84,450,580	91,526,322
Net cash flows from investing activities		**(298,096,074)**	**(314,371,457)**
Cash flows from financing activities			
Movement in other financial liabilities		76,026,579	(25,869,708)
Net cash flows from financing activities		**76,026,579**	**(25,869,708)**
Net increase/(decrease) in cash and cash equivalents		**686,634**	**(58,288,689)**
Cash and cash equivalents at the beginning of the year		111,201,845	169,490,533
Cash and cash equivalents at the end of the year	3	**111,888,479**	**111,201,844**

* See Note 61

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	1,009,777,787	-	**1,009,777,787**	932,616,341	**(77,161,446)**	BD1
Construction contracts	-	-	**-**	7,570,000	**7,570,000**	
Rental of facilities and equipment	10,592,168	-	**10,592,168**	14,713,664	**4,121,496**	
Interest received (trading)	13,281,347	-	**13,281,347**	8,114,051	**(5,167,296)**	
Agency services	2,930,946	-	**2,930,946**	4,833,132	**1,902,186**	
Licences and permits	5,502,903	-	**5,502,903**	5,216,026	**(286,877)**	
Other income - (rollup)	31,908,262	-	**31,908,262**	40,953,114	**9,044,852**	BD4
Interest received - investment	22,870,453	-	**22,870,453**	19,515,361	**(3,355,092)**	
Total revenue from exchange transactions	**1,096,863,866**	**-**	**1,096,863,866**	**1,033,531,689**	**(63,332,177)**	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	399,239,042	-	**399,239,042**	387,056,675	**(12,182,367)**	
Property rates - interest earned	-	-	**-**	1,970,109	**1,970,109**	
Donated Assets	-	-	**-**	140,541	**140,541**	
Transfer revenue						
Transfers recognised - operational	207,289,000	-	**207,289,000**	194,789,868	**(12,499,132)**	BD2
Transfers recognised - capital	84,282,000	-	**84,282,000**	69,846,818	**(14,435,182)**	
Contributions recognised - capital and contributed assets	11,697,000	-	**11,697,000**	13,657,931	**1,960,931**	
Fines, Penalties and Forfeits	130,880,961	-	**130,880,961**	108,908,055	**(21,972,906)**	BD3
Total revenue from non-exchange transactions	**833,388,003**	**-**	**833,388,003**	**776,369,997**	**(57,018,006)**	
Total revenue	**1,930,251,869**	**-**	**1,930,251,869**	**1,809,901,686**	**(120,350,183)**	
Expenditure						
Employee related costs	(532,497,021)	-	**(532,497,021)**	(543,610,551)	**(11,113,530)**	
Remuneration of councillors	(21,132,587)	-	**(21,132,587)**	(19,191,670)	**1,940,917**	
Contribution to/from provision	-	-	**-**	(6,874,912)	**(6,874,912)**	
Depreciation and amortisation	(200,778,636)	-	**(200,778,636)**	(192,215,913)	**8,562,723**	
Finance costs	(31,648,891)	-	**(31,648,891)**	(54,474,647)	**(22,825,756)**	
Lease rentals on operating lease	-	-	**-**	(14,880,942)	**(14,880,942)**	
Debt Impairment	(74,007,187)	-	**(74,007,187)**	(108,781,924)	**(34,774,737)**	
Contribution to allowance for doubtful debt	-	-	**-**	(33,985,791)	**(33,985,791)**	
Bulk purchases	(451,195,922)	-	**(451,195,922)**	(453,758,154)	**(2,562,232)**	
Contracted Services	(262,000,391)	-	**(262,000,391)**	(227,703,607)	**34,296,784**	
Transfers and Subsidies	(11,072,999)	-	**(11,072,999)**	(11,009,540)	**63,459**	
Cost of housing sold	-	-	**-**	(1,925,000)	**(1,925,000)**	
General Expenses	(246,557,358)	-	**(246,557,358)**	(143,038,585)	**103,518,773**	BD4
Total expenditure	**(1,830,890,992)**	**-**	**(1,830,890,992)**	**(1,811,451,236)**	**19,439,756**	

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Operating deficit	**99,360,877**	**-**	**99,360,877**	**(1,549,550)**	**(100,910,427)**	
Gain on disposal of assets and liabilities	-	-	-	9,385,448	**9,385,448**	
Fair value adjustments	-	-	-	(922,034)	**(922,034)**	
Gain on biological assets and agricultural produce	-	-	-	50,747	**50,747**	
Inventories losses/write-downs	-	-	-	(18,583)	**(18,583)**	BD18
	-	**-**	**-**	**8,495,578**	**8,495,578**	
Surplus before taxation	**99,360,877**	**-**	**99,360,877**	**6,946,028**	**(92,414,849)**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**99,360,877**	**-**	**99,360,877**	**6,946,028**	**(92,414,849)**	

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Cash and cash equivalents	8,316,574	-	**8,316,574**	111,896,629	**103,580,055**	BD5
Short term investments	321,338,956	-	**321,338,956**	222,186,762	**(99,152,194)**	BD6
Receivables from exchange transactions	127,186,145	-	**127,186,145**	153,119,571	**25,933,426**	BD7
Receivables from non-exchange transactions	191,559,371	-	**191,559,371**	57,455,962	**(134,103,409)**	BD8
Other receivables from exchange transactions	-	-	**-**	11,973,032	**11,973,032**	
Inventories	49,835,500	-	**49,835,500**	53,315,177	**3,479,677**	
VAT receivable	-	-	**-**	19,509,741	**19,509,741**	
Long term receivables	-	-	**-**	2,948,181	**2,948,181**	
	698,236,546	**-**	**698,236,546**	**632,405,055**	**(65,831,491)**	
Non-Current Assets						
Property, plant and equipment	5,757,324,356	-	**5,757,324,356**	5,452,746,752	**(304,577,604)**	BD9
Investment property	453,411,843	-	**453,411,843**	412,395,781	**(41,016,062)**	
Intangible assets	6,898,160	-	**6,898,160**	7,222,189	**324,029**	
Biological assets that form part of an agricultural activity	6,321,448	-	**6,321,448**	6,321,448	**-**	
Heritage assets	-	-	**-**	774,002	**774,002**	
Long term receivables	3,876,000	-	**3,876,000**	4,932,492	**1,056,492**	
Other receivables from exchange transactions	2,815,368	-	**2,815,368**	1,758,898	**(1,056,470)**	
	6,230,647,175	**-**	**6,230,647,175**	**5,886,151,562**	**(344,495,613)**	
Total Assets	**6,928,883,721**	**-**	**6,928,883,721**	**6,518,556,617**	**(410,327,104)**	
Liabilities						
Current Liabilities						
Consumer deposits	14,274,109	-	**14,274,109**	19,530,073	**5,255,964**	
Employee benefit obligation	60,596,715	-	**60,596,715**	61,187,957	**591,242**	
Operating lease liability	-	-	**-**	3,739,474	**3,739,474**	
Borrowings	23,639,921	-	**23,639,921**	34,223,893	**10,583,972**	
Payables from exchange transactions	155,181,597	-	**155,181,597**	291,764,498	**136,582,901**	BD10
Unspent conditional grants and receipts	132,307,975	-	**132,307,975**	14,695,527	**(117,612,448)**	BD11
	386,000,317	**-**	**386,000,317**	**425,141,422**	**39,141,105**	
Non-Current Liabilities						
Borrowings	521,292,672	-	**521,292,672**	334,733,125	**(186,559,547)**	BD12
Employee benefit obligation	202,464,017	-	**202,464,017**	200,444,000	**(2,020,017)**	
Provisions	125,758,634	-	**125,758,634**	141,497,317	**15,738,683**	
	849,515,323	**-**	**849,515,323**	**676,674,442**	**(172,840,881)**	
Total Liabilities	**1,235,515,640**	**-**	**1,235,515,640**	**1,101,815,864**	**(133,699,776)**	
Net Assets	**5,693,368,081**	**-**	**5,693,368,081**	**5,416,740,753**	**(276,627,328)**	

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	-	-	-	5,416,740,753	**5,416,740,753**	BD13

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Sale of goods and services	893,935,235	-	**893,935,235**	1,342,975,144	**449,039,909**	CF1
Grants	224,321,284	-	**224,321,284**	240,160,863	**15,839,579**	
Interest income	2,978,999	-	**2,978,999**	19,515,361	**16,536,362**	
	1,121,235,518	**-**	**1,121,235,518**	**1,602,651,368**	**481,415,850**	
Payments						
Suppliers and employees	-	-	**-**	(530,497,862)	**(530,497,862)**	CF2
Transfers and grants	-	-	**-**	(779,976,893)	**(779,976,893)**	CF3
Finance costs	-	-	**-**	(28,233,434)	**(28,233,434)**	CF4
	-	**-**	**-**	**(1,338,708,189)**	**(1,338,708,189)**	
Net cash flows from operating activities	**1,121,235,518**	**-**	**1,121,235,518**	**263,943,179**	**(857,292,339)**	
Cash flows from investing activities						
Purchase of property, plant and equipment	(453,880,009)	-	**(453,880,009)**	(392,836,401)	**61,043,608**	CF5
Proceeds from sale of biological assets that form part of an agricultural activity	-	-	**-**	50,747	**50,747**	
Net cash flows from investing activities	**(453,880,009)**	**-**	**(453,880,009)**	**(392,785,654)**	**61,094,355**	
Cash flows from financing activities						
Repayment on other financial liabilities	-	-	**-**	76,026,579	**76,026,579**	CF6
Net increase/(decrease) in cash and cash equivalents	667,355,509	-	**667,355,509**	(52,815,896)	**(720,171,405)**	
Cash and cash equivalents at the beginning of the year	-	-	**-**	111,201,845	**111,201,845**	
Cash and cash equivalents at the end of the year	**667,355,509**	**-**	**667,355,509**	**58,385,949**	**(608,969,560)**	

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Accounting Policies

Figures in Rand	Note(s)	2021	2020

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures are rounded to the nearest Rand.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

1.1 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.2 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.3 Internal reserves

Capital replacement reserve (CRR)

In order to finance the acquisition of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of the Annual Budget. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

Self-insurance reserve

The municipality has a Self-insurance reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term investments.

Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

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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.

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Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are insignificant to the annual financial statements are set out below:

Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Revenue recognition

Accounting Policy 1.16 on Revenue from Exchange Transactions and Accounting Policy 1.17 on Revenue from Nonexchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In concluding judgement, management considered the detailed criteria for recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Impairment of financial assets

Accounting Policy 1.11: Financial Instruments, referring to the paragraph on impairment of financial assets, describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in the applicable notes to the annual financial statements.

Useful lives of property, plant and equipment and intangible assets

As described in Accounting Policy 1.8 and 1.9 the municipality depreciates its property, plant and equipment and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful life, which is determined when the assets are brought into use. The useful life and residual values of the assets are based on industry knowledge.The review of useful life and residual values of assets are only reviewed if one of the indicators of potential review is triggered .

Employee benefit obligations

The municipality obtains actuarial valuations of its employee benefit obligations. The employee benefit obligations of the municipality that were identified are post-retirement health benefit obligations and long-service awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the applicable notes to the annual Financial Statements.

Impairment of non-financial assets

The recoverable amounts of cash-generating units have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The recoverable amounts of individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

It is reasonably possible that the assumptions may change which may then impact our estimations and would require a material adjustment to the carrying value of tangible assets.

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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.

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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.

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1.7 Investment property (continued)

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is, subsequent to initial measurement, carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

Item	Useful life
Property - land	indefinite
Property - buildings	30-99 years

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, including the nature or type of properties classified as held for strategic purposes, are as follows:

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

- commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- commencement of development with a view to sale, for a transfer from investment property to inventories;
- end of owner-occupation, for a transfer from owner-occupied property to investment property; or
- commencement of an operating lease (on a commercial basis) to another party, for a transfer from inventories to investment property.

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note 11).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements (see note 11).

1.8 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Measurement

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary cost of dismantling and removing the asset and restoring the site on which it is located.

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1.8 Property, plant and equipment (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

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1.8 Property, plant and equipment (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.

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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.

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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.

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Accounting Policies

1.11 Property, plant and equipment (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.

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Accounting Policies

1.11 Property, plant and equipment (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.

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1.11 Property, plant and equipment (continued)

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the municipality uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data..

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Reclassification

The municipality does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the municipality reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

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Accounting Policies

1.11 Property, plant and equipment (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.

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Accounting Policies

1.11 Property, plant and equipment (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.

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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.

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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.

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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.

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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.

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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.

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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 entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

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1.17 Employee benefits (continued)

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from the entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Accrued leave pay

Liabilities for annual leave are recognised as they accrue to employees. Liability is based on the total accrued leave days owing to employees and is reviewed annually.

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1.17 Employee benefits (continued)

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Multi-employer plans

The entity classifies a multi-employer plan and/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the entity accounts for in the same way as for any other defined contribution plan.

Where a plan is a defined benefit plan, the entity account for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the entity account for the plan as if it was a defined contribution plan.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

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1.17 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

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1.17 Employee benefits (continued)

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-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 entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
- those changes were enacted before the reporting date; or
- past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

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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 serice awards is payable after 10 years of continious service and after every 5 years thereafter to employees. Additional to this employees shall be entitled to a 14th cheque for continious employement 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 emloyees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.18 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

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1.18 Provisions and contingencies (continued)

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Provision for the rehabilitation of landfill sites

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

As the related asset is measured using the cost model:
- changes in the liability is added to, or deducted from, the cost of the related asset in the current period;
- the amount deducted from the cost of the asset does not exceed it 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 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 be fully recoverable. If there is such an indication, the municipality tests the asset for the impairment by estimating its recoverable amount or recoverable service amount, and accounts for any impairment loss, in accordance with the accounting policy on impairment of assets as described in the accounting policy on impairment of cash-generating assets and/ or impairment of non-cash generating assets.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur.

Provision for constructive obligations

A constructive obligation to restructure arises only when an entity:
- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:
- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

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1.18 Provisions and contingencies (continued)

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingencies

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 66 .

A contingent liability is a:

- possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality;
- present obligation that arises from past events but is not recognised because: it is not probable than an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; the amount of the obligation cannot be measured with sufficient reliability.

Grant-in-aid contributions

Provision is made for any constructive obligations of the municipality. A constructive obligation arises through an established pattern of past practice, published policies or a sufficiently specific current standard, whereby the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

1.19 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

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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 priot to 30 June. An estimate is then made based on August billing pertaining to services rendered up until 30 June
.
Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

Pre-paid electricity

Revenue from the sale of electricity prepaid units is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measure reliably.

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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.

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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.

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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.

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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.

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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.

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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 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.

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1.26 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.27 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.28 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.29 Changes in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

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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 2020/07/01 to 2021/06/30.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.33 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.34 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.35 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

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1.35 Construction contracts and receivables (continued)

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term “contractor” thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

1.36 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity’s financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment’s surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment’s assets and segment’s liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment’s surplus or deficit, the segment’s assets or the segment’s liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment’s surplus or deficit, the segment’s assets or the segment’s liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity’s financial statements.

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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

IGRAP 20: Accounting for Adjustments to Revenue

As per the background to this Interpretation of the Standards of GRAP, there are a number of legislative and regulatory processes that govern how entities levy, charge or calculate revenue, in the public sector. Adjustments to revenue already recognised in terms of legislation or similar means arise from the completion of an internal review process within the entity, and/or the outcome of an external appeal or objection process undertaken in terms of legislation or similar means. Adjustments to revenue include any refunds that become payable as a result of the completion of a review, appeal or objection process. The adjustments to revenue already recognised following the outcome of a review, appeal or objection process can either result in a change in an accounting estimate, or a correction of an error.

As per the scope, this Interpretation of the Standards of GRAP clarifies the accounting for adjustments to exchange and non-exchange revenue charged in terms of legislation or similar means, and interest and penalties that arise from revenue already recognised as a result of the completion of a review, appeal or objection process. Changes to the measurement of receivables and payables, other than those changes arising from applying this Interpretation, are dealt with in accordance with the applicable Standards of GRAP. The principles in this Interpretation may be applied, by analogy, to the accounting for adjustments to exchange or non-exchange revenue that arises from contractual arrangements where the fact patterns are similar to those in the Interpretation.

The interpretation sets out the issues and relating consensus with accounting for adjustments to revenue.

The effective date of the interpretation is for years beginning on or after 01 April 2020.

The municipality has adopted the interpretation for the first time in the 2020/2021 annual financial statements.

GRAP 110 (as amended 2016): Living and Non-living Resources

The objective of this Standard is to prescribe the:

- recognition, measurement, presentation and disclosure requirements for living resources; and
- disclosure requirements for non-living resources

It furthermore covers Definitions, Recognition, Measurement, Depreciation, Impairment, Compensation for impairment, Transfers, Derecognition, Disclosure, Transitional provisions and Effective date.

The subsequent amendments to the Standard of GRAP on Living and Non-living Resources resulted from editorial changes to the original text and inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 17 on Property, Plant and Equipment (IPSAS 17) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015 and Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23; and To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets
- IPSASB amendments: To clarify the revaluation methodology of the carrying amount and accumulated depreciation when a living resource is revalued; To clarify acceptable methods of depreciating assets; and To define a bearer plant and include bearer plants within the scope of GRAP 17 or GRAP 110, while the produce growing on bearer plants will remain within the scope of GRAP 27

The effective date of the standard is for years beginning on or after 01 April 2020.

The municipality has adopted the standard for the first time in the 2020/2021 annual financial statements.

The impact of the standard is not material.

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2. New standards and interpretations (continued)

IGRAP 1 (revised): Applying the Probability Test on Initial Recognition of Revenue

The amendments to this Interpretation of the Standard of GRAP clarifies that the entity should also consider other factors in assessing the probability of future economic benefits or service potential to the entity. Entities are also uncertain of the extent to which factors, other than the uncertainty about the collectability of revenue, should be considered when determining the probability of the inflow of future economic benefits or service potential on initial recognition of revenue. For example, in providing certain goods or services, or when charging non-exchange revenue, the amount of revenue charged may be reduced or otherwise modified under certain circumstances. These circumstances include, for example, where the entity grants early settlement discounts, rebates or similar reductions based on the satisfaction of certain criteria, or as a result of adjustments to revenue already recognised following the outcome of any review, appeal or objection process.

The consensus is that on initial recognition of revenue, an entity considers the revenue it is entitled to, following its obligation to collect all revenue due to it in terms of legislation or similar means. In addition, an entity considers other factors that will impact the probable inflow of future economic benefits or service potential, based on past experience and current facts and circumstances that exist on initial recognition.

A municipality applies judgement based on past experience and current facts and circumstances.

The effective date of the amendment is for years beginning on or after 01 April 2020.

The municipality has adopted the interpretation for the first time in the 2020/2021 annual financial statements.

GRAP 18 (as amended 2016): Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

The subsequent amendments to the Standard of GRAP on Segment Reporting resulted from editorial and other changes to the original text have been made to ensure consistency with other Standards of GRAP.

The most significant changes to the Standard are:

- General improvements: An appendix with illustrative segment disclosures has been deleted from the Standard as the National Treasury has issued complete examples as part of its implementation guidance.

The effective date of the standard is for years beginning on or after 01 April 2020

The municipality has adopted the standard for the first time in the 2019/2019 annual financial statements.

The adoption of this standard has not had a material impact on the results of the municipality, but has resulted in more disclosure than would have previously been provided in the annual financial statements.

2.2 Standards and Interpretations early adopted

The municipality has not early adopted any GRAP standard that is not effective.

2.3 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2021 or later periods:

GRAP 104 (amended): Financial Instruments

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2. New standards and interpretations (continued)

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

- Financial guarantee contracts issued
- Loan commitments issued
- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

The effective date of the is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard. .

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	14,020	14,220
Bank balances	110,223,566	21,452,795
Call accounts	-	89,236,885
Lamotte Trust	1,607,535	435,848
Trust and charitable bank	51,508	62,097
	111,896,629	**111,201,845**

Call accounts

ABSA	-	20,978,744
Nedbank	-	46,299,984
Standard bank	-	21,958,157
	-	**89,236,885**

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2021	30 June 2020	30 June 2019	30 June 2021	30 June 2020	30 June 2019
Nedbank - primary account	3,244,449	45,327,087	167,107,031	-	21,888,643	169,368,979
ABSA bank - current account	-	1,260,126	1,277,273	-	-	-
Charitable fund	-	72,097	112,334	51,508	62,097	102,334
First National Bank - primary account	115,438,007	-	-	111,831,101	-	-
Total	**118,682,456**	**46,659,310**	**168,496,638**	**111,882,609**	**21,950,740**	**169,471,313**

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4. Short term investments

Short term investments include all other investments for a period of 1-12 months that are not included in cash and cash equivalents. The interest rates for these investments range between 7.650% (2months) and 9.050% (12months)

Short term investments consists of the following:

Short term investments	222,186,762	306,637,342
FNB - Investments		
Deposits	145,000,000	-
Interest accrued	2,526,575	-
Withdrawals	(147,526,575)	-
Closing balance	**-**	**-**
Nedbank - Investments		
Opening balance	123,143,835	286,762,972
Deposits	160,000,000	356,656,567
Interest accrued	4,968,252	17,254,545
Withdrawals	(126,111,616)	(537,530,249)
Closing balance	**162,000,471**	**123,143,835**
Standard Bank - Investments		
Opening balance	82,082,191	50,362,773
Deposits	60,000,000	411,309,291
Interest accrued	2,848,493	12,993,844
Withdrawals	(84,497,534)	(392,583,717)
Closing balance	**60,433,150**	**82,082,191**
Investec - Investments		
Opening balance	-	61,037,918
Interest accrued	-	101,260
Withdrawals	-	(61,139,178)
Closing balance	**-**	**-**
ABSA - Investments		
Opening balance	101,411,315	179,021,256
Deposits	-	2,632,114
Interest accrued	1,887,863	(80,242,055)
Withdrawals	(103,299,178)	-
Closing balance	**-**	**101,411,315**

5. Receivables from exchange transactions

Gross balances		
Electricity	51,249,654	46,755,366
Water	93,401,113	92,074,315
Sewerage	27,761,268	28,652,488
Refuse	29,438,988	26,315,014
Housing rental	27,656,248	27,194,339
Sundry	10,730,783	9,528,432
Electricity accrual	60,147,192	15,585,631
Water accrual	19,847,476	21,157,876
	320,232,722	**267,263,461**

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5. Receivables from exchange transactions (continued)

Less: Allowance for impairment		
Electricity	(12,050,316)	(9,022,236)
Water	(75,475,385)	(70,800,550)
Sewerage	(19,763,193)	(17,196,507)
Refuse	(23,373,154)	(19,767,391)
Housing rental	(27,030,916)	(25,919,228)
Sundry	(9,420,187)	(8,697,371)
	(167,113,151)	**(151,403,283)**
Net balance		
Electricity	39,199,338	37,733,130
Water	17,925,728	21,273,765
Sewerage	7,998,075	11,455,981
Refuse	6,065,834	6,547,623
Electricity accrual	60,147,192	15,585,631
Water accrual	19,847,476	21,157,876
Housing rental	625,332	1,275,111
Sundry	1,310,596	831,061
	153,119,571	**115,860,178**
Electricity		
Current (0 -30 days)	36,398,931	35,776,566
31 - 60 days	1,541,793	1,854,127
61 - 90 days	804,361	968,501
91 - 120 days	552,836	474,067
121 - 365 days	2,547,764	2,608,777
> 365 days	9,403,969	5,073,328
	51,249,654	**46,755,366**
Water		
Current (0 -30 days)	14,574,267	18,388,855
31 - 60 days	3,251,097	4,470,012
61 - 90 days	3,944,316	4,197,477
91 - 120 days	1,477,577	2,965,459
121 - 365 days	8,593,591	9,205,500
> 365 days	61,560,265	52,847,012
	93,401,113	**92,074,315**
Sewerage		
Current (0 -30 days)	7,186,588	7,739,092
31 - 60 days	695,256	1,443,192
61 - 90 days	442,960	1,135,486
91 - 120 days	352,916	1,475,198
121 - 365 days	2,438,957	2,545,553
> 365 days	16,644,591	14,313,967
	27,761,268	**28,652,488**

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5. Receivables from exchange transactions (continued)

Refuse		
Current (0 -30 days)	5,257,377	5,284,928
31 - 60 days	535,613	754,343
61 - 90 days	518,311	609,919
91 - 120 days	447,509	428,716
121 - 365 days	3,652,986	3,084,599
> 365 days	19,027,192	16,152,509
	29,438,988	**26,315,014**
Electricity accrual		
Current (0 -30 days)	60,147,192	15,585,631
Water accrual		
Current (0 -30 days)	19,847,476	21,157,876
Housing rental		
Current (0 -30 days)	472,726	504,690
31 - 60 days	197,196	167,935
61 - 90 days	854,090	1,016,980
91 - 120 days	98,753	121,477
121 - 365 days	1,059,856	628,666
> 365 days	24,973,627	24,754,591
	27,656,248	**27,194,339**
Sundry		
Current (0 -30 days)	1,052,913	497,945
31 - 60 days	185,125	79,498
61 - 90 days	194,673	166,344
91 - 120 days	173,477	268,495
121 - 365 days	578,286	970,687
> 365 days	8,546,309	7,545,463
	10,730,783	**9,528,432**
Reconciliation of allowance for impairment		
Balance at beginning of the year	(151,403,282)	(142,806,370)
Contributions to allowance	(15,709,869)	(8,596,913)
	(167,113,151)	**(151,403,283)**

Receivables from exchange transactions past due but not impaired

The Council regards receivables from exchange transactions to be due for outstanding amounts more than 30 days to be past due.

Debtors to the amount of R16 million have been ceded to the Development Bank of Southern Africa in providing security for a loan raised from them.

The water and electricity accrual is in respect of consumption between the last meter reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers. The estimate of the consumption are being recorded as revenue without being invoiced.

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5. Receivables from exchange transactions (continued)

Government debt as at 30 June 2021

Department responsible for debt	Rates	Services	Interest	Sundry	Total
Nat. dept of Public Works	1,482,296	4,718,701	188,584	46,095	6,435,676
Prov. dept of Transport and Public Works	112,101	55,720	7,704	7,038	182,563
Western Cape Education department	3,622	1,798,893	5,714	688	1,808,917
Department of Health	-	856,445	-	-	856,445
Dept of local government and housing	5,367	10,227	1,009	1,777	18,380
Other government departments	86	18,525	704	1,031	20,346
	1,603,472	**7,458,511**	**203,715**	**56,629**	**9,322,327**

Consumer debtors past due but not impaired

Consumer debtors which are more than 30 days past due but not impaired. At 30 June 2021, R8,164,383 (2020: R 14,062,800) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

2021	31-60 days	61-90 days	91-120 days	121-365 days	>365 days	Total
Electricity	719,794	368,808	204,050	513,805	586,326	2,392,783
Water	642,367	626,599	199,557	629,623	1,253,313	3,351,459
Sewerage	249,884	86,985	48,480	218,222	207,913	811,484
Refuse	110,571	93,428	58,096	360,866	185,494	808,455
Housing rental	26,914	345,640	10,005	57,183	94,993	534,735
Sundry	49,029	36,180	24,947	88,823	66,488	265,467
	1,798,559	**1,557,640**	**545,135**	**1,868,522**	**2,394,527**	**8,164,383**

2020	31-60 days	61-90 days	91-120 days	121-365 days	>365 days	Total
Electricity	949,267	537,786	209,660	327,155	88,701	2,112,569
Water	1,362,418	1,000,805	623,436	905,428	1,452,310	5,344,397
Sewerage	703,193	799,582	1,191,547	356,872	658,353	3,709,547
Refuse	307,193	199,527	97,200	370,113	621,305	1,595,338
Housing rental	44,456	767,264	19,141	32,237	76,992	940,090
Sundry	42,551	50,315	64,027	89,185	114,781	360,859
	3,409,078	**3,355,279**	**2,205,011**	**2,080,990**	**3,012,442**	**14,062,800**

6. Receivables from non-exchange transactions

Grant receivables represent funding that Council is awaiting from external institutions for capital and operating expenditure incurred and claimed, but not yet received at year-end.

The average credit period for capital receivables is dependent on the government department involved and the nature of the claim. No interest is charged on outstanding capital receivables. The subsidies are payable to the municipality resulting from allocations made in the DORA or based on agreements between the municipality and the relevant departments.

Gross balances		
Grant receivables	17,160,620	18,301,323
Fines	164,743,737	160,924,858
Property rates	47,577,986	44,671,127
Other receivables	1,160,396	938,577
	230,642,739	**224,835,885**

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6. Receivables from non-exchange transactions (continued)

Less: Allowance for impairment		
Fines	(139,890,329)	(127,937,315)
Property rates	(29,557,621)	(25,414,532)
Grant receivable	(3,738,827)	-
	(173,186,777)	**(153,351,847)**
Net balance		
Grant receivables	13,421,793	18,301,323
Fines	24,853,408	32,987,543
Property rates	18,020,365	19,256,595
Other receivables	1,160,396	938,577
	57,455,962	**71,484,038**
Statutory receivables included in receivables from non-exchange transactions above are as follows:		
Property rates	18,020,365	19,256,595
Fines	24,853,408	32,987,543
	42,873,773	**52,244,138**
Financial asset receivables included in receivables from non-exchange transactions above	**14,582,189**	**19,239,900**
Total receivables from non-exchange transactions	57,455,962	71,484,038
Fines		
Current (0 -30 days)	6,697,697	6,213,085
31 - 60 days	10,048,047	9,319,628
61 - 90 days	11,206,219	10,393,840
91 - 120 days	7,544,529	6,997,599
121 - 365 days	40,192,188	37,278,511
> 365 days	89,055,057	90,722,195
	164,743,737	**160,924,858**
Grant receivable		
Current (0 -30 days)	6,775,954	5,012,756
121 - 365 days	6,645,838	9,549,740
> 365 days	3,738,827	3,738,827
	17,160,619	**18,301,323**
Property rates		
Current (0 -30 days)	19,940,732	19,890,575
31 - 60 days	1,134,967	2,397,437
61 - 90 days	924,388	1,230,845
91 - 120 days	766,305	707,787
121 - 365 days	6,731,852	5,109,347
> 365 days	18,079,742	15,335,136
	47,577,986	**44,671,127**
Other (specify)		
> 365 days	-	938,577

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6. Receivables from non-exchange transactions (continued)

Reconciliation of allowance for impairment

Balance at beginning of the year	(153,351,847)	(167,530,985)
Contributions to allowance	(7,123,959)	14,179,138
	(160,475,806)	**(153,351,847)**

As at 30 June 2021, Statutory Receivables of R2 562 528 (2020: R4 109 614) were past due but not impaired.

2021	**31-60 days**	**61-90 days**	**91-120 days**	**121-365 days**	**>365 days**	**Total**
Property rates	503,863	355,952	257,628	1,057,954	387,129	2,562,528

2020	**31-60 days**	**61-90 days**	**91-120 days**	**121-365 days**	**>365 days**	**Total**
Property rates	1,559,532	576,868	243,640	719,761	1,009,812	4,109,614

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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 Municpal 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

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6. Receivables from non-exchange transactions (continued)

Significant impairment losses recognised or reversed

Property Rates: Impairment Recognised: The national lockdown and ongoing global pandemic relating to covid-19 resulted in many employers and employees not being able to generate sufficient income to pay their municipal accounts for April to June 2021.

Traffic Fines: Impairment Recognised: Annually the outstanding receivables are assessed in terms of the value of fines issued in comparison to the receipts generated from such fines. The remaining balance is considered recoverable based on this payment percentage.

7. Other receivables from exchange transactions

Prepayments	3,911,792	3,651,254
Deposits	1,758,898	1,589,255
Construction receivable	2,645,278	5,317,560
Public safety account	949,296	949,296
Special rating area debtor	527,684	444,588
Other receivable	2,488,397	1,259,053
Parking debtor	1,450,585	1,265,814
	13,731,930	**14,476,820**
Non-current assets	1,758,898	1,589,255
Current assets	11,973,032	12,887,565
	13,731,930	**14,476,820**

8. Inventories

Consumable stores	563,285	2,054,125
Maintenance materials	27,059,728	34,518,310
Water for distribution	1,906,891	1,805,053
Land inventory	14,146,828	14,146,828
Consumables - Zero Rated	13,445	-
Housing inventory	9,625,000	11,550,000
	53,315,177	**64,074,316**
Inventories recognised as an expense during the year	38,256,231	32,432,482

The amount of inventory reversed/ (written down) is R86 164 (2020:R709 539) and is recognised as an expense and a reduction in the carrying value of inventories. The circumstances relating to the write down is as a result of stock adjustments and shortages on general stock items as reported and approved accordingly.

No inventories were pledged as securities.

9. VAT receivable

VAT	19,509,741	25,493,058

The municipality is registered for VAT on the payment/ cash basis.

VAT meets the definition of a statutory receivable as per the accounting policy. For statutory receivable information regarding VAT refer to note 6.

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10. Property, plant and equipment

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Community assets	112,691,142	(18,677,473)	94,013,669	103,913,751	(15,768,421)	88,145,330
Computer equipment	66,793,585	(40,010,704)	26,782,881	57,228,268	(32,713,154)	24,515,114
Electrical infrastructure	1,367,170,083	(419,280,383)	947,889,700	1,310,228,437	(378,145,526)	932,082,911
Furniture and office equipment	48,792,986	(32,830,608)	15,962,378	44,292,344	(30,116,569)	14,175,775
Information and communication infrastructure	3,960,874	(2,729,024)	1,231,850	3,945,508	(2,301,090)	1,644,418
Land	484,712,397	(27,052,477)	457,659,920	483,845,564	(27,052,477)	456,793,087
Machinery and equipment	101,336,070	(56,227,498)	45,108,572	95,622,292	(49,955,747)	45,666,545
Other property, plant and equipment	575,860,152	(90,549,670)	485,310,482	508,334,507	(80,781,755)	427,552,752
Capital restoration asset	28,332,171	(22,866,076)	5,466,095	25,962,356	(19,365,847)	6,596,509
Roads infrastructure	1,222,609,036	(433,149,759)	789,459,277	1,160,102,630	(389,089,524)	771,013,106
Solid waste infrastructure	76,635,807	(16,466,512)	60,169,295	66,399,111	(14,997,342)	51,401,769
Stormwater infrastructure	62,944,123	(46,632,721)	16,311,402	62,517,401	(45,958,182)	16,559,219
Transport assets	172,275,893	(67,921,602)	104,354,291	153,679,863	(56,880,434)	96,799,429
Wastewater network	1,196,784,172	(198,682,040)	998,102,132	1,088,234,167	(170,631,081)	917,603,086
Water supply infrastructure	1,824,694,579	(419,769,771)	1,404,924,808	1,769,425,922	(380,016,229)	1,389,409,693
Total	**7,345,593,070**	**(1,892,846,318)**	**5,452,746,752**	**6,933,732,121**	**(1,693,773,378)**	**5,239,958,743**

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10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Impairment loss	Total
Land	456,793,087	866,833	-	-	-	-	-	457,659,920
Machinery and equipment	45,666,545	5,914,190	(63,394)	-	-	(6,408,769)	-	45,108,572
Furniture and office equipment	14,175,775	5,727,957	(68,212)	-	-	(3,873,142)	-	15,962,378
Transport assets	96,799,429	20,239,685	(622,223)	-	-	(12,062,600)	-	104,354,291
Computer equipment	24,515,114	9,801,097	(17,795)	-	-	(7,515,535)	-	26,782,881
Community assets	88,145,330	8,777,392	-	-	-	(2,909,053)	-	94,013,669
Other property, plant and equipment	427,552,752	67,525,645	-	-	-	(9,767,915)	-	485,310,482
Electrical infrastructure	932,082,911	40,548,312	(25,558)	6,406,695	-	(31,122,660)	-	947,889,700
Water supply infrastructure	1,389,409,693	51,833,111	-	(23,828)	-	(36,294,168)	-	1,404,924,808
Solid waste infrastructure	51,401,769	10,236,697	-	-	-	(1,469,171)	-	60,169,295
Roads infrastructure	771,013,106	62,506,406	-	-	-	(44,060,235)	-	789,459,277
Capital restoration asset	6,596,509	-	-	-	3,915,214	(5,045,628)	-	5,466,095
Information and communication infrastructure	1,644,418	17,441	(2,075)	-	-	(427,934)	-	1,231,850
Wastewater network	917,603,086	108,550,003	-	-	-	(28,050,957)	-	998,102,132
Stormwater infrastructure	16,559,219	426,722	-	-	-	(674,539)	-	16,311,402
	5,239,958,743	**392,971,491**	**(799,257)**	**6,382,867**	**3,915,214**	**(189,682,306)**	**-**	**5,452,746,752**

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10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Transfers	Other changes, movements	Depreciation	Impairment loss	Total
Land	395,846,824	60,946,263	-	-	-	-	456,793,087
Machinery and equipment	40,203,284	11,635,491	-	-	(6,172,230)	-	45,666,545
Furniture and office equipment	15,144,721	2,695,605	-	-	(3,664,437)	(114)	14,175,775
Transport assets	76,511,108	30,204,426	-	-	(9,844,550)	(71,555)	96,799,429
Computer equipment	21,076,067	10,406,328	-	-	(6,967,281)	-	24,515,114
Community assets	77,749,670	13,697,455	-	-	(3,301,795)	-	88,145,330
Other property, plant and equipment	413,198,576	17,394,439	-	-	(3,040,263)	-	427,552,752
Electrical infrastructure	930,797,075	34,668,146	(1,634,778)	-	(31,747,463)	(69)	932,082,911
Water supply infrastructure	1,372,689,987	55,207,828	128,532	-	(38,616,654)	-	1,389,409,693
Solid waste infrastructure	30,918,724	22,077,987	-	-	(1,594,942)	-	51,401,769
Roads infrastructure	753,386,115	64,510,114	-	-	(46,883,123)	-	771,013,106
Capital restoration asset	11,472,454	-	-	2,369,815	(7,245,760)	-	6,596,509
Information and communication infrastructure	1,340,071	734,880	-	-	(430,533)	-	1,644,418
Wastewater network	864,296,670	80,753,967	-	-	(27,447,314)	(237)	917,603,086
Stormwater infrastructure	16,458,276	834,783	-	-	(732,838)	(1,002)	16,559,219
	5,021,089,622	**405,767,712**	**(1,506,246)**	**2,369,815**	**(187,689,183)**	**(72,977)**	**5,239,958,743**

Pledged as security

There were no items of property,plant and equipment that was pledged as security during the current financial year.

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10. Property, plant and equipment (continued)

Work in progress

Property, plant and equipment that was not used for any period of time during the reporting period that significantly impacted the delivery of goods and services of the entity (Carrying amount)		
Community assets	14,704,183	15,666,098
Electrical infrastructure	150,839,441	148,532,720
Computer equipment	120,584	-
Roads infrastructure	60,818,043	91,545,608
Stormwater infrastructure	3,077,147	1,669,565
Solid waste infrastructure	6,395,953	25,676,215
Sanitation infrastructure	198,212,518	171,079,963
Water infrastructure	127,673,232	142,694,382
Machinery and equipment	164,532	157,653
Other property, plant and equipment	31,554,487	95,081,840
	593,560,120	**692,104,044**

There were no projects that were significantly delayed during the current financial year. Significant delays are regarded as projects which has not seen any progress for a period exceeding 12 months.

There were no projects halted during the current financial year.

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Community assets	16,542,937	8,147,815
Electrical infrastructure	9,617,323	1,230,754
Furniture and office equipment	2,976,333	9,461,229
Other property, plant and equipment	9,290,529	532,552
Roads infrastructure	11,835,301	8,007,709
Sanitation infrastructure	13,521,765	1,951,783
Solid waste infrastructure	983,570	1,125,464
Stormwater infrastructure	7,589,624	11,762,052
Transport assets	5,006,673	15,634,122
Water infrastructure	5,681,937	438,915
Information and communication infrastructure	503,823	-
	83,549,815	**58,292,395**

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

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11. Investment property

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	424,977,732	(12,581,951)	412,395,781	424,977,732	(12,463,316)	412,514,416

Reconciliation of investment property - 2021

	Opening balance	Additions	Depreciation	Total
Investment property	412,514,416	-	(118,635)	412,395,781

Reconciliation of investment property - 2020

	Opening balance	Additions	Depreciation	Total
Investment property	412,767,003	-	(252,587)	412,514,416

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Maintenance of investment property

There were no repairs and maintenance expensed on rental properties. This is mainly due to the fact that rental agreements as entered into with the lessee states maintenance of these properties will be for the lessee's expense.

Amounts recognised in surplus or deficit

Rental revenue from Investment property	14,129,066	8,756,326

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12. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	17,943,517	(10,721,328)	7,222,189	18,985,754	(9,291,580)	9,694,174

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
Computer software	9,694,174	-	(2,471,985)	7,222,189

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Computer software	11,956,450	163,200	(2,425,476)	9,694,174

Pledged as security

There were no items of intangible assets that were pledged as security in the current financial year.

Restricted title

There were no items of intangible assets that that a restricted title in the current financial year.

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13. Biological assets that form part of an agricultural activity

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Trees in timber plantation - Consumable	6,321,448	-	6,321,448	6,321,448	-	6,321,448

Reconciliation of biological assets that form part of an agricultural activity - 2021

	Opening balance	Additions	Depreciation	Total
Trees in timber plantation - Consumable	6,321,448	-	-	6,321,448

Reconciliation of biological assets that form part of an agricultural activity - 2020

	Opening balance	Additions	Depreciation	Total
Trees in timber plantation - Consumable	6,321,448	-	-	6,321,448

Financial information

2021 **Nature and quantities of each biological asset**	Opening Balance	Decrease due to Harvest	Fair value (decrease) /increase	Closing balance
Botmanskop Plantation	861,605	-	-	861,605
Paradyskloof Plantation	5,459,843	-	-	5,459,843
	6,321,448	**-**	**-**	**6,321,448**

2020 **Nature and quantities of each biological asset**	Opening Balance	Decrease due to Harvest	Fair value (decrease) /increase	Closing balance
Botmanskop plantation	861,605	-	-	861,605
Paradyskloof Plantation	5,459,843	-	-	5,459,843
	6,321,448	**-**	**-**	**6,321,448**

The determination of fair value was as follows:

Principle:

Price determination was done on the basis of current sale value of the tender for the current year i.e. R602.10/m3 excluding 15% VAT . This value was given to all trees as the estimated yield takes into consideration the age of the trees. The harvestable age starts from 20 years old where the minimum estimated yield would be 100m3/ha.

It must also be noted that this yield is based on optimum growing conditions and the existing microclimates, and thus the yield might vary per compartment. Refer to the Forestry Handbook p204 which can be obtained at the municipal offices.

Description of the Biological Assets

1. Botmanskop plantation (Block E)	Some compartments remain which can be harvested at a later stage due to the age of the trees.

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Figures in Rand	2021	2020

13. Biological assets that form part of an agricultural activity (continued)

2. Paradyskloof plantation (Block G)	Some compartments remain which can be harvested at a later stage due to the age of the trees.

Strategy to mitigate risks

The strategy to mitigate risks attached to this category of assets is to prevent the spread of runaway veld fires by maintaining fire breaks.

Non - Financial information

Quantities of each biological asset (In hectors)		
Botmanskop Plantation	13	13
Paradyskloof Plantation	36	36
	49	**49**

Pledged as security

There were no items of biological assets pleadged as security in the current financial year.

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14. Heritage assets

	2021			2020		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Collections of rare books, manuscripts and records	143,945	-	143,945	143,945	-	143,945
Historical monuments	630,057	-	630,057	630,057	-	630,057
Total	**774,002**	**-**	**774,002**	**774,002**	**-**	**774,002**

Reconciliation of heritage assets 2021

	Opening balance	Impairment losses recognised	Total
Collections of rare books, manuscripts and records	143,945	-	143,945
Historical monuments	630,057	-	630,057
	774,002	**-**	**774,002**

Reconciliation of heritage assets 2020

	Opening balance	Additions	Impairment losses recognised	Total
Collections of rare books, manuscripts and records	143,945	-	-	143,945
Historical monuments	630,057	-	-	630,057
	774,002	**-**	**-**	**774,002**

Pledged as security

There were no heritage assets pledged as security during the current financial year.

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14. Heritage assets (continued)

Heritage assets used for more than one purpose

A significant portion of the following heritage assets are used for office accomodation and is therfore included in the balance of property, plant and equipment:

The following heritage assets are used by the municipality for more than one purpose		
Neethlingshuis and De Withuis	63,061,219	63,560,055
58 - 60 Andringa Street	1,878,899	1,892,985
35B Mark Street	3,139,798	3,152,616
127 Dorp Street, Transvalia, Alma & Bosmanshuis flats	12,680,643	12,723,603
116 - 118 Dorp Street, Voorgelegen - offices	5,557,799	5,585,970
4 Reservoir West, Mooiwater	2,073,119	2,084,388
34 Mark Street, Rynse Komplex; Toy Museum, Tourism	8,180,643	8,223,604
PMU Building, Alexander Street, Burger Huis	1,571,285	1,580,440
Merriman, Bergzicht Training Centre, Oude Libertas Theatre & Restaurant	62,041,821	62,310,290
Die Laan, Landbou Saal	4,343,257	4,352,765
	164,528,483	**165,466,716**

Expenditure incurred to repair and maintain heritage assets

The expenditure relating to repairs and maintenance of these buildings is included in the statement of financial performance and disclosed under note 10 to the financial statements.

There was no repairs and maintenance expenditure incurred on other remaining heritage assets.

15. Long term receivables

At amortised cost		
Arrangement debtors	7,761,539	6,200,897
Farmers: Water Schemes	119,134	161,010
	7,880,673	**6,361,907**
Non-current assets		
At amortised cost	4,932,492	3,560,940
Current assets		
At amortised cost	2,948,181	2,800,967

16. Consumer deposits

Electricity	11,347,036	10,750,546
Water	6,671,493	6,314,304
Regional services levies	1,053,151	226,378
Housing rental	458,393	493,289
	19,530,073	**17,784,517**

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17. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

Carrying value		
Salary Control	4,120,890	6,011,416
Bonus accrual	13,782,725	13,044,082
Leave gratuity	30,542,342	30,056,890
Post-Retirement Medical Obligation	185,720,000	169,099,000
Long Service Awards	27,466,000	26,522,000
Net liability	**261,631,957**	**244,733,388**
Non-current assets	-	-
Current assets	-	-
Non-current liabilities	200,444,000	183,616,000
Current liabilities	61,187,957	61,117,388
	261,631,957	**244,733,388**

17.1 Post- retirement healthcare benefit liability

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. The plan is treated as a defined benefit plan under GRAP 25. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 30 June 2021 by C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

The members of the post-employment health care benefit plan are made up as follows:

In-service members (Employees)	679	668
Continuation members (Retirees, widow(ers) and orphans)	171	162
In service employees (Non-members)	461	485
Total members	**1,311**	**1,315**

The liability in respect of past service has been estimated as follows:

In-service members	67,805,000	63,812,000
In-service non-members	7,922,000	6,777,000
Continuation members	109,993,000	98,510,000
Total liability	**185,720,000**	**169,099,000**

The Non-member take up rate increased from previous estimate of 0% to 15%. This change was implemented after reviewing the actual trend of take up rate. The Non-member take up rate refers to the proportion of in-service non-members joining a scheme by retirement and continuing with the subsidy thereafter.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

i) Rates of Interest		
Discount rate	9.91 %	10.22 %
Health care cost inflation rate	6.68 %	6.30 %
Net effective discount rate	3.03 %	3.69 %

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17. Employee benefit obligations (continued)

ii) Normal retirement age

Expected retirement age - females	62	62
Expected retirement age - males	62	62

The PA (90) ultimate mortality table was used by the actuaries
Pre-retirement: The SA 85-90 ultimate table, adjusted for female lives, was used.

Movements in the present value of the Defined Benefit Obligation were as follows:

Balance at the beginning of the year	169,099,000	187,508,063
Current service costs	5,238,000	5,448,228
Interest cost	16,840,000	17,096,614
Actual employee benefits payments	(9,121,167)	(8,767,265)
Subsidy rate change	(5,989,000)	-
Actuarial (losses) / gains	9,653,167	(32,186,640)
Present Value of Fund Obligation at the end of the Year	**185,720,000**	**169,099,000**
Current liability	9,238,000	8,870,000

The amounts recognised in the Statement of Financial Position are as follows

Net Liability	185,720,000	169,099,000

The amounts recognised in the Statement of Financial Performance are as follows:

Current service cost	5,238,000	5,448,228
Interest cost	16,840,000	17,096,614
Actuarial (gain)/ loss recognised in profit and loss	(9,653,167)	(32,186,640)
	12,424,833	**(9,641,798)**

Amounts for the current and previous four periods are as follows:

Present value of unfunded defined benefit	
2021	185,720,000
2020	169,099,000
2019	187,508,063
2018	198,749,000
2017	201,981,567

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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		75.727	109.993	185.720	
Health care inflation	1 %	91.811	120.852	212.663	15 %
	(1)%	63.051	100.607	163.658	(12)%
Discount rate	1 %	63.480	100.943	164.423	(11)%
	(1)%	91.440	120.613	212.053	14 %
Post-retirement mortality	1 yr	73.696	106.223	179.919	(3)%
	(1)	78	114	192	3
Average retirement age	-1 yr	82.419	109.993	192.412	4 %
Continuation of membership at retiremnet	(10)%	66.377	109.993	176.370	(5)%

Sensitivity analysis on Current-service and Interest Costs

Assumption	Change	Current-service Cost	Interest cost	Total	% change
Central assumptions		5,238,000	16,840,000	22,078,000	
Health care inflation	1 %	6,451,000	19,262,000	25,713,000	16 %
	(1)%	4,292,000	14,847,000	19,139,000	(13)%
Discount rate	1 %	4,369,000	16,388,000	20,757,000	(6)%
	(1)%	6,356,000	17,314,000	23,670,000	7 %
Post-retirement mortality	-1 year	5,362,000	17,344,000	22,706,000	3 %
Average retirement age	-1 year	5,572,000	17,484,000	23,056,000	4 %
Continuation of membership at retirement	(10)%	4,295,000	15,578,000	19,873,000	(10)%

Mortality during employment

Pre-retirement: The SA 85-90 ultimate table adjusted for female lives.

Post -employment mortality

PA(90) ultimate table, adjusted down by one year of age, and a 1% annual compound mortality improvement from 2010. This means that we expect 1% fewer people to die next year. In the year thereafter, we expect 1.99% fewer people to die.

Withdrawal from service

If an eligible employee leaves, the employer's liability in respect of that employee ceases. It is therefor important not to overstate withdrawal rates.

Average retirement age

The normal retirement age of employees is 65. It has been assumed that employees will retire at age 62 on average, which then implicitly allows for expected rates of ill-health and early retirement. Employees who have passed the assumed average retirementage, have been assumed to retire at their next birthday.

Continuation of membership

It has been assumed that 75% of in-service members will remain on the Municipality's health care arrangement should they stay until retirement.

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17. Employee benefit obligations (continued)

Proportion of eligible in-service non-members joining a scheme at retirement

It has been assumed that 15% of eligible in-service non-members will be on a medical scheme by retirement (should they not exit employment before then) and continue with the subsidy at and after retirement.

Family profile

It has been assumed that female spouses will be five years younger than their male counterparts. Furthermore we assumed that 60% of eligible employees on a health care arrangement at retirement will have a spouse dependent on their medical aid. For current retiree members, actual medical aid dependents are used and the potential for remarriage was ignored.

The municipality expects to make a contribution of R13 821 112 to the Defined Benefit Plan during the next financial year.

17.2 Long Service Awards

Current liability	3,504,000	3,135,000
Non current liability	23,962,000	23,387,000
	27,466,000	**26,522,000**

Movement in the present value of Long Service Awards were as follows:

Opening balance	26,522,000	26,153,883
Current service cost	2,093,000	2,088,254
Interest cost	1,864,000	2,014,792
Actuarial (gains) losses	297,861	(644,043)
Benefits paid	(3,310,861)	(3,090,886)
Total included in employee related costs	**27,466,000**	**26,522,000**

The amount recognised in the Statement of Financial Position are as follows:

Present value of long service awards	27,466,000	26,522,000

The amount recognised in the Statement of Financial Performance are as follows:

Current service cost	2,093,000	2,088,254
Interest cost	1,864,000	2,014,792
Actuarial gains (losses)	297,861	(644,043)
Closing balance	**4,254,861**	**3,459,003**

Under the plan, a Long-service Award is payable after 10 years of continuous service and every 5 years thereafter to employees. Additional to this employees shall be entitled to a 14th cheque for continuous employment on their 30th and every 5th year onward. Furthermore a retirement gift is payable on retirement to employees with 10 years or more service. The provision is an estimate of the long service award based on historical staff turnover. No other long service benefits are provided to employees.

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17. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	9.35 %	7.46 %
General salary inflation	5.81 %	4.03 %
Net effective discount rate	3.35 %	3.30 %

Average retirement age

The normal retirement age of employees is 65. It has been assumed that employees will retire at age 62 on average, which then implicitly allows for expected rates of ill-health and early retirement. Employees who have passed the assumed average retirementage, have been assumed to retire at their next birthday.

Pre-retirement mortality

SA85-90 ultimate table, adjusted down for female lives.

Withdrawal from service

If an employee leaves, the employer's liability in respect of that employee ceases. It is therefor important not to overstate withdrawal rates.

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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:

	2021 R	2020 R	2019 R	2018 R	2017 R
Accrued liabilities	27,466,000	26,522,000	26,153,882	29,621,885	28,469,818

Sensitivity analysis on the Unfunded Accrued Liability (in R Millions)

Assumption	Change	Liability	% change
Central assumptions		27,466.000	
General salary inflation	1 %	29,249.000	7 %
	(1)%	25,851.000	(6)%
Discount rate	1 %	25,806.000	(6)%
	(1)%	29,330.000	7 %
Average retirement age	+ 2 years	31,012.000	13 %
	- 2 years	22,947.000	(16)%
Withdrawal rates	(50)%	30,962.000	13 %

Sensitivity analysis on Current-service and Interest Costs

Assumption	Change	Current-service Cost	Interest Cost	Total	% change
Central assumptions		2,093,000	1,864,000	3,957,000	
General salary inflation	1 %	2,274,000	1,995,000	4,269,000	8 %
	(1)%	1,929,000	1,746,000	3,675,000	(7)%
Discount rate	1 %	1,945,000	1,976,000	3,921,000	(1)%
	(1)%	2,262,000	1,732,000	3,994,000	1 %
Average retirement age	+2 years	2,312,000	2,116,000	4,428,000	12 %
	-2 years	1,814,000	1,552,000	3,366,000	(15)%
Withdrawal rates	(50)%	2,515,000	2,117,000	4,632,000	17 %

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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	4,958,344	5,775,015
Operating lease expenses recorded	(1,323,420)	(1,070,046)
Operating lease revenue realised	-	(40,195)
Operating lease payments effected	104,550	293,570
	3,739,474	**4,958,344**

Leasing Arrangements

The Municipality as Lessee:

Operating Leases relate to Property, Plant and Equipment with lease terms not longer than 5 years, with an option to extend for a further period. All operating lease contracts contain market review clauses in the event that the municipality exercises its option to renew. The municipality does not have an option to purchase the leased asset at the expiry of the lease period.

Amounts Payable under Operating Leases

At the reporting date, the municipality had outstanding commitments under non-cancellable Operating Leases for Property, Plant and Equipment, which fall due as follows:

Buildings:		
Up to 1 year	6,153,757	5,751,175
2 to 5 years	1,564,019	7,717,777
	7,717,776	**13,468,952**
Total operating lease expenses		
Lease rentals on operating lease	14,880,942	11,837,555

The following amounts have been recognised as revenue in the Statement of Financial Performance:

19. Borrowings

At amortised cost		
Borrowings	368,957,018	292,930,439

Annuity loans from the Development Bank of South Africa have settlement periods of 14 to 15 years with fixed interest varying from 9.25% to 11.10% per annum.

Annuity loans from Nedbank Limited have settlement periods of 10 years with fixed interest rates varying

from 9.7% to 8.8% per annum. A new loan has been entered into during the 2020/21 financial year.

Non-current liabilities		
At amortised cost	334,733,125	266,177,508
Current liabilities		
At amortised cost	34,223,893	26,752,931

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20. Provisions

Reconciliation of provisions - 2021

	Opening Balance	Additions	Total
Environmental rehabilitation	121,305,978	20,191,339	141,497,317

Reconciliation of provisions - 2020

	Opening Balance	Additions	Total
Environmental rehabilitation	102,344,476	18,961,502	121,305,978

Environmental rehabilitation provision

In terms of the licensing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R141 497 317 (2020: R121 305 978) to restore the site at the end of its useful life.

The unwinding of the provision for landfill site for the current year was R9 401 213 (2020: R7 757 711) was included in the finance cost in the statement of financial performance.

No expenditure was incurred for the year under review.

Cells 1 and 2 have reached full capacity and must be rehabilitated. Cell 3 has come into use at the end of 30 June 2013 financial year and is the current landfill site in use.

The provision has been determined based on an independent valuation performed by a firm of consulting engineers as at 30 June 2021

Key cost parameters:

- Estimated post closure rehabilitation time 3 years
- Inflation rate 5% (2020: 4.8%)
- Discount rate 7% (2020: 7.75%)

21. Payables from exchange transactions

Trade and other payables	202,517,312	165,428,400
Khaya Lam free market foundation	-	47,540
Collection fees	190,664	190,664
Deposit sale of land	3,939,791	11,114,923
Don and Pat Bilton	256,056	256,056
Ex gratia pension fund (BDM)	123,541	123,541
Housing beneficiary contribution	115,787	115,787
Grouplife	2,423,664	2,423,664
Libraries	82,795	54,561
Payments received in advanced	23,791,673	18,520,573
Retention	31,966,620	45,557,346
Other creditors	26,018,231	25,018,427
Sundry deposits	338,379	1,972,753
	291,764,513	**270,824,235**

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22. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Cape Winelands disaster grant	146,959	2,030,541
Charitable fund	51,708	72,097
Community development support grant	-	37,296
Housing settlemnt agreement - Capital	149,611	149,611
Development of sport and recreational facilities	-	67,669
Regional Socio-Economic Project/violence through urban upgrading (RSEP/VPUU)	3,337,700	-
Housing consumer education	68,010	68,010
Housing settlement agreement - Operating	220,103	220,103
Human settlement development grant - capital	679,673	165,416
Khaya Lam free market foundation	102,000	102,000
Lamotte trust fund	4,667,705	3,080,872
Community Library Service Grant - Operational	2,302,051	-
Local government graduate internship and capacity building	164,751	433,752
Municipal accreditation and capacity building grant	238,000	-
National lottery	307,361	307,361
Other sources	288,184	288,184
Title deed restoration grant	1,371,711	1,839,710
Integrated transport planning grant	600,000	-
	14,695,527	**8,862,622**

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 33 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

23. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - 2021

	Capital replacement reserve	Insurance reserve	Housing development fund	Other	Total
Opening balance	249,724,257	9,885,492	(9,396,229)	5,173,239,229	5,423,452,749
Surplus for the year	-	-	-	(6,711,996)	(6,711,996)
Transfer to capital replacement reserve	114,066,225	-	-	(114,066,225)	-
Property, plant and equipment purchases	(211,185,344)	-	-	211,185,344	-
	152,605,138	**9,885,492**	**(9,396,229)**	**5,263,646,352**	**5,416,740,753**

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23. Accumulated surplus (continued)

Ring-fenced internal funds and reserves within accumulated surplus - 2020

	Capital replacement reserve	Insurance reserve	Housing development fund	Other	Total
Opening balance	160,497,338	9,885,492	(9,396,229)	5,174,403,537	5,335,390,138
Surplus for the year	-	-	-	88,062,638	88,062,638
Transfer to capital replacement reserve	336,762,309	-	-	(336,762,309)	-
Property, plant and equipment purchases	(247,535,390)	-	-	247,535,390	-
	249,724,257	**9,885,492**	**(9,396,229)**	**5,173,239,256**	**5,423,452,776**

The capital replacement reserve is a reserve to finance future capital expenditure and is fully invested in ring-fenced Financial Instrument Investments.

The self insurance reserve is used to offset potential losses or claims of assets that cannot be insured externally.

The housing development fund is depleted. There is no cash or surplus generated from the fund. Therefore any additional cost must be carried by the municipality as part of its operations.

Refer to statement of changes in net assets for more detail and the movement on accumulated surplus.

24. Service charges

Sale of electricity	632,401,484	562,275,303
Sale of water	134,425,799	171,631,994
Solid waste	73,150,291	62,956,545
Sewerage and sanitation charges	92,638,767	83,261,986
	932,616,341	**880,125,828**

The amounts disclosed above for service charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

25. Construction revenue

Housing Topstructure		
Construction contracts	7,570,000	5,317,560

Construction revenue relates to income in terms of houses constructed. The topstructures relate to the base form of the houses.

26. Rental of facilities and equipment

Premises		
Rental revenue from other facilities	3,887,071	3,363,768
Rental revenue from buildings	9,051	136,656
Rental revenue from housing schemes	7,559,457	7,208,972
	11,455,579	**10,709,396**
Facilities and equipment		
Rental revenue from land	3,258,085	2,892,035
	14,713,664	**13,601,431**

Included in the above rentals are rentals received from Investment Property of R14 129 066 (2020: R8 756 325.51)

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27. Interest earned- outstanding receivables

Electricity	1,144,532	677,176
Water	4,575,916	4,116,971
Waste water management	1,162,343	1,050,384
Waste management	1,231,260	1,109,940
	8,114,051	**6,954,471**

28. Agency services

Vehicle Registration	4,833,132	3,976,481

The municipality collects lisence fees on behalf of the Provincial Government Western Cape and receives a 12% agency fee.

The municipality, as an agent, recognises only the portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

No resources are held by the municipality on behalf of the principle.

29. Licences and permits (exchange)

Licences and permits	5,216,026	4,413,324

Licences and permits relate to income earned on market porters and road and transport permits,

30. Other income

Application fees	385,630	387,648
Building clause	34,609	56,291
Building plan fees	4,394,866	4,171,623
Cemetery and burial	1,025,770	937,472
Clearance certificates	354,384	242,747
Collection fees	1,811,699	1,601,270
Entrance fees	72,694	559,140
Flamable substance	179,511	206,771
Merchandising, jobbing and contracts	1,671,500	1,949,293
Parking revenue	7,163,797	10,224,268
Removal of restrictions	1,122,312	1,589,031
Skills development levy	578,140	769,889
Special rating area	7,427,468	5,585,885
Staff recoveries	333,149	724,737
Sundry	739,654	780,264
Development charges	13,657,931	10,275,343
	40,953,114	**40,061,672**

The amounts disclosed above are in respect of services, other than described in notes 24 and 25 rendered which are billed to or paid for by users as the services are reclaimed according to approved tariffs or offers received in terms of supply chain procedures, i.e wood sales.

31. Investment revenue

Interest revenue		
Bank	2,586,944	7,490,240
Investment deposits	16,928,417	32,981,762
	19,515,361	**40,472,002**

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32. Property rates

Rates received

Residential	187,463,249	173,866,187
Commercial	177,067,260	164,553,707
Agricultural	22,526,166	21,669,383
	387,056,675	360,089,277
Property rates - interest earned	1,970,109	1,822,264
	389,026,784	**361,911,541**

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 hhave been finalised and one interim valuation was performed during the financial year and implemented accordingly.

The following assessment rates were charged for the period ending June 2021:
R 0.011901 - Non Residential (2020: R0.011175)
R 0.00541 - Residential (2020: R 0.005080)
R 0.001354 - Agricultural (2020: R 0.001271)

Rates are levied monthly on property owners and are payable the 7th of each month. Property owners can request that the full amount for the year be raised in July in which case the amount has to be paid by 7 October annually. Interest is levied as per council's Credit Control and Debt Collection Policy on outstanding rates amounts.

Valuations

Relief measures

The relief measures on property rates are generally described in paragrapgh 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 paragrapgh 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.

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33. Government grants and subsidies

Operating grants		
Equitable share	170,632,000	136,177,000
Title deeds restoration grant	468,000	1,933,440
Cape Winelands disaster grant	1,883,582	472,126
Local government financial management grant	1,550,000	1,550,000
Cape Winelands District Tourism Grant	100,000	-
Community development workers	93,296	18,704
Integrated Urban Development Grant - Operating	1,424,700	-
Housing accreditation and capacity building grant	-	167,980
Safety Initiative Implementation-whole of society approach (WOSA)	440,000	-
Municipal disaster management grant	-	209,000
Library services support grant	10,719,949	12,454,000
Local government support grant	-	900,000
Maintenance and construction of transport infrastructure	-	384,000
Taipie COVID-19 donation	-	132,023
Local government graduate internship and capacity building	569,001	446,248
Expanded public workers programme support grant	4,961,000	5,227,000
Local government financial management support grant	-	255,000
LG SETA Discretionary grant	138,960	62,706
Natural resources management grant	-	90,870
Development bank of South Africa	1,809,380	172,147
	194,789,868	**160,652,244**
Capital grants		
Integrated urban development grant	45,481,299	46,886,000
National lottery	-	151,414
Integrated national electrification programme grant	12,000,000	15,640,000
Regional social economic project/violence through urban upgrading	662,300	1,500,000
Integrated transport planning grant	-	600,000
Human settlement development grant	11,648,219	56,593,662
Fire services capacity building grant	-	3,003,000
Library services support grant	55,000	-
	69,846,818	**124,374,076**
	264,636,686	**285,026,320**

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	94,004,686	148,849,320
Unconditional grants received	170,632,000	136,177,000
	264,636,686	**285,026,320**

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. Bulk basic services are also provided free of charge to informal settlements to ensure that these communities have access to basic services. The R20 828 000 was provided to assist the municipal pandemic response relating to Covid-19.

Municipal disaster management grant

Current-year receipts	-	209,000
Conditions met - transferred to revenue	-	(209,000)
	-	**-**

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33. Government grants and subsidies (continued)

To provide for the immediate release of funds for disaster response.

Taipei covid-19 donation

Current-year receipts	-	132,023
Conditions met - transferred to revenue	-	(132,023)
	-	**-**

Personal Protective equipment was donated to Stellenbosch Municipalit form the Cape Town Taiwanese Chamber of Commerce.

Development bank South Africa

Current-year receipts	1,809,380	172,147
Conditions met - transferred to revenue	(1,809,380)	(172,147)
	-	**-**

Funding provided for the update the capital expenditure framework.

Title deeds development grant

Balance unspent at beginning of the year	1,839,710	3,773,151
Conditions met - transferred to revenue	(467,999)	(1,933,441)
Balance unspent at year end	**1,371,711**	**1,839,710**

To provide funding for the eradication of the Pre-2014 title-deeds registration backlog and the professional fees associated with it, including beneficiary verification. Refer to note 22.

The municipality, as an agent, receives a grant from the Department of Human Settlements (principle) to register properties on behalf of the beneficiaries for low cost housing projects.

2020:Title deeds development grant could not be fully spent due to the complexity of the programme. The grant funding provided is utilized for the registration of properties which were built before 2004 up to 2010. The municipality is grappling with deceased estates which take longer to register, missing beneficiaries, houses that were built but wrongly allocated on the subsidy system. The above obstacles encountered have been raised at the quarterly meetings with the Department of Human Settlements. .

2021:Title deeds development grant could not be fully spent due to the complexity of the programme. The grant funding provided isutilized for the registration of properties which were built before 2004 up to 2010. The municipality is grappling with deceased estates which take longer to register, missing beneficiaries, houses that were built but wrongly allocated on the subsidy system. The above obstacles encountered have been raised with the Department of Human Settlements. Due to the COVID 19 lock down regulations the deeds office was not operating in its full capacity and this further delayed the registration of title deeds.

The municipality does not recognise any compensation for the services provided on behalf of the principle.

Human settlement agreement - capital

Balance unspent at beginning of the year	149,611	149,611

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33. Government grants and subsidies (continued)

Conditions still to be met - remain liabilities (see note 22).

To provide a financial contribution towards the reallocation of the informal settlement residents which were fire victims.

2019/2020: The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2020/21 financial year.

2020/2021: The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2021/22 Mid year adjustment budget process. The funds will be utilised when services are developed.

The unspent funds will remain a liability. Refer to note 22.

Integrated urban development grant - operating

Current-year receipts	1,424,700	-
Conditions met - transferred to revenue	(1,424,700)	-
	-	**-**

To provide funding for public investment in infrastructure for the poor and to promote increased accessto municipal own sources of capital finance in order to increase funding for public investment ineconomic infrastructure. To ensure that public investments are spatially aligned and to promote the sound management of theassets delivered

Regional Socio-Economic Project/violence through urban upgrading (RSEP/VPUU)

Current-year receipts	4,000,000	1,500,000
Conditions met - transferred to revenue	(662,300)	(1,500,000)
Balance unspent at year end	**3,337,700**	**-**

To implement and enhance programmes to interact with stakeholders and empower communities to partner with government in implementing socioeconomic and urban upgrading programmes. Refer to note 22.

The municipality was not able to appoint a service provider to undertake the construction of the proposed transport facility due to the area earmarked for the taxi holding area being invaded and although an eviction order was obtained, no emergency housing/land was available to relocate the illegal occupants. Furthermore, exorbitant costs for the construction of the facility as well as the fact that employees who were responsible for the project and related contract management resigned during October and December 2020.

Local government financial management grant

Current-year receipts	1,550,000	1,550,000
Conditions met - transferred to revenue	(1,550,000)	(1,550,000)
	-	**-**

To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

Cape winelands district tourism grant

Current-year receipts	100,000	-
Conditions met - transferred to revenue	(100,000)	-
	-	**-**

To aid the development and marketing of two unique tourist routes as well as the training of 4 tourist guides.

Library services support grant - capital

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33. Government grants and subsidies (continued)

Current-year receipts	55,000	-
Conditions met - transferred to revenue	(55,000)	-
	-	-

To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through recapitalised programme at provincial level in support of local government and national initiatives.

Natural resource management grant

Balance unspent at beginning of the year	-	2,088,828
Conditions met - transferred to revenue	-	(90,870)
Repayment	-	(1,997,958)
	-	-

To ensure that responsibilities relating to water resource management, biological diversity and the functioning of natural systems whilst ensuring meaningful livelihood opportunities are supported for those employed on these programmes.

Integrated national electrification programme grant

Current-year receipts	12,000,000	15,640,000
Conditions met - transferred to revenue	(12,000,000)	(15,640,000)
Balance unspent at year end	-	-

To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings (including upgrade of informal settlements, new, and normalisation),and the installation of relevant bulk infrastructure.

Integrated urban development grant - capital

Current-year receipts	45,481,300	46,886,000
Conditions met - transferred to revenue	(45,481,300)	(46,886,000)
	-	-

To provide funding for public investment in infrastructure for the poor and to promote increased accessto municipal own sources of capital finance in order to increase funding for public investment in economic infrastructure. To ensure that public investments are spatially aligned and to promote the sound management of the assets delivered.

Expanded public workers programme grant

Current-year receipts	4,961,000	5,227,000
Conditions met - transferred to revenue	(4,961,000)	(5,227,000)
	-	-

To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP Guidelines:

- road maintenance and the maintenance of buildings
- low traffic volume roads and rural roads
- basic services infrastructure, including water and sewer reticulation, sanitation, pipelines and dams (excluding bulk infrastructure)
- other economic and social infrastructure
- tourism and cultural industries
- waste management
- parks and beautification
- sustainable land-based livelihoods.

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020

33. Government grants and subsidies (continued)

Municipal accreditation and capacity building grant

Balance unspent at beginning of the year	-	167,980
Current-year receipts	238,000	-
Conditions met - transferred to revenue	-	(167,980)
Balance unspent at year end	**238,000**	**-**

Conditions still to be met - remain liabilities (see note 22).

To fund the establishment of a human settlement unit within the accreditation priority municipality as well as enhancing the existing human settlements unit.

To finance the municipal institutional capacity requirements.

The reason for the unspent balance in 2020/21 is due to the municipality not finding a suitable candicate(s) to fill the vacancy.

National lottery

Balance unspent at beginning of the year	307,361	458,775
Conditions met - transferred to revenue	-	(151,414)
Balance unspent at year end	**307,361**	**307,361**

Conditions still to be met - remain liabilities (see note 22).

Provide support to be able to bring growth and change within impoverished communities.

The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2021/22 Mid year adjustment budget process.

Other sources

Balance unspent at beginning/end of the year	288,184	288,184

Conditions still to be met - remain liabilities (see note 22).

The funding pertains to different funding contributors for various projects. The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2021/22 financial year..

Cape Winelands District grant

Balance unspent at beginning of year	2,030,541	-
Current-year receipts	-	2,502,667
Conditions met - transferred to revenue	(1,883,582)	(472,126)
Balance unspent at year end	**146,959**	**2,030,541**

Conditions still to be met - remain liabilities (see note 22).

To implement the COVID 19 lockdown regulations.

To address safety in the Stellenbosch municipal area.

Aimed at augmenting and supporting the current humanitarian relief initiatives as well as COVID 19 relating initiatives, which will be implemented during the 2021/22 financial year.r.

Human settlement grant - capital

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33. Government grants and subsidies (continued)

Balance unspent at beginning of the year	165,416	45,710,000
Current-year receipts	12,162,475	11,049,077
Conditions met - transferred to revenue	(11,648,218)	(56,593,661)
Balance unspent at year end	**679,673**	**165,416**

Conditions still to be met - remain liabilities (see note 22).

To provide funding for the creation of sustainable human settlements.

2019/2020: A service provider has been appointed as the implementing agent for the Longlands project. The land-use rights are in placefor the services to be installed. The project is a multi-year project. The COVID 19 lock down regulatins adversely affected theimplementation of projects.

2020/2021:The approved funding for the project planning application for 1044 sites on 24 February 2021 and informed the Municipality on 2 March 2021 accordingly. A service provider was appointed for the road network linked to the housing development. Due to the timing of the approval the funds could not be spent..

Development of sport and recreational facilities

Balance unspent at beginning of the year	67,669	67,669
Other	(67,669)	-
	-	**67,669**

To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through recapitalised programme at provincial level in support of local government and national initiatives.

The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2020/21 financial year.

Housing settlement agreement - operating

Balance unspent at beginning/end of year	220,103	220,103

Conditions still to be met - remain liabilities (see note 22).

To provide a financial contribution towards the reallocation of the informal settlement residents which were fire victims

2019/2020: The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2020/21 financial year.

2020/2021: The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2021/22 Mid year adjustment budget process

Local government graduate internship and capacity building

Balance unspent at beginning of the year	433,752	520,590
Current-year receipts	300,000	460,000
Conditions met - transferred to revenue	(569,001)	(446,248)
Other	-	(100,590)
Balance unspent at year end	**164,751**	**433,752**

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Figures in Rand	2021	2020

33. Government grants and subsidies (continued)

Conditions still to be met - remain liabilities (see note 22).

To provide financial assistance to municipalities in support of capacity building for the future by means of a graduate internship programme

To develop financial human capacity within municipal areas to enable a sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance.

2019/2020: With reference to 2019/20 unspent an intern was appointed for the period 1 June 2020 – 31 May 2021. The unspent funding of the Local Government Graduate Internship grant will be utilised for the salary payment.Stellenbosch municipality has continuously contacted the tertiary institutions to obtain suitable candidates for the bursarycampaign. 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 thesuccessful candidates which were availed bursaries during the 2019/20 financial year, as per the memorandum of agreement,once the new academic year of 2021 commences. A robust social media drive will be embarked upon to ensure that suitable candidates are identified in order to ensure spending of the grant.

2020/2021:Stellenbosch municipality has continuously contacted the tertiary institutions to obtain suitable candidates for the bursarycampaign. 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 thesuccessful 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.

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Libraries support grant - operating

Current-year receipts	13,022,000	12,454,000
Conditions met - transferred to revenue	(10,719,949)	(12,454,000)
Balance unspent at year end	**2,302,051**	**-**

Conditions still to be met - remain liabilities (see note 22).

To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through recapitalised programme at provincial level in support of local government and national initiatives.

The grant could not be fully spent due to the end of employee contracts, retirements and resignations which occurred during the Covid-19 lockdown period. The complexities around the opening of the libraries and recruitment related procedures during this period did not allow for the full spending of the funding.

Khaya Lam free market foundation

Balance unspent at beginning of the year	102,000	-
Current-year receipts	-	102,000
Balance unspent at year end	**102,000**	**102,000**

Conditions still to be met - remain liabilities (see note 22).

To assist municipalities to issue freehold title deeds to registered tenants and recognised resident of municipal properties.

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020

33. Government grants and subsidies (continued)

2019/2020:All administration costs for the basic salaries and wages for the title deeds restoration programme have been funded by the Title Deeds Restoration grant. The unutilised funding will be used during the 2020/2021 financial year.

2020/2021:All administration costs for the basic salaries and wages for the title deeds restoration programme have been funded by theTitle Deeds Restoration grant as well as the EPWP grant. The unutilised funding will be used during the 2021/22 financial year

Housing consumer education

Balance unspent at beginning/end of the year	68,010	68,010

Conditions still to be met - remain liabilities (see note 22).

2019/2020: To fund housing within municipalities that demonstrated capacity to plan and deliver housing rapidly, with emphasis on rural areas. The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2020/21 financial year.

2020/2021:To fund housing within municipalities that demonstrated capacity to plan and deliver housing rapidly, with emphasis on rural areas. The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2021/22 Mid year adjustment budget process

Community development support grant

Balance unspent at beginning of year	37,296	-
Current-year receipts	56,000	56,000
Conditions met - transferred to revenue	(93,296)	(18,704)
	-	**37,296**

To provide financial assistance to municipalities to cover the operational costs pertaining to the line functions of the community development workers including regional coordinators.

2019/2020: Due to the Covid-19 lockdown regulations the activities as per the business plan could not be executed. Provisional concept approval for the activities listed above have been obtained from the transferring department.

Fire services capacity building grant

Balance unspent at beginning of the year	-	3,003,000
Conditions met - transferred to revenue	-	(3,003,000)
	-	**-**

To provide financial assistance to municipalities to ensure functional emergency communication, mobilisation systems and fire services.

Local government financial management support grant

Current-year receipts	-	255,000
Conditions met - transferred to revenue	-	(255,000)
	-	**-**

To provide financial assistance to municipalities to improve overall financial governance within municipalities inclusive of optimising and administration of revenue, improving credibility and responsiveness of municipal budgets, improving of municipal audit outcomes and addressing institutional challenges.

LG SETA bursary fund

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020

33. Government grants and subsidies (continued)

Current-year receipts	138,960	62,706
Conditions met - transferred to revenue	(138,960)	(62,706)
	-	-

To develop skilled and capable workforce supporting a responsive, accountable, efficient and effective local government system, through a range of learning programmes that focus on scarce and critical skills in the sector.

Maintenance and construction of transport infrastructure grant

Current-year receipts	-	384,000
Conditions met - transferred to revenue	-	(384,000)
	-	-

To financially assist/subsidise municipalities with the maintenance/construction of proclaimed municipal main roads, where the municipality is the Road Authority (Section 50 of Ordinance 19 of 1976).

Safety Initiative Implementation-whole of society approach (WOSA)

Current-year receipts	440,000	-
Conditions met - transferred to revenue	(440,000)	-
	-	-

To maintain law and order through visible policing in the fight against crime and enforcement of by-laws and traffic legislation. Appointment of contract Law Enforcement officers patrolling and enforcing bylaws of the municipality as legislated and mandated.

Integrated transport planning grant

Current-year receipts	600,000	600,000
Conditions met - transferred to revenue	-	(600,000)
Balance unspent at year end	**600,000**	**-**

Conditions still to be met - remain liabilities (see note 22).

To review and update municipal integrated transport plans in terms of the National Land Transport Act, 2009 (Act No. 5 of 2009).

The tender was advertised on the 14th of December 2020 and awarded for the appointment of consulting engineers for professional Civil and Electrical Services for a period ending 30 June 2023.

34. Fines, Penalties and Forfeits

Municipal Traffic Fines	108,807,761	99,921,917
Other fines	100,294	70,893
	108,908,055	**99,992,810**

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35. Employee related costs

Acting allowances	469,116	674,466
Actuarial (Gain) /Loss)	(9,653,167)	(32,830,683)
Bargaining council	335,799	291,210
Basic	338,572,879	322,142,811
Bonus	25,010,300	23,078,364
Car allowance	9,994,856	10,048,311
Cellphone allowance	1,882,670	1,630,691
Contribution to Long service awards	3,903,986	4,109,076
Contribution to Post-Retirement Benefits	18,257,473	5,448,228
Contribution to Leave gratuity	2,966,272	5,758,369
Entertainment	1,767	4,979
Group insurance	4,250,401	3,631,774
Housing benefits and allowances	2,772,698	2,916,315
Medical aid - company contributions	25,057,853	23,336,863
Overtime payments	40,596,224	37,414,315
Pension fund contribution	54,028,969	48,754,368
Performance bonus	1,189,607	710,284
Standby allowance	14,654,376	14,676,603
Sundry allowances	4,376,892	4,262,333
Travel, motor car, accommodation, subsistence and other allowances	13,890	256,942
UIF	2,415,990	2,449,723
Workmen compensation	2,511,700	2,769,522
	543,610,551	**481,534,864**

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Stellenbosch Municipality

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35. Employee related costs (continued)

Remuneration of Municipal Manager - G Mettler

Annual Remuneration	1,393,631	1,394,549
Car Allowance	120,000	127,798
Performance Bonuses	264,072	257,839
Contributions to UIF, Medical and Pension Funds	344,165	341,082
Telephone allowance	22,800	22,800
	2,144,668	**2,144,068**

Remuneration of Chief Finance Officer - K Carolus

Annual Remuneration	955,597	957,249
Car Allowance	240,000	248,612
Performance Bonuses	205,722	25,457
Contributions to UIF, Medical and Pension Funds	226,333	222,781
Leave	-	19,659
Telephone allowance	22,800	22,800
Other	18,000	18,000
	1,668,452	**1,514,558**

Remuneration of the Director Planning and Development - A Barnes

Annual Remuneration	1,140,632	825,323
Car Allowance	-	80,000
Performance Bonuses	10,770	69,429
Contributions to UIF, Medical and Pension Funds	288,881	189,838
Telephone allowance	22,800	17,100
Other	-	6,134
	1,463,083	**1,187,824**

Remuneration of the Director Community & Protection Services - G Boshoff

Annual Remuneration	1,351,975	1,352,200
Car Allowance	60,000	63,267
Performance Bonuses	161,051	23,143
Contributions to UIF, Medical and Pension Funds	27,954	25,830
Telephone allowance	22,800	22,800
	1,623,780	**1,487,240**

Remuneration of the Director Infrastructure Services - D Louw

Annual Remuneration	1,294,276	1,293,925
Car Allowance	120,000	122,640
Performance Bonuses	204,886	152,744
Contributions to UIF, Medical and Pension Funds	25,654	24,105
Telephone allowance	22,800	22,800
	1,667,616	**1,616,214**

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Figures in Rand	2021	2020

35. Employee related costs (continued)

Remuneration of the Director Corporate Services- A De Beer

Annual Remuneration	1,275,371	1,275,371
Car Allowance	139,200	139,000
Performance Bonuses	152,744	152,744
Contributions to UIF, Medical and Pension Funds	25,055	25,055
Telephone allowance	22,800	22,800
	1,615,170	**1,614,970**

36. Remuneration of councillors

Councillors	19,191,670	19,169,229

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37. Councillors Renumeration per class of councillor

Executive Mayor -		
Allowance and service related benefits		
Basic Salary	663,015	662,704
Travel Allowance	223,463	223,457
Cell Phone Allowance	40,800	40,800
Data Card Allowance	3,600	3,600
Skills Development Levy	7,373	7,667
	938,251	**938,228**
Deputy Executive Mayor -		
Allowance and service related benefits		
Basic Salary	493,904	537,403
Travel Allowance	178,769	189,782
Cell Phone Allowance	40,800	42,743
Data Card Allowance	3,600	3,771
Pension Fund Contributions	37,043	15,461
Skills Development Levy	5,361	6,194
Medical Aid Benefits	-	10,080
	759,477	**805,434**
Speaker -		
Allowance and service related benefits		
Basic Salary	513,057	464,648
Travel Allowance	178,769	166,214
Cell Phone Allowance	40,800	38,533
Data Card Allowance	3,600	3,400
Pension Fund Contributions	-	21,569
Skills Development Levy	5,971	5,538
Medical Aid Benefits	17,280	7,200
	759,477	**707,102**
Chief Whip -		
Allowance and service related benefits		
Basic Salary	446,922	446,623
Travel Allowance	167,597	167,593
Cell Phone Allowance	40,800	40,800
Data Card Allowance	3,600	3,600
Pension Fund Contributions	33,519	33,497
Skills Development Levy	5,069	5,377
Medical Aid Benefits	17,280	17,280
	714,787	**714,770**
Executive Committee		
Allowances and service related benefits		
Basic Salary	4,084,705	3,525,755
Travel Allowance	1,481,673	1,281,513
Cell Phone Allowance	361,210	311,990
Data Card Allowance	31,871	27,529
Pension Fund Contributions	222,091	191,000
Skills Development Levy	46,003	40,986
Medical Aid Benefits	96,480	86,400
	6,324,033	**5,465,173**

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37. Councillors Renumeration per class of councillor (continued)

All Other Councillors

Allowances and service related benefits

Basic Salary	5,947,306	6,457,034
Travel Allowance	2,126,055	2,309,681
Cell Phone Allowance	1,226,613	1,279,533
Data Card Allowance	108,231	112,900
Pension Fund Contributions	242,017	281,448
Skills Development Levy	73,537	79,940
Medical Aid Benefits	115,200	110,880
	9,838,959	**10,631,416**

38. Contribution to/from provision

Landfill site	6,874,912	8,828,974

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. The amount disclosed in note 38 relates to the current year contribution to that the municipality needs to provide for.

39. Depreciation and amortisation

Property, plant and equipment	189,679,607	187,689,208
Investment property	118,636	252,587
Intangible assets	2,417,670	2,425,462
	192,215,913	**190,367,257**

40. Finance costs

Employee benefits	16,840,000	17,096,614
Current borrowings	28,233,434	31,049,766
Interest costs non-current provisions	9,401,213	7,757,711
Other interest paid	-	99,808
	54,474,647	**56,003,899**

41. Lease rentals on operating lease

Operating leases		
Contractual amounts	10,209,872	9,225,916
Equipment		
Contractual amounts	1,639,998	2,035,900
Plant and equipment		
Contractual amounts	3,031,072	575,739
	14,880,942	**11,837,555**

42. Bad debt written off

Electricity	395,298	443,505
Refuse	1,542,651	2,576,062
Sewerage	1,542,328	2,135,635
Water	16,298,538	19,414,877
Housing rental	931,717	1,261,985
Rates	1,423,322	3,222,192
Traffic fines	86,648,070	94,132,600
	108,781,924	**123,186,856**

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43. Contribution to allowance for doubtful debt

Receivable from exchange allowance contribution	14,150,861	7,657,579
Receivable from non-exchange allowance contribution	19,834,930	(14,171,401)
	33,985,791	**(6,513,822)**

44. Bulk purchases

Electricity	422,734,759	414,765,005
Water	31,023,395	30,855,992
	453,758,154	**445,620,997**

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45. Contracted services

Outsourced Services		
Animal Care	11,550	4,250
Catering Services	1,135,359	2,113,721
Cleaning Services	1,070,043	1,265,831
Clearing and Grass Cutting Services	3,309,738	1,827,439
Litter Picking and Street Cleaning	2,984,107	4,200,546
Personnel and Labour	437,150	595,337
Professional Staff	678,855	353,227
Refuse Removal	43,648,687	36,052,981
Security Services	36,179,964	26,740,306
Translators, Scribes and Editors	539	9,567
Traffic Fines Management	8,087,356	9,424,022
Transport Services	66,750	508,011
Drivers Licence Cards	553,531	734,542
Consultants and Professional Services		
Business and Advisory	21,454,995	20,153,500
Infrastructure and Planning	5,984,874	389,363
Laboratory Services	1,702,239	1,735,428
Legal Cost	8,596,231	6,578,813
Contractors		
Artists and Performers	-	243,225
Bore Waterhole Drilling	22,884	53,648
Catering Services	141,453	399,899
Employee Wellness	36,465	112,349
Event Promoters	-	137,253
Gardening Services	3,072,253	924,242
Graphic Designers	452,348	120,644
Interior Decorator	16,657	523,624
Maintenance of Buildings and Facilities	15,082,869	10,025,728
Maintenance of Equipment	3,694,460	1,906,557
Maintenance of Unspecified Assets	44,857,435	33,672,495
Management of Informal Settlements	1,579,358	1,050,699
Medical Services	9,154	8,846
Pest Control and Fumigation	91,260	29,696
Plants, Flowers and Other Decorations	601,645	365,042
Prepaid Electricity Vendors	7,853,173	7,801,057
Preservation/Restoration/Dismantling/Cleaning Serv	744,649	652,874
Tracing Agents and Debt Collectors	1,902,155	1,809,741
Transportation	5,791,689	5,167,403
Sewerage Services	5,768,142	5,311,095
Stage and Sound Crew	83,590	449,998
	227,703,607	**183,452,999**

46. Transfers and subsidies paid

Other subsidies		
Grant-in-aid tourism	5,095,000	4,600,000
Grant-in-aid animal welfare	1,200,000	1,113,000
Grant-in-aid sundries	4,219,194	3,861,920
Bursary Scheme	495,346	379,903
Grants-in-aid COVID-19 Humanitarian Relief	-	900,000
	11,009,540	**10,854,823**

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47. General expenses

Advertising, publicity and marketing	1,857,518	1,935,556
Assets less than capitalisation threshold	238,995	362,236
Auditors remuneration	6,598,373	6,703,882
Bank charges, facility and card fees	1,071,859	1,222,864
Bursaries (Employees)	875,830	401,598
Communication	9,243,166	5,624,569
Commission paid	2,751,951	2,944,923
Domestic subsistance and travel	189,906	1,084,614
Drivers lisences and permits	23,435	20,565
Entertainment	1,240,684	48,463
External computer services	20,501,778	15,238,716
Foreign subsistance and travel	-	38,438
Full time union representative	122,344	103,917
Hire charges	7,737,685	11,331,736
Honoraria (voluntary workers)	27,500	4,500
Indigent relief	5,667,667	4,855,792
Insurance	5,854,429	5,357,969
Inventory - materials and supplies	17,091,004	13,749,289
Inventory - standard rated	4,085,236	2,953,561
Inventory - zero rated	11,212,590	13,120,184
Inventory consumed water	314,829	114,000
Licences: motor vehicle licence and registrations	1,633,590	1,212,251
Management fees	12,033,015	10,587,548
Municipal services	14,385,116	8,172,424
Office decorations	40,329	41,389
Other expenses	123,919	78,322
Printing, publications and books	428,506	441,250
Professional bodies, membership and subscription	5,722,419	7,869,951
Samples and specimens	1,074,305	180,745
Seminars, conferences, workshops and events	2,831,706	1,857,032
Skills development levy	3,919,807	3,669,220
Supplier development programme	740,416	577,200
Title deed search fees	46,982	20,100
Uniform and protective clothing	2,793,151	6,236,877
Vehicle tracking	558,638	620,214
	143,038,678	**128,781,895**

The following principle agent arrangements were in place in relation to the expenditure as contained in note 46 to the annual financial statements:

Pay@ (Agent) provides the Municipality with payment service solutions on behalf of the Municipality. Pay@ pays over the monies generated from the payment services to the Municipality. The municipality recognises 100% of the money's collected as revenue from exchange transactions and the fee to be paid to Pay@ (as stipulated in the relevant service schedule or based on Pay@'s standard prevailing rates),is recognized as an expense.

EasyPay (Agent) is a payment platform used to collect municipal service payments from third parties. These payments are accepted by EasyPay on behalf of the Municipality (Principal), from third parties. A service charge is levied by EasyPay for collection of the payments. This fee is recognised as commisions 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.

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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	(922,034)	(634,971)
Movement in discounting of long term receivables		
Opening balance	(2,899,292)	(2,264,321)
Discounting of long term receivables	(922,034)	(634,971)
	(3,821,326)	**(2,899,292)**

49. Cash generated from operations

(Deficit) surplus	(6,711,996)	88,062,638
Adjustments for:		
Depreciation and amortisation	192,215,913	190,367,257
Loss on sale of assets and liabilities	(9,436,195)	(33,133)
Fair value adjustments	922,034	634,971
Other non-cash adjustments	(140,541)	(863,567)
Impairment deficit	-	72,977
Debt impairment	108,781,924	123,186,856
Contribution to debt impairment	33,985,791	(6,513,822)
Movements in operating lease liability	(1,218,870)	(816,671)
Movements in retirement benefit assets and liabilities	16,898,569	(12,697,155)
Movements in provisions	20,191,339	18,961,502
Other changes, movements in property, plant and equipment	(10,298,080)	-
Changes in working capital:		
Inventories	10,759,139	483,626
Other receivables from exchange transactions	744,890	1,433,147
Receivables from exchange transactions	(72,120,792)	(5,067,640)
Receivables from non-exchange transactions	(93,878,246)	(85,478,578)
Payables from exchange transactions	20,940,272	(638,032)
VAT	5,983,317	22,675,432
Unspent conditional grants and receipts	5,832,905	(50,183,017)
Consumer deposits	1,745,556	706,605
Long term receivables	(2,440,800)	(2,340,920)
	222,756,129	**281,952,476**

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50. Financial instruments disclosure

Categories of financial instruments

2021

Financial assets

		At amortised cost	Total
Cash and cash equivalents	3	111,896,629	111,896,629
Receivables from exchange transactions	5	153,119,571	153,119,571
Other receivables from exchange transactions	7	9,820,138	9,820,138
Receivables from non exchange transactions	6	14,582,189	14,582,189
Short term investments	4	222,186,762	222,186,762
Long term receivables	15	7,880,673	7,880,673
		519,485,962	**519,485,962**

Financial liabilities

		At amortised cost	Total
Consumer deposits	16	19,530,073	19,530,073
Borrowings	19	334,733,125	334,733,125
Payables from exchange transactions	21	267,972,840	267,972,840
		622,236,038	**622,236,038**

2020

Financial assets

		At amortised cost	Total
Cash and cash equivalents	3	111,201,845	111,201,845
Receivables from exchange transactions	5	115,860,178	115,860,178
Other Receivables from exchange transactions	7	10,825,566	10,825,566
Receivables from non-exchange transactions	6	19,239,900	19,239,900
Short term investments	4	306,637,342	306,637,342
Long term receivables	15	6,361,907	6,361,907
		570,126,738	**570,126,738**

Financial liabilities

		At amortised cost	Total
Consumer deposits	16	17,784,517	17,784,517
Borrowings	19	292,930,439	292,930,439
Payables from exchange transactions	21	252,303,662	252,303,662
		563,018,618	**563,018,618**

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51. Risk management

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amount disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Consumer deposits	19,530,073	-	-	-
Borrowings	34,223,894	37,636,221	132,581,088	164,515,816
Payables from exchange transactions	267,972,840	-	-	-

At 30 June 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Consumer deposits	17,784,517	-	-	-
Borrowings	26,752,932	27,454,371	100,328,166	138,394,971
Payables from exchange transactions	252,303,653	-	-	-

Risk from biological assets

The municipality is exposed to financial risks arising from changes in wood prices. The municipality does not anticipate that wood prices will decline significantly in the foreseeable future. The municipality has not entered into derivative contracts to manage the risk of a decline in wood prices. The municipality reviews its outlook for wood prices regularly in considering the need for active financial risk management.

Interest rate risk management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

In the case of receivables whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term receivables and other debtors are individually evaluated annually at the reporting date for impairment or discounting. A report on the various categories of receivables are drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is not exposed to interest rate risk as the municipality borrows funds at fixed interest rates.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

Interest Rate Sensitivity Analysis

The municipality had no variable rate long-term financial instruments at year-end requiring an Interest Rate Sensitivity Analysis.

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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 rate risk consist mainly of long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by the Council.

Receivables from exchange transactions comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. Ongoing credit evaluations are performed on the financial condition of these receivables. Receivables from exchange transactions are presented net of the allowance for impairment.

Receivables from non-exchange transactions comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. Ongoing credit evaluations are performed on the financial condition of these receivables. Receivables from exchange transactions are presented net of the allowance for impairment.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of receivables. Receivables are provided for based on estimated irrecoverable amounts, determined by reference to a non payment rate.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

Payment to accounts of consumer debtors who are unable to pay, are renegotiated as an ongoing customer relationship in response to an adverse change in the circumstances of the customer.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

There is no collateral held for security in respect of consumer debtors.

The impact of the Covid-19 pandemic was taken into account with the allowance for impairment calculation of consumer debtors.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:		
Cash and cash equivalents	111,896,629	169,490,533
Short term investments	222,186,762	398,163,664
Receivables from exchange transactions	153,119,571	161,402,873
Other receivables from exchange transactions	9,820,138	4,276,034
Receivables from non-exchange transactions	14,582,189	16,106,082
Long term receivable	7,880,673	4,655,958
	519,485,962	**754,095,144**

Foreign currency risk management

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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 - Infrastructure assets	253,046,178	289,021,469
• Property, plant and equipment - other assets	25,469,651	36,471,981
	278,515,829	**325,493,450**
Total capital commitments		
Already contracted for but not provided for	278,515,829	325,493,450

This committed expenditure relates to property, plant and equipment and will be financed by available bank facilities, retained surpluses, existing cash resources, funds internally generated.

The amounts as disclosed are VAT inclusive.

53. Related parties

Loans granted to related parties

In terms of the MFMA, the municipality may not grant loans to its councillors, management, staff and public with effect from 01 July 2004. Loans, together with conditions thereof granted prior to this date are disclosed in note 15 in the annual financial statements.

Remuneration of management

Compensation of key management and personnel is set out in notes 35, 36 and 37 respectively in the annual financial statements.

All Councillors and Employees have disclosed their interest in related parties and no one has the ability to control or exercise significant influence over Council in making financial and operating decisions.

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54. Awards in the service of the state

The detail listed below is disclosed in terms of Regulation 45 of the Municipal Supply Chain Regulations 2005 that determines that the municipality must disclose particulars of any awards of more than R2 000 to a person who is a spouse, child or parent of a person in service of the state or has been in service of the state in the previous twelve months.

Supplier	Name	State Department	Spouse, Child or Parent	2021	2020
Aurecon South africa (Pty) Ltd/ Zutari (PTY) Ltd	Refer to detail below	Refer to detail below	Spouse, Child and Parent	11,476,644	7,864,895
ARB Electrical Wholesalers (Pty) Ltd	J Modise	Eskom Holdings: Non Executive Director and Road Accident Fund (RAF) CEO	Spouse	68,185	26,203
Kemanzi (Pty) Ltd	J N Du Toit	City of Cape Town	Spouse	560,580	480,920
CSM Consulting Services	A Vancoillie	Department of Environmental affairs and Development Planning	Child	-	84,051
Red Hills Electronics	L Hartley	Department of Education	Spouse	-	1,823,316
Milhon HVAC	J Sampson	Stellenbosch Municipality	Spouse	-	10,941
NCC Environmental Servicess (Pty) Ltd	C Rhode	City of Cape Town	Spouse	-	3,600
Rhode Bros Steel Pro	D Rhode	South African Police Service	Child	-	16,100
Flowers in the Foyer	E Gunter	Other Government department	Spouse	7,150	-
Silver Solutions 1765	D Simpson	Department of Education	Spouse	-	14,000
Idas Valley Cleaning Solutions	G Jonkers	Stellenbosch Municipality	Child	-	12,000
	C Jonkers	Department of Local Government			
IKapa Reticulation and flow	S Davids	Department of Education	Spouse	4,705,180	3,202,534
Smec South Africa (Pty) Ltd	Y Phosa	Department of the Premier	Spouse	-	1,804,142
AECOM SA (Pty) Ltd	Refer to detail below	Refer to detail below	Spouse, Child and Parent	14,259,259	9,900,413
Conlog (Pty) Ltd	N Moodley	Department of Health	Spouse	2,658,508	1,465,045
Steven Happie	F Happie	City of Cape town		-	28,779
G and G Maintenance	GB Gabriels	Department of Local Government	Parent	-	42,780
Novus3 (Pty) Ltd	M De Vries	Department of Education		2,292,425	1,615,267
	J Scheepers	Council for Medical Services			
Landfill Consult (Pty) Ltd	MM Dube	DICRO	Spouse	1,774,023	2,985,554
Man 4 Trading (Pty) Ltd	MS Samuels	Department of Education	Spouse	312,382	7,530
ARCUS GIBB	B September	City of Cape Town	Spouse	-	6,619,848
Massamatic (Pty) Ltd	Mr Barnard	Department of Health	Daughter in law	87,168	-
Mpumamanzi Group CC	E Bouwers	Department of Health	Parent	185,334	793,792
SMEC South Africa (Pty) Ltd	Yvonne Phosa	Department of the Premier		4,969,526	-

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54. Awards in the service of the state (continued)

Sowerby Engineering	J Scheepers	Department of Education	Spouse	16,100	-
SMS ICT CHOCE (Pty) Ltd	Mrs Maqula	Department of Health	Spouse	256,866	500,279
Mubesko Africa (Pty) Ltd	J Niehaus	Department of Health	Spouse	-	478,092
Du Toit Environmental	F Shariff	Department of Local Government	Spouse	228,959	105,225
GIBB (Pty) Ltd	Britt September	Department of Local Government	Child	1,680,087	-
EM Hartley t/a Redhills Electr	Lizelle Hartley	Education department	Spouse	5,009,813	-
Red Ants Security Services	N Lesiela	Mogale City Local Municipality	Spouse	-	2,545,646
Lillian 4 Zonke (PTY)	F Monk	Other Government departments	Spouse	1,380	-
				50,549,569	**42,430,952**

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Notes to the Annual Financial Statements

54. Awards in the service of the state (continued)

The following are the close family names of Aurecon South Africa (Pty) Ltd.

Name	State Department	Spouse, Child or Parent
HC Ahlschlager	Special investigation unit; Legal representative	Spouse
B Alheit	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 Mompati District Municipality; Councillor	Parent
E Herlodt	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	eThekwini Municipality; Building Inspector	Parent
D Ntsebeza	Buffalo City Metropolitan Municipality	Spouse
NH Ntsebeza	Eastern Cape Department of Health	Parent
SM O'Connell	Sol Plaaitjie Municipality; Librarian	Spouse

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54. Awards in the service of the state (continued)

JF Phillps	Northern Cape Department of Economic Development and Tourism; Manager - Township Revitalisation	Spouse
PS Pretorius	Sol Plaaitjie 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	eThekwini 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

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55. Events after the reporting date

The outbreak of COVID-19 has resulted in authoroties implementing numerous measures to try contain the virus, such as travel bans and restrictions both within Republic of South Africa and around the world. These measures have not only negatively impacted consumer and business spending habits, they have adversely impacted and may further impact our operations and operations of our consumers. These measures may remain in place for a significant period of time and they are likely to continue to adversely affect our service delivery and financial condition. We do not yet know the full exent of the impact on the municipality or our consumers or the economy as a whole. However, the effects could have a material impact on our operations and we will continue to monitor the COVID-19 situation closely.

Currently there are no events after the reporting date to report on.

56. Unauthorised expenditure

No unauthorised expenditure for the year under review.

57. Fruitless and wasteful expenditure

No fruitless and wasteful expenditure for the year under review.

58. Irregular expenditure

Opening balance as previously reported	63,605,870	39,223,925
Opening balance as restated	**63,605,870**	**39,223,925**
Add: Irregular Expenditure - current	89,762,828	30,839,131
Less: Amount written off - current	(53,979,157)	(6,457,186)
Closing balance	**99,389,541**	**63,605,870**

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58. Irregular expenditure (continued)

Incidents/cases identified in the current year include those listed below:

Irregular expenditure was identified as it breached the procurement process in terms of the Supply Chain Management Policy.	608,406	9,877,552
The Auditor-General, in its findings during the2019/2020 financial year, identified that theMunicipality awarded that does not comply withPreferential Procurement Regulations 2017.	72,799,452	-
The Auditor-General, in its findings during the2017/2018 financial year, identified that theMunicipality did not include a specific conditionthat local production and content is applicablewhen inviting bidders to tender (advertisement).Furthermore the Municipality also did not includethe local production and content in the biddocuments (MBD 6.2) and the suppliers declaredaccordingly. The Auditor-General concluded thatthe tender award does not comply withPreferential Procurement Regulations 2017.	13,118,325	18,363,816
Irregular expenditure identified related to theapproval of tenders where the Bid AdjudicationCommittee was not constituted in termsMunicipal Supply Chain ManagementRegulations by four senior managers. This awardpertained to a multi year contract.	1,952,711	2,152,849
Irregular expenditure identified was due to the bidspecifications that were drafted in a manner thatis not fair, equitable, transparent and competitiveas it was found that the specifications madereference to a specific brand/model. This is amulti-year contract and irregular expenditure willbe disclosed on a yearly basis until contractends.	1,283,934	444,914
	89,762,828	**30,839,131**

59. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Opening balance	194,920	220,945
Current year subscription / fee	6,212,159	6,293,349
Early settlement discount	(310,195)	(5,484,586)
Amount paid - current year	(5,875,939)	(314,282)
	-	(520,506)
Balance Unpaid (included in Creditors)	**220,945**	**194,920**

Audit fees

Opening balance	52,448	24,612
Current year fees	7,636,778	7,545,695
Amount paid - current year	(7,538,677)	(7,517,859)
Balance Unpaid (included in Creditors)	**150,549**	**52,448**

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59. Additional disclosure in terms of Municipal Finance Management Act (continued)

PAYE and UIF

Current year payroll deductions	87,922,805	79,360,357
Amount paid - current year	(87,922,805)	(79,360,357)
Balance Unpaid (included in Creditors)	**-**	**-**

Pension and Medical Aid Deductions

Current year payroll deductions	123,816,201	115,603,507
Amount paid - current year	(123,816,201)	(115,603,507)
Balance Unpaid (included in Creditors)	**-**	**-**

VAT

VAT receivable	613,498,286	47,119,788
VAT payable	(593,988,545)	(21,626,730)
	19,509,741	**25,493,058**

All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

There were no councillors who had arrear acccounts for more than 90 days at 30 June 2021:

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.

Eletricity (KW)		
System input	365,664,272	381,810,592
Sales	(333,260,467)	(346,076,786)
Distribution loss	**32,403,805**	**35,733,806**

Electricity losses are calculated as 8.86% (2020: 9.68%). Electricity losses are within the industry norm.

Water (KL)		
System input	10,003,874	8,015,027
Sales	(8,188,560)	(6,374,474)
	1,815,314	**1,640,553**

Water losses are calculated as 18.1% (2020: 20.5%). Water losses are within the industry norm.

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60. Multi-employer retirement benefit information

The Municipality makes provision for post-retirement benefits to eligible councilors and employees who belong to different pension schemes. These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councilors/employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R115,534,139 (2020: R104,788,535) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans.

These schemes are subject to a tri-annual, bi-annual or annual actuarial valuation as set out hereunder.

These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

DEFINED BENEFIT SCHEMES

SALA Pension Fund

The SALA Pension Fund operates both as a defined benefit and defined contribution scheme.

The statutory valuation performed as at 1 July 2018 revealed that the assets of the fund amounted to R14,298,600.00 (30 June 2015: R13,231,200.00), with funding levels of 96.0% (30 June 2015: 100%). Recommended that employers continue to contribute at the current rate of 19.18% of pensioners salaries.

It is the actuary's opinion that:

They are satisfied with the investment strategy of the Fund;

The nature of the assets is, in their opinion, suitable for the nature of the liabilities of the Fund as defined in the Rules of the Fund;

The matching of assets with the liabilities of the Fund is adequate; and

The insurance arrangements are appropriate compared to the cover provided can be regarded as financially sound at the valuation date.

LA retirement Fund (Previously Cape Joint Pension Fund)

The LA RETIREMENT FUND operates both as a defined benefit and defined contribution scheme.

DEFINED CONTRIBUTION SCHEMES

LA Retirement Fund (Previously Cape Joint Pension Fund)

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Notes to the Annual Financial Statements

60. Multi-employer retirement benefit information (continued)

Defined benefit scheme

The contribution rate payable is under the defined benefit section is 27%, 9% by the members and 18% by their councils. The actuarial valuation report at 30 June 2020 disclosed an actuarial valuation amounting to R1,420,856,000 (30 June 2019: R1,655,893,000), with a net accumulated surplus of R0 (2019: R11,200,000), with a funding level of 100.0% (30 June 2019: 100.7%).

Defined contribution scheme

The actuarial valuation report at 30 June 2020 indicated that the defined contribution scheme of the fund is in a sound financial position, with assets amounting to R1,891,631,000 (30 June 2019: R1,960,090,000), net investment reserve of R0 (30 June 2019: R0) and with a funding level of 100% (2019: 100%).

The actuary concluded that:

The funding level of the Pensioner Account reduced from 100.7% to 100.0% on the funding basis;

The surplus in the Pensioner Account decreased from R11.2 million to zero as at the valuation date;

The Trustees awarded a 1.0% pension increase with effect from 1 January 2021 and 55% of monthly pension payable as a bonus in December 2020; and

The DC Section funding level was 100%. The DC Section is in a sound financial condition with a Contingency Reserve Account of R5.2 million as at the valuation date.

- The Defined Contribution Section has a funding level of 100% and is in sound Financial condition.

- Overall the fund is in a sound financial condition with a surplus of R63.0 million and the overall funding level of 101.7%.

- The Trustees awarded a 3.22% pension increase effective 1 January 2019.

It is to be noted that:

- All the active members have now all been converted to the Defined Contribution Section.

- There is no longer any contribution rate shortfall as this only applied to 29 residual Defined Benefit Section active members, that have now also converted to the Defined Contribution Section and

- Both the Defined Contribution Section and the Defined Benefit Section were fully funded as at the valuation date.

The nature of the assets is suitable for the Fund, except that the proportion of direct property underlying the pensioner liabilities may represent an over-concentration of assets in this class. The assets are appropriately matched relative to the term and nature of the active member liabilities. The Fund's investment strategy is suitable. Finally the risk benefits are partially re-insured and this is appropriate for the size and nature of the Fund.

Cape Joint Retirement Fund

The last statutory valuation performed as at 30 June 2020 revealed that the net assets of the Fund amounted to R28,560,000,000 (30 June 2019: R26,215,000,000). The members share account and processing reserve account had assets amounting to R27,710,650,000 (2019: R25,389,735,000), and the pensions account had assets amounting to R619,700,000 (2019: R647,516,000) with funding levels of 100.5% and 132.2% (30 June 2019 100.3% and 124.9%) for the Pensions Account and the Share Account respectively. The Preservation Pension Account showed a surplus of R0 and was 100% funded for both 2020 & 2019. The contribution rate paid by the members (7.5%) and the municipalities (7.5% or 19.5%) is sufficient to fund the benefits accruing from the fund in the future. The actuary certified that the structure of the assets is appropriate relative to the nature of the liabilities, given normal circumstances and that the Fund is in a sound financial condition as at the valuation date. I

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Notes to the Annual Financial Statements

60. Multi-employer retirement benefit information (continued)

Municipal Councillors Pension Fund

The Municipal Councilors Pension Fund operates as a defined contribution scheme. The statutory valuation performed as at 30 June 2018 revealed that the assets of the fund amounted to R1,798,030,000 (30 June 2017: R1,480,549,000), with funding levels of 103.26% (30 June 2017: 101.31%). The contribution rate paid by the members (13.75%) and council (15.00%) is sufficient to fund the benefits accruing from the fund in the future. The Actuary certified that the Fund was in a sound financial condition as at 30 June 2018, in that the assets of the fund were sufficient to cover the accrued service liabilities including the recommended contingency reserves in full.

The appointment of a Curator in terms of section 5(1) of the Financial Institutions (protection of funds) Act 2001 for the whole of the business of the Municipal Councillors Pension Fund was done in December 2017. Due to the provisional curatorship, a short monatorium has been placed on the payment of benefits to members/beneficiaries. In terms of the curatorship order, the Court ordered as follows: 1. The provisional Curatorship order of the 19th December 2017 is made a final; 2. The Curator shall furnish the Registrar of the Pension Fund with progress report; 3. The Curator must deliver a further progress report to the Court by no later than 31st October 2018 which report deals with the status of curatorship as at the 30th September 2018; on the curatorship once every two months

The Municipal Workers Retirement Fund (Previously South African Municipal Workers Union National Provident Fund)

The Municipal Workers Retirement Fund is a defined contribution scheme. Members contribute at a rate of not less than 7.5% of salaries, as required by the Rules. The employers contribute at a total rate of not less than 18% from 1 July 2017, members and employers that fall under other bargaining councils or forums are not bound by the above minimum contribution rates. The statutory valuation performed as at 30 June 2017 revealed that the assets of the fund amounted to R7,720,948,000 (30 June 2014: R6,574,750,000), with funding levels of 102.0% (30 June 2014: 111.7%). As a percentage of members Funds Credits, the investment smoothing reserve has decreased from 5.6% to 4.9% over the valuation period. As a percentage of the market value of assets, it has decreased marginally from 4.6% to 4.4%. The Fund's assets are sufficient to cover the members Funds Credits, the targeted levels of the risk benefits reserve and the data and processing error reserve, and an investment smoothing reserve of 4.9% of members Fund Credits as at 30 June 2017. In addition, there is brought-forward surplus of some R152,827,000 which has been allocated to former members and is awaiting payment. The Fund is therefore in a sound financial position. Newer information could not be obtained as the fund only releases information on payment.

National Fund for Municipal Workers

The fund operates as a defined contribution fund and in terms of the rules of the fund category A and category C members contribute at a rate as agreed upon by the Local Authority and the member, subject to an absolute minimum contribution of 2% and 5% of their remuneration respectively.

Category C members, appointed after 1 July 2012, who are not part of the Schedule shall make monthly contributions to the Fund equal to 7.5% of their Remuneration.

The Local Authority must contribute in respect of category A and category C members such an amount as agreed between the Local Authority and the fund, subject to a minimum contribution rate of 2% and 5% of their remuneration respectively. Category B members are members who belong to both category A and C and the Local Authority must, on behalf of such members, not contribute less than 7% of their remuneration. The contribution rates stipulated above include the amount payable towards the insured risk benefits policy.

The last statutory valuation performed as at 30 June 2019 revealed that the assets of the fund amounted to R17,107,067,000 (30 June 2018: R15,393,671,000), with funding levels of 100.40% (30 June 2018: 100.46%). The actuary certified that the assets of the fund are sufficient to cover 100.40% of the members liabilities, also that it can be expected that the funding level of a fund of this nature will fluctuate around 100%, for example due to timing differences in investment and receipt of monies, slight mismatching of assets and liabilities and processing errors.

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Notes to the Annual Financial Statements

61. Prior period errors and Reclassifications

Below is a summary of the total effect that the prior period errors and reclassifications had on the amount previously disclosed in the annual financial statements, followed by a description of each individual prior period error with the amount involved.

Statement of Financial Position

	Audited	Prior year adjustments	Reclassifying adjustments	Restated
Assets				
Current Assets				
Cash and cash equivalents	111,201,845	-	-	111,201,845
Short term investments	306,637,342	-	-	306,637,342
Receivables from exchange transactions	111,067,546	4,792,632	-	115,860,178
Receivables from non-exchange transactions	71,484,038	-	-	71,484,038
Other receivables from exchange transactions	12,887,565	-	-	12,887,565
Inventories	64,074,316	-	-	64,074,316
VAT receivable	30,285,689	(4,792,632)	-	25,493,058
Long term receivables	2,800,967	-	-	2,800,967
	710,439,308	**-**	**-**	**710,439,309**
Non-Current Assets				
Property, plant and equipment	5,244,686,578	(4,727,835)	-	5,239,958,743
Investment property	412,514,416	-	-	412,514,416
Intangible assets	9,694,174	-	-	9,694,174
Biological assets that form part of an agricultural activity	6,321,448	-	-	6,321,448
Heritage assets	774,002	-	-	774,002
Long term receivables	3,560,940	-	-	3,560,940
	5,677,551,558	**(4,727,835)**	**-**	**5,672,823,723**
Total Assets	**6,387,990,866**	**(4,727,835)**	**-**	**6,383,263,032**
Liabilities				
Current Liabilities				
Payables from exchange transactions	270,824,235	-	-	270,824,235
Unspent conditional grants and receipts	8,862,622	-	-	8,862,622
Employee benefit obligation	78,214,002	(17,096,614)	-	61,117,388
Borrowings	26,752,931	-	-	26,752,931
Consumer deposits	17,784,517	-	-	17,784,517
Operating lease liability	4,958,344	-	-	4,958,344
	407,396,651	**(17,096,614)**	**-**	**390,300,037**
Non-Current Liabilities				
Employee benefit obligation	166,519,386	17,096,614	-	183,616,000
Borrowings	266,177,508	-	-	266,177,508
Provisions	121,305,978	-	-	121,305,978
	554,002,872	**17,096,614**	**-**	**571,099,486**
Total Liabilities	**961,399,523**	**-**	**-**	**961,399,523**
Net Assets	**5,426,591,343**	**(4,727,835)**	**-**	**5,421,863,509**
Net Assets				
Accumulated surplus	5,428,180,605	(4,727,841)	-	5,423,452,764

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Notes to the Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.1 Receivables from exchange transactions

Balance previously reported	111,067,546
VAT Receivable	4,792,632
	-
	-
	115,860,178

The income estimate at year was erroneously included VAT.

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61.2 VAT receivable

Balance previously reported	30,285,689
Receivables from exchange transactions	(4,792,631)
	25,493,058

The income estimate at year was erroneously included VAT.

61.3 Property, plant and equipment

Balance previously reported	5,244,686,578
Machinery, furniture and equipment	(4,727,835)
	-
	-
	5,239,958,743

PPE line items relating to machinery, furniture and equipment had an erroneous depreciation calculation.

The accumulated depreciation per asset class was not accounted for correctly.

61.4 Employee benefit obligation

Balance previously reported	78,214,002
Employee benefit obligation -non current liability	(17,096,614)
	61,117,388

Employee Benefits comparative figure (2020) amount disclosed in the note for non-current assets was corrected by an amount of R17 096 614 due to its incorrect mapping.

61.5 Employee benefit obligation

Balance previously reported	166,519,386
Employee beneifit obligation - current liability	17,096,614
	183,616,000

Employee Benefits comparative figure (2020) amount disclosed in the note for non-current assets was corrected by an amount of R17 096 614 due to its incorrect mapping.

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Notes to the Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.6 Commitments

Balance previously reported	331,469,635
Property, plant and equipment	(5,976,185)
	325,493,450

The commitments register had an error in a calculation that caused the difference.

61.7 Accumulated surplus

Balance previously reported	5,428,180,605
Operating surplus	6,907,634
Property plant and Equipment - Machinery and Equipment	(11,635,475)
	5,423,452,764

Refer to the nature of the adjustments in the financial statement line items as indicated above.

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Notes to the Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

Statement of Financial Performance

	Audited	Prior year adjustments	Reclassifying adjustments	Restated
Revenue				
Revenue from exchange transactions				
Service charges	880,125,828	-	-	880,125,828
Construction contracts	5,317,560	-	-	5,317,560
Rental of facilities and equipment	13,601,431	-	-	13,601,431
Interest received (trading)	6,954,471	-	-	6,954,471
Agency services	3,976,481	-	-	3,976,481
Licences and permits	4,413,324	-	-	4,413,324
Other income	40,061,672	-	-	40,061,672
Investment revenue	40,472,002	-	-	40,472,002
Gains on disposal of assets	33,133	-	-	33,133
Reversal of inventory losses	709,539	-	-	709,539
Total revenue from exchange transactions	**995,665,441**	**-**	**-**	**995,665,441**
Revenue from non-exchange transactions				
Taxation revenue				
Property rates	360,089,277	-	-	360,089,277
Property rates - interest earned	1,822,264	-	-	1,822,264
Transfer revenue				
Government grants & subsidies	285,026,320	-	-	285,026,320
Fines, Penalties and Forfeits	99,992,810	-	-	99,992,810
Total revenue from non-exchange transactions	**746,930,671**	**-**	**-**	**746,930,671**
Total revenue	**1,742,596,112**	**-**	**-**	**1,742,596,112**
Expenditure				
Employee related costs	(481,583,056)	-	-	(481,534,864)
Remuneration of councillors	(19,121,037)	48,192	-	(19,169,229)
Contribution to/from provisions	(8,828,974)	-	-	(8,828,974)
Depreciation and amortisation	(197,274,891)	6,907,634	-	(190,367,257)
Impairment of non cash generating assets	(72,977)	-	-	(72,977)
Finance costs	(56,003,899)	-	-	(56,003,899)
Lease rentals on operating lease	(11,837,555)	-	-	(11,837,555)
Debt impairment	(123,186,856)	-	-	(123,186,856)
Contribution to allowance for doubtful debt	6,513,822	-	-	6,513,822
Bulk purchases	(445,620,997)	-	-	(445,620,997)
Contracted services	(183,452,999)	-	-	(183,452,999)
Transfers and subsidies	(10,854,823)	-	-	(10,854,823)
Collection costs	(700,000)	-	-	(700,000)
Fair value adjustments	(634,971)	-	-	(634,971)
General Expenses	(128,781,895)	-	-	(128,781,895)
Total expenditure	**(1,661,441,108)**	**6,859,442**	**-**	**(1,654,533,474)**
Operating surplus	**81,155,004**	**6,859,442**	**-**	**88,062,638**
Surplus for the year	**81,155,004**	**6,859,442**	**-**	**88,062,638**

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Notes to the Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.8 Depreciation and amortisation

Balance previously reported	(197,274,891)
Furniture and office equipment, Machinery and equipment, Other assets	6,907,634
	(190,367,257)

The accumalated depreciation amount exceeded the cost of the asset and was corrected after investigation of the entire population.

62. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Covid 19 pandemic has affected various aspects of the municipality during the 2020/2021 financial year. However due to the fact that the muncipality's cash forecast performed, budget process and other considerations the municipality is still of the opinion that the pandemic and the restrictions it has placed on certain operations will ot affect the municipalities ability to operate as a going concern. .

63. Deviations from SCM regulations - SCM Regulation 36

In terms of section 36 of the municipality SCM regulations, any deviations from SCM policy needs to be approved by the accounting officer and noted by Council. The awards listed below have been approved by the accounting officer and noted by Council.

All deviations considered by the accounting officer are processed in terms of the SCM regulations and the municipality's SCM policy. This process entails being assessed by the SCM Bid Adjudication Committee in terms of the stipulated criteria for emergency procurements and circumstances where it is impractical or not possible to follow the official procedure.

Deviation from, and ratification of minor breaches of, the procurement processes

In terms of section 36(2) of the Supply Chain Management Policy approved by Council it is stipulated that bids where the formal procurement processes could not be followed, must be noted in the annual financial statements.

SCM paragraph reverence			
36 (1)(a) i	Dispense with the official procurement processes in an emergency	10,236,826	16,615,449
36 (1)(a) ii	Dispense with official procurement processes if such goods or services are produced or available from a single source or sole provider.	7,121,099	155,945
36 (1)(a) v	Dispense with official procurement processes in any other exceptional case where it is impractical or impossible to follow the official procurement processes.	13,691,278	14,315,571
Total deviations		**31,049,203**	**31,086,965**

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64. Budget differences

Material differences between budget and actual amounts

The materiality framework of the municipality informs the determining base ranges. The framework outlines all principles and guiding practices to allow management to enforce a consistent application of the framework's guidelines. With regard to reporting, the understandability and transparency to users of the financial statements was a determining factor when deciding on the base %.

Statement of Financial Performance

Revenue

The determining base range used was 1 % of total revenue.

Service charges (BD1)
The service charge has been adversely affected by the COVID-19 lockdown regulations and its concomitant impact on the economy.

Government grants & subsidies (BD2)
Delays were experienced with the implementation of capital projects due to the national lockdown enforced, as a result of the covid-19 pandemic

Fines, Penalties and Forfeits (BD3)
The budget projection for fines was based on previous performance. The lockdown restrictions had a negative effect on the issuing of traffic fines.

Expenditure

The determining base range was 2% of total expenditure**.**

General Expenses (BD4)
The variance is as a result of the COVID-19 lockdown regulations that had an adverse impact the expenditure.

Statement of financial position

Assets

The determining base was 1% of total assets and 5% of accumulated surplus.

Liabilities

The determining base was 2% of total liabilities.

Cash and cash equivalents (BD5)
Due to cash flows, some short term investments were converted into cash & cash equivalent

Short Term Investments (BD6)
Due to cash flows, some short term investments were converted into cash & cash equivalents

Receivables from exchange transactions (BD7)
The variance is as a result of the economic conditions of consumers in the municipal area and further impacted by the national lockdown due to the covid-19 pandemic.

Receivables from non-exchange transactions (BD8)
The variance is as a result of the economic conditions of consumers in the municipal area and further impacted by the national lockdown due to covid-19

Property Plant and Equipment (BD9)))
The variance relates to underspending on the capital budget

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64. Budget differences (continued)

Payables from exchange transactions (BD10)
This was mainly due to late contractor appointments, delays in projects which led to more invoices not being paid at year end.

Unspent conditional grants and receipts (BD11)
Due to unforseen circumstances, late contractor appointments, delays in projects, etc, conditions of some grants could not be met at year end.

Borrowings (BD12)
The external loan was taken up towards taken up towards the end of the financial year.

Accumulated Surplus (BD13)
This variance arises out of cumulative differences within the statement of financial position and is as a direct result of the variances already highlighted in the statement of financial position. The reason for the variance is due to an error on the data string for which the amount did not reflect on the Schedule B that served before council. The council approved budget included an amount for net asset of R5 693 368 561.

Cash flow Statements

Sale of Goods and services (CF1)
Sale of goods and services are based on the demand and the demand for the services decreased due to the lockdown restrictions.

Suppliers and employees (CF2)
Bulk purchases which are bought by the municipality are based on the consumption of the community have decreased compared to the prior year.

Employee related cost decrease due to vacancies not filled and posts becoming vacant during the financial year.

Transfers and grants (CF3)
The actual expenditure was more than what was anticipated by management.

Finance Cost (CF4)
An external loan was taken up during the financial year and the interest cost for the employee benefits increased more than what was projected.

Property Plant and Equipment (CF5)
The variance relates to the underspending on the capital budget.

Repayment of other financial liabilities (CF6)
The external loan was taken up towards the end of the financial year.

65. BBBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

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66. Contingent liabilities

State / Matanise CAS NR 98/03/2015/ Stellenbosch Municipality	-	100,000

A traffic officer made a U-turn on the R44 pursuant to obtaining an instruction from his superintendent that he need to attend to a complaint in Klapmuts. The claimant, alleged that he had to turn into another lane to prevent an accident to occur, losing control over the vehicle and overturning the vehicle in the process.

Labour court review - MATUSA on behalf of an employee / Stellenbosch Municipality	-	380,000

MATUSA on behalf of 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.

Ricmal Green (Pty) Ltd & another / The unlawful occupiers and others	-	200,000

Ricmal Green (Pty) Ltd applied for an interdict that the National Minister of Agriculture, Deputy Minister of Agriculture and the National Government be interdicted and restrained from placing any third parties in occupation of the Property or in any way encouraging, promoting, supporting and or allowing any persons to come onto the farm to occupy the Property.

Anonymous Employee / Stellenbosch Municipality	-	100,000

An employee applied for default judgment against Stellenbosch Municipality for alleged unfair labour practice in relation to failure to promote and/or demotion and alleged that he/she is being unfairly discriminated against.

SPS / Stellenbosch Municipality	-	100,000

MZ Loghdey t/a Street Parking Solutions submitted a tender, which was awarded to him. The tender was implemented on or about 1 April 2019. A dispute arose between the parties around various issues in terms of the tender. Clause 27.1 of the GCC provides that if any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation. Clause 27.2 provides further if, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party. Clause 27.3 provides that should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law. Notwithstanding the above clause 27.4 provides that notwithstanding any reference to mediation and/or court proceedings herein the parties shall continue to perform their respective obligations under the contract unless they otherwise agree and the purchaser shall pay the supplier any monies due for goods delivered and/or services rendered according to the prescripts of the contract. Both SPS and the Municipality alleged that certain conditions of the tender/contract was breached and that mediation is required to solve the dispute. A mediator was appointed and a date for the mediation need to be set to argue the matter.

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66. Contingent liabilities (continued)

Anonymous Employee / Stellenbosch Municipality	-	300,000
Review application instituted by Stellenbosch Municipality setting aside the Arbitration Award made under WCP121702 under the South African Local Bargaining Council to pay the employee compensation for additional work done.		
Former Employee / South African Local Government Bargaining council and others	200,000	200,000
Review application instituted by an former employee to have the arbitration award dated 18 July 2019 under case numbers WCP 071722 and 01719 reviewed and set aside and in the alternative should the court elect not to correct the award that the dispute be remitted and referred back to the Bargaining Council for adjudication before an arbitrator.		
Stellenbosch Municpality / Urlan Groenewaldt & Jacques Francois Swart	-	500,000
Motor vehicle collision in which the municipal traffic lights were damaged.		
.		
Stellenbosch Municipality / Sliyazama CP Constructions (Pty) Ltd	-	200,000
Stellenbosch Municipality have to institute eviction proceedings against the illegal occupiers of the property, which the Municipality is leasing to Kindersorg to operate a crèche in Kayamandi. The eviction application is pending. The founding affidavit of the Municipality needs to be finalised, whereafter the municipality can proceed with the institution of the eviction application. The municipality has received the founding affidavit and is in the process of proposing amendments thereto.		
Stellenbosch Municipality / Klapmuts mediation	250,000	250,000
Stellenbosch Municipality is under obligation to provide emergency housing to evictees of various eviction orders in Klapmuts. The Klapmuts community has threatened violence against evictees and destruction of property should the municipality proceed to utilise Klapmuts housing facilities for evictees rather than for members of the Klapmuts community. Independent expert mediator appointed to facilitate mediation which is currently pending. The mediator had meetings with the community and a committee was elected to discuss the matter and proposals made. The chairperson of the Committee was not available for a period to attend meetings and new proposed dates were arrangde by the mediator for such meetings. The community still refuse the Municipality to implement emergency housing. The mediation needs to be finalised to obtain the buy-in of the community to relocate evictees to Klamputs.		
Stellenbosch Municipality / NE Properties (Pty) Ltd	200,000	250,000
Application to declare the dissolution of NE Industries void in terms of section 83(4) of the Companies Act and to direct the Companies and Intellectual Property Commission of South Africa to restore NE Industries' name to the register of companies. NE Industries was deregistered and its name was removed from the register of companies on 16 July 2010 due to its failure to file its annual returns. NE Industries is the single largest debtor on the Municipality's debtor's book. The Municipality wants to collect the outstanding amount due to it but established that NE Industries was deregistered as a result of its failure to file its annual returns and its name was removed from the register of companies.		
Stellenbosch Municipality / IMATU on behalf of Employee	200,000	200,000
Review application instituted against the arbitrator's award by Commissioner Der Vlieger-Seynhaeve including application for condonation and to oppose the application for contempt of court proceedings instituted by IMATU obo employee.		

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66. Contingent liabilities (continued)		
Stellenbosch Municipality / E Ross and Others	200,000	250,000
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.		
Stellenbosch Municipality / L Bailey and Another	200,000	200,000
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.		
Stellenbosch Municipality / J Morgan and Others	-	200,000
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.		
Stellenbosch Municipality / A De Ruiter and Others	200,000	200,000
Stellenbosch Municipality have to institute eviction proceedings against the Respondents of Erf 5281 Cloetesville, due to the Respondents actions.		
Stellenbosch Municipality / Francois Jansen	50,000	50,000
Application for eviction of unlawful occupants from municipal property.		
Stellenbosch Municipality / Tania Wasmuth and Others	50,000	50,000
Application for eviction of unlawful occupants from municipal property.		
Stellenbosch Municipality / Cobus Visagie	50,000	50,000
Approximately R684 000.00 owed by Cobus Visagie for a tender to harvest wood.		
Fusion Properties 233 CC / The Municipality of Stellenbosch	33,465,000	33,465,000
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.		

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66. Contingent liabilities (continued)

Independent Schools Association of Southern Africa / Ethekwini Municipality / Stellenbosch Municipality &Others	250,000	250,000
This matter involves an application on behalf of the Municipality to be joined as co-applicant together with eThekwini Municipality in an application for the review and setting aside of the Amended Municipal Property Rates Regulations promulgated on 12 March 2010. The Municipality has been joined successfully as co-applicant.		
This matter involves an application on behalf of the Municipality to be joined as co-applicant together with eThekwini Municipality in an application for the review and setting aside of the Amended Municipal Property Rates Regulations promulgated on 12 March 2010. The Municipality has been joined successfully as co-applicant.		
De Zalze Golf Club / Valuation Appeal Board for Stellenbosch Municipality	400,000	500,000
De Zalze Golf Club applied to have the Valuation Appeal Board for the Stellenbosch Municipality's decision dated 5 September 2018 to place a value of R26 500 000.00 on the leasehold rights in respect of remainder Erf 296 De Zalze reviewed and set aside and to replace the decision with an order valuing the property at R1 000.00 alternatively R4 900 000.00. In the alternative, and in the event that the Court is not prepared to grant the relief sought indicated above, remitting the matter to the Valuation Appeal Board and directing it, within a reasonable period and in accordance with the Court's directions, to make a fresh decision as to the value of the property. De Zalze Golf Club also applied that the Valuation Appeal Board and Stellenbosch Municipality pay De Zalze's costs jointly and severally, including the costs of two counsel (save that costs are only sought against Stellenbosch Municipality in the event of it opposing the application). The matter was heard on 13 August 2020 and judgment has been reserved.This matter does not involve any amounts claimed.		
Stellenbosch Municipality / LJ Turnkey Investments (Pty) Ltd	250,000	250,000
The owner of Portion 9 of Farm 100 Stellenbosch ("the Property") applied for a declaratory order that the zoning of the Property is general residential and allows them to utilise the Property for student accommodation.The Municipality opposed the declaratory order and filed its answering affidavit. The Municipality is in the process of instituting a counter-application for, amongst others, a declaratory order regarding the zoning of the Property and interdictory relief regarding the utilisation of the Property for student and/or any other rental accommodation in contravention of the Municipality's Zoning Scheme By-law. This matter does not involve any amounts claimed .		
Anonymous Employee/Stellenbosch Municipality	300,000	-
Review application instituted by Stellenbosch Municipality setting aside the Arbitration Award made under WCP121702 under the South African Local Government Bargaining Council to pay her compensation for additional work done.		
STELLENBOSCH MUNICIPALITY / FORMER EMPLOYEE	200,000	-
Review Application instituted in the Labour Court against the disciplinary sanction of the chairperson in the disciplinary hearing of Leon Lourens. Leon Lourens was found guilty on three charges, which involves dishonesty but was not dismissed by the chairperson. The Municipality has served and filed its founding affidavit to have the ruling of the chairperson set aside and replace for a dismissal. The Municipality is in the process of transcribing the recordings of the hearing whereafter Leon Lourens will provide its answering affidavit in the matter.		

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66. Contingent liabilities (continued)

WS SMIT N.O & OTHERS /STELLENBOSCH MUNICIPALITY	200,000	-
Community members illegally occupied Portion 5 of Farm 183 Stellenbosch also known as Watergang. An eviction application was subsequently instituted and Acting Judge Martin granted an eviction order against the illegal occupiers. The illegal occupiers filed an appeal against the eviction order granted by Acting Judge Martin which appeal is still pending. The appeal, or any proceedings before the Supreme Court or Higher Court should leave to appeal be granted and any other actions flowing from the Interdict need to be oppose.		
STELLENBOSCH MUNICIPALITY / OSCAN INVESTMENTS ENTERPRISE (PTY) LTD	485,200	-
Property owner of Erf 1727 Stellenbosch erected a fence which encroach on municipal public open space. The Municipality needs to apply for a demolition order if the owner refuse/fail to remove the illegal wooden fence. Notice was served on the property owner to address the issues highlighted in the letter of refusal of the building plan and to resubmit the building plan together with the requested information and documents required alternatively to have the illegal fence removed. Should the property owner not comply with the notice served, the Municipality will proceed with the demolition application of the illegal fence.		
FORMER EMPLOYEE / STELLENBOSCH MUNICIPALITY	200,000	-
Application instituted by Elizabeth Rhoda against Stellenbosch Municipality to have her reinstated retrospectively with accumulated benefits and salary or adjustments and that the Municipality pay compensation to her in the amount of 12 months' salary including the cost of suit as well as a condonation application for the late submission of her application. The application was opposed by the Municipality and the Municipality is in the process to serve and file its Statement of Defence		
STELLENBOSCH MUNICIPALITY / THE CHILDREN MR BESS AND ILLEGAL OCCUPIERS	100,000	-
Eviction application against the children of Mr Johnny Bess, who was employed by Stellenbosch Municipality and retired from the employ of the Municipality on or about 31 July 2006. Mr Bess passed on and his children continued to occupy the house. There are various complaints from community members that the children who are currently occupying the house are involved in alleged drug dealing and anti-social behaviour. The house is vandalised and not maintained. The surrounding homeowners handed in a petition demanding that the children be evicted from the house due to an increase in illegal activities from the house, which is making living with them unbearable.		
STELLENBOSCH MUNICIPALITY / ISAYA NKUKUMANA	400,000	-
Opinion and Review application against decision of the Chairperson in the disciplinary hearing of Isaya Nkunkumana to have the ruling on the sanction issued against Isaya Nkunkumana reviewed and set aside. Review application with condonation application was finalised and served on the respective parties.		
SURREY HOLMES (PTY) LTD / STELLENBOSCH MUNICIPALITY	400,000	-
Surrey Holmes instituted a review application against Stellenbosch Municipality for its alleged failure to make a decision in terms of section 6(2) (g) of the Promotion of Administrative Justice Act 3 of 2000 (PAJA) and directing the Municipality to perform its duties and exercise its powers by; accepting and considering the amended ceiling height of the Attic Room. The review application was opposed by the Municipality. The Municipality is in the process to provide the Rule 53 records.		

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66. Contingent liabilities (continued)

STELLENBOSCH MUNICIPALITY / LEELYN MANAGEMENT CC	400,000	-
Opinion and institution of Monetary claim against Leelyn Management CC for alleged parking revenue collected on behalf of the Municipality which was not paid over by Leelyn Management CC to the Municipality.		
STELLENBOSCH MUNICIPALITY / CHOISY –LE-ROI OWNERS (PTY) LTD	200,000	-
Review application instituted by the owner of Erf 13500 Technopark, Stellenbosch against the appeal judgment of the Executive Mayor.The Municipality served and filed notice of opposition against the application. Rule 53 record was subsequently filed at court. Choisy-le-Roi supplemented their application and the Municipality served and filed its answering affidavit. A court date needs to be obtained to argue the matter.		
DEON GARDEN & CONSTRUCTION CC / STELLENBOSCH MUNICIPALITY	200,000	-
Monetary claim in the amount of R4 374 192.67 including interest at a rate of 7.75% per annum for alleged damages suffered by Deon Garden & Construction CC. The Municipality defended the claim instituted and is in the process of finalising its plea in the matter.		
SECURITEM (PTY) LTD/ STELLENBOSCH MUNICIPALITY	200,000	-
Securitem instituted legal action against the Municipality to pay VAT on top of their tender price. The Municipality is of the view that VAT was included in the tender price submitted by SECURITEM and opposed the application.		
STELLENBOSCH MUN / MOFFAT & OTHERS	100,000	-
Eviction application against the Moffat family who illegally occupy the Eikestad Hall. The Municipality provided temporary accommodation to the Moffat family pursuant to the Moffat family wendy house being destroyed by a fire. The intension was that the Moffat family should occupy the Eikestad Hall temporarily and to relocate to Mountain View. The Municipality provided emergency accommodation at Mountain View, Jamestown, but the Moffat family refused to relocate. The Moffat's was given notice to vacate the Eikestad Hall and eviction proceedings is being instituted. The draft affidavit to institute eviction proceedings is being circulated for comment.		
STELLENBOSCH MUNICIPALITY/ABSA	9,000,000	-
The municipality is in a dispute with ABSA bank in relation to the fleet vehicle expenditure as controled by ABSA.		
SHAHIEDA JACOBS / STELLENBOSCH MUNICIPALITY	200,000	-
Shahieda Jacobs instituted legal proceedings against Stellenbosch Municipality and a municipal official for alleged sexual harassment and unfair discrimination in the Labour Court. The Municipality filed its Statement of Response to the Plaintiff's Statement of Claim. The Special Plea on Shahieda's new Statement of Claim will be determine on 29 July 2020 on the papers before the Judge.		

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66. Contingent liabilities (continued)

RICARDO GALANDT ANDOTHERS/STELLENBOSCHMUNICIPALITY	100,000	-
Spoliation application instituted by the Applicants against Stellenbosch Municipality for the alleged demolishing of their homes/structures. The Municipality raised an issue that the Stellenbosch Magistrate's Court does not have jurisdiction to hear the matter. The point in lime was argued and the Court granted judgement in favour of the Municipality. The Applicants appealed the judgment.		
THAPELO MBASA SMITH AND OTHERS/ STELLENBOSCH MUNICIPALITY	200,000	-
Thapelo Mbasa Smith & Others applied for an interim interdict against Stellenbosch Municipality & Others pending the determination of the final relief sough in Part B of the Notice of Motion. The Municipality did not oppose the interim interdict but opposed the Review application instituted by Thapelo Mbasa Smith & Others against the Municipality declaring inter alia the Municipality's decision taken on 13 November 2020, to acquire, or accept the donation of, the Property from the Trust, to be unlawful and invalid. The Municipality subsequently filed its answering affidavit in the matter.		
Van der Westhuizen K/Stellenbosch Municipality	73,037	-
Kyla van der Westhuizen issued summons against the Municipality for damages to her vehicle, VW Polo Cross 2015 model for allegedly colliding with a pothole. The Municipality defended the matter and filed its plea in the matter. Discovery affidavit was served and filed and a court date needs to be obtained to argue the matter.		
Mhlenze, N R / Stellenbosch Municipality	325,469	-
Nomzi Renee Mlenze (Mlenze) is applying to the Labour Court for condonation of the non-compliance with the time periods envisaged by the Labour Court in terms of the applicable Rules. Mlenze is employed at Stellenbosch Municipality as Senior Clerk: Accounts in the Finance Department. She earns a salary of R8033.00 per month. In 2013 she raised a number of grievances relating to the fact that she was not being remunerated the same as other Senior Clerks who were performing same task as her. Despite the fact that her Head of the Department agreed that her post will be evaluated on a urgent basis her job was not evaluated. She submitted an appeal on 22 April 2016, which was submitted to the Municipal Manager. She subsequently referred the matter to the Labour Court for adjudication. Mlenze did not file the court papers within the 90-day period allowed, is out of time, and applied for condonation to the Labour Court to grant her permission to proceed with the matter. The application for condonation need to be opposed. The Municipality filed its exception to Mlenze's Statement of Claim and will file a condonation application for the late filing of the Municipality's opposition against the application instituted by Mlenze.		
LABOUR COURT REVIEW - MATUSA OBO REVONAH ANTHONY ("ANTHONY") / STELLENBOSCH MUNICIPALITY- STE10/031	380,000	-
MATUSA obo Revona Anthony obtained an arbitration award against Stellenbosch Municipality in terms of which she was reinstated and certified the arbitration award in terms of section 143(3) of the LRA. They instructed the sheriff to attached the movable properties of the Municipality to be sold in execution. The Municipality instituted review proceedings against the arbitration award and stay the execution of the arbitration award.		

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66. Contingent liabilities (continued)

RICMAL GREEN (PTY) LTD & ANOTHER / THE UNLAWFUL OCCUPIERS & OTHERS	200,000	-

Ricmal Green (Pty) Ltd applied for an interdict that the National Minister of Agriculture, Deputy Minister of Agriculture and the National Government be interdicted and restrained from placing any third parties in occupation of the Property or in any way encouraging, promoting, supporting and or allowing any persons to come onto the farm to occupy the Property. That the persons attempting to occupy the Property be interdicted and restrained from entering onto or remaining on the Property and erecting or attempting to erect any form of structure, be it temporary, permanent or semi-permanent of nature on the Property. Ricmal Green (Pty) Ltd also applied for an urgent eviction application in terms of rule 6(12) against all unlawful occupiers of the Property listed in Annexure A to be ordered to vacate the Property and should they fail/refuse that the Sheriff be ordered to evict them from the Property. Stellenbosch Municipality is sited as Seventh Respondent to the matter. No relief is sought against the Municipality unless the Municipality oppose the application. The Municipality was joined as the Property is situated within its jurisdiction and its statutory and/or constitutional obligations as regards the occupiers. The Municipality is supporting the application of the Applicants and filed an explanatory affidavit.

ANGELA ADELINE MOGOLEGENG / STELLENBOSCH MUNICIPALITY	100,000	-

Angela Adeline Mogolegeng applied for Default Judgment against Stellenbosch Municipality for alleged unfair labour practice in relation to failure to promote and/or demotion and alleged that she is being unfairly discriminated against

SPS / STELLENBOSCH MUNICIPALITY	100,000	-

MZ Loghdey t/a Street Parking Solutions submitted a tender, which was awarded to him. The tender was implemented on or about 1 April 2019. A dispute arose between the parties around various issues in terms of the tender. Clause 27.1 of the GCC provides that if any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation. Clause 27.2 provides further if, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party. Clause 27.3 provides that should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law. Notwithstanding the above clause 27.4 provides that notwithstanding any reference to mediation and/or court proceedings herein the parties shall continue to perform their respective obligations under the contract unless they otherwise agree and the purchaser shall pay the supplier any monies due for goods delivered and/or services rendered according to the prescripts of the contract. Both SPS and the Municipality alleged that certain conditions of the tender/contract was breached and that mediation is required to solve the dispute. A mediator was appointed and a date for the mediation need to be set to argue the matter.

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66. Contingent liabilities (continued)

STELLENBOSCH MUNICIPALITY LANDFILL SITE	-	-

The municipality has a present obligation to rehabilitate the landfill site which stems from licensing agreements 16/2/7/G203/D16/Z1/P331) issued in terms of the Environmental Conservation Act, 1989 (Act 73of 1989),E13/2/10/7-B4/37-WL0077/11 issued in terms of the National Environmental Management: Waste Act, 2008 (Act no. 59 of 2008) (NEMWA) and license number 19/2/5/1/B4/46/WL0118/14 issued in terms of NEMWA. The obligation is immediately enforceable upon closure of the landfill site. As part of these licensing obligations, the municipality is responsible for post-closure obligations namely, ground water monitoring, decommissioning, monitoring committee and gas monitoring. The duration of the time for the cost to be incurred is contingent on the decision making of the regional director as stipulated in the licence conditions. At 30 June 2021, a decision has not been made by the regional director on the post-closure obligations for the municipality as per the licence agreements, as a result thereof, a reliable estimate of the costs to be incurred cannot be reliable estimated due to the uncertainty of the key events contained within the licencing conditions. .

	50,028,706	**38,245,000**

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67. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of four major functional areas. These four functional segments are governance and adminsitration, community and public safety,economic and enviromental services as well as trading services. The segments were organised around the type of service delivered and the target market.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Reportable segments are identified based on activities performed of the municipality that generates economic benefits or service potential including internal services that contribute to achieving the municipality's objectives without necessarily generating net cash inflows.

Management has only identified segment information for which data is reported on and reviewed during the decision making process of the municipality. Aspects relating to GRAP 18 paragraph 21 (a) - (j) which does not form part of the review process of the management reports will not form part of the segment information.

Segmental reporting was based and identified on the MFMA S71 monthly budget statements/reports that are reviewed by senior management and council to make strategic decisions and in monitoring segment performance. The disclosure of information about segments in these reports are organised around the type of service delivered, in a standardised format namely the C2 schedule. This is considered appropriate for external reporting purposes to achieve the objectives of GRAP 18.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Community and public safety	Primary services providing community safety, crime prevention and law enforcement.
Governance and administration	Primary services in relation to financial management, financial and governance decision making.
Economic and environmental services	Urban and developmental planning in accordance with the relevent laws and regulations. Environmental planning and protection for long term sustainibility.
Trading services	Primary basic service provision including water, electricity, sanitation and refuse.

Measurement of segment surplus or deficit, assets and liabilities

Basis of accounting for transactions between reportable segments

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

Information about geographical areas

All the municipality's operations are located in the Republic of South Africa in the Cape Winelands area. Information to report on different geographical areas is not available would be expensive and impractical to develop.

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24 January 2022

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

Reportable Segments for the year ended 30 June 2021

2021

	Governance and administration	Community and public safety	Economic and environmental services	Trading services	Other	Total
Segment revenue						
External revenue from non-exchange transactions	461,667,189	21,303,592	142,331,274	137,310,011	100,000	762,712,066
External revenue from exchange transactions	27,256,429	10,186,217	36,553,118	949,348,116	108,638	1,023,452,518
Interest revenue	19,493,405	-	-	21,956	-	19,515,361
Total	**508,417,023**	**31,489,809**	**178,884,392**	**1,086,680,083**	**208,638**	**1,805,679,945**
Segment expenses						
Total segment expenses	(261,951,903)	(217,592,279)	(270,535,087)	(771,795,794)	(100,000)	(1,521,975,063)
Depreciation and amortisation	(17,447,460)	(16,169,366)	(53,453,700)	(105,145,384)	-	(192,215,910)
Fair value adjustments	(922,034)	-	-	-	-	(922,034)
Contribution to/from provisions	-	-	-	(6,874,912)	-	(6,874,912)
Cost of housing sold	-	-	(1,925,000)	-	-	(1,925,000)
Inventory losses/write downs	(18,583)	-	-	-	-	(18,583)
Debt impairment	(677,699)	(4,748,896)	(16,096,098)	(12,463,098)	-	(33,985,791)
Interest expense	(16,840,000)	-	-	(37,634,647)	-	(54,474,647)
Total	**(297,857,679)**	**(238,510,541)**	**(342,009,885)**	**(933,913,835)**	**(100,000)**	**(1,812,391,940)**
Surplus for the year	**210,559,344**	**(207,020,732)**	**(163,125,493)**	**152,766,248**	**108,638**	**(6,711,995)**
Other information						
Total capital expenditure	**71,795,299**	**34,951,015**	**94,794,762**	**191,420,571**	-	**392,961,647**

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ANNEXURE B: ANNUAL PERFORMANCE REPORT 2020/21

STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Annual Performance Report

2020/21

(01 July 2020 – 30 June 2021)

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1. PURPOSE

The Annual Performance Report 2020/21 is hereby submitted to the Stellenbosch Municipal Council in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), Section 46(1) and (2). The report covers the performance information from 01 July 2020 to 30 June 2021 and focuses on the implementation of the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the municipality's Integrated Development Plan (IDP) for the year under review.

The format of the report will reflect the Stellenbosch Municipality's Key Performance Indicators (KPIs) per Strategic Focus Area (SFA).

This report will also endeavour to report to Council on the municipality's performance in terms of the five (5) National Government's Key Performance Areas for local government, which are (1) Basic Service Delivery; (2) Local Economic Development; (3) Municipal Institutional Transformation and Development; (4) Municipal Financial Viability and Management and (5) Good Governance and Public Participation.

2. LEGISLATIVE REQUIREMENTS

This Annual Performance Report has been compiled in compliance with the requirements of Section 46(1) of the MSA, which stipulates as follows:

(1) A municipality must prepare for each financial year a performance report reflecting—
- (a) the performance of the municipality and each external service provider during that financial year;
- (b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and
- (c) measures taken to improve performance.

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

3. MUNICIPAL OVERVIEW

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

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

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

Limited municipal resources require an increase in multi-sectoral partnerships to address the broad spectrum of needs in the community. The municipality cannot address the challenges of Stellenbosch on its own, not only because of limited resources, but also because it does not control all the variables impacting on growth and development of the town. Welfare and community organisations play a leading role in assisting to meet the needs of previously neglected communities. The business sector also plays a key role in shaping the economic development of the municipal area.

Figure 3:1 Location of the Stellenbosch Municipality



3.1 Vision

"Valley of Opportunity and Innovation"

3.2 Socio-economic status

Table 1: Total population

Total population		
2018/19	**2019/20**	**2020/21**
186 274*	186 274*	192 879**

**Western Cape Government, 2018 & 2019 Socio-economic Profile, Stellenbosch Municipality*
*** DLG 2020 Socio- Economic Profile- Stellenbosch Municipality*

Table 2: Total number of households

Households	2018/19	2019/20	2020/21
Number of households in municipal area	52 374*	52 374*	52 374*
Number of registered indigent households in municipal area	6 817	7 011	7 283

*STATSSA, 2011

Table 3: Access to Services

Community Survey 2016	Stellenbosch	Cape Winelands District
Formal main dwelling	34 071	191 077
	65,1%	81,0%
Water (piped inside dwelling / within 200m)	51 581	232 605
	98,5%	98,6%
Electricity (primary source of lighting)	51 386	228 650
	98,1%	96,9%
Sanitation (flush / chemical toilet)	47 594	218 483
	90,9%	92,6%
Refuse removal (at least weekly)	37 207	192 974
	71,0%	81,8%

Source: Western Cape, Socio-Economic Profile 2018

4. PERFORMANCE MANAGEMENT OVERVIEW

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

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

Table 4: Performance Management System Checklist

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

4.1 Top Layer Service Delivery and Budget Implementation Plan

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

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

The MFMA Circular No.13 prescribes that:

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

The TL SDBIP was prepared as described in the paragraphs below and approved by the Executive Mayor on 24 June 2020.

The approved TL SDBIP 2020/21 was revised in February 2021 and again in June 2021. These revisions were made in line with the adjustment budget, internal audit findings and recommendations made by the Auditor General of South Africa (AGSA).

The overall assessment of actual performance against targets set for the Key Performance Indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology:

Table 5: Performance Assessment Criteria

Color	Category	Explanation
N/A	KPI Not Yet Measured	KPIs with no targets or actual results for the selected period
R	KPI Not Met	Actual vs. target less than 75%
O	KPI Almost Met	Actual vs. target between 75% and 100%
G	KPI Met	Actual vs. target 100% achieved
G2	KPI Well Met	Actual vs. target more than 100% and less than 150% achieved
B	KPI Extremely Well Met	Actual vs. target more than 150% achieved

The TL SDBIP (the Municipal Scorecard) consolidate service delivery targets set by Council / Senior Management and provide an overall picture of performance for the Municipality as a whole, reflecting performance on its strategic priorities. The TL SDBIP is a detailed one-year plan and the necessary components should include:

- Monthly projections of revenue to be collected for each source;
- Expected revenue to be collected not billed;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Non-financial measurable performance objectives in the form of targets and indicators; and
- Detailed capital project plan broken down by ward over three years.

4.2 Departmental Service Delivery and Budget Implementation Plan

The Departmental Service Delivery and Budget Implementation Plan (the detailed SDBIP) capture the performance of each Directorate. Unlike the TL SDBIP, which reflects on the strategic performance of the municipality, the Departmental SDBIP 2020/21 provides a comprehensive picture of the performance per Directorate, Department and Section. It was compiled by the Directors and Senior Managers for their respective Departments and Sections and consists of objectives, indicators and targets derived from the approved TL SDBIP 2020/21.

5. PLANNED TARGETS VS ACTUAL RESULTS FOR THE 2020/21 FINANCIAL YEAR

This section of the Annual Performance Report 2020/21 will report on the municipality's actual performance against the planned targets as derived from the municipality's IDP. Due to the fact that the municipality has developed five (5) Strategic Focus Areas (SFAs), the performance reporting will follow these themes.

5.1 Municipal performance per National Key Performance Indicator

5.1.1 Municipal Transformation and Institutional Development

Table 6: NKPA - Municipal Transformation and Institutional Development

INDICATOR	MUNICIPAL ACHIEVEMENT 2019/20	MUNICIPAL ACHIEVEMENT 2020/21
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	4	5
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	R2 262 082.24/ R1 661 441 108 x100 = 0.14%	R2 831 705 / R1 779 347 338 =0.16%

5.1.2 Basic Service Delivery

Table 7: NKPA - Basic Service Delivery

INDICATOR	MUNICIPAL ACHIEVEMENT 2019/20*	MUNICIPAL ACHIEVEMENT 2020/21*
The percentage of households earning less than R6,500 per month with access to free basic services (In the case of Stellenbosch Municipality- percentage of registered Indigent households are being reported)	100%	100%
The percentage of households with access to basic level of water	100%	100%
The percentage of households with access to basic level of sanitation	100%	100%
The percentage of households with access to basic level of electricity	74.4%	71%
The percentage of households with access to basic level of solid waste removal	100%	100%

** The percentage of households with access to basic level of water, sanitation, electricity and solid waste services is based on formal households only. The information on informal households and backyard dwellings were not taken into account.*

5.1.3 Local Economic Development

Table 8: NKPA - Local Economic Development

INDICATOR	MUNICIPAL ACHIEVEMENT 2019/20	MUNICIPAL ACHIEVEMENT 2020/21
The number of jobs created through municipality's local economic development initiatives including capital projects	1 656	1 129

5.1.4 Municipal Financial Viability and Management

Table 9: NKPA - Municipal Financial Viability and Management

INDICATOR	MUNICIPAL ACHIEVEMENT 2019/20	MUNICIPAL ACHIEVEMENT 2020/21
Debt coverage ((Total operating revenue - operating grants received) / Debt service payments due within the year)	27.79%	29.06%
Service debtors to revenue (Total outstanding service debtors / Annual revenue received for services)	6.71%	8.86%
Cost coverage ((Available cash + investments) / Monthly fixed operating expenditure)	2.41	2.08

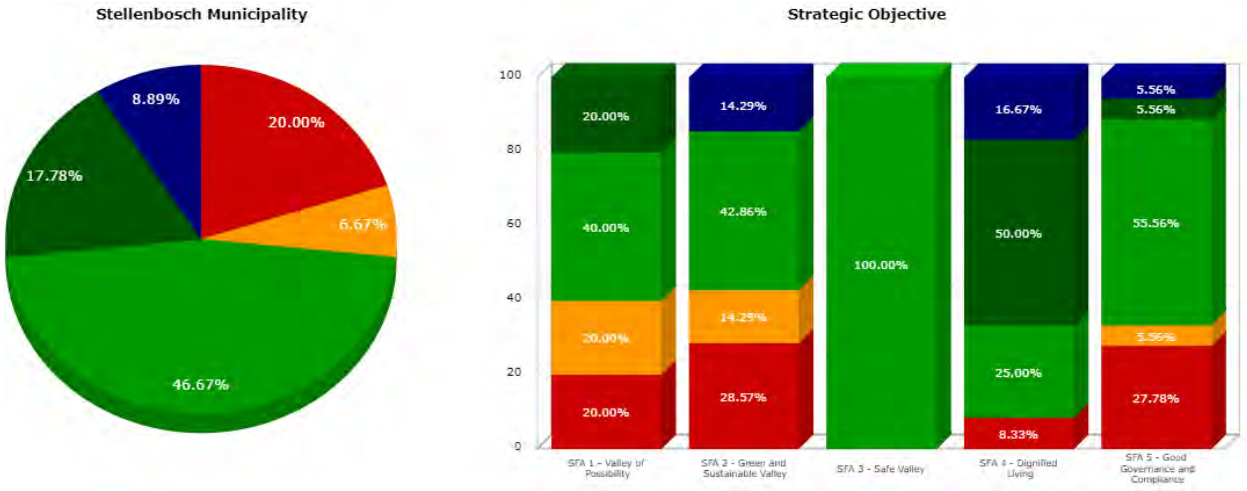
5.1.5 Good Governance and Public Participation

Table 10: NKPA- Good Governance and Public Participation

INDICATOR	MUNICIPAL ACHIEVEMENT 2019/20	MUNICIPAL ACHIEVEMENT 2019/21
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	70.24%	86.54%

5.2 Overall performance per Municipal Strategic Focus Area

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



Stellenbosch Municipality		Municipal Strategic Focus Areas (SFAs)				
		SFA 1 - Valley of Possibility	SFA 2 - Green and Sustainable Valley	SFA 3 - Safe Valley	SFA 4 - Dignified Living	SFA 5 - Good Governance and Compliance
KPI Not Yet Measured	-	-	-	-	-	-
KPI Not Met	9 (20%)	1 (20%)	2 (28.57%)	-	1 (8.33%)	5 (27.78%)
KPI Almost Met	3 (6.67%)	1 (20%)	1 (14.29%)	-	-	1 (5.56%)
KPI Met	21 (46.67%)	2 (40%)	3 (42.86%)	3 (100%)	3 (25%)	10 (55.56%)
KPI Well Met	8 (17.78%)	1 (20%)	-	-	6 (50%)	1 (5.56%)
KPI Extremely Well Met	4 (8.89%)	-	1 (14.29%)	-	2 (16.67%)	1 (5.56%)
Total:	45	5	7	3	12	18
	100%	11.11%	15.56%	6.67%	26.67%	40%

Table and Graph 11: Overall performance per SFA- 01 July 2020 – 30 June 2021

5.3 SFA 1 - Valley of Possibility

SFA 1 - VALLEY OF POSSIBILITY											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL58	KPI007	The number of jobs created through the Municipality's local economic development initiatives including capital projects (NKPI Proxy - MSA, Reg. S10(d))	Number of job opportunities created through the Municipality's local economic development initiatives including capital projects by 30 June	1 656	1 300	1 300	**1 300**	**1 129**	O	Projects in a number of internal Departments could not be implemented due to a number of factors which included the impact of the COVID-19 pandemic.	The municipality is in the process of developing a Standard Operating Procedure (SOP) which includes a quarterly monitoring process for internal departments participating in the EPWP. This SOP will be finalised by 31 December 2021.
TL59	KPI008	Land-use applications considered by the Municipal Planning Tribunal within 120 days from a complete land-use application	Percentage of land-use applications considered by the Municipal Planning Tribunal within 120 days after a complete land-use application	0%	90%	90%	**90%**	**58%**	R	11 / 19 x 100 = 58% The monitoring system for the management of the land-use application process as well as a new task management system for the individual case officers were instituted to improve the monitoring of the processing of land use applications in order to address compliance to legislative timeframes. As a result, there is a marked increase in the finalisation of land-use applications within 120 days when compared to the 2019/20 financial year of 0%.	The TPAMS electronic application management system for land-use applications is in the process of being finalised and will be implemented by 31 December 2021.
TL60	KPI009	Training opportunities provided for entrepreneurs and Small, Medium and Micro Enterprises (SMMEs)	Number of quarterly training opportunities provided for entrepreneurs and SMMEs	4	4	4	**4**	**5**	G2		

SFA 1 - VALLEY OF POSSIBILITY											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL61	KPI012	Revised Housing Pipeline (document) submitted to the Mayoral Committee (MayCo)	Number of Revised Housing Pipelines (documents) submitted to the MayCo by 31 May	1	1	1	**1**	**1**	G		
TL62	KPI080	Submission of Tourism Strategic Plan to the Municipal Manager	Number of Tourism Strategic Plans submitted to the Municipal Manager by 30 June	New KPI	1	1	**1**	**1**	G		

Summary of Results: SFA 1 - Valley of Possibility

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	1
O	KPI Almost Met	1
G	KPI Met	2
G2	KPI Well Met	1
B	KPI Extremely Well Met	0
Total KPIs		**5**

5.4 SFA 2 - Green and Sustainable Valley

SFA 2 - GREEN AND SUSTAINABLE VALLEY											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL52	KPI078	Submission of the Revised Facility Management Plan to the MayCo	Number of Revised Facility Management Plans submitted to the MayCo by 31 May	1	1	1	**1**	**0**	R	The report was finalised and submitted to the Director: Corporate Services to review.	The final report will be submitted to management for approval by 31 December 2021. This KPI will also be removed from the TL SDBIP 2021/22 in February 2022 and allocated to the departmental SDBIP 2021/22.
TL63	KPI018	Building plan applications processed within 30 days	Percentage of building plan applications of <500sqm processed within 30 days after date of receipt	72.92%	90%	80%	**80%**	**64.30%**	O	650 / 1 011 x 100 = 64.30% There was a considerable increase in building plan applications (1 011 during the 2020/21 financial year) when compared to the 857 applications received during 2019/20. Due to resource constraints and the impact of the COVID-19 pandemic (staff testing positive and or isolating), the productivity of the Building Development Section where impaired.	Attempts are and will continue to be made to monitor individual applications and alert the responsible internal Departments on outstanding comments to improve compliance with timeframes.
TL64	KPI016	Conduct an external audit of the Stellenbosch Municipality Waste Disposal Facilities	Number of external audits of the Stellenbosch Municipality Waste Disposal Facilities conducted by 30 June	1	1	1	**1**	**1**	G		

SFA 2 - GREEN AND SUSTAINABLE VALLEY										
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL65	KPI073	Implementation of identified waste minimisation projects	Number of identified waste minimisation projects implemented by 30 June	1	2	2	**2**	**2**	G		
TL66	KPI019	Waste water quality managed and measured ito the Department of Water and Sanitation's License Conditions for physical and micro parameters	Percentage waste water quality compliance as per analysis certificate measured quarterly	60.70%	80%	70%	**70%**	**51%**	R	Wemmershoek WWTW B/SM 28/21 Contractor appointed - on site mid-July if no appeals were received. Stellenbosch - submission made to DWS to relax licence limits. Pniël WWTW Construction 60% completed Raithby - Still in discussion with land owner to extend the WWTW.	Wemmershoek WWTW B/SM 28/21 - Contractors appointed and was requested to be onsite by 31 July 2021 to commence with Phase 1 and to address effluent quality challenges. Stellenbosch - Regularly following up with DWS on progress of relaxation of license limits. Pniël WWTW Construction 60% completed. The upgrade is in progress and the new phase will start in February 2022. Raithby - Land has been identified and regular discussions will be held with owner and property management. The budget has been identified as well. Klapmuts WWTW- A senior official has been appointed to oversee process controllers to ensure maintenance and operations at the plant are well supervised.
TL67	KPI081	Reduce organic waste	Percentage of organic waste reduced by 30 June	New KPI	20%	20%	**20%**	**48%**	B	102 786 T / 141 088 T x 100 = 48%	

SFA 2 - GREEN AND SUSTAINABLE VALLEY										
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
										Garden waste is included in the definition of organic waste. As such, the volumes of garden waste dealt with is used in the above calculations. As a long term strategy, food waste will feature more prominently as processes in this regard develops, in line with the National Waste Strategy.	
TL68	KPI082	Submission of an Integrated Waste Management Plan to the MayCo	Number of Integrated Waste Management Plans submitted to the MayCo by 31 March	New KPI	1	1	**1**	**1**	G		

Summary of Results: SFA 2 - Green and Sustainable Valley

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	2
O	KPI Almost Met	1
G	KPI Met	3
G2	KPI Well Met	0
B	KPI Extremely Well Met	1
Total KPIs		**7**

SFA 3 - Safe Valley

SFA 3 - SAFE VALLEY											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL49	KPI025	Revised Disaster Management Plan submitted to the Municipal Manager	Number of Revised Disaster Management Plans submitted to the Municipal Manager by 31 March	1	1	1	**1**	**1**	G		
TL50	KPI026	Revised Safety and Security Strategy submitted to the Municipal Manager	Number of Revised Safety and Security Strategies submitted to the Municipal Manager by 31 March	1	1	1	**1**	**1**	G		
TL51	KPI027	Revised Traffic Management Plan submitted to the Municipal Manager	Number of Revised Traffic Management Plans submitted to the Municipal Manager by 28 February	1	1	1	**1**	**1**	G		

Summary of Results: SFA 3 - Safe Valley

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	0
O	KPI Almost Met	0
G	KPI Met	3
G2	KPI Well Met	0
B	KPI Extremely Well Met	0
Total KPIs		**3**

5.5 SFA 4 - Dignified Living

SFA 4 - DIGNIFIED LIVING											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL69	KPI037	Provision of waterborne toilet facilities in informal settlements as identified by the Department: Integrated Human Settlements	Number of waterborne toilet facilities provided in informal settlements as identified by the Department: Integrated Human Settlements by 30 June	51	50	50	**50**	**0**	R	Waterborne toilets are provided and installed as and when required by the municipality. The municipality awaited funding approval from the Provincial Department of Human Settlements during the 2020/21 financial year to construct the required waterborne toilet facilities.	The required funding from the Provincial Department of Human Settlements was allocated for the 2021/22 financial year. The municipality is in the process of constructing 100 toilets in the Watergang Informal Settlement area. The project will be completed by 30 June 2022.
TL70	KPI040	Limit unaccounted electricity to less than 9% annually {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold(incl. Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) x 100}	Percentage average electricity losses measured by 30 June	9.36%	<9%	<9%	**<9%**	**8.86%**	B	(36 566 271.67kWh – 333 260 466.63kWh) / 36 566 271.67kWh = 8.86%	
TL71	KPI041	Water quality managed and measured quarterly ito the SANS 241 physical and micro parameters	Percentage water quality level as per analysis certificate measured quarterly	90.96%	90%	90%	**90%**	**94.60%**	G2		
TL72	KPI042	Limit unaccounted water to less than 25%	Average percentage water losses measured quarterly	20.50%	<25%	<25%	**<25%**	**14.90%**	B	1 495 190kl / 10 003 874kl x 100 = 14.90%	
TL74	KPI039	Registered indigent formal households with access to free basic water (NKPI Proxy - MSA, Reg. S10(a), (b)	Percentage of registered indigent formal households with access to free basic water, measured quarterly	100%	100%	100%	**100%**	**100%**	G	7 283 / 7 283 x 100 =100%	

SFA 4 - DIGNIFIED LIVING											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL75	KPI043	Registered indigent formal households with access to free basic electricity provided by the Municipality (NKPI Proxy - MSA, Reg. S10(a), (b)	Percentage of registered indigent formal households with access to free basic electricity provided by the Municipality, measured quarterly	73.99%	65%	65%	**65%**	**71%**	G2	5 189 / 7 283 x 100 = 71%	
TL76	KPI044	Registered indigent formal households with access to free basic refuse removal (NKPI Proxy - MSA, Reg. S10(a), (b)	Percentage of registered indigent formal households with access to free basic refuse removal, measured quarterly	100%	100%	100%	**100%**	**100%**	G	7 283 / 7 283 x 100 = 100%	
TL77	KPI045	Registered indigent formal households with access to free basic sanitation (NKPI Proxy - MSA, Reg. S10(a), (b)	Percentage of registered indigent formal households with access to free basic sanitation, measured quarterly	100%	100%	100%	**100%**	**100%**	G	7 283 / 7 283 x 100 = 100%	
TL78	KPI074	Formal households with access to water (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to water, measured quarterly	26 397	26 500	25 500	**25 500**	**26 588**	G2		
TL79	KPI075	Formal households with access to electricity (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to electricity, measured quarterly	26 397	24 000	24 000	**24 000**	**26 588**	G2		
TL80	KPI076	Formal households with access to refuse removal (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to refuse removal, measured quarterly	26 397	26 500	25 500	**25 500**	**26 588**	G2		
TL81	KPI077	Formal households with access to sanitation (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to sanitation, measured quarterly	26 397	26 500	25 500	**25 500**	**26 588**	G2		

Summary of Results: SFA 4 - Dignified Living

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	1
O	KPI Almost Met	0
G	KPI Met	3
G2	KPI Well Met	6
B	KPI Extremely Well Met	2
Total KPIs		**12**

5.6 SFA 5 - Good Governance and Compliance

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE										
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL43	KPI058	Employment equity appointments made within the financial year in the three highest levels of management	Percentage of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June	66.67%	75%	75%	**75%**	**50%**	R	5 / 10 x 100 = 50% Employment Equity targets are considered in every appointment in the municipality. Where candidates from target groups did not apply or did not pass the assessment test they could not be appointed.	The municipality is in the process to review the Recruitment and Selection Policy. The reviewed policy will be submitted to the Municipal Manager by 30 June 2022.
TL44	KPI062	Revised Risk-Based Audit Plan (RBAP) submitted to the Audit Committee	Number of Revised RBAPs submitted to the Audit Committee by 30 June	1	1	1	**1**	**1**	G		
TL45	KPI063	AGSA Audit Action Plan (AAP) submitted to the Audit Committee	Number of AGSA Audit Action Plans submitted to the Audit Committee by 28 February	1	1	1	**1**	**0**	R	The AGSA Audit Action Plan is developed from the Management Report issued by AGSA. However, the AGSA processes were delayed with the Final Management Report only signed off in July 2021.	The AGSA Audit Action Plan has been drafted and submitted to the Directorate: Financial Services for comment. This will be submitted to the APAC at the next scheduled APAC meeting on 27 August 2021 and followed up until December 2021.
TL46	KPI064	Revised Strategic Risk Register (SRR) submitted to the Risk Management Committee	Number of Revised Strategic Risk Registers submitted to the Risk Management Committee by 30 June	1	1	1	**1**	**1**	G		
TL47	KPI067	Draft Integrated Development Plan (IDP) submitted to Council	Number of Draft IDPs submitted to Council by 31 March	1	1	1	**1**	**1**	G		

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL48	KPI070	IDP / Budget / SDF time schedule (process plan) submitted to Council	Number of IDP / Budget / SDF time schedules (process plan) submitted to Council by 31 August	1	1	1	**1**	**1**	G		
TL53	KPI059	The percentage of actual payroll budget spent on implementing the Municipal Workplace Skills Plan (NKPI Proxy- MSA, Reg. S10(f))	Percentage of the municipality's payroll budget actually spent on implementing its Workplace Skills Plan ((Total Actual Training Expenditure/ Total Annual payroll Budget) x100), measured by 30 June	0.13%	0.58%	0.58%	**0.58%**	**0.62%**	G2	R3 300 217 / R532 497 021 x 100 = 0.62%	
TL54	KPI065	Revised Information and Communication Technology (ICT) Backup Disaster Recovery Plan submitted to the ICT Steering Committee	Number of Revised ICT Backup Disaster Recovery Plans submitted to the ICT Steering Committee by 31 March	1	1	1	**1**	**1**	G		
TL55	KPI066	Revised Strategic ICT Plan submitted to the ICT Steering Committee	Number of Revised Strategic ICT Plans submitted to the ICT Steering Committee by 31 March	1	1	1	**1**	**1**	G		
TL56	KPI072	Submission of a Draft Smart City Framework to the MayCo	Number of Draft Smart City Frameworks submitted to the MayCo by 31 May	0	1	1	**1**	**1**	G		
TL57	KPI083	Submission of a Cyber-attack Mitigation and Resilience Strategy to the Municipal Manager	Number of a Cyber-attack Mitigation and Resilience Strategies submitted to the Municipal Manager by 31 March	New KPI	1	1	**1**	**1**	G		
TL73	KPI071	Revised Electrical Master Plan submitted to Council	Number of Revised Electrical Master Plans submitted to Council by 30 June	1	1	1	**1**	**0**	R	The Electrical Master Plan specifications have been signed off by Department heads and is being submitted to SCM for processing.	The Revised Electrical Master Plan will be submitted to Council by 30 November 2021.
TL82	KPI055	Financial viability measured in terms of the available cash to cover fixed operating	Cost coverage as at 30 June annually [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term	2.41	4	4	**4**	**2.08**	R	((R118 870 586 + R222 186 762 – R91 811 461)) / R120 020 625.83)	For the 2021/22 financial year the municipality implemented

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE										
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
		expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii))	Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation)							The actual result of 2.08 for the 2020/21 financial year is within the National Treasury norm.	additional cost containment measures as well as operational efficiencies to limit the increase in operational expenditure. These measures will be continued to be implemented for the 2021/22 financial year.
TL83	KPI056	Achieve an average payment percentage of 96% by 30 June (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	89.17%	96%	96%	**96%**	**96%**	G	(R309 044 693.38 + R1 124 527 134.65 – R322 114 237.87 – R30 830 836.19) / R1 124 527 134.65 x 100=96%	
TL84	KPI057	Actual expenditure on the approved Capital Budget for the Municipality by 30 June (NKPI - MSA, Reg. S10(c))	Percentage of the approved Capital Budget for the Municipality actually spent by 30 June	70.24%	90%	90%	**90%**	**86.54%**	O	R392 791 313 / R453 880 008 x 100 = 86.54%	Supply chain management indicators were developed and allocated to each Snr Manger in the Departmental SDBIP 2021/22. These indicators are also aligned to the Demand Management Plan.
TL85	KPI060	Financial viability measured in terms of the Municipality's ability to meet its service debt obligations (NKPI Proxy - MSA, Reg. S10(g)(i))	Debt coverage ratio ((Total operating revenue - operating grants received) / (Debt service payments due within the year)) measured by 30 June	27.79%	15%	15%	**15%**	**29.06%**	B	(R1 792 554 026 – R194 789 868) / R54 986 365.33)	

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL86	KPI061	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(ii))	Service debtors to revenue ratio - (Total outstanding service debtors / revenue received for services) measured by 30 June	6.71%	27%	27%	**27%**	**8.86%**	R	(R39 199 338 + R17 930 128 + R7 998 075 + R6 065 834 + R58 114 283 + R17 087 753) / R1 652 018 176 x 100 = 8.86%	A Revenue Enhancement Strategy was developed as well as a Debt Review Committee was established to monitor the progress on outstanding debt and deliberating on acceptable and reasonable arrangements for the settlements of arrear debts by all affected municipal debtors. These initiatives will continue to be implemented during the 2021/22 financial year.
TL87	KPI084	Submission of the Revised Comprehensive Integrated Transport Plan (CTIP) to the MayCo	Number of Revised Comprehensive Integrated Transport Plans (CTIPs) submitted to the MayCo by 30 June	New KPI	1	1	**1**	**1**	G		

Summary of Results: SFA 5 - Good Governance and Compliance

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	5
O	KPI Almost Met	1
G	KPI Met	10
G2	KPI Well Met	1
B	KPI Extremely Well Met	1
Total KPIs		**18**

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GERALDINE METTLER
MUNICIPAL MANAGER

DATE: .....

ANNEXURE C: AUDIT AND PERFORMANCE AUDIT COMMITTEE ANNUAL REPORT 2020/21

STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Report of the Audit and Performance Audit Committee

This report of the Audit and Performance Audit Committee of Stellenbosch Municipality is in respect of the 2020/2021 financial year. The Audit and Performance Audit Committee has complied with its responsibilities in terms of Section 166 of the MFMA and applicable Treasury Regulations. The Committee has also regulated its affairs and discharged its responsibilities concordant to the approved Audit Committee Charter. The Committee's operation is guided by the International Institute of Internal Auditor's Standards and the King IV report on Corporate Governance.

The Committee consists of four independent members, elected by the Council: Len Mortimer (Chairperson), Tsepo Lesihla, Vincent Botto and June Williams. The Council appointed the Chairperson of the Committee, an independent member. The Municipal Manager, Chief Financial Officer, Directors, Chief Audit Executive, Senior Manager Governance, Chief Risk Officer, MPAC Chairperson, and External Auditors are permanent invitees to the Committee meetings.

Execution of Functions

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

During the year under review, the Committee, amongst other matters,

1.1 In respect of the External Auditors and the External Audit

i. Approved the External Auditors' (Auditor-General of RSA) terms of engagement, the audit plan and budgeted audit fees payable;
ii. Engaged and interrogated extensively the Audit report and management report of the Auditor General at the Audit and Performance Audit Committee meeting dated 20th January 2022;
iii. Considered the audit outcome of the Municipality extensively and communicated the Audit and Performance Audit Committee's satisfaction and congratulated the Accounting Officer and Management on the Clean Audit Outcome;
iv. Based on the audit outcome recommendations were made by the Audit and Performance Audit Committee on the other important matters as well as control deficiencies identified in the Auditor-Generals' final management report;

v. Management have been requested by the Audit and Performance Audit Committee to improve business processes impacting annual financial statement compilation and reconciliations of transactions;
vi. Management are urged to strengthen controls to adequately monitor non-compliance with laws and regulations on a timely basis;
vii. Management were requested to concentrate on accurate presentation and review of the annual financial statements submitted to the Auditor General for audit;
viii. The supervision and review process need to be interrogated to prevent, detect and correct misstatements on a timely basis and the controls designed to monitor compliance with regulations that are not always able to prevent or report the instances of non-compliance in a timely manner to allow for corrective action;
ix. The quality of submitted financial statements can be still be improved on; thus, management is encouraged to develop action plans early to allow for the improvement in the next reporting cycle;

1.2 In respect of the Annual Financial Statements (AFS)

i. Confirmed the going concern as the basis of preparation of the annual financial statements;
ii. Examined, reviewed and interrogated the annual financial statements, performance report as well as financial information disclosed to the public prior to submission and approval by Council;
iii. Reviewed reports on the adequacy of the portfolio and specific impairments and impairment of other assets;
iv. Ensured that the annual financial statements fairly represented the financial position of the Stellenbosch Municipality as at the end of the financial year in accordance with SA Standards of GRAP and in the manner required by the MFMA and DORA;
v. Considered the appropriateness of accounting treatments, significant unusual transactions and management accounting judgements;
vi. Considered the appropriateness of the accounting policies adopted by Management and changes thereto;
vii. Through the Chairperson, met separately over the course of the year with the Chief Audit Executive, CFO, Chief Risk Officer, Management and the External Auditors (Auditor-General of RSA);
viii. Reviewed any significant legal and tax matters that could have a material impact on the financial statements; and
ix. Noted that there were no material reports or complaints received concerning accounting practices, internal financial controls, content of annual financial statements, internal controls and related matters.

1.3 In respect of Internal Control and Internal Audit

i. Reviewed and approved the internal audit mandate, annual and three-year rolling audit plans and evaluated the independence, effectiveness and performance of the Internal Audit Department and compliance with its mandate;
ii. Considered reports of the Internal and external auditors on Council's system of internal control, including internal financial controls and maintenance of effective internal control systems;
iii. Reviewed significant issues raised by the internal audit process and the adequacy of corrective action in response to such findings;
iv. Reviewed significant differences of opinion between the internal audit function and Management and noted that there were no material issues of difference raised and all matters were addressed and resolved;
v. Assessed the adequacy of the performance of the internal audit function and found it to be effective in providing assurance;
vi. Reviewed and monitored the quality assurance and improvement plan submitted by internal audit as required by the IIA Standards;

vii. Assessed the adequacy and sufficiency of available internal audit resources and found these to be limited, as more resources would be required to evaluate the control weaknesses and high-risk areas identified in both the corporate strategic risk, external audit and the audit universe;
viii. Received assurance that proper and adequate accounting records were maintained and that systems safeguarded the assets against unauthorised use or the disposal thereof; and
ix. Based on the above, the Committee's opinion at the date of this report are that there were some breakdowns in internal control, including internal financial controls, for the year under review in the following areas (it is noted that management are in the process of addressing these concerns):

- Performance management system (PMS)
- ICT Governance and Baseline Maturity Assessment
- Applications for building plans processes
- Applications for rezoning processes
- Employee Allowances
- Pre-determined objectives
- Monthly or regular reconciliations of assets, debtors, and creditors
- Compilation of mid-year or interim AFS

x. In addition, the Committee noted Management's improved responses to conclude on internal and external audit findings from the prior and current year as reported in the internal audit follow up reports.

1.4 In respect of Legal and Compliance with Laws and Regulations

i. Reviewed with management matters that could have a material impact on Council;
ii. Monitored compliance with the MFMA and other key legislation applicable to the Municipality, requirements of National and Provincial Treasury, Council's policies, and all other applicable legislation and codes of good governance;
iii. Reviewed reports from the internal and external auditors detailing the extent of compliance.

1.5 In respect of Risk Management, Combined Assurance and Information Technology

During the period under review, Management presented Strategic and Operational Risk profiles for the Municipality to the Audit and Performance Audit Committee who :

i. Considered and reviewed reports from Management on risk management, including fraud risks and information technology risks as they pertain to financial reporting and the going concern assessment;
ii. In respect of the coordination of assurance activities, the Committee reviewed the plans and work outcomes of the external and internal auditors and concluded that these were adequate to address all significant financial, operational and compliance risks facing the Municipality;
iii. Noted the progress made in terms of Combined Assurance and the co-ordination between assurance providers to mitigate the top 10 strategic risks facing the Municipality as well as the emerging risks;
iv. The Audit and Performance Audit Committee took cognisance that Information Technology and IT systems controls need some improvement in the Auditor General's Management report. Member Tsepo Lesihla, ICT expert, has been appointed to the ICT committee to support management in this respect

1.6 In respect of Pre-Determined Objectives (PDO's)

The Audit and Performance Audit Committee:

i. The quality of submitted performance information in the Management report is indicated as satisfactory. There were no material findings reported on performance information by the Auditor General and Internal Audit, respectively.
ii. Internal audit has also provided the Audit and Performance Audit Committee with reports on performance on a quarterly basis and no critical or significant findings have been raised.

1.7 In respect of the Finance Function

The Audit and Performance Audit Committee:

i. Considered the existing expertise, resources and experience of the organisation-wide finance functional capacity and has noted that the improvement year on year on the quality of the annual financial statements submitted to the Committee and the AGSA. The number of misstatements corrected on the annual financial statements are noted and impact of external factors recognised. Management intend to report on an action plan in this respect.

ii. The Chief Financial Officer should continue to ensure appropriate measures are in place for the accurate and timeous submission of information to the Office of the Auditor-General.

1.8 Independence of the External Auditors

The Audit and Performance Audit Committee is satisfied that the Audit General of RSA (AGSA) were independent of the Council. This conclusion was arrived at, inter alia, after taking into account the following factors:

i. The presentations made by the Auditor-General to the Audit and Performance Audit Committee;
ii. The Auditors' independence was not impaired by any consultancy, advisory or other work undertaken by the auditors; and

1.9 General

i. The Audit and Performance Audit Committee has monitored quarterly the Municipality's implementation plan for audit issues raised in the prior year and are satisfied that the matters have been adequately addressed and resolved. Of all the matters raised in the 2020/21 audit outcome, no repeat-findings occurred from the prior year. The Audit and Performance Committee has raised its concern around the other important matters raised in the Auditor-General's Management Report. The Municipal Manager has given assurance that all of these will be addressed as urgent and tracked for the 2021/2022 financial year.

ii. The Audit and Performance Audit Committee concurs and accepts the conclusions of the External Auditor on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

Stellenbosch Municipality has increasinglybeen stable in the areas of second and third levels of assurance and governance over a three year period. There has also been stability in the leadership over the past five financial years. The areas for concern, and where attention is required are highlighted above. The Audit and Performance Committee has made recommendations in these areas which management have committed to.

1.10 Conclusion

I am extremely grateful to the members for their dedication and high levels of professionalism and diligence in their duties, as well as their flexibility in accommodating last-minute calls to duty. We are fortunate to have the diversity of skills and expertise available to the Municipality. It would be amiss not to convey on behalf of the Committee our appreciation to the Mayor, the entire Council and its Committees for the leadership, support and oversight they have provided during the year.

Finally, the Audit and Performance Audit Committee would like to express its appreciation to Management, Internal Audit, Risk Management and the Auditor General for the support and co-operation extended during the financial year and for providing the relevant information to enable the Audit and Performance Audit Committee to compile this report. This past year was again trying and Stellenbosch Municipality should be proud of its elected and appointed leaders for taking control and driving an agenda of sustainability and service delivery and improving its audit results in the process, during a time of great fluidity.

We also congratulate the Municipal Manager on her appointment for another term with Stellenbosch Municipality and wish her well in her endeavours to solidify the municipality's position and efforts in delivering on its mandate.

On behalf of the Audit and Performance Audit Committee.



Dr Llewellyn Nimrod Mortimer
Chairperson Audit and Performance Audit Committee
21 January 2022

ANNEXURE D: REPORT OF THE AUDIT GENRAL OF SOUTH AFRICA 2020/21

Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Stellenbosch Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Stellenbosch Municipality set out on pages 5 to 134, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Stellenbosch Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 61 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2021.

Material impairments

8. As disclosed in note 5 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions amounting to R167,1 million (2019-20: R151,4 million).

9. As disclosed in note 6 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions amounting to R173,2 million (2019-20: R153,4 million).

Irregular expenditure

10. As disclosed in note 58 to the financial statements, the municipality incurred irregular expenditure of R89,8 million, as a result of non-compliance with Supply Chain Management Regulations.

Other matter

11. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

12. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

14. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected strategic focus area presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

18. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected strategic focus area presented in the municipality's annual performance report for the year ended 30 June 2021:

Development priority	Pages in the annual performance report
Strategic focus area 4 – dignified living	9 – 21

20. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

21. I did not identify any material findings on the usefulness and reliability of the reported performance information for this strategic focus area.

Other matter

22. I draw attention to the matter below.

Achievement of planned targets

23. Refer to the annual performance report on pages 15 to 16 for information on the achievement of planned targets for the year.

Report on the audit of compliance with legislation

Introduction and scope

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

25. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

26. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected strategic focus area presented in the annual performance report that have been specifically reported in this auditor's report.

27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

28. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected strategic focus area presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

29. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

30. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

31. I did not identify any significant deficiencies in internal control.

Auditor-General

Cape Town

24 January 2022

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected strategic focus areas and on the municipality's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

   - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
   - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
   - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
   - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Stellenbosch Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
   - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

8.2	INTEGRATED DEVELOPMENT PLAN (IDP) AND BUDGET PROCESS PLAN FOR 2022 - 2027 AND REVISED SDF / IDP / BUDGET TIME SCHEDULE FOR 2022/23

Collaborator No: 726651
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: 23 March 2022 and 30 March 2022

1. SUBJECT: INTEGRATED DEVELOPMENT PLAN (IDP) AND BUDGET PROCESS PLAN FOR 2022 - 2027 AND REVISED SDF / IDP / BUDGET TIME SCHEDULE FOR 2022/23

2. PURPOSE

To table to Council for consideration and approval:

(a) The IDP Process Plan for 2022 – 2027, attached as **ANNEXURE A**; and

(b) The Revised SDF / IDP / BUDGET Time Schedule 2022/23, attached as **ANNEXURE B.**

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

According to Section 28(1) of the Local Government: Municipal Systems Act, 2000 (Act. No. 32 of 2000) (MSA), each municipal council must adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP after the start of its elected term within a prescribed period. With the local government election being concluded and the inauguration of Council in November 2021, an IDP and Budget Process Plan for 2022 – 2027 had to be drafted for the development of the new 5-year plan, the 5th Generation IDP 2022 – 2027.
The SDF / IDP / Budget Time Schedule / Process Plan for 2022/23 was adopted by Council on 24 August 2021. Due to the local government elections that were held on 01 November 2021, it was decided by Council to amend the SDF / IDP / Budget Time Schedule / Process Plan for 2022/23 to outline the key strategic activities and consultative processes that will contribute to the drafting of the 5th Generation IDP 2022 – 2027, and the Medium-Term Revenue and Expenditure Framework to be implemented in the 2022/23 financial year. The Revised SDF / IDP /Budget Time Schedule / Process Plan for 2022/23 was considered and adopted by Council on 23 November 2021.
A second revision of the SDF / IDP / Budget Time Schedule for 2022/23 is proposed to the Council, which in effect would move the adoption of the IDP and Budget Process Plan to May 2022. The approval and adoption of the IDP and Budget Process Plan are subjected to the adoption of the Cape Winelands District Municipality's (CWDM's) Integrated Development Planning District Framework (MSA S27 Framework) by the CWDM Council in March 2022. This is also to ensure compliance and alignment between the MSA Section 27 Framework of the CWDM and the IDP and Budget Process Plan 2022 – 2027 of the Stellenbosch Municipality.

The Revised SDF / IDP / Budget Time Schedule 2022/23 is, therefore, compiled in terms of Section 21(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No.56 of 2003) (MFMA), which states that "the mayor of a municipality must

at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for –

(i) the preparation, tabling and approval of the annual budget;
(ii) the annual review of-
  (aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and
  (bb) the budget-related policies;
(iii) the tabling and adoption of any amendments to the integrated development plan and budget-related policies; and
(iv) any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii)

The Revised SDF / IDP / Budget Time Schedule 2022/23 is also compiled in terms of Section 29 of the MSA.

Section 29(1) of the MSA further specifies that:

The process followed by a municipality to draft its integrated plan, including its consideration and adoption of the draft plan, must-

(a) be in accordance with a predetermined programme specifying timeframes for the different steps;
(b) through appropriate mechanisms, processes and procedures established in terms of Chapter 4, allow for
  (i) the local community to be consulted on its development needs and priorities;
  (ii) the local community to participate in the drafting of the integrated development plan; and
  (iii) organs of state, including traditional authorities and other role players to be identified and consulted on the drafting of the integrated development plan;
(c) provide for the identification of all plan and planning requirements binding on the municipality in terms of national and provincial legislation; and
(d) be consistent with any other matters that may be prescribed by regulation.

5. RECOMMENDATIONS

(a) that the IDP and Budget Process Plan for 2022 – 2027 to guide the planning, drafting, adoption and review of the 5th Generation IDP 2022 -2027 be approved for public comment, attached as **ANNEXURE A;**

(b) that Council adopts the Revised SDF / IDP / Budget Time Schedule 2022/23 for the compilation of the annual budget in terms of Section 21(1) of the MFMA and Section 29 of the MSA, to guide the development of the 5th Generation IDP 2022 - 2027, attached as **ANNEXURE B**;

(c) that a notice of the IDP and Budget Process Plan 2022 – 2027 and the Revised SDF / IDP / Budget Time Schedule for 2022/23 be placed in the local newspaper notifying the public;

(d) that the IDP and Budget Process Plan for 2022 – 2027 be published on the official website of the municipality and placed in libraries for a period of 21 days for public comment; and

(e) that the Revised SDF / IDP / Budget Time Schedule / Process Plan 2022/23 be published on the official website of the municipality and placed in libraries and ward offices.

6. DISCUSSION

6.1 Background

The IDP and Budget Process Plan 2022 -2027 is compiled in terms of Sections 28 and 29(1) of the MSA; which specifies that:

Section 28:

(1) Each municipal council must adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP.

(2) The municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, consult the local community before adopting the process.

(3) A municipality must give notice to the local community of particulars of the process it intends to follow.

Section 29(1):

The process must—

(a) be in accordance with a predetermined programme specifying timeframes for the different steps;

(b) through appropriate mechanisms, processes and procedures allow for—

(i) the local community to be consulted on its development needs and priorities;

(ii) the local community to participate in the drafting of the IDP; and

(iii) organs of state, including traditional authorities, and other role players to be identified and consulted on the drafting of the integrated development plan;

(c) provide for the identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation; and

(d) be consistent with any other matters that may be prescribed by regulation.

The process set out below will be followed for the planning, drafting, adoption and review of the **5th Generation IDP 2022 – 2027**:

Phases	Time Frame	Tasks	Responsible
Analysis	September - October	**External Analysis** • Review sector plans and priorities implementation of sector plans recommendations. • Review / amendment of Spatial Development Framework. • Socio-Economic Analysis. • Public participation: Community needs analysis and inputs.	All departments Planning and Economic development IDP/PMS/PP Section

Phases	Time Frame	Tasks	Responsible
		Internal Analysis • Review Long Term Financial Plan. • IDP needs analysis.	Finance IDP/PMS/PP Section
Strategy and action	October – November	**Strategic Planning** Mayco and management consider the external and internal analysis and strategies around the 5-year development priorities and operational strategies (programmes / projects / activities and actions).	Executive Management Council
Project and programme Identification	November - December	Details of the possible solutions are discussed to determine what is needed (budget, timing, how long, when, by who).	Executive Management Senior Managers / Managers Project Managers
Integration	December – February	• Identified projects are integrated and budgeted for through internal meetings. • Intergovernmental alignment – align municipality strategy with national, provincial and district municipality development policies and planning instruments.	Executive Management / Senior Managers / Managers IDP/PMS/PP Section Financial Management Services
Approval	March – April	• Draft IDP is tabled at Council for approval. • Consultation with the public and stakeholders on the draft IDP and Budget.	IDP/PMS/PP Section Council
	May	• Adoption of final IDP document and budget.	Council

The approval of the draft 5th Generation IDP and Budget 2022 - 2027 is planned for March 2022 and final adoption in May 2022.

The requirements for a Time Schedule are outlined in Section 21(1) of the MFMA and indicates:

The Mayor of a municipality must –

(a) coordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible;

(b) at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for–

(i) the preparation, tabling and approval of the annual budget;
(ii) the annual review of –
aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and

bb) the budget-related policies.

(iii) the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and

(iv) any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii).

The new planning dispensation which includes the Spatial Planning and Land Use Management Act, 2013 (Act No.16 of 2013) (SPLUMA), the Western Cape Land Use Planning Act, 2014 (Act No.3 of 2014) and the Stellenbosch Municipal Planning By-law, 2015 imposes new requirements to compile or amend a municipal Spatial Development Framework (*m*SDF).

The Revised SDF / IDP / Budget Time Schedule 2022/23 also takes cognisance of the regulatory framework for the review, amendment and approval of the SDF, IDP, Budget and the annual Service Delivery and Budget Implementation Plan (SDBIP). The SDBIP is the implementation tool to give effect to those objectives and targets as indicated in the IDP and Budget. The importance of synchronising the timelines for the revision of the IDP and Annual Budget with those of the SDBIP, is captured in Section 41 of the MSA, which states that:

Section 41:

"(1) A municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed –

(a) set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan".

Section 26(e) of the MSA refers to the Municipal SDF as a 'core component' of the municipal IDP and requires that the IDP reflect an *m*SDF, which must include the provision of basic guidelines for a land-use management system for the municipality.

A municipal SDF (new and / or amended) has to follow a timeline set out in a process plan / time schedule similar to the IDP Process Plan. Moreover, the SDF and IDP processes need to be aligned.

The table below stipulates the important deadlines in terms of the MSA and the MFMA:

Legislation / Regulation	Activity	Prescribed Period
MFMA – Sec 21(1)	Approve the time schedule	10 months before the start of the new budget year
MFMA - Sec 16(2)	Table draft budget at a council meeting	90 days before the start of the new budget year

Legislation / Regulation	Activity	Prescribed Period
MFMA - Sec 24(1)	Approve the final budget	30 days before the start of the new budget year
MFMA - Sec 69 (3)(a)	Submit draft SDBIP	No later than 14 days after the approval of an annual budget
MFMA - Sec 53 (1)(c)(ii)	Approval of SDBIP	Within 28 days after the approval of the annual budget is approved by the council
MSA – Sec 32(1)	Submit a copy of the IDP to the district, provincial government and national government	10 days after the adoption of the IDP
MSA - Sec 25(4)	Give notice to the public on the adoption of the IDP	14 days after the adoption of the IDP
MFMA - Sec 69(3)	Submit to the Executive Mayoral Committee a service delivery and budget implementation plan (SDBIP)	14 days after the approval of the annual budget

6.2 Financial Implications

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

6.3 Legal Implications

In accordance with Section 28(1) :

(1) Each municipal council must adopt a process set out in writing to guide the planning, drafting, adoption and review of its IDP.

(2) The municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, consult the local community before adopting the process.

(3) A municipality must give notice to the local community of particulars of the process it intends to follow.

Section 29(1) of the MS further specifies that:

The process followed by a municipality to draft its integrated development plan, including its consideration and adoption of the draft plan, must –

(a) be in accordance with a predetermined programme specifying timeframes for the different steps;
(b) through appropriate mechanisms, processes and procedures established in terms of Chapter 4, allow for
  (iv) the local community to be consulted on its development needs and priorities;
  (v) the local community to participate in the drafting of the integrated development plan; and
  (vi) organs of state, including traditional authorities and other role players to be identified and consulted on the drafting of the integrated development plan;
(c) provide for the identification of all plan and planning requirements binding on the municipality in terms of national and provincial legislation; and
(d) be consistent with any other matters that may be prescribed by regulation.

In accordance with Section 21(b) of the MFMA “the mayor of a municipality must –

at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for –

(i) the preparation, tabling and approval of the annual budget;
(ii) the annual review of-
  (aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and
  (bb) the budget-related policies;
(iii) the tabling and adoption of any amendments to the integrated development plan and budget-related policies; and
(iv) any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii).

Section 41 of the MSA also states that:

(1) A municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed –

  (b) set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan".

6.4 Staff Implications

This report has no additional staff implications for the municipality.

6.5 Risk Implication

This report has no direct risk implications for the municipality.

6.6 Previous / Relevant Council Resolutions

- Item 8.1 of the 37th Council Meeting held on 24 August 2020.
- Item 8.1 of the 45th Council Meeting held on 24 August 2021.
- Item 6.16 of the Adjourned 1st Council Meeting held on 23 November 2021

6.7 Comments from Senior Management

6.7.1 Director: Community and Protection Services

Supported

6.7.2 Chief Financial Officer

Supported

6.7.3 Director: Infrastructure Services

Supported

6.7.4 Director: Corporate Services

Supported

6.7.5 Director: Planning and Economic Development

Supported

6.7.6 Comments from the Municipal Manager

Supported

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-03-23: ITEM 6.2

(a) that the IDP and Budget Process Plan for 2022 – 2027 to guide the planning, drafting, adoption and review of the 5th Generation IDP 2022 -2027 be approved for public comment, attached as **ANNEXURE A;**

(b) that Council adopts the Revised SDF / IDP / Budget Time Schedule 2022/23 for the compilation of the annual budget in terms of Section 21(1) of the MFMA and Section 29 of the MSA, to guide the development of the 5th Generation IDP 2022 - 2027, attached as **ANNEXURE B**;

(c) that a notice of the IDP and Budget Process Plan 2022 – 2027 and the Revised SDF / IDP / Budget Time Schedule for 2022/23 be placed in the local newspaper notifying the public;

(d) that the IDP and Budget Process Plan for 2022 – 2027 be published on the official website of the municipality and placed in libraries for a period of 21 days for public comment; and

(e) that the Revised SDF / IDP / Budget Time Schedule / Process Plan 2022/23 be published on the official website of the municipality and placed in libraries and ward offices.

ANNEXURES

Annexure A: DRAFT IDP PROCESS PLAN FOR 2022 – 2027

Annexure B: REVISED SDF / IDP / BUDGET TIME SCHEDULE FOR 2022/23

FOR FURTHER DETAILS CONTACT:

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REPORT DATE	14 March 2022

Annexure A

Integrated Development Plan (IDP)
Process Plan 2022 - 2027

2022 – 2027

DRAFT
INTEGRATED DEVELOPMENT PLAN
PROCESS PLAN

To guide the planning, drafting and adoption and review of the

STELLENBOSCH MUNICIPALITY
5TH GENERATION INTEGRATED DEVELOPMENT PLAN
2022 - 2027





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IDP Process Plan

Compiled in terms of

Section 28 and 29 of the Local Government: Municipal Systems Act, 2000
(Act No. 32 of 2000)

Adopted by Council on .....

The Integrated Development Plan (IDP) is a municipality's principal 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.

List of Abbreviations

Abbreviation	Description
CITP	Comprehensive Integrated Transport Plan
CWDM	Cape Winelands District Municipality
IDP	Integrated Development Planning
IGR	Intergovernmental Relations
MFMA	Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
MSA	Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
MTREF	Medium Term Revenue Expenditure Framework
SDBIP	Service Delivery Budget Implementation Plan
SPLUMA	Spatial Planning Land and Use Management Act
WSDP	Water Services Development Plan

1. Introduction and Background

1.1 Purpose of the 5th Generation IDP Process Plan / Time Schedule

Integrated development planning is the key tool for local government to manage with its role and function in terms of the SA Constitution and other applicable legislation. In contrast to the role municipal strategic planning has played in the past, integrated development planning is seen as a function of municipal management, as part of an integrated system of planning and delivery.

The Integrated Development Plan (IDP) Process Plan / Time Schedule is the first process of the newly elected Council that paves the way and articulates the progressive activities and processes which the municipality will embarked on in the drafting, adoption, and review of its 5th Generation Integrated Development Plan (IDP) for the implementation period 2022 – 2027. The process plan enhances integration and alignment between the IDP and the Budget, thereby ensuring the development of an IDP-based budget.

To ensure certain minimum quality standards of the IDP, and proper coordination between all stakeholders, including the Council, administration, different spheres of government, institutional structures, ward committees and various community-based organisations, the preparation of the Process Plan / Time Schedule has been regulated in the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

The IDP Process Plan incorporates all municipal planning, budgeting, performance management, performance reporting and public and stakeholder engagement processes. The preparation of a Process Plan, which is the IDP Process set out in writing, requires the adoption by Council. This plan has to include the following:

- A **programme** specifying the time frames for the different planning steps;
- Appropriate **mechanisms, processes and procedures** for consultation and participation of local communities, organs of state, traditional authorities and other role players in the IDP drafting process;
- An indication of the **organisational arrangements** for the IDP process;
- **Binding plans and planning requirements**, i.e. policy and legislation; and
- Mechanisms and procedures for **vertical and horizontal alignment**.

1.2 Area of the IDP

The IDP will be applicable to the Stellenbosch Municipal Area which includes the following towns and settlements: Jamestown, Raithby, Vlottenburg and surrounding areas, Franschhoek area, Groendal, Mooiwater, La Motte, Wemmershoek, Lanquedoc, Pniël, Johannesdal, Kylemore, Stellenbosch (Cloetesville, Ida's Valley, Central Town, Kayamandi and surrounding farms), Klapmuts, De Novo and surrounding farm areas. Stellenbosch covers an area of approximately 900 km².

1.3 Preparation for the process

The Process Plan should encapsulate the following:

- The relationship between the District Framework, Process Plan and Time Schedule;
- The distribution of roles and responsibilities in the IDP development process;
- Institutional arrangements for the process;
- Mechanisms for public participation;
- Specific activities to be undertaken with timeframes and resources requirements;
- Mechanisms and procedures for alignment with external stakeholders; and

- Relevant and binding planning and policies requirements at national and provincial spheres.

1.4 Relationship between the District Framework / Process Plan / Time Schedule

The objective of the District Framework (Section 27 Framework) is to ensure that the district and local municipalities in a specific demarcated area, as well as the National and Provincial planning processes are mutually linked to inform and complement each other, thereby culminating into a regulatory framework which seeks to direct efficient, effective and economically driven planning initiatives and innovations in response to the prevailing socio-economic realities through accurate, credible and sustainable resource allocation.

The table below serves to provide a high - level distinction between the IDP District Framework, IDP Process Plan / Time Schedule adopted in terms of section 21 of the MFMA.

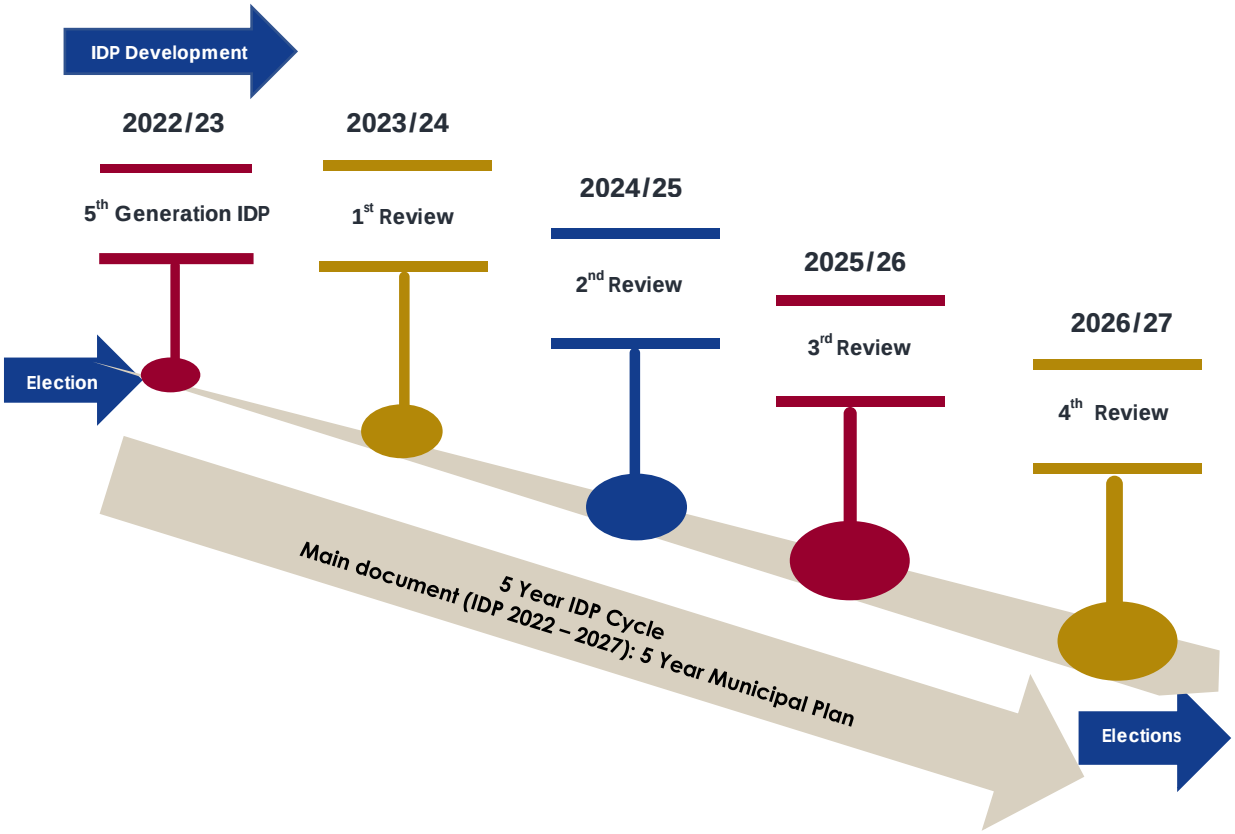
Table 1: Relationship between District Framework, Process Plan and Time Schedule

District Framework	Process Plan (Five Year)	Time Schedule (Annually)
The **District Framework** in accordance with section 27 of the MSA must be adopted by the district municipality within a prescribed period after the start of its elected term. The Framework, amongst others, obligates both the district and the local municipalities in its area on binding legislation, IDP matters which require alignment and procedures for consultation during the process of drafting their respective IDPs.	The **IDP Process Plan** in accordance with section 28 of the MSA is a process that is set out in writing to guide the planning, drafting, adoption and review of its initial 5-year IDP after the start of Council's elected term. It contain events to be undertaken in the process of developing the actual IDP and supporting IDP processes of the Local municipalities to ensure alignment.	In accordance with section 21 of the MFMA the Council must adopt a **Time Schedule** outlining key deadliness for the tabling and adoption of the annual review / amendment of the IDP, any amendments to the IDP and consultative processes which form part of the annual IDP and Budget review.

2. IDP Process Planning

2.1 Five Year IDP Cycle

Figure 1: Five-year IDP Cycle



2.2 Phases of the IDP Annual Process

The table below summarises the important activities and deliverables to be considered during the phases of the process of drafting and annual review of the IDP.

Table 2: Phases of the IDP annual process

Phases	Time Frame	Tasks	Responsible
Analysis	September - October	**External Analysis** Review sector plans and priorities implementation of sector plans recommendations. Review / amendment of Spatial Development Framework. Socio Economic Analysis. Public participation: Community needs analysis and inputs. **Internal Analysis** Review Long Term Financial Plan. IDP needs analysis.	All departments Planning and Economic development IDP/PMS/PP Section Finance IDP/PMS/PP Section
Strategy and action	October – November	**Strategic Planning** MayCo and management consider external and internal analysis and strategies around the 5-year development priorities and operational strategies (programmes / projects / activities and actions).	Executive Management Council

Phases	Time Frame	Tasks	Responsible
Project and programme Identification	November - December	Details of the possible solutions are discussed to determine what is needed (budget, timing, how long, when, by who).	Executive Management Senior Managers / Managers Project Managers
Integration	December – February	Identified projects are integrated and budgeted for through internal meetings. Intergovernmental alignment – align municipality strategy with national, provincial and district municipality development policies and planning instruments.	Executive Management / Senior Managers / Managers IDP/PMS/PP Section Financial Management Services
Approval	March – April	Draft IDP is tabled at Council for approval. Consultation with the public and stakeholders on the draft IDP and Budget.	IDP/PMS/PP Section Council
	May	Adoption of final IDP document and budget.	Council

3. Legal Context

3.1 IDP Process Plan / Time Schedule

In accordance with the MSA, Section 28:

(a) Each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan;
(b) The municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, consult the local community before adopting the process; and
(c) A municipality must give notice to the local community of particulars of the process it intends to follow.

Section 29(1) of the MSA prescribes that:

The process must –
(a) be in accordance with a predetermined programme specifying timeframes for the different steps;
(b) through appropriate mechanisms, processes and procedures established in terms of Chapter 4, allow for –
    (i) the local community to be consulted on its development needs and priorities;
    (ii) the local community to participate in the drafting of the integrated development plan; and
    (iii) organs of state, including traditional authorities, and other role players to be identified and consulted on the drafting of the integrated development plan;
(c) provide for the identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation; and
(d) be consistent with any other matters that may be prescribed by regulation.

3.2 Integrated Development Plan (IDP)

The MSA obligates all municipalities to undertake a process of preparing and implementing IDPs. According to Chapter 5 and Section 25(1) of the MSA.

Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, all-inclusive and strategic plan for the development of the municipality which;

(a) Links integrates and coordinates plans and considers proposals for the development of the municipality;
(b) Aligns the resources and capacity of the municipality with the implementation of the plan;
(c) Complies with the provisions of this Chapter; and
(d) Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

In terms of Section 32 of the MSA:

A municipal council must

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

3.3 Annual Budget

The Annual Budget and the IDP are inextricably linked to one another, this has been formalised through the promulgation of the Local Government: Municipal Finance Management Act, 2003 (Act No.56 of 2003) (MFMA) and the related budget regulations. Therefore, it is important that the Budget and IDP processes be coordinated in a manner that will ensure that the IDP and budget related policies and the final budget are mutually consistent and credible. Credibility refers to the municipality's ability and capacity to spend and deliver services in accordance with its approved budget.

Chapter 4 and Section 21(1) of the MFMA indicates that:

The Mayor of a municipality must;

At least 10 months before the start of the budget year, table to the municipal council a time schedule outlining key deadlines for –

(i) The preparation, tabling and approval of the annual budget;
(ii) The annual review of -
(aa) The integrated development plan in terms of section 34 of the Municipal Systems Act; and
(bb) the budget-related policies.
(iii) The tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and
(iv) The consultative processes form part of the processes referred to in subparagraphs (i), (ii) and (iii).

3.4 The Service Delivery and Budget Implementation Plan (SDBIP)

The Service Delivery and Budget Implementation Plan (SDBIP) is an implementation plan of the approved IDP and Medium-Term Revenue and Expenditure Framework (MTREF). Therefore, only

projects that are budgeted for are implemented. The SDBIP serves to address the development objectives as derived from the approved IDP.

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"

3.5 Spatial Development Framework (SDF)

In terms of Section 20(2) of the Spatial Planning and Land Use Management Act, 2013 (Act No. of 2013) (SPLUMA) a municipal SDF must be prepared as part of the municipal IDP.

This preparation for the IDP compilation process is a task of municipal management. Individual tasks may be delegated but the process remains the accountability of the Management Team.

4. Annual Review and Amendment Process of the Integrated Development Plan

MSA Section 34: Annual review and amendment of integrated development plan:

A municipal council must review its integrated development plan-

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

4.1 Review

On an annual basis, municipalities are required to review how they have performed against the pre-determined objectives outlined in the IDP. This is a form of institutional performance review and will inform how the municipality adjusts its focus and operations to meet the targets. If there are minor adjustments, there is no need to formally amend the IDP.

4.2 What the review is not

- The Review is not a replacement of the 5-year IDP; and
- The Review is not meant to interfere with the long-term strategic orientation of the municipality to accommodate new changes and additional demands.

4.3 Amendment

Within the term of office, a municipal IDP may need to be amended when there have been significant unexpected changes within the municipality that require a reorganisation of the municipal priorities and budgets. It is noted that IDP amendments should only be required under exceptional circumstances and should not be done without significant justification. The process for amending a municipal IDP is laid out in section 3 of the regulations and is similar to that of adopting a new IDP.

Table 3: Process to amend IDP

Review	
Council to review the IDP based on: a) Assessment of performance measures; and b) Demand based on changing circumstances.	Annually
Amendment (if required)	
a) A council member or committee introduces a proposal to amend the IDP; b) A memo detailing the reasons to amend; c) Give reasonable notice to members of council; d) Publish proposed amendment for 21 days; e) Consultations between the district and locals; and f) Council adopt the IDP.	If / when required

5. Components for inclusion in the IDP document

The following key components to be included in the 5th Generation IDP 2022 – 2027:

5.1 Legally required content

Section 26 of the MSA: Core components of integrated development plans

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 that 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 or 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.

Regulation 2 of the 2001 Municipal Planning and Performance Management Regulations: Detail of integrated development plan

(1) A municipality's integrated development plan must at least identify-
  (a) the institutional framework, which must include an organogram, required for-
    (i) the implementation of the integrated development plan; and
    (ii) addressing the municipality's internal transformation needs, as informed by the strategies and programmes set out in the integrated development plan;
  (b) any investment initiatives in the municipality;
  (c) any development initiatives in the municipality, including infrastructure, physical, social, economic and institutional development;
  (d) all known projects, plans and programmes to be implemented within the municipality by any organ of state; and
  (e) the key performance indicators set by the municipality.

(2) An integrated development plan may-

(a) have attached to it maps, statistics and other appropriate documents; or

(b) refer to maps, statistics and other appropriate documents that are not attached, provided they are open for public inspection at the Offices of the municipality in question.

(b) A financial plan reflected in a municipality's integrated development plan must at least-

(a) include the budget projection required by section 26(h) of the Act;

(b) indicate the financial resources that are available for capital project developments and operational expenditure; and

(c) 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, which strategy may address the following:

(i) revenue-raising strategies;

(ii) asset management strategies;

(iii) financial management strategies;

(iv) capital financing strategies;

(v) operational financing strategies; and

(vi) strategies that would enhance cost-effectiveness.

(3) A spatial development framework reflected in a municipality's integrated development plan must-

(a) give effect to the principles contained in Chapter 1 of the Development Facilitation Act, 1995 (Act No. 67 of 1995);

(b) set out objectives that reflect the desired spatial form of the municipality;

(c) contain strategies and policies regarding the manner in which to achieve the objectives referred to in paragraph (b), which strategies and policies must-

(i) indicate desired patterns of land use within the municipality;

(ii) address the spatial reconstruction of the municipality; and

(iii) provide strategic guidance in respect of the location and nature of development within the municipality.

(d) set out basic guidelines for a land use management system in the municipality;

(e) set out a capital investment framework for the municipality's development programmes;

(f) contain a strategic assessment of the environmental impact of the spatial development framework;

(g) identify programmes and projects for the development of land within the municipality;

(h) be aligned with the spatial development frameworks reflected in the integrated development plans of neighbouring municipalities; and

(i) provide a visual representation of the desired spatial form of the municipality, which representation -

(i) must indicate where public and private land development and infrastructure investment should take place;

(ii) must indicate desired or undesired utilisation of space in a particular area;

(iii) may delineate the urban edge;

(iv) must identify areas where strategic intervention is required; and

(v) must indicate areas where priority spending is required.

5.2 Proposed table of contents for the 5th Generation IDP 2022 – 2027

The table below is a proposed table of contents for the IDP:

Table 4: Proposed table of content

Heading/s	Content
Governance and Institutional arrangements	• Context • Integrated development planning • Legal status of the IDP • Firth Generation IDP • Relationship between the IDP, budget, performance management and risk management • The IDP and ward-based plans • The planning processes • The Council, MayCo and Executive Management
State of the Greater Stellenbosch	• Socio-economic analysis of the municipal area • Clear development vision
Vision, Objectives and Strategies	• Strategic Policy Context; and • Alignment with national and provincial objectives
Spatial Development Framework	• An indication of the spatial pattern of development in the municipality – this should provide a spatial summary of the problems, opportunities, strategies and programmes and must reflect the SDF
One Plan	• This section details the capital budget and programmes of other spheres of government-aligned to the IDP objectives of Stellenbosch Municipality
Term projects, programmes and initiatives	• Summary of the key projects, programmes and initiatives identified by the Executive Mayor and MayCo that is aligned to IDP objectives and sector plans of Stellenbosch Municipality
Sector Plans and Implementation	• Sectoral plans and implementation of strategies • Sector plan alignment
Community Participation	• Public expression and needs identification of the community and stakeholders
Financial Plan	• A strategic framework for financial management, key financial policies and strategies are outlined in this section. • To provide an overview of the 3-year municipal budget, as well as analysis and explanation thereof. • To provide insight on the allocated funds for operations and maintenance costs of municipal fixed assets. • To give an overview of the projects with committed funding, which are not on the municipal budget but from other service providers (MTREF allocations inclusive of sector departments' allocations / projects).
Organisational Scorecard; 5 years and 1 year	• Contains Council's development objectives, strategies, indicators, and targets for the entire term of Council. • One-year implementation plan – Service Delivery Budget Implementation Plan (SDBIP).

6. Matters, Mechanisms and Procedures for Alignment and Consultation

6.1 Horizontal and Vertical Alignment

- **Framework / Process Plan:** In terms of Chapter 5, Section 26 of the MSA, District Municipalities are required to prepare and adopt a Framework Plan, which indicates how the District and Local Municipalities will align their IDPs. The Framework Plan provides the linkage and binding relationships to be established between the district and local municipalities in the region and in so doing, proper consultation, coordination and alignment of the IDP process within the district and the various local municipalities can be maintained.

- **Sector Department alignment:** This is essential to ensure that the district and local municipalities' priorities are reflected in the different provincial departments' project prioritisation process and in turn, that the provincial department's projects are reflected in the IDP. Regular and strategic meetings with the Sector Departments would be required during the different phases of the IDP Review.

- **Horizontal / Vertical alignment:** This focus on addressing issues at both District and Local municipal levels, while vertical alignment will focus on issues that affect the municipalities from the National and Provincial departments, and other organisations. Planning, therefore, needs to be informed by all stakeholders in order to effectively and efficiently allocate resources.

- Mechanisms that will ensure alignment of matters between the Cape Winelands District Municipality and Stellenbosch Municipality will be done by way of participating in the District IDP Managers Forum and the District Public Participation Forum.

6.2 Intergovernmental Relations (IGR) Structures

The following IGR structures will be utilised to drive the IDP processes in joint planning initiatives with CWDM:

- District IDP Managers Forum;
- District Public Participation Forum;
- Joint District Metro Approach;
- District Co – ordinating Forum (DCF);
- Municipal Managers Forum; and
- Provincial IDP Indaba's, MGRO, LGMTEC and Indaba Working Group.

6.3 Binding plans, planning requirements and policy on National, Provincial and Local Level

The Integrated Development Planning process is guided by a number of legal and policy documents that impose a range of demands and requirements on the Municipality. The list below contains some of the most important IDP source documents:

6.3.1 Acts

- Constitution of the Republic of South Africa, Act 108 of 1996
- Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) (MSA)
- Local Government: Municipal Structures Act, 117 (Act 117 of 1998) (MSA)
- Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)

- Disaster Management Act, 2002 (Act 57 of 2002)
- Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013)
- The Housing Act, 1997 (Act 107 of 1997)

6.3.2 Policy Frameworks

The following policy frameworks must be taken into consideration throughout the planning, development, adoption, implementation and Performance Management processes of the municipal IDPs within the Cape Winelands region. In addition, policy directives across the spheres of government also need to be considered, namely:

- The State of the Nation Address;
- The State of the Province Address;
- Sustainable Development Goals;
- National Development Plan;
- Medium Term Strategic Framework;
- Provincial Strategic Plan;
- National Spatial Development Plan (NSDP);
- Provincial Spatial Development Framework; and
- One Plan outcomes.

6.3.3 Municipal Sector Plan

- Environmental Management Plans
- Air Quality Management Plan;
- Integrated Human Settlements Plan (Housing Pipeline);
- 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;
- Local Economic Development Strategy;
- Disaster Management Plan;
- Community Development Strategy;
- Human Resources Strategy; and
- Information Communication Technology Strategy.

6.3.4 Planning Tools

- Key Performance Areas and targets;
- IDP District Framework and Process Plan;
- Joint District and Metro Approach planning initiatives; and
- Public participation programmes.

6.3.5 The Municipality to also consider the following documents:

- Cape Winelands District Municipality: Integrated Development Plan;
- Spatial Development Framework;
- Existing approved Water Services Plans;
- Existing approved Disaster Management Plans; and
- One Plan outcomes.

7. Roles and Responsibilities in the IDP Process Plan

One of the prerequisites of a well organised IDP process is for all role players to be fully aware of their own as well as other role player's responsibilities. This section deals with the roles which the municipality has to play in the IDP and Budget processes in relation to the roles which external role players are expected to play.

7.1 Roles and Responsibilities within Government Spheres

Table 5: Roles and responsibilities within government spheres

Role Player	Roles and Responsibilities
Stellenbosch Municipality	▪ Prepare and adopt the IDP Process Plan. ▪ Undertake the overall management and co-ordination of the IDP process which includes ensuring that: - all relevant role-players are appropriately involved; - appropriate mechanisms and procedures for community participation are applied; - events are undertaken in accordance with the approved time schedule; - the IDP relates to the real burning issues in the municipality; and - the sector planning requirements are satisfied. ▪ Prepare and adopt the IDP. ▪ Adjust the IDP in accordance with the MEC's proposal. ▪ Ensure that the annual business plans, budget, and performance management system are linked to and based on the IDP.
Cape Winelands District Municipality	▪ Prepare the IDP District Framework (MSA, Section 27 Framework), as a mechanism to ensure alignment and integration between IDP's. ▪ Ensure alignment of the IDP between the municipality and the district municipality (Integrated District and Local Planning). ▪ Fulfilling a co-ordination and facilitation role in respect of ensuring alignment between district and local planning within the region. ▪ Preparation of joint strategy workshops between municipality, provincial and national government. ▪ Facilitate engagements and planning sessions on district wide development and service delivery matters. ▪ Coordinate District Public Participation and Integrated Development Planning engagements to share information and best practices.
Western Cape Provincial Government (IDP Directorate) & Western Cape Provincial Treasury	▪ Ensure horizontal alignment of the IDP between the municipality and the district municipality. ▪ Ensuring vertical and sector alignment between provincial sector departments/ provincial strategic plans and the IDP process at the local / district level. ▪ Facilitate SIME and LGMTEC and Joint Planning Interventions. ▪ Guiding the provincial sector departments' participation in and their required contribution to the municipal IDP process; and ▪ Guiding them in assessing draft IDPs and aligning their sector programmes and budgets with the IDPs. ▪ Efficient financial management of Provincial IDP grants. ▪ Monitor the IDP progress. ▪ Provide guidance to municipalities in compiling the IDP. ▪ Coordinate and manage the MEC's assessment of the IDP. ▪ Provide IDP related training where required. ▪ Share best practices in relation to the IDP document content, strategic alignment, and spatial mapping. ▪ Provincial Treasury must provide views and comments on the draft budget and any budget-related policies and documentation for consideration by the council when tabling the budget. ▪ Conduct Medium Term Revenue and Expenditure Framework (MTREF) budget and IDP assessment.
National Government	▪ National Treasury issues guidelines on the manner in which municipal councils should process their annual budgets, including guidelines on the formation of a committee of the council to consider the budget (Section 23(3) of the MFMA).

Role Player	Roles and Responsibilities
	Assessments of IDP, Budget and SDBIP.

7.2 Roles and Responsibilities of Political Office Bearers and Ward Committees

Table 6: Roles and responsibilities of political office bearers and ward committees

Role Player	Roles and Responsibilities
Council	Approve and adopt the process and framework plans, as well as IDP and budget. Monitor the implementation and approve any amendments of the plan when and if required.
Executive Mayor and Mayoral Committee	Consider the IDP and Budget timetable and Process Plan and submit to Council for approval. The Mayor must at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget, the annual review of the IDP and budget-related policies, the tabling and adoption of any amendments to the IDP and budget-related policies and consultative processes. (MFMA section 21(1)(b)). Overall management, coordination and monitoring of the IDP process. Assign and delegate responsibilities in this regard to the Municipal Manager. Submit the draft IDP to Council for approval. Submit final IDP and Budget to Council for adoption. Provide political guidance in IDP and Budget (in terms of section 53(a) of the MFMA. Exercise close oversight on Budget Preparation Process.
Speaker	Overall monitoring of the public participation processes. Oversight of the ward committee system.
Ward Councillors	Form a link between the Municipality and residents. Assist to communicate the IDP process to their respective wards. Play an active role during public consultation and participation. Monitor the implementation of the IDP with respect to their wards. Provide feedback to their communities on the adopted IDP, Budget and SDBIP. Encourage residents to take part in the IDP process.
Ward Committees	Assist the ward councillor in identifying the challenges and needs of residents. Provide a mechanism for discussion and negotiation between the stakeholders within the ward. Advise and make recommendations to the ward councillor on matters and policy affecting the ward. Disseminate information in the ward. Ensure constructive and harmonious interaction between the Municipality and community. 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 their respective ward. Monitor the implementation process concerning its area.

7.3 Roles and Responsibilities of the Administration

Table 7: Roles and responsibilities of Administration

Role Player	Roles and Responsibilities
Municipal Manager	Managing the entire IDP process as assigned by the Executive Mayor. Fulfil the duties of the Accounting Officer as set out in Sections 68 and 69 of the MFMA.
Chief Financial Officer	The CFO must perform such budgeting duties as delegated by the accounting officer. (MFMA section 81(e).

Role Player	Roles and Responsibilities
Directors / Senior Managers / Managers	• Provide technical, sector and financial information for analysis for determining priority issues, throughout the IDP Budget process. • Provide technical expertise in consideration and finalisation of strategies and identification of projects. • Provide departmental, operational, and capital budgetary information. • Preparation of project proposals, integration of projects and sector programmes.
Manager: IDP, Performance Management and Public Participation	• Prepare an IDP process plan and monitor the timeous implementation thereof. • Day to day management and coordination of the IDP process. • Ensure stakeholder engagement in the IDP process by organising meetings for engagement. • Ensure that the IDP process is participatory and that planning is ward-based oriented. • Respond to public and MEC comments on Draft IDP and SDBIP. • Compilation of comprehensive and presentable IDP document that complies with all legislative requirements. • Amend the IDP document in accordance with the comments of the MEC.
Senior Manager / Manager: Financial Management Services	• Responsible for the Management, planning and compilation of Budget. • Day to day management and coordination of the Budget process.

8. Public Participation: IDP Process

8.1 Public Participation

The Stellenbosch Municipality will create appropriate mechanisms and procedures as in accordance with Chapter 4 of the MSA for continuous engagement and communication with the local community, stakeholders and interested parties.

8.2 Communication Approach

Utilising multi-lingual media outlets is an effective and established way in which Stellenbosch Municipality informs the local community on the municipality's public participation efforts and on how to get involved in proposed municipal projects.

The following communication methods and strategies will be used during the public participation process:

- Municipal website;
- Social media;
- Stellenbosch Citizen App;
- SMS Notifications;
- WhatsApp Notifications;
- Email; and
- Online Public Meetings.

8.2.1 Municipal Website

The municipal website will be the official online platform to publish public participation notices and information on engagements.

8.2.2 Social Media

The Stellenbosch Municipality have two social media accounts, Facebook and Twitter. Both platforms are primarily used to share municipal information on a regular basis. Said platforms are also used to

do marketing campaigns and or to create public awareness around issues pertinent to the business of the municipality.

Facebook and Twitter will be used to inform residents of the public participation process and the means available to the community, businesses, and stakeholders to participate in the development, review and or amendment of the **5th Generation IDP 2022 – 2027**.

General information regarding the importance of public participation will be conveyed regularly on social media posts and on the municipal website. In these information pieces, members of the community will be encouraged to participate in the public participation process.

8.2.3 Stellenbosch Citizen App

The Stellenbosch Citizen App will also be utilised to solicit public input during public participation processes. Residents will be offered the opportunity to submit their inputs on the IDP remotely via **cell phone** or **computer**.

8.2.4 SMS Notifications

The municipality has a vast database of cell phone numbers accumulated over a number of years through its public participation efforts.

In addition, the cell phone number on the accounts and complaints database will also be used to inform the local community of the municipality's public participation efforts.

8.2.5 WhatsApp Notifications

Technology has been heralded to connect people to their local government, improve public participation, and hold governments to account.

In a resource-constrained context, existing technologies such as social media and WhatsApp can serve as direct lines between the municipality and the local community and equitably surface the needs of the community; not just those with "inside access" — reinforcing an inclusive and actionable dialogue between the municipality and its residents.

In contrast to SMS messaging, WhatsApp messaging is more cost-effective and multi-faceted in its application. It can send location data, messages and large attachments at a fraction of the cost.

WhatsApp messaging will also be harnessed to broaden the municipality's reach, especially the rural community within the Stellenbosch Municipal area.

8.2.6 Email

Stellenbosch Municipality has a vast database of email addresses accumulated over a number of years through its public participation engagements. This database is regularly updated to add additional new email addresses. Emails will be used to keep the community informed about public participation engagements and platforms for engagements.

8.2.7 Virtual Public Meetings and Stakeholder Engagements

New public participation methods have broadened the municipality's ability to reach its community and other stakeholders in a more efficient and effective manner. Therefore, online / hybrid public participation meetings for the respective wards / areas will be used as a platform for public participation engagements.

9. Conclusion

The 2022 – 2027 IDP and Budget Process Plan will guide the planning, drafting, adoption and review of Stellenbosch Municipality's IDP, including any related planning instruments as envisaged in Section 28(1) of the MSA.

10. Annexure A: INTEGRATED DEVELOPMENT PLANNING DISTRICT FRAMEWORK (2022 – 2027)

11. Annexure B: REVISED SDF / IDP / BUDGET TIME SCHEDULE / PROCESS PLAN FOR 2022/23

CAPE WINELANDS DISTRICT

INTEGRATED DEVELOPMENT PLANNING DISTRICT FRAMEWORK

(2022 – 2027)

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1. INTRODUCTION

Section 27(1) of the Local Government: Municipal Systems Act, 2000 (Act32 of 2000), states that:

"Each district municipality, within a prescribed period after the start of its elected term and after following a consultative process with the local Municipalities within its area, must adopt a framework for integrated development planning in the area as a whole."

The Cape Winelands District Municipality (CWDM) is responsible for drafting the District IDP Framework Plan, a mechanism to ensure alignment and integration between the IDP's of the Cape Winelands District Municipality and Local municipalities of:

- Stellenbosch
- Drakenstein
- Witzenberg
- Breede Valley
- Langeberg

The Cape Winelands District Integrated Development Planning District Framework aims to bind both the district municipality and the 5 local municipalities (B Municipalities) through consultation, coordination and alignment between the planning processes. The Framework also identifies the plans and planning requirements binding in terms of provincial and national legislation matters to be included in the IDPs requiring alignment and must specify the principles and approach to be adopted in respect of those matters. This approach requires the district municipality to have a planning framework which is applicable to all stakeholders that plan to implement programmes and projects within the boundaries of the district. In so doing, extensive consultation, coordination and alignment of the IDP processes within the District Municipality and its various Local municipalities must be maintained.

The Framework also aims to establish structures that could be of use to improve municipal IDP processes and at the same time provide the mechanisms that could be utilised and monitor and evaluated the IDP formulation process.

Furthermore, the IDP District Framework serves to guide and inform the Process Plan of the District and its Local municipalities. The IDP District Framework provides the linkage for binding relationships to be established between the District and Local municipalities in the Cape Winelands. In so doing, proper consultation, coordination and alignment of the IDP process of the District Municipality and its various Local municipalities must be maintained.

2. Legal Context of District Framework

There are several pieces of legislation which craft the architecture within which the IDP District Framework will function. These include the Constitution of the Republic of South Africa, Act 108 of 1996, the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), including the Municipal Structures Amendment Act, B51-2000, the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), and the White Paper on Local Government, 1998.

According to Section 153 of The Constitution of the Republic of South Africa, 1996, a municipality must-

(a) *Structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and promote the social and economic development of the community; and*
(b) Participate in national and provincial development programmes.

This Constitutional provision illustrates the need for integrating the planning, budgeting, implementation and reporting processes of all public institutions, within this context specific reference is drawn to municipalities.

Section 27(2) of the Municipal Systems Act, 2000 (Act 32 of 2000), states that the Framework Plan must at least:

(a) identify the plans and planning requirements binding in terms of national and provincial legislation on the district municipality and local municipalities or on any specific municipality;

(b) identify the matters to be included in the integrated development plans of the district municipality and the local municipalities that require alignment;

(c) specify the principles to be applied and coordinate the approach to be adopted in respect of those matters; and

(d) determine procedures -

(i) for consultation between the district municipality and the local municipalities during the process of drafting their respective integrated development plans; and

(ii) *to effect essential amendments to the framework*

3. PURPOSE AND OBJECTIVES OF THE IDP DISTRICT FRAMEWORK

The drafting of a new five-year Integrated Development Plan (2022-2027) necessitates the adoption of an Integrated Development Planning District Framework which guides the process of drafting, reviewing and amending the Integrated Development Plan (IDP) adopted by Council.

The objective of the District Framework is to ensure that the District and Local municipalities in its area, as well as the National and Provincial planning processes, are mutually linked to inform and complement each other, thereby culminating into a regulatory framework which seeks to direct efficient, effective and economically driven planning initiatives and innovations in response to the prevailing socio-economic realities through accurate, credible and sustainable resource allocation.

IDP DISTRICT FRAMEWORK vs IDP PROCESS PLAN

The IDP District Framework has a lifespan of 5 years linked to the newly elected Council's term of office. The IDP District Framework serves as a mechanism to ensure alignment and integration between the IDP of the District Municipality and those of the Local Municipalities within the Cape Winelands region. It aims to ensure that processes of the District and Local Municipalities are mutually linked and inform one another while the Process Plans of all municipalities within the region need to be informed by the IDP District Framework with particular reference to the development of IDPs and Budgets.

The IDP Process Plan is a process set out in writing to guide the planning, drafting, adoption and review of its IDP; it contains events to be undertaken in the process of

developing the actual District IDP, supporting IDP processes of the Local municipalities to ensure alignment.

The table below serves to provide a high-level distinction between the IDP District Framework, IDP Process Plan and the Time Schedule adopted in terms of Section 21 of the Municipal Finance Management Act.

IDP Framework (Five Year)	IDP Process Plan (Five Year)	Time Schedule (Annually)
The District Framework in accordance with Section 27 of the MSA must be adopted by the district municipality within a prescribed period after the start of its elected term. The Framework, amongst others, obligates both the district and the local municipalities in its area on binding legislation, IDP matters which require alignment and procedures for consultation during the process of drafting their respective IDPs.	The IDP Process Plan in accordance with Section 28 of the MSA is a process set out in writing to guide the planning, drafting, adoption and review of its initial 5-year IDP after the start of Councils elected term. It contains events to be undertaken in the process of developing the actual IDP and supporting IDP processes of the Local municipalities to ensure alignment.	In accordance with Section 21 of the MFMA the Council must adopt a time schedule outlining key deadliness for the tabling and adoption of the annual review/amendment of the IDP, any amendments to the IDP and consultative processes which form part of the annual IDP and Budget review.

4. POLICY PRINCIPLES FOR INTEGRATED DEVELOPMENT PLANNING

The policy principles reflected below is incumbent upon the District and Local Municipalities of the Cape Winelands with a view to fostering a consultative and participatory approach to the planning, drafting, adoption and implementation involved in the development of IDPs.

The Framework accepts that existing, approved policy and strategies will be taken into consideration in future development planning within the Cape Winelands region.

The following policy principles will apply to ensure the above:

- Strategies arising from existing, approved development plans and policies both at district and local level that have been implemented in part and as a whole will be continued;

- The IDP process both at district and local levels will be informed by the agreed policy and principles of integrated development in the Cape Winelands region and these will be taken into consideration when IDPs have been approved and implemented at all levels;
- The IDP District Framework will serve as a tool to inform the Process Plans of both the District and Local municipalities within the region;
- Community and stakeholder involvement should be entrenched in the preparatory phase to approval and implementation of the IDPs within the region;
- All Local Municipalities within the Cape Winelands region shall inform the District Municipality on the phases undertaken throughout the drafting, review and/or amendment processes of the IDPs.
- Local municipalities shall submit the draft and approved IDPs to the District Municipality, the District shall similarly submit their tabled and adopted IDP to all the Local Municipalities within the region;
- The district municipality to facilitate community needs and priorities applicable to the district functions and provide regular feedback to LM’s.
- District municipality to attend IDP engagements of LM’s if and when required.
- Furthermore, it is a requirement that future budgets of both the district and the local municipalities will be guided by the IDPs in order to effectively support the integrated

development process financially. It is, however, accepted that unfunded mandates and disasters may have an effect on the allocation of funds in the budget.

5. ROLES AND RESPONSIBILITIES

DISTRICT MUNICIPALITY

The functions and powers of municipalities are clearly prescribed in Chapter 5 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998). Section 84(1)(a) of the Act states that:

> *"A District municipality has the following functions and powers: Integrated Development Planning for the district municipality as a whole, including a framework for integrated development plans of all municipalities in the area of the district municipality"*

The role-player tasked with executing the function of crating the IDP District Framework rests with the IDP Co-ordinator of the Cape Winelands District Municipality.

Further to the above, Section 27(1) of the Local Government: Municipal Systems Act, 2000 (Act32 of 2000), states that:

"Each district municipality, within a prescribed period after the start of its elected term and after following a consultative process with the local Municipalities within its area, must adopt a framework for integrated development planning in the area as a whole."

The Cape Winelands District Municipality is responsible for drafting the Framework, as mechanism to ensure alignment and integration between the IDP's of the District Municipality and Local municipalities of:

- Breede Valley Municipality;
- Drakenstein Municipality;
- Langeberg Municipality;
- Stellenbosch Municipality and
- Witzenberg Municipality.

The District Municipality is further entrusted with fulfilling a co-ordination and facilitation role in respect of ensuring alignment between District and Local planning within the region.

LOCAL MUNICIPALITIES

In respect of the legislative prescripts emanating from Chapter 5 of the Municipal Structures Act, Section 81(1) by implication involves the participation of all of the local municipalities within the Cape Winelands region in the planning, development and adoption of the IDP District Framework for the area as a whole. The role-players therefore include the IDP Manager's of all local municipalities within the Cape Winelands District.

PROVINCIAL GOVERNMENT

The role of the Western Cape Department of Local government is derived from Section 31 of the Municipal Systems Act, which in addition to monitoring and support, imply that the department may assist municipalities with facilitation, co-ordination and alignment during he planning, drafting, adoption and review of its integrated development plans. This particular function includes but is however not limited to ensuring:

- Horizontal alignment between the Metropolitan and the District Municipality;
- Vertical/sectoral alignment between provincial departmental strategic and sector plans with the IDPs of the municipalities within the Cape Winelands District and
- Facilitating dispute resolutions related to the IDP process as and when circumstances so demand.

The role-players responsible for managing this particular processes includes the Provincial IDP Co-ordinator deployed to the Cape Winelands region from the IDP Directorate of the Western Cape Department of Local Government as well as sector departments tasked with planning alignment and integration of sector plans into the IDPs.

6. ORGANISATIONAL ARRANGEMENTS, FRAMEWORK PROGRAMME AND TIMEFRAMES

The following structures will be utilized to drive the IDP processes within the Cape Winelands District to ensure continued liaison and coordination throughout the IDP process:

- District IDP Managers' Forum
- Provincial IDP Managers' Forum
- Joint District and Metro Approach task team
- Strategic Integrated Municipal Engagements
- District Co-ordinating Forum
- Municipal Managers' Forum
- District Communications' Forum
- Disaster Management Advisory Forum
- Regional Air Quality Management Committee
- Provincial IDP Indaba's, MGRO, LGMTEC and Indaba Working Group
- Provincial IDP Managers' Forum and Public Participation and Communications Forum/

Key activities and responsibilities to be undertaken throughout the 5 -year IDP Cycle (2022-2027) of the IDP, Budget and Performance Management is to be summarised in the process plans of the municipalities within the district.

To effect ***continued liaison and coordination*** the following *modus operandi* will apply:–

- Meetings of the IDP coordinators/managers of the district and local municipalities to discuss and coordinate IDP related issues as these occur. These meetings will also give the IDP coordinator of the CW District Municipality the opportunity to monitor progress and/or problems at local level and to make provision for assistance/support in time. Meetings will take place at least quarterly and/or as circumstances so demand.

- Workshops presented under the auspices of the CWDM to discuss problems/issues of regional interest with all interested parties and to determine IDP strategies in this regard will only be arranged when a specific matter requiring consultation has been identified.

- Policy and other serious issues that cannot be dealt with by the IDP coordinators/managers alone, will be referred to the District ~~Coordinated~~ Co-ordinating Forum (DCF).

- Delegated councillors of local municipalities serving in the CWDM Council must also regularly report to their councils on matters of local interest.

Information obtained through any public participation process which may impact on the IDP of another municipality (local or district), or which have to be included in the relevant municipality's IDP, must be relayed to the designated official responsible for IDP of the relevant municipality as soon as possible.

Feedback to the public must be regarded equally important as participation, and must be undertaken in a structured way both at district and local level as determined in each municipality's Process Plan, but with a minimum requirement of feedback twice a year.

Mechanisms for participation

The following mechanisms for participation will be utilized:

District IDP Managers' Forum, District Public Participation Forum and District Communication Forum
This Forums will represent all stakeholders and will be as inclusive as possible. Efforts will be made to bring additional organisations into above mentioned forums and ensure their continued participation throughout the process.

Media
Local newspapers and the CWDM's internal and external newsletters will be used to inform the community of the progress of the IDP.

Social media

The District's website and facebook will also be utilised to communicate and inform the community. All relevant documents will be placed on the website for communities and service providers to download.

Radio Slots

The community radio stations will be utilised to make public announcements where necessary. Radio slots will also be used for public participation sessions when we need to adhere to Covid-19 regulations.

Assistance by the Cape Winelands District Municipality

In the event that do not have sufficient capacity and expertise to undertake the IDP process, including the co-planning, co-budgeting and co-implementation processes on their own, the District Municipality will assist local municipalities as follows:

- Assistance to build capacity locally, on request for example by means of training;
- Assistance with facilitation of workshops;
- Providing information/data gathered at district level that is relevant to local IDP processes, in particular with regard to binding legislation, and information already gathered in rural areas.

7. MATTERS, MECHANISMS AND PROCEDURES FOR ALIGNMENT AND CONSULTATION

HORIZONTAL AND VERTICAL ALIGNMENT

Horizontal and vertical alignment within an IDP must be achieved by way of:

- Framework/Process Plan: The main responsibility of horizontal alignment lies with the Cape Winelands District Municipality. Legislation requires of District Municipalities to prepare and adopt an IDP District Framework which indicates how the District and Local Municipalities will

align their IDPs. The Framework Plan provides the linkages and binding relationships to be established between the District and Local Municipalities in the region and in doing so, proper consultation, coordination and alignment of the IDP process within the district and the various Local Municipalities can be maintained.

- Sector Department alignment: This is essential to ensure that the District and Local Municipalities' priorities are reflected in the different departments' project prioritisation process and in turn, that the department's projects are reflected in the IDP. Regular and strategic meetings with the Sector Departments would be required during the course of the IDP Review.
- Horizontal alignment will focus on addressing issues at both District and Local municipal level, while Vertical alignment will focus on issues that affect the municipalities from National and Provincial departments, and other organisations. Planning therefore needs to be informed by all stakeholders in order to effectively and efficiently allocate resources.
- Mechanisms have been put in place to assist in ensuring alignment of matters between the District and Local municipalities in Cape Winelands. This will be done by way of scheduled District IDP Managers' Fora, followed by the District Public Participation and Communication Fora. Proper and effective communication between the different spheres of government is therefore crucial in order to achieve successful alignment of matters.

Alignment with Sector Departments will take place through:

- The existing National, Provincial and municipal transversal planning interface structures or as initiated by Provincial and National Government in consultation with Local Government.
- Provincial IDP Engagements
- District and local based IGR forums
- Western Cape District Integrated Forum

The following alignment activities are envisaged between the CWDM and the five local municipalities on the one hand and between local government levels and role-players at national, provincial and corporate service-delivery levels on the other hand:–

PHASE	TIME	ALIGNMENT ACTIVITY	SPHERE	RESPONSIBILITY	STRUCTURES
Analysis	Sept-October	Information on new priorities to CWDM	Local	Local IDP coordinators	Community issues brought to Municipality's attention through ward committee /public meetings/ stakeholders meetings
Strategies	October - Nov	Joint decision-making on localised guidelines. District-level strategic workshops.	Local, CWDM and other spheres	CWDM IDP Coordinator	Issues are being discussed. Find possible solutions through internal IDP and Budget meetings.
Project plan	Nov - Dec	Technical planning input	Local, CWDM and other spheres	Technical functionaries	Details of the possible solutions are discussed to determine what is needed(budget, timing, how long, when, by who)
Integration	Dec - Feb	Facilitation of non-line function programmes	CWDM and other spheres	CWDM and functionaries from other spheres	Identified projects are integrated

					and budgeted for through internal meetings.
Approval	March - May	Submission of draft IDP	Local, CWDM and other spheres	IDP Coordinators	Draft Plan is tabled at Council and discussed at Ward committee/ public meetings/ stakeholder meetings
Approval	March - May	Comment on draft IDP	Local, CWDM and other spheres	IDP Forums Other role-players	Public comment before final approval by Council in May.

Some of the above-mentioned still requires final clarification of functions. **Joint strategic workshops** on each of the above-mentioned issues will be held at district level to ensure alignment.

In each of the above-mentioned spheres it is important that the district and local municipalities together find clarity on the way in which they will tackle the challenges of development at regional level and which strategies or development approach they will follow. Each individual municipality must also be sure about its own resources and capacity to deliver within the developmental approach. These aspects will be addressed at the joint strategic workshops.

Joint strategic workshops will also consider the following aspects:

- Regional economic development;
- Human development in the region;
- The Spatial Development Framework for the region;
- The sustainable utilisation of scarce resources, with special reference to environmental viability;
- Proactive consultation and coordination between district and local municipalities on delivery programmes and projects in the district, to ensure an integrated approach throughout and the achievement of common district objectives in the process;
- Action-specific principles, e.g. bioregional planning principles, will be fundamental to all spatial planning in the district;
- Information sharing among municipalities in the region;
- Priorities identified by more than one local municipality which as such can be regarded as partial regional priorities;
- Proactive definition of components, strategies and programmes of the IDP/IDPs arising from non-municipal line functions, as well as crosscutting dimensions such as poverty, gender issues, etc. that have to be addressed;
- Coordination of actions and implementation of IDP strategies.

Facilitation process in regional context:

These refer to aspects which are not necessarily municipal line functions. They should nevertheless be included in IDPs on the express understanding that the relevant local municipality or district municipality, as overall representative, will relay such matters to the

various sector role-players at provincial and national levels and will act as facilitator(s) in the promotion processes.

The following steps will be used to encourage the facilitation process (with continued emphasis on the importance of feedback):–

- CWDM acts as facilitator/convenor to promote matters that may represent a district-wide problem or have a district-wide impact, while each local municipality is individually responsible for matters that are relevant locally.

- Representatives/specialists of each issue that come to the fore are identified in the various towns (each town need not be represented). Advertisements inviting experts to participate can be published in the local papers.

- The group that is identified forms a special study group for example to address problems in education etc.

- CWDM or the local municipality concerned assists the study group with arrangement of meetings and other supporting actions in performing their task.

- When the study group makes a recommendation, district-wide actions are further facilitated with the support of CWDM, and local actions with the support of the relevant local municipality. The relevant local municipality or CWDM together with the study group negotiate with other spheres of government to ensure the implementation of the components.

- A dynamic checklist is formalised with the aid of the study group to monitor that the crosscutting dimensions mentioned above are incorporated in all strategies and projects.

- Joint strategic workshop(s) is/are presented by CWDM for the proactive identification and definition of crosscutting dimensions and actions that may arise from non-municipal line functions and for the coordination and implementation of actions.

Binding plans, planning requirements and policy on national, provincial and local levels

To ensure that both the district and local municipalities are aware of all relevant binding national and provincial legislation, policy, programmes, strategies and available funds and that these are considered in the various IDP processes, the Framework contains the following information:–

Policy Frameworks

The following policy frameworks must be taken into considering throughout the planning, development, adoption, implementation and Performance Management processes of the municipal IDPs within the Cape Winelands region. In addition, policy directives across the spheres of government also need to be taken into account, namely the State of the Nation Address, State of the Province Address and the State of the District Address.

- Sustainable Development Goals
- National Development Plan
- Medium Term Strategic Framework
- Provincial Strategic Plan
- National Spatial Development Plan (NSDP)
- Provincial Spatial Development Framework
- One Plan outcomes.

Sector Plans

- 4.2.1 Water Services Development Plans
- 4.2.2 Integrated Waste Management Plan
- 4.2.3 Integrated Transport Plans
- 4.2.4 Land Development Objectives

- 4.2.5 Housing Strategy (Plan)
- 4.2.6 Local Economic Development Strategies
- 4.2.7 Integrated Infrastructure Planning
- 4.2.8 Integrated Energy Planning
- 4.2.9 Spatial Development Framework
- 4.2.10 Environmental Implementation Management Plans

Policy

- Public Sector Procurement Reform in SA
- Integrated Pollution and Waste Management for SA
- Land Reform Strategies
- Rural Development Framework
- Draft White Paper on Spatial Planning and Land Use Management, 2001
- Urbanisation Policy
- Farm Worker Housing and Fringe Policy
- Bio-regional Planning Policy and Guide
- Guidelines for Subdivision of Agricultural Land

Planning tools

- Key Performance Areas and targets;
- IDP District Framework;
- Joint District and Metro Approach planning initiatives and
- Public Participation programmes.

All municipalities must locally take into account the following:

- IDP: Cape Winelands District Municipality
- IDPs of all five Local municipalities within the region
- Existing approved Spatial Development Frameworks (SDFs) and/or structure plans (link to SPLUMA)
- Existing approved Water Services Plans
- Existing approved Disaster Management Plans
- HIV/AIDS Strategies

- One Plan outcomes

Components for inclusion in integrated development plans

Clear *analysis* of municipal reality & clear development *strategy*

- Socio-economic analysis of municipal area:
  (Ward-based profiling within the municipal area)
- Clear development vision

Vision, Objectives and Strategies

- Clear **economic development** strategy (to broaden economic participation through skills development and higher investment rate)
- Clear strategy for people development (skills / health / education)
- Clear actions for development of natural resource base
- Action for integrated human settlement (spatial planning logic)
- Sectoral plans in support (water, transport, energy, land reform)

Targeted basic *services and infrastructure* investment

- Basic service provision that address national targets for basic service provision (water, sanitation, electricity, waste removal/sanitation)
- Clear medium to long term infrastructure provision strategy: Targeting of services and infrastructure to specific areas
- Maintenance of infrastructure is addressed, MIG and other infrastructure grants are optimally utilized

Community involvement in planning and delivery

- Municipal-wide engagement on IDP and related task teams
- Communication on IDP through council and ward structures

Institutional *delivery capacity* within municipality

- Clear project and service delivery plans
- Budget linked to IDP priorities and projects
- Clear performance indicators for IDP implementation: services/project.
- Internal skills, systems and implementation responsibilities.

Alignment with national/provincial programmes

- IDP addresses national & provincial strategies (economic, social and environmental
- District and Local IDP have shared strategic priorities
- Sharing of resources between spheres of government in the IDP
- One Plan strategic framework outcomes

1. Strategic issues: Improve LED plans to enable critical trade off decisions to be made and ensure implementation	Analysis Strategy	Rigorous analysis of the economic reality of the municipality Clear economic development strategy
	Infrastructure Investment	Targeted economic infrastructure investment strategy or plans ED responses linked to community priorities
2. Implementation issues:	Delivery Capacity	Institutional delivery capacity of municipality Skilled human resources, implementation systems (i.e. project management, budget and performance management through clear key performance indicators)
Ensure local implementation capacity,& identify actions to reach commitment between the national, provincial and local sphere on the priority actions	Alignment	Intergovernmental commitment to delivery on IDP (between the 3 government spheres & between district and local municipalities)

8. PROCEDURES AND PRINCIPLES FOR MONITORING THE PLANNING PROCESS AND AMENDMENT OF THE FRAMEWORK

Procedures and principles for monitoring the planning process

The following procedures and principles will apply to the monitoring of the planning process:

- Each municipality is responsible for monitoring its own process and for ensuring that the agreed principles and programmes for the Framework are adhered to.

- Each municipality will use its IDP Steering Committee or approximate structure together with the IDP coordinator/manager concerned as the responsible monitoring agent. The monitoring agent is responsible for reporting on progress/problems upward to the Council and executive committee concerned and downward to departmental heads, officials and functionaries. The DCF must also monitor the process.

- Sections 83 and 84(1)(a) of the Municipal Structures Act empower the CWDM to monitor the process at district and local level. The IDP coordinator of the CWDM monitors the processes at local municipalities by way of regular liaison and enquiries.

The following procedures and principles will apply to addressing any departure/amendment to the District Framework and/or the planning process as such:–

- The District IDP Managers' Forum meets after each phase in the IDP process to evaluate progress and to identify where changes, amendments or departures to/from both the District Framework and the planning process are required.

- Each municipality must notify the CWDM within five (5) working days of any departure from its Action Plan that may have an impact on district-level activities and programmes (e.g. the identification of local priorities are delayed and therefore the district-level strategic workshop on priorities would have to be postponed).

Requests to amend the District Framework must include:–

- The wording of the proposed amendment;
- Motivation for the amendment;

- Expected implications of the amendment.

CWDM's IDP coordinator deals with the process and ensures that all proposals for departure/amendment are reported to role-players and that their comment is invited.

The role players entrusted with the preparation of the District Framework continues with the mandate to consider proposals for the amendment of the Framework, to define proposals for amendment and ensure approval by the municipal Council.
Any amendments to the District Framework must be considered by the DCF before approval.

9. CONCLUSION

In conclusion, the Cape Winelands District Section 27 Framework Plan must be used as the tool for the district to ensure that interrelated parallel planning processes within the district are used to obtain maximum advantage for the district as a whole, thus leading to credible and sustainable integrated development planning and development within the District and meeting the socio-economic challenges through risk mitigation, accurate and concise budgeting and performance monitoring alignment towards a predetermined outcome which seeks to overcome the triple challenges of poverty, inequality and unemployment.

ANNEXURE "A"

Framework for contextualising and applying the NSDP at district level

a. Developing a shared analysis

The objective is for various state and non-state stakeholders to better understand an areas growth and development potential with the aim of fostering greater growth and development. Understanding and area implies more than gathering data is the case with most planning initiatives currently. Generating appropriate and relevant data is important, but of crucial importance is to develop, analyse and interpet socio economic data with the necessary rigour and insight. This entails a comprehensive and incisive analysis of current and future trends with respect to poverty, inequality, economic development and ecological sustainability in **spatial terms**, the forces and factors driving these trends and the strategic implications thereof. Failure to understand issues of development and inequality in spatial terms means that policy and planning decisions will be made in an empirical and analytical vacuum. The district has a pivotal role to play in getting various stakeholders to develop a shared understanding of the essential characteristics, trends and dynamics of the district space economy.

Insightful and rigorous analysis supports proper planning and effective decision making in number of ways. These include:

- Identifying the determinants of poverty and social exclusion and how poverty, inequality and exclusion are reproduced;
- Identifying the special and long-term, hard to replicate unique characteristics that comprise the area's competitive and comparative advantages.
- The presence of or potential for the emergence of distinct industrial districts or territorial complexes;
- The boarder set of social relations binding firms and workers to each other as well as the actor-rationalities which operate within the region's dominant institutions and their impact on the distribution of resources and opportunity and innovation.

- Use of renewable and non-renewable resources and the risks and opportunities this poses for the area's growth and development trajectory.

b. Shared socio-economic vision or development trajectory

The shared analysis above is likely to generate varying challenges and competing demands. It provides the basis of interpreting the strategic direction, promoting policy coordination and fitting government actions into a spatial terms of reference. The District will need to develop trajectory among various stakeholders. By a shared vision and development trajectory we don't mean arriving at a short, crisp and politically correct vision statement. What is implied here is a strategic dialogue with stakeholders within and outside of government which states that given our shared understanding of the features and characteristics of the district/metro space economy, what are the longterm social and economic outcomes we would strive to achieve and how should the NSDP principles be contextualised and applied to put the area on a firm development path?

It must be remembered that districts are not neutral arbiters merely mediating the varied interests in society. Instead districts should consciously and actively seek to ensure that the development trajectory is underscored by the fundamental values of socio-material citizenship underpinning our constitution. Our government is committed to the objectives of social and economic justice and democratic nation building. Districts have to be vigilant in ensuring that the development trajectory reconciles and is underscored by our basic aspirations of accelerated and shared growth poverty reduction, sustainable resource use protection of biodiversity and social cohesion. In this regard the shared development trajectory or vision is more than a short and catchy statement, but a compelling story of the strategic outcomes to be achieved.

c. Priority interventions and Critical strategies

Translating the development trajectory into clear goals (long, medium and short-term), priority interventions for reaching the goals and backed by coherent objectives and strategies is an important part of good planning and strategy making. The shared analysis and development should inform the planning processes of spheres of government and all sectors in so far as these are in charge of implementing of financing projects at local levels.
These interventions, objectives and strategies should find concrete expression in the IDP's which should spell out the 5 year plans for achieving the developmental goals and objectives of the area.

d. Building the institutional base for multi-stakeholder co-operation and action

A central theme running through this framework is that achieving the long-term development outcomes in a district or metro depends on the mobilisation of collective action by a range of role players both inside and outside of government. A governance framework that enables the district to draw together

government and extra-government institutions into a participatory and integrated decision-making process is therefore important.

Such a governance framework must accomplish at least the following minimum requirements:

- It must enable the district/metro to identify with various agencies and spheres of government the critical or priority intergovernmental actions to achieve the development goals and outcomes;
- These intergovernmental priority actions must be integrated into the IDP of the district so that the IDP becomes the local expression of the plans of all spheres of government;
- Drawing on the Intergovernmental Relations Framework Act as a facilitative piece of legislation, appropriate intergovernmental forums will have to be established and protocols and or service level agreements hammered out to tie commitments into firm agreements;
- Proper mechanisms for monitoring and promoting accountability need to be developed;
- The IDPs incorporating the 5 year development goals and objectives should be cascaded up within government and provide government with rigorous appreciation of the development potential of each district and metro which would feed into an iterative process of review, refinement and further elaboration of the NSDP.

Implementing the framework

As already stated, the framework for contextualising and applying the NSDP must be seen as an integral part of developing more credible IDPs. As such it is part of the IDP development process and not a new process or something extraneous to the IDP development process.

ANNEXURE "B"

Principles of the National Environmental Management Act 107 of 1998

1) The principles set out in this section apply throughout the Republic to the actions of all organs of state that may significantly affect the environment and—

(a) shall apply alongside all other appropriate and relevant considerations, including the State's responsibility to respect, protect, promote and fulfil the social and economic rights in Chapter 2 of the Constitution and in particular the basic needs of categories of persons disadvantaged by unfair discrimination;

(b) serve as the general framework within which environmental management and implementation plans must be formulated;

(c) serve as guidelines by reference to which any organ of state must exercise any function when taking any decision in terms of this Act or any statutory provision concerning the protection of the environment;

(d) serve as principles by reference to which a conciliator appointed under this Act must make recommendations; and

(e) guide the interpretation, administration and implementation of this Act, and any other law concerned with the protection or management of the environment.

(2) Environmental management must place people and their needs at the forefront of its concern, and serve their physical, psychological, developmental, cultural and social interests equitably.

(3) Development must be socially, environmentally and economically sustainable.

(4) (a) Sustainable development requires the consideration of all relevant factors including the following:

(i) That the disturbance of ecosystems and loss of biological diversity are avoided, or, where they cannot be altogether avoided, are minimised and remedied;

(ii) that pollution and degradation of the environment are avoided, or, where they cannot be altogether avoided, are minimised and remedied;

(iii) that the disturbance of landscapes and sites that constitute the nation's cultural heritage is avoided, or where it cannot be altogether avoided, is minimised and remedied;

(iv) that waste is avoided, or where it cannot be altogether avoided, minimised and re-used or recycled where possible and otherwise disposed of in a responsible manner;

(v) that the use and exploitation of non-renewable natural resources is responsible and equitable, and takes into account the consequences of the depletion of the resource;

(vi) that the development, use and exploitation of renewable resources and the ecosystems of which they are part do not exceed the level beyond which their integrity is jeopardised;

(vii) that a risk-averse and cautious approach is applied, which takes into account the limits of current knowledge about the consequences of decisions and actions; and

(viii) that negative impacts on the environment and on people‘s environmental rights be anticipated and prevented, and where they cannot be altogether prevented, are minimised and remedied.

(b) Environmental management must be integrated, acknowledging that all elements of the environment are linked and interrelated, and it must take into account the effects of decisions on all aspects of the environment and all people in the environment by pursuing the selection of the best practicable environmental option.

(c) Environmental justice must be pursued so that adverse environmental impacts shall not be distributed in such a manner as to unfairly discriminate against any person, particularly vulnerable and disadvantaged persons.

(d) Equitable access to environmental resources, benefits and services to meet basic human needs and ensure human well-being must be pursued and special measures may be taken to ensure access thereto by categories of persons disadvantaged by unfair discrimination.

(e) Responsibility for the environmental health and safety consequences of a policy, programme, project, product, process, service or activity exists throughout its life cycle.

(f) The participation of all interested and affected parties in environmental governance must be promoted, and all people must have the opportunity to develop the understanding, skills and capacity necessary for achieving equitable and effective participation, and participation by vulnerable and disadvantaged persons must be ensured.

(g) Decisions must take into account the interests, needs and values of all interested and affected parties, and this includes recognising all forms of knowledge, including traditional and ordinary knowledge.

(h) Community well-being and empowerment must be promoted through environmental education, the raising of environmental awareness, the sharing of knowledge and experience and other appropriate means

.

(i) The social, economic and environmental impacts of activities, including disadvantages and benefits, must be considered, assessed and evaluated, and decisions must be appropriate in the light of such consideration and assessment

(j) The right of workers to refuse work that is harmful to human health or the environment and to be informed of dangers must be respected and protected.

(k) Decisions must be taken in an open and transparent manner, and access to information must be provided in accordance with the law.

(l) There must be inter-governmental co-ordination and harmonisation of policies, legislation and actions relating to the environment.

(m) Actual or potential conflicts of interest between organs of state should be resolved through conflict resolution procedures.

(n) Global and international responsibilities relating to the environment must be discharged in the national interest.

(o) The environment is held in public trust for the people, the beneficial use of environmental resources must serve the public interest and the environment must be protected as the people‘s common heritage

.

(p) The costs of remedying pollution, environmental degradation and consequent adverse health effects and of preventing, controlling or minimising further pollution, environmental damage or adverse health effects must be paid for by those responsible for harming the environment.

(q) The vital role of women and youth in environmental management and development must be recognised and their full participation therein must be promoted.

(r) Sensitive, vulnerable, highly dynamic or stressed ecosystems, such as coastal shores, estuaries, wetlands, and similar systems require specific attention in management and planning procedures, especially where they are subject to significant humanresource usage and development pressure.

Annexure B

Revised SDF / IDP / BUDGET Time Schedule 2022/23

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REVISED SDF / IDP / BUDGET TIME SCHEDULE / PROCESS PLAN FOR 2022/23

(In accordance with Section 21(1)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and Section 29 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and the Regulations made under these Acts)

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES						RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP/ PP	SDF	DISASTER MANAGEMENT	BUDGET	PMS	REPORTING	
JULY 2021									
1	Make public the projections, targets and indicators as set out in the SDBIP 2021/22 (**no later than 14 days after the approval of the SDBIP)** and submit to National and Provincial Treasuries (no later than 10 days after the approval of the SDBIP)	MFMA - Sec 53(3)(a) MBRR - Reg 20(2)(b)					**03 July 2021**		**Manager: IDP/PMS/PP**
2	Make public the Performance Agreements 2021/22 of the Municipal Manager and Managers directly accountable to the Municipal Manager (**no later than 14 days after the approval of the SDBIP)**	MFMA - Section 53(3)(b):					**10 July 2021**		**Manager: IDP/PMS/PP**
3	Commence with the preparation of Roll-Over Budget for the 2021/22 Financial year	MFMA - Sec 28(2)(e) MBRR - Reg 23(5)				30 July 2021			Snr Manager: Financial Management Services
4	Submit Quarterly report for **period ending 30 June 2021** on implementation of the budget and financial state of affairs of the Municipality to Council	MFMA - Sec 52(d) MFMA - Sec 71(1) MBRR - Reg 29						**28 July 2021**	**Snr Manager: Financial Management Services**
AUGUST 2021									
5	Place 4th Quarter Performance Report 2020/21 on website **(must be placed on the website not later than 5 days** after its tabling in the council or on the date on which it must be made public, which ever occurs first)	MFMA - Section 75 (2) MSA 21(b)					02 August 2021		Snr Manager: Financial Management Services
6	Submit 4th Quarter Performance Reports 2020/21 - SDBIP and Finance Performance Reports to National and Provincial Treasury	MPPMR - Reg 13						02 August 2021	Snr Manager: Financial Management Services
7	Departmental SDF/IDP/Budget Work Sessions to review and provide feedback on projects, key initiatives and programmes from the 2021/22 Community IDP Needs List and identified actions emanating from the 2020/21community engagement and sector plan analysis	Not Applicable	2 - 31 August 2021						Manager: IDP/PMS/PP together with All Departments

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES						RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP/ PP	SDF	DISASTER MANAGEMENT	BUDGET	PMS	REPORTING	
8	Executive Mayor and Mayoral Committee considers the 2021/22 Capital Roll-Over Budget	MFMA - Sec 28(2)(e) MBRR - Reg 23(5)				**18 August 2021**			**Chief Financial Officer**
9	Council considers the 2021/22 Capital Roll-Over Budget **(to be tabled before 25 August 2021)**	MFMA - Sec 28(2)(e) MBRR - Reg 23(5)				**24 August 2021**			**Chief Financial Officer**
10	Place 2021/22 Capital Roll-Over Budget on website **(must be placed on the website not later than 5 days after its tabling in the council or on the date on which it must be made public, which ever occurs first)**	MFMA - Sec 75(2) MSA - Sec 21(b)				27 August 2021			Snr Manager: Financial Management Services
11	Submit Annual Financial Statements (AFS) and Annual Performance Report (APR) 2020/21 to the Auditor - General for auditing **(the accounting officer of a municipality must prepare the annual financial statements of the municipality and within 2 months after the end of the financial year to which those statements relate, submit the statements to the Auditor - General for auditing)**	MFMA Sec 126 (1)(a) MSA - Sec 46 (1) (2)					**31 August 2021**	**31 August 2021**	**Chief Financial Officer** **Manager: IDP/PMS/PP**
SEPTEMBER 2021									
12	District IDP Managers Forum: Process Plan/ District Framework Consultation	MSA Section 24	1 September 2021						Manager: IDP/PMS/PP
13	Provincial IDP Managers' Forum	MSA Section 24	16 September 2021						Manager: IDP/PMS/PP
14	The Committee recommendations need to specify the request for the amendment of the MSDF and the intent to not establish a Intergovernmental Steering Committee for the purpose of amending the MSDF.	MSA Regulations - Chapter 2 Section 3(1); LUPA - Section 11(a) & (b); MPBL - Chapter 2 Section 3(1)		**29 September 2021**					**Manager: Development Planning**
15	Review of Long Terms Financial Plan	MSA Section 26(a)				1 September 2021 - January 2022			Chief Financial Officer

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES						RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP/ PP	SDF	DISASTER MANAGEMENT	BUDGET	PMS	REPORTING	
OCTOBER 2021									
16	District IDP Managers Forum: Process Plan/ District Framework Consultation Session	MSA Section 24	6 October 2021						Manager: IDP/PMS/PP
17	Departmental SDF/IDP/Budget Work Sessions to review the MSDF for incorporation within the draft status quo report.	Not Applicable		01 - 15 October 2021					Manager: Development Planning together with All Departments
18	Submit Quarterly report for **period ending 30 September 2021** on implementation of the budget and financial state of affairs of the Municipality to Council	MFMA - Sec 52(d) MFMA - Sec 71(1) MBRR - Reg 28						**30 October 2021**	**Snr Manager: Financial Management Services**
19	Strategic Integrated Municipal Engagements (SIME)		30 October 2021						Manager: IDP/PMS/PP
20	The formulation of disaster strategies: Prevention and mitigation strategies, Vulnerability reduction strategies, Capacity building, Contingency building, Emergency preparedness.	DM Act, No 57 of 2002, Section 53(1) (a-d), Section 53(2)(a)			30 October 2021				Manager: Fire and Disaster
21	Operationalise disaster management in the municipality by means of identifying projects such as setting up the relevant structures.	DM Act, No 57 of 2002, Section 53(1) (a-d), Section 53(2)(a)			30 October 2021				Manager: Fire and Disaster
NOVEMBER 2021									
22	Submit 1st Quarter Performance Reports 2021/22 - SDBIP and Finance Performance Reports to National and Provincial Treasury	MFMA - Sec 75(2) MSA - Sec 21(b)						1 November 2021	Snr Manager: Financial Management Services
23	Place First Quarter Performance Report 2021/22 on website **(must be placed on the website not later than 5 days after its tabling in the council or on the date on which it must be made public, which ever occurs first)**	MFMA - Sec 75(2) MSA - Sec 21(b)						2 November 2021	Snr Manager: Financial Management Services
24	District IDP Managers Forum	MSA Section 24	6 November 2021						Manager: IDP/PMS/PP
25	Submit inputs for 2021/22 Operating and Capital Adjustments Budget to Manager: Budgeting and Costing	MFMA - Section 21 & 28				19 November 2021			All Directorates

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES						RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP/ PP	SDF	DISASTER MANAGEMENT	BUDGET	PMS	REPORTING	
26	The newly elected Council considers and confirm the process as adopted in August 2021 - SDF/IDP/Budget Process Plan (Time Schedule) for 2022/23 with or without amendments	MFMA - Sec 21(b) MSA - Sec 29	**15 November 2021**						**Manager: IDP/PMS/PP and Chief Financial Officer**
27	Identify all plans and planning requirements binding on the municipality in terms of national and provincial legislation	MSA - Sect 29(1)(c)	**29 November - 3 December 2021**						**Manager: IDP/PMS/PP**
28	Place advertisement to notify the public of the proposal to amend the MSDF. Provincial gazette, two local newspapers, website & notice boards	MSA - Sec 28(3); 29 MPBL - Chapter 2 Section 2(a)		30 November 2021					**Manager: Development Planning**
29	Submit the intention to amend the MSDF and the process to be followed in the amendment & confirm that the ISC process will not be undertaken.	MPBL - Chapter 2 Section 2(b)		30 November 2021					**Manager: Development Planning**
30	**SDF Amendment/IDP/ Budget Public Participation period** *(the community and stakeholders will be invited to submit submissions on their development needs and ward priorities through municipal platforms)*	MSA - Chapter 4 Sec 29(1)(b)(i)	**29 November 2021 - 14 January 2022**						**Manager: IDP/PMS/PP**

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES						RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP/ PP	SDF	DISASTER MANAGEMENT	BUDGET	PMS	REPORTING	
DECEMBER 2021									
31	District IDP Managers' Forum	MSA - Sec 24	3 December 2021						Manager: IDP/PMS/PP
32	District Public Participation Forum	MSA - Sec 24	8 December 2021						Manager: IDP/PMS/PP
33	Provincial IDP Managers' Forum	MSA - Sec 24	10 December 2021						Manager: IDP/PMS/PP
34	Capture and refine all community inputs from the needs analysis process and sector/s engagement	Not Applicable	13 December - 15 December 2021						Manager: IDP/PMS/PP & DP
35	Establishment of Project Committee & Terms of reference - MSDF	MPBL - Chapter 2 Section 4(1), (2) & Section 8(1)		15 December 2021					Manager: Development Planning
36	Submission of priority requests to sector departments and the district municipality	Not Applicable	16 December 2021						Manager: IDP/PMS/PP & DP
37	District Municipality (DM): Project alignment between the DM and Local Municipalities (LM's)	MSA - Sec 24	17 December 2021						Manager: IDP/PMS/PP
38	Design of disaster management projects:	DM Act, No 57 of 2002, Section 53(1) (a-d), Section 53(2)(a)			30 December 2021				Manager: Fire and Disaster

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES						RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP/ PP	SDF	DISASTER MANAGEMENT	BUDGET	PMS	REPORTING	
JANUARY 2022									
39	**Strategy Workshop 1**: Councillors, Mayco, Municipal Manager and Directors	MSA Section 56(2)(a)(b)	20 - 21 Jan 2022						**Municipal Manager**
40	District IDP Managers' Forum	MSA - Sec 24	5 January 2022						Manager: IDP/PMS/PP
41	MAYCO considers and adopts 2021/22 Adjustments Budget and Draft Revised SDBIP 2021/22	MFMA - Sec 28 MBRR - Part 4				**19 January 2022**	**19 January 2022**		**Snr Manager: Financial Management Services and Manager: IDP/PMS/PP**
42	District Public Participation Forum	MSA - Sec 24	20 January 2022						Manager: IDP/PMS/PP
43	Provincial IDP Managers' Forum	MSA - Sec 24	21 January 2022						Manager: IDP/PMS/PP
44	Directorates complete template for 2022 - 2025 Capital and Operational Budget for Budget Prioritisation	MSA Section 26(h)				21 January 2021			Snr Manager: Financial Management Services
45	Submit Mid-year Performance Assessment Report 2021/22 to Executive Mayor	MFMA - Sec 72					25 January 2022		Manager: IDP/PMS/PP
46	Submit Mid-year Budget Assessment Report 2021/22 to Executive Mayor	MFMA - Section 72(1)(b) MBRR - Reg 35				25 January 2022			Chief Financial Officer
47	Submit Mid-year Budget and Performance Report 2021/22 to Provincial Treasury, National Treasury and Department of Local Government by 25 January	MFMA - Section 72(1)(b) MBRR - Reg 35				25 January 2022			Manager: IDP/PMS/PP and Chief Financial Officer
48	Submit Quarterly report for period ending 31 December 2021 on implementation of the budget and financial state of affairs of the Municipality to Council	MFMA - Sec 52(d) MFMA - Sec 71(1) MBRR - Reg 29						**26 January 2022**	**Chief Financial Officer and Manager: IDP/PMS/PP**
49	Submit Mid-year Budget and Performance Assessment Reports 2021/22 to Council	MFMA - Section 72(1)(b) MBRR - Reg 35				**26 January 2022**		**26 January 2022**	**Snr Manager: Financial Management Services**

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES						RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP/ PP	SDF	DISASTER MANAGEMENT	BUDGET	PMS	REPORTING	
50	Council considers the 2021/22 Adjustments Budget and Draft Revised TL SDBIP 2021/22	MFMA - Sec 28 MBRR - Part 4 MSA - Sec 28 & 29				**26 January 2022**			**Manager: IDP/PMS/PP and Snr Manager: Financial Management Services**
51	Council considers the Draft Annual Report 2020/21 before advertising it for public comment	MFMA - Sec 127						**26 January 2022**	**Manager: IDP/PMS/PP and Chief Financial Officer**
52	District Municipality submit the **Draft 5th Generation** IDP District Framework to Mayco and Council for approval and public participation	MFMA - Sec 127(5)(a) MSA - Sec 27 MSA - Sec 21A	**13 January 2022**						**Manager: IDP/PMS/PP**
53	Make public the Mid-Year Budget and Performance Report 2021/22 in the local newspaper and on municipal website	MFMA - Section 75 (2) MSA - Sec 21(b)						31 January 2022	Chief Financial Officer and Manager: IDP/PMS/PP
54	Place SECOND Quarter Performance Report 2021/22 on website	MFMA - Section 75 (2) MSA - Sec 21(b)				**31 January 2022**			**Snr Manager: Financial Management Services**

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES						RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP/ PP	SDF	DISASTER MANAGEMENT	BUDGET	PMS	REPORTING	
FEBRUARY 2022									
55	Submit the Draft Annual Report 2020/21, within five (5) days via e-mail and hard copy to the National Treasury, the Western Cape Department of Local Government, the Western Cape Provincial Treasury and the Auditor General	MFMA - Section 127(5)(b)					03 February 2022		**Manager: IDP/PMS/PP**
56	Place advertisement in local newspapers to notify the public and other stakeholders to submit written comments on the Draft Annual Report 2020/21	MFMA - Sec 127(5)(a) MSA - Sec 21A					03 February 2022		Manager: IDP/PMS/PP
57	Advertise the approved Adjustments Budget 2021/22 and Revised SDBIP 2021/22 and submit budget and B Schedules to National Treasury and Provincial Treasury as required per legislation **(within 10 working days)**	MFMA - Sec 28(7) MSA - Sec 21A MBRR - Part 4				03 February 2022	03 February 2022		Snr Manager: Financial Management Services and Manager: IDP/PMS/PP
58	Table the draft Annual Report 2020/21 to the MPAC to considers and evaluates the content of the Annual Report 2020/21	MFMA 127 & 129 (1)					**09 February 2022**		**Manager: IDP/PMS/PP**
59	Public Hearing: Consultation on the draft Annual Report 2020/21 with the local community	MFMA - Sec 127(5) MFMA - Sec 127(6)					**14 February 2022**		**Manager: IDP/PMS/PP**
60	Complete tariff setting exercise for 2022/23	MFMA Section 71				15 February 2022			Snr Manager: Financial Management Services
61	Review current budget related policies and compile newly needed budget related policies	MFMA - Sec 21 MBRR - Part 3				15 February 2022			Snr Manager: Financial Management Services
62	Feedback from officials confirming internal arrangements if the content of the Annual Report 2020/21 are credible, reliable and accurate. (Modification to the report before tabling it to Council)	MFMA Sec 121 & 122					16 February 2022		Manager: IDP/PMS/PP
63	Annual (2020/21) Performance Assessments for the Municipal Manager and Managers directly accountable to the Municipal Manager	MPPMR - Reg 13 GN 21- 17/01/2014					**24 February 2022**		**Manager: IDP/PMS/PP**
64	Technical Integrated Municipal Engagements (TIME)	MSA - Chapter 5	25 February 2022						Municipal Manager

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES						RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP/ PP	SDF	DISASTER MANAGEMENT	BUDGET	PMS	REPORTING	
65	LG MTEC 2 - Provincial Sector Departments inform municipalities of provincial budgetary allocations	MSA - Chapter 5	25 February 2022						Manager: IDP/PMS/PP and Snr Manager: Financial Management Services
66	Compilation of the Disaster Management Plan	DM Act, No 57 of 2002, Section 53 (1)(a-d) Section 53(2)(a))			28 February 2022				Manager: Fire and Disaster
67	PSC draft status quo report setting out an assessment of the existing levels of development and development challenges in the municipal area and submit it to Council for adoption.	MPBL - Chapter 2 Section 7(1)(a)		28 February 2022					Manager: Development Planning with Project Steering Committee (PSC)

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES						RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP/ PP	SDF	DISASTER MANAGEMENT	BUDGET	PMS	REPORTING	
MARCH 2022									
68	District IDP Managers' Forum	MSA - Sec 24	9 March 2022						Manager: IDP/PMS/PP
69	Provincial Public Participation Forum	MSA - Sec 24	11 March 2022						Manager: IDP/PMS/PP
70	District Public Participation Forum	MSA - Sec 24	24 March 2022						Manager: IDP/PMS/PP
71	District Municipality submit **Draft 5th Generation IDP** to Council	MFMA - Sec 16(2) MSA - Sec 25 (b)(c) MBRR - Part 3	**24 March 2022**						**Manager: IDP/PMS/PP**
72	District Municipality submit **5th Generation IDP District Framework and IDP Process Plan** to Mayco and Council for adoption	MFMA - Sec 127(5)(a) MSA - 27 MSA - Sec 21A	**24 March 2022**						**Manager: IDP/PMS/PP**
73	**Submit the Draft Process Plan for the new 5 Year IDP and Amended Time Schedule 2022/23 to Council:** Consult the local community on the draft Process Plan for a period of 21 days *(place an advertisment in the local newspaper and municipal website)*	MFMA - Sec 28 MBRR - Part 4 MSA - Sec 28 & 29	**30 March 2022**						**Manager: IDP/PMS/PP**
74	Council considers Oversight Report and Annual Report 2020/21 for approval	MFMA - Sec 129					**30 March 2022**		**Manager: IDP/PMS/PP**
75	Review the Municipality's performance management system (PMS) - submit Revised Performance Management Policy to Council	MPPR - Reg 3(4)(b) & Reg 11(2)					30 March 2022		Manager: IDP/PMS/PP
76	Submission of the draft budget, tariffs, budget related policies and SDBIP (at least 90 days before the start of the budget year)	MFMA - Sec 16(2) MSA - Sec 25 (b)(c) MBRR - Part 3				**30 March 2022**	**30 March 2022**		**Manager: IDP/PMS/PP and Snr Manager: Financial Management Services**

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES						RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP/ PP	SDF	DISASTER MANAGEMENT	BUDGET	PMS	REPORTING	
77	Submission of the Draft **5th Generation IDP**, budget, tariffs, budget related policies and SDBIP (at least 90 days before the start of the budget year)	MFMA - Sec 16(2) MSA - Sec 25 (b)(c) MBRR - Part 3	**30 March 2022**			**30 March 2022**	**30 March 2022**		**Manager: IDP/PMS/PP and Snr Manager: Financial Management Services**
APRIL 2022									
78	Submit the budget to Department of Local Government, National and Provincial Treasury, prescribed national or provincial organs of state and to other municipalities affected by budget	MFMA - Sec 22(b) MBRR - Reg 20				01 April 2022			Snr Manager: Financial Management Services
79	Submit the **Draft 5th Generation IDP**, Draft SDBIP 2022/23 and Draft Budget to Department of Local Government, National and Provincial Treasury, prescribed national or provincial organs of state and to other municipalities affected by the IDP and budget	MFMA - Sec 22(b) MSA - Sec 29(3)(b) MSA - Sec 32(1) MBRR - Reg 20	05 April 2022	05 April 2022		01 April 2022			Manager: IDP/PMS/PP and Manager: Spatial Planning and Snr Manager: Financial Management Services & Manager:
80	Place advertisement for the Oversight Report and the Annual Report 2020/21 to be released for information which must be placed on the municipal website within **five (5) days** after it is approved	MFMA - Sec 129(3) MFMA - Sec 75 ©					04 April 2022		Manager: IDP/PMS/PP
81	Ensure that the Oversight Report and Annual Report 2020/21 are made available at all municipal offices and libraries for information	MFMA - Sec 129(3)					04 April 2022		Manager: IDP/PMS/PP
82	Advertise the Draft 5th Generation IDP, Draft SDBIP 2022/23, Draft Budget and other required documents and provide at least **21 days** for public comments and submissions	MFMA - Sec 22(a) MSA - Sec 21A MPPMR - Reg 15(3)	05 April 2022	05 April 2022		05 April 2022	05 April 2022		Manager: IDP/PMS/PP and Snr Manager: Financial Management Services
83	The district municipality launch a public participation process through a series of public hearings on the IDP and Budget	MFMA - Sec 22(a) MSA - Sec 21A MPPMR - Reg 15(3)	**05 - 29 April 2022**						**Manager: IDP/PMS/PP**

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES						RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP/ PP	SDF	DISASTER MANAGEMENT	BUDGET	PMS	REPORTING	
84	**Public Participation Process** to consult the Draft 5th Generation IDP, Draft SDBIP 2022/23 and Draft Budget	MFMA - Sec 22(a) MSA - Sec 21A MPPMR - Reg 15(3)	**04 - 27 April 2022**	**04 - 27 April 2022**		**04 - 27 April 2022**	**04 - 27 April 2022**		**Manager: IDP/PMS/PP and Snr Manager: Financial Management Services**
85	SDF status quo report adoption by Council	MSA Regulations - Chapter 2 section 3(6); LUPA - Section 13(1)(a);		**28 April 2022**					**Manager: Development Planning**
86	Submit Quarterly report for period ending 31 March 2022 on implementation of the budget and financial state of affairs of the Municipality to Council	MFMA - Sec 52(d) MFMA - Sec 71(1) MBRR - Reg 29						**28 April 2022**	**Snr Manager: Financial Management Services**
87	Submit 3rd Quarter Performance Reports 2021/22 - SDBIP and Performance Reports to National and Provincial Treasury	MPPMR - Reg 13						29 April 2022	Snr Manager: Financial Management Services
MAY 2022									
88	Place 3rd Quarter Performance Report 2021/22 on website	MFMA - Sec 75(2) MSA - Sec 21(b)						03 May 2022	Manager: IDP/PMS/PP
89	MAYCO meeting to consider the 5th Generation IDP, Draft Budget and Draft SDBIP 2022/23 **(at least 30 days before the start of the budget year)**	MFMA - Sec 24	**11 May 2022**			**11 May 2022**	**11 May 2022**		**Manager: IDP/PMS/PP and Snr Manager: Financial Management Services**
90	SIME/ LG MTEC 3 IDP and Budget Assessments by Provincial Treasury and Department of Local Government	MSA Chapter 5 MFMA	31 May 2022			31 May 2022	31 May 2022		Manager: IDP/PMS/PP and Snr Manager: Financial Management Services
91	District Municipality adopt the 5th Generation IDP	MFMA - Sec 24	24 May 2022						**Manager: IDP/PMS/PP**
92	Submit **Final Process Plan** to Council for adoption	**MSA - Sec 28**	**25 May 2022**						**Manager: IDP/PMS/PP**

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES						RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP/ PP	SDF	DISASTER MANAGEMENT	BUDGET	PMS	REPORTING	
93	Council meeting to adopt 5th Generation IDP, Performance Management Measures and targets and the budget **(at least 30 days before the start of the budget year)**	MFMA - Sec 24	**25 May 2022**			**25 May 2022**	**25 May 2022**		**Manager: IDP/PMS/PP and Snr Manager: Financial Management Services**
94	SIME/ LG MTEC 3 IDP and Budget Assessments by Provincial Treasury and Department of Local Government	MSA Chapter 5 MFMA	31 May 2022			31 May 2022	31 May 2022		Manager: IDP/PMS/PP and Snr Manager: Financial Management Services
JUNE 2022									
95	Place the 5th Generation IDP, multi-year budget, all budget-related documents and all budget-related policies on the website	MFMA - Sec 22 and 75 (1)(2) MSA - Sec 21A and 21B	03 June 2022			03 June 2022			Manager: IDP/PMS/PP and Snr Manager: Financial Management Services
96	Place the multi-year budget, all budget-related documents and all budget-related policies on the website	MFMA - Sec 22 and 75 MSA - Sec 21A and 21B				03 June 2022			Manager: IDP/PMS/PP and Snr Manager: Financial Management Services
97	Submit the adopted **5th Generation IDP Process Plan** to the MEC for Local Government and Provincial Treasury and the District Municipality	MSA - Sec 21, 21A, 28(3)	09 June 2022						Manager: IDP/PMS/PP
98	Submit a copy of the approved 5th Generation IDP and Amended SDF to the MEC for LG **(within 10 days of the adoption of the plan)**	MSA - Section 32	09 June 2022						Manager: IDP/PMS/PP
99	Submit approved budget to National and Provincial Treasuries (both printed and electronic formats)	MFMA - Sec 24(3) MBRR - Reg 20				09 June 2022			Snr Manager: Financial Management Services
100	Place advertisement to notify the public of the approved **5th Generation IDP Process Plan** on the website, local newspapers and notice boards	MSA - Sec 21, 21A, 28(3)	10 June 2022						Manager: IDP/PMS/PP
101	Give notice to the public of the adoption of the 5th Generation IDP and Budget (within 14 days of the adoption of the plan) and budget (within 10 working days)	MBRR - Reg 18 MSA - Sec 25(4)(a)(b) MFMA - Sec 75(1)	10 June 2022			10 June 2022			Manager: IDP/PMS/PP and Snr Manager: Financial Management Services

ACTIVITY / TASK		LEGISLATIVE REQUIREMENTS	TARGET DATES						RESPONSIBLE OFFICIAL
NO	DESCRIPTION		IDP/ PP	SDF	DISASTER MANAGEMENT	BUDGET	PMS	REPORTING	
102	Submit to the Executive Mayor the TL SDBIP 2022/23 **(no later than 14 days after the approval of an annual budget)**	MFMA - Sec 69(3)(a)					10 June 2022		Manager: IDP/PMS/PP
103	Executive Mayor takes all reasonable steps to ensure that the SDBIP is approved (within 28 days after approval of the budget)	MFMA - Sec 53(1)(c)(ii)					28 June 2022		Manager: IDP/PMS/PP
JULY 2022									
104	Make public the projections, targets and indicators as set out in the TL SDBIP **(no later than 14 days after the approval of the SDBIP)** and submit to National and Provincial Treasuries (no later than 10 working days after the approval of the SDBIP)	MFMA Section 53(3)(a MBRR Reg 19					10 July 2022		Manager: IDP/PMS/PP
105	Make public the performance agreements of the Municipal Manager and Managers directly accountable to the Municipal Manager **(no later than 14 days after the approval of the SDBIP)**	MFMA Section 53(3)(b)					10 July 2022		Manager: IDP/PMS/PP
106	SDF project team to draft the amendment to the MSDF and submit it to Council to approve the publication thereof for public comment and to request comment from the Provincial Minister and the District Municipality. **(minor amendments)**	MSA Regulations - Chapter 2 section 3(6); LUPA - Section 13(1)(a); MPBL - Chapter 2 Section 3(b) & 7(1)(b)		31 July 2022					Manager: Development Planning with Project Steering Committee (PSC)

8.3	DRAFT FIFTH GENERATION INTEGRATED DEVELOPMENT PLAN (IDP) 2022 – 2027 AND PUBLIC PARTICIPATION SCHEDULE FOR APRIL 2022

Collaborator No: 72681
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: 23 March 2022 and 30 March 2022

1. SUBJECT: DRAFT FIFTH GENERATION INTEGRATED DEVELOPMENT PLAN (IDP) 2022 – 2027 AND PUBLIC PARTICIPATION SCHEDULE FOR APRIL 2022

2. PURPOSE

To table to Council for consideration and approval:

(a) The Draft Fifth Generation IDP 2022 – 2027, attached as **ANNEXURE A**; and
(b) The Draft IDP and Budget Public Participation Schedule, April 2022, attached as **ANNEXURE B**.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

In terms of Section 25(1) of the Local Government Municipal Systems Act, 2000 (Act. No. 32 of 2000) (MSA), each municipal council must after the start of its elected term, within a prescribed period must adopt a single, inclusive strategic plan. This strategic plan will be the 5th Generation IDP 2022 – 2027. The IDP informs the budget of the municipality and also details the municipality's actions to address the vision, mission, strategic objectives and needs of the community.

The municipal IDP must:

- links, integrates and co-ordinate plans and considers proposals for the development of the municipality;

- aligns the resources and capacity of the municipality with the implementation of the plan;
- forms the policy framework and general basis on which annual budgets must be based; and
- is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

Previously, Stellenbosch Municipality held online public participation meetings with a number of satellite venues. This hybrid model of public participation ensured that community members who do not have access to data and or a device can attend the meeting at a satellite venue within the ward. The challenges outlined below had to be considered in order to determine an appropriate approach to public participation as well as the health and safety of community members and municipal officials.

- Loadshedding, which occur intermittently during the day, impacts the reliability of internet connectivity and broadcasting of the live streaming event;
- Although emergency power alternatives (generators) could be explored for the satellite venues, the financial cost for renting generators and having electricians on standby will be costly. These costs will have to be covered irrespective of

Eskom implementing loadshedding or not, because it will need to be on standby for the duration of the meetings at the satellite venues;

- The safety and security of community members and municipal officials need to be considered at all times. Community members and municipal officials travelling by car or walking home could be at risk due to inadequate street lighting and road safety during loadshedding periods, thus making them vulnerable to criminal elements;
- With the steady increase in COVID–19 cases, the municipality needs to adhere to the COVID-19 regulations. Therefore, only 50% of the capacity of a hall may be used. Should loadshedding occur, community members cannot be accommodated outside of the venue, should the capacity of the hall have been reached; and
- The month of April 2022 also allows a very limited time to consult the community, due to a number of public holidays within April 2022.

For the community to provide inputs and comments on the Draft 5th Generation IDP 2022 – 2027, the proposed mechanisms, processes and procedures for public participation is proposed to Council for approval:

- Members of the community and other interested and affected parties will be encouraged to attend the online public participation meeting for their ward / area;
- Should community members and other interested and affected parties wish to follow the online meeting and to provide written questions / submissions, a link to an electronic submission form to capture comments will be made available on the:
    - Live MS Teams meeting Q & A section;
    - Municipal Website: www.stellenbosch.gov.za;
    - Stellenbosch Citizen App: Download from Google Play Store, iStore, Windows Store and Java;
    - WhatsApp: 067 427 1556; and
    - Email: idp@stellenbosch.gov.za
- The link to the electronic submission form will be active from 4 April 2022 – 27 April 2022, on the above electronic platforms for the community to submit comments on the Draft 5th Generation IDP 2022 – 2027 and Budget.

5. RECOMMENDATIONS

(a) that the Draft 5th Generation IDP 2022 – 2027 for Stellenbosch Municipality be approved in terms of Section 25(1) of the MSA for the purpose of obtaining public inputs and comments;

(b) that an advertisement be placed on the official website of the municipality and local newspaper notifying the public that the Draft 5th Generation IDP 2022 – 2027 is open for public inputs and comments during April 2022 for a period of 21 days;

(c) that the Draft 5th Generation IDP 2022 – 2027 be submitted to the Western Cape: Department of Local Government, Western Cape: Provincial Treasury, National Treasury and the Cape Winelands District Municipality; and

(d) that the Draft 5th Generation IDP 2022 – 2027 and Budget Public Participation Schedule, April 2022 be approved.

6. DISCUSSION

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 5th Generation IDP 2017 – 2022 serves as this instrument for the next five years.

An Integrated Time Schedule was approved by Council in August 2021 to guide the planning and development of the 5th Generation IDP 2017 – 2022.

The following processes were followed in accordance with the time schedule:

DATE	ACTION(S)
July / August 2021	Approval of the mSDF / IDP / Budget Process Plan / Time Schedule
September 2021 – November 2021	• Approval of the mSDF / IDP / Budget Process Plan / Time Schedule for 2022/23. • Pre-recorded video presentations explaining the processes to be followed for the next five years of the 5th Generation IDP 2022 - 2027. Feedback was also provided on the implementation of projects per ward. • A link to access the pre-recorded videos was published on the municipal You tube Channel, shared via Facebook, Twitter, WhatsApp, Stellenbosch Citizen App and on the municipal website. • An electronic written submission form was created on the municipal website for the community and stakeholders to provide input into the development of the 5th Generation IDP 2022 – 2027.
December 2021 - February 2022	• An Online Sector Engagement was held in December 2021 to determine the community needs and collectively devise plans to address the needs. • Mayco and management consider the external and internal analysis and strategies around the 5-year development priorities and operational strategies (programmes / projects / activities and actions).
March 2022 – April 2022	• Mayco and Council will consider the draft 5th Generation IDP 2022 – 2027 and Budget. • IDP / Budget / SDF public participation process within WCO24 will be from 4 April 2022 – 27 April 2022. • Inputs received from the IDP and Budget public participation process will be collated and distributed to the directorates for inputs.
May – June 2022	• Adoption of the final IDP and Budget, Tariffs and Budget-related policies. • Submit adopted IDP to Cape Winelands District Municipality, Provincial Government and National Treasury. • Approval of SDBIP by the Executive Mayor within 28 days after adoption of the IDP and Budget.

6.2 Financial Implications

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

6.3 Legal Implications

The recommendations in this report comply with all applicable legislation.

Section 25(1):

The municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which—

(a) links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;

(b) aligns the resources and capacity of the municipality with the implementation of the plan;
(c) forms the policy framework and general basis on which annual budgets must be based;
(d) complies with the provisions of this Chapter; and
(e) is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

Section 26:

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 or 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.

Section 35(1):

An integrated development plan 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.

Section 36:

A municipality must give effect to its integrated development plan and conduct its affairs in a manner that is consistent with its integrated development plan.

Section 34:

"**Annual review and amendment of the integrated development plan**

A municipal council-

(a) must review its integrated development plan-

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

(ii) to the extent that changing circumstances so demand; and

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

The first review of the 5th Generation IDP 2022 - 2027 will be done during the 2022/23 financial year.

6.4 Staff Implications
This report has no additional staff implications for the municipality.

6.5 Risk Implication
This report has no direct risk implications for the municipality.

6.6 Previous / Relevant Council Resolutions
None.

6.7 Comments from Senior Management

6.7.1 Director: Community and Protection Services
Supported

6.7.2 Chief Financial Officer
Supported

6.7.3 Director: Infrastructure Services
Supported

6.7.4 Director: Corporate Services
Supported

6.7.5 Director: Planning and Economic Development
Supported

6.7.6 Comments from the Municipal Manager
Supported

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-03-23: ITEM 6.3

(a) that the Draft 5th Generation IDP 2022 – 2027 for Stellenbosch Municipality be approved in terms of Section 25(1) of the MSA for the purpose of obtaining public inputs and comments;

(b) that an advertisement be placed on the official website of the municipality and local newspaper notifying the public that the Draft 5th Generation IDP 2022 – 2027 is open for public inputs and comments during April 2022 for a period of 21 days;

(c) that the Draft 5th Generation IDP 2022 – 2027 be submitted to the Western Cape: Department of Local Government, Western Cape: Provincial Treasury, National Treasury and the Cape Winelands District Municipality; and

(d) that the Draft 5th Generation IDP 2022 – 2027 and Budget Public Participation Schedule, April 2022 be approved.

ANNEXURES

Annexure A: The Draft 5th Generation IDP 2022 – 2027 **will be submitted under separate cover**

Annexure B: Draft IDP and Budget Public Participation Schedule, April 2022.

FOR FURTHER DETAILS CONTACT:

NAME	Geraldine Mettler
POSITION	Municipal Manager
DIRECTORATE	Office of the Municipal Manager
CONTACT NUMBERS	021 – 808 8025
E-MAIL ADDRESS	geraldine.mettler@stellenbosch.gov.za
REPORT DATE	15 March 2022

ANNEXURE A



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FIFTH GENERATION

Integrated Development Plan (IDP) 2022 – 2027

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

March 2022



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LIST OF ABBREVIATIONS AND ACRONYMS

Abbreviation / Acronyms	Description	Abbreviation / Acronyms	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 and Sanitation (previously Department of Water Affairs and Forestry)	**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

Abbreviation / Acronyms	Description	Abbreviation / Acronyms	Description
IDP	Integrated Development Plan	**SITT**	Stellenbosch Infrastructure Task Team
IHS	Integrated Human Settlements	**SLA**	Service Level Agreement
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
IRDP	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	**WtE**	Waste to Energy
LM	Local Municipality	**WWTW**	Wastewater Treatment Works

Integrated Development Plan for 2022 – 2027

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

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 (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 concerning 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.

STRATEGIC OVERVIEW

Vision, Mission and Values



Foreword by the Executive Mayor



Cllr Adv Gesie van Deventer
Executive Mayor

And just like that, the 5th Generation Integrated Development Plan Process (IDP) has kicked off for the 2022 – 2027 term.

Local Government remains the closest Government body to our residents and communities, and as councillors in council, we were elected to serve the needs of our various communities or so-called 14 dorpies.

The importance of public participation in this process cannot be understated. We are however fortunate in Stellenbosch that our residents have, over the years, used this platform to engage the municipality on their relevant needs and add their valuable inputs.

This in turn greatly assists the Municipality to plan accordingly and ensure sustainable growth throughout the WC024.

It further allows us, as a Municipality, to continuously plan ahead, work diligently and deliver the services we are responsible for. The IDP creates the framework within which the municipality will fulfil its mandate and apply its budget.

This process is crucial for short, medium and long-term planning to enable us to implement projects and align them to the district, provincial and national governments.

As the first Mayor ever to be elected for a second term in Stellenbosch, I am grateful that I can continue the good work we have achieved thus far in the previous term, although we still have a lot to improve on.

The previous terms presented many challenges that prevented us from completing all our envisioned projects. The devastating effects that the COVID-19 pandemic had on our revenue stream, local businesses, tourism industry and communities cannot be ignored. The Western Cape also experienced the worst drought season in 2018, which required us to put certain measures in place to ensure that our residents had running water.

We had to make huge financial decisions to ensure that the municipality remained financially sound during this time, which we have been able to do.

While we are currently enjoying relaxed restrictions and starting to notice a slight increase in our revenue stream.

In my recent Adjustments Budget speech, I used a quote that remains true to me in my daily life. – "*Storms comes and goes, and after every storm, there are new l****essons to learn from".***

The storm is slowly passing, and we have learned a lot. There are a lot of exciting projects planned for the first review of the 5th Generation IDP, and I look forward to engaging the communities on these projects.

While we have a lot to look forward to, it remains important to reflect on what has been achieved during the 4th Generation IDP.

The storm is slowly passing, and we have learned a lot. There are a lot of exciting projects planned for the first review of the 5th Generation IDP, and I look forward to engaging the communities on these projects.

While we have a lot to look forward to, it remains important to reflect on what has been achieved during the 4th Generation IDP.

These are some of my biggest highlights from the previous term:

- We have successfully transferred more than 2200 title deeds;
- Completed an update and reviewed of the housing demand database;
- Started the first housing development in Ida's valley in over 40 years;
- Commenced with feasibility studies to co-generate electricity and keep the lights on when load-shedding hits;
- Built and opened a brand new, world-class Material Waste Recovery Facility;
- Built the new Stellenbosch Wastewater Treatment Works, which was also the largest capital expenditure project in the history of the Municipality;
- Increased the number of active neighbourhood watches to over 40;
- Opened a new library in Groendal;
- Constructed new taxi ranks in Klapmuts, Franschhoek and Kayamandi;
- Launched our 24-hour WhatsApp service – Let's Fix It.

These are just some of the highlights from the previous term. I would like to thank all role players who assisted and worked tirelessly to ensure that we continue to deliver world-class services, sustainable development and sound financial management.

Our aim for this term remains to be focused on the needs of our communities. They are the foundation of our municipality and their needs must at all times remain our priority.

Here are some of my priorities identified for this term, that will also be opened for public participation.

- Non-negotiable, as always will be clean, accountable and responsive government with zero tolerance for corruption and illegal actions;
- First and foremost, we need to rekindle our local economy following the aftermath of the COVID-19 disaster. We have to look at new and creative policies to achieve this and create an environment conducive to business development, investment and job creation;
- Excellent service delivery for all areas within the greater Stellenbosch.
- A key priority will be to rid our beautiful Municipality of the devastating effects of load shedding. It is killing our local economy and making the lives of our residents unbearable;
- We have researched it carefully and scientifically with the help of the CSIR and the US. The tender has been awarded and the first stakeholder meeting has been held;
- The burning issue of housing for our residents in all categories remains of utmost importance. All categories from rental stock, BNG, GAP housing, upgrade of informal settlements and mixed-use developments. We shall seek every possible opportunity in all ten dorpies across the municipality;
- We will continue with the projects started, that have not been completed. Ida's Valley, Cloetesville Soekmekaar, Longlands, Jamestown, Kayamandi.
- We shall seek new housing opportunities in Johannesdal, erf 64, La Motte Bosbou, La Coline.
- I also acknowledge the plight of all still living in old Forestry towns and will lobby without a stop to the National Government to transfer those parcels of land to us to enable us to assist our residents. We shall expand our rental stock. Rural nodes like De Novo and Vaaldraai will also be pursued.

- Special attention will be paid to the plight of our backyarders who have been waiting for many years for better living conditions.
- The fantastic ADAM TAS live, work and play corridor will start implementation. This is an exciting project 7x bigger than the Waterfront, a great showcase of working with private partners, and a project changing the special configuration of the old order.
- We shall continue to expand our safety nets to create safer environments in our communities. More cameras to the existing 320, more law enforcement officers to be our eyes and ears on the ground, more Neighbourhood watches, more vehicles and equipment.
- Planning systems and procedures will be streamlined to facilitate desirable growth,
- The burning issue of transfer of land to new farmers will be a priority. Stellenbosch Municipality possesses property that can achieve land reform for new farmers and create livelihoods and job creation. It must be stressed that it will be used to enhance the lives of our residents and in a responsible manner.
- My quest to hand over ownership of every possible title deed will continue with the same enthusiasm.

We will remain committed to the continuous updating and development of our IDP as well as the accompanying budget.

It is only through extensive public participation, to make sure that the community expresses their needs and that we plan and address them accordingly that we will be able to take our beautiful Municipality to new highs and continue our journey to become one of the top municipalities in the country.

Hellen Keller once said that **"*Alone we can do so little, together we can do so much***".

Let's work together and remain committed to the development of our town.

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CLLR ADV GESIE VAN DEVENTER
EXECUTIVE MAYOR

Overview by the Municipal Manager



Geraldine Mettler
Municipal Manager

As we table the 5th Generation Integrated Development Plan, I am reminded of the great progress that has been made in positioning the Stellenbosch Municipality as one of the best-run municipalities in South Africa.

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 are always needed. Residents were provided with many different ways of interacting with us on the IDP and ward priorities. The Stellenbosch Citizen App, interactive pages on our municipal website, emails and a dedicated WhatsApp line became important tools to engage with communities.

Now that the worst of the COVID-19 lockdown regulations have been lifted and life has started to return to normal, we again look forward to engaging

With residents face-to-face at public participation meetings being planned across all areas.

The IDP provides us with a roadmap of where we are and where we want to be. It helps us to evaluate community needs, identify ward priorities and recommit to our strategic objectives.

It is therefore critical for us to reach as many residents as possible.

There are various key priorities that I would like the administration to focus on as part of the 5th Generation IDP and I would like to list some here:

- Fostering a customer-centric approach to basic services;
- E-governance (SMART CITY);
- Bulk infrastructure upgrades to ensure sufficient bulk capacity, critically important for economic development;
- Critical road infrastructure upgrades from a safety and development point of view;
- Clean, green electricity generation to ensure economic sustainability;
- Financial viability and sustainability through long term financial planning and prudent financial management;
- A zero-tolerance approach to corruption;
- Focus on social housing and gap housing to address the plight of backyarders and to provide dignified living opportunities to as many residents as possible;
- Finalising the Inclusionary Housing Policy to enable developers to assist with housing provision, especially in the gap market;
- Continuing with wealth creation through our title deed programme;
- The Adam Tas Corridor development - an excellent private-public partnership for sustainable urban development and inclusive growth;
- Improvements to business processes in our Planning Department;
- Establishment of a land invasion unit; and
- Continuing to improve on a safer environment, through adding to our existing cameras and surveillance networks as well as supporting and creating more neighbourhood watches.

We will continue to grow and develop our urban centres to realise a spatial future of which we can all be proud. Stellenbosch Municipality 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.

What we have achieved in the municipality is because of our commitment to working together, good governance practices, transparency and organisational stability. The fiscal discipline, operational restraint and sound corporate governance have positioned the municipality to weather the COVID-19, economic hardship and energy crisis storms. The IDP stands firm on the building blocks of the past term and aims to address the needs of our residents for the next five years in the same manner with the provision of quality services.

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.

Let's work together to get things done!

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GERALDINE METTLER
MUNICIPAL MANAGER

CHAPTER 1:

Governance and Institutional Arrangements

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) 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. 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 as well as the district municipality.

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 focuses 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 Compilation and Legal Status of the Fifth Generation Integrated Development Plan 2022 - 2027

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.

CHAPTER 5 AND SECTION 26 OF THE MSA

Core components of IDPs: 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.

The 5th Generation IDP 2022 – 2027 outlines the following chapters:

- Chapter 1: Governance and Institutional Arrangements
- Chapter 2: State of the Greater Stellenbosch Area;
- Chapter 3: The Strategic Policy Context;
- Chapter 4: Spatial Development Framework;
- Chapter 5: One Plan: Service Delivery, Budget, Programme and Projects;
- Chapter 6: Sector Planning and Implementation;
- Chapter 7: Council Term Projects 2022 - 2027;
- Chapter 8: Public Interest and Expression of Needs (Community Participation);
- Chapter 9: Financial Plan;
- Chapter 10: Organisational Scorecard (5 Years); and
- Chapter 11: Implementation, Monitoring and Review (1- year).

1.3 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.

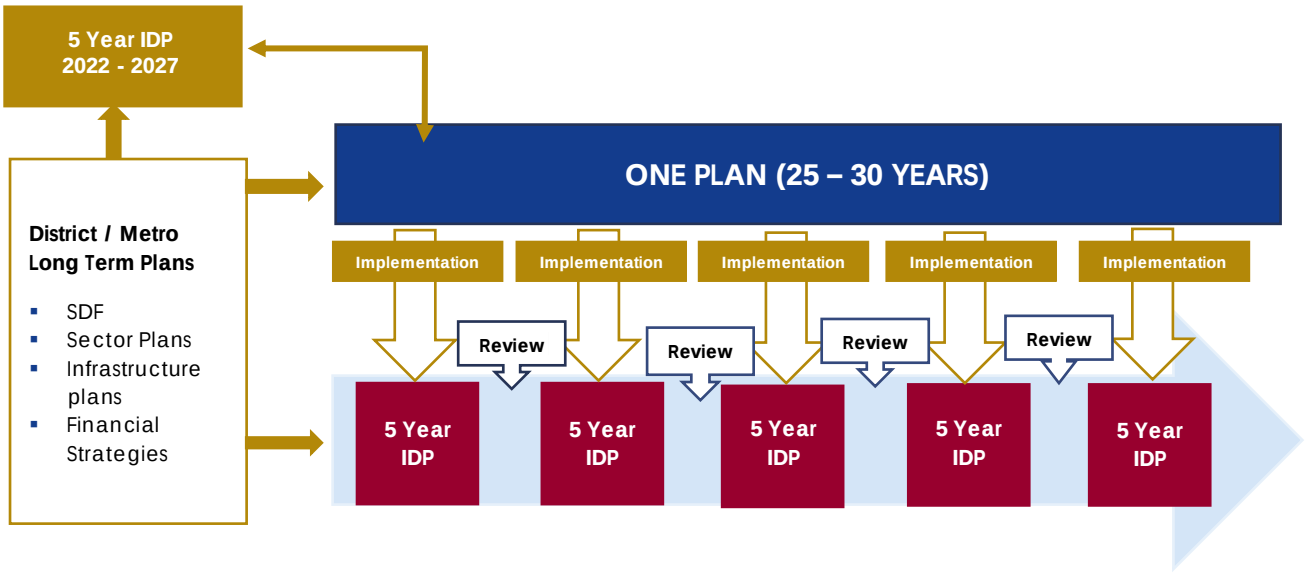
The role of the Budget is to attach money to the objectives that are contained in the IDP and the Budget gets monitored through the Service Delivery Budget Implementation Plan (SDBIP). The IDP, therefore, provides the strategic direction for the municipality, whereas the Budget should ensure the implementation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

1.4 Relationship between the IDP and One Plan

The One Plan does not replace the Integrated Development Plan (IDP) of the municipality as the "single, inclusive and strategic plan for the development of the municipality". It is envisaged that the One Plan will strengthen and enhance the IDP and other plans of the municipalities. It is foreseen to provide greater certainty and direction for the IDP. During the development of the One Plan, the IDP has informed the One Plan. However, after approval of the One Plan, the IDP will be directed by the strategies and priorities outlined in the One Plan. In this regard, the IDP will be the vehicle through which implementation of the One Plan will happen at the local government level.

Figure 1: Relationship between One Plan and IDP



1.5 The IDP and Ward Plans

The **twenty -three (23)** ward plans, include:

- A consensus on priorities for the relevant ward(s);
- An implementation plan; and
- The capital budget is available for the relevant wards, including the small capital budget.

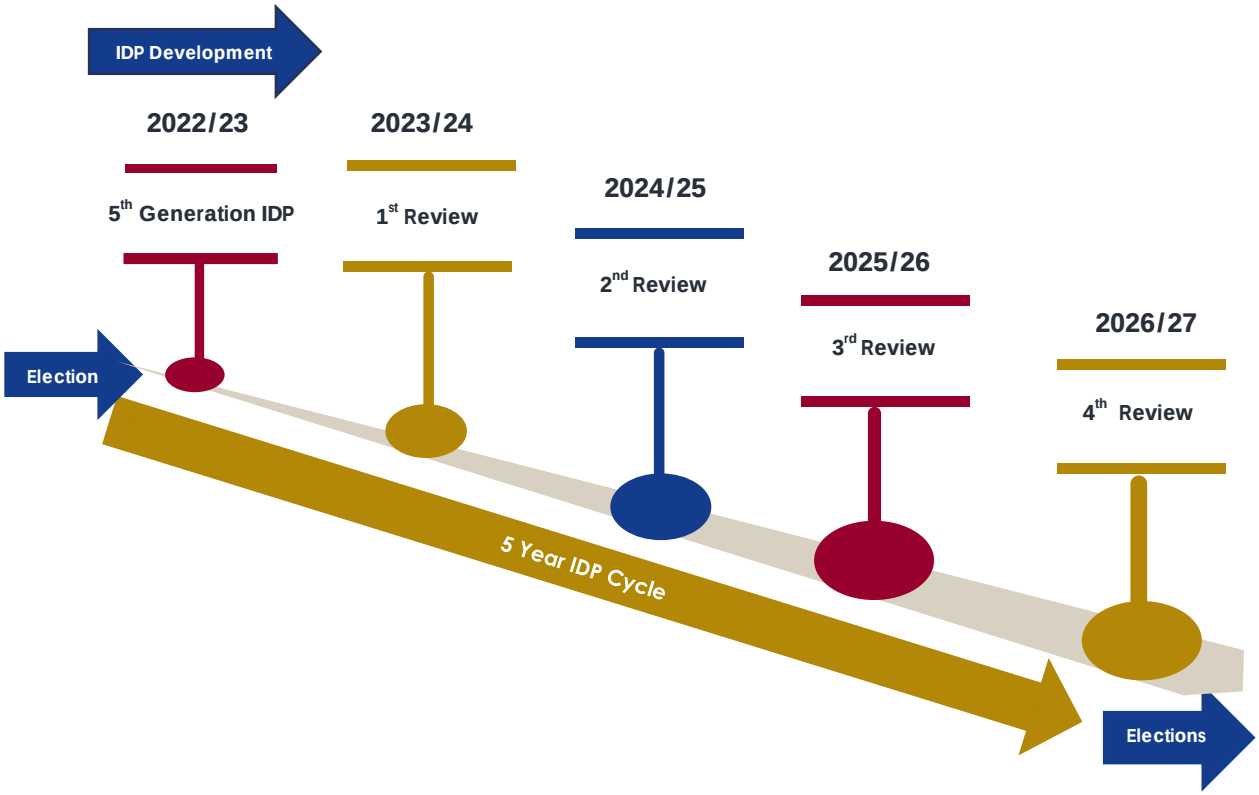
Ward plans help to ensure that the IDP is more targeted and relevant to addressing the priorities of all groups, including the most vulnerable. These plans provide Ward Committees with a systematic planning and implementation tool to perform their roles and responsibilities. They form the basis for dialogue 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 have to prepare its 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 concerning the five-year strategy (and strategic goals) and proposes adjustments to the strategy, if necessary, because of changing internal and external circumstances that impact the appropriateness of the IDP.

Figure 2: Five–Year IDP Development and review cycle



1.7 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 the Municipal Manager must be defined.

Figure 3: Roles and Responsibilities

Executive Mayor and Municipal Council

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.

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.

Proportional Councillors, Ward Councillors and Ward Committee Members

- 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

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 and comment on inputs from specialists; and
- Address inputs from and give feedback to the community.

1.8 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 facilite political debate and discussions. Apart from their functions as policymakers, Councillors are also actively involved with community work and in the various social programmes in the municipal area.

Stellenbosch Municipality is represented by 45 councillors of whom 23 were elected directly as ward councillors. The rest of the councillors were elected nased on the proportion of votes cast for the different political parties. The political composition of the Council is as follows:

Table 1: Council Political Representation

Political Party	Number of Councillors
Democratic Alliance (DA)	**28**
African National Congress (ANC)	**8**
GOOD	**3**
Economic Freedom Fighters (EFF)	**2**
African Christian Democratic Party (ACDP)	**1**
People's Democratic Movement (PDM)	**1**
Patriotic Alliance (PA)	**1**
Vryheidsfront Plus (VF)	**1**
Total	**45**

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

Table 2: Ward Councillors and Proportional Councillors

No.	Name of Councillor	Capacity	Political Party	Ward Councillor and Proportional (PR)
1.	G van Deventer (Adv)	Executive Mayor	DA	PR
2.	JS Fasser	Deputy Executive Mayor including Human Settlements portfolio	DA	PR
3.	Q Smit	Speaker	DA	PR
4.	A Hanekom	Part-time	DA	PR
5.	A Crombie (Ms)	Part-time	DA	PR
6.	X Kalipa	Part-time	DA	PR
7.	P Crawley (Ms)	Chief Whip	DA	PR
8.	X Mdemka (Ms)	Part - time	DA	PR
9.	N Olayi	Part-time	DA	PR
10.	R Pheiffer	Part-time	DA	Ward Councillor: Ward 1
11.	WC Petersen (Ms)	Part-time	DA	Ward Councillor: Ward 2
12.	C Manuel	Part-time	DA	Ward Councillor: Ward 3
13.	R Adams	Mayco Member	DA	Ward Councillor: Ward 4
14.	RB van Rooyen	Part-time	DA	Ward Councillor: Ward 5
15.	NE Mcombring (Ms)	Part-time	DA	Ward Councillor: Ward 6
16.	A Ferns (Ms)	Part-time	DA	Ward Councillor: Ward 7
17.	C van Wyk (Ms)	Mayco Member	DA	Ward Councillor: Ward 8
18.	Z Dalling (Ms)	Mayco Member	DA	Ward Councillor: Ward 9
19.	R du Toit (Ms)	Mayco Member	DA	Ward Councillor: Ward 10
20.	J Serdyn (Ms)	Part-time	DA	Ward Councillor: Ward 11
21.	E Vermeulen (Ms)	Part-time	DA	Ward Councillor: Ward 16
22.	P Johnson	Mayco Member	DA	Ward Councillor: Ward 17
23.	J Anthony (Ald)	Part-time	DA	Ward Councillor: Ward 18
24.	J Williams	Mayco Member	DA	Ward Councillor: Ward 19

No.	Name of Councillor	Capacity	Political Party	Ward Councillor and Proportional (PR)
25.	J Joon	Mayco Member	DA	Ward Councillor: Ward 20
26.	R Badenhorst	Mayco Member	DA	Ward Councillor: Ward 21
27.	E Groenewald (Ms)	Part-time	DA	Ward Councillor: Ward 22
28.	L Mkamisa	Mayco Member	DA	Ward Councillor: Ward 23
29.	RS Nalumango (Ms)	Part-time	ANC	PR
30.	N Ntsunguzi (Ms)	Part-time	ANC	PR
31.	MG Rataza	Part-time	ANC	PR
32.	N Mananga – Gugushe (Ms)	Part-time	ANC	PR
33.	A Tomose	Part-time	ANC	Ward Councillor: Ward 12
34.	M Nkopane (Ms)	Part-time	ANC	Ward Councillor: Ward 13
35.	MM Danana	Part-time	ANC	Ward Councillor: Ward 14
36.	EP Masiminini	Part-time	ANC	Ward Councillor: Ward 15
37.	CD Noble	Part-time	GOOD	PR
38.	RB Hendrikse (Ms)	Part-time	GOOD	PR
39.	M van Stade	Part-time	GOOD	PR
40.	ZR Ndalasi	Part-time	EFF	PR
41.	NM Mkhontwana (Ms)	Part-time	EFF	PR
42.	OL Jooste	Part-time	ACDP	PR
43.	W Pietersen	Part-time	PDM	PR
44.	J Andrews	Part-time	PA	PR
45.	I De Taillefer (Ms)	Part-time	VF Plus	PR

1.8.1 Executive Mayor and Mayoral Committee (MayCo)

The Executive Mayor of the municipality, 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 3: Executive Mayor and Mayoral Committee (MayCo)

Name of member	Portfolio
Alderman G van Deventer	Executive Mayor
Cllr J Fasser	Deputy Executive Mayor, including Integrated Human Settlements
Cllr P Johnson	MayCo member: Financial Services
Cllr Z Dalling	MayCo member: Infrastructure Services
Cllr R Badenhorst	MayCo member: Protection Services
Cllr L Mkamisa	MayCo member: Corporate Services
Cllr R Adams	MayCo member: Youth, Sport and Culture
Cllr J Williams	MayCo member: Rural Management
Cllr R du Toit	MayCo member: Local Economic Development and Tourism
Cllr J Joon	MayCo member: Community Development (Parks, Open Spaces and Environment)
Cllr C van Wyk	MayCo member: Planning

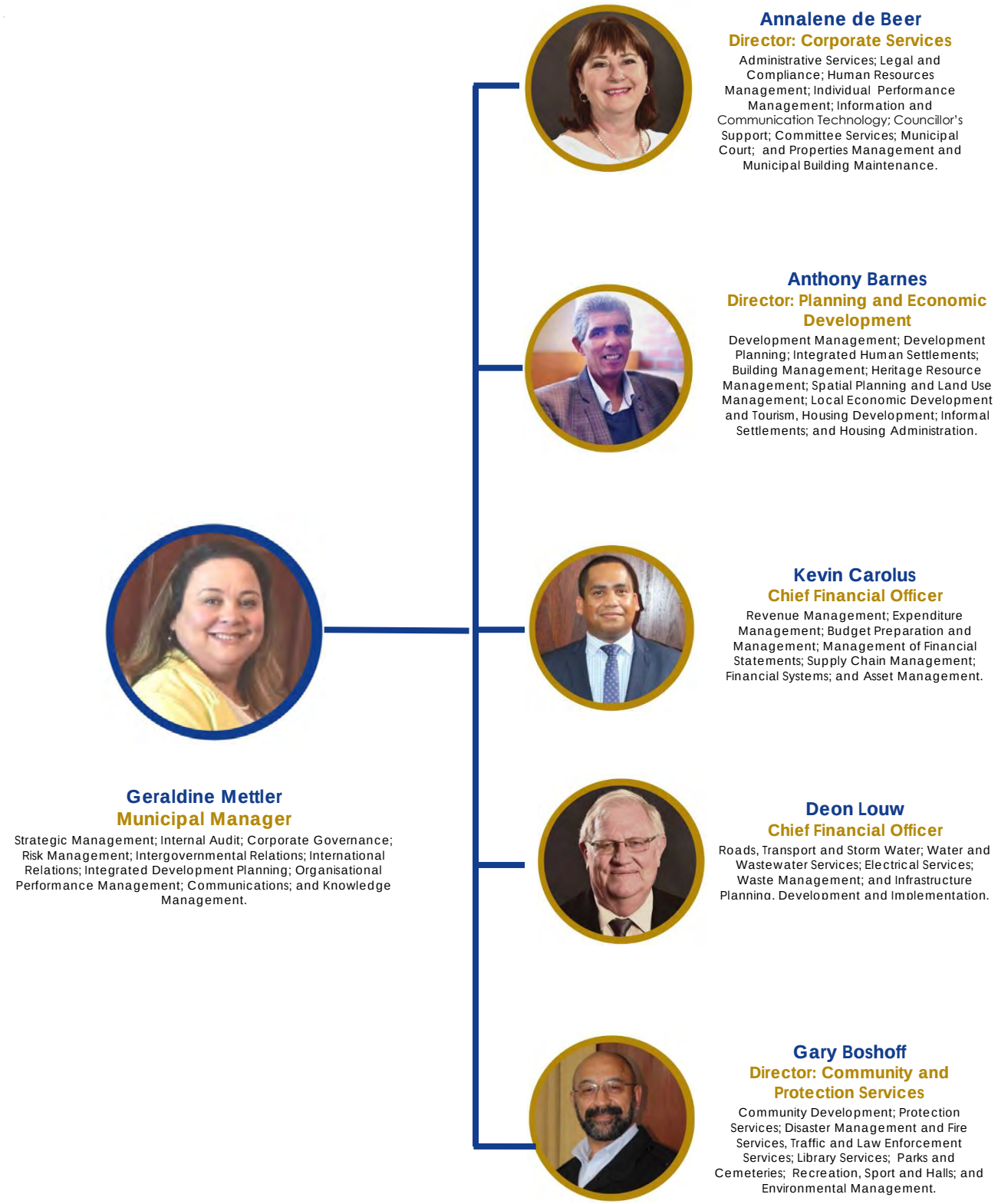
Figure 4: Executive Mayoral Committee



1.8.2 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. The Municipal Manager is assisted by the Management Team that reports directly to the Municipal Manager. The structure of the Management Team is outlined in the diagram below:

Figure 5: Municipal Management Team



1.9 First Year Process Followed

The table below, reflects the preparation for the Fifth Generation Integrated Development Plan 2022 – 2027.

Table 4: Preparation for the first year of the Fifth IDP 2022 -2027

Date	Action(s)
July / August 2021	• Approval of the mSDF / IDP / Budget Process Plan / Time Schedule. • Cape Winelands District Municipality hosted a discussion session on the Section 27 Framework.
September 2021 – November 2021	• Approval of the mSDF / IDP / Budget Process Plan / Time Schedule. • Pre – recorded video presentations explaining the processes to be followed for the next five years of the 5th Generation IDP 2022 - 2027. Feedback was also provided on the implementation of projects per ward. • A link to access the pre – recorded videos were published on the municipal Youtube Channel, shared via Facebook, Twitter, WhatsApp, Stellenbosch Citizen App and on the municipal website. • An electronic written submission form was created on the municipal website for the community and stakeholders to provide input into the development of the 5th Generation IDP 2022 – 2027.
December 2021 - February 2022	• An Online Sector Engagement was held on 11 January 2022 to determine the community needs and collectively devise plans to address the needs. • MayCo and management consider the external and internal analysis and strategies around the 5-year development priorities and operational strategies (programmes / projects / activities and actions).
March 2022 – April 2022	• MayCo and Council will consider the draft 5th Generation IDP and Budget. • IDP / Budget / SDF public participation process within WCO24 will be from 4 April 2022 – 27 April 2022. • Inputs received from the IDP and Budget public participation process will be collated and distributed to the directorates for inputs.
May – June 2022	• Adoption of the final IDP and Budget, Tariffs and Budget related policies. • Submit adopted IDP to Cape Winelands District Municipality, Provincial Government and National Treasury. • Approval of SDBIP by the Executive Mayor within 28 days after adoption of the IDP and Budget.

1.10 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.

1.11 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.

Certain risks have also been revised to ensure that the municipality can appropriately respond to the impact of these risks on municipal service delivery taking into account the changing external and internal factors. Provision was also made for ineffective service delivery due to geopolitical instability and the impact of Ukraine and the Russian war on global commodities in particular fuel.

The top **5 strategic** risks identified include:

R **01** Availability and cost of electricity

I **02** COVID - 19 Pandemic

S **03** Increased risk of land invasion

K **04** Scarcity of landfill space

S **05** Economic downturn due to civil unrest and crime

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

Table 5: Risk and IDP Alignment

Strategic Risks						
Risk Item	**Risk Description**	**Risk Background**	**Strategic Focus Areas**	**Impact Rating**	**Likelihood Ratings**	**Directorate**
1	Availability and cost of electricity.	Unavailability of suitable land; costs of SLAs and alternative waste disposal; legislative requirements i.e EIA applications and approvals etc	Green and Sustainable Valley, Dignified Living	**10**	**10**	Directorate: Infrastructure Services
2	Increased risk of land invasion.	Legal precedents set under disaster management declaration limiting municipal scope to evict. Illegal invasions and land grabs. Compromising housing development and housing opportunities	Dignified Living, Safe Valley, Financial Sustainability, Good Governance and Compliance	**10**	**10**	All Directorates
3	COVID - 19 Pandemic.	Manage the COVID-19 pandemic within the context of the prescribed regulations, taking the possible 4th wave and intensity of new infections into account.	Safe Valley, Dignified Living	**10**	**8**	All Directorates
4	Scarcity of landfill space.	Unavailability of suitable land; costs of SLAs and alternative waste disposal; legislative requirements i.e EIA applications and approvals etc.	Green and Sustainable Valley	**10**	**8**	Directorate: Infrastructure Services
5	Economic downturn due to civil unrest and crime.	Increase in criminal activities, civil unrest, and reputational risk due to perceived increase in the said activities.	Dignified Living, Safe Valley	**10**	**8**	Directorate: Community and Protection Services
Operational Risks						
1	Insufficient burial space in the greater Stellenbosch	Planning and funding; land availability. Insufficient funding.	Dignified Living	**8**	**8**	Directorate: Community and Protection Services

Strategic Risks						
Risk Item	**Risk Description**	**Risk Background**	**Strategic Focus Areas**	**Impact Rating**	**Likelihood Ratings**	**Directorate**
2	Timeous Capital Spending	Steady increase in budget allocation; growing population and demand for services; demand management.	Good Governance and Compliance	**10**	**4**	Directorate: Financial Services
3	Business Continuity	Disasters, electricity outages; hacking of systems.	Good Governance and Compliance	**8**	**4**	Directorate: Corporate Services
4	Climate Change	Changing weather patterns, unpredictable rainfall, flash floods, drought natural disasters, fires (seasonal and other).	Green and Sustainable Valley; Safe Valley	**8**	**4**	Office of the Municipal Manager
5	High Vacancy Rate	A skilled and capable workforce is necessary to support growth objectives, quality and timeous service delivery needs to be provided by all departments.	Good Governance and Compliance	**8**	**4**	Directorate: Corporate Services

1.12 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 of 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."

1.13 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;
- performance evaluation; and
- any other issues referred to it by the municipality.

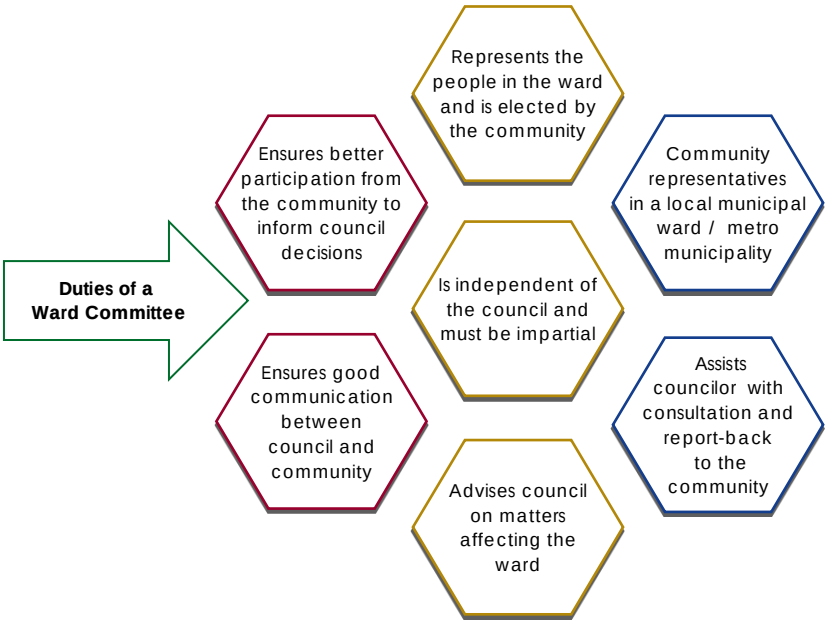
Table 6: Members of the Audit Committee

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

1.14 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 of the council and not politically aligned. The figure below depicts the main duties of the Ward Committees.

Figure 6: Main duties of the Ward Committee (insert new diagram)



1.15 Stakeholders

To ensure effective service delivery, high levels of cooperation must 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.

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

Table 7: Key Stakeholders

Name of Partner	Purpose of MOU / MOA
@ Heart	The @heart partnership is a long-standing relationship built on experience with youth work and HCT testing from a municipal facility.
City of Cape Town and Drakenstein Municipality	Partnership through the Greater Cape Metro Regional Spatial Implementation Framework has been initiated to improve coordination around the development of the Klapmuts area.
Community structures (Forums, ECD centres, religious fraternities, etc.)	Aim to promote and implement: • 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.

Name of Partner	Purpose of MOU / MOA
Department Social Development, DCAS, Cape Winelands District Municipality	Joint implementation of programmes focusing on common issues within WC024.
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 and 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.
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.
HeartFlow	Helping people on the fringes of society. Provide paper coupons that can be exchanged for 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.
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.
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.

Name of Partner	Purpose of MOU / MOA
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 the University of Stellenbosch, Council for Scientific and Industrial Research, Western Cape Government and the municipality to investigate the generation of alternate electricity to combat load shedding from Eskom.
Visit Stellenbosch	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 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 assisting 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 were established to discuss transport-related matters that affect 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: • 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 practices 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 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 the 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 helps to develop social cohesion.

CHAPTER 2:

State of the Greater Stellenbosch Area

2.1 Introduction

Stellenbosch Municipality is located at the edge of the City of Cape Town, but 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, Pniël, Johannesdal, Languedoc, Groot Drakenstein, Muldersvlei, Klapmuts, Elsenburg, Raithby, Jamestown, Koelenhof and Vlottenburg (most with a population of less than 5 000). Apart from formal settlement areas, the municipal area also includes a number of informal settlements.

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

2.2 Ward Demarcation

The Stellenbosch Municipality is currently structured into the following **23** wards:

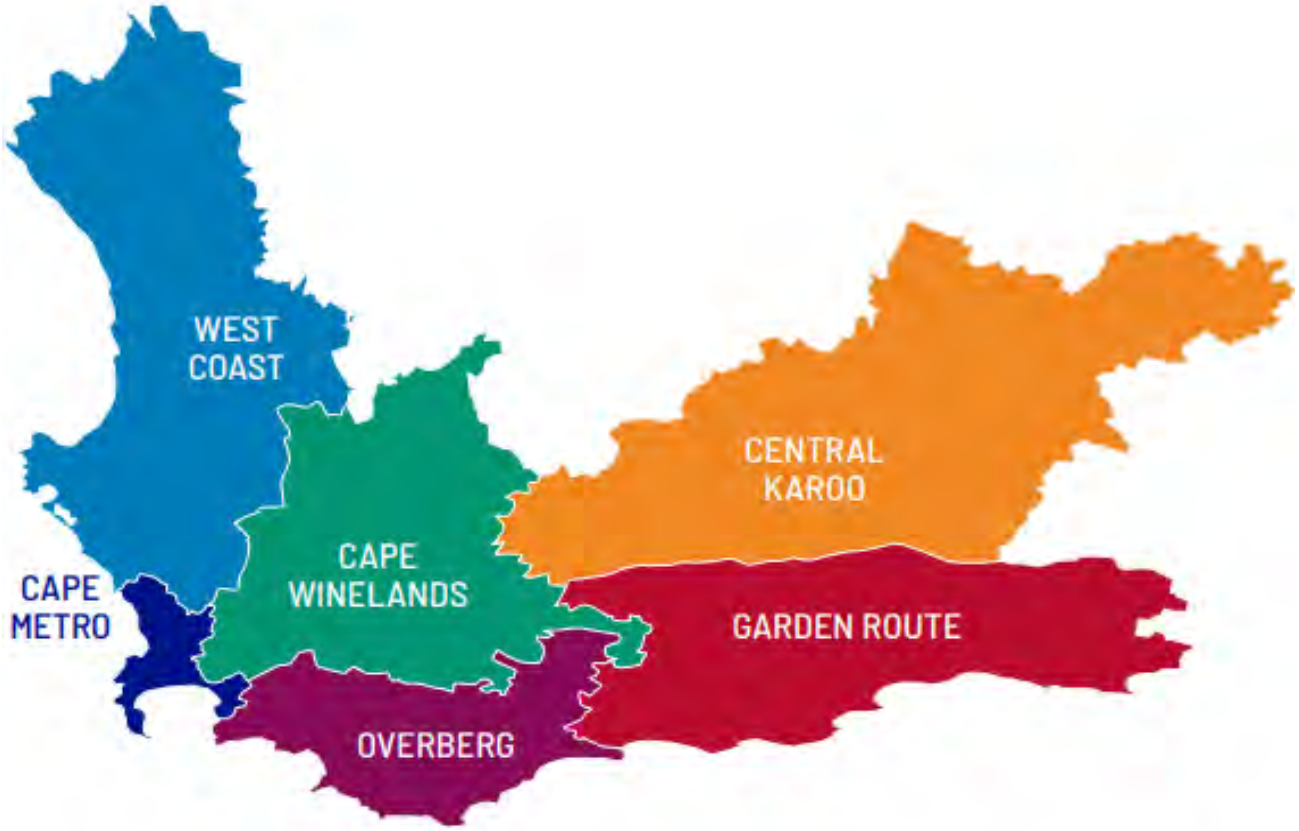
Table 8: Municipal ward demarcation

Ward	Areas
1	Mooiwater, Franschhoek Town and Surrounding Farms
2	Langrug, La Motte, Dennegeur, Groendal
3	Lanquedoc, Wemmershoek to La Motte Wine Farm and Leopard Leap Wine Farm
4	Kylemore, Johannesdal, Pniël and Surrounding Farms
5	Ida's Valley (Hillside Village, La Gratitude Park (Kreefgat), The Ridge, La Roche, Lindida, Bloekomlaan(Moses / Martin) Lindley)
6	The Hydro, Rustenberg and Surrounding Farms, Kelsey Farm
7	Mostersdrift, Karindal, Rozendal, Uniepark, Simanswyk and Unirversiteitsoord
8	Stellenbosch University campus and university residence area; Coetzenburg, (partially:) Koloniesland
9	Stellenbosch CBD, Part of US campus (residential areas within both these areas), Southern border is the Eerste River, Northern border is Merriman Street, Eastern border is Die Laan and Western border is Bird Streeet
10	Tennantville, Lakay Street, Titus Street, Langsuid Street up to Lakay Street, Tennant Street, Lapan Street, Bell Street, Bird Street, La Colline (Dr Malan Street, Dan Pienaar Street, Paul Roos Street, Tobruk Park, Irene Park, La Colline Road, Conde Street, Taylor Street, Mount Albert Street), Kromrivier Road, Jan Celliers Street, Hammanshand, Ds Botha Street, Voorplein Street, Bird Street, Langenhoven Street, Du Toit Station, Ryneveld Street, Karee Street, Olienhout Street, Banghoek Rd, Acedemia, Bosman Street, Smuts Rd, Joubert Street, De Beer Rd, De Villiers Rd from Ryneveld Street to Cluver Rd on the lefthand side
11	Boundaries of the ward are: Kridge Rd, Herte Street, Skone Uitsig Rd onto Alexander Street onto Du Toit Street toward Merriman Avenue towards Adam Tas Rd onto George Blake Street, Mark Street, Distillery Rd, Santhagen Rd, Swawel Avenue, Kanarie Rd, Tarentaal Rd, Bokmakierie Rd, Fisant Rd, Devon Valley Rd, Kiewiet Rd, Dagbreek Rd, Pelikaan Street, Patrys Rd, Hammerkop Rd, Loerie Rd, Muldersvlei Landgoed, and all areas in Onder Papegaaiberg and businesses
12	Kayamandi: Zone A, Chris Hani Drive, 10th and 13th Street, School Crescent, Snake Valley, Enkanini, Watergang, Watergang TRA 2 and Watergang Informal Settlements
13	Kayamandi: Zone J, Red Bricks, Zone K and L, Hostels, Dairy and Univsity Hostels, Old Bricks Houses Red Roofs, Zwelitsha, Costaland
14	Kayamandi: Zone P, I, F, D and O, Costaland, Marikana, Watergang, Smarties (Mgabadeli Street), Monde Crescent
15	Kayamandi: Zone M, N, O, 4th and 5th Avenue, 10th, 12th and 14th Street, Long Street, Retreat Street, Forest Drive
16	The borders are Tenant Rd, Long streets, Crombi Rd to end of Gabriels Rd. Asalea Rd, 2nd Road, Noble Rd, Bailey Rd, Eike Street, Curry Street, Hoop Rd, Pansy Rd, West Rd, Laai Rd, Anthony Rd, Carriem Rd, Archilles Rd, Bergstedt Rd, Davidse Rd, Cupido Rd, Pearce Rd, Robyn Rd, Gonzalves Rd, Hercules Rd, Chippendale Rd, Afrika Rd, Arnolds Rd, September Rd, Jakaranda Street, Short Rd, Quarry Rd, Middle Rd, 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
17	A part of Cloetesville (Lakay Rd towards Langstraat -Suid Rd, Kloof Street, Fir Street, Fontein Rd, Williams R towards Gabriels Rd towards February Rd, Valentyn Rd, Pool Rd, Raziet Rd, Ortell Rd, Rhode Rd, King Rd, Hine Rd, Hendrikse Rd, Rhode Rd), as well as Welgevonden, Green Oaks, Stellita Park, Weltevrede, Welgevonden Estate (Red Oak Rd, Belladonna Street, Wildeklawer Welgevonden Boulevard, Olive Rd, Sonnedou Rd, Mountain Silver Rd, Silver Oak Rd, Froetang Rd, Katbos Rd, Everlasting, Fynbos Street, Sourfig Street, Scarlet Cresent, Pin Oak Street, Evergreen, Autumn Close, Nenta, Cherrywood, Candelabra, Froetang, Candelabra, Kouter, Protea Street, Minaret, Gooseberry, Honeybush), Klein Welgevonden (La Belle Vie, Chablis) and the Municipal Flats in Rhode, Kloof and Long Streets, Bertha Wines and Weltevreden Estate, 15 Weltevreden Estate,) The borders of the ward are the R44 Klapmuts road and Long streets.
18	Klapmuts Town Centre, Bennitsville, Weltevrede Park, Klapmuts New Houses, Mandela City and La Rochelle Informal Settlement, Klapmuts Farms (The Purple Windmill, Arra Vineyards, Hidden Gems Wines, Gravel Junction Wine and Spirtis Company, Wine Estate Le Bonheur, Anura Vinyard, Dalewood Farms, Blueberry Bar, Klapmust Transfer Station, Trophy SA, DKL Transport Pty, Welgelee Estate)
19	De Novo, Kromme Rhee, Vaaldraai, Muldersvlei, Koelenhof and surrounding Farms, Koelenhof Station, Slayley, Hunting, Koelenhof Farms, Poultrey / Mariendahl, De Hoop, Nooitgedacht Village, Bottelary and Surrounding Farms, De Waalshof, Weltevrede 1, Weltevrede 2, Smartie Town.
20	Vlottenberg, Raithby, Mooiberge, Lynedoch

Ward	Areas
21	Brandwacht Aan Rivier, Paradyskloof, Stellenbosch Golf Course, Blaauwklippen / Stellenzicht Farms, De Zalze, Jamestown, Mountainview, Stellenbosch Airfield
22	Die Boord, Dalsig, Brandwacht, Krigeville, Libertas Farm
23	Dorp Street, Krige, Hamman Streets, Schroder Rd, Die Braak, Bird Street from Dorp Street, Denniseg area, Muller Rd, Banghoek Road, Reyneveld Street, Plankenburg Industrial area and Kayamandi Corridor.

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

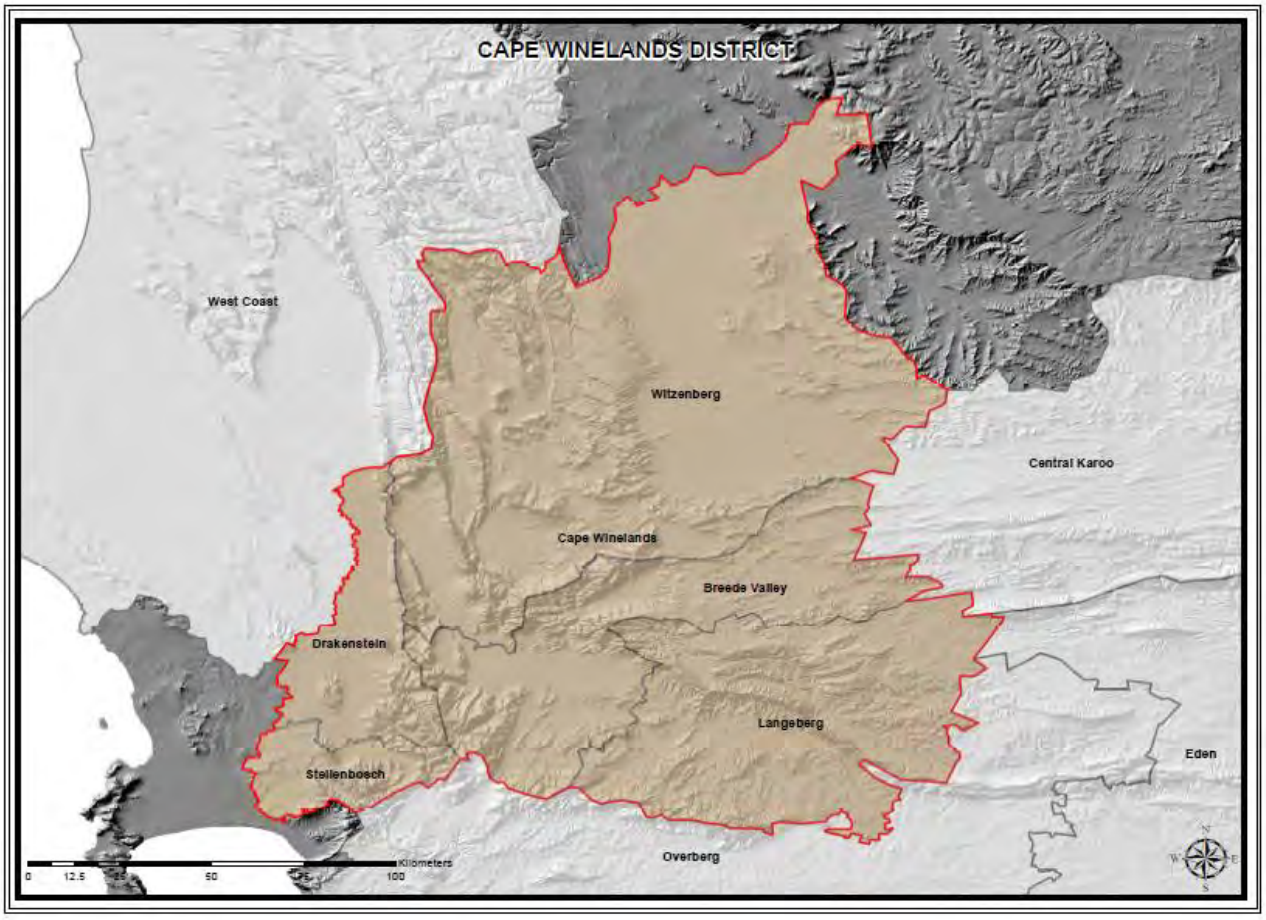
Map 1: Locality of Cape Winelands in relation to Provincial Boundaries



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:

Map 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:

Map 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, Pniël, Klapmuts, Kylemore, Jamestown, Raithby, Ida's Valley, Cloetesville, Kayamandi and Vlottenburg, 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, Stellenbosch Municipality (SM) forms part of the Greater Cape Town metropolitan area.

The main settlements in SM are the historic towns of Stellenbosch and Franschhoek, and Klapmuts. There are also a number of smaller villages, including Jamestown (contiguous with Stellenbosch town), Pniël, Johannesdal, Lanquedoc, Lynedoch, and Raithby. New nodes are emerging around agricultural service centres, for example, Koelenhof and Vlottenburg. 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.

2.3 Stellenbosch Municipality at a Glance

Table 9: Stellenbosch Municipality - Summarised Statistics

Demographics			**Population Estimates 2021: Estimated households 2020**	
Population 196 036			**Households** 50 328	
Education	**2020**		**Poverty**	**2020**
Matric Pass	85.1%		Gini Coefficient	0.61
Retention Rate	73.1%		Human Development Index	0.74
Learner – Teacher Ratio	26.8 %			

Health				**2020/21**
Primary Health Care Facilities	Immunisation Rate	Maternal Mortality Ratio (per 100 000 live births)	Teenage Pregnancies Delivery rate to women u/18	
8 (excl. mobile / satellite	52.7%	57.3	11.4%	

Safety and Security				**Actual number of reported cases in 2020/21**
Residential Burglaries	DUI	Drug – related crimes	Murder	Sexual Offences
904	164	1 252	70	194

Access to Basic Service Delivery		
Water 94.4%	Refuse Removal 86.7%	Electricity 92.2%
Sanitation 91.1%		Housing 72.7%

Road Safety 2020/21		**Labour 2020**		**Socio Economic Risk**	
Fatal Crashes	31	Unemployment Rate (narrow definition)[1]	34,9 percent	Risk 1	Rising Unemployment
Road User Fatalities	39			Risk 2	Informal Sector expansion
				Risk 3	Low skills base (Labour)

Largest 3 Sectors		**Contribution to GDP, 2020**
Finance, insurance, real estate and business services 21.7%	Wholesale and retail trade, catering and accommodation 21.1%	Manufacturing 16.6%

Source: Western Cape, Social – Economic Profile 2021

[1] Source: Quarterly Labour Force Survey, Quarter 3 Report - 2021

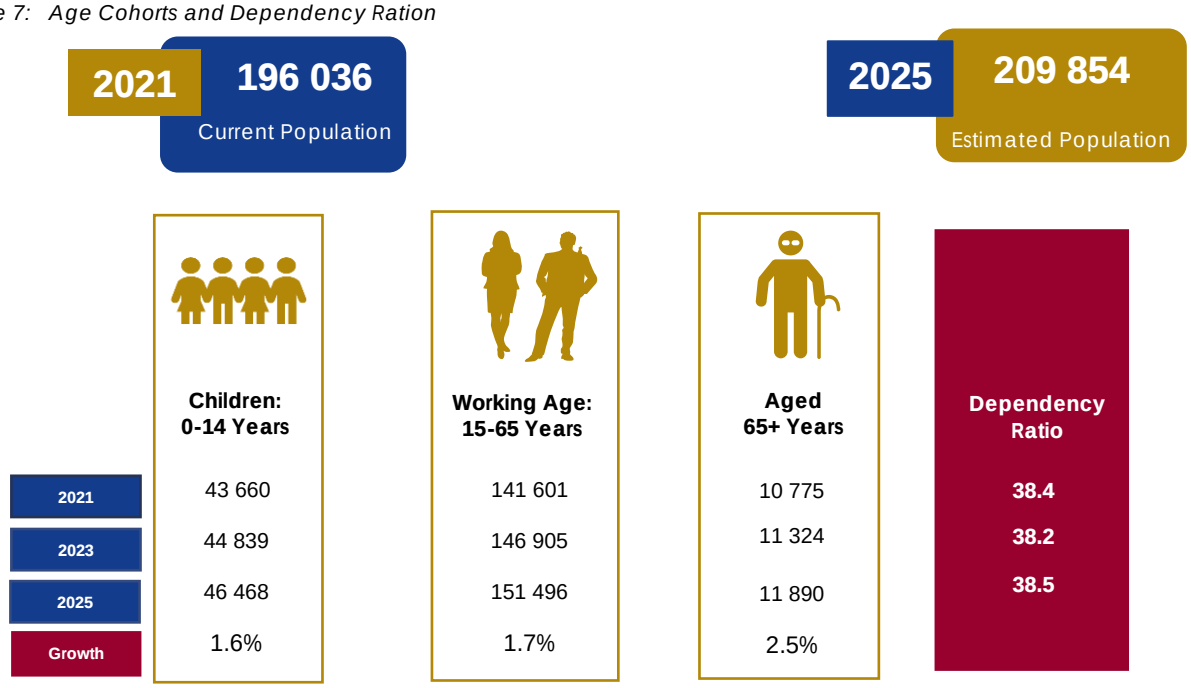
2.4 Socio – Economic Context

2.4.1 Population and Age Cohorts

Stellenbosch's population totals **196 036** persons in **2021**, the second most populated municipal area in the Cape Winelands District (CWD). This total is expected to grow to **209 854** by **2025**, equating to an average annual growth rate of 1.7 per cent for the period.

It is evident that Stellenbosch has an ageing population. Between 2021 and 2025, the highest population growth is estimated for the aged cohort, with expected growth for the period reaching an average annual rate of 3.6 per cent. This is more than double the growth in the working age cohort (1.6 per cent). The size of the aged cohort is however relatively small in comparison to the working age category. As such, the dependency ratio remains mostly unchanged between 2021 and 2025.

Figure 7: Age Cohorts and Dependency Ration



Source: Western Cape, Social – Economic Profile 2021

2.4.2 Sex Ratio

The overall sex ratio (SR) depicts the number of males per 100 females in the population. The data indicates that there are notably more females than males in the Stellenbosch municipal area with a ratio of 95.8 males per 100 females in 2021. The increasing SR for Stellenbosch could be attributed to a wide range of factors such as a decrease in female mortality rates as well as the potential inflow of working females to the municipal area.

Figure 8: Sex Ratio

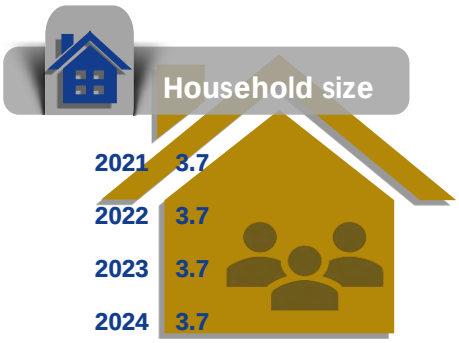


Source: Western Cape, Social – Economic Profile 2021

2.4.3 Household Size

Household size refers to the number of people per household. The actual size of households in the municipal area is trending downwards between 2021 and 2025. Contributing factors to a stagnation in household size growth could include, but are not limited to, lower fertility rates, occurrences of divorces, ageing population etc.

Figure 9: Household size



Source: Western Cape, Social – Economic Profile 2021

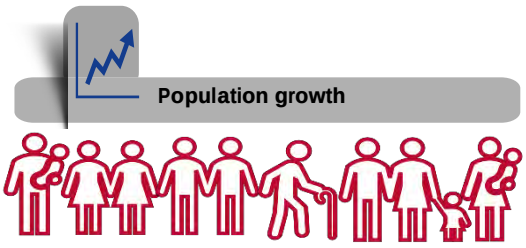
2.4.4 Population Density

Amidst rapid urbanisation across the Western Cape, population density figures will aid public sector decision makers to mitigate environmental, health and service delivery risks. In 2021, the population density of the Cape Winelands District was 44 persons per square kilometer.

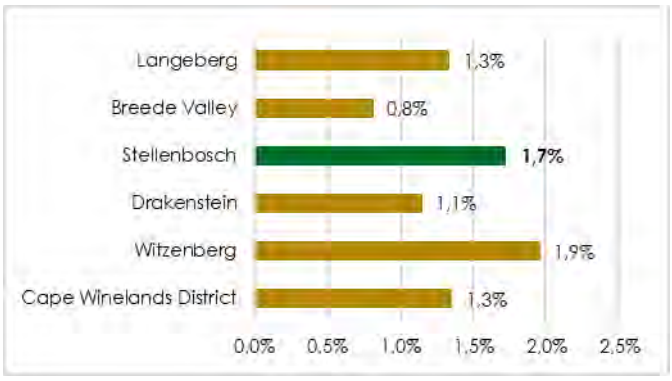
In order of highest to lowest, the various local municipal areas compare as follows:

- Witzenburg 14 people/km^2
- Drakenstein 192 people/km^2
- Stellenbosch 236 people/km^2
- Breede Valley 51 people/km^2
- Langeberg 27 people/km

Figure 10: Population growth



Stellenbosch	1.7	1.9	1.7	1.7	1.7
Cape Winelands	1.4	1.4	1.4	1.3	1.3
Western Cape	1.4	1.4	1.4	1.4	1.4



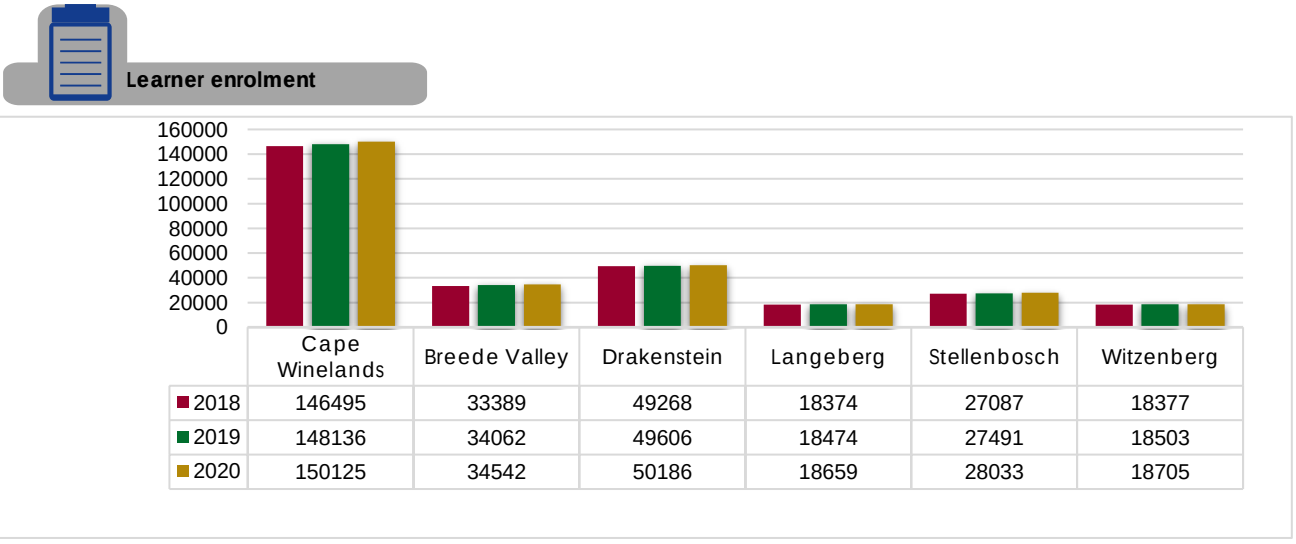
Source: Western Cape, Social – Economic Profile 2021

2.5 Education

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

Learner enrolment in the Stellenbosch municipal area increased by 1.7 per cent from 27 087 in 2018 to 28 033 in 2020. The growth rate in learners is slightly above the Western Cape average of 2.1 per cent across the same period.

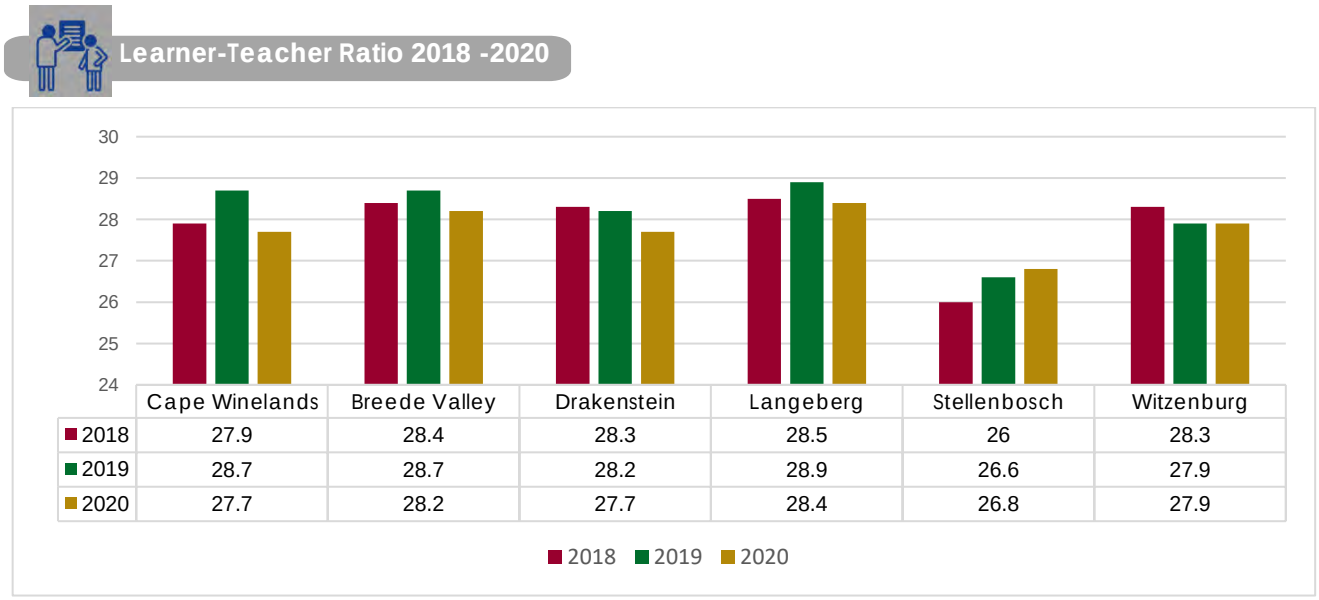
Graph 1: Learner enrolment



	Cape Winelands	Breede Valley	Drakenstein	Langeberg	Stellenbosch	Witzenberg
2018	146495	33389	49268	18374	27087	18377
2019	148136	34062	49606	18474	27491	18503
2020	150125	34542	50186	18659	28033	18705

Source: Western Cape, Social – Economic Profile 2021

Graph 2: Learner – Teacher Ratio 2018 – 2020

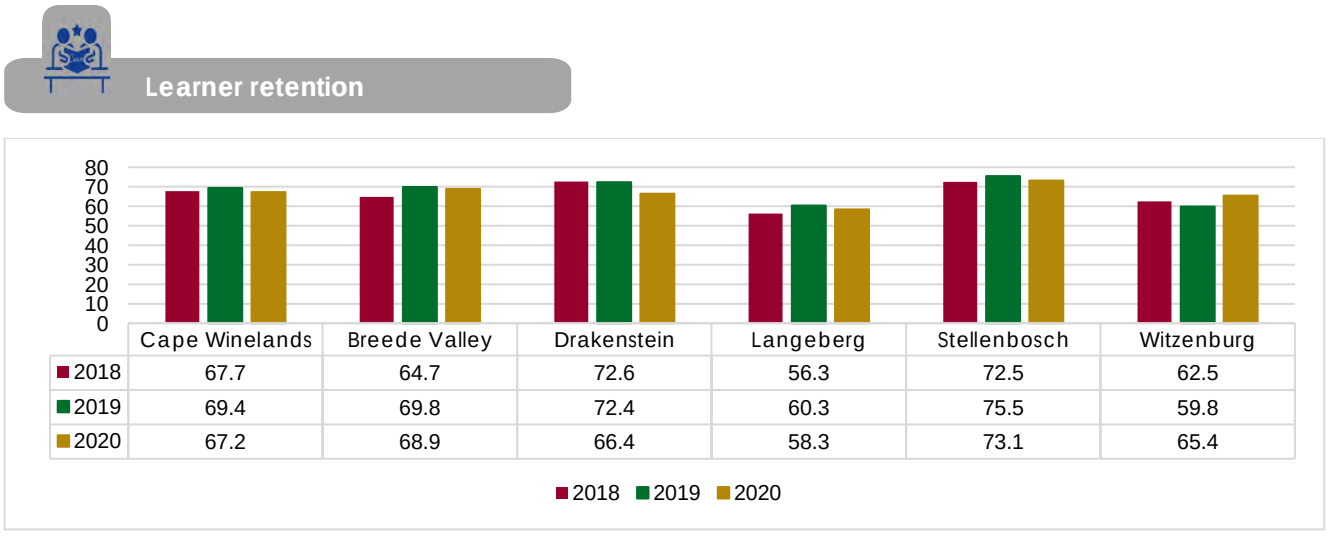


	Cape Winelands	Breede Valley	Drakenstein	Langeberg	Stellenbosch	Witzenburg
2018	27.9	28.4	28.3	28.5	26	28.3
2019	28.7	28.7	28.2	28.9	26.6	27.9
2020	27.7	28.2	27.7	28.4	26.8	27.9

Source: Western Cape, Social – Economic Profile 2021

The learner-teacher ratio in the Stellenbosch municipal area has gradually been on the rise from 26.0 in 2018 to 26.6 in 2019 and 26.8 in 2020. This is still below the Provincial average of 30.3. 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. Although the Stellenbosch municipal area has the highest learner retention rate (73.1 per cent) in the Cape Winelands District, school drop-outs remain a grave concern. The learner retention rate is influenced by a wide array of factors, including economic influences such as unemployment, poverty/ very low household income, as well as social concerns such as teenage pregnancies. Retention rates should be kept in mind when considering education outcomes/ results, as low retention rates are likely to skew outcomes, as drop-outs are automatically excluded from any outcomes/results. Being able to retain learners is essential for overall positive education outcomes.

Graph 3: Learner retention



	Cape Winelands	Breede Valley	Drakenstein	Langeberg	Stellenbosch	Witzenburg
2018	67.7	64.7	72.6	56.3	72.5	62.5
2019	69.4	69.8	72.4	60.3	75.5	59.8
2020	67.2	68.9	66.4	58.3	73.1	65.4

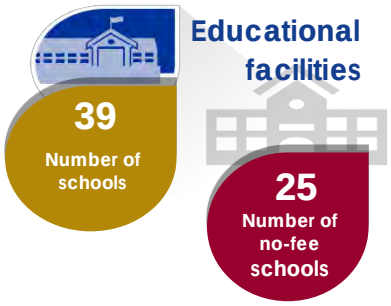
Source: Western Cape, Social – Economic Profile 2021

2.5.2 Number of schools and no – fee schools

Figure 11: Number of schools and no – fee schools

In 2020, the Stellenbosch municipal area had a total of 39 public ordinary schools. The number of schools has remained constant since 2018.

The number of no-fee schools has also remained steady at 39 between 2018 and 2020. This translates into a total of 64.1 per cent of schools being registered with the Western Cape Department of Education as no-fee schools.



Source: Western Cape, Social – Economic Profile 2021

2.5.3 Schools with libraries/media centres

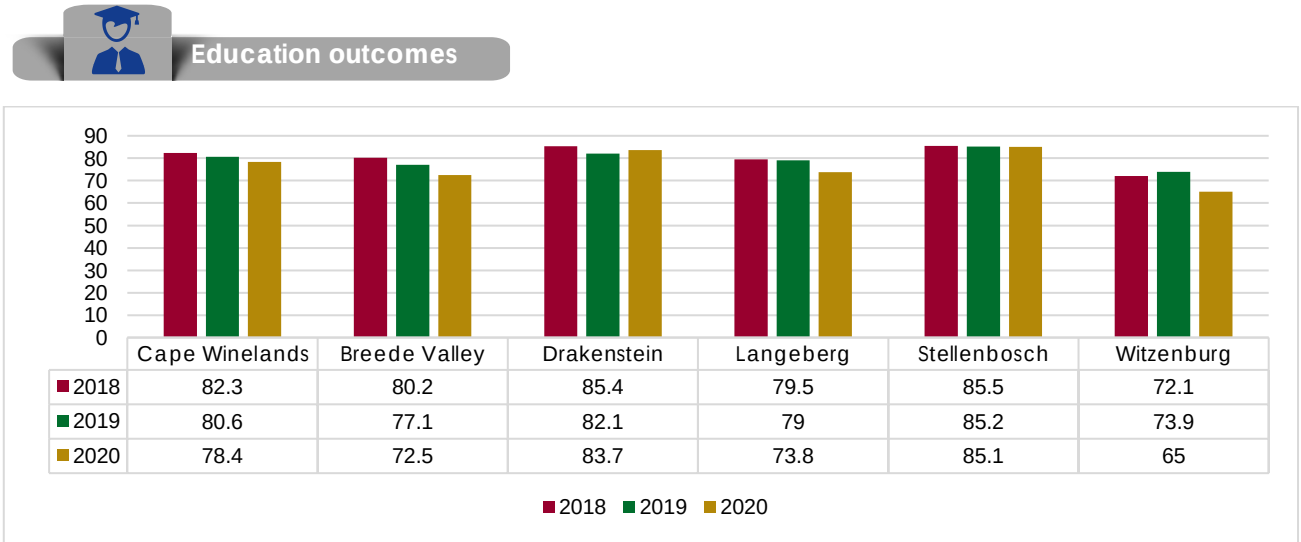
The number of schools with libraries / media centres decreased from 29 in 2018 and 2019 to 22 in 2020. The availability of library facilities within schools contributes towards narrowing the academic attainment gap by allowing students access to information which is in turn directly linked to improved education



2.5.4 Education outcomes (matric pass rate)

Education remains one of the key avenues through which the state is involved in the economy. In preparing individuals for future engagements in the labour market, policy decisions and choices in the sphere of education play a critical role in determining the extent to which future economic and poverty reduction plans may be realised. Education outcomes across the entire South Africa and Western Cape on general deteriorated as a result of COVID-19. The matric pass rate for Stellenbosch however increased ever so slightly from 85.0 per cent in 2019 to 85.1 per cent in 2020.

Graph 4: Education outcomes (matric pass rate)



	Cape Winelands	Breede Valley	Drakenstein	Langeberg	Stellenbosch	Witzenburg
2018	82.3	80.2	85.4	79.5	85.5	72.1
2019	80.6	77.1	82.1	79	85.2	73.9
2020	78.4	72.5	83.7	73.8	85.1	65

Source: Western Cape, Social – Economic Profile 2021

2.6 Health

2.6.1 Health Facilities

In 2020, the Stellenbosch municipal area had 8 primary healthcare facilities, which comprised of 7 fixed clinics and 1 community day centre; there were also 6 mobile/satellite clinics. In addition to these primary healthcare facilities, there is also a district hospital, 9 ART treatment sites and 13 TB clinics.

Table 10: Health facilities

Healthcare facilities

Area	Community Health Centres[2]	Community Day Centres[3]	Regional hospitals	District Hospitals	PHC Clinics (Satellite and Mobile)	PHC Clinics (Fixed)
Stellenbosch	0	1	0	1	6	7
Cape Winelands District	0	5	2	4	33	39

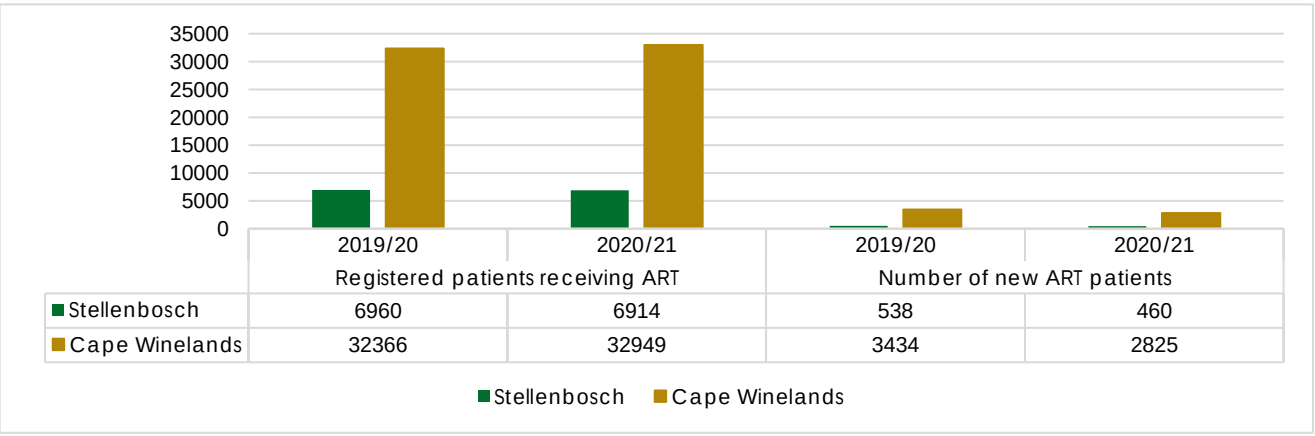
Source: Western Cape, Social – Economic Profile 2021

2.6.2 HIV / AIDS and Tuberculosis

The number of clients (patients) that remain committed to their antiretroviral treatment (ART) plan in the Stellenbosch municipal area decreased by 46 patients between 2019/20 and 2020/21. In total, 6 914 registered patients received antiretroviral treatment in the Stellenbosch municipal area in 2020/21. In turn, the number of new patients receiving ART also declined from 538 in 2019/20 to 460 in 2020/21. There has been an average annual decline of 7.8 per cent between 2016/17 (1 173) and 2020/21 (849) in the number of registered patients receiving TB treatment in the Stellenbosch municipal area.

Graph 5: HIV / AIDS

HIV / AIDS / Tuberculosis

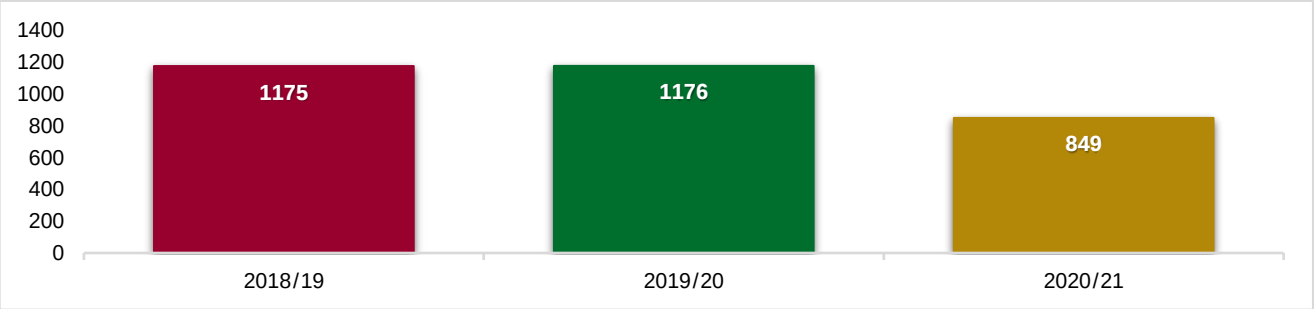


Source: Western Cape, Social – Economic Profile 2021

[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.

Graph 6: Tuberculosis

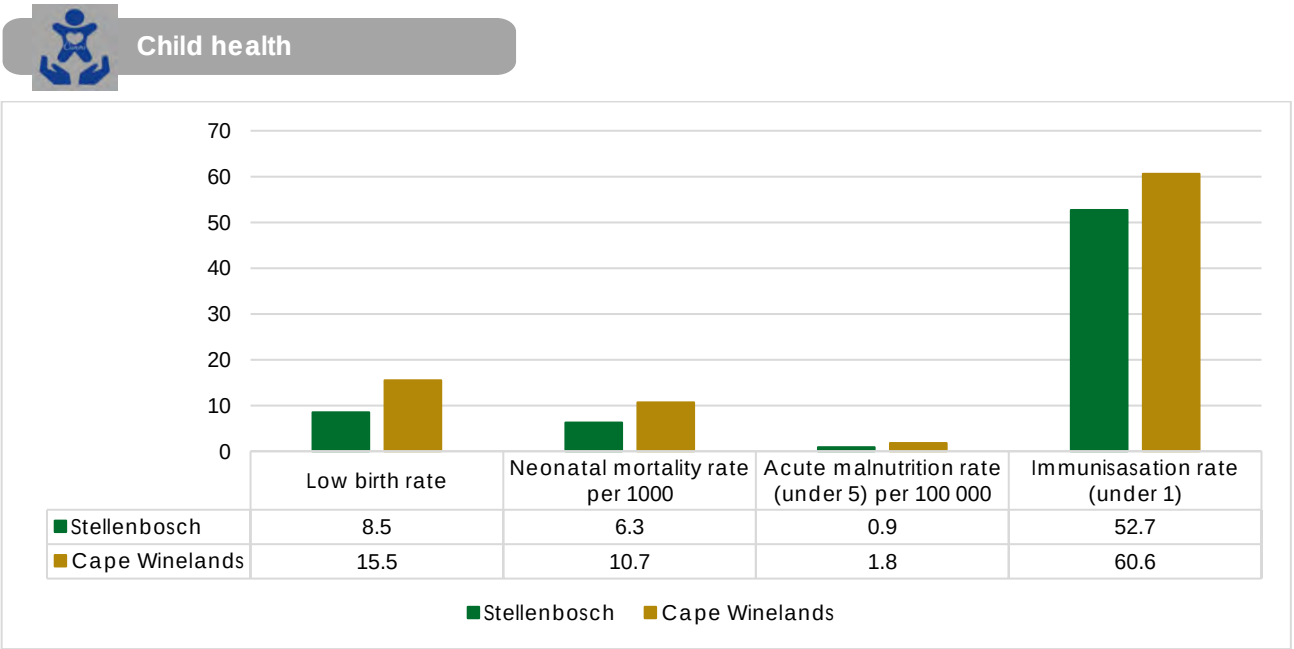


Source: Western Cape, Social – Economic Profile 2021

2.6.3 Child Health

The immunisation coverage rate for children under the age of one in the municipal area declined slightly from 55.1 per cent in 2019/20 to 52.7 per cent in 2020/21. The overall CWD rate also declined from 63.1 to 60.6 per cent across the same period. The number of malnourished children under five years of age (severe acute malnutrition) per 100 000 people in the municipal area declined notably from 2.6 in 2019/20 to 0.9 in 2020/21. The Western Cape average from 1.6 to 0.9. The CWD rate also declined from 3.3 to 1.8 per cent. The neonatal mortality rate (deaths per 1 000 live births before 28 days of life) for the municipal area increased from 5.2 in 2019/20 to 6.3 in 2020/21. The rate was still notably below the CWD average of 10.7. A total of 8.5 per cent of all babies born in facility in the municipal area in 2020/21 weighed less than 2 5000 grams. This is slightly worse than the 8.2 per cent recorded in 2019/20. This total was the lowest amongst all other local municipalities in the district.

Graph 7: Child health

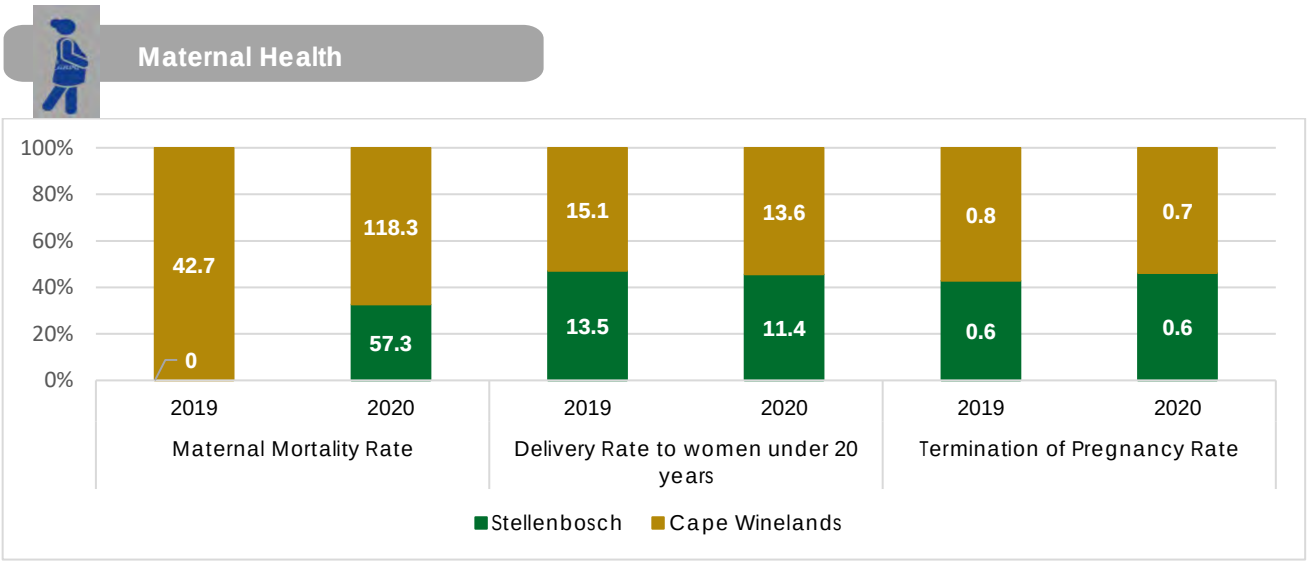


Source: Western Cape, Social – Economic Profile 2021

2.6.4 Maternal Health

In 2020/21, the Stellenbosch municipal area recorded the lowest number of maternal deaths (57.3) and teenage pregnancies (11.4 per cent) in the CWD. Although the number of teenage pregnancies decreased between 2019/20 and 2020/21, there was a significant deterioration in the maternal mortality rate (increase) in the municipal area. The termination of pregnancy rate (0.6 per cent) remained unchanged across this period.

Graph 8: Maternal health



Source: Western Cape, Social – Economic Profile 2021

2.6.5 Emergency Medical Services

Table 11: Emergency Medical Services

Emergency Medical Services

Health Indicator	Stellenbosch	Cape Winelands
EMS operational	6	38
No of operational ambulances per 10 000 people	3	2

Source: Western Cape, Social – Economic Profile 2021

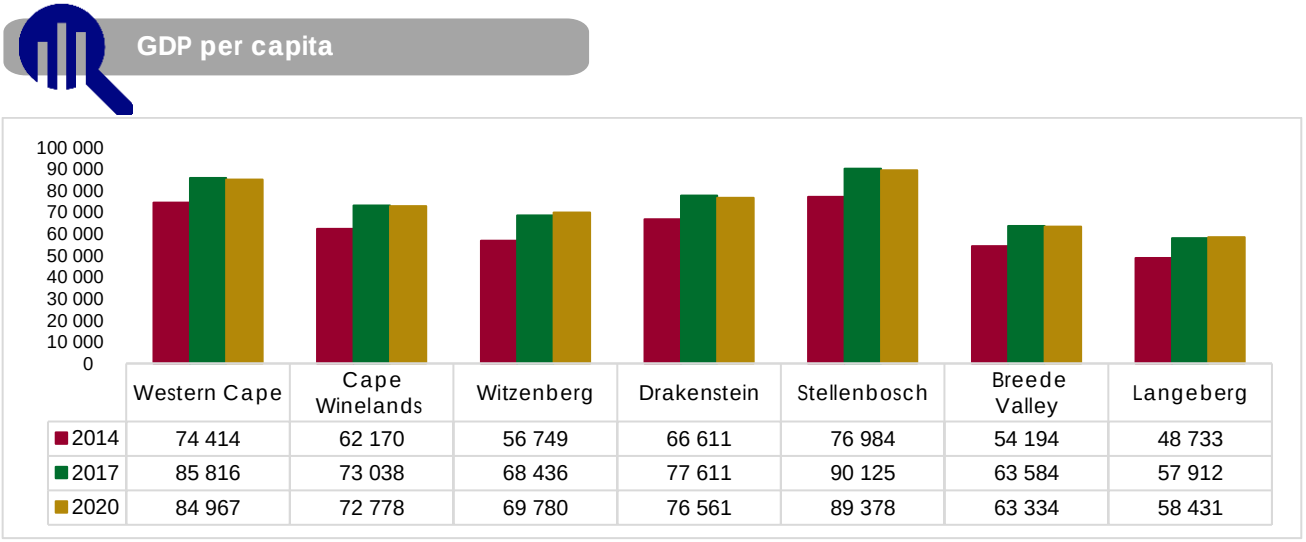
2.7 Poverty

2.7.1 GDPR Per Capita

An increase in real regional gross domestic product (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 GDPR 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.

GDPR per capita for the Stellenbosch municipal area was at R89 378 in 2020 (current prices) higher than the CWD (R72 778) and Western Cape (R84 967) averages. Constraint growth, coupled with growing population numbers, has resulted in a downward trend in GDPR per capita across most local municipal areas.

Graph 9: GDP Per Capita



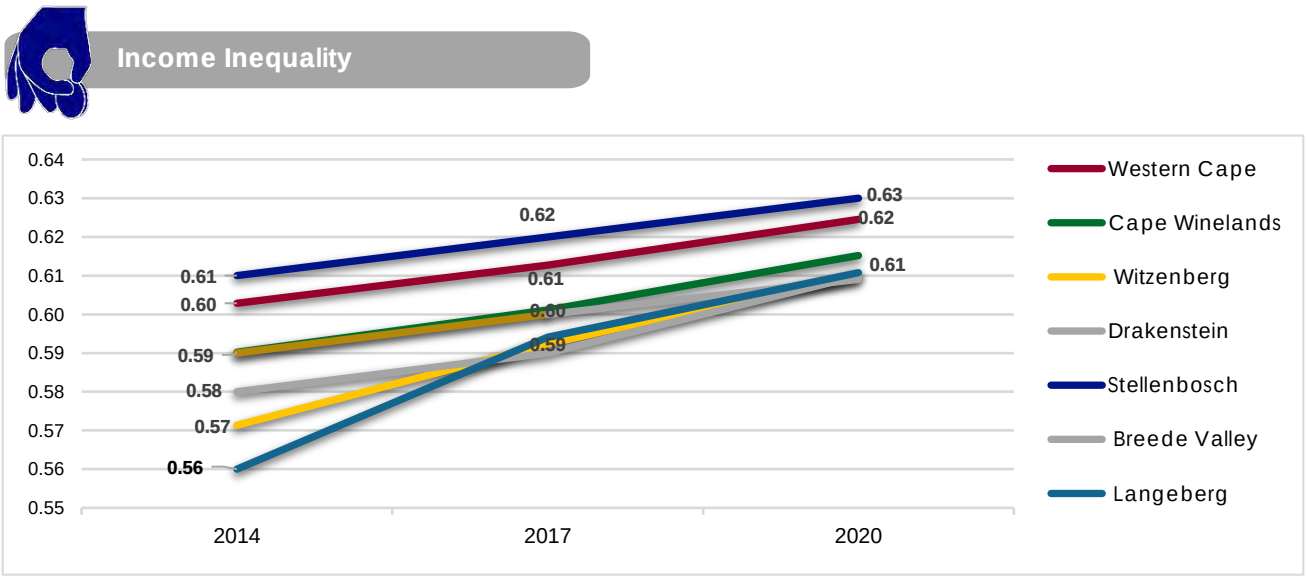
	Western Cape	Cape Winelands	Witzenberg	Drakenstein	Stellenbosch	Breede Valley	Langeberg
2014	74 414	62 170	56 749	66 611	76 984	54 194	48 733
2017	85 816	73 038	68 436	77 611	90 125	63 584	57 912
2020	84 967	72 778	69 780	76 561	89 378	63 334	58 431

Source: Western Cape, Social – Economic Profile 2021

2.7.2 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. However, between 2014 and 2020, income inequality in the Stellenbosch municipal area has worsened, with the Gini-coefficient increasing from 0.614 in 2014 to 0.631 in 2020. Worsening income inequality was also observed across the CWD (0.590 in 2014 and 0.615 in 2020) as well as the Western Cape Province (0.603 in 2014 and 0.625 in 2020).

Graph 10: Income Inequality



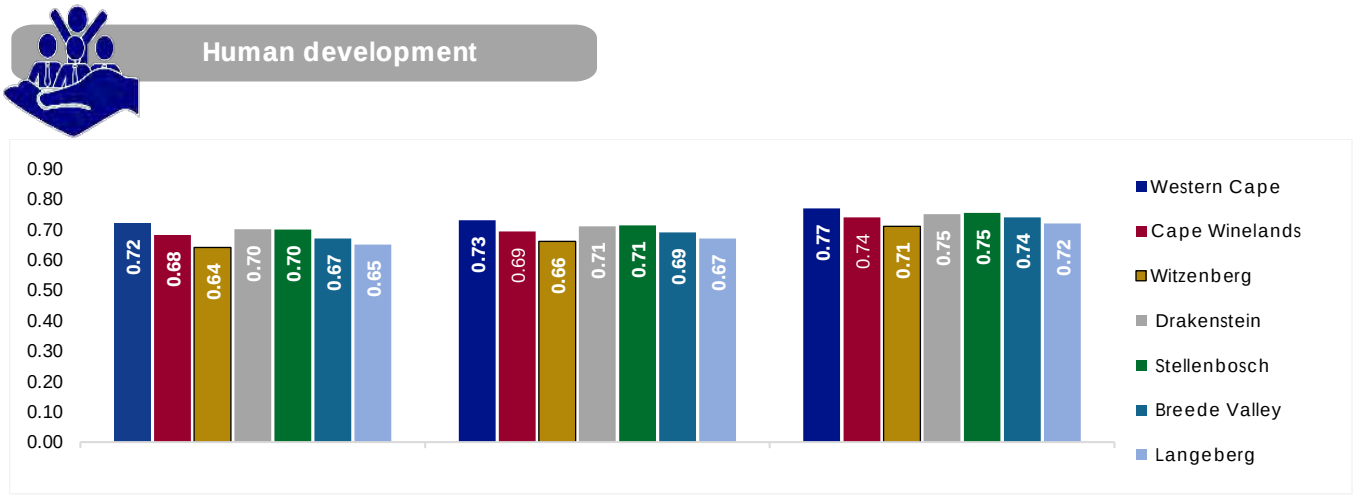
Source: Western Cape, Social – Economic Profile 2021

2.7.3 Human Development

The Human Development Index (HDI) is a composite indicator reflecting on 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. The United Nations uses the HDI to assess the relative level of socio-economic development within countries.

An overall improvement in human development is observed across the entire Western Cape with HDI levels increasing in all districts between 2014, 2017 and 2020. It is interesting to note that despite general economic hardship impacting on households, the HDI score for the Stellenbosch municipal area increase significantly more in recent times i.e., HDI in Stellenbosch was 0.704 in 2014 and increased to 0.709 in 2017; the increase was however more pronounced in 2020 at 0.751. The HDI score for the municipal area was in 2020 higher that the CWD average of 0.740.

Graph 11: Human development



Source: Western Cape, Social – Economic Profile 2021

2.8 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 2020. The latest official statistics was collected by Statistics South Africa for the 2016 Community Survey; the 2022 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.

2.8.1 Housing and household services

With a total of 50 328 households in the Stellenbosch municipal area, 72.7 per cent had access to formal housing, the lowest access level when compared with other municipalities in the CWD area; the CWD average was 80.8 per cent. The municipal area also had the highest percentage of people living in informal settlements at 25.2 per cent. In comparison, 17.4 per cent of people across the CWD resided in informal settlements. Access levels to basic services in the municipal area were as follows in 2019:

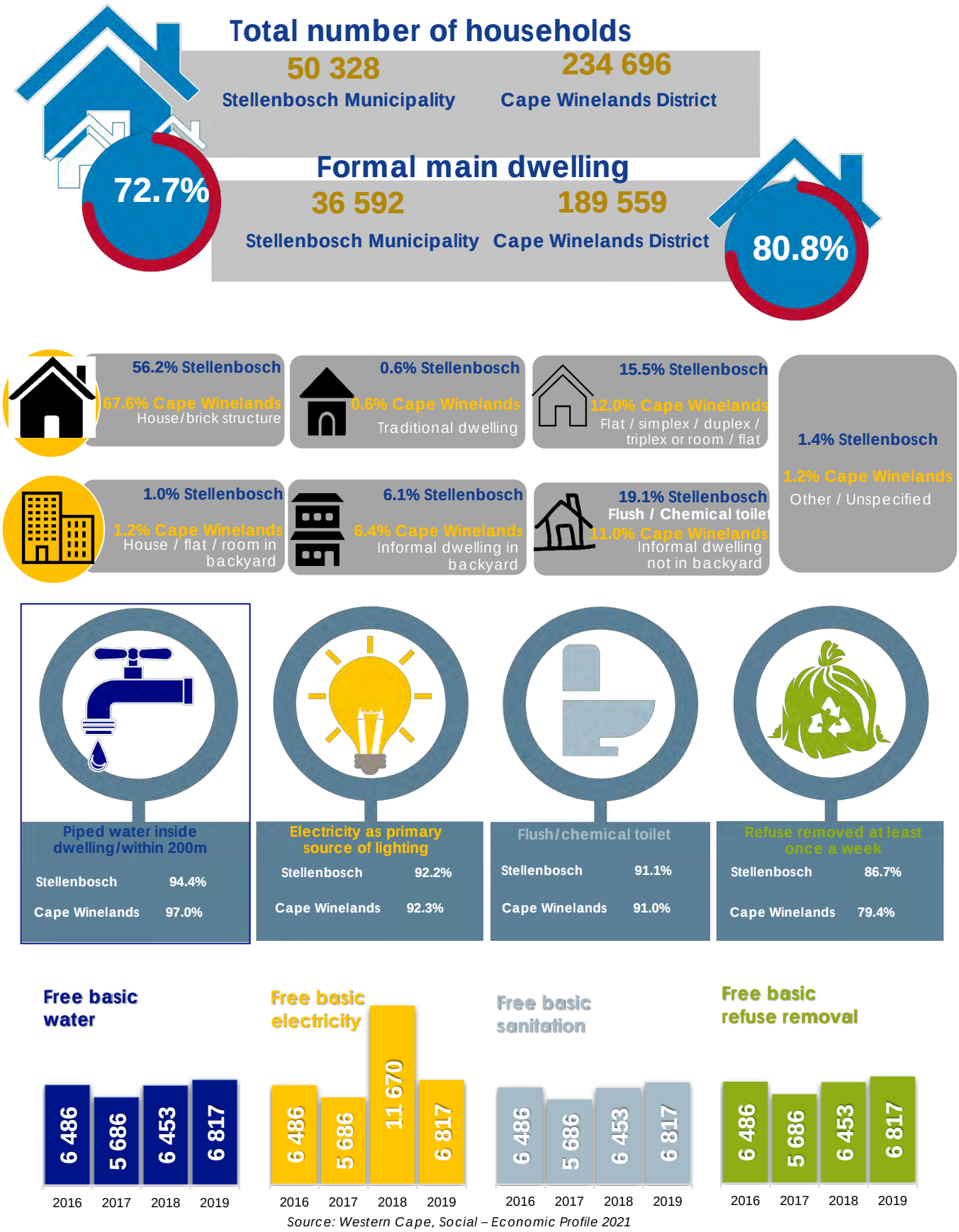
- Piped water inside / within 200 m of the dwelling: 94.4 per cent;
- Flush or chemical toilet: 91.1 per cent;
- Electricity (for lighting): 92.2 per cent; and
- Refuse at least weekly by local authority: 86.7 per cent.

While access to electricity and sanitation services were on par with the CWD average, access to piped water was notably below the district average. Access to refuse removal services were however above the district average.

2.8.2 Free Basic Services

According to the Department of Local Government, the number of registered indigent households in the Stellenbosch municipal area increased from 6 813 in 2019 to 7 011 in 2020 (2.9 per cent increase). Municipalities 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 an overall increasing trend between 2017 and 2019. The stressed economic conditions continue to exert pressure on household income levels, which in turn is likely to see the number of indigent households and the demand for free basic services increase.

Figure 12: Basic Services



Source: Western Cape, Social – Economic Profile 2021

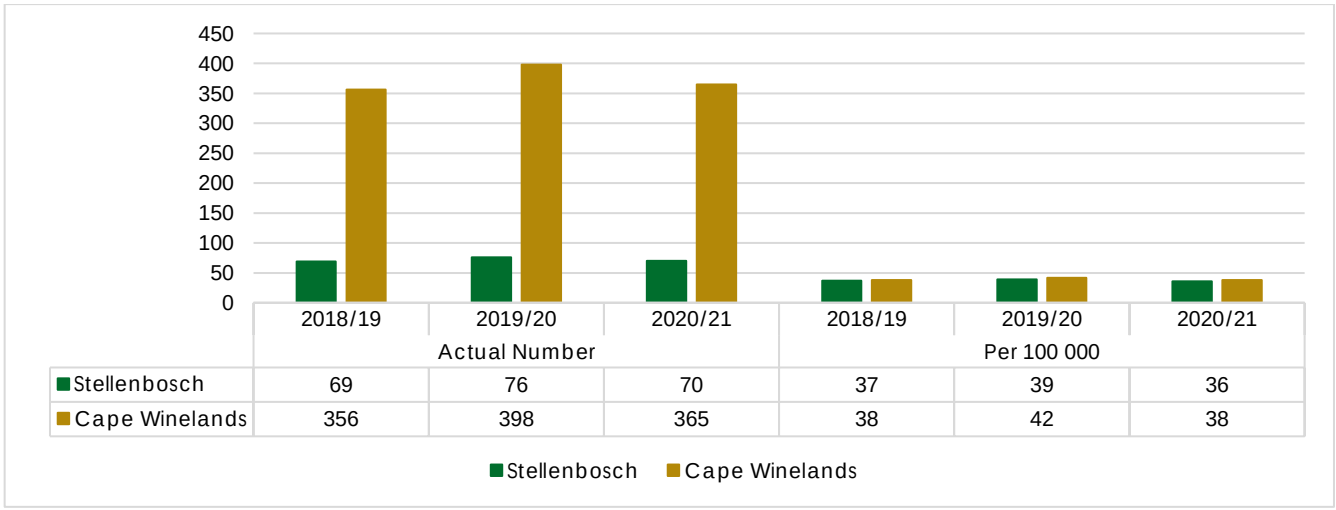
2.9 Safety and Security

2.9.1 Murder

The number of actual murders in the Stellenbosch municipal area decreased from 76 in 2019/20 to 70 in 2020/21. This amounted to a decrease in the murder rate from 39 occurrences per 100 000 people to 36 (-9.2 per cent) which was still slightly below the District average of 38. In comparison, the Provincial average was 53 in 2020/21.

Graph 12: Murder Statistics



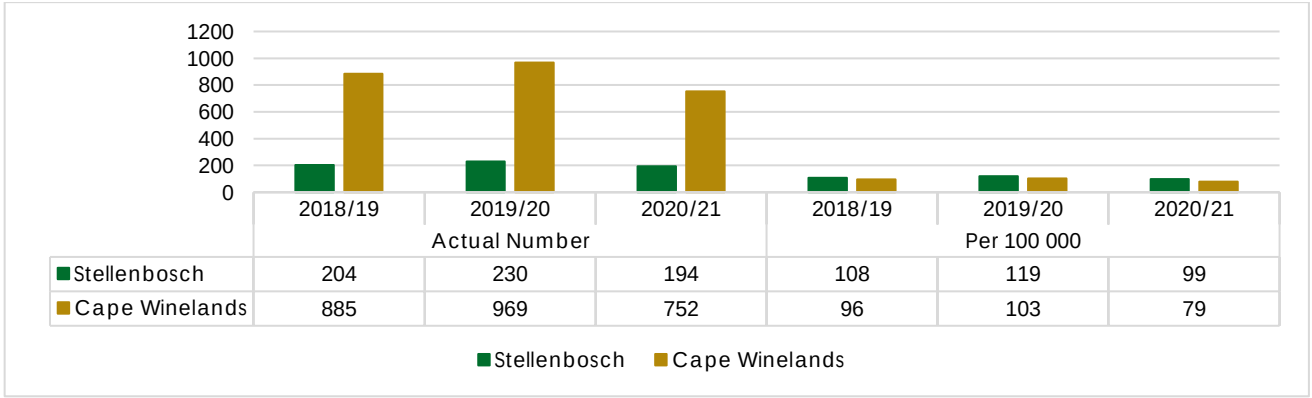


Source: Western Cape, Social – Economic Profile 2021

2.9.2 Sexual Offences

Sexual offences in the municipal area decreased by 17.1 per cent from 119 occurrences per 100 000 people in 2019/20 to 99 in 2020/21, but was still the highest amongst the various municipal areas of the District. Across the same period, the CWD sexual offences rate decreased from 103 occurrences per 100 000 people to 79 (23.4 per cent decline).

Graph 13: Sexual Offences

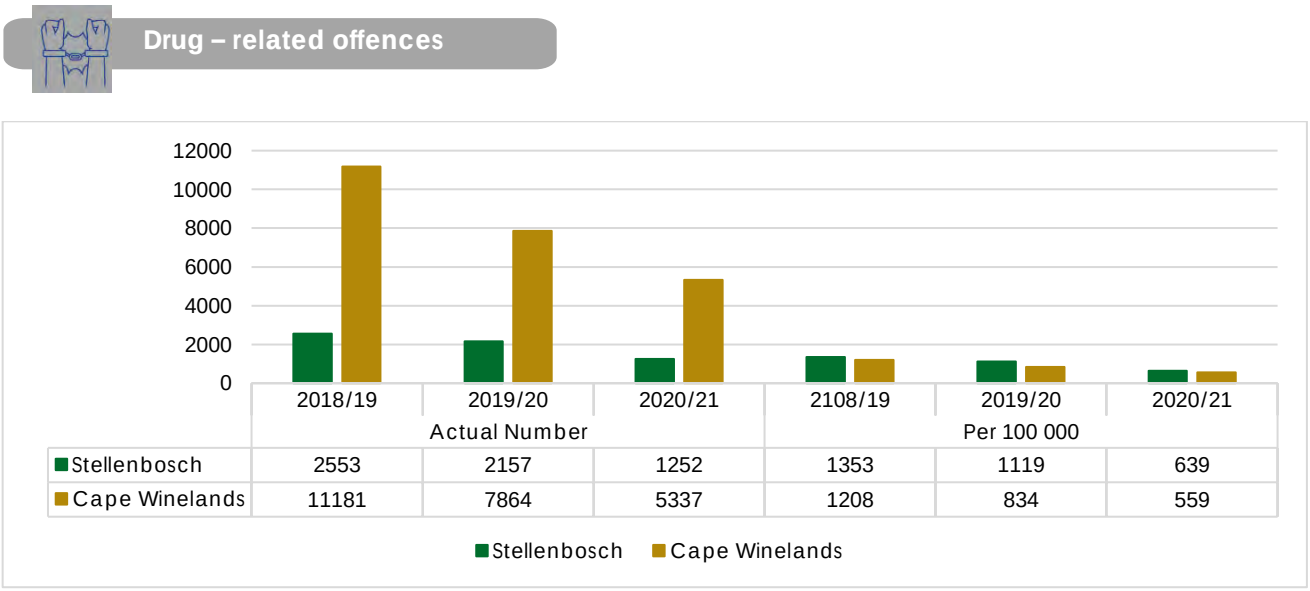


Source: Western Cape, Social – Economic Profile 2021

2.9.3 Drug – related Offences

Occurrences of drug related crimes declined significantly across the entire Western Cape - the drug-related crime rate in the Province decrease by 29.8 per cent from 890 occurrences per 100 000 people in 2019/20 to 625 in 2020/21. Mirroring this trend, the rate in the CWD decreased substantially from 834 to 559 (33.1per cent) while it decreased from 1 119 in 2019/20 to 639 in 2020/21. The municipal area had the second highest drug-related crime rate in the CWD.

Graph 14: Drug – related Offences



Source: Western Cape, Social – Economic Profile 2021

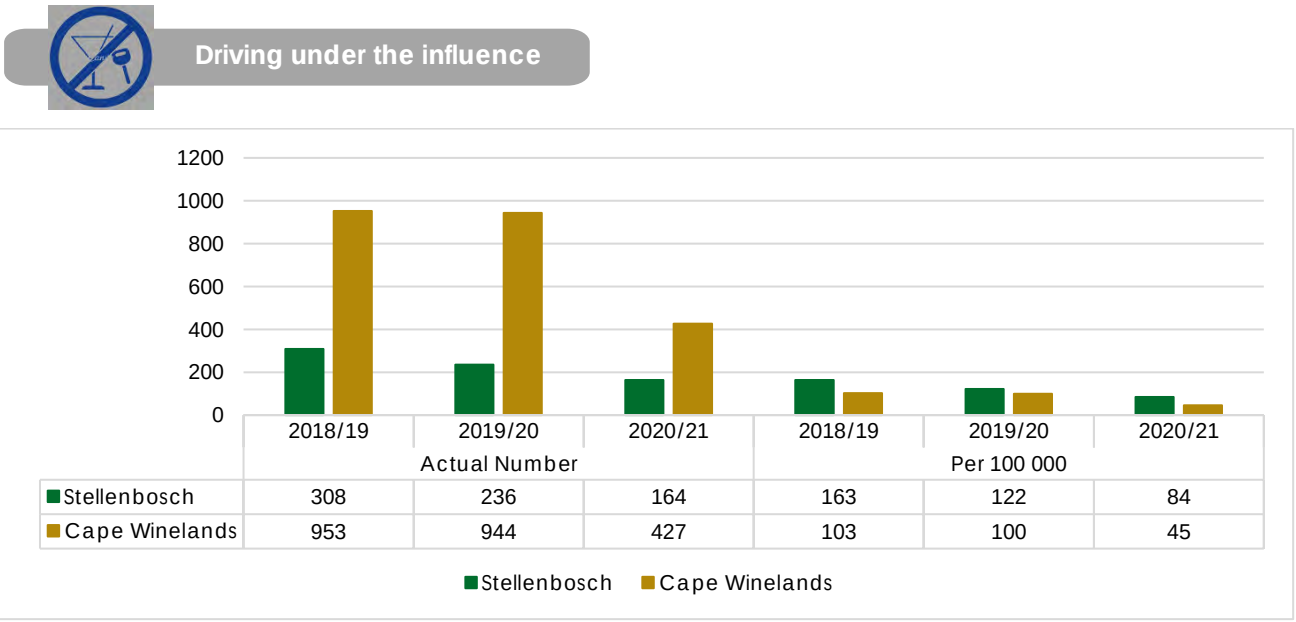
2.9.4 Driving under the influence (DUI)

Restrictions on the sale of alcohol and limited personal movement outside of a person's dwelling were always going to impact on the number of reported cases of driving under the influence (DUI) and residential burglaries. The total number of DUI cases reported in the Stellenbosch municipal area decreased from 236 in 2019/20 to 164 in 2020/21.

Expressed per 100 000 people, the DUI rate was 84 occurrences in 2020/21 (31.7 per cent decrease). The DUI rate in the CWD in turn declined by 55.4 per cent from 100 to 45 occurrences across the same period.

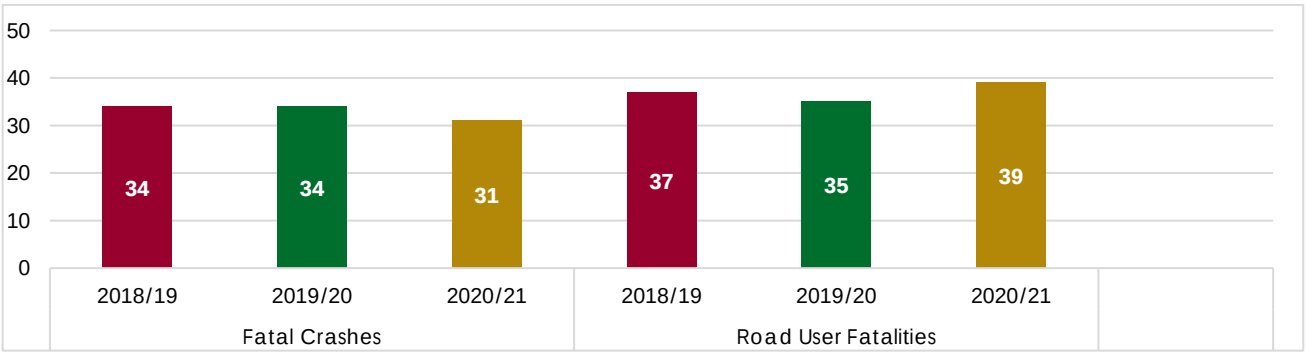
The number of road user fatalities in the Stellenbosch area decreased from 34 in 2019/20 to 31 in 2020/21. The number of fatal crashes decreased from 35 to 39 for the same reference period.

Graph 15: Driving under the influence



Source: Western Cape, Social – Economic Profile 2021

Graph 16: Fatal Crashes and Road User Fatalities

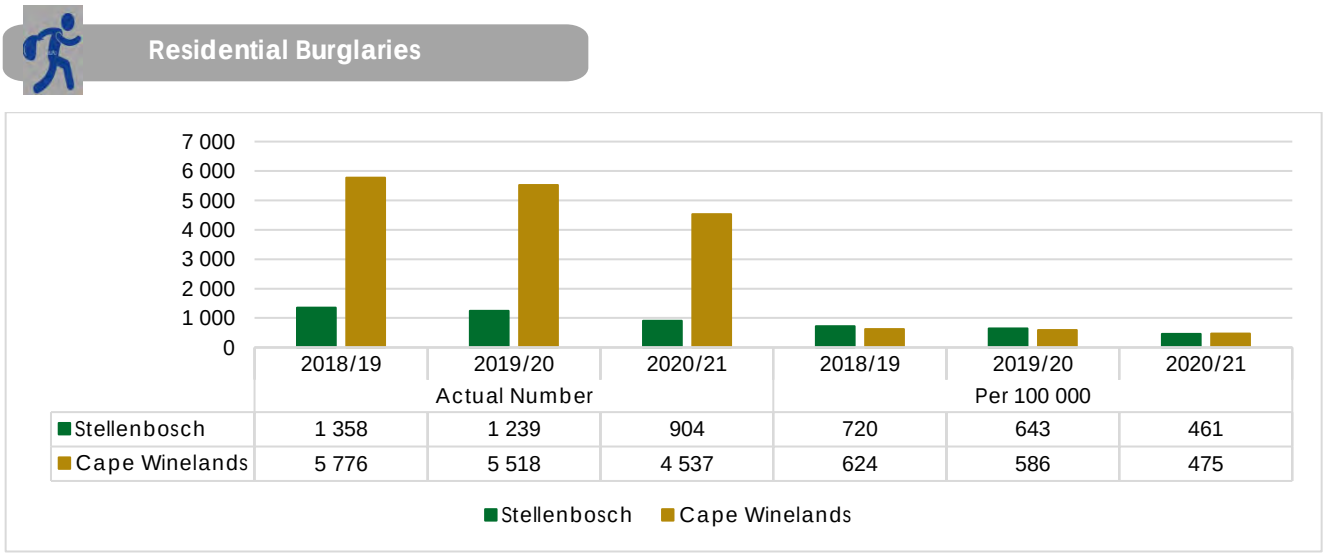


Source: Western Cape, Social – Economic Profile 2021

2.9.5 Residential Burglaries

Residential burglaries in the municipal area decreased sharply from 1 239 reported cases in 2019/20 to 904 in 2020/21. The burglary rate per 100 000 people subsequently decreased by 31.3 per cent from 643 occurrences in 2019/20 to 461 in 2020/21. Across the same period, the burglary rate in the CWD decreased by 18.9 per cent from 586 to 475 occurrences.

Graph 17: Residential Burglaries



Source: Western Cape, Social – Economic Profile 2021

2.10 Economy and Labour Market Performance

2.10.1 Sectoral Overview

In 2019, the economy of the Stellenbosch municipal area was valued at R16.759 billion (current prices) and employed 78 449 people. Historical trends between 2015 and 2019 indicate that the municipal area realised an average annual growth rate of 0.9 per cent which can mostly be attributed to the tertiary sector which registered a positive annual growth rate of 1.9 per cent. The economy is expected to contract by 6.7 per cent in 2020 with 4 659 jobs being shed.

In terms of sectoral contribution, the finance, insurance, real estate and business services (R3.634 billion), wholesale and retail trade, catering and accommodation (R3.530 billion) and the manufacturing (R2.779 billion) sectors were the main drivers that contributed to the positive growth. The former two sectors on average grew by 2.4 and 2.1 per cent respectively between 2015 and 2019, while the manufacturing sector declined by 0.9 per cent. The fastest growing sector across this period was, however, the transport, storage and communication sector (3.1 per cent). Except for agriculture, all sectors in the municipal area are expected to have contracted in 2020. The agriculture, forestry and fishing sector, which provides inputs for the manufacturing sector and purchases goods and services from a large portion of the tertiary sector industries, declined by 4.2 per cent between 2015 and 2019. The largest decline is anticipated to be observed in the construction sector which is expected to decline by 19.8 per cent.

The wholesale and retail trade, catering and accommodation (20 675); finance, insurance, real estate and business (13 509) and agriculture (10 610) sectors were in 2019 the largest sources of job creation. Although these sectors experienced positive average job creation between 2015 and 2019, all three are set to shed a significant number of jobs in 2020. The highest number of job losses are expected to be experienced in the wholesale and retail trade, catering and accommodation (-1 298) sector. General government is the only sector to experience job creation in 2020.

Table 12: Economic Sector Overview

	SECTOR	GDPR			Employment		
		R Million value 2019	Trend 2015 – 2019	Real GDPR growth 2020e	Number of jobs 2019	Average annual change 2015 - 2019	Net change 2020e
PS	**Primary Sector**	**821.8**	**-4.1**	**10.1**	**10 639**	**172**	**-490**
	Agriculture. forestry and fishing	789.5	-4.2	10.9	10 610	172	-489
	Mining and quarrying	32.2	0.2	-18.4	29	- 0	-1
SS	**Secondary sector**	**3 908.1**	**-0.6**	**-12.9**	**11 825**	**26**	**-1 081**
	Manufacturing	2 779.0	-0.9	-11.5	7 873	- 8	-601
	Electricity gas and water	247.2	-0.4	-6.4	155	3	-3
	Construction	881.9	0.7	-19.8	3 797	31	-477
TS	**Tertiary sector**	**12 029.2**	**1.9**	**-6.3**	**55 985**	**1 149**	**-3 088**
	Wholesale and retail trade. catering and accommodation	3 529.8	2.1	-9.6	20 675	625	-1 298
	Transport. storage and communication	1 856.3	3.1	-13.9	3 551	113	-127
	Finance. insurance. real estate and business services	3 634.3	2.4	-4.2	13 509	365	-644
	General government	1 853.9	-0.2	-0.1	7 645	-21	60
	Community. social and personal services	1 154.9	0.7	-2.8	10 605	66	-1 079
	Stellenbosch	**16 759.1**	**0.9**	**-6.7**	**78 449**	**1 346**	**-4 659**

Source: Western Cape, Social – Economic Profile 2021

2.10.2 Formal and Informal Employment

It is estimated that total employment in the municipal area will in 2020 amount to 73 790 workers, of which 54 341 (73.6 per cent) are in the formal sector while 19 476 (26.4 per cent) are informally employed. Most of the formally employed consisted of semi-skilled (43.5 per cent) and low-skilled (32.1 per cent) workers. Average annual growth in the skilled (0.4 per cent) and semi-skilled (0.5 per cent) categories were relatively equal while low-skilled employment contracted at an average annual rate of 1.4 per cent. The growth in the skilled cohort reflects the market demand for more skilled labour and the ability to sustain and slightly expand the demand for skilled employment even during times of economic hardship. The growth in the skilled and semi-skilled cohorts evidently reflect the need to capacitate and empower low-skilled workers to be absorbed in the labour market. Overall, formal and informal employment contracted by 0.4 and 2.1 per cent respectively between 2016 and 2020.

Table 13: Skills Levels Formal Employment

Skill Levels Formal employment	Skill Level Contribution 2020 (%)	Average growth (%) 2016 - 2020	Number of jobs	
			2019	2020
Skilled	24.4	0.4	13 818	13 254
Semi-skilled	43.5	0.5	24 883	23 607
Low-skilled	32.1	-1.4	18 639	17 453
TOTAL	**100.0**	**-0.2**	**57 340**	**54 314**

Source: Western Cape, Social – Economic Profile 2021

Table 14: Informal Employment

Informal Employment	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Number of informal jobs	19 913	19 790	19 904	21 110	21 546	22 950	21 214	22 239	21 851	21 109	19 476
% of Total Employment	30.6	29.9	29.3	29.9	30.0	30.2	28.0	28.7	27.9	26.9	26.4

Source: Western Cape, Social – Economic Profile 2021

2.10.3 Unemployment

To protect South African citizens from COVID-19, the government announced a national lockdown in March 2020 that brought about a shutdown of the economy, which in turn resulted in a shock in the labour market and a big change in the way people went about doing their work.

According to the Quarterly Labour Force Survey (StatsSA,2021)the number of unemployed persons in South Africa decreased by 183 000 from July 2021 to September 2021, following an increase of 584 000 from April 2021 to June 2021. This was the second decrease in unemployment since the COVID-19 national lockdown in March 2020. The decrease in unemployment can be noted that during July 2021 and September 2021, the national lockdown regulations were relaxed, which allowed travelling and played a role in people actively looking for work.

The official unemployment[4] rate in South Africa increased by 0,5 of a percentage point to 34,9 percent during July 2021 to September 2021.

The official unemployment rate increased in all the nine provinces, with the largest increase recorded in Mpumalanga (up by 9,7 percentage points), followed by North West (up by 7,4 percentage points), Limpopo (up by 6,2 percentage points) and Western Cape (up by 4,7 percentage points).

The expanded unemployment rate[5] in South Africa increased by 2,2 percentage points to 46,6 percent ((12.5 million people) in July 2021 to September 2021, due to the fact that people were available for work, but did not actively look for work during the national lockdow

[4] Definition: Official unemployment (aged 15–64 years): Were not employed in the reference week, actively looked for work or tried to start a business in the four weeks preceding the survey interview; and were available for work, i.e. would have been able to start work or a business in the reference week; or Had not actively looked for work in the past four weeks, but had a job or business to start at a definite date in the future and were available.

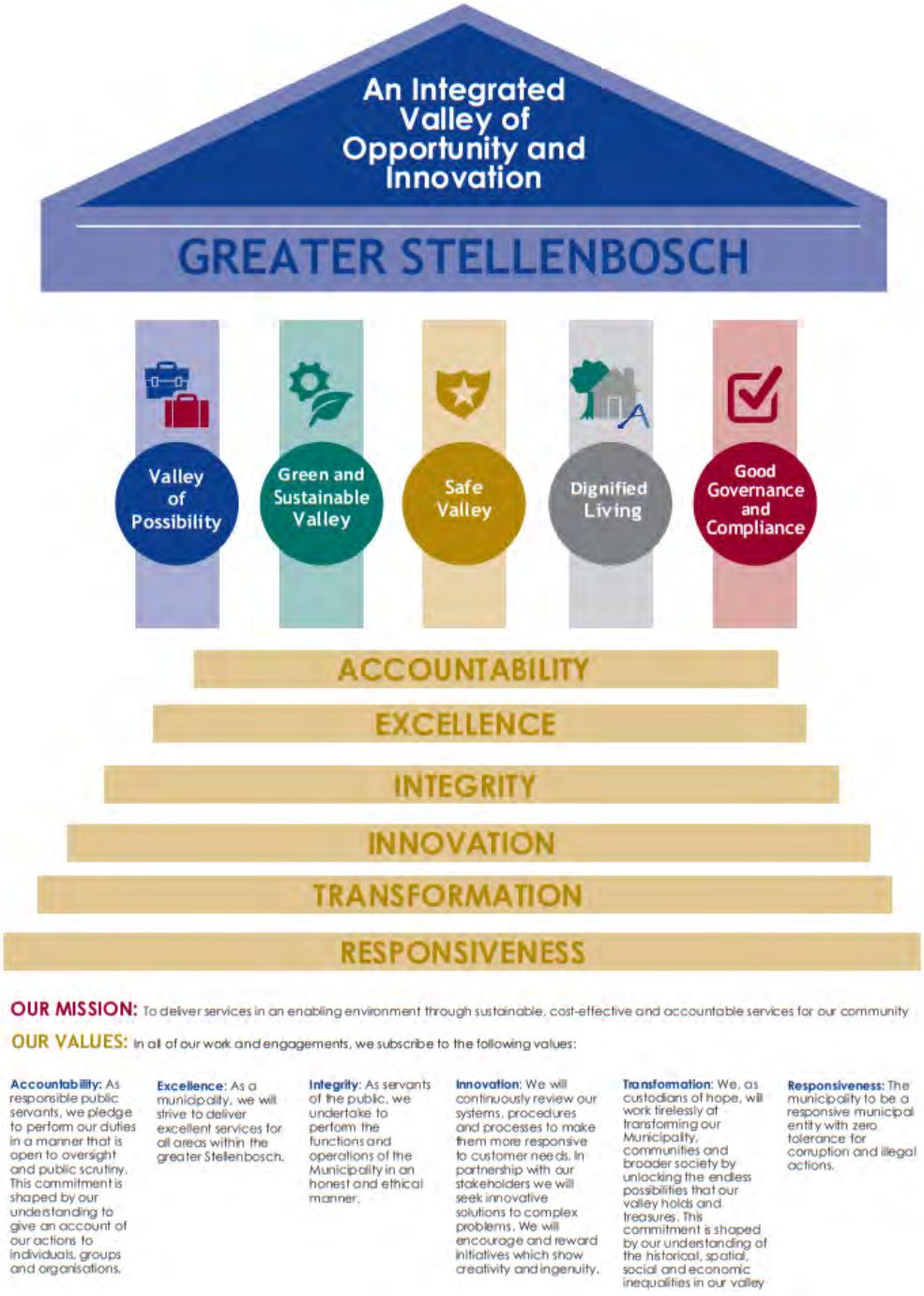
[5] Definition: Expanded unemployment rate (aged 15–64 years): were not employed in the reference week; and were available to work but did not look for work either because they are discouraged from looking for work .

CHAPTER 3:

Strategic Policy Context

3.1 Municipal Vision and Strategy

Figure 13: Municipal Vision and Strategy



VISION

We describe the vision of where we want to be as a Municipality and the Greater Stellenbosch area as the **"An Integrated Valley of Opportunity and Innovation"**

MISSION

Our mission is to deliver services in an enabling environment through sustainable, cost-effective and accountable services for our community

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.

Excellence: As a municipality, we will strive to deliver excellent services for all areas within the greater Stellenbosch.

Responsiveness: The municipality is a responsive municipal entity with zero tolerance for corruption and illegal actions.

3.2 Strategic Focus Areas (SFAs)

3.2.1 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 address these challenges: The first relates to the provision of services to citizens, and how these services can assist them to facilitate development and job creation. The second relates to the internal working of the municipality and how municipal procurement of services aids in fostering opportunities 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.

3.2.2 Strategic Focus Area 2: Green and Sustainable Valley

Several dimensions to the environment underpinned its importance for the greater Stellenbosch area and 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 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 the spatial direction is important. Firstly, we live our lives in geographic spaces; how activities and infrastructure are organised in space fundamentally impact 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 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, the municipal government has considerable influence over the space economy of settlements. Under 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 economic success through the provision and maintenance of infrastructure and how activities are organised in space.

3.2.3 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, opportunities 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.

3.2.4 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.

3.2.5 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 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.

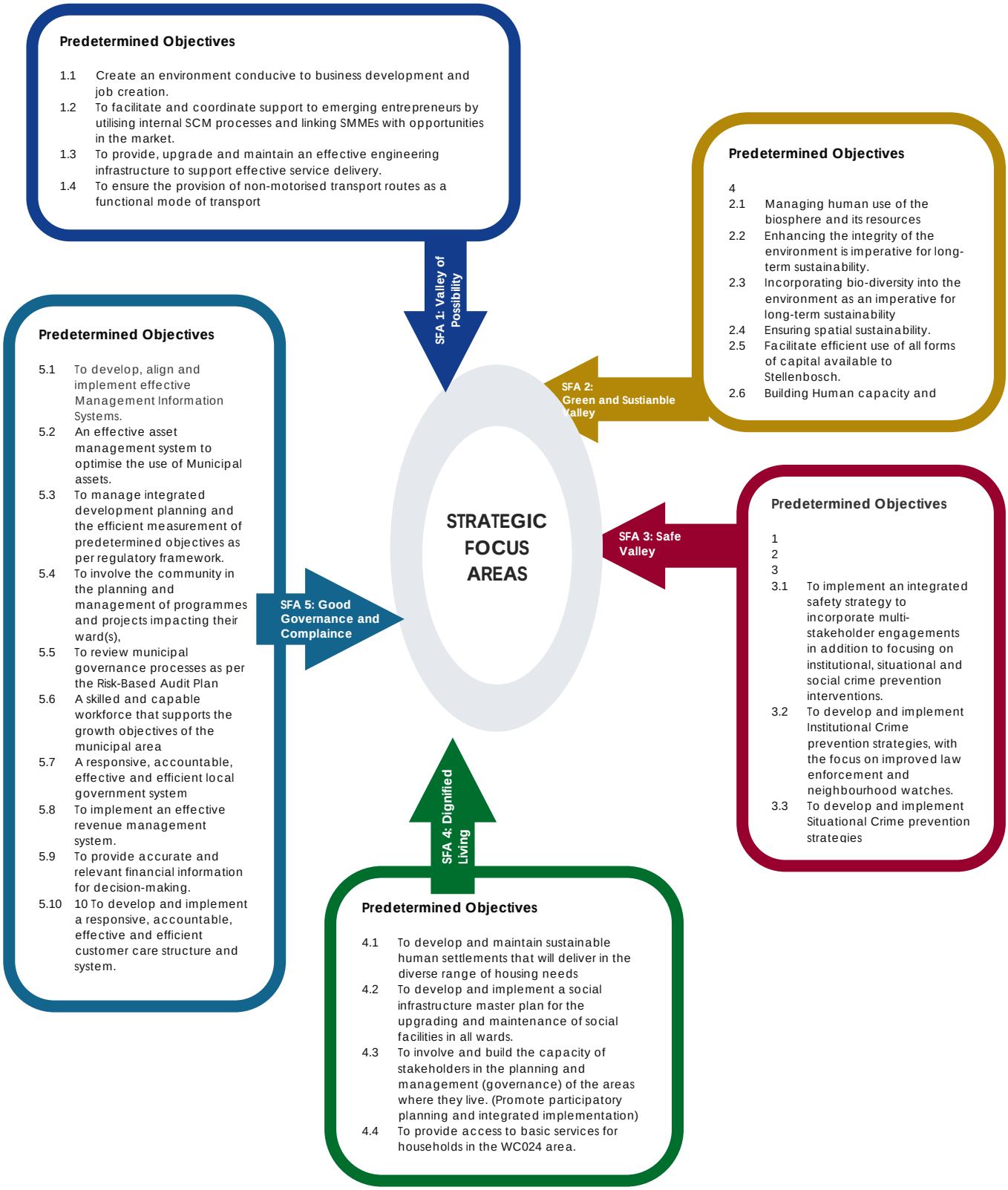
We cannot serve the needs of our citizens without a skilled and customer-focused administration in all the different functional areas and at all levels of the municipality. Given the rapid change in all facets of society, the opportunity must exist for staff to develop their skills, whether in specific functional areas or management. To ensure the best use of public resources, regular performance management is essential. The 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. To deliver on the needs of its citizens, the municipality is required to manage revenue streams sustainably. It also needs to ensure that funds available are utilised for identified projects 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 ongoing expenditure must be strategy-led.

3.3 Strategic Objectives and Pre – determined Objectives

Figure 14: Strategic Focus Areas and Pre – determined Objectives



3.4 Core Principles in Executing Strategy

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, 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 neighbourhoods. Stellenbosch Municipality is committed to ensuring that the 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 23 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.

3.4.1 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 daily. 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 the development and

management of the municipality. 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.

3.4.2 The tools of governance

Policy: defining / framing the position of government and direction for action concerning 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 that 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.

3.5 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 Fifth Generation IDP 2022 – 2027.

3.5.1 Sustainable Development Goals (SDGs)

Figure 15: Sustainable Development Goals (SDGs)



The Sustainable Development Goals (SDGs), officially known as *Transforming our world: the 2030 Agenda for Sustainable Development* is a set of seventeen aspirational "Global Goals" with 169 targets between them. The Agenda is an action plan for people, the planet, and prosperity, with a focus on strengthening peace and partnerships. The SDGs are integrated and indivisible and balance the three dimensions of sustainable development: the **economic, social** and **environmental**. The Goals are the following:

Sustainable Development Goals (SDGs) 2030

- 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.

3.6 National Policy Direction

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 the government's policy priorities indicated below:

National Strategic Outcomes

- Goal 1: Improved quality of basic education.
- Goal 2: A long, healthy life for all South Africans.
- Goal 3: All people in SA are and feel safe
- Goal 4: Decent employment through inclusive economic growth.
- Goal 5: A skilled and capable workforce to support an inclusive growth path
- Goal 6: An efficient, competitive and responsive economic infrastructure network.
- Goal 7: Vibrant, equitable and sustainable rural communities with food security for all.
- Goal 8: Sustainable human settlements and improved quality of household life.
- Goal 9: A responsive, accountable, effective and efficient local government system.
- Goal 10: Environmental assets and natural resources that is well protected and continually enhanced.
- Goal 11: Create a better SA and contribute to a better and safer Africa and World.
- Goal 12: An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship.

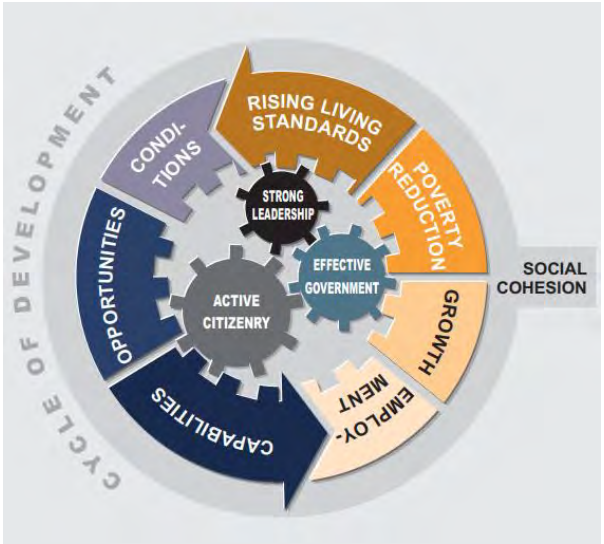
3.6.1 National Development Plan (NDP) – 2030

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 were released for consideration. The Commission consulted widely on the draft plan. The National Development Plan was adopted by Cabinet in September 2012.

An approach to change

The graphic below 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.

Figure 16: National Development Plan – An approach to change



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.

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; and
- Reduce inequality – The Gini coefficient should fall from 0.69 to 0.6.

Enabling milestones

- Increase employment from 13 million in 2010 to 24 million in 2030.
- Raise per capita income from R50 000 in 2010 to R120 000 by 2030.
- Increase the share of national income of the bottom 40% 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
- Broaden ownership of assets to historically disadvantaged groups.
- Increase the quality of education so that all children have at least two years of preschool education and all children in grade 3 can read and write.
- Provide affordable access to quality health care while promoting health and wellbeing.
- Establish effective, safe and affordable public transport.
- Produce sufficient energy to support industry at competitive prices, ensuring access for poor households, while reducing carbon emissions per unit of power by about one-third.
- Ensure that all South Africans have access to clean running water in their homes.
- Make high-speed broadband internet universally available at competitive prices.
- Realise a food trade surplus, with one-third produced by small-scale farmers or households.
- Ensure household food and nutrition security.
- Entrench a social security system covering all working people, with social protection for the poor and other groups in need, such as children and people with disabilities.
- Realise a developmental, capable and ethical state that treats citizens with dignity.
- Ensure that all people live safely, with an independent and fair criminal justice system.
- Broaden social cohesion and unity while redressing the inequities of the past.
- Play a leading role in continental development, economic integration and human rights.

3.6.2 Medium Term Strategic Framework 2019 – 2024 (MTSF)

The MTSF is a high-level strategic document to guide the five- year implementation and monitoring of the National Development Plan (NDP) 2030. It identifies the priorities to be undertaken during the 2019 – 2024 period to put the country on a positive trajectory towards the achievement of the 2030 vision. It sets targets for implementation of the priorities and interventions for the five–year period and

states the outcomes and indicators to be monitored.

The implementation of the MTSF 2019-2024 was however disrupted by the outbreak of the COVID-19 pandemic and the declaration of a National State of Disaster on 15 March 2020. The government had to reprioritise its plans and budgets in response to the pandemic, which has had a devastating impact on the health, social and economic aspects of the lives of South Africans. The President launched the Economic Reconstruction and Recovery Plan (ERRP) on 15 October 2020, which sought to restore much needed economic growth and employment. The combination of all these factors has meant that the MTSF 2019-2024 had to be revised to include critical interventions that are part of the government's relief and recovery efforts.

The Revised MTSF 2019-2024 also prioritises government commitments to prevail over the coronavirus pandemic and to work towards recovery. These commitments are to defeat the coronavirus pandemic, to accelerate our economic recovery and to implement economic reforms to create sustainable jobs and drive inclusive growth and lastly to fight corruption and strengthen the capacity of the state. These commitments are included in the Revised MTSF 2019-2024 and will provide the focus for annual and strategic plans.

The MTSF 2019 – 2024 aims to address the challenges of **unemployment**, **inequality**, and **poverty** through the three pillars of the NDP.

Figure 17: Three NDP Pillars



The priorities, which will be achieved through more focused implementation, coordination and integration by the various levels of government including state-owned enterprise, the private sector and civil society, are as follows:

Priority 1: A capable, ethical and developmental state;
Priority 2: Economic transformation and job creation;
Priority 3: Education, skills and health;
Priority 4: Consolidating the social wage through reliable and quality basic services;
Priority 5: Spatial integration, human settlements and local government;
Priority 6: Social cohesion and safe communities; and
Priority 7: A better Africa and world.

3.6.3 National District Development Model and One Plan

Cabinet approved the District Development Model (DDM) as an All of Government and Society Approach providing a method by which all three spheres of government and state entities work in unison in an impact-oriented way to speed up service delivery so ensuring that municipalities are properly supported and adequately resourced. The DDM is an intergovernmental approach focusing on 44 districts and 8 metropolitan spaces for more effective joint planning, budgeting and

implementation over multi-year planning and electoral cycles. Although each sphere, sector or entity has its distinct constitutional powers, functions and responsibilities, they cooperate and undertake collaborative planning, budgeting and implementation processes converging developmental efforts at the district / metropolitan level.

The objectives of the DDM are to:

- solve the silos at a horizontal and vertical level;
- maximise impact and align plans and resources at our disposal through the development of "One District, One Plan and One Budget";
- narrow the distance between people and government by strengthening the coordination role and capacities at the district level;
- ensure inclusivity through gender-responsive budgeting based on the needs and aspirations of our people and communities at a local level;
- build government capacity to support to municipalities;
- strengthen monitoring and evaluation at district and local levels;
- implement a balanced approach towards development between urban and rural areas;
- ensure sustainable development whilst accelerating initiatives to promote poverty eradication, employment and equality; and
- exercise oversight over budgets and projects in an accountable and transparent manner.

Nationally, the DDM is expressed through the development of a One Plan. The One Plan is defined as an intergovernmental plan setting out a 25-30 years long-term strategic framework (consisting of short, medium and long-term actions) to guide investment and delivery in relation to each of the districts and metropolitan spaces. This plan for each space is to be jointly developed and agreed to by all three spheres of government.

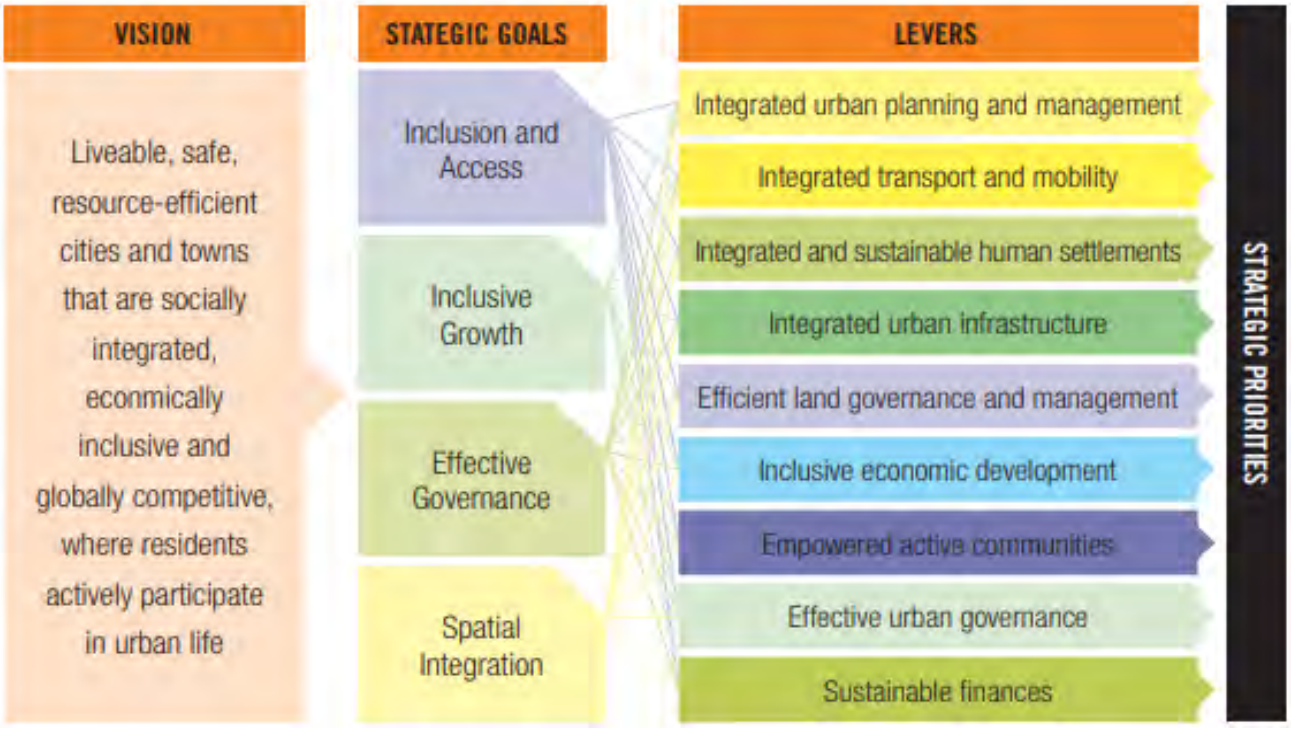
3.6.4 Integrated Urban Development Framework (IUDF)

The National Development Plan (NPD) indicated that by 2030 South Africa should observe meaningful and measurable progress in creating more functionally integrated, balanced and vibrant urban settlements. To attain this goal, the Department of Cooperative Governance, working in collaboration with other national departments and other role-players, developed the Integrated Urban Development Framework (IUDF) to transform and restructure South Africa's urban spaces.

The IUDF aims to guide the development of **inclusive**, **resilient** and **liveable urban settlements**, while directly addressing the unique conditions and challenges facing South Africa's cities and towns.

To achieve the transformation vision, four (4) overall strategic goals were introduced:

Figure 18: UIDF Strategic Goals and Levers



Source: Integrated Urban Development Framework

The above IUDF strategic goals give rise to nine (9) policy levers, the implementation of which depends on its integration into the municipal development planning tools such as the Spatial Development Framework (SDF) and Integrated Development Plan (IDP).

3.7 Provincial Policy Direction

3.7.1 The Western Cape Government 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 19: WCG: Vision Inspired Priorities (VIPs)



3.8 The Cape Winelands District Municipality (CWDM) Strategic Focus

The Cape Winelands District Municipality has set the following strategic objectives for their District:

Table 15: CWDM Strategic Objective 2022 – 2027

SOs	Strategic Objective 2022 - 2027
SO 1	Creating 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.

3.9 Local Policy Direction

3.9.1 Stellenbosch Municipality

The intent of the Strategic goals for the Fifth Generation IDP 2022 – 2027 will remain the same as the strategic goals of the Fourth Generation IDP.

The table below indicates how the municipality Strategic Focus Areas are aligned to National, Provincial and District Plans.

Table 16: Horizontal Alignment Matrix

Strategic Focus Areas (SFAs)	Sustainable Development Goal (SDGs)	National Strategic Outcomes	Medium Term Strategic Framework	Western Cape Provincial Government Strategic Plan	CWDM Strategic Objectives
SFA 1- Valley of Possibility	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (8)	Ensuring decent employment through inclusive economic growth (4)	Economic transformation and job creation (2)	Growth and Jobs (VIP 2)	Promoting sustainable infrastructure services and transport system which fosters social and economic opportunities.
SFA 2- Green and Sustainable Valley	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)	Ensuring that the environmental assets and natural resources are well protected and continually enhanced (10)	Social cohesion and safe communities (6) Spatial integration, human settlements and local government (5)	Empowering People (VIP 3)	Creating 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.
	Make cities and human settlements inclusive, safe, resilient and sustainable(11)	Ensuring vibrant, equitable and sustainable rural communities with food security for all (7) Promoting sustainable human settlements and improved quality of household life (8)	Social cohesion and safe communities (6)	Mobility and Spatial Transformation (VIP 4)	Promoting sustainable infrastructure services and transport system which fosters social and economic opportunities.
SFA 3- Safe Valley	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)	Ensuring all people in South Africa are and feel safe (3)	Social cohesion and safe communities (6)	Safe and Cohesive Communities (VIP 1)	Creating 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.
SFA 4- Dignified Living	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (4) Ensure healthy lives and promote well-being for all at all ages (3)	Providing improved quality of basic education (1) Enabling a long, healthy life for all South Africans (2)	Education, skills and health (3)	Growth and Jobs (VIP 2)	Creating 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)	Sustainable Development Goal (SDGs)	National Strategic Outcomes	Medium Term Strategic Framework	Western Cape Provincial Government Strategic Plan	CWDM Strategic Objectives
	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation (9)	Setting up an efficient, competitive and responsive economic infrastructure network (6)	A capable, ethical and developmental state (1)	Empowering People (VIP 3)	Promoting sustainable infrastructure services and transport system which fosters social and economic opportunities.
SFA 5- Good Governance and Compliance	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)	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)	A capable, ethical and developmental state (1) Education, skills and health (3) Social cohesion and safe communities (6)	Innovation and Culture (VIP 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)	A capable, ethical and developmental state (1)	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.

3.10 Municipal Manager: Five – Year Plan

Table 17: Municipal Manager 5 Year Plan 2022 - 2027

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

MUNICIPAL MANAGER 5 YEAR PLAN 2022 - 2027																			
IDP Re No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Portfolio	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating			
											Target	Target	Target	Target	Target	2023/24	2024/25	2025/26	2026/27
TBC	Office of the Municipal Manager	Section: Communication	NKPA 5	SFA 5	Corporate Services	Customer Centric Approach to basic services and improve on them where needed and expand	Develop a Communication Strategy	Number of Communication Strategies developed by 30 June	WCO24	1	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Corporate Services	Department: Information Communications Technology (ICT)	NKPA 5	SFA 5	Corporate Services	E-governance (SMART CITY)	Drafting of a Smart City Framework	Number of Smart City Frameworks drafted by 31 May	WCO24	1	n/a	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Waste Management	NKPA 1	SFA1	Infrastructure Services	Continues with our plan with bulk infrastructure upgrades to ensure sufficient bulk capacity – key for economic development	Establish new cell at the Stellenbosch Landfill Site	Number of new cells established at the Stellenbosch Landfill Site by 31 March	WCO24	1	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Waste Management	NKPA 1	SFA1	Infrastructure Services	Continues with our plan with bulk infrastructure upgrades to ensure sufficient bulk capacity – key for economic development	Implementation of the Assets Management Software Program	Number of Assets Management Software Programmes implemented by 31 March	WCO24	1	1	n/a	n/a	n/a	_	n/a	n/a	n/a	n/a

MUNICIPAL MANAGER 5 YEAR PLAN 2022 - 2027																				
IDP Re No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Portfolio	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating			
											Target	Target	Target	Target	Target	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Infrastructure Services	Department: Water and Wastewater Services	NKPA 1	SFA1	Infrastructure Services	Continues with our plan with bulk infrastructure upgrades to ensure sufficient bulk capacity – key for economic development	Linked to Mayoral Priority		WCO24	1	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Roads, Transport and Storm Water (RTS)	NKPA 1	SFA 3	Infrastructure Services	Critical road infrastructure upgrades from a safety and development point of view – R45, Western by-pass, etc	Completion of the Adam Tas Link Road	Number of Adam Tas Link roads completed by 30 June	WCO24	1	n/a	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Electrical Services	NKPA 1	SFA 1	Infrastructure Services	Clean, green Electricity generation to ensure economic sustainability	Amendment of policy to allow purchasing of electricity from public	Number of policies to be amended to allow purchasing of electricity from the public by 30 June	WCO24	1	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Financial Services	Department: Financial Management Services	NKPA 4	SFA 5	Financial Services	Financial viability and sustainability through long term financial planning and prudent financial management Zero tolerance to corruptions	Submission of a Revised Capital Expenditure Framework (CEF) to CoGTA	Number of revised Capital Expenditure Frameworks (CEF) submitted to CoGTA by 30 June	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 1	SFA 4	Human Settlement	Focus on social housing and Gap housing to address the plight of the backyarders and to provide dignified living	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 5	Human Settlement	Finalising the inclusionary housing policy to enable developers assist with housing provision especially gap	Submit the Stellenbosch Inclusionary Housing Policy to Council	Number of Stellenosch Inclusionary Housing Policies submitted to Council by 31 March	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

MUNICIPAL MANAGER 5 YEAR PLAN 2022 - 2027																				
IDP Re No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Portfolio	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating			
											Target	Target	Target	Target	Target	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 4	Human Settlement	Continuing with wealth creation through title deed programme	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Development Planning	NKPA 3	SFA 1	Planning	Adam Tas Corridor an excellent private- public partnership for sustainable urban development and inclusion	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Development Planning	NKPA 5	SFA 1	Planning	Improve on business processes in Planning department	Compilation of an annual report on the policy/ guideline/ SOP need assessment for the Department: Development Management	Number of annual reports on the policy/ guideline/ SOP need assessment for the Department: Development Management, compiled by 31 March	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Protection Services	NKPA 1	SFA 3	Protection Services	Implementation of a land invasion unit	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Protection Services	NKPA 1	SFA 3	Protection Services	Continuing improve on safer environment, through adding to our cameras and surveillance as well as supporting and creating more neighbourhood watches	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

MUNICIPAL MANAGER 5 YEAR PLAN 2022 - 2027																			
IDP Re No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Portfolio	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating			
											Target	Target	Target	Target	Target	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Infrastructure Services	Department: Electrical Services	NKPA 1	SFA 2	Infrastructure	Clean, green Electricity generation to ensure economic sustainability	Develop an Energy Master Plan	Number of Energy Master Plans to be developed by 31 December	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

CHAPTER 4:

Spatial Development Framework

4.1 The Purpose of the Spatial Development Framework

Spatial Development Frameworks (SDFs) serves to provide strategic direction and align the efforts of all government spheres as they apply within the municipal area. The SDF serves to give a coherent spatial direction to the municipal Integrated Development Plan (IDP), and provide a planned and integrated approach to achieve the shared spatial development vision, goals, and objectives for sector plans of government over a short term (5 years), as well as over a strategically longer-term (10 – 20 years), to achieve the desired spatial growth and development pattern of the municipality. 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.

In essence, the SDF is a spatial contract between all spheres of government, as well as the private sector, which is binding and must assist in integrating, coordinating, aligning, and expressing development efforts and should be actively supported through the specific arrangement of prioritising, mobilising, sequencing, and implementing of investment in priority spatial structuring areas to achieve the legislated development principles of sustainable development. Therefore, the SDF indicates 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 partners will be sought in development, and how the municipality will view development applications through its spatial planning and land use management system.

4.2 The focus of the SDFs

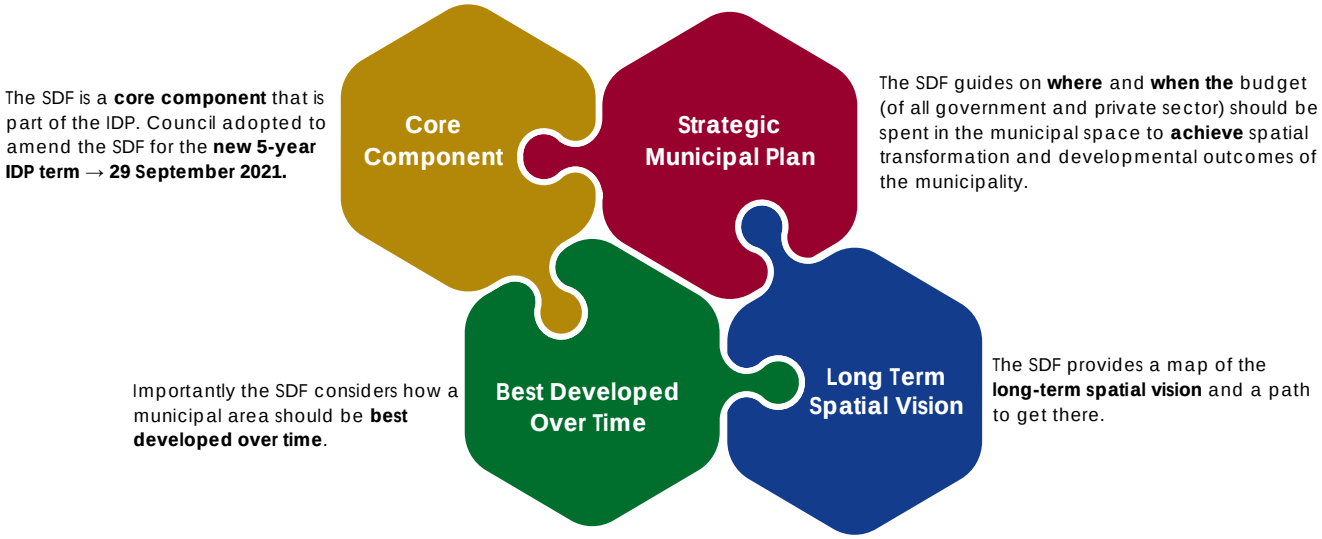
At its core, SDFs deal with the art and science of shaping places at different scales (or areas of influence, from large regions to municipal jurisdictions or neighbourhood precincts). The SDF aims to:

- 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.

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?"

4.3 The relationship between the SDF and IDP

Figure 20: Relationship: SDF and IDP



4.4 The Legislative Framework of Municipal 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. The coherent legislative system has been 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).

Section 12(1) of SPLUMA sets out general provisions which apply 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 18: SPLUMA and Development Principles

Principle	Meaning
Spatial justice	• 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 zoning scheme by-laws, 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 impede or restrict the exercise of its discretion solely because the value of land or property is affected by the outcome of the application.
Spatial sustainability	• 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. • 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	• 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	• The flexibility of spatial plans, policies and land use management systems accommodate to ensure sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks.

Principle	Meaning
Good administration	▪ All spheres of government must ensure an integrated approach to land use and land development, guided by spatial planning and land use management systems. ▪ 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. ▪ Transparent processes of public participation are incorporated within the preparation and amendment of spatial plans, policies, land use schemes and development applications to afford all parties the opportunity to provide inputs on matters affecting them. ▪ Policies, legislation and procedures must be clearly set to inform and empower members of the public.

At the municipal sphere of government, aligned with SPLUMA, and the Western Cape Land Use Planning Act, 2014 (Act No. 3 of 2014) (LUPA), the Stellenbosch Municipal Land Use Planning By-law (dated 1 December 2015) further outlines minimum standards for SDFs, both in the preparation process and content. 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 legislative frameworks and guidelines in its work on the SDF, which is subject to an extensive review every five years, with less comprehensive reviews annually.

4.5 Stellenbosch Municipality's work on its SDF

The Stellenbosch Municipality's work on the longer-term 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 longer-term SDF (dated November 2019), as well as specific sector documents and area studies, sought inputs from various organisations and individuals as part of public participation processes undertaken during various stages of preparing these studies. The extensive review of the SDF as part of the IDP process, as noted in the previous section is currently underway through the legislated project committee process in terms of LUPA and the Stellenbosch Municipal Land Use Planning By-law, which will produce a five-year spatial development plan, which will not detract from the longer-term spatial development vision contained in the adopted and approved SDF.

The sections below provide an overview of the spatial challenges, opportunities, strategies and programmes as reflected in the SDF over the longer-term.

4.6 The Spatial Challenges and Opportunities identified in 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 the SDF, following the broad themes contained in the SDF Guidelines.

Table 19: Spatial Challenges

Theme	Spatial Challenges
Bio-physical context	The degradation of key ecological assets and loss of productive agricultural land has been ongoing. The condition of the river systems within the municipality has deteriorated. Climate change is likely to have a significant impact on the natural resource base of the municipal area, which will include a reduction in water, increased temperatures, increased fire risks, and increased incidences of extreme weather events. This in turn will impact agricultural production, scenic landscapes, the liveability of urban areas and the ability to provide basic services such as water and sewerage treatment.
Socio-economic context	The population in the municipality will continue to grow above the average provincial rate, and urbanisation rates will increase with settlements absorbing the bulk of growth. The ability of the economy to absorb growth, particularly with regard to job creation, is concerning. The informal sector will continue to provide livelihoods to a significant proportion of residents. The growing youthful population, large student population, and the seasonal influx of labour are likely to increase the municipality's dependency ratio, in addition to a smaller base from which the municipality can collect revenue to provide services and opportunities that will improve the lives of the poor. Inequality in the municipal area, and particularly in the historic towns such as Stellenbosch and Franschhoek, remains significant and current development patterns are not addressing the issue. Crime rates remain high and the market response i.e. private security provision for those who can afford it, is likely to exacerbate inequality. Upgrading and provision of basic services and housing will remain the focus of the municipality, including other government agencies for the foreseeable future. The focus on these priority areas can lead to foregoing of investment in other areas that would likely have more socio-economic spin-offs and result in improved place-making. The municipality's inability to provide basic services (e.g. refuse removal) leads to dumping, environmental degradation and resulting health-related problems.
Built environment context	Infrastructure backlogs – especially in poor areas – and essential municipal infrastructure requires significant investment and maintenance. This applies to all basic services (electricity, water supply, wastewater management and solid waste disposal). The need for housing and shelter – both for the lower-income groups and those with employment – has not been adequately met. The existing housing pipeline will not meet the need of those requiring state assistance, and little is built which is affordable to ordinary workers. A pattern of intermittent land invasions and associated responsive basic infrastructure provision, as well as daily inward commuting of ordinary workers and students, is likely to continue. Property and land are inordinately expensive in the municipality, locking out both the poor and lower / middle-income workers from the property market. Without significant intervention in the property market, this situation is likely to worsen. Inequality in the municipality is particularly evident in the structure of settlements, with low-density development accommodating the wealthy, while the poor are accommodated in high density, poor quality peripheral areas. Significant numbers of people live in informal shelters. Many new developments reinforce a pattern of low overall densities and are located in peripheral areas, entrenching dependency on private transport, amongst other inefficiencies. New high-density development mostly focuses on the student market, and target groups using private vehicles. Numerous heritage resources located within the settlements are assets of immense value. Many of these, are underutilised and have the potential to become vehicles for innovative development that can contribute to creating a more inclusive economy.

Theme	Spatial Challenges
	The existing industrial / manufacturing operations and land holdings in the centre of Stellenbosch town impede large scale restructuring of the settlement. The planned move of Distell – occupying large tracts of strategic land in Stellenbosch town – to Klapmuts presents very significant opportunities for the future development of Stellenbosch, Klapmuts, and the broader regional space economy. If not rigorously managed as a shared initiative between the public and private sectors, the opportunity may be lost. The municipality should focus maximum effort on utilising the opportunity presented to address the needs of the town. Transport planning practice at the provincial level has maintained a regional mobility lens with the bulk of planning effort and funding allocated to road infrastructure rehabilitation and expansions that provide for and respond to demand-side growth, largely attributed to unconstrained low occupancy private vehicles at the cost of local mobility. Too little focus is placed on progressively improving the efficiency of use of existing road space through shifting modes and altering travel patterns. This regional mobility and growth approach's focus has very high financial, economic, social, and environmental costs, as it is unsustainable and exclusionary to most of the population. The regional focus on private vehicles growth has an adverse consequence for managing transport at the localised level where trips are generated. The provision of public transport, non-motorised modes and travel demand management programmes are generally considered as local municipal functions, and not a core responsibility or competency of the Province. Given the extent of transport issues in the municipality, the municipality has limited institutional capacity and funding for the management of transport issues. As a result, sustainable transport approaches have been extensively overlooked in favour of traditional engineering solutions. The municipality's continuously updated online housing demand database and associated mobile application provide a valuable source for planning and delivery.
Institutional context	The limited capital budget of the municipality, given the extent and depth of community needs. Limited funds to address critical issues especially related to infrastructure augmentation and maintenance places the municipality in a tenuous position to reverse backlogs or negative trends in shelter or infrastructure needs. Private sector investment is not structured to contribute to the long-term maintenance of common assets or address the developmental needs of the municipal area. The growth in rates income will largely be used to maintain existing infrastructure and services and will likely not focus on new productive investments. The limited professional resources of the municipality, specifically concerning the rigorous and dedicated full-time management of large-scale projects. Sector planning remains fragmented, and most developments follow a business-as-usual pattern.

4.7 The Spatial Proposals of the SDF

4.7.1 Spatial development 20 -year vision statement

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."

4.7.2 Strategic Focus and Spatial Alignment between the IDP and SDF

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 20: IDP Strategic Focus Areas and the SDF

IDP Strategic Focus Area	Related concerns of the SDF	SDF Strategic Direction
SFA1: Valley of possibility	The way settlements, nature and agriculture 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.
SFA2: Green and Sustainable Valley	The way settlements, nature and agricultural areas are spatially developed and managed to maintain and enhance natural resources and ensure a future balance between human settlement and its use of natural resources and opportunity.	Protection of natural areas, agricultural areas, and river corridors.
SFA3: 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.
SFA4: Dignified Living	The way settlements, nature and agricultural areas are spatially developed and managed to ensure equal access to shelter, facilities and services, notwithstanding material wealth, age, gender, or physical ability.	A specific focus on the needs of "ordinary" citizens, experiencing limited access to opportunity because of restricted available material resources.
SFA5: 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.

4.7.3 Spatial Proposals and Structuring elements of the SDF

The conceptual framework extracted from the SDF 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, focus on protective actions or alternatively called urban management.
- The intent is to 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 SDF 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, focus 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 ridgelines, view corridors, scenic routes, and vistas – from development.

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

- The spatial policies that relate to this principle, focus on protective actions around specific spatial elements e.g. maintaining the urban edge and following the defined settlement hierarchy.
- 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, focus 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 focus new growth and development primarily in larger settlements (as referenced in principle 3 above), to:

a) Minimise associated impacts on the environment, agricultural land, and natural resources.
b) Maximise the livelihood opportunity (also referred to as quality of life) through building on the availability of existing public facilities and commercial opportunities.
c) Maximise the sustainability of new facilities and commercial opportunities.
d) Enable the provision of infrastructure in the most efficient and cost-effective way.
e) Minimise the need for inter-settlement movement.
f) Maximise opportunity for and use of non-motorised and public transport.
g) Minimise growth in smaller settlements where opportunity is limited while improving access to local services and facilities (required daily).
h) 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 ensure a balanced approach to transport in the municipality, that appropriately serves 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.

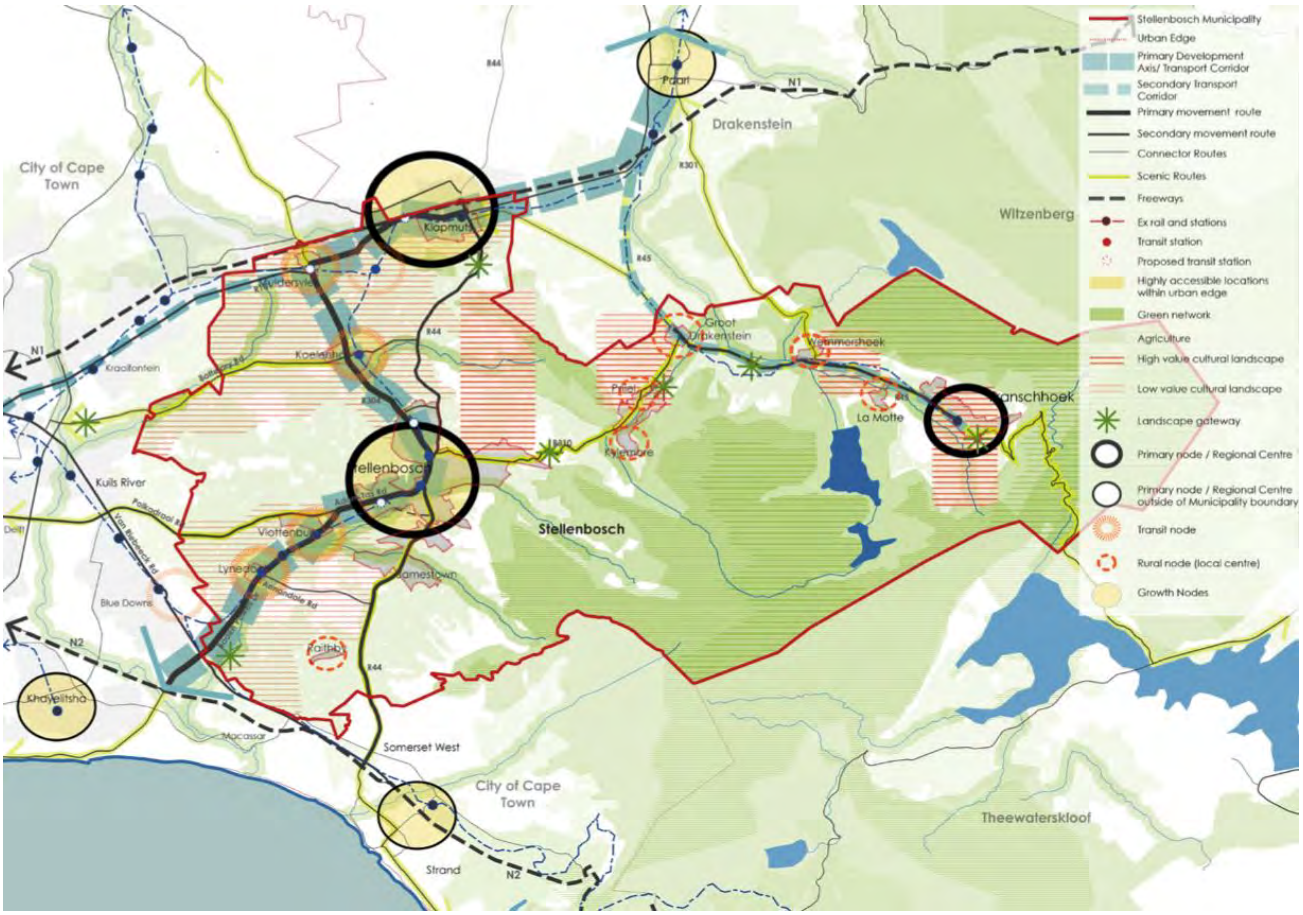
Ensure balanced, sustainable communities

- 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 SDF 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 opportunities 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 opportunities are accessible through public transport and NMT to all communities and provide 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 efforts 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 21: Consolidated Concept for the Municipal Area



4.8 Implementation Framework

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

4.8.1 Settlement hierarchy, priority development areas and themes

In terms of the SDF concept, prioritisation of development – at a broad level – are done through two main spatial structuring elements. The first is spatial and targeted at significant future growth in functional and priority development areas. The second is sectoral or thematic, focused on the kind of development to be prioritised.

The functional and priority development areas are categorised into urban and rural nodes and are depicted in the figure ... below, with the detailed description provided in the table:

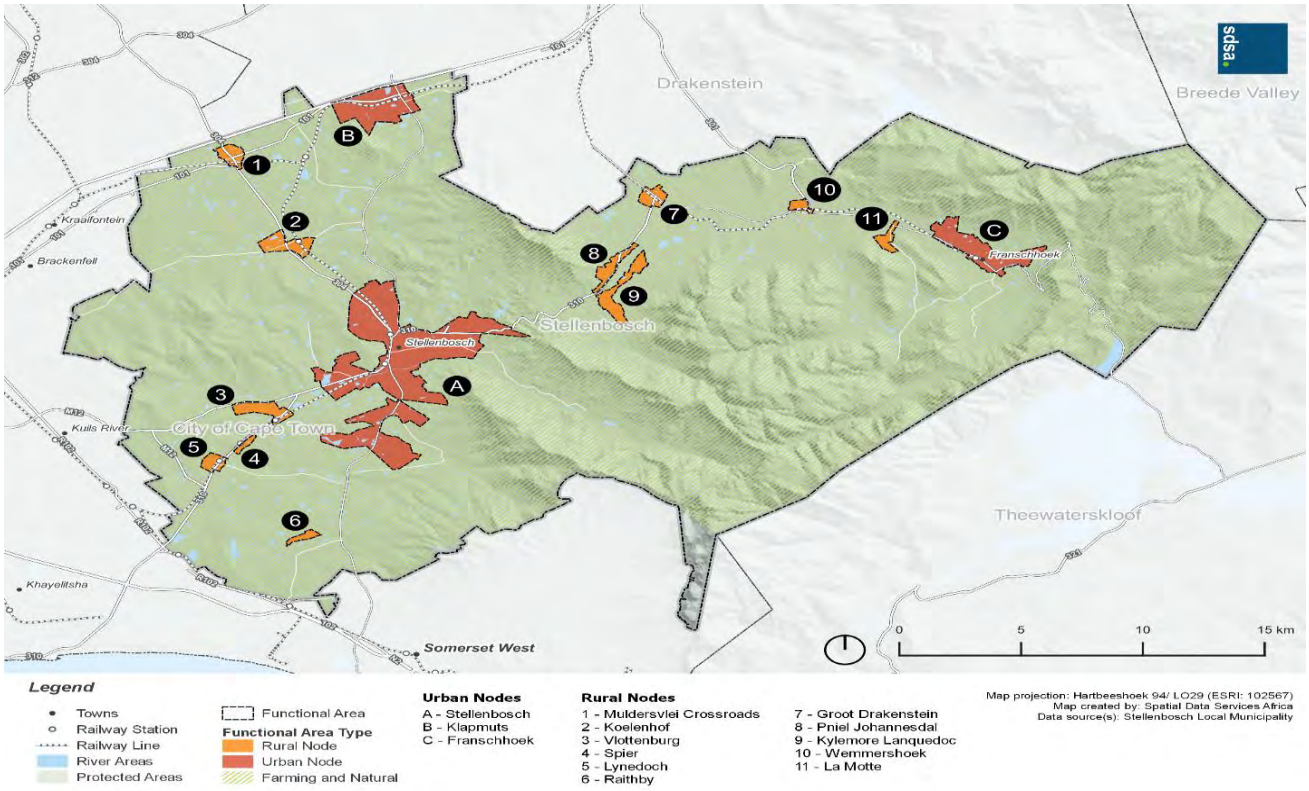
The spatial areas for priority development over the *SDF* planning period are:

- Stellenbosch Town;
- Klapmuts; and
- Franschhoek (maintenance).

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 well-located areas (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).

Figure 22: Functional and priority development areas



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 21: Proposed settlement hierarchy for the Stellenbosch Municipality

Settlement	Role	Development and Land Use Management Focus
Primary urban settlements		
Stellenbosch town (Urban node - A)	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 the 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 (Urban node - B)	Focus on economic development (utilising a favourable location for manufacturing, logistics, and warehousing enterprises) and associated residential opportunities	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.
Franschhoek (Urban node - C)	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 urban settlements		
La Motte (Rural node – 11)	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 (Rural node – 10)	Contained rural settlement.	Possible extension of residential opportunity linked to re-use of the saw-mill site and local employment opportunity.
Groot Drakenstein (Rural node – 7)	Contained rural settlement.	Accommodation of sensitive private and public sector initiatives offering expanded livelihood (including tourism) and residential opportunity.
Dwars River Valley (Rural node – 8 and 9)	Contained historic rural settlements.	Accommodation of sensitive private and public sector initiatives offering expanded livelihood (including tourism) and residential opportunity.
Jonkershoek (Rural node)	Contained, but a dispersed collection of institutional, recreational and residential uses.	Potential future consolidated, inclusive settlement linked to rail/ bus.
Muldersvlei (Rural node – 1)	Contained rural settlement.	Potential future consolidated, inclusive settlement linked to rail/ bus.
Koelenhof (Rural node – 2)	Contained rural settlement.	Potential future consolidated, inclusive settlement linked to rail/ bus.
Vlottenburg (Rural node – 3)	Contained rural settlement.	Gradual expansion of unique development model based focused on sustainable living and education.
Lynedoch (Rural node – 5)	Contained village and institutional cluster.	Containment and limited expansion of existing offering.

Settlement	Role	Development and Land Use Management Focus
Spier (Rural node – 4)	Contained tourism and cultural centre.	Protection of unique historic settlement structure and form.
Raithby (Rural node – 6)	Contained historic rural settlement.	Potential future consolidated, inclusive settlement linked to rail/ bus.

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 *SDF* 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 are 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).

4.8.2 Policy Framework

The table below sets out specific spatial policies to support the SDF 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 begin to frame the work to be undertaken – or continued – in support of proposed policies.

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

Table 22: Specific work guidelines

No.	Strategy	Spatial Policy	Non-Spatial, Supportive Policy	Work Guidelines
1.	Maintain and grow the assets of SM's natural environment.	• 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	• 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	• 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

No.	Strategy	Spatial Policy	Non-Spatial, Supportive Policy	Work Guidelines
		settlement supportive of the *m*SDF objectives, an agri-village in line with provincial policy for the settlement of farmworkers, or the formalisation of the "urban" component of existing forestry settlements (for example Jonkershoek and La Motte). • 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.	enable a transition to a low carbon, sustainable energy future. • Support initiatives to extend public access to natural assets without compromising the integrity of natural 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.	and wetlands in urban areas. • Develop resource-efficient strategies for all municipal services and land and building development (e.g. compulsory green energy installations in building development, greywater 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 that 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.	• 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 ridgelines, view corridors, scenic routes, and vistas – from development.	• 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.	• 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 – continiously – 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

No.	Strategy	Spatial Policy	Non-Spatial, Supportive Policy	Work Guidelines
		• Support alternative uses for historic structures and places that will enable its preservation (subject to adherence to general *m*SDF strategy and policies).		adjoining municipal areas).
3.	Direct significant growth or new development in SM to areas: • Not identified as of the most critical natural or cultural significance. • Where the most opportunity exists in existing infrastructure investment, whether reconfigured, augmented, or expanded.	• Prioritise the targeted settlements on the Baden Powell-Adam Tas-R304 corridor for growth / new development. • Over the *m*SDF period, focus on Stellenbosch town and Klapmuts to accommodate significant new growth.	• 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).	• 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.	Clarify and respect the different roles and potentials of settlements in SM and maintain the identity of each.	• 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: – Minimise associated impacts on the environment, agricultural land, and natural resources. – Maximise livelihood opportunities through building on the availability of existing public facilities and commercial opportunities. – Maximise the sustainability of new facilities and commercial opportunities. – Enable the provision of infrastructure in the most efficient and cost-effective way. – Minimise the need for inter-settlement movement.	• 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.	• 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
		– Maximise opportunity for and use of non-motorised and public transport. • 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.	• Actively promote compact, dense, mixed use development which reduces car dependence and enables and promotes use of public and NMT.	• 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 / Klapmuts rail line as backbone of transport movement along the Baden Powell-Adam Tas-R304 corridor.	• 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.

No.	Strategy	Spatial Policy	Non-Spatial, Supportive Policy	Work Guidelines
6.	Develop all settlements as balanced, inclusive, appropriately serviced, communities, negotiable through NMT and exhibiting a positive relationship with surrounding nature and agricultural land.	• 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 urban edges over the *m*SDF period. • 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.	• 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.	• Review the delineation of restructuring zones to support the *m*SDF 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 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. • 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.	• 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.	• 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	• The planning of infrastructure and social facilities should accommodate the likelihood of back-yarding and its contribution to livelihood strategies.	• Develop an inclusionary housing policy and guidelines. • Prioritise infill housing opportunity on public

No.	Strategy	Spatial Policy	Non-Spatial, Supportive Policy	Work Guidelines
		settlements forming part of the Baden Powell-Adam Tas-R304 corridor.		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 public space and public and NMT routes.	• Reinforce social facilities with good quality urban management to ensure service excellence and sustainability. • Focus on fewer but better social facilities.	• Cluster social facilities. • Locate facilities in association with public 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).	• 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.		• 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 *m*SDF 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 *m*SDF principles and proposals.	• 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) to ensure appropriate infrastructure arrangements, the provision of inclusionary housing, public facilities, and so on.

No.	Strategy	Spatial Policy	Non-Spatial, Supportive Policy	Work Guidelines
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: • Unlocking development in Klapmuts North. • The Adam Tas Corridor (in Stellenbosch Town).	• 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.	• 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.

4.9 Catalytic Initiatives - 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 SDF 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 the 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 dis-used Cape Sawmills site to the west of Kayamandi and Cloetesville 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 Cloetesville. 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 the 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 that 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 that 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 of government, private stakeholder involvement and established partnerships. It would include a broad agreement between landowners and the municipality to pursue the corridor development concepts.

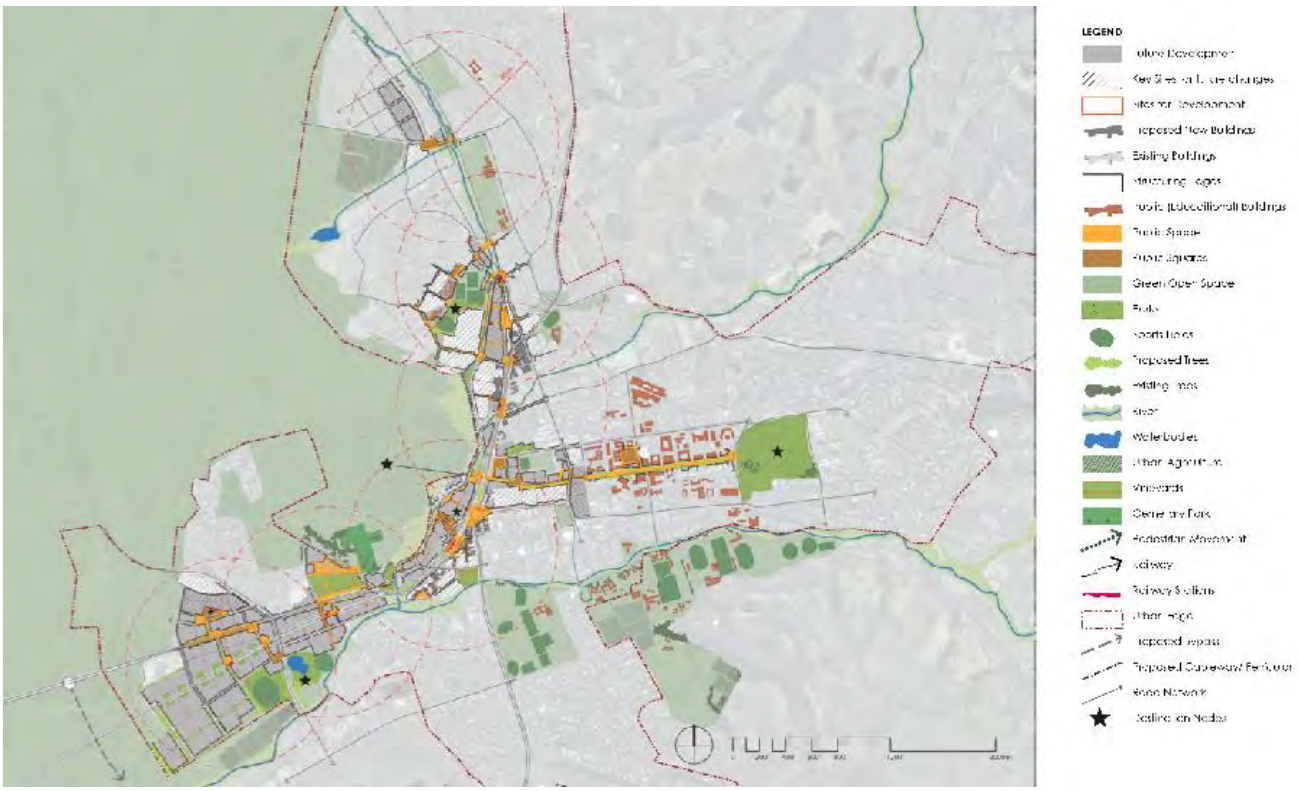
Critical also, both for the Adam Tas Corridor and the broader Baden Powell-Adam Tas-R304 development corridor is to explore the feasibility of introducing a more reliable and frequent rail service along the Eerste River-Stellenbosch-Muldersvlei-Klapmuts rail line. The aim should be to have a more frequent 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 Rating 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 23: Adam Tas Corridor



4.9.1 Development of Klapmuts

The Greater Cape Metro Regional Spatial Implementation Framework (RSIF) contains very specific policy directives related to Klapmuts, 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 Klapmuts 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 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 (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.

4.9.2 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 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 natural 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 *SDF* 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 Klapmuts.

4.10 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 SDF in terms of institutional alignment, including:

- The extent to which the main argument and strategies of the SDF are incorporated into Annual Reports, annual IDP Reviews, future municipal IDPs, and so on;
- The annual review of the SDF as part of the IDP review process.
- The extent to which the main argument and strategies of the SDF inform sector planning and resource allocation;
- The extent to which the main argument and strategies of the SDF 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 SDF and national, provincial and regional plans, programmes and actions (including the extent to which SDF 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 *m*SDF.

4.10.1 Inter-municipal planning

The first relates to inter-municipal planning. As indicated elsewhere in the *SDF*, 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 an 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. These challenges and opportunities.

4.10.2 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 SDF or implement associated strategies and plans;
- 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 achieving SDF objectives;
- It is increasingly evident that individual landowners 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 landowners 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 of what is needed to implement the SDF 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 the 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 landowners, 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.

4.10.3 Further Planning Work

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.

4.10.4 Other local planning initiatives

Ideally, each of the settlements in SM should have an LSDF, applying the principles of the *SDF* 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 were submitted and in progress. The first is the proposed Calcutta Memorial Park, located ±10km northwest of Stellenbosch to the east of the R304, on Remainder of Farm 29, Stellenbosch RD. The second is Louws Bos Memorial Park located southwest of Stellenbosch town and south of Annandale Road, on Remainder of Farm 502, Stellenbosch.

4.10.5 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 *SDF,* 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 is 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 *SDF* and broader provincial and national planning policy. If, in assessing a proposal or project, posing a question result 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 *SDF* 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.

4.10.6 Partnerships

Arguably, the municipal budget is simply too small to achieve the vision of the SDFs 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 achieving 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 the land. It is increasingly evident that individual landowners 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 Rhenish complex – in a manner which

contributes to agreed objectives for developing Stellenbosch town – is only possible if various landowners, 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:

One Plan: Service delivery, budget, programmes and projects

5.1 Introduction

Cabinet approved the District Development Model (DDM) as an All of Government and Society Approach providing a method by which all three spheres of government and state entities work in unison in an impact-oriented way, where there is higher performance and accountability for coherent and effective service delivery and development outcomes.

The DDM is an intergovernmental approach focusing on 44 districts and 8 metropolitan spaces for more effective joint planning, budgeting and implementation over multi-year planning and electoral cycles. Although each sphere, sector or entity has its distinct constitutional powers, functions and responsibilities, they cooperate and undertake collaborative planning, budgeting and implementation processes converging developmental efforts at the district/metropolitan level.

It is acknowledged that the DDM introduces a new planning instrument in the form of the **One Plan**. This process 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 meant to replace any of the 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 Western Cape Government specific approach to the DDM is called the **Joint District and Metro Approach (JDMA)**. The JDMA envisages for the three spheres of government to converge, using Intergovernmental (IGR) engagements, to develop similar Western Cape strategic, development and planning priorities with aligned budgets and accelerated implementation for service delivery.

The **Joint District and Metro Approach (JDMA)** -

- is a geographical (district) and team-based and citizen-focused approach;
- has the output of a single implementation plan to provide planning and strategic priorities, developmental initiatives, service delivery and capacity building;
- has the desired outcome of improving the living conditions (lives) of citizens;
- has a horizontal interface (between provincial departments) and a vertical interface (national, provincial and local government spheres);
- does not exclude local municipalities;
- is not a functions and power debate; and
- promotes collaboration using the District Coordinating Forum as the governance instrument for co-planning, co-budgeting, and co-implementation to strengthen service delivery to communities.

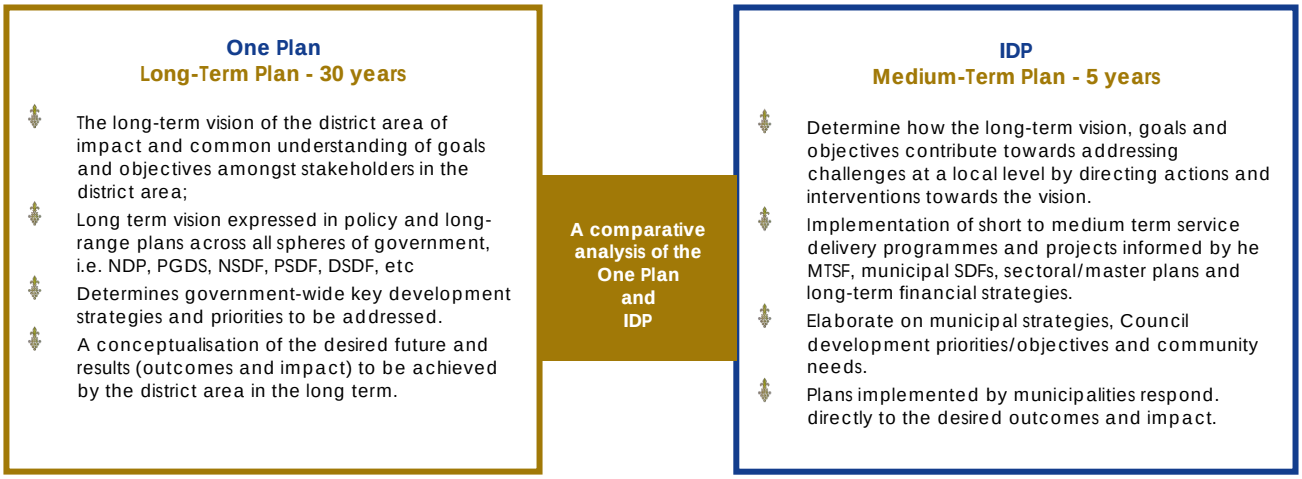
This chapter will provide details from all three spheres of government to give effect to the objectives and strategies contained in the 5th Generation Integrated Development Plan.

5.2 Relationship between the One Plan and Integrated Development Plan (IDP)

The One Plan does not replace the Integrated Development Plans of municipalities as the "single, inclusive and strategic plan for the development of the municipality" but is meant to strengthen and enhance the IDPs and other plans of the municipalities. It is foreseen to provide greater certainty and direction for the IDPs. The IDP will be the vehicle through which implementation of the One Plan will happen at the local government level.

Below is a comparative analysis of the One Plan and IDP:

Figure 24: Comparative analysis of the One Plan and IDP



5.3 National and Provincial Government Priorities

5.3.1 State of the Nation Address (SONA) 2022

President Cyril Ramaphosa presented the State of the Nation Address (SONA) on 10 February 2022.

The following are key highlights from the SONA:

- **Growing the economy and jobs**

The government's biggest immediate priority is to ensure that South Africa emerges from the COVID - 19 pandemic with an economy that creates more jobs and provides more opportunities for those who have been excluded, especially women and young people.

A broad range of programmes and policies will be put in place to support the growth of small businesses, develop infrastructure for faster economic growth, encourage investment from inside and outside of South Africa. These measures will enable businesses to grow and create jobs alongside expanded public employment and social protection.

- **Building better livers**

Reducing the impact of poverty through social support and expanding access to services such as healthcare and education is vital to the achievement of a better quality of life for all South Africans.

- **Fighting corruption**

Corruption undermines the delivery of services, hampers job creation and investor confidence, and damages public trust in the government.

- **Making communities safer**

Crime has a severe impact on the quality of life of all South Africans, particularly the poor. High levels of crime also efforts to stimulate growth, increase investment and reduce poverty.

- **Making government work**

To address South Africa's social and economic challenges, and to deliver the basic services that enhance the quality of life for all citizens, the government is working to strengthen the capabilities and resources of provinces and municipalities across the country.

This means improving coordination between national, provincial and local governments and ensuring that public servants at all levels have the skills and support they need to do their jobs.

5.3.2 State of the Province Address (SOPA)

The State of the Province Address (SOPA) was delivered by Honourable, Premier Alan Winde on Tuesday, 15 February 2022.

The following are key highlights from the SOPA:

- Job Creation;
- Promoting the dignity and wellbeing of residents; and
- Promoting and improving safety, focussing on what we will be doing in the fight against Gender-Based Violence (GBV)

5.4 Status Quo on Public Infrastructure Spend

This section reflects on provincial and municipal infrastructure priorities within the Stellenbosch area for 2021/22.

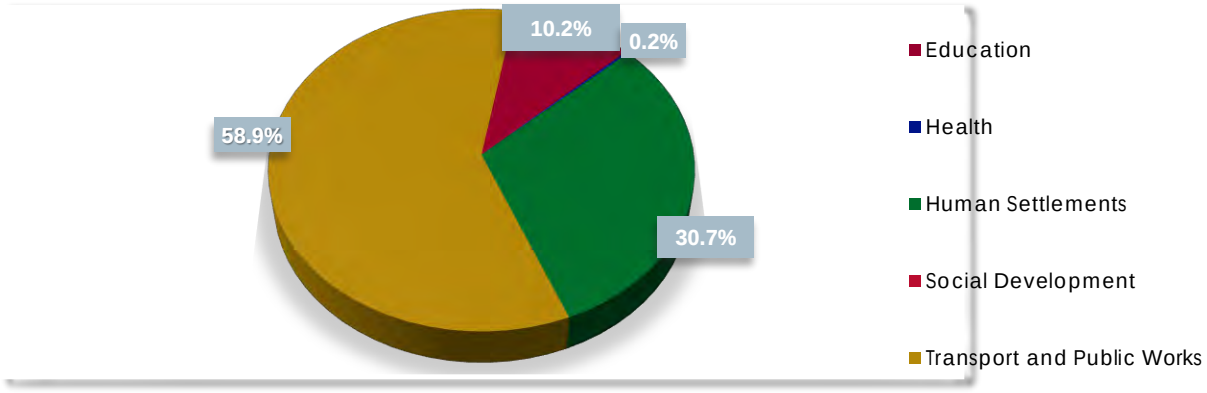
5.4.1 Social Infrastructure

Spending on social infrastructure aids in social development and has the spill-over effect of enabling economic growth. A total of 41.1 per cent of the total WCG infrastructure allocation towards the Stellenbosch municipal area will be spent on social infrastructure. As displayed in the pie chart, the WCG will be spending 10.2 per cent (R17.0 million) of the total infrastructure budget in the municipal area on the Education function. 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.

The WCG will in 2021/22 spend R344 000 on Health-related infrastructure within the municipal area. An allocation has also been made by the WCG towards the Housing function (R51.4 million; 25.1 per cent) to improve the quality of life of individuals within the municipal area. The Municipality allocated R9.9 million towards the Housing function.

Community safety is a cornerstone of the Western Cape Economic Recovery Plan. Crime has a negative impact on the quality of life 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 R15.6 million (3.3 per cent) of its capital budget towards the Public Safety function.

Figure 25: Provincial Infrastructure Spend



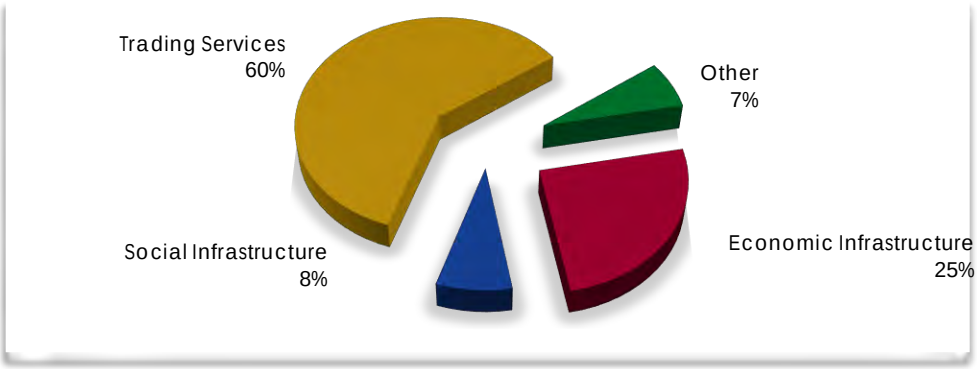
Source: Western Cape, Social – Economic Profile 2021

5.4.2 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 will in 2020/21 spend R98.6 million on economic infrastructure, more specifically towards road transport and public works. Road transport infrastructure goes a long way towards unlocking the region's economic potential, especially due to it having the largest natural port in Africa and being a tourist destination.

The Municipality assists in this regard with its own contribution of R61.5 million (13.0 per cent of total municipal infrastructure spending) towards road transport.

Figure 26: Municipal Infrastructure Spend



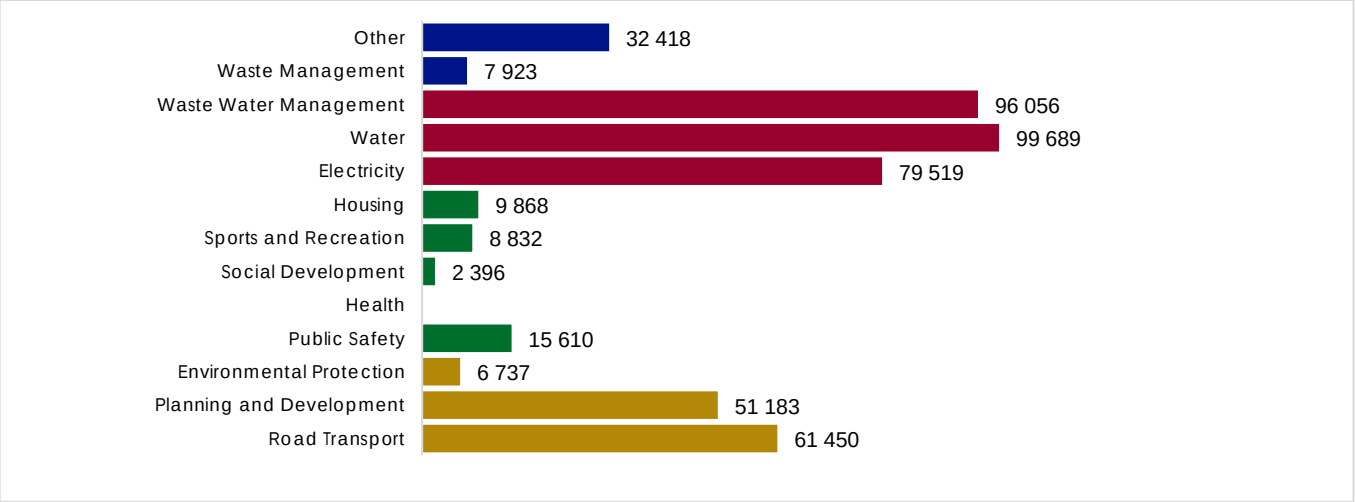
Source: Western Cape, Social – Economic Profile 2021

5.4.3 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 Municipality will in 2021/22 channel R283.2 million towards trading services to reduce backlogs, improve service delivery standards, provide for future residential developments and to roll-out basic services to informal settlements.

The 2021/22 trading services budget is mostly focused on water (R100.0 million; 35.2 per cent), wastewater management (R96.1 million; 33.9 per cent) and electricity services (R79.5 million; 28.1 per cent). A smaller allocation of R7.9 million (2.8 per cent) has been made towards the solid waste management function.

Figure 27: Trading Services



Source: Western Cape, Social – Economic Profile 2021

5.5 Intergovernmental Budgetary Allocation

The infrastructure projects and related capital projects listed below are in various stages of implementation, with certain projects being in the planning phases, other in implementation with construction in progress and some in the close – up phase of the project.

Table 23: Provincial Infrastructure Projects and Programmes MTEF period 2022/23 – 2024/25

PROVINCIAL INFRASTRUCTURE PROJECTS AND PROGRAMMES MTEF PERIOD 2022/23 – 2024/25													
IDP Ref No	Provincial Department	Number of Projects	Value (all amounts rounded to R'000)					MTREF Totals	Progress Rating				
			Infrastructure Transfers - Capital	New or Replaced Infrastructure	Non - Infrastructure	Rehabilitation, Renovations and Refurbishment	Upgrading and Additions		2022/23	2023/24	2024/25	2025/26	2026/27
	Education	2	R0	R90000	R0	R0	R0	R90 000	n/a	n/a	n/a	n/a	n/a
	Health	10	R0	R0	R9 826	R27 647	R2 662	R40 135	n/a	n/a	n/a	n/a	n/a
	Human Settlements	14	R189 883	R0	R0	R0	R0	R189 883	n/a	n/a	n/a	n/a	n/a
	Transport and Public Works	12	R0	R0	R0	R1 127 553	R0	R1 127 553	n/a	n/a	n/a	n/a	n/a
Total		**38**	**R189 883**	**R90 000**	**R9 826**	**R1 155 200**	**R2 662**	**R1 447 571**	n/a	n/a	n/a	n/a	n/a

Source: Department of Environmental Affairs and Development Planning – March 2022

Table 24: Provincial Infrastructure Investment Projects and Programmes for the period 2022/23 – 2024/25

IDP Ref No	Provincial Department	Nature of Investment	Project ID	Project Name	MTREF Totals	Progress Rating				
						2022/23	2023/24	2024/25	2025/26	2026/27
	Health	Non-Infrastructure	196086	Stellenbosch - Kayamandi Clinic - OD QA - Upgrade and Additions (Alpha)	R50 000	n/a	n/a	n/a	n/a	n/a
	Health	Non-Infrastructure	206050	Stellenbosch - Cloetesville CDC - OD QA - Rehabilitation (Alpha)	R100 000	n/a	n/a	n/a	n/a	n/a
	Human Settlements	Infrastructure Transfers - Capital	206478	ISSP Klapmuts La Rochelle (80 sites) UISP	R433 000	n/a	n/a	n/a	n/a	n/a
	Health	Upgrading and Additions	196103	Franschhoek - Groendal Clinic - Upgrade and Additions (Alpha)	R526 000	n/a	n/a	n/a	n/a	n/a
	Health	Upgrading and Additions	196118	Stellenbosch - Klapmuts Clinic - Upgrade and Additions (Alpha)	R822 000	n/a	n/a	n/a	n/a	n/a
	Human Settlements	Infrastructure Transfers - Capital	206490	Stellenbosch Cloetesville Infill (738 sites) IRDP	R850 000	n/a	n/a	n/a	n/a	n/a
	Transport and Public Works	Rehabilitation, Renovations & Refurbishment	206038	C1092 SOMERSET WEST-STELLENBOSCH	R1 000 000	n/a	n/a	n/a	n/a	n/a
	Transport and Public Works	Rehabilitation, Renovations & Refurbishment	198138	C1151 Kuilsriver-Stellenbosch	R1 000 000	n/a	n/a	n/a	n/a	n/a
	Human Settlements	Infrastructure Transfers - Capital	206489	Stellenbosch Cloetesville (380 sites) IRDP	R1 100 000	n/a	n/a	n/a	n/a	n/a
	Human Settlements	Infrastructure Transfers - Capital	206491	Stellenbosch La Motte Old Forest Station (1000 sites) IRDP	R1 250 000	n/a	n/a	n/a	n/a	n/a
	Health	Upgrading and Additions	26516	Stellenbosch - Kayamandi Clinic - Upgrade and additions (Alpha)	R1 314 000	n/a	n/a	n/a	n/a	n/a
	Health	Rehabilitation, Renovations & Refurbishment	202573	Stellenbosch - Cloetesville CDC - Rehabilitation (Alpha)	R1 315 000	n/a	n/a	n/a	n/a	n/a
	Human Settlements	Infrastructure Transfers - Capital	200123	Stellenbosch Droë Dyke (4000 sites) IRDP	R2 000 000	n/a	n/a	n/a	n/a	n/a

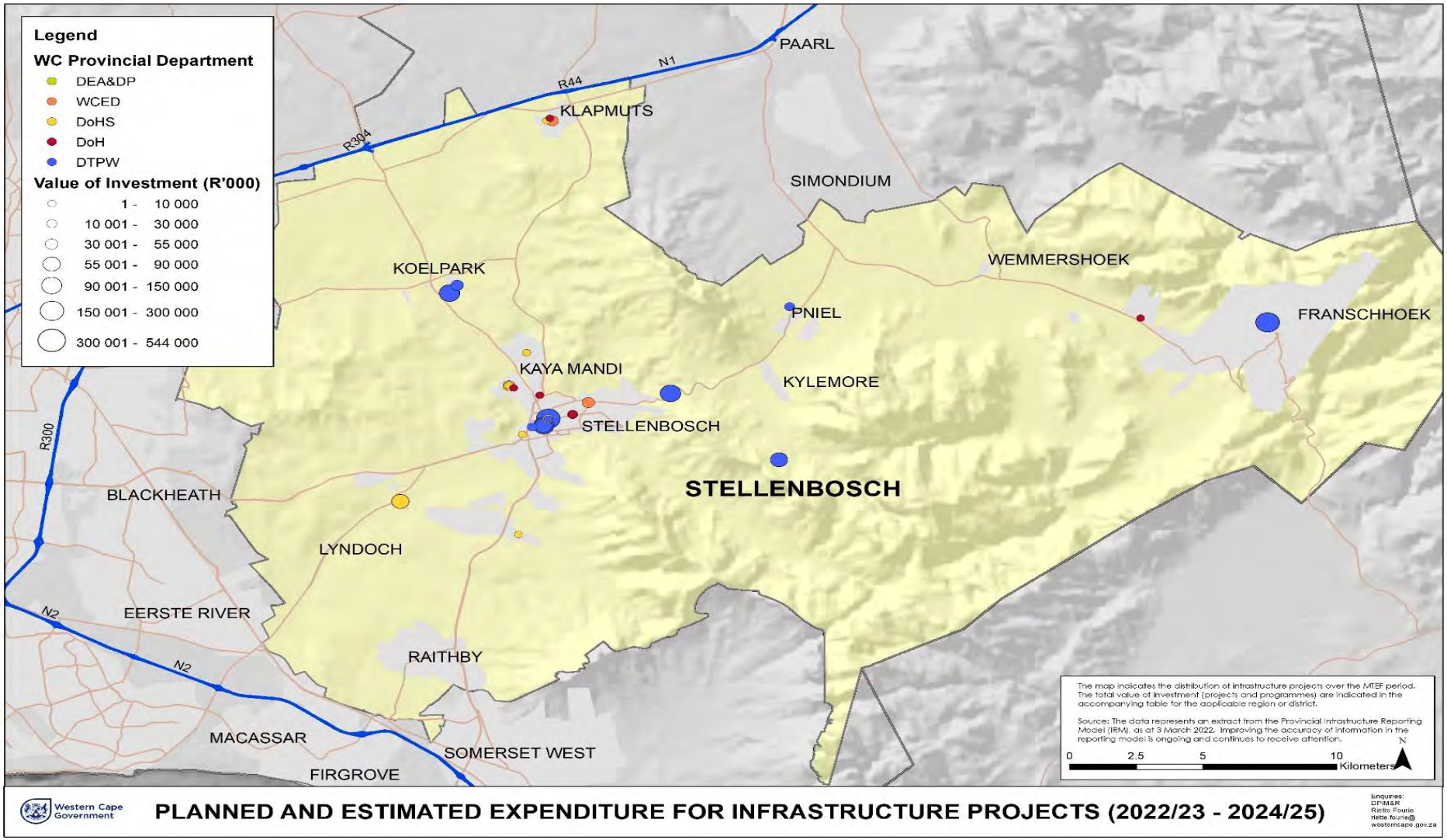
IDP Ref No	Provincial Department	Nature of Investment	Project ID	Project Name	MTREF Totals	Progress Rating				
						2022/23	2023/24	2024/25	2025/26	2026/27
	Health	Non-Infrastructure	206051	Stellenbosch - Kayamandi Clinic - HT - Upgrade and Additions (Alpha)	R2 500 000	n/a	n/a	n/a	n/a	n/a
	Human Settlements	Infrastructure Transfers - Capital	206477	Jamestown Ph2, Ph3 and Ph4 (1044 sites) IRDP	R2 900 000	n/a	n/a	n/a	n/a	n/a
	Human Settlements	Infrastructure Transfers - Capital	200510	3258 - ISSP Kayamandi Town Centre (1000 sites) UISP	R3 000 000	n/a	n/a	n/a	n/a	n/a
	Health	Non-Infrastructure	184487	Stellenbosch - Cloetesville CDC - HT - General maintenance (Alpha)	R3 176 000	n/a	n/a	n/a	n/a	n/a
	Human Settlements	Infrastructure Transfers - Capital	200147	Adam Tas Transit Oriented Development (3500 sites) IRDP	R3 500 000	n/a	n/a	n/a	n/a	n/a
	Health	Non-Infrastructure	196085	Stellenbosch - Stellenbosch Hospital - HT - Hospital and Stores Repairs and Renovation	R4 000 000	n/a	n/a	n/a	n/a	n/a
	Human Settlements	Infrastructure Transfers - Capital	200138	Stellenbosch Northern Extension (5200 sites) IRDP	R5 700 000	n/a	n/a	n/a	n/a	n/a
	Human Settlements	Infrastructure Transfers - Capital	200511	3258-xx01 - ISSP Kayamandi Town Centre (1000 services) UISP	R12 000 000	n/a	n/a	n/a	n/a	n/a
	Transport and Public Works	Rehabilitation, Renovations & Refurbishment	3914	CW DM Reseal	R14 200 000	n/a	n/a	n/a	n/a	n/a
	Human Settlements	Infrastructure Transfers - Capital	206557	ISSP Kayamandi Zone 0 (711 services) UISP	R19 350 000	n/a	n/a	n/a	n/a	n/a
	Human Settlements	Infrastructure Transfers - Capital	206558	Langrug Mooiwater Dam Ph1 (300 sites) UISP	R19 680 000	n/a	n/a	n/a	n/a	n/a
	Transport and Public Works	Rehabilitation, Renovations & Refurbishment	206160	C1217 Reseal Stellenbosch - Pniël (Helshoogte Pass)	R22 000 000	n/a	n/a	n/a	n/a	n/a

IDP Ref No	Provincial Department	Nature of Investment	Project ID	Project Name	MTREF Totals	Progress Rating				
						2022/23	2023/24	2024/25	2025/26	2026/27
	Health	Rehabilitation, Renovations & Refurbishment	51191	Stellenbosch - Stellenbosch Hospital - Hospital and stores repairs and renovation	R26 332 000	n/a	n/a	n/a	n/a	n/a
	Education	New or Replaced Infrastructure	4188	New Klapmuts HS	R45 000 000	n/a	n/a	n/a	n/a	n/a
	Education	New or Replaced Infrastructure	194690	New Klapmuts PS	R45 000 000	n/a	n/a	n/a	n/a	n/a
	Transport and Public Works	Rehabilitation, Renovations & Refurbishment	187000	Modernisation Elsenburg- Main Building Phase2 (Labs)	R45 422 000	n/a	n/a	n/a	n/a	n/a
	Human Settlements	Infrastructure Transfers - Capital	200136	ISSP Kayamandi Zone O (711 units) IRDP4	R49 140 000	n/a	n/a	n/a	n/a	n/a
	Transport and Public Works	Rehabilitation, Renovations & Refurbishment	196759	C1151 PRMG Kuilsriver-Stellenbosch	R64 000 000	n/a	n/a	n/a	n/a	n/a
	Human Settlements	Infrastructure Transfers - Capital	199985	Vlottenburg Longlands (106 units) IRDP	R68 980 000	n/a	n/a	n/a	n/a	n/a
	Transport and Public Works	Rehabilitation, Renovations & Refurbishment	3926	CW DM regravel	R84 400 000	n/a	n/a	n/a	n/a	n/a
	Transport and Public Works	Rehabilitation, Renovations & Refurbishment	3929	CK DM regravel	R97 960 000	n/a	n/a	n/a	n/a	n/a
	Transport and Public Works	Rehabilitation, Renovations & Refurbishment	180626	CYCC-Lindelani	R125 571 000	n/a	n/a	n/a	n/a	n/a
	Transport and Public Works	Rehabilitation, Renovations & Refurbishment	196758	C1150 PRMG Helshoogte Rd - Franschhoek	R142 000 000	n/a	n/a	n/a	n/a	n/a
	Transport and Public Works	Rehabilitation, Renovations & Refurbishment	24950	C914 Spier Road Phase 3	R245 000 000	n/a	n/a	n/a	n/a	n/a

IDP Ref No	Provincial Department	Nature of Investment	Project ID	Project Name	MTREF Totals	Progress Rating				
						2022/23	2023/24	2024/25	2025/26	2026/27
	Transport and Public Works	Rehabilitation, Renovations & Refurbishment	196618	C749.2 Reconstruct Paarl- Franschhoek	R285 000 000	n/a	n/a	n/a	n/a	n/a
Total					**R1 447 571 000**	n/a	n/a	n/a	n/a	n/a

Source: Department of Environmental Affairs and Development Planning – March 2022

Map 4: Spatial distribution of Provincial Infrastructure Investment in Stellenbosch Municipality



5.6 Cape Winelands District (CWD) JDMA Implementation Plan

A **CWDM JDMA profile** was developed in 2020 and updated in November 2021. The Cape Winelands District Profile - 2020 Perspective is a first-generation knowledge product to provide information and evidence to government stakeholders and also to:

- Provide an information source that at a glance highlight what needs to be maintained, the strengths and challenges facing the Cape Winelands District (i.e. set the context and provide the government with an intergovernmental understanding of key development trends and patterns within the District); and
- Assist in informing catalytic or strategic projects for the Joint District and Metro Approach Implementation Plan for the longer-term development of this geographical area that is both focussed and targeted, but also implementation-ready, resilient, coordinated and integrated.

Given the above, the following Strategic Priorities have been identified for inclusion in the CWD JDMA Implementation Plan and approved by the District Coordinating Forum (DCF).

- Waste minimisation and management solutions
  - Regional Landfill
  - Waste Diversion Strategies
  - Integrated Waste Management Plan
  - Waste Conference
- Resource Resilience
  - Climate Change, Water Management and Wildfire Urban Interphase Risks
  - Municipal Energy Resilience Programme
- Infrastructure management and development
  - N1 Eastern by-pass
  - ESKOM Infrastructure delays (Witzenberg)
  - Provision of Basic Services for Prioritised Informal Settlements (Drakenstein)
- Economic Recovery, long term unemployment and its consequences
- Urbanisation
  - Mega Human Settlements monitoring (TRANSHEX, Vlakkeland and Vredebes)
  - Land invasions – Kluitjieskraal
- Community Safety, Risk Reduction and improved Disaster Response
  - District Plan
  - Area-based Plan (Witzenberg)
  - SANTAM support
- Municipal Business Sustainability
  - Research on Financial Sustainability:
  - Shared Service Model development
  - Revenue Collection: ESKOM (Witzenberg)
  - External Stakeholder involvement
  - Communication and IGR
  - Data Governance and Profile update
  - Operational Support

5.6.1 Cape Winelands District Joint District Approach

The following Strategic Projects is applicable to the Stellenbosch municipal area:

Figure 28: Cape Winelands District Joint District Approach

IMPLEMENTATION PLAN: CAPE WINELANDS DISTRICT JOINT DISTRICT APPROACH					
Municipal Priority	**Key Initiative (s)**	**Municipalities Involved**	**Project**	**Project lead and team ((link to existing technical structures and / or projects)**	**Action/s**
Provincial Priority (Vision Inspired Priority 2) – Growth and Jobs					
Waste minimisation and management solutions (priority project)	Integrated Waste Management Plan	All municipalities	Review of Integrated Waste Management Plan	CWDM, DEA, PT, DLG and DEDAT	▪ Update the JDMA Implementation Plan in terms of DEADP lead on Waste. ▪ Western Cape Provincial Government to assist with Supply Chain Management challenges. ▪ Waste Management Conference will be arranged as soon as the new Council is fully functional.
Waste minimisation and management solutions (priority project)	Establishment of Regional Waste Management Facility	All municipalities	Regional Waste Management Facility: Conduct a section 78 investigation and implement the recommendations		
Resource Resilience	Water Governance and Water Service Development Plan Joint Strategy: Bulk Storage Facilities (to provide for drought) Local Economic Development / Growth and Development Strategy (for the District to address risks associated with Climate Change / Water Security)	All municipalities	Municipal Energy Resilience Programme	DEDAT, Stellenbosch Municipality and Drakenstein Municipality	▪ Specific pioneering projects for Drakenstein and Stellenbosch were identified. ▪ DEDAT did a proxy to cost supply studies required by NERSA. ▪ The next step is to compile a roadmap on the pioneering projects and the implementation thereof. ▪ DEDAT to establish a MER Fund, to assist Municipalities to prepare for the studies and enable them to look at new generation capacity specifically for Renewable energy. ▪ Wheeling support for individual municipalities is in process of being finalised.

IMPLEMENTATION PLAN: CAPE WINELANDS DISTRICT JOINT DISTRICT APPROACH					
Municipal Priority	**Key Initiative (s)**	**Municipalities Involved**	**Project**	**Project lead and team ((link to existing technical structures and / or projects)**	**Action/s**
Provincial Priority (Vision Inspired Priority 2) – Growth and Jobs					
Economic Recovery, long term unemployment and its consequences (priority project)	Address factors associated with Youth unemployment	All municipalities	Economic Recovery Plan	CWDM, DLG, DEDAT, LED officials in local municipalities: Drakenstein, BVW, Witzenberg, Langeberg, Stellenbosch and provincial officials and associated institutions Sub team further proposed to ensure that skills development and socio-economic challenges are addressed in long term DHET, DRDLR, DoTP, DoA, LGSETA, DoE, DLG, DEA&DP, DLG CWD, DLG Training, DEDAT, DSD, DoH, DTPW, CWDM SDF, Community Safety and PT	Further off-line discussions will be held regarding unemployment.
Municipal Business Sustainability (priority project)	Saving costs across certain functions	All municipalities	Shared Service Model Development	CWDM, DLG and all local municipalities	Follow up on progress with the appointed service provider.
Data Governance and JDMA Profile	Towards developing a Dynamic Profile and sharing data	All municipalities	Data Governance and JDMA Profile	CWDM , DLG, DoTP , DEA&DP, PT, DSD, STATS SA , CWDM, Drakenstein Municipality, Stellenbosch Municipality, Breede Valley Municipality, Witzenberg Municipality	⁂ Data Governance is a transversal JDMA Project. ⁂ CEI is busy drawing up Memorandum of Understanding (MOU) for Metros and non-Metros. ⁂ Provincial governance structures are being set up and aligned to local government in the Western Cape. This is being done with support from the Department of the Premier and will address monitoring and evaluation,

5.7 Agricultural Interventions

In support of the Western Cape Department of Agriculture Strategic Plan the municipality have identified two priority interventions on which the municipality will embark on in the **period 2022 - 2027**.

Table 25: Agricultural Interventions for 2022 – 2027

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

Table 26: Agricultural Interventions

Proposed Municipal Actions in Support of the Strategic Focus Areas of the Western Cape Department of Agriculture					Progress Rating				
Priority Area	**Desired Municipal Deliverable**	**Status Quo within Municipality**	**Proposed Local Intervention (appropriate municipal action)**	**Timeframe to deliver (Short / medium / long term or on going)**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**
Farmer Support	Lease agreement for use of commonage land (e.g. Terms of the lease, roles and responsibilities of each party, preference for individual agreements, and need for longer leases)	In 2018, two (2) land parcels were identified and advertised for emerging farmers. Process to be finalised.	Through the Municipal Agricultural Land Policy, the municipality aims to identify and allocate an additional 10 parcels of land for emerging farmers	Medium / long term	-	-	-	-	-
Market Access	Infrastructural development that supports agriculture development value chain and market access	Through the Municipal Agricultural Land Policy, the municipality aims to identify and allocate an additional 10 parcels of land for emerging farmers.	Ensuring vibrant, equitable and sustainable rural communities with food security for all	Medium / long term	-	-	-	-	-

5.8 Stellenbosch Municipality Operational Support Plan

The projects listed in the table below were identified as projects / programmes / initiatives that would require the assistance and funding from other spheres of government:

Table 27: Stellenbosch Municipality Operational Support Plan

Project / Programme/ Initiative	Responsible Internal Department/ Agency	Action/s	Estimated Funds
Climate Change Adaptation Strategy (Alien Clearing, River Management and Wildfire Management	Department Community Service	Implementation of Alien Clearing, River Management and Wildfire Management Plans.	R2 000 000

Project / Programme/ Initiative	Responsible Internal Department/ Agency	Action/s	Estimated Funds
Construction of a new Traffic Building for Stellenbosch Traffic Services with DLTC that can do all class of licences	Department: Protection Services	The centre can only test EB licenses and a DLTC is also needed that can test applicants for drivers licenses for all class of vehicles.	R12 000 000
Register Traffic Pound for all impounded vehicles	Department: Protection Services	A fully register pound to store all impounded vehicles. The current practise is that all impounded vehicles are convey to Drakenstein Municipality Paarl Traffic pound. Stellenbosch Municipality do all the impound administrative functions and book the vehicles in at Paarl Pound. This result in a loss of revenue for the storage and release fees will allocated to Drakenstein Municipality.	R5 000 000
CCTV	Department: Protection Services	Implementation of safety initiative to reduce crime in the area. The community members identified the need for the LPR cameras and has indicated where the cameras should be placed. Camera positions: • on the c/o Vlaeberg Road • R310 Baden Powell Road, • on the c/o Vlaeberg Road • Polkadraai Road on the M12, • c/o R44 and Winery Road, • c/o Winery Road and M9, • c/o Watson Road close to Winery Road	R 2 000 000
Vehicle Fleet Funding required: Purchase of Nyala	Department: Protection Services	Specialise vehicle to support Law Enforcement during land invasion inspections and land grab actions in the Greater WC024.	R 3 500 000
TRU Unit	Department: Protection Services	To establish a crime prevention unit for the Greater WC024 on a 24hr basis. Operational plan has been submitted to Council. Project to be phased in over 2 years.	R 20 000 000
Neighbourhood watch equipment	Department: Protection Services	To provide assistance to all registered neighbourhood watches in the Greater WC024, to issue them with safety equipment to combat crime in neighbourhoods. Support and finance purchase of neighbourhood watch equipment.	R2 500 000
Fire and flood risk mitigation project	Department: Protection Services	Fire breaks – identifying, creating and maintenance.	TBC
Satellite fire station	Department: Protection Services	Satellite Fire Station - Jamestown	TBC
Mega-human settlement project monitoring	Department: Housing Development	• Kayamandi Town Centre: To obtain development rights/township establishment. • Jamestown: Housing (Phase 2, 3 and 4): To obtain development rights/township establishment. • Erf 7001 and other possible sites for mix-used development in Cloetesville: To obtain development rights/township establishment.	R2 000 000 R1 500 000 R1 000 000
Stellenbosch Municipality: Resource Resilience: Municipal Energy Resilience	Municipality/DLG /Water Services	Financial support is required for the development of pico hydropower units.	n/a

Project / Programme/ Initiative	Responsible Internal Department/ Agency	Action/s	Estimated Funds
Stellenbosch Municipality: Resource Management Resilience: Water Management Resilience	Stellenbosch Municipality and DLG	Financial support is required for the development of real time management control centres.	n/a
Improvements to public transport facilities in rural and semi-rural areas within the Stellenbosch Municipal area	Department: Roads, Stormwater and Transport	Upgrading and implementing new Taxi and Bus stops in rural and semi-rural areas within the Stellenbosch municipal area.	n/a
Improvements to the NMT network in rural and semi-rural residential settlements located within the Stellenbosch Municipal area	Department: Roads, Stormwater and Transport	Construction of Sidewalks and NMT facilities in rural and semi-rural residential settlements located within the Stellenbosch Municipal area.	n/a
Compilation of the Adam Tas Corridor Local Spatial Development Framework	Department: Development Planning (Spatial Planning)	⇞ Compilation of a Local SDF for the Adam Tas Corridor Study Area. ⇞ The Compilation of a Land Use Framework to develop a Development Incentive Overlay Zone (Urban Development Zone).	n/a
Compilation of a Klapmuts Local Spatial Development Framework	Department: Development Planning (Spatial Planning)	Inclusion of Klapmuts within the Cape Metro Regional Spatial Implementation Framework ("RSIF") in partnership with WCG; CoCT; Cape Winelands District and Drakenstein Municipality which focusses on the following themes: ⇞ Smart City Concept; ⇞ Economic Development and Job Creation; and ⇞ Cost effective Services	n/a
Other Projects, policies, frameworks, programmes and housing pipeline projects outside of the priority areas	Department: Development Planning (Spatial Planning)	⇞ Draft Economic Development Strategy (an Approach to Stimulate Economic Growth). ⇞ Inclusionary Housing Policy. ⇞ Jamestown Housing Project. ⇞ De Novo. ⇞ Vaaldraai. ⇞ Jonkershoek. ⇞ Erf 7001, Stellenbosch (Soekmekaar).	n/a

CHAPTER 6:

Sector Plans and Implementation

6.1 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 *m*SDF 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:

Figure 29: **Service delivery implementation plans**



The sections below expand on key sector plans of the Stellenbosch Municipality.

6.2 The relationship between the Sector 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 28: The relationship between sector plan

Sector Plan	Spatial Development Framework	Human Settlements Plan	Integrated Transport Plan	Infrastructure Master Plans
Municipal Spatial Development Framework (*m*SDF)		• Identifies areas for satisfaction of human settlement needs • Designates areas for developmental needs • Indicates areas desirable for specific nature and form of urban development • Indicates areas desirable for conservation • Spatially reflects distribution of community facilities • Identifies areas to be protected from settlement (e.g. heritage, agriculture and natural) • Designates housing priority / restructuring areas • Integrates settlement patterns with infrastructure plans	• Identifies areas for satisfaction of human settlement needs • Indicates areas desirable for conservation • Spatially reflects distribution of community facilities • Identifies areas to be protected from settlement (e.g. heritage, agriculture and natural) • Designates housing priority / restructuring areas • Indicates areas desirable for densification / specific land use / integrated networks • Spatially reflects Council's approved nature and form of urban development	• Identifies municipal growth direction • Identifies areas to be protected from development (e.g. heritage, agriculture and natural) • Identifies priority development areas • Identifies infrastructure priority areas
Human Settlements Plan	• Identifies current settlements and interventions that should be accommodated in future planning • Determines settlement needs • Quantifies extent of demand for various housing typologies		• Identifies current settlements and interventions that should be accommodated in future planning • Determines settlement needs • Quantifies extent of demand for various housing typologies	• Identifies current settlements and interventions which should be accommodated in future planning • Determines settlement infrastructure needs • Quantifies extent of demand for services according to various housing typologies
Integrated Transport Plan	• Determines most efficient responses to transport challenges.	• Identifies transport and roads priority areas.	•	• Determines most efficient responses to transport challenges.

Sector Plan	Spatial Development Framework	Human Settlements Plan	Integrated Transport Plan	Infrastructure Master Plans
	• Identifies transport and traffic priority areas. • Shapes future planning according to most appropriate modal changes and challenges. • Identifies need for services not provided by the municipality, e.g. SANRAL, Provincial Roads, PRASA, Transnet.	• Determines development parameters, e.g. parking ratios, access and standards • Shapes settlement planning according to most appropriate modal changes and challenges.		• Identifies transport and traffic priority areas. • Shapes future planning according to most appropriate modal changes and challenges.
Infrastructure Master Plans	• Identifies existing infrastructure capacity / constraints. • Identifies interventions required to support growth / infill. • Designates priority infrastructure development areas / corridors. • Provides for services not provided by the municipality, e.g. Telkom, Eskom, raw water supply.	• Identifies existing infrastructure capacity or / constraints. • Identifies interventions required to support growth / infill. • Provides for services not provided by the municipality, e.g. Telkom, Eskom, raw water supply.	• Identifies existing infrastructure capacity or / constraints. • Identifies interventions required to support growth / infill. • Provides for services not provided by the municipality, e.g. SANRAL, Provincial Roads, PRASA, Transnet.	

6.3 Sector Plans and Implementation Strategies

6.3.1 Air Quality Management Plan

The Stellenbosch Local Municipality Air Quality Management Plan (AQMP) has been completed with the input of the DEA&DP.

6.3.1.1 Vision, Mission and Goals

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.

The goals to achieve the mission of the AQMP are listed below and their linkages to the Western Cape Provincial AQMP (DEA&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 of 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;



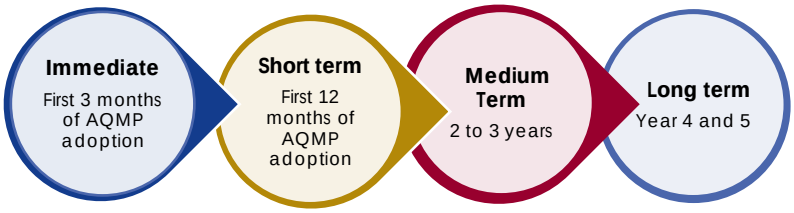
- **Goal 2:** Reduce atmospheric emissions of harmful pollutants: This goal aims to manage activities that impact air quality to reduce the emissions of harmful pollutants and associated impacts on human health and well-being. This links directly to the Provincial AQMP goal to 'Ensure effective and consistent 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 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 CWDM AQMP goal to develop and AQMS. An AQMS is a 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 CWDM AQMP goal to 'Promote communication in relation to Air Quality Management.

6.3.1.2 Time frames

The timeframes defined for the Implementation of the AQMP are:

Figure 30: **AQMP Time frames**



The following immediate items were included in the AQMP, all with reference to **Goal 1** above:

Table 29: Items in 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 CWDM in Stellenbosch town to determine air quality or atmospheric emissions. This data is reported on by the relevant Environmental Health Official from CWDM.

6.3.2 Environmental Management Plan

Stellenbosch Municipality is continuously 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 (SEMF) approved by Council as a sector plan to the Municipal Spatial Development Framework. The SEMF is a municipal strategic environmental management policy that responds to and complies with the relevant statutes and directives.

Stellenbosch Municipality also implemented its Invasive Alien Plant Management Plan (prepared in terms of the National Environmental Management: Biodiversity Act, 2004 (Act No.10 of 2004), completed during the 2017/18 financial year. This document will be reviewed and updated during the 2022/23 financial year.

The Stellenbosch Municipality owns various properties regarded as nature areas. Three of these areas have formally been designated to be conservation areas. These are Mont Rochelle Nature Reserve, Jan Marais Park (Nature Reserve) and Papegaaiberg Nature Reserve. The Stellenbosch Municipality is in the process of putting environmental management plans (EMPs) in place for all of these areas, including areas that are not formally declared as protected areas. The status of these are as follow:

- Mont Rochelle Nature Reserve: Draft prepared and advertised for public input during the second half of the 2021 financial year. Final document prepared and submitted to Council for approval;
- Papegaaiberg Nature Reserve: Approved EMP in place, currently up for 5-year review;
- Jan Marais Nature Reserve: Final draft EMP prepared, to be advertised for public input in the 2022/23 financial year;
- Paradyskloof Nature Area: Approved by Council in 2019, to be reviewed in 2024; and
- Ida's Valley / Botmaskop Nature Area: The first draft is being finalised after which it will be advertised for public input with Council's permission.

6.3.2.1 Implementation Plan: Environmental Management Plan

Table 30: Implementation: Environmental Management Plan

Funding Type								Project Rating					
▲	Municipal Funding	●	Grant Funding	■	External Loan/ Funding	✕	No funding required	☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

IMPLEMENTATION PLAN: EVIRONMENTAL MANAGEMENT															
IDP Ref No	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	5-year target 2022 - 2027	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target	Funding Type	Progress Rating					
				2022/23	2023/24	2024/25	2025/26	2026/27		2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Review the Stellenbosch Invasive Alien Plant Management Plan	Number of Stellenbosch Invasive Alien Plant Management Plans reviewed by 31 March	1	1	n/a	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Submit the Mont Rochelle Nature Reserve EMP to Council	Number of Mont Rochelle Nature Reserve EMP submitted to Council by 31 March	1	1	n/a	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Review of the Papegaaiberg Nature Reserve EMP	Number of Papegaaiberg Nature Reserve EMP reviewed by 31 March	1	n/a	1	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Submit the Jan Marais Nature Reserve EMP to Council	Number of Jan Marais Nature Reserve EMP submitted to Council by 31 March	1	1	n/a	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Review of the Paradyskloof Nature Area EMP	Number of Paradyskloof Nature Area EMP reviewed by 30 June	1	n/a	n/a	1	100	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Submit the Ida's Valley / Botmaskop Nature Area EMP to Council	Number of Ida's Valley / Botmaskop Nature Area EMP submitted to Council by 30 June	1	1	n/a	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a

6.3.3 Integrated Human Settlement Plan

6.3.3.1 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 and the Municipal SDF.

Accordingly, Stellenbosch Municipality developed an IHSP to be aligned with the IDP and the *m*SDF. Stellenbosch Municipality originally approved an IHSP in 2008. A service provider was appointed to develop and align the new IHSP with the long term vision as envisaged in the IDP and the mSDF, which will be concluded in the 5th Generation DIP 2022 – 2027. A key component of the IHSP is the Housing Pipeline. The Housing Pipeline has a dual function i.e.

(i) it is the roadmap for all Council's housing-related projects; and
(ii) it is the official communication document between the Provincial Department of Human Settlements (PDoHS) and the municipality.

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.

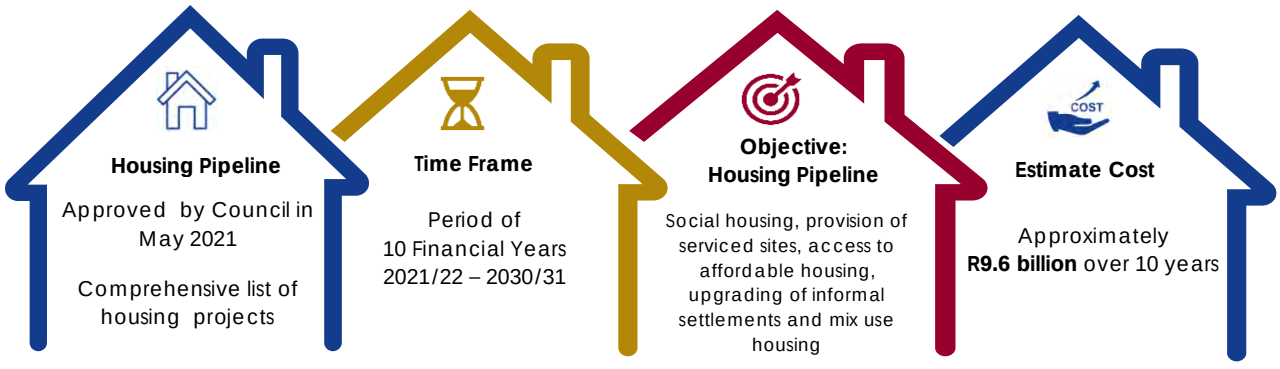
In the absence of an approved IHSP, the Housing Pipeline serves as the housing implementation strategy for the municipality.

6.3.3.2 Housing Pipeline

The PDoHS requires that every municipality must have a Housing Pipeline. The Housing Pipeline is premised on a **ten-year horizon** and serves as the 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:

Figure 31: Housing Pipeline Time Frame, Objective and Estimate Cost



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 in November 2016);
- Provision of serviced sites;
- Access to affordable housing (GAP housing);

- Upgrading of Informal settlements; and
- Mixed-use housing (formalised homeownership employer housing - especially farmworker housing).

The estimated cost of this programme will be approximately **R9.6 billion** over **10 years**.

- Upgrading of informal settlements, (La Rochelle, Klapmuts, Langrug and Franschhoek);
- Access to basic services (ABS);
- Jamestown, Farm 527 (phases 2, 3 and 4);
- Longlands Development;
- Upgrading of Zone O;
- Ida's Valley (Erf 9445 also known as Oak Tree Village) - A key aspect of this project was to utilise municipal land provided at a reduced cost for formal home-ownership to cross-subsidise other housing types;
- Enumeration of people on farms and backyarders;
- Rectification of Cloetesville subsidy houses at The Steps and Orlean Lounge;
- Erf 7001, Cloetesville (known as "Soek-mekaar");
- Upgrade of the Kayamandi CBD; and
- Northern extension.

6.3.3.3 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;
- Enumerate / undertake demographic surveys of identified informal settlements;
- Facilitate tenure security in informal settlements;
- Assist in short-term job creation through linkages with Expanded Public Works Programme (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.

6.3.3.4 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 the 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.

6.3.3.5 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) to effect the municipality's social housing programme.

This programme aims 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.

The approved Housing Pipeline is available on request at the Directorate: Planning and Economic Development, on 021 808 8474 or via email at: Lester.Vanstavel@stellenbosch.gov.za.

6.3.3.6 Implementation Plan: Priority Housing Projects and Upgrading of Informal Settlements

Table 31: Priority Housing Projects and Upgrading of Informal Settlements

Funding Type								Project Rating					
▲	Municipal Funding	●	Grant Funding (CCR / HSDG)	■	External Loan/ Funding	×	No funding required	☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

DIRECTORATE: INFRASTRUCTURE SERVICES																	
IDP Ref No	Responsible Department	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	Project Phase	Number of Housing Opportunities	5-year target 2022 - 2027	Year 1 Target 2022/23	Year 2 Target 2023/24	Year 3 Target 2024/25	Year 4 Target 2025/26	Year 5 Target 2026/27	Funding Type	Progress Rating 2022/23	2023/24	2024/25	2025/26	2026/27
TBC	PMU	Construction of Longlands, Vlottenburg (144 Serviced sites)	Percentage of the Longlands, Vlottenburg Capital Budget actually spent by 30 June	Construction	144	90%	90%	n/a	n/a	n/a	n/a	●	n/a	n/a	n/a	n/a	n/a
TBC	PMU	Rectification of Cloetesville: The Steps / Orlean Lounge Houses (Temporary units with toilets erected for temporary relocation of occupants during rectification unit	Percentage of Cloetesville: The Steps / Orlean Lounge Houses rectification capital budget actually spent by 30 June	Construction	161	90%	90%	n/a	n/a	n/a	n/a	●	n/a	n/a	n/a	n/a	n/a

DIRECTORATE: INFRASTRUCTURE SERVICES																	
IDP Ref No	Responsible Department	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	Project Phase	Number of Housing Opportunities	5-year target 2022 - 2027	Year 1 Target 2022/23	Year 2 Target 2023/24	Year 3 Target 2024/25	Year 4 Target 2025/26	Year 5 Target 2026/27	Funding Type	Progress Rating 2022/23	2023/24	2024/25	2025/26	2026/27
TBC	PMU	Development of the Kayamandi Town Centre	Percentage of the Kayamandi Town Centre development capital budget actually spent by 30 June	Implementation	±1 854	90%	n/a	n/a	n/a	90%	90%		n/a	n/a	n/a	n/a	n/a
TBC	PMU	Development fo Erf 64 Kylemore	Percentage of the Erf 64 Kylemore development capital budget actually spent by 30 June	Implementation	±171	90%	n/a	n/a	n/a	90%	90%		n/a	n/a	n/a	n/a	n/a
TBC	PMU	Development of Erf 2183, La Rochelle, Klapmuts	Percentage of Erf 2183, La Rochelle, Klapmuts development capital budget actually spent by 30 June	Planning (service sites)	±100	90%	n/a	n/a	90%	n/a	n/a		n/a	n/a	n/a	n/a	n/a
TBC	PMU and Department : Housing Developme nt	Development of the Northern Extension, Kayamandi	Percentage of Northern Extension, Kayamandi development Capital Budget actually spent by 30 June	Planning (Mix-used development)	± 5 000 - 6 000	90%	n/a	n/a	n/a	90%	90%		n/a	n/a	n/a	n/a	n/a

DIRECTORATE: PLANNING AND ECONOMIC DEVELOPMENT																	
IDP Ref	Responsible Department	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	Project Phase	Number of Housing Opportunities	5-year target 2022 - 2027	Year 1 Target 2022/23	Year 2 Target 2023/24	Year 3 Target 2024/25	Year 4 Target 2025/26	Year 5 Target 2026/27	Funding Type	Progress Rating 2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Housing Development	Upgrading of Zone O in Kayamandi	Percentage of the Zone O (in Kayamandi) capital budget actually spent by 30 June	Construction will be dealt with in phases	711	90%	90%	90%	90%	90%	90%		n/a	n/a	n/a	n/a	n/a
TBC	Housing Development	To obtain development rights on Erf 7001, Cloetesville to establish GAP housing	Percentage of the Erf 7001, Cloetesville capital budget actually spent by 30 June	Planning	360 GAP housing	90%	90%	90%	90%	90%	90%		n/a	n/a	n/a	n/a	n/a
TBC	Housing Development	Finalise the sub-division plan for Jamestown (Phase 2 and 3)	Percentage of the Jamestown, Phase 2 and 3 capital budget actually spent by 30 June	Planning	±2 000 housing opportunities (to be determined per phase)	90%	90%	90%	90%	90%	90%		n/a	n/a	n/a	n/a	n/a
TBC	Housing Development	Obtain development rights for mixed-use development for Jamestown Phase 4	Percentage of the Jamestown, Phase 4 capital budget actually spent by 30 June	Planning		90%	90%	90%	90%	90%	90%		n/a	n/a	n/a	n/a	n/a

DIRECTORATE: PLANNING AND ECONOMIC DEVELOPMENT																	
IDP Ref	Responsible Department	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	Project Phase	Number of Housing Opportunities	5-year target 2022 - 2027	Year 1 Target 2022/23	Year 2 Target 2023/24	Year 3 Target 2024/25	Year 4 Target 2025/26	Year 5 Target 2026/27	Funding Type	Progress Rating 2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Housing Development	Submit status reports on Integrated Human Settlements on Social Housing (affordable rental accommodation) on Farm 81/2 and 81/9, Stellenbosch to the Executive Mayor	Number of quarterly Integrated Human Settlement status reports on social housing submitted to the Executive Mayor	Planning (SHIs and / or ODAs attract)	±250	20	4	4	4	4	4		n/a	n/a	n/a	n/a	n/a
TBC	Housing Development	To obtain development rights for the Northern Extension, Kayamandi	Percentage of the Northern Extension Kayamandi development capital budget actually spent by 30 June	Planning (Mix-used development)	± 5 000 - 6 000	90%	90%	90%	n/a	n/a	n/a		n/a	n/a	n/a	n/a	n/a
TBC	Housing Development	To obtain development rights for Kayamandi Town Centre	Percentage of the Kayamandi Town Centre capital budget actually spent by 30 June	Planning (Mix -used development)	±1 854	90%	90%	90%	n/a	n/a	n/a		n/a	n/a	n/a	n/a	n/a
TBC	Housing Development	To obtain development rights for Erf 64 Kylemore	Percentage of the Erf 64 Kylemore capital budget actually spent by 30 June	Planning	±171	90%	90%	90%	n/a	n/a	n/a		n/a	n/a	n/a	n/a	n/a

DIRECTORATE: PLANNING AND ECONOMIC DEVELOPMENT																	
IDP Ref	Responsible Department	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	Project Phase	Number of Housing Opportunities	5-year target 2022 - 2027	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target	Funding Type	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27		2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Housing Development	To obtain development rights La Motte: Farm 1339, Farm 1158 and Farm 1158/1	Percentage of the La Motte: Farm 1339, Farm 1158 and Farm 1158/1capital budget actually spent by 30 June	Planning (Mix-used development)	±1 100	90%	n/a	n/a	90%	90%	90%		n/a	n/a	n/a	n/a	n/a
TBC	Housing Development	To obtain development rights Erf 2183, La Rochelle, Klapmuts	Percentage of the Erf 2183, La Rochelle, Klapmuts capital budget actually spent by 30 June	Planning (service sites)	±100	90%	90%	90%	n/a	n/a	n/a		n/a	n/a	n/a	n/a	n/a
TBC	Housing Development	To obtain development rights Botmaskop Precinct	Percentage of the Botmaskop Precinct capital budget actually spent by 30 June	Planning (Mix-used development)	To be determined from studies	90%	90%	n/a	n/a	n/a	n/a		n/a	n/a	n/a	n/a	n/a

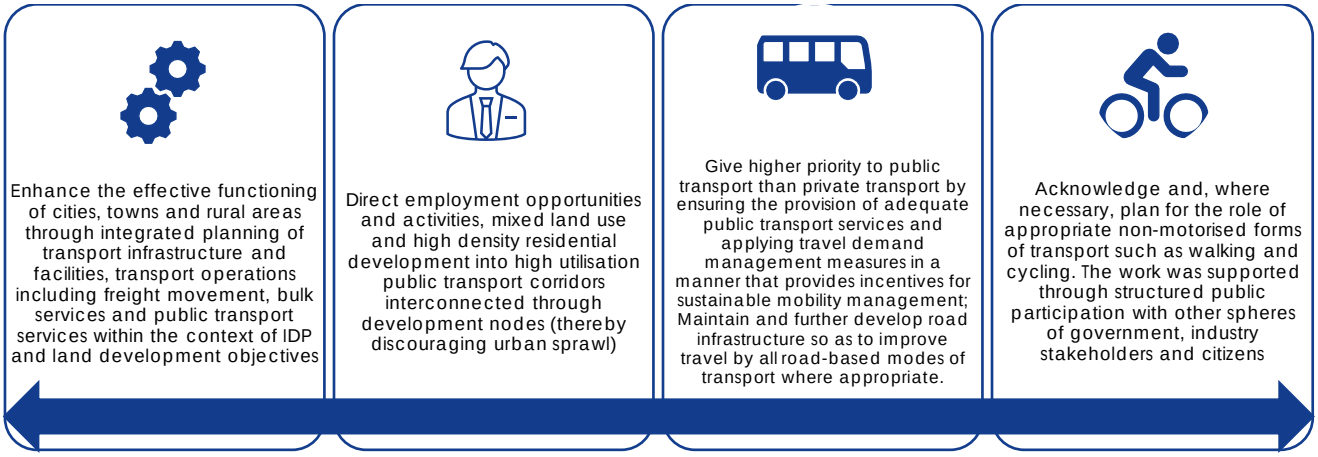
6.3.4 Comprehensive Integrated Transport Plan

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 Plan (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:

This CITP will also be revised and updated on an annual basis.

Figure 32: Comprehensive Integrated Transport Plan (CITP)



The CITP is valid for a **five-year period** and the latest completed CITP has been prepared and adopted by Council on 28 April 2021 for the 2016-2021 period, the CITP is currently being reviewed and will be valid for the period 2022 to 2027.

6.3.4.1 Strategic Interventions

The following areas of strategic intervention have been highlighted:

- "Towards Car-Free Living" 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" refers to strategies that manage overall demand for travel during peak periods such as congestion pricing and parking management.
- "Infrastructure and Operational Enhancements" 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 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" refers to integrated land use and transport planning which supports and promotes transit orientated development (ATC).

6.3.4.2 Implementation Plan: Comprehensive Integrated Transport Plan (CITP)

Table 32: CITP Strategic Interventions

Funding Type								Project Rating					
▲	Municipal Funding	●	Grant Funding	■	External Loan/ Funding	✕	No funding required	☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

	IMPLEMENTATION PLAN: COMPREHENSIVE INTEGRATED TRANSPORT PLAN (CITP)															
IDP Ref	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	Project Phase	5-year target 2022 - 2027	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target	Funding Type	Progress Rating				
					2022/23	2023/24	2024/25	2025/26	2026/27		2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Investigations and assessments reports for machanism for the Internal Transport Feeder System from park and ride areas to the CDB	Number of assessment reports for the Internal Transport Feeder System completed by 30 June	Inception / Feasibility	2	n/a	1	1	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Facilitating the implementation and optimisation engagements of the Public Transport System	Number of implementation and optimisation engagements of the Public Transport System facilitated by 30 June	Ongoing, forming part of internal operational programme	TBC	TBC	TBC	TBC	TBC	TBC	▲	n/a	n/a	n/a	n/a	n/a
TBC	Submission of assessments reports for management of park and ride facilities to the Municipal Manager	Number of assessments reports for management of park and ride facilities submitted to the Municipal Manager by 30 June	Inception / Feasibility	2	n/a	1	1	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Completion of assessment reports for the implementation and management of parking outside of the Stellenbosch CBD	Number of assessment reports completed for the implementation and management of parking outside of the Stellenbosch CBD by 30 June	Concept	1	1	n/a	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Develop a Congestion Charge Strategy	Number of Congestion Charge Strategies developed by 30 June	Inception / Feasibility	1	1	n/a	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a

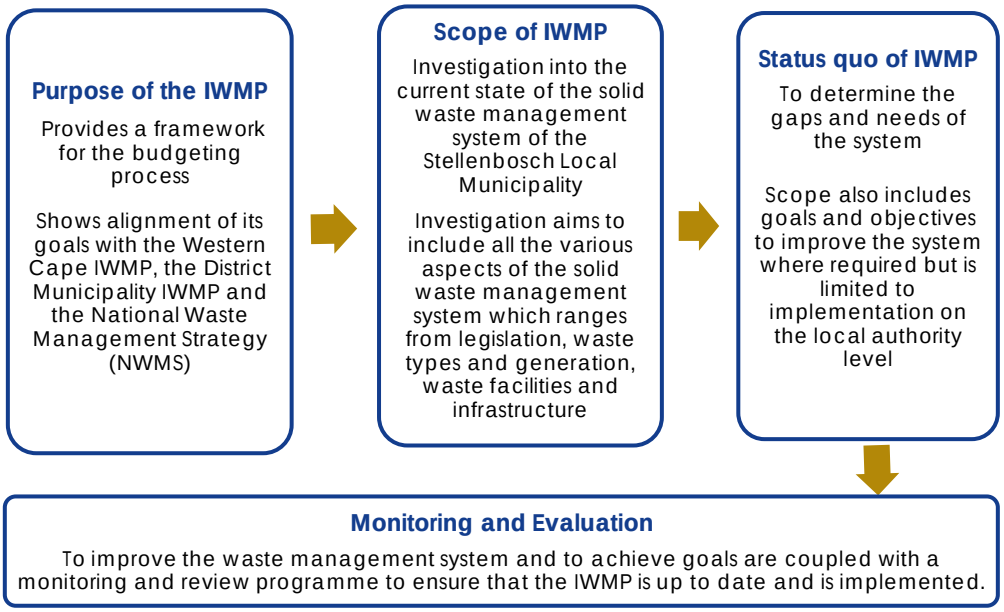
	IMPLEMENTATION PLAN: COMPREHENSIVE INTEGRATED TRANSPORT PLAN (CITP)														
IDP Ref	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	Project Phase	5-year target 2022 - 2027	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target	Funding Type	Progress Rating				
					2022/23	2023/24	2024/25	2025/26	2026/27		2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Conduct investigations for the pedestrianisation of streets	Number of investigations for the pedestrianisation of streets conducted by 30 June	Inception / Feasibility	1	1	n/a	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Completion of Tour Bus facilities in Stellenbosch and Franschhoek Towns	Number of Tour Bus facilities in Stellenbosch and Franschhoek Towns completed by 30 June	Design / Implementation (Included in CEF)	2	n/a	2	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Submission of an assessment report to the Provincial Department of Transport on the implementation of public transport lanes on the R44 (from both directions Stellenbosch – Somerset West)	Number of assessment reports submitted to the Provincial Department of Transport on the implementation of public transport lanes on the R44 (from both directions Stellenbosch – Somerset West)completed by 30 June	Feasibility	1	1	n/a	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Engagements with the University to collaborate on the implementation and improvement of park and ride facilities and shuttle services for students	Number of engagements held to collaborate on the implementation and improvement of park and ride facilities by 30 June	Ongoing, forming part of internal operational programme	5	1	1	1	1	1	▲	n/a	n/a	n/a	n/a	n/a
TBC	Completion of the Kayamandi Pedestrian Bridge	Number of Kayamandi Pedestrian Bridges completed by 30 June	Implementation (Included in CEF)	1	1	n/a	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Completion of the Lanquedoc Access Road and Bridge	Number of Lanquedoc Access Roads and Bridges completed by 30 June	Implementation (Included in CEF)	1	1	n/a	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Completion of the expansion of the NMT network	Number of expansion of the NMT networks completed by 30 June	Implementation (Included in CEF)	1	1	n/a	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Implementation of the Traffic Signal Synchronisation propgramme	Percentage of the Traffic Signal Synchronisation propgramme capital budget actually spent by 30 June	Implementation (Included in CEF)	90%	90%	n/a	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a

	IMPLEMENTATION PLAN: COMPREHENSIVE INTEGRATED TRANSPORT PLAN (CITP)														
IDP Ref	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	Project Phase	5-year target 2022 - 2027	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target	Funding Type	Progress Rating				
					2022/23	2023/24	2024/25	2025/26	2026/27		2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Complete the improvements on the Main Road intersections (R44, Alexander Street; R44, Merriman Lane; R45 Le Roux, Franschhoek; and R45, Helshoogte Road Realignment)	Percentage of the Main Road Intersection Improvements capital budget actually spent by 30 June	Implementation (Included in CEF)	90%	90%	n/a	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Conduct Transport Studies for the Adam Tas Corridor (ATC)	Number of Transport Studies for the ATC conducted by 30 June	Designs	1	1	n/a	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a

6.3.5 Integrated Waste Management Plan (IWMP)

This third-generation IWMP was developed in 2020. 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 sector, can be tracked and strategies adapted accordingly.

Figure 33: Integrated Waste Management (IWMP) Purpose, Scope and Status Quo



6.3.5.1 Implementation Plan: Integrated Waste Management Plan (IWMP)

Based on the gaps and needs identified, aligned goals of the IWMP and planned projects by the municipality, the plan contains the objectives, timeline and resources required for the implementation of the IWMP. The gaps and needs identified are linked to the main goals contained in the Western Cape Provincial IWMP.

Table 33: Integrated Waste Management Plan Interventions

Funding Type								Project Rating					
▲	Municipal Funding	●	Grant Funding	■	External Loan / Funding	×	No funding required	☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

IMPLEMENTATION PLAN: INTEGRATED WASTE MANAGEMENT PLAN (IWMP)																	
IDP Ref	Goal	Objective	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	5-year target 2022 - 2027	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target	Funding Type	Progress Rating				
						2022/23	2023/24	2024/25	2025/26	2026/27		2022/23	2023/24	2024/25	2025/26	2026/27
TBC	**Goal 1:** Strengthened education, capacity and advocacy towards Integrated Waste Management	Facilitate consumer and industry responsibility in Integrated Waste Management	Conduct follow – up visits to the special and hazardous waste generators in the Stellenbosch Municipality	Number of follow - up visits conducted at the special and hazardous waste generators in the Stellenbosch Municipality by 30 June	1	n/a	n/a	n/a	n/a	1	▲	n/a	n/a	n/a	n/a	n/a
		Promote and ensure awareness and education of integrated waste management	Supporting educational awareness campaigns	Number of educational awareness campaigns supported by 30 June	10	2	2	2	2	2	▲	n/a	n/a	n/a	n/a	n/a
		Build and strengthen waste management capacity	Attend education seminars and waste forums	Number of education seminars and waste forums attended by 30 June	16	3	3	3	3	3	▲	n/a	n/a	n/a	n/a	n/a

IMPLEMENTATION PLAN: INTEGRATED WASTE MANAGEMENT PLAN (IWMP)																	
IDP Ref	Goal	Objective	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	5-year target 2022 - 2027	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target	Funding Type	Progress Rating				
						2022/23	2023/24	2024/25	2025/26	2026/27		2022/23	2023/24	2024/25	2025/26	2026/27
TBC	**Goal 2:** Improved Integrated Waste Management Planning and implementation for efficient waste services and infrastructure	Facilitate municipal waste management planning	Review of the Integrated Waste Management Plan (IWMP)	Number of IWMP reviewed by 31 March	1	n/a	1	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
			Submit the IWMP to Council	Number of IWMPs submitted to Council by 30 June	1	n/a	1	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
			Develop the 4th Generation IWMP	Number of 4th Generation IWMPs developed by 31 March	1	n/a	n/a	1	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
		Promote industry waste management planning	Conduct engagements with industries to reduce waste generation	Number of engagements conducted with industries to reduce waste generation by 30 June	1	n/a	n/a	n/a	n/a	1	▲	n/a	n/a	n/a	n/a	n/a
		Promote the establishment of Integrated Waste Management Infrastructure and Services	Carry out vehicle assessments	Number of vehicle assessments caried out by 30 June	4	n/a	2	n/a	2	n/a	▲	n/a	n/a	n/a	n/a	n/a
			Develop a mechanical biological treatment (MBT) facility	Number of MBT facilities developed by 31 March	1	1	n/a	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a

IMPLEMENTATION PLAN: INTEGRATED WASTE MANAGEMENT PLAN (IWMP)																	
IDP Ref	Goal	Objective	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	5-year target 2022 - 2027	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target	Funding Type	Progress Rating				
						2022/23	2023/24	2024/25	2025/26	2026/27		2022/23	2023/24	2024/25	2025/26	2026/27
			Develop Cell 4 at the Devon Valley Landfill Site	Number of Cell 4s at the Devon Valley Landfill Site developed by 31 March	1	n/a	1	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	**Goal 2:** Improved Integrated Waste Management Planning and implementation for efficient waste services and infrastructure	Ensure effective and efficient waste information management	Improvement waste data recording for generation and transportation reports	Percentage of improvements done on waste data recording by 30 June	3	1	n/a	1	n/a	1	▲	n/a	n/a	n/a	n/a	n/a
TBC	**Goal 3:** Effective and efficient utilisation of resources	Minimise the consumption of natural resources	Linked to **Goal 1**		n/a	n/a	n/a	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
		Stimulate job creation within the waste economy	Create job opportunities in the waste management sector	Number of job opportunities created by 30 June	1	n/a	n/a	n/a	n/a	1	▲	n/a	n/a	n/a	n/a	n/a
		Increase waste diversion through reuse, recovery and recycling	Develop identified waste diversion infrastructure to increase diversion	Number of waste diversions infrastructure developed to increase diversion by 30 June	1	n/a	1	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a

IMPLEMENTATION PLAN: INTEGRATED WASTE MANAGEMENT PLAN (IWMP)																
IDP Ref	Goal	Objective	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	5-year target 2022 - 2027	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target	Funding Type	Progress Rating				
						2022/23	2023/24	2024/25	2025/26	2026/27		2022/23	2023/24	2024/25	2025/26	2026/27
TBC	**Goal 4:** Improved compliance with environmental regulatory framework	Strengthen compliance monitoring and enforcement	Conduct internal and external compliance audits at all waste management facilities	Number of internal and external compliance audits conducted at all waste management facilities by 30 June	25	5	5	5	5	5	▲	n/a	n/a	n/a	n/a	n/a
			Issuing of illegal dumping fines	Number of illegal dumping fines issued by 30 June	100 per annum	100	100	100	100	100	▲	n/a	n/a	n/a	n/a	n/a
		Remediate and rehabilitate contaminated land	Rehabilitation of the unused cell at the landfill site	Number of unused cells at the landfill site rehabilitated by 31 March	1	n/a	n/a	n/a	1	n/a	▲	n/a	n/a	n/a	n/a	n/a
		Promote self / co-regulatory measures	Conduct an annual review of the IWMP	Number IWMPs reviews conducted by 31 March	5	1	1	1	1	1	▲	n/a	n/a	n/a	n/a	n/a

6.3.6 Electrical Master Plan

With the approval of the SDF in November 2019, which was almost within the time that the Master Plan was due for an update, the review was not done. The complete update was planned for September 2020, but due to the COVID-19 pandemic, the updating of the Master Plan was delayed.

In October 2020 the Minister of DME announced that municipalities will in future be allowed to purchase electricity from other sources of electricity and also to generate their own electricity. This drastically changed the whole concept of the Stellenbosch Municipality's Master Plan. Where the municipality previously had one supplier of electricity the municipality would have major intake points from this one supplier. From these points, networks will flow to consumers and the size of cables will be determined by the electricity needs of these consumers. Since the municipality may now receive electricity from multiple points the municipal network design will not fit this new policy. The entire Master Plan must now change as cables in certain areas may now be too big and in few places too small. The whole system of intake points must first be established and once that is known, the network itself must be redesigned with the knowledge of existing and future intake points and methods of energy acquirements.

To understand what the energy sources for electricity would look like an **Energy Master Plan** has been launched and is currently conducted by the Council of Scientific and Industrial Research (CSIR) and which will form the basis where electricity is likely to be generated or purchased. Once this Master Plan has been completed and the SDF has been updated, it would be the ideal time to draft an entire new Electricity Master Plan. The following time frames are envisaged:

- Complete **Energy Master Plan** by December 2022; and
- Complete the **Electricity Master Plan** by June 2023.

The plans aim to provide the Stellenbosch Municipality with a clear view and a 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 (2028);
- 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.

6.3.7 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 a comprehensive WSDP 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 Services 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 prioritisation programme; and
- A Water Demand Management (WDM) Strategy.

The Water Master Plan, Sanitation Master Plan, Bulk Water Resources / Drought Intervention Plan, Asset Register and Pipe Replacement Prioritised Programme were updated in 2019.

A brand-new Master Plan is envisaged to be commenced with and completed in 2022. Since water management has drastically changed with the advent of drought, the use of greywater, the increasing cleansing of rivers, it is needed to be redone. It will also align the Water Master Plan with the latest changes to the SDF.

The Water Conservation and Water Demand Management (WC and 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 include a 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 wastewater and sewerage disposal systems, as a local government function.

Access to basic water is defined as 25 liters of potable water per day supplied within 200 meters of a household.

Due to the severe drought experienced 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 its consumers through the following water supply systems:

- Stellenbosch (Jonkershoek and Theewaterskloof tunnel);
- Franschhoek;
- Wemmershoek (treated water imported from the City of Cape Town);
- Blackheath (treated water imported from the City of Cape Town);
- Faure (treated water imported from the 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.

Emergency water is supplied to farm communities that do not get water from the farms that they stay on.

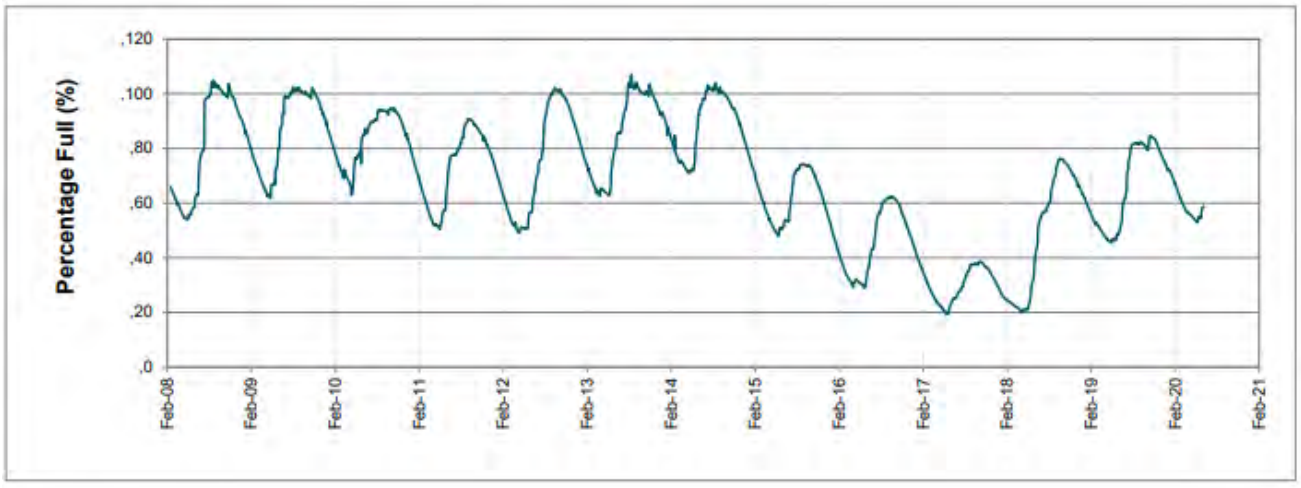
Stellenbosch Municipality manages three water treatment works, namely Ida's Valley, Paradyskloof and Franschhoek. The potable water supply from these works amounts to 15.1 Ml/d on average and a further 6.8 Ml/d was obtained from the City of Cape Town during the financial year, ensuring a supply of approximately 21.9 Ml/d to the municipal area.

Areas supplied from the Wemmershoek Water Treatment Works include half of Franschhoek town, La Motte, Wemmershoek, Pniël, Boschendal, Johannesdal, Kylemore, Lanquedoc, Klapmuts, Koelenhof, Elsenburg, Devon Valley and Muldersvlei. Areas supplied from Blackheath water treatment works include Polkadraai, Spier and Vlottenburg. Areas supplied from Faure water treatment works 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 Ml, 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 34: 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.

6.3.7.1 Basic Services and Level of Services

- 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.

6.3.7.2 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 access 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.

Wastewater 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.

6.3.7.3 Implementation Plan: Water Services Development Plan

Table 34: Water Services Development Interventions

Funding Type								Project Rating					
▲	Municipal Funding	●	Grant Funding	■	External Loan/ Funding	✕	No funding required	☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

IMPLEMENTATION PLAN: WATER SERVICES DEVELOPMENT PLAN																
IDP Ref No	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	Current Infrastructure Projects	5-year target 2022 - 2027	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target	Funding Type	Progress Rating				
					2022/23	2023/24	2024/25	2025/26	2026/27		2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Upgrading of the Wemmershoek WWTW	Number of Wemmershoek WWTWs upgraded by 31 March	Wemmershoek WWTW Upgrade will increase capacity from 5MLD to 8MLD and will improve the quality of effluent discharged into the Berg River. The project consists of upgrading grit removal, adding additional activated sludge treatment processes and doubling the sludge handling capacity by installing an additional belt press. Phase 1 planned completion is October 2022. Phase 2 is to commence in early 2022/23 financial year and has a two-year construction period.	1	n/a	1	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Upgrading of the Pniël WWTW	Number of Pniël WWTWs upgraded by 31 December	Pniël WWTW Upgrade started construction in February 2020 and current completion is planned for December 2022. The upgrading consists of a new activated sludge plant incorporating existing refurbished infrastructure. This project will increase capacity from 1.4 MLD to 4.5MLD. The advanced plant will increase the quality of effluent and will allow development in Kylemore, Pniël, Lanquedoc and Boschendal.	1	1	n/a	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a

IMPLEMENTATION PLAN: WATER SERVICES DEVELOPMENT PLAN																
IDP Ref No	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	Current Infrastructure Projects	5-year target 2022 - 2027	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target	Funding Type	Progress Rating				
					2022/23	2023/24	2024/25	2025/26	2026/27		2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Complete the Vlottenburg / Polkadraai Bulk Water Supply Pipeline	Number of Blackheath Main Water Supply Pipeline completed by 30 June	The upgrading of the Vlottenburg / Polkadraai Bulk water scheme is a 60-week construction phase and is planned to start in the 2022/23 financial year. The project consists of a 3ML and 10 ML reservoirs, a water pump station with an energy recovery turbine and 10,4 km of bulk supply lines. This new scheme is Phase 1 of the Blackheath supply scheme to secure bulk water to the Polkadraai, Longlands, Digteby, Spier, Onder Papagaai, Kayamandi and Northern Extension.	1	n/a	1	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Upgrading of the Uniepark (Rosendal Reservoir) Bulk Water Supply Pipeline	Number of Uniepark (Rosendal Reservoir) Bulk Water Supply Pipelines upgraded by 30 June	Uniepark (Rosendal Reservoir) Bulk Water Upgrade consists of multiple phases. Phase 1 consists of the refurbishment of the existing 4ML Rosendal reservoir which will be completed end of April 2022. Phase 2 consists of a new 30ML Helshoogte reservoir and approximately 6km of bulk pipeline which will transfer bulk water from Ida's Valley WTW to Kayamandi and the Northern Extension. This phase is currently in the detail design stage with funding to be secured in the 3-year budget cycle.	1	n/a	n/a	1	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Upgrading of the Kayamandi and Northern Extension Bulk Water Supply Pipeline	Number of Kayamandi and Northern Extension Bulk Water Supply Pipelines upgraded by 30 June	Kayamandi and Northern Extension Bulk Water Upgrade is in the final design stage and will include a 10ML Reservoir, 4km of Bulk Supply Pipelines and a water transfer pumpstation (Onder Papagaai). Capital funding needs to be secured in the 3-year budget cycle for any development to take place in the Kayamandi and adjacent development areas.	1	n/a	n/a	1	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Construction of the new Jamestown Reservoir	Number of new Jamestown Reservoirs constructed by 30 June	New Jamestown Reservoir planned construction to start in the 2022/23 financial year. The project includes a new 5ML reservoir and 1,5km of bulk supply pipelines.	1	1	n/a	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a

IMPLEMENTATION PLAN: WATER SERVICES DEVELOPMENT PLAN																
IDP Ref No	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	Current Infrastructure Projects	5-year target 2022 - 2027	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target	Funding Type	Progress Rating				
					2022/23	2023/24	2024/25	2025/26	2026/27		2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Construction of the new Jonkershoek WTP	Number of new Jonkershoek WTPs to be constructed by 30 June	New Jonkershoek WTP Project consists of a new 15 l/s water filtration plant, complete with disinfection and stabilisation. Funding to be secured for 2022/23 financial year.	1	n/a	n/a	1	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Upgrading of the Ida's Valley WTP	Number of Ida's Valley WTPs upgraded by 30 June	Ida's Valley WTP Upgrade from 20MLD to 30MLD is in the planning phase with funding to be secured in the 3-year budget cycle.	1	n/a	n/a	n/a	1	n/a	▲	n/a	n/a	n/a	n/a	n/a

6.3.7.4 Water Demand Management (WDM)

Stellenbosch Municipality is actively implementing their adopted WDM Strategy to reduce the current percentage of non-revenue water and to keep the future water demand as low as possible. The municipality has a block step tariff system that discourages wasteful or inefficient use of water. The restriction of water use by indigent households and non-payers were prioritised with the implementation of the Leak Repair Programme and includes the repairs to private leaks and the installation of Water Demand Management Devices. These devices restrict users to 400 litres per day. More than 1 600 devices have been installed with savings in excess of 450 000 litres of water per day.

6.3.7.5 Climate Change

In terms of adapting to 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 Drop 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.

6.3.7.6 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.

6.3.7.7 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."[6]

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.

6.3.7.8 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 power generation.

Due to the threat 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 cooperation 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 a reduction in water losses.

The project is currently underway and has been received with a positive reaction from the community.

[6] WISA, Jun 30, 2020

The new Water Services By-Laws were also finalised and approved by Council and promulgated. This will contribute to increasing management and control of water and sanitation-related aspects within 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.

6.3.7.9 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).

6.3.7.10 Backlogs – Access to Basic Levels of Services

All indigent households receive free basic water (the first ten kilolitres of water) and sanitation services.

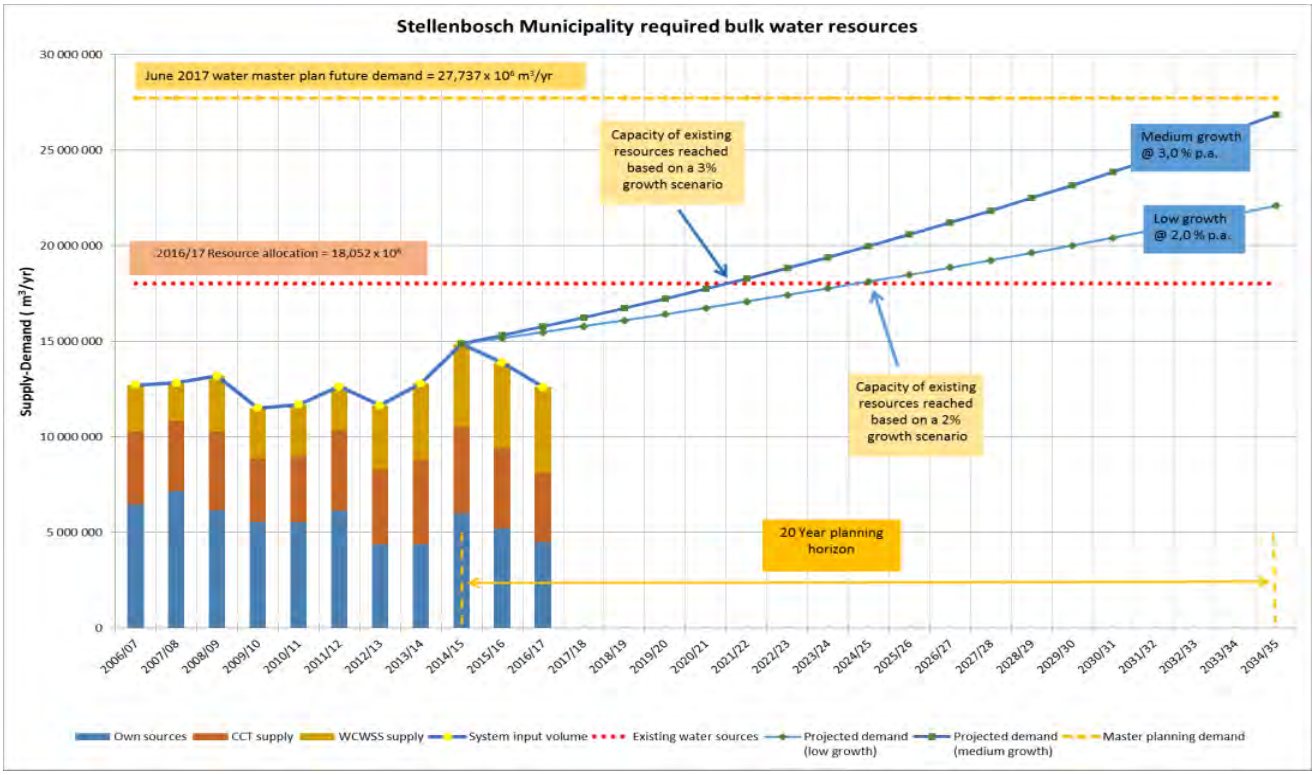
All the formal households in urban areas of the municipality are provided with water connections and waterborne sanitation facilities inside the houses (higher level of service). Communal standpipes and ablution facilities are provided in the informal areas as a temporary emergency service. Communal 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 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.

6.3.7.11 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 35: Water supply and accommodating growth (Total for WCO24)



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, 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 2020/21 financial year, the municipality recorded 18.1% for "non-revenue" water which is a decrease of 2.4 % from the previous financial year and 9.9% for Real Network Losses.[7] The no-revenue water for the financial year 2020/21 is 18.1% that is below the target set of 25%. The real physical network losses are at 9.9% that is well below the best practice value of 15%.

[7] Refer to the Municipality's IWA Water Balance Sheet

Figure 36: Water Losses July 2020 to June 2021

System input volume: July 2020 to June 2021 ; kl * — **10 003 874** — **100%**
(water demand in reticulation system)

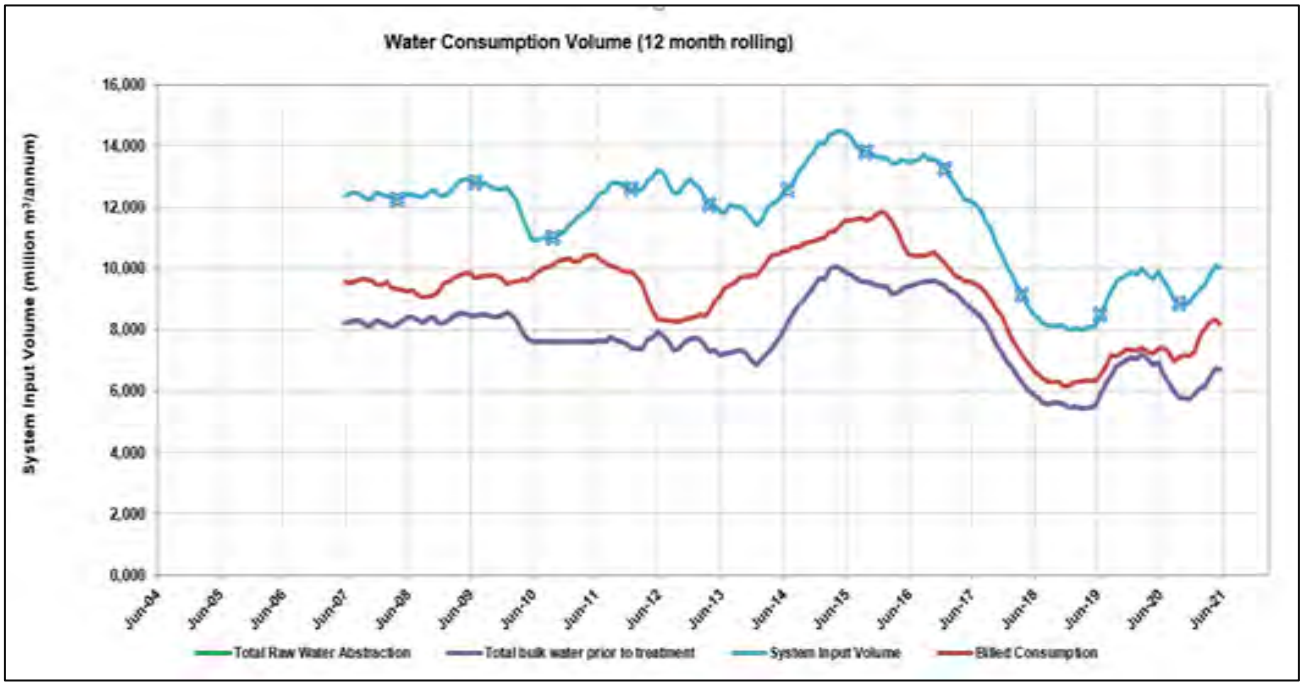
Potable	Authorised consumption 85,1%	Revenue water 81,9%	Billed metered (normal) *	7 701 782	77,0%
			Billed unmetered	486 778	4,9%
		Non-revenue water 18,1%	Un-billed metered	300 116	3,0%
			Un-billed unmetered	20 008	0,2%
	UAW 14,9%		Apparent losses	500 194	5,0%
			Real network losses	994 996	9,9%

Non-revenue water (NRW) ; kl	**1 815 314**	**18,1%**
Real network losses ; kl	**994 996**	**9,9%**

6.3.7.12 Borehole Drilling in WCO24

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 241 standards before it is included in the water supply networks. This water is however more expensive compared to our Ida's Valley WTP supply and not used unless necessary.

Figure 37: Stellenbosch Bulk Water Consumption



6.3.8 Long Term Water Conservation and Water Demand Management Strategy

A comprehensive Water Conservation and Water Demand Management (WC & WDM) Strategy which includes a 10-year financial plan has been developed. The strategy has two goals. The municipality will:

- Prioritise the implementation of WC & WDM Strategy; and
- Ensure ongoing planning, management, monitoring and enabling environment.

This Long Term WC & WDM Strategy were approved by Council on Tuesday, 25 February 2014 and was since implemented. Water Conservation and Water Demand Management (WC/WDM) are more cost-effective and have a 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. The updating of the long term plan is underway.

The results of the successful implementation of the strategy are evident with declining input volumes and lower water losses recorded since implementation started. The active Leak Repair Programme, the installation of Water Demand Management Device, active replacement of faulty water meters and the replacement of asbestos cement pipelines all contributed to below-average Real Network Losses and Non-revenue Water Losses. It is, therefore, an effective way of delaying the development of infrastructure for new water resources and reducing the need to upgrade or construct new bulk water infrastructure.

WC / WDM involves measures which:

Figure 38: WC / WDM Measures

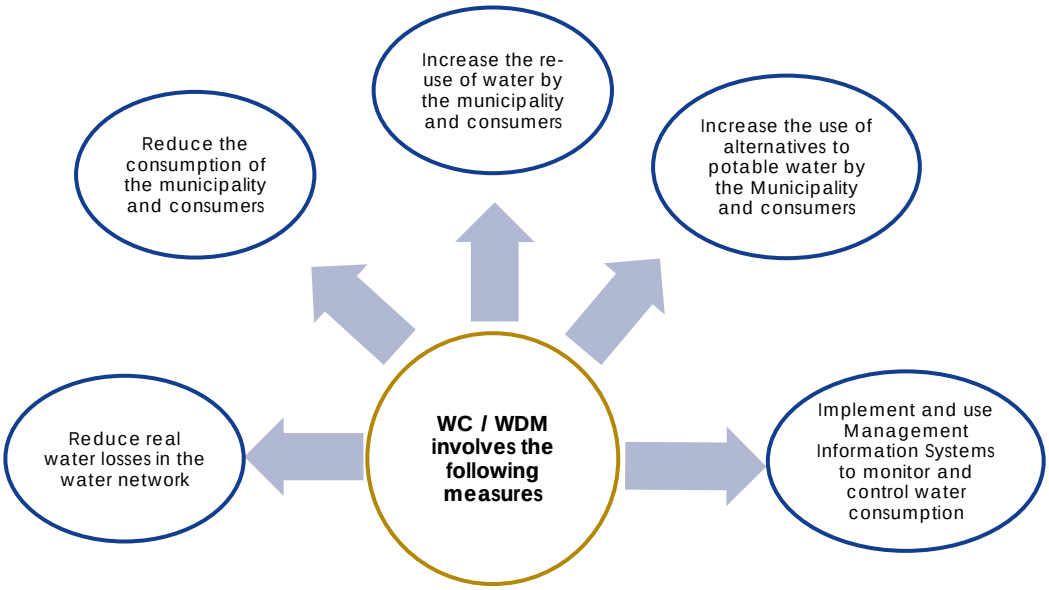


Figure 39: Stellenbosch Bulk Water input volumes

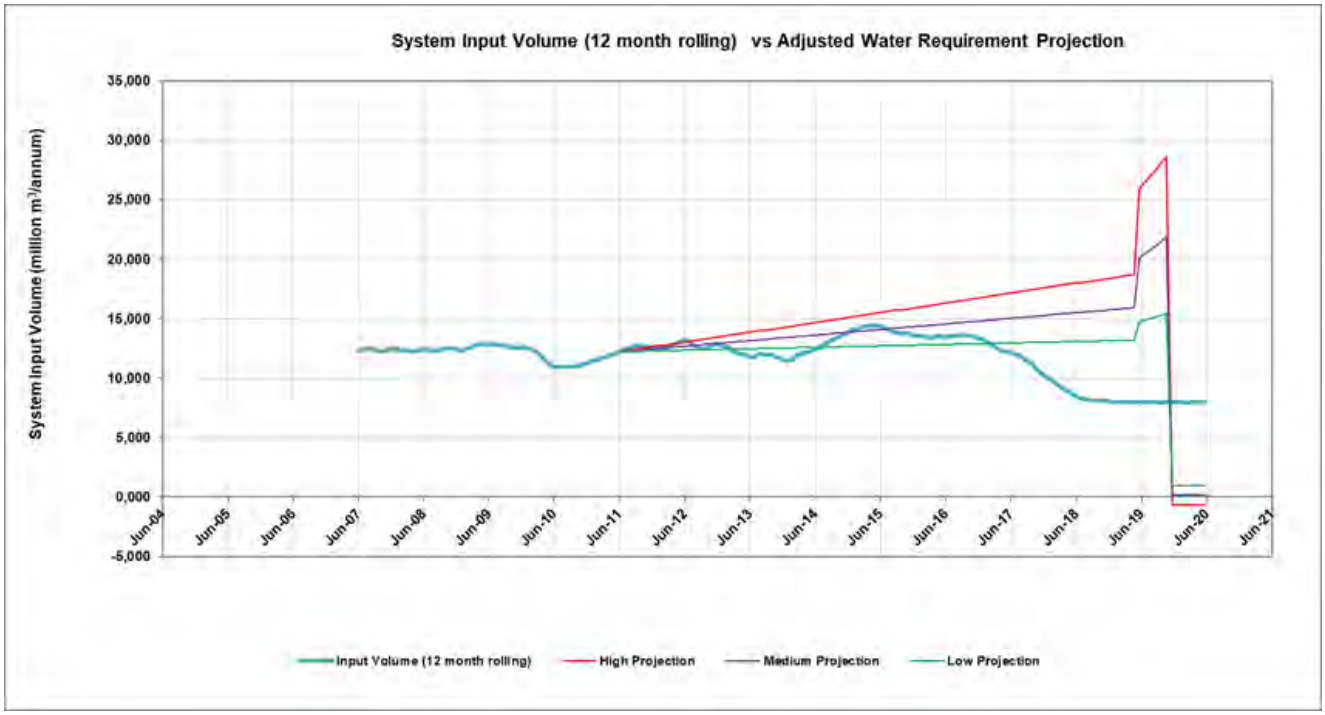
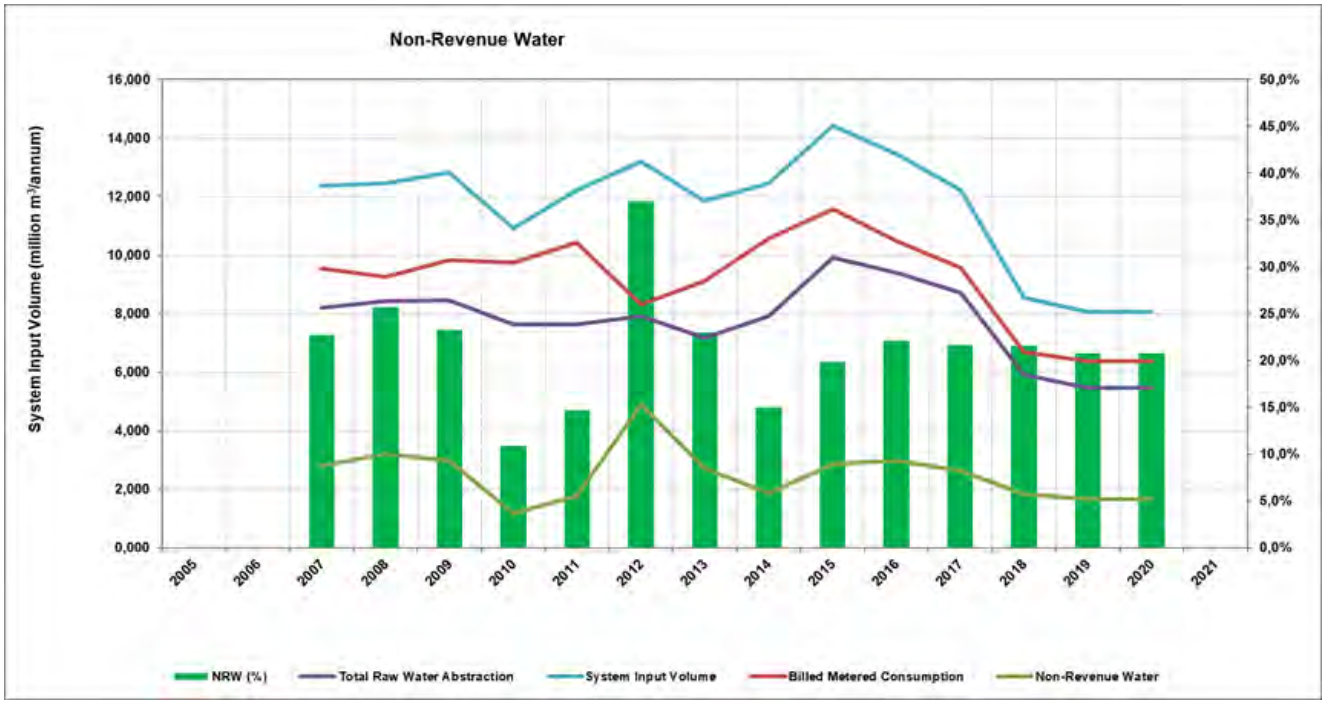
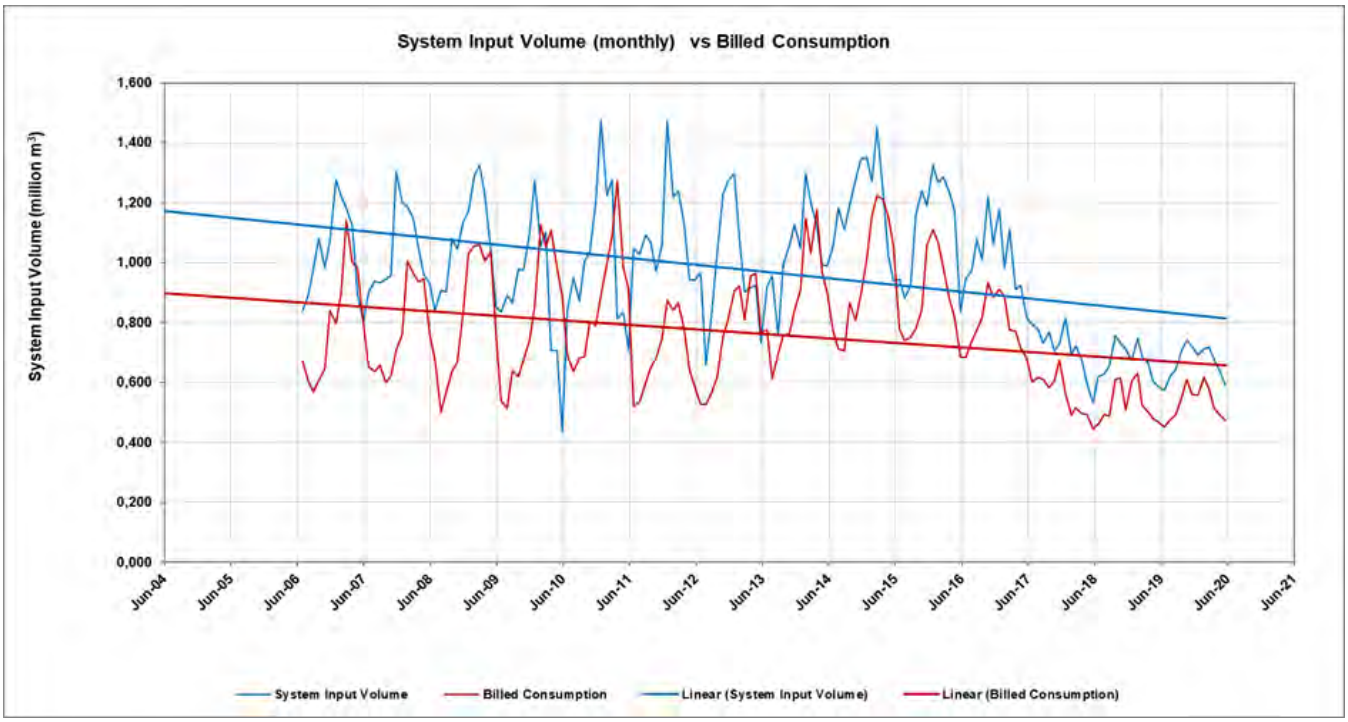


Figure 40: Stellenbosch Bulk Water Sales





The unrestricted growth in water demand versus the growth in water demand assuming WC&WDM is implemented as shown in the figure below.

Figure 41: Unrestricted versus WDM growth in demand

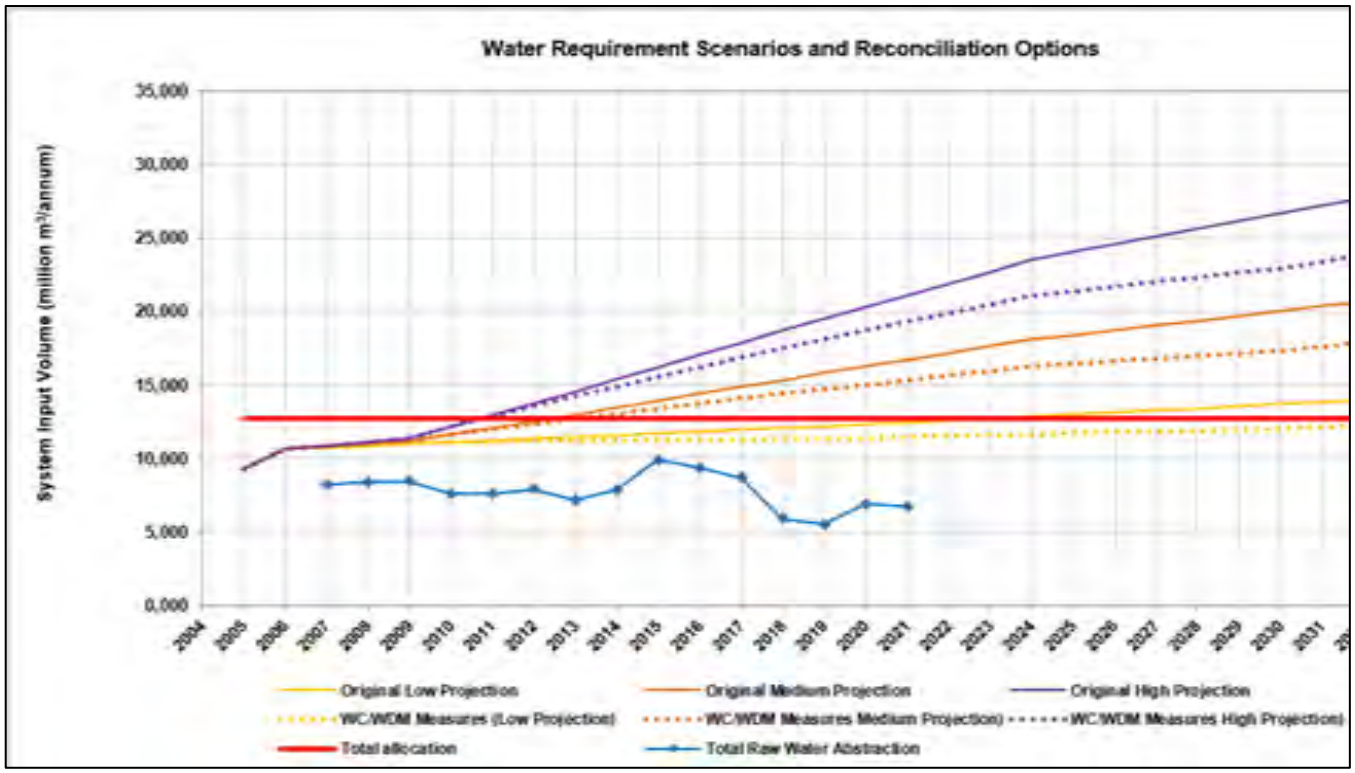
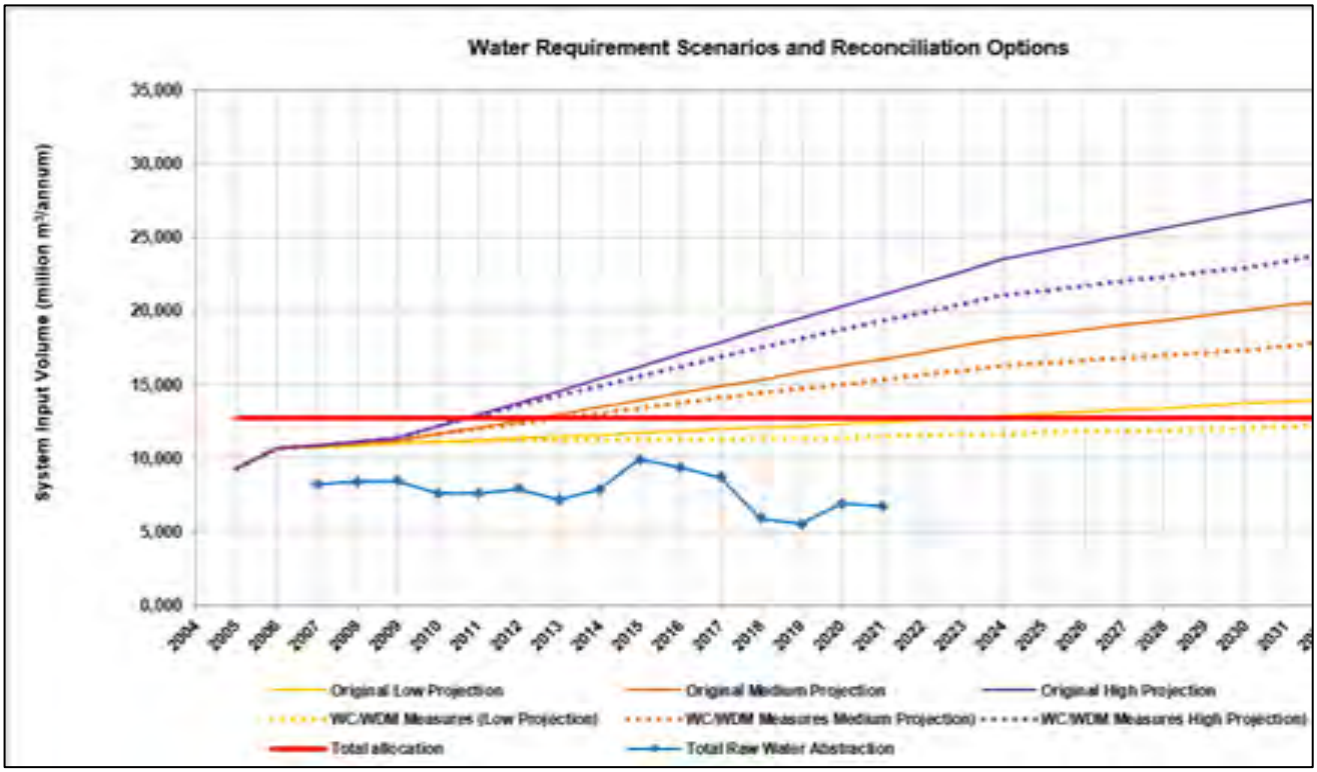


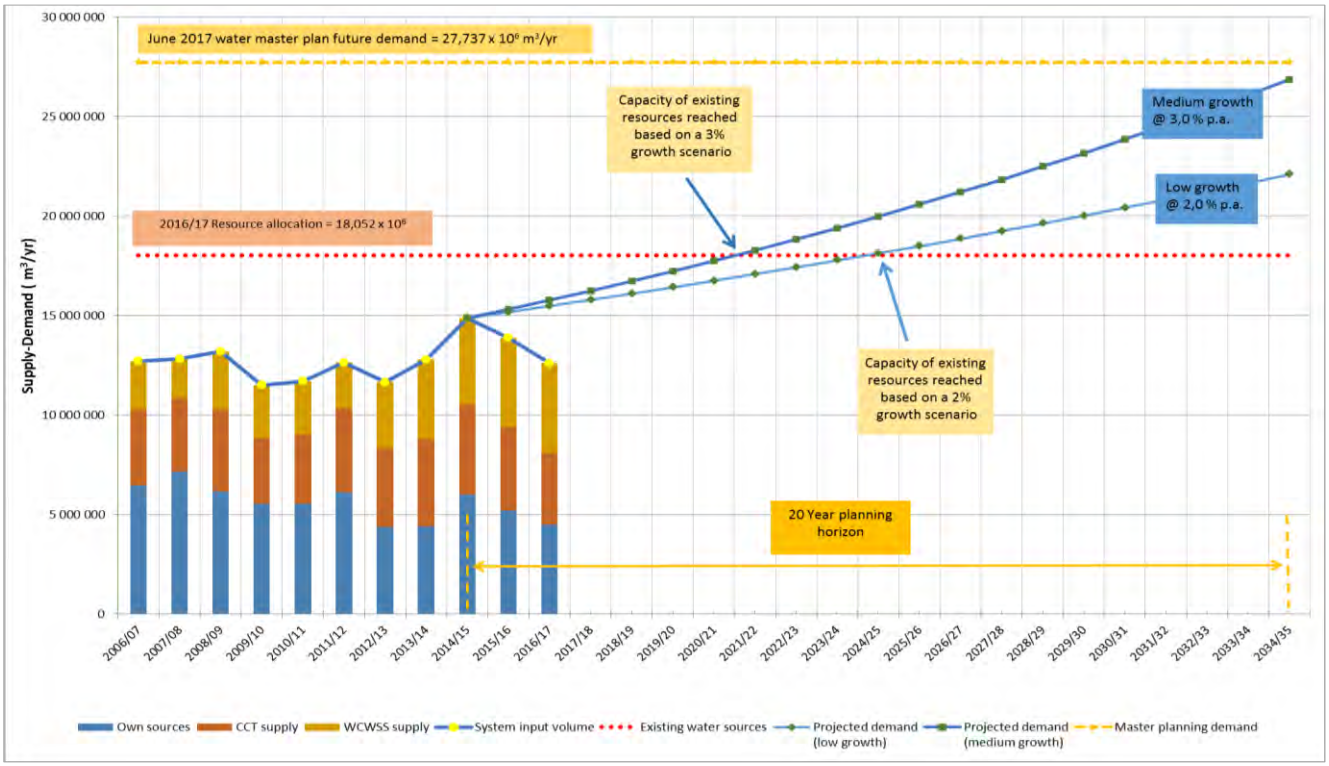
Figure 42: Unrestricted versus WDM growth in demand

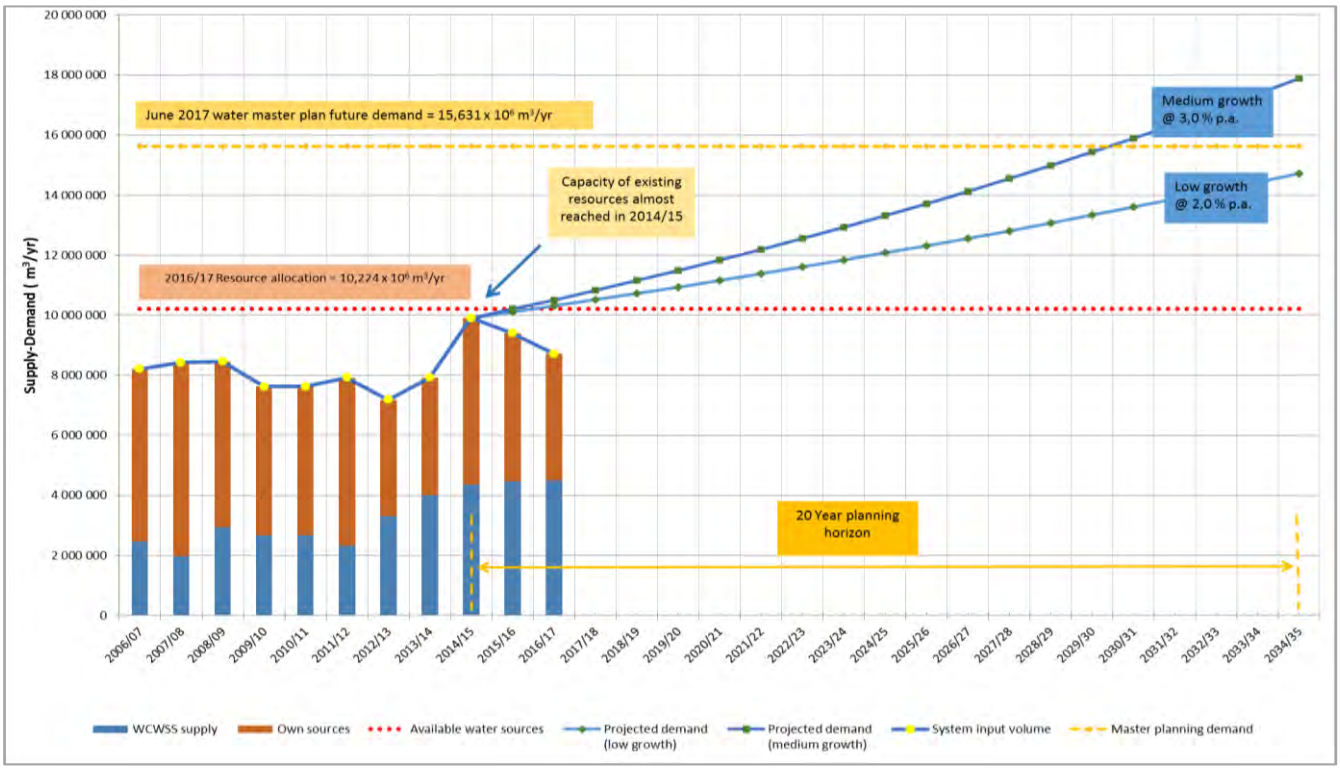


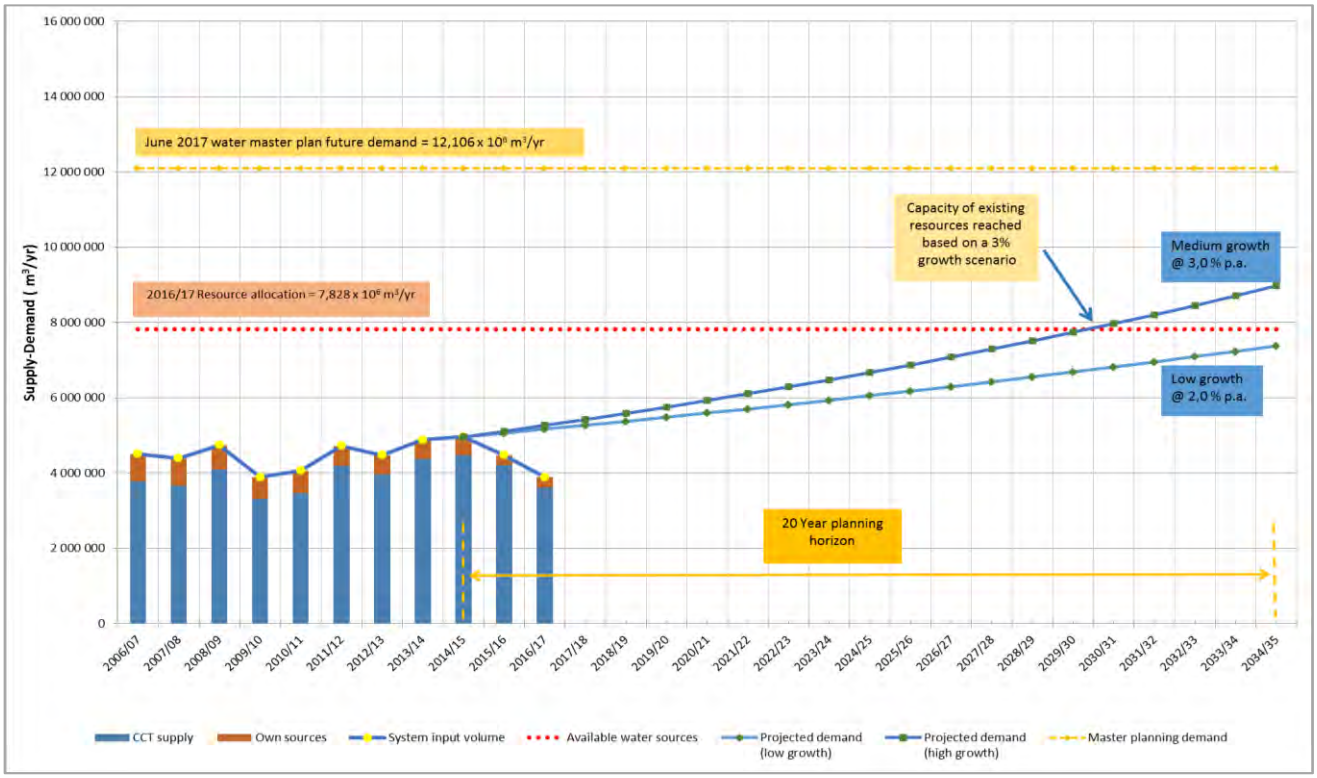
Note that each town in the municipality has water supplies independent of each other. When implementing WC/WDM in the municipality it is critical to implement in those towns where the existing supply will become inadequate for the demand the soonest. This will enable the municipality to delay the implementation 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 43: Updated growth in demand 20-year planning horizon







6.3.9 Safety and Security Strategy

Strengthening partnerships and using the platform of the SSI, is 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 maintaining 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 that neighbourhood watches receive from DOCS. Radios will be provided to enable communication with the municipality's Protection Services control room.

The municipality's control room is envisaged to house role-players from neighbourhood watches, security companies, SAPS, Municipal Law Enforcement 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 is **021 808 8999**. A WhatsApp number to report complaints within the municipal boundaries of Stellenbosch is also 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-players 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.

The municipality is also currently in discussions with the Department of Community Safety and the CWDM on the establishment of the Community Safety Forum. This will enhance cooperation between Government Departments, private institutions, etc. and municipal departments to address safety jointly.

6.3.9.1 Law Enforcement

With the review of the Safety Strategy, the municipality has 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 the municipality has to think smarter to always be one step ahead.

The municipality has completed all 3 phases of the action plan as identified during the previous review. This includes 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. The municipality continuously invests in CCTV to enhance safety. The municipality also has a CCTV Master Plan which is a ''living'' document and frequently updated based on needs identified concerning safety.

The focus of Law Enforcement

- Effective monitoring and surveillance of CCTV cameras ;
- Zero tolerance approach towards petty crime - visible Policing focussing on CBDs;
- Weekly operational planning with SAPS and safety partners;
- Provisions for the 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 CWDM in terms of sharing of resources and information flow;
- Continuous investigation into technology to improve enforcement strategies;
- Updating of CCTV 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;
- Launch of joint control room;
- Issuing of radios to all neighbourhood watches 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.

6.3.9.2 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.

SECTION 53(1) DISASTER MANAGEMENT ACT, 2002 (ACT NO. 57 OF 2002)

a) Prepare a disaster management plan for its area according to the circumstances prevailing in the area;
b) Co - ordinate and align the implementation of its plan with those of other organs of state and institutional role-players; and
c) Regularly review and updae its plan; and through appriopriate mechanisms, processes and procedures established in terms of Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) to consult the local community on the prepartation or amendment of its plan.

6.9.3.2.1 The purpose of the Stellenbosch Municipality Disaster Management

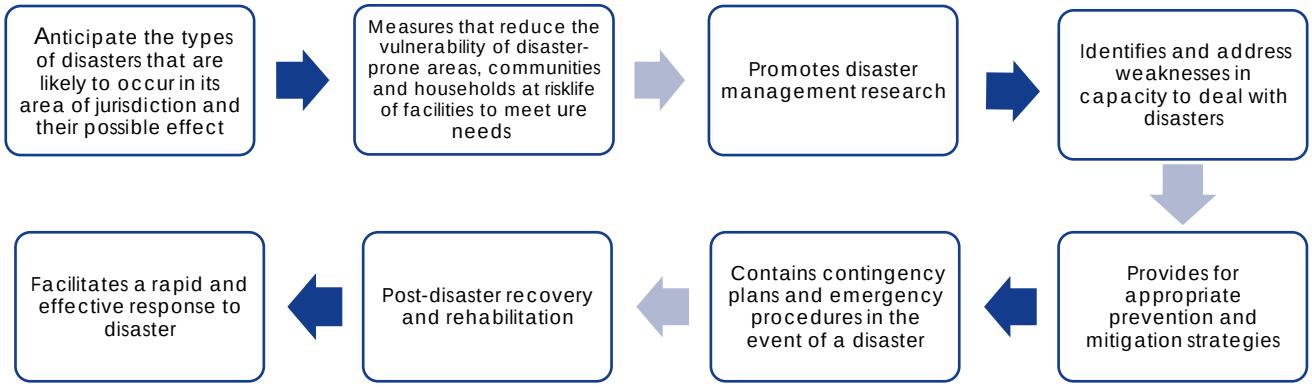
The purpose of Stellenbosch Municipality Disaster Management is to ensure coordination of multi-disciplinary and multi-sectorial risk reduction through the integrated institutional capacity for Disaster Risk Management, Risk Assessment, Response and Recovery and implementation of measures aimed at:

- Preventing or reducing the risk of disasters;
- Mitigating the severity or consequences of disasters;
- Emergency preparedness;
- Rapid and effective response to disasters; and
- Post-disaster recovery and rehabilitation.

6.9.3.2.2 Annual review of the Disaster Management 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:

Figure 44: Annual review of the Disaster Management Plan



6.9.3.2.3 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 thats poses a risk to the WCO24 are listed in the table below.

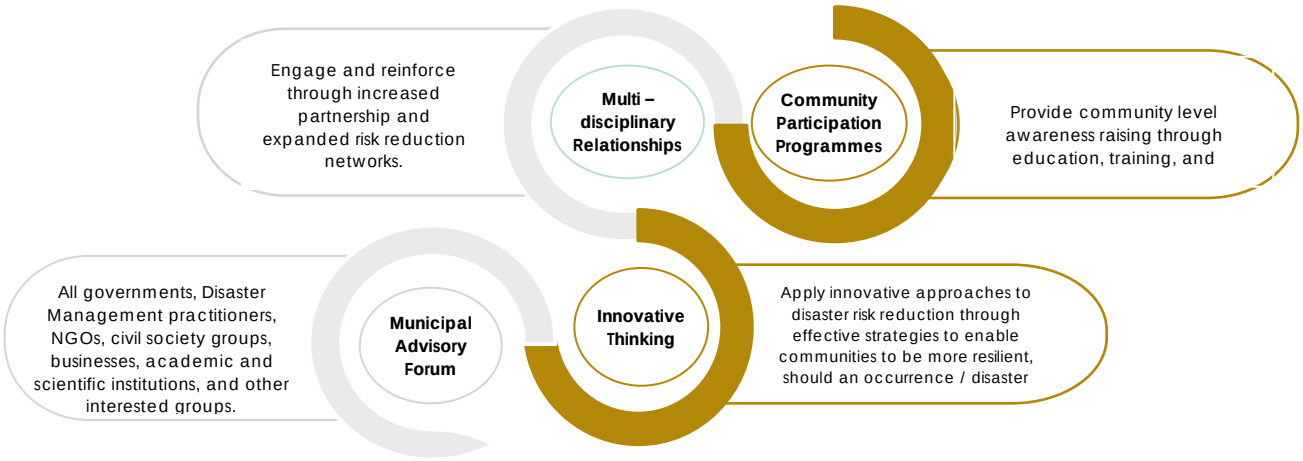
Table 35: Hazards identified

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

No.	Current hazards identified which posed a risk on the WCO24
25.	Seismic: Earthquakes
26.	Strikes and Social conflict
27.	Structural decay
28.	Substance abuse
29.	Transport incidents (road,ailway accidents)

Risk reduction strategies

Figure 45: Risk reduction strategies



The Key Elements of the 2022 programme 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 home visitation programmes);
- Monitoring and evaluating the programme (site visits, surveys, data collection); and
- 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.

6.9.3.2.4 Implementation Plan: Disaster Management

Table 36: Disaster Management Interventions

Funding Type								Project Rating					
▲	Municipal Funding	●	Grant Funding	■	External Loan/ Funding	×	No funding required	☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

	IMPLEMENTATION PLAN: DISASTER MANAGEMENT																
IDP Ref No	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	Project description	Stakeholders	5-year target 2022 - 2027	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target	Funding Type	Progress Rating				
						2022/23	2023/24	2024/25	2025/26	2026/27		2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Conduct fire awareness sessions	Number of fire awareness sessions conducted by 30 June	Safer Communities Project Plan (For implementation throughout the year: Fire Resilient Communities)	Disaster Management and other internal stakeholders	240	48	48	48	48	48	▲	n/a	n/a	n/a	n/a	n/a
TBC	Facilitate COVID-19 vaccination drives in WCO24	Number of COVID-19 vaccination drives facilitated by 30 June	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).	Department of Health, Disaster Management and all relevant Stakeholders	25	5	5	5	5	5	▲	n/a	n/a	n/a	n/a	n/a
TBC	Respond to fire incidents within 14 minutes	Percentage of fire incidents responded to within 14 minutes	Flood / Fire Response	Disaster Management	85%	85%	85%	85%	85%	85%	▲	n/a	n/a	n/a	n/a	n/a
TBC	Installation of smoke alarms	Number of smoke alarms installed by 30 June	Fire Prevention / Safety	Disaster Management	1500	300	300	300	300	300	▲	n/a	n/a	n/a	n/a	n/a

	IMPLEMENTATION PLAN: DISASTER MANAGEMENT															
IDP Ref No	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	Project description	Stakeholders	5-year target 2022 - 2027	Year 1 Target 2022/23	Year 2 Target 2023/24	Year 3 Target 2024/25	Year 4 Target 2025/26	Year 5 Target 2026/27	Funding Type	Progress Rating 2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Implement water safety programmes within WCO24	Number of water safety programmes implemented within WCO24 by 30 June	Water Safety Programmes	Disaster Management Santam / NSRI	10	2	2	2	2	2	▲	n/a	n/a	n/a	n/a	n/a
TBC	Create EPWP job opportunities within the Department: Fire and Disaster Management	Number of EPWP jobs created within the Department: Fire and Disaster Management by 30 June	EPWP – job creation initiative across all departments	EPWP Project-holders	50	10	10	10	10	10	▲	n/a	n/a	n/a	n/a	n/a
TBC	Conduct disaster risk assessments in WCO24	Number of disaster risk assessments conducted in WCO24 by 30 June	Disaster Risk Assessments conducted to determine the increase of vulnerability: Croydon Jamestown Lanquedoc Langrug Kayamandi Jonkershoek Groot Drakenstein Backsberg	Disaster Management	8	2	2	2	2	2	▲	n/a	n/a	n/a	n/a	n/a

6.3.10 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 that stipulates the objectives of local government are to promote social and economic development to strive, within its financial and administrative capacity.

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 to improve the lives of residents.

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 that has a more formal and a more informal end.

The great challenge to local government, in its support for economic development, is to enable job opportunities at different points along 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, have to be valued, 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.

Given the above, Local Economic Development is therefore a multi-stakeholder effort in support of creating economic opportunities for both the private sector and the local community.

6.3.10.1 Strategic approach

The strategic approach to LED in broad is to create economic opportunities for all citizens residing in the Stellenbosch municipal area. However, the recent disruptive trends in the economy affected not only Stellenbosch but South Africa and the world as a whole. These economic shocks included the extended drought experienced and thereafter the COVID-19 pandemic. These events have highlighted the vulnerability of the society, the municipality's systems to deal with it as well the revenue streams of the municipality. The municipality needs 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 experience that forced the municipalities to work remotely.

The following ways of doing business must be seen within the context of the "new normal":

- 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 the growth of smaller enterprises if the overall rate of economic growth is slow. Dedicated networking projects to create opportunities for the informal economy to contribute to the demands of the formal economy will be used to address this aspect.

6.3.10.2 Implementation Plan: Local Economic Development (LED)

Table 37: Local Economic Development Interventions

Funding Type								Project Rating					
▲	Municipal Funding	●	Grant Funding	■	External Loan/ Funding	×	No funding required	☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

IMPLEMENTATION PLAN: LOCAL ECONOMIC DEVELOPMENT (LED)																
IDP Ref No	Strategy	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	Description	5-year target 2022 - 2027	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target	Funding Type	Progress Rating				
						2022/23	2023/24	2024/25	2025/26	2026/27		2022/23	2023/24	2024/25	2025/26	2026/27
TBC	**Strategy 1**: Ensure effective local business networking and sector consultation to improve the municipality's responsiveness to local businesses, entrepreneurs and the economic environment	Facilitate sector meetings	Number of sector meetings facilitated by 30 June	Design and maintain institutional arrangement with all dominant sector players to ensure alignment and information sharing	10	2	2	2	2	2	▲	n/a	n/a	n/a	n/a	n/a
TBC	**Strategy 2:** Establish a networking and mentoring system to ensure SMME development	Coduct business outreach sessions	Number of business outreach sessions conducted by 30 June	Regular seminars and workshops for SMME facilitated by the municipality and Private Sector Partners.	20	4	4	4	4	4	▲	n/a	n/a	n/a	n/a	n/a
TBC	**Strategy 2:** Establish a networking and mentoring system to ensure SMME development	Facilitate Mentorship Programmes	Number of Mentorship Programmes facilitated by 30 June	Annual mentorship programme in collaboration with a Non-Profitable Organisation the University and Industry players in the municipal area.	20	4	4	4	4	4	▲	n/a	n/a	n/a	n/a	n/a

IMPLEMENTATION PLAN: LOCAL ECONOMIC DEVELOPMENT (LED)																
IDP Ref No	Strategy	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	Description	5-year target 2022 - 2027	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target	Funding Type	Progress Rating				
						2022/23	2023/24	2024/25	2025/26	2026/27		2022/23	2023/24	2024/25	2025/26	2026/27
TBC	**Strategy 3:** Proactively identify opportunities for new investment and expansion	Alignment of the Red Tape Reduction Strategy to the SDF	Number of Red Tape Reduction Strategies aligned to the SDF by 31 May	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.	1	n/a	1	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	**Strategy 3**: Proactively identify opportunities for new investment and expansion	Review the Local Economic Development Strategy	Number of Economic Development Strategies reviewed by 31 March	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.	4	1	1	1	1	1	▲	n/a	n/a	n/a	n/a	n/a
TBC	**Strategy 4:** Manage and develop tourism as one of the key economic sectors	Submission of quarterly LTO reports to the Municipal Manager	Number of quarterly LTO reports submitted to the Municipal Manager	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.	20	4	4	4	4	4	▲	n/a	n/a	n/a	n/a	n/a

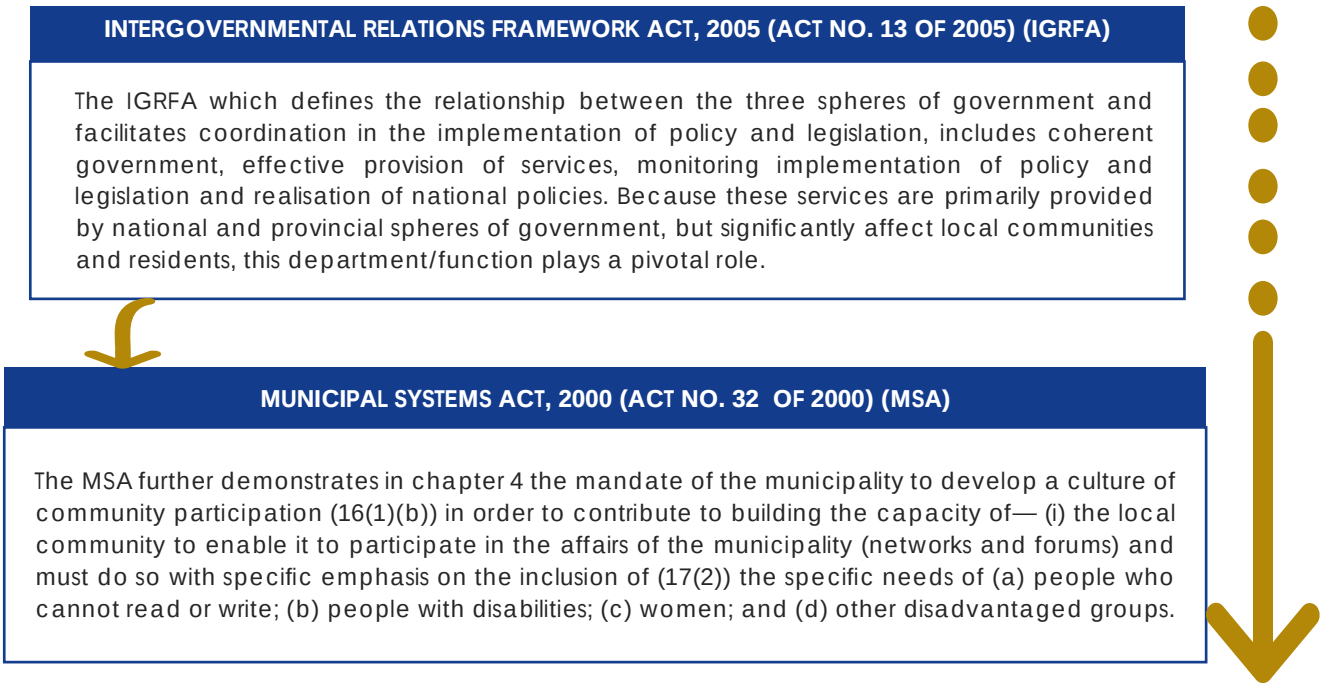
IMPLEMENTATION PLAN: LOCAL ECONOMIC DEVELOPMENT (LED)																
IDP Ref No	Strategy	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	Description	5-year target 2022 - 2027	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target	Funding Type	Progress Rating				
						2022/23	2023/24	2024/25	2025/26	2026/27		2022/23	2023/24	2024/25	2025/26	2026/27
TBC	**Strategy 5:** Manage and develop tourism as one of the key economic sectors	Development of a Tourism Policy	Number of Toursim Policies developed by 31 March	Ensure implementation of strategies in partnership with Local Tourism bodies to ensure the sustainably of the sector and creation of more job opportunities while transforming the tourism sector to become more inclusive.	5	1	n/a	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	**Strategy 5:** Manage and develop tourism as one of the key economic sectors	Review the Tourism Policy	Number of Toursim Policies reviewed by 31 March	Ensure implementation of strategies in partnership with Local Tourism bodies to ensure the sustainably of the sector and creation of more job opportunities while transforming the tourism sector to become more inclusive.	5	n/a	1	1	1	1	▲	n/a	n/a	n/a	n/a	n/a
TBC	**Strategy 6:** Facilitate rural development and farmer support	Allocation of Municipal Agricultural Land to emerging farmers	Number of municipal agricultural land allocated to emerging farmers by 30 June	Facilitate the development of new farming operations for emerging farmers on municipal land and through cooperation with existing farms.	10	2	2	2	2	2	▲	n/a	n/a	n/a	n/a	n/a

IMPLEMENTATION PLAN: LOCAL ECONOMIC DEVELOPMENT (LED)																
IDP Ref No	Strategy	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	Description	5-year target 2022 - 2027	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target	Funding Type	Progress Rating				
						2022/23	2023/24	2024/25	2025/26	2026/27		2022/23	2023/24	2024/25	2025/26	2026/27
TBC	**Strategy 6:** Facilitate rural development and farmer support	Review the Municipal Agricultural Land Policy	Number of Municipal Agricultural Land Policies reviewed by 31 March	Collaborate with the Departments of Agriculture, Rural Development and Land Affairs around land and farming matters.	5	1	1	1	1	1	▲	n/a	n/a	n/a	n/a	n/a
TBC	**Strategy 7:** Facilitate income generating opportunities for the unemployed.	Create job opportunities through the EPWP	Number of job opportunities created through the EPWP by 30 June	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.	7 400	1 400	1 400	1 500	1 500	1 600	▲	n/a	n/a	n/a	n/a	n/a

6.3.11 Community Development Strategy

Moreover, Schedule 4b and 5b lists the functions of local government to include the following which has relevance to the 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 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 the Local Government are to promote the development of communities so that the basic needs of the poor and vulnerable are met. It involves regulation of service delivery. This means that the 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. To this extent, a Memorandum of Understanding (MOU) was signed with DSD.
- 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 Organisations (NGOs) becomes 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.

6.3.11.1 Implementation Plan: Community Development Strategy

Table 38: Community development projects / programmes / initiatives

Funding Type								Project Rating					
▲	Municipal Funding	●	Grant Funding	■	External Loan/ Funding	✕	No funding required	☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

IMPLEMENTATION PLAN: COMMUNITY DEVELOPMENT STRATEGY																
IDP Ref No	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	Partnerships / IGR Structure / Interdepartmental	5-year target 2022 - 2027	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target	Funding Type	Progress Rating				
					2022/23	2023/24	2024/25	2025/26	2026/27		2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Training of youth through the Mayoral Youth Skills Development Programme	Number of Youth trained through the Mayoral Youth Skills Development Programme by 30 June	Approved service providers	300	60	60	60	60	60	▲	n/a	n/a	n/a	n/a	n/a
TBC	Conduct Youth Job Readiness Training	Number of Youth Job Readiness training conducted by 30 June	Department of Social Development (DSD)	600	120	120	120	120	120	▲	n/a	n/a	n/a	n/a	n/a
TBC	Conduct ECD Registration Workshops	Number of quarterly workshops conducted	DSD, Cape Winelands District Municipality, Department of Education, Internal Municipal Departments, NGOs	20	4	4	4	4	4	▲	n/a	n/a	n/a	n/a	n/a
TBC	Establishment of the Greater Stellenbosch GBV Forum	Number of Greater Stellenbosch GBV Forums established by 30 June	DSD, SAPS, NGOs	1	1	0	0	0	0	▲	n/a	n/a	n/a	n/a	n/a
TBC	Facilitate network meetings with collaborative structures	Number of network meetings with collaborative structures held by 30 June	SCAN, DSD, ECD Forums	60	12	12	12	12	12	▲	n/a	n/a	n/a	n/a	n/a

6.3.12 Human Resource Strategy

High quality and a responsive Stellenbosch Municipality, with a focus on skills identification, supply, demand, retention, employability and social mobility, is essential if the municipality is to realise its 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 Human Resource Management and Development (HRM&D) 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 39: Clarifying the role of HRM&D vis-à-vis Manager and employees

HRM	Line Managers	Employees
• 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.	• 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.	• Partners with line and HRM&D to: • 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.

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 an 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 40: Key Strategies

Strategic Focus Area (SFA)	Key strategies	Alignment with HR Standards
SFA 1: 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.
SFA 2: 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.
SFA3: A Safe Valley	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. Establishing adequate, integrated law enforcement capacity, present in every ward of the municipality.	Strategic HR Management. Learning and Development.
SFA 4: 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.
SFA 5: Good Governance and Compliance	Ensuring that functional areas have the capacity and readiness to deliver services in terms of short-, medium- and longer-term objectives and targets. Ensuring that all staff has the opportunity for leadership development within their functional areas, and municipal management generally. Ensuring regular performance management of staff at all levels within the organisation. Undertaking strategic planning for the longer and shorter terms, the municipality as a whole, and local areas Implementing regular auditing of processes. Celebrating excellence in service delivery, external and internal to the municipality. Renewing intergovernmental efforts to establish a municipal court in Stellenbosch.	Strategic HR Management. Talent Management. Learning and Development. Performance Management/ Reward and Recognition. Strategic HR Management. HR Risk Management. Reward and Recognition. Talent Management.

6.3.13 ICT Strategy

6.3.13.1 Background

Information and Communication Technology (ICT) Systems and Services are playing an ever-increasing role as a strategic enabler of organisational transformation and service delivery in the public sector. There is also a growing acknowledgement at corporate governance level that ICT services and systems form an integral part of the municipal service delivery value chain.

The 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 impose major challenges on the Department: ICT and its resources.

This document aims to articulate and describe changes in the Stellenbosch Municipality's ICT Strategy with the view to ensure alignment with the Stellenbosch Municipality's Strategy. Emphasis is placed on identifying the municipality's new requirements and opportunities for Information and Communication

Technology to move towards meeting the ICT related requirements of the municipality and management.

The successful implementation of the municipality's IDP and the achievement of its strategic objectives are highly dependent on a number of critical enabling resources to be managed effectively to support the IDP, including finances, human resources and information technology.

The achievement of the strategic objectives of the municipality's IDP is indirectly dependent on various information technology services, without which the core and supporting functions of the municipality will not be able to operate. The vital ICT related services include:

- Provisioning of the Municipal Financial Management and Payroll Management software applications;
- Hosting of the Municipal Web-site;
- E-mail and internet services;
- Data storage;
- Data recovery;
- ICT planning;
- Provisioning of network, wireless networks and telephony services;
- End-user support for the ICT environment;
- Disaster Recovery Management;
- Business Continuity;
- ICT Risk Management;
- ICT Contract Management; and
- Public Wi-Fi.

6.3.13.2 The Mission and Vision of ICT

ICT's mission is to provide ICT infrastructure and ICT business systems solutions that will assist the Stellenbosch Municipality to deliver sustainable services that are operationally efficient and cost effective to all its stakeholders and communities which includes:

- Cost effective solutions;
- Quality Service Delivery;
- Ongoing performance monitoring; and
- Aligned to business processes.

The vision of the ICT Department is to be a trusted and reliable Information and Communication Technology partner to support the Stellenbosch Municipality management and end-users to achieve their objectives.

6.3.13.3 Success Factors to Adopt in getting closer to the community

The Department: ICT will continue to strive in achieving its goals to close the gap between the municipality and the community by improving services and engagement. These goals include:

- Understanding the needs of the community;
- Always deliver a consistent and quality service; and
- Manage the relationships with vendors and stakeholders providing a service to the public.

6.3.13.4 Implementation Plan: ICT Strategy

Table 41: ICT Interventions

Funding Type								Project Rating					
▲	Municipal Funding	●	Grant Funding	■	External Loan/ Funding	✖	No funding required	☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

	IMPLEMENTATION PLAN: ICT STRATEGY														
IDP Ref No	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	5-year target 2022 - 2027	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target	Funding Type	Progress Rating				
				2022/23	2023/24	2024/25	2025/26	2026/27		2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Implementation of a desktop refreshment policy and hardware standardisation over a 3-year period	Number of desktop refreshment policies and hardware standardisation implemented by 30 June	1	1	1	1	n/a/	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Completion of a Business Case for System Integration (Collaborator, Ignite, SAMRAS, IMQS, and GIS etc.)	Number of Business Cases for System Integration completed by 30 June	1	n/a	1	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Drafting of a Smart City Framework*	Number of Smart City Frameworks drafted by 31 May	1	n/a	n/a	1	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Development of a 3-year Public Wi-Fi Strategy*	Number of 3-year Public Wi-Fi Strategies developed by 31 May	1	n/a	1	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Upgrading of the ICT Infrastructure Network (Cameras and High sites and Hardware Replacement)*	Number of the ICT Infrastructure Networks (Cameras and High sites and Hardware Replacement) upgraded by 30 June	1	1	n/a	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Implementation of the Corporate GIS modules plus aerial photography (Customer Care, Asset Management etc)	Number of Corporate GIS modules plus aerial photography (Customer Care, Asset Management etc) implemented by 30 June	1	1	n/a	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a

IMPLEMENTATION PLAN: ICT STRATEGY														
IDP Ref No	Key Activity/ Project/ Programme/ Initiative (measurable action)	Description of Unit of Measurement	5-year target 2022 - 2027	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target	Funding Type	Progress Rating				
				2022/23	2023/24	2024/25	2025/26	2026/27		2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Development of a 3 year Fibre Strategy for the Stellenbosch Municipality*	Number of 3 year Fibre Strategies for the Stellenbosch Municipality developed by 30 June	1	n/a	1	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Implement a 3 year Cabling Maintenance Solution for all ICT needs.*	Number of Cabling Maintenance Solutions implementation reports submitted to the Director: Corporate Services	5	1	1	1	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Upgradeing of the audio and visual equipment in the Council Chambers, Stellenbosch*	Number of audio and visual equipments in the Council Chambers, Stellenbosch upgraded by 30 June	1	n/a	1	n/a	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a
TBC	Implementation of a Digital Employee Management Solution*	Number of Digital Employee Management Solutions implemented by 30 June	1	n/a	1	1	n/a	n/a	▲	n/a	n/a	n/a	n/a	n/a

CHAPTER 7:

Council Term Projects 2022 – 2027

7.1 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 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.

7.1.1 Guiding principles to create inclusive smart cities

For a smart city to be inclusive, it should adhere to six interdependent principles. The principles provide guidance when decisions have to be made regarding the identification, planning and implementation of smart initiatives and technologies.

Decisions on the nature and purpose of a smart initiative or technology should be guided by the following principles:

1. It should be smart for all;
2. It should use technology as an enabler rather than a driver;
3. It should shaped by, and respond to, the local context;
4. It should be informed by the real needs of the community;
5. It should embrace innovation, partnership and collaboration; and
6. It should be sustainable, resilient and safe.

7.1.2 A smart city as a holistic ecosystem

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:

Smart Governance

Transform the institutional systems, processes and organisational structure to one of high performance organisation to effectively deliver basic services.

Smart Livelihood

Implementation and integration of innovative digital platforms to enable social upliftment.

Smart Economy

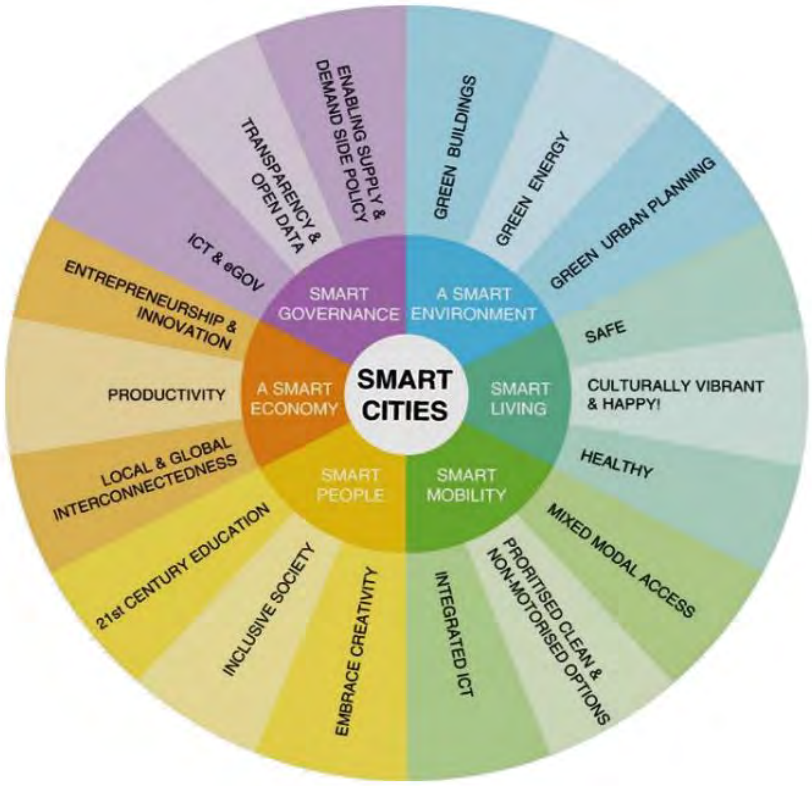
Grow and diversify the local economy through the attraction of new investment, skills development and facilitation of an enabling environment for small business growth and job creation.

7.1.3 The nature and purpose of a proposed smart city initiative

With the implementation of smart city initiatives, it should be guided by a clear understanding of the nature and purpose of the proposed interventions. These initiatives could be focussed on benefitting different target services in municipal driven smart city initiatives, addressing the needs of the entire city (municipal area). Smart City initiatives should be aimed at improving the lives of the people residing in the city, especially on the different services that are delivered to the residents in the municipal area.

Smart city initiatives can by placed within a specific smart city theme, the figure below indicates the different smart city themes:

Figure 46: Smart City components and initiatives



Source: A South African Smart Cities Framework

Realising the goal and implementation of smart city initiatives will need collaboration of internal and external stakeholders. Within the next five-years (2022 – 2027) Stellenbosch Municipality will place emphasis on Smart Governance with the focus on E- governance. The aim is to formulate a Smart City Framework for approval by Council in the 2023/24 financial year.

The purpose of the Smart City Framework will be to guide decision – making and provide internal stakeholders with a structured framework when identifying, planning and implementing the smart city initiatives which are appropriate to the theme of Smart Governance.

The legacy projects will be undertaken by the administration and political leadership, which will remain applicable for the duration of the political term under leadership of the Executive Mayor and respective portfolios of the Mayoral Committee Members.

7.2 Political Leadership: Five – Year Plans

7.2.1 Executive Mayor

In developing the 5th Generation IDP 2022 - 2027, the Stellenbosch Municipality ensured for proper alignment and integration with the IDP, Budget, SDF and sector plans. There is no fundamental shift on the outstanding projects / programmes and initiatives that was planned in the 4th Generation IDP 2017 – 2022. All outstanding plans have been taken into consideration for the new strategic document.

The 5th Generation IDP 2022 – 2027 will be the Municipality's road map for the next five years, with the focus on the implementation of projects / programmes and initiatives. It is an exciting journey in working together with the administration, communities, and other spheres of government in making greater Stellenbosch a valley of opportunity . In order for this to happen, the following mayoral outcomes for the period 2022 – 2027 have been set:

Mayoral Outcome 1: Clean, accountable and responsive local government;

Mayoral Outcome 2: Outcome 2: Excellent service delivery in all areas within the Greater Stellenbosch Municipal Area;

Mayoral Outcome 3: LED post the COVID-19 Pandemic and transfer of land to new farmers;

Mayoral Outcome 4: Provide housing opportunities for all residents in all housing categories (rental stock, BNG, GAP housing, upgrade of informal settlements and mixed-use developments);

Mayoral Outcome 5: Development of the Adam Tas Corridor and town establishment of all ten dorpies across the municipality area;

Mayoral Outcome 6: Streamline planning systems and procedures to facilitate desirable growth;

Mayoral Outcome 7: To create safer environments in our communities;

Mayoral Outcome 8: Expansion of the green economy with innovative projects, creating a new reality of service delivery and job creation;

Mayoral Outcome 9: Alternative Energy.

7.2.1.1 Mayoral Outcome 1: Clean, accountable and responsive local government

Table 42: Executive Mayor 5 Year Plan 2022 -2027

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

Table 43: Mayoral Outcome 1: Clean, accountable and responsive local government

EXECUTIVE MAYOR 5 YEAR PLAN 2022 – 2027																		
Mayoral Outcome 1: Clean, accountable and responsive local government																		
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	KPI Name	Description of Unit of Measurement	Ward	5-Year Target 2022 - 2027	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
									Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Office of the Municipal Manager	Department: Governance	NKPA 5	SFA 5	Investigate all reported fraud and corruption cases	Percentage of all fraud and corruption cases initiated by 30 June	WCO24	100%	100%	100%	100%	100%	100%	n/a	n/a	n/a	n/a	n/a
TBC	Office of the Municipal Manager	Department: Internal Audit	NKPA 5	SFA 5	Revised Risk-Based Audit Plan (RBAP) submitted to the Audit Committee	Number of Revised Risk-Based Audit Plan (RBAP) submitted to the Audit Committee by 30 June	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Office of the Municipal Manager	Department: Internal Audit	NKPA 5	SFA 5	Implement the risk based annual audit plan (RBAP)	Percentage of Annual Risk Based Audits completed by 30 June	WCO24	80%	80%	80%	80%	80%	80%	n/a	n/a	n/a	n/a	n/a
TBC	Office of the Municipal Manager	Department: Internal Audit	NKPA 5	SFA 5	AGSA Audit Action Plan (AAP) submitted to the Audit Committee	Number of AGSA Audit Action Plan (AAP) submitted to the Audit Committee by 30 June	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Office of the Municipal Manager	Department: Internal Audit	NKPA 5	SFA 5	Implementation of the Directorate's actions as per the AGSA Audit Action Plan	Percentage of the Directorate's actions as per the AGSA Audit Action Plan implemented by 30 June	WCO24	100%	100%	100%	100%	100%	100%	n/a	n/a	n/a	n/a	n/a
TBC	Office of the Municipal Manager	Department: Internal Audit	NKPA 5	SFA 5	Submission of a combined assurance report to Council	Number of combined assurance reports submitted to Council by 30 September	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a

EXECUTIVE MAYOR 5 YEAR PLAN 2022 – 2027																		
Mayoral Outcome 1: Clean, accountable and responsive local government																		
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	KPI Name	Description of Unit of Measurement	Ward	5-Year Target 2022 - 2027	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
									Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Office of the Municipal Manager	Department: Internal Audit	NKPA 5	SFA 5	Establishment of Disciplinary Board in line with the financial misconduct regulations	Number of disciplinary boards in line with the financial misconducts established by 30 June	WCO24	n/a	n/a	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Office of the Municipal Manager	Department: Internal Audit	NKPA 5	SFA 5	Distribution of external newsletters	Number of external newsletters distributed by 30 June	WCO24	48	8	10	10	10	10	n/a	n/a	n/a	n/a	n/a

7.2.1.2 Mayoral Outcome 2: Excellent service delivery in all areas within the Greater Stellenbosch Municipal Area

Table 44: Mayoral Outcome 2: Excellent service delivery in all areas within the Greater Stellenbosch

EXECUTIVE MAYOR 5 YEAR PLAN 2022 - 2027																		
Mayoral Outcome 2: Excellent service delivery in all areas within the Greater Stellenbosch Municipal Area																		
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	KPI Name	Description of Unit of Measurement	Ward	5-Year Target 2022 - 2027	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
									Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Financial Services	Department: Financial Management Services	NKPA 4	SFA 5	Actual expenditure on the approved Capital Budget for the Municipality by 30 June (NKPI - MSA, Reg. S10(c))	Percentage of the approved Capital Budget for the municipality actually spent by 30 June	WCO24	90%	90%	90%	90%	90%	90%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Financial Services	Department: Revenue and Expenditure	NKPA 4	SFA 5	Payment of SMMEs within 14 days after receipt of invoice	Percentage of invoices paid	WCO24	90%	90%	90%	90%	90%	90%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Financial Services	Department: Revenue and Expenditure	NKPA 4	SFA 5	Held Supply Chain Management Good Governance Workshop	Number of Supply Chain Management Good Governance Workshops held by 31 July	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Finalised Business License Application within 30 days	Percentage of Business License Application finalised within 30 days of the receipt of a completed application	WCO24	90%	90%	90%	90%	90%	90%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Finalised Filming and Events Applications within 30 days	Percentage of Filming and Events Applications finalised within 30 days of receipt of a completed application	WCO24	75%	75%	75%	75%	75%	75%	n/a	n/a	n/a	n/a	n/a

EXECUTIVE MAYOR 5 YEAR PLAN 2022 - 2027																		
Mayoral Outcome 2: Excellent service delivery in all areas within the Greater Stellenbosch Municipal Area																		
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	KPI Name	Description of Unit of Measurement	Ward	5-Year Target 2022 - 2027	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
									Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Community and Protection Services	Section: Community Development	NKPA 3	SFA 5	Develop a SOP for the registration of ECD Centres	Number of SOPs developed for the registration of ECD Centres	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Waste Management	NKPA 3	SFA 2	Develop a Service Level Charter	Number of Service Level Charters developed by 30 June	WCO24	1	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Waste Management	NKPA 5	SFA 2	Review the Service Level Charter	Number of Service Level Charters reviewed by 31 March	WCO24	3	n/a	n/a	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Electrical Services	NKPA 1	SFA 4	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	WCO24	<9	<9	<9	<9	<9	<9	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Waste Management	NKPA 1	SFA 4	Submit quarterly reports on development charges contributions	Number of reports submitted to the Executive Mayor by 30 June	WCO24	4 per annum	4	4	4	4	4	n/a	n/a	n/a	n/a	n/a

EXECUTIVE MAYOR 5 YEAR PLAN 2022 - 2027																		
Mayoral Outcome 2: Excellent service delivery in all areas within the Greater Stellenbosch Municipal Area																		
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	KPI Name	Description of Unit of Measurement	Ward	5-Year Target 2022 - 2027	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
									Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Infrastructure Services	Department: Water and Wastewater Services	NKPA 1	SFA 1	Upgrading of Ida's Valley WTP	Number of Ida's Valley WTP upgraded by 30 June	WCO24	1	n/a	n/a	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Water and Wastewater Services	NKPA 1	SFA 1	Upgrading of the Kayamandi Bulk Water infrastructure	Number of Kayamandi Bulk Water infrastructures upgraded by 30 June	WCO24	1	n/a	n/a	n/a	n/a	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Water and Wastewater Services	NKPA 1	SFA 4	Installation of standpipes in informal settlements	Percentage of system standpipes conforming to the Water Services Standard. Amount of Standpipes / ((Amount of informal community families)/25)	WCO24	95%	80%	85%	90%	93%	95%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Water and Wastewater Services	NKPA 1	SFA 4	Construction of Ablution facilities	Percentage of toilets conforming to the Water Services Standard. Amount of Toilets / ((Amount of informal families)/5)	WCO24	95%	80%	85%	90%	93%	95%	n/a	n/a	n/a	n/a	n/a

7.2.1.3 Mayoral Outcome 3: LED post the COVID-19 Pandemic

Table 45: Mayoral Outcome 3: LED post the COVID-19 Pandemic

EXECUTIVE MAYOR 5 YEAR PLAN 2022 - 2027																				
LED post the COVID-19 Pandemic and transfer of land to new farmers																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	KPI Name	Description of Unit of Measurement	Ward	5-Year Target 2022 - 2027	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating					
									Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Review the Economic Development Strategy	Number of Economic Development Strategies reviewed by 31 March	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Update the Economic Intelligence Report	Number of economic intelligence reports updated quarterly	WCO24	20	4	4	4	4	4	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Develop an Annual Events Calendar for Stellenbosch Municipality	Number of Annual Events Calendars developed for the Stellenbosch Municipality by 31 December	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Update the Annual Events Calendar for Stellenbosch Municipality	Number of Annual Events Calendars updated for Stellenbosch Municipality by 31 December	WCO24	5	n/a	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Establishment of a Municipal Investment Desk	Number of Municipal Investment Desks established by 31 December	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Review the Tourism Development Framework	Number of Tourism Development Frameworks reviewed by 31 March	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Review the Municipal Agricultural Land Policy	Number of Municipal Agricultural Land Policies by 31 March	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a

EXECUTIVE MAYOR 5 YEAR PLAN 2022 - 2027																				
LED post the COVID-19 Pandemic and transfer of land to new farmers																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	KPI Name	Description of Unit of Measurement	Ward	5-Year Target 2022 - 2027	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating						
									Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27		
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Establishment of a Municipal Investment Desk	Number of Municipal Investment Desks established by 31 December	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Review the Tourism Development Framework	Number of Tourism Development Frameworks reviewed by 31 March	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a		
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Review the Municipal Agricultural Land Policy	Number of Municipal Agricultural Land Policies by 31 March	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a		
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Develop a Filming and Events Policy	Number of Filming and Events Policies developed by 31 March	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Compilation of an annual report on the policy/ guideline/ SOP need assessment for Economic Development	Number of annual reports on the policy/ guideline/ SOP needs assessments compiled for Economic Development by 31 March	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a		
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 5	SFA 4	Allocation of municipal agricultural land units to emerging farmers	Number of municipal agricultural land units allocated to emerging farmers by 30 June	WCO24	10	2	2	2	2	2	n/a	n/a	n/a	n/a	n/a		

7.2.1.4 Mayoral Outcome 4: Provide housing opportunities for all residents in all housing categories

Table 46: Mayoral Outcome 4: Provide housing opportunities for all residents in all housing categories

EXECUTIVE MAYOR 5 YEAR PLAN 2022 - 2027																		
Mayoral Outcome 4: Provide housing opportunities for all residents in all housing categories (rental stock, BNG, GAP housing, upgrade of informal settlements and mixed-use developments)																		
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	KPI Name	Description of Unit of Measurement	Ward	5-Year Target 2022 - 2027	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
									Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 1	SFA 4	Obtaining development rights for mixed-use development for Northern Extention, Kayamandi	Percentage of the Northern Extention, Kayamandi Capital Budget actually spent 30 June	12,13,14,15	90%	90%	90%	90%	90%	90%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 1	SFA 4	Submission of quarterly Integrated Human Settlement status reports	Number of quarterly Integrated Human Settlement status reports submitted to the Executive Mayor	WCO24	**20**	4	4	4	4	4	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 1	SFA 4	Obtaining development rights on Erf 7001, Cloetesville to establish GAP housing	Percentage of the Erf 7001, Cloetesville Capital Budget actually spent by 30 June	16, 17, 19	90%	90%	90%	90%	90%	90%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 1	SFA 4	Finalising the sub-division plan and obtain approval for Jamestown (Phase 2 and 3)	Percentage of the Jamestown (Phase 2 and 3) Capital Budget actually spent by 30 June	21	90%	90%	90%	90%	90%	90%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 1	SFA 4	To obtain development rights for mixed-use development for Jamestown Phase 4	Percentage of the Jamestown Phase 4 Capital Budget actually spent by 30 June	21	90%	90%	90%	90%	90%	90%	n/a	n/a	n/a	n/a	n/a

EXECUTIVE MAYOR 5 YEAR PLAN 2022 - 2027																		
Mayoral Outcome 4: Provide housing opportunities for all residents in all housing categories (rental stock, BNG, GAP housing, upgrade of informal settlements and mixed-use developments)																		
IDP Ref No	**Responsible Directorate**	**Responsible Department**	**National KPA**	**Municipal SFA**	**KPI Name**	**Description of Unit of Measurement**	**Ward**	**5-Year Target 2022 - 2027**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**Progress Rating**				
									Target	**Target**	**Target**	**Target**	**Target**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 1	SFA 4	Obtaining planning approvals for the redevelopment for Kayamandi Town Centre	Percentage of the Kayamandi Town Centre Capital Budget actually spent by 30 June	12,13,14,15	90%	90%	90%	90%	90%	90%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 1	SFA 4	Submission of quarterly Integrated Human Settlement status reports to the Executive Mayor linked to the Housing Pipeline	Number of quarterly Integrated Human Settlement status reports submitted to the Executive Mayor	WCO24	20	4	4	4	4	4	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 1	SFA 4	To obtain development rights for township establishment for Erf 64, Kylemore	Percentage of the Erf 64, Kylemore Capital Budget actually spent by 30 June	4	90%	90%	90%	90%	90%	90%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 1	SFA 4	To obtain development rights and planning approvals for La Motte, Franschhoek	Percentage of the La Motte, Franschhoek Capital Budget actually spent by 30 June	2 and 3	90%	90%	90%	90%	90%	90%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 1	SFA 4	Submission of quarterly Integrated Human Settlement status reports to the Executive Mayor	Number of quarterly Integrated Human Settlement status reports submitted to the Executive Mayor	WCO24	20	4	4	4	4	4	n/a	n/a	n/a	n/a	n/a

EXECUTIVE MAYOR 5 YEAR PLAN 2022 - 2027																		
Mayoral Outcome 4: Provide housing opportunities for all residents in all housing categories (rental stock, BNG, GAP housing, upgrade of informal settlements and mixed-use developments)																		
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	KPI Name	Description of Unit of Measurement	Ward	5-Year Target 2022 - 2027	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
									Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 1	SFA 4	Submission of quarterly Integrated Human Settlement status reports on the expansion of the municipality's rental stock to the Executive Mayor	Number of quarterly Integrated Human Settlement status reports on the expansion of the municipality's rental stock submitted to the Executive Mayor	WC024	20	4	4	4	4	4	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 1	SFA 4	Submission of quarterly Integrated Human Settlement status reports on La Colline (Social Housing)to the Executive Mayor	Number of quarterly Integrated Human Settlement status reports on La Colline (Social Housing)submitted to the Executive Mayor	19	20	4	4	4	4	4	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 1	SFA 4	Submission of quarterly Integrated Human Settlement status reports on the rural nodes (De Novo and Vaaldraai) to the Executive Mayor	Number of quarterly Integrated Human Settlement status reports on the rural nodes (De Novo and Vaaldraai)submitted to the Executive Mayor	19	20	4	4	4	4	4	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 1	SFA 4	Submission of quarterly Integrated Human Settlement status reports on backyard dwellers to the Executive Mayor	Number of quarterly Integrated Human Settlement status reports on backyard dwellers submitted to the Executive Mayor	WC024	20	4	4	4	4	4	n/a	n/a	n/a	n/a	n/a

EXECUTIVE MAYOR 5 YEAR PLAN 2022 - 2027																		
Mayoral Outcome 4: Provide housing opportunities for all residents in all housing categories (rental stock, BNG, GAP housing, upgrade of informal settlements and mixed-use developments)																		
IDP Ref No	**Responsible Directorate**	**Responsible Department**	**National KPA**	**Municipal SFA**	**KPI Name**	**Description of Unit of Measurement**	**Ward**	**5-Year Target 2022 - 2027**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**Progress Rating**				
									Target	**Target**	**Target**	**Target**	**Target**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 1	SFA 4	Transfering of title deeds to approved beneficiaries	The number of title deeds to approved beneficiaries transferred by 30 June	WCO24	1 500	300	300	300	300	300	n/a	n/a	n/a	n/a	n/a

7.2.1.5 Mayoral Outcome 5: Development of the Adam Tas Corridor and town establishment of all ten dorpies across the municipality area

Table 47: Mayoral Outcome 5: Development of the Adam Tas Corridor and town establishment of all ten dorpies in WCO24

EXECUTIVE MAYOR 5 YEAR PLAN 2022 - 2027																		
Mayoral Outcome 5: Development of the Adam Tas Corridor and town establishment of all ten dorpies across the municipality area																		
IDP Ref No	**Responsible Directorate**	**Responsible Department**	**National KPA**	**Municipal SFA**	**KPI Name**	**Description of Unit of Measurement**	**Ward**	**5-Year Target 2022 - 2027**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**Progress Rating**				
									Target	**Target**	**Target**	**Target**	**Target**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 5	SFA 4	Development of a Local Spatial Development Framework	Number of Local Spatial Development Frameworks developed by 30 September	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 5	SFA 4	Establishment of a Adam Tas Corridor Governance Structure	Number of Adam Tas Corridor Governance Structures established by 31 March	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 5	SFA 4	Development of a Adam Tas Corridor Overlay Zone	Number of Adam Tas Corridor Overlay Zones developed by 31 March	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 5	SFA 4	Review the Integrated Zoning Scheme By - Law	Number of Integrated Zoning Scheme By - Laws reviewed by 31 March	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 5	SFA 4	Development of Local Spatial Development Frameworks for the 10 small towns	Number of Local Spatial Development Frameworks developed for all 10 small towns by 30 September	WCO24	10	2	2	2	2	2	n/a	n/a	n/a	n/a	n/a

7.2.1.6 Mayoral Outcome 6: Streamline planning systems and procedures to facilitate desirable growth

Table 48: Mayoral Outcome 6: Streamline planning systems and procedures to facilitate desirable growth

EXECUTIVE MAYOR 5 YEAR PLAN 2022 - 2027																				
Mayoral Outcome 6: Streamline planning systems and procedures to facilitate desirable growth																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	KPI Name	Description of Unit of Measurement	Ward	5-Year Target 2022 - 2027	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating						
									Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27		
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 5	SFA 4	Review the Municipal Spatial Development Framework	Number of Municipal Spatial Development Frameworks reviewed by 31 March	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 5	SFA 4	Implementation of a Spatial Information Performance Management System	Number of Spatial Information Performance Management Systems implemented by 31 March	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 5	SFA 4	Development of an Inclusionary Zoning Policy	Number of Inclusionary Zoning Policies developed by 31 March	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

7.2.1.7 Mayoral Outcome 7: To create safer environments in our communities

Table 49: Mayoral Outcome 7: To create safer environments in our communities

EXECUTIVE MAYOR 5 YEAR PLAN 2022 - 2027																				
Mayoral Outcome 7: To create safer environments in our communities																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	KPI Name	Description of Unit of Measurement	Ward	5-Year Target 2022 - 2027	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating					
									Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Community and Protection Services	Section: Community Development	NKPA 5	SFA 3	Registration of ECD centres	Number of ECD centres registered by 30 June	WCO24	40	8	8	8	8	8	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Section: Community Development	NKPA 5	SFA 3	Hosting a Child protection event	Number of child protection events hosted by 30 June	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Section: Community Development	NKPA 5	SFA 3	Hosting of a 16 days of activism event	Number of 16 days of activism events hosted by 30 Nov	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Section: Community Development	NKPA 5	SFA 3	Hosting the prevention of elderly abuse event	Number of prevention of elderly abuse events hosted by 30 June	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Section: Community Development	NKPA 5	SFA 3	Hosting of International Day of Disability	Number of International Days of Disability hosted by 31 December	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Protection Services	NKPA 1	SFA 3	Facilitation of ward-based community safety engagements	Number of ward-based community safety engagements facilitated by 30 June	WCO24	115	23	23	23	23	23	n/a	n/a	n/a	n/a	n/a

EXECUTIVE MAYOR 5 YEAR PLAN 2022 - 2027																		
Mayoral Outcome 7: To create safer environments in our communities																		
IDP Ref No	**Responsible Directorate**	**Responsible Department**	**National KPA**	**Municipal SFA**	**KPI Name**	**Description of Unit of Measurement**	**Ward**	**5-Year Target 2022 - 2027**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**Progress Rating**				
									Target	**Target**	**Target**	**Target**	**Target**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**
TBC	Directorate: Community and Protection Services	Department: Protection Services	NKPA 1	SFA 3	Spending of the Capital Budget on CCTV cameras for the Department: Protection Services	Percentage of the Capital Budget on CCTV cameras for the Department: Protection Services by 30 June	WCO24	90%	90%	90%	90%	90%	90%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Protection Services	NKPA 1	SFA 3	Appointment of Law Enforcement Officers	Number of Law Enforcement Officers appointed by 30 June	WCO24	97	36	13	12	18	18	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Protection Services	NKPA 1	SFA 3	Spending of the Registered Neighbourhood Watches budget	Percentage of the Registered Neighbourhood Watches budget actually spent by 30 June	WCO24	90%	90%	90%	90%	90%	90%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Protection Services	NKPA 1	SFA 3	Spending of the vehicle and equipment Capital Budget for the Department: Protection Services	Percentage of the vehicle and equipment Capital Budget actually spent for the Department: Protection Services by 30 June	WCO24	90%	90%	90%	90%	90%	90%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Office of the Director: Infrastructure Services	NKPA 1	SFA 2	Spending of the vehicle and equipment Capital Budget for the Directorate: Infrastructure Services	Percentage of the vehicle and equipment Capital Budget actually spent for the Directorate: Infrastructure Services by 30 June	WCO24	90%	90%	90%	90%	90%	90%	n/a	n/a	n/a	n/a	n/a

7.2.1.8 Mayoral Outcome 8: Expansion of the green economy with innovative projects, creating a new reality of service delivery and job creation

Table 50: Mayoral Outcome 8: Expansion of the green economy with innovative projects, creating a new reality of service delivery and job creation

EXECUTIVE MAYOR 5 YEAR PLAN 2022 - 2027																				
Mayoral Outcome 8: Expansion of the green economy with innovative projects, creating a new reality of service delivery and job creation																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	KPI Name	Description of Unit of Measurement	Ward	5-Year Target 2022 - 2027	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating					
									Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Infrastructure Services	Department: Waste Management	NKPA 5	SFA 2	Develop a Waste Reclaimers Strategy	Number of Waste Reclaimer Strategies developed by 30 June	WCO24	1	n/a	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Office of the Director: Infrastructure Services	NKPA 5	SFA 2	Submission of a Green Energy Strategy to the MayCo	Number of Green Energy Strategies submitted to the MayCo by 31 March	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Office of the Director: Infrastructure Services	NKPA 5	SFA 2	Invest in new and / or upgrade bulk infrastructure through the use of development charges contributions	Number of bulk infrastructure projects implemented through the use of development charges contributions by 30 June	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a

7.2.1.9 Mayoral Outcome 9: Alternative Energy

Table 51: Mayoral Outcome 9: Alternative Energy

EXECUTIVE MAYOR 5 YEAR PLAN 2022 - 2027																		
Mayoral Outcome 9: Alternative Energy																		
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
									Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Infrastructure Services	Department: Electrical Services	NKPA 1	SFA 1	Amendment of policy to allow purchasing of electricity from the public	Number of policies to be amended to allow purchasing of electricity from the public by 30 June	WCO24	1	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Electrical Services	NKPA 1	SFA 1	Generate Landfill gas to energy (MW/H) per day	Number of Landfill gas to energy (MW/H) generated per day	WCO24	0,5	0,5	0,5	0,5	0,5	0,5	n/a	n/a	n/a	n/a	n/a

7.3 Mayoral Portfolios

The mayoral portfolios are an instrument to assist the Executive Mayor in achieving the mayoral outcomes for the period 2022-2027. In support of the mayoral outcomes, each portfolio have set performance based strategic priorities that are aligned and will give effect to the mayoral outcomes. The performance based strategic priorities for the 5th Generation IDP 2022 – 2027, have a focused approached on the implementation of the strategic projects/ programmes and initiatives with set targets and time frames.

The following portfolio performance based implementation plans are listed below:

1. Portfolio: Human Settlements;
2. Portfolio: Rural Management;
3. Portfolio: Youth, Sport and Culture;
4. Portfolio: Planning;
5. Portfolio: Local Economic Development;
6. Portfolio: Financial Services;
7. Portfolio: Protection Services;
8. Portfolio: Corporate Services;
9. Portfolio: Infrastructure Services; and
10. Porftolio: Community Development (Parks, Open Spaces and Environment)

7.3.1 Portfolio: Human Settlements

Table 52: Portfolio Human Settlements: 5 Year Plan 2022 -2027

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

PORTFOLIO HUMAN SETTLEMENTS: 5 YEAR PLAN 2022 -2027																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 5	Implement and Annually Review the Housing Administration and Allocation Policy	Review the Housing Administration and Allocation Policy	Number of Housing Administration and Allocation Policy by 30 June	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 5	Implement an annual Housing Policy and Guideline and SOP Needs Assessment Review.	Compilation of an annual report on the policy / guideline/ SOP need assessment for Integrated Human Settlements	Number of annual reports on the policy / guideline / SOP need assessment compiled by 31 March	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 5	Implement and Annually Review of Stellenbosch staff rental housing policy	Review the Staff Rental Housing Policy	Number of Staff Rental Housing Policy by 30 June	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 1	SFA 4	Enable Transfer and registration of Title Deeds at the Deeds Offices of State Subsidy Houses to approved beneficiaries	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

PORTFOLIO HUMAN SETTLEMENTS: 5 YEAR PLAN 2022 -2027																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 4	Percentage of responding to minor maintenance and anti-social behavioral complaints received from the Municipal rental stock	Minor maintenance complaints of municipal rental stock responded to within 72 hours	Percentage of minor maintenance complaints of municipal rental stock responded to within 72 hours	WCO24	90%	90%	90%	90%	90%	90%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 5	Ensure implementation of Electronic Management Systems for the Management of the Housing Demand Database	Review the electronic housing demand database	Number of electronic housing demand database reviewed by 31 March	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 4	Facilitate and conduct Housing Consumer Education Workshops	Conduct quarterly Housing Consumer education workshops	Number of housing consumer education workshops conducted by 30 June	WCO24	40	8	8	8	8	8	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 5	Ensure the Management and Regular update of the Housing Demand Database	Update the housing demand database	Number of monthly housing demand databases updated	WCO24	60	12	12	12	12	12	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 5	Ensure annual internal audit review of amendments made to the Housing Demand Database	Conduct an annual audit on the amendments made to the housing demand database	Number of annual audits on the amendments made to the housing demand database by 30 September	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a

PORTFOLIO HUMAN SETTLEMENTS: 5 YEAR PLAN 2022 -2027																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 5	Ensure implementation of annually reviewed Housing Communication Plan	Compilation of a communication plan for Integrated Human Settlements	Number of communication plans compiled for Integrated Human Settlements by 31 March	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 4	Ensure the obtaining of development rights for proposed Housing Projects: Erf 2183, Klapmuts	Ensure the obtaining of development rights for proposed Housing Projects for Erf 2183, Klapmuts	Percentage of the Erf 2183, Klapmuts Capital Budget actually spent by 30 June	WCO24	90%	90%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 4	Ensure the obtaining of development rights for proposed Housing Projects.	Ensure the obtaining of development rights for proposed Housing Projects for Erf 3229, Franschhoek	Percentage of the Erf 3229, Franschhoek Capital Budget actually spent by 30 June	1 and 2	90%	90%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 4	Housing Projects for Kayamandi Town Centre	Linked to Mayoral Priority		12, 13, 14 and15	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 4	Ensure the obtaining of development rights for proposed Housing Projects.	Rectification of 5 historic projects in Kayamandi	Percentage spent on Capital Budget by 30 June	12, 13, 14 and 15	90%	90%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

PORTFOLIO HUMAN SETTLEMENTS: 5 YEAR PLAN 2022 -2027																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 4	Ensure the obtaining of development rights for proposed Housing Projects. Jamestown Phases 2 and 3	Linked to Mayoral Priority		21	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 4	Ensure the obtaining of development rights for proposed Housing Projects. Erf 64 - Kylemore	Linked to Mayoral Priority		4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 4	Ensure the obtaining of development rights for proposed Housing Projects, Jamestown Phase 4	Linked to Mayoral Priority		21	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 4	Ensure the obtaining of development rights for proposed Housing Projects, Erf 7001, Cloetesville	Linked to Mayoral Priority		16 and 17	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 4	Ensure implementation of Social Housing Programme (Obtain development rights). Farm 81/2 and 81/9, Stellenbosch and La Colline Precinct; Lapland Precinct	Linked to Mayoral Priority		WC024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

PORTFOLIO HUMAN SETTLEMENTS: 5 YEAR PLAN 2022 -2027																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 5	Ensure annual submission of housing pipeline to Mayco for approval.	Submission of the Housing pipeline to the MayCo	Number of Housing Pipelines submitted to the MayCo by 30 June	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 5	Ensure Quarterly Reports on the updated Demographics and Service Levels in all Informal Settlements	Updated Quarterly reports submitted to the MayCo on the demographics and Service Levels in all Informal Settlements	Number of quarterly reports submitted to MayCo on the demographics and Service Levels in all Informal Settlements by 30 June	WCO24	20	4	4	4	4	4	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 1	SFA 4	Ensure Informal Settlement administrative support services in response to disasters within 3 hours.	Compilation of a verification report of disaster incidents within 24 hours	Percentage of verification reports of disaster incidents submitted to Disaster Management within 24 hours	WCO24	80%	80%	80%	80%	80%	80%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 5	SFA 5	Ensure Informal Settlement administrative support service in response to court related eviction matters within agreed timeframes.	Informal settlement service in response to court related eviction matters within agreed timeframes.	Percentage of informal settlements administrative services provided with in court agreed timeframes	WCO24	80%	80%	80%	80%	80%	80%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Integrated Human Settlements	NKPA 1	SFA 4	Ensure monitoring of each of the 29 Informal Settlements at least once per week.	Conduct site inspections in all informal settlements at least once per month	Number of site inspections conducted in all informal settlements at least once per month	WCO24	1740	348	348	348	348	348	n/a	n/a	n/a	n/a	n/a

7.3.2 Portfolio: Rural Management

Table 53: Portfolio Rural Management: 5 Year Plan 2022 -2027

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

PORTFOLIO RURAL MANAGEMENT: 5 YEAR PLAN 2022 -2027																			
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Annual Review of the Municipal Agricultural Land Policy	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Facilitate the allocation of municipal agricultural land to emerging farmers	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Develop of a Rural Economic Development Strategy	Number of Rural Economic Development Strategies developed by 30 June		WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Review of a Rural Economic Development Strategy	Number of Rural Economic Development Strategies reviewed by 30 June		WCO24	4	n/a	1	1	1	1	n/a	n/a	n/a	n/a	n/a

7.3.3 Portfolio: Youth, Sport and Culture

Table 54: Portfolio Youth, Sport and Culture: 5 Year Plan 2022 -2027

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

PORTFOLIO YOUTH, SPORT AND CULTURE: 5 YEAR PLAN 2022 - 2027																			
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	*Ward*	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Community and Protection Services	Department: Community Services	NKPA 5	SFA 5	Revise the agreements with each Sports Council	Submission of revised agreements with each Sports Council to the Municipal Manager	Number of revised agreements with each Sports Council submitted to the Municipal Manager by 30 June	WCO24	4	n/a	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Community Services	NKPA 5	SFA 5	Compilation of a Sports Facilities Master Plan	Submssion of a Sports Facilities Master Plan to the Municipal Manager	Number of Sports Facilities Master Plans submitted to the Municipal Manager by 30 June	WCO24	1	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Community Services	NKPA 1	SFA 1	Compile list of outstanding/upgrades to be done at Sports facilities.	Compilation of a status quo report for Sports Facilities and Community Halls	Number of Sports Facilities and Community Halls status quo reports compiled by 30 June	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Community Development	NKPA 5	SFA 5	This project is driven by the portfolio Councillor and is coordinated with local Faith-Based leaders.	Engagements held with Faith – Based leaders	Number of engagements with Faith – Based leaders held by 30 June	WCO24	10	2	2	2	2	2	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Community Development	NKPA 5	SFA 5	Establishment of a Youth Forum	Establishment of a Youth Forum	Number of Youth Forums established by 30 June	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

PORTFOLIO YOUTH, SPORT AND CULTURE: 5 YEAR PLAN 2022 - 2027																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	*Ward*	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Community and Protection Services	Department: Community Development	NKPA 5	SFA 5	Capacity Building for Youth Forum (Project Management Governance)	Facilitate Capacity Building workshops for the Youth Forum (Project management Governance)	Number of Capacity Building workshops facilitiated for the Youth Forum by 30 June	*WCO24*	11	3	2	2	2	2	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Community Development	NKPA 5	SFA 5	Drafting of Youth Policy Approximate.	Submission of a Youth Policy to the MayCo	Number of Youth Policies submitted to the MayCo by 30 June	*WCO24*	1	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Community Development	NKPA 5	SFA 5	Reporting on progress made with the implementation of the policy and policy objectives to MM and Council	Submit Universal Access progress reports to the MayCo	Number of bi-annual Universal Access progress reports submitted to the MayCo by 30 June	*WCO24*	10	2	10	2	2	2	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Community Development	NKPA 5	SFA 5	Training different departments on the requirements of UA and how to implement the theory in context:	Conduct universal access training sessions	Number of universal access training sessions conducted by 30 June	*WCO24*	6	6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Community Development	NKPA 5	SFA 5	Develop GIS map of all DPOs (Disability Persons Organisation)	Submission of completed GIS map of all DPOs to the MayCo	Number of completed GIS map of all DPOs submitted to the MayCo by 30 June	*WCO24*	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a

PORTFOLIO YOUTH, SPORT AND CULTURE: 5 YEAR PLAN 2022 - 2027																			
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	*Ward*	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Community and Protection Services	Department: Community Development	NKPA 5	SFA 5	GIS mapping and plotting of ECDs and their registration status	Updating of ECD facilities per ward on the Geographic Information System (GIS)	Number of ECD facilities per ward updated on the GIS, measured monthly	*WCO24*	600	120	120	120	120	120	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Community Development	NKPA 5	SFA 5	SOP development: Stellenbosch ECD registration process – develop information leaflet	Linked to Mayor Priorities		*WCO24*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Community Development	NKPA 5	SFA 5	ECD Policy Review	Submission of the reviewed ECD Policy to the MayCo	Number of reviewed ECD policies submitted to the MayCo by 31 March	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Community Development	NKPA 5	SFA 5	First Aid Training	Facilitation of First Aid Training to all Early Childhood Development Practitioners	Number of First Aid Training facilitated to all Early Childhood Development Practitioners by 30 June	WCO24	6	2	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Community Development	NKPA 5	SFA 5	Health and Safety Training (COVID-19 readiness)	Facilitation of Health and Safety Training sessions	Number of Health and Safety training workshops facilitated by 30 June	WCO24	3	1	n/a	1	n/a	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Community Development	NKPA 5	SFA 5	Establish Child Protection Forum in collaboration with NGOs	Establishment of a Child Protection Forum in collaboration with NGOs	Number of Child Protection Forums established in collaboration with NGOs by 30 June	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

PORTFOLIO YOUTH, SPORT AND CULTURE: 5 YEAR PLAN 2022 - 2027																			
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	*Ward*	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Community and Protection Services	Department: Community Development	NKPA 5	SFA 5	To provide support to ECD facilities for them to acquire full registration. (Of the current 200 local facilities, 40 are registered. We aim to have an additional 40 registered over 5 years)	Conducting quarterly ECD capacity workshops	Number of quarterly ECD capacity workshops conducted	WCO24	20	4	4	4	4	4	n/a	n/a	n/a	n/a	n/a

7.3.4 Portfolio: Planning

Table 55: Portfolio Planning: 5 Year Plan 2022 -2027

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

PORTFOLIO PLANNING: 5 YEAR PLAN 2022 - 2027																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Planning and Economic Development	Department: Development Management	NKPA 5	SFA 1	Review the SBM Municipal Planning By-law	Review of SBM Municipal Planning By - Law	Number of SBM Planning By - Laws reviewed by 30 June	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Management	NKPA 5	SFA 5	Implement and Annually Review SBM Integrated Zoning Scheme	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Management	NKPA 5	SFA 5	Develop and Update SBM Zoning Scheme Register and Zoning Map	Updating the SBM Zoning Scheme Register and Zoning Map	Number of SBM Zoning Scheme Registers and Zoning Maps updated by 30 June	WCO24	10	2	2	2	2	2	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Management	NKPA 5	SFA 5	Ensure Implementation of Land Use Management Electronic Application Management System)	Conduct an Annual Performance Assessment of the implementation of Land Use Management Electronic Application Management System	Number of annual performance assessments of the Land Use Management Electronic Application Management System implemented by 30 June	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Management	NKPA 5	SFA 5	Implement annually approved LUM and BDM Client Communication and Consultation Plan.	Compilation of a communication plan for Department: Development Management	Number of communication plans compiled for Department: Development Management by 31 March	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a

PORTFOLIO PLANNING: 5 YEAR PLAN 2022 - 2027																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Planning and Economic Development	Department: Development Management	NKPA 5	SFA 5	Perform a LUM and BDM Policy and Guideline and SOP Review and Needs Assessment Annually.	Compilation of an annual report on the policy / guideline / SOP need assessment for the Department: Development Management	Number of annual reports compiled on the policy / guideline / SOP need assessment for the Department: Development Management by 31 March	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Management	NKPA 5	SFA 1	Percentage of Land-use applications considered by the Municipal Planning Tribunal (MPT) within 120 days from having a complete land-use application submission	Land-use applications considered by the Municipal Planning Tribunal (MPT) within 120 from days from a complete land-use application submission	Land-use applications considered by the Municipal Planning Tribunal (MPT) within 120 from days from a complete land-use application submission	WCO24	90%	90%	90%	90%	90%	90%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Management	NKPA 5	SFA 1	Percentage of land-use applications considered by the Authorised Official within 120 days after having a complete land-use application submission	Land-use applications considered by the Authorised Official within 120 from days after a complete land-use application submission	Percentage of land-use applications considered by an Authorised Official within 120 from days after a complete land-use application submission	WCO24	90%	90%	90%	90%	90%	90%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Management	NKPA 5	SFA 5	Implement Annually approved LUM and BD Client Charter.	Development of a Client Charter for the Department: Development Management	Number of Client Charters for the Department: Development Management developed by 31 March	WCO24	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Management	NKPA 5	SFA 5	Implement Annually approved LUM and BD Client Charter.	Review the Client Charter for the Department: Development Management	Number of Client Charters for the Department: Development Management reviewed by 31 March	WCO24	4	n/a	1	1	1	1	n/a	n/a	n/a	n/a	n/a

PORTFOLIO PLANNING: 5 YEAR PLAN 2022 - 2027																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Planning and Economic Development	Department: Development Management	NKPA 5	SFA 1	Percentage of building plan applications of <500sqm processed within 30 days after date of receipt	Building plan applications of <500sqm decided on within 30 days	Building plan applications of <500sqm decided on within 30 days	WCO24	75%	75%	75%	75%	75%	75%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Management	NKPA 5	SFA 1	Percentage of building plan applications of >500sqm processed within 60 days after date of receipt	Land-use applications considered by the Authorised Official within 60 days from a complete land-use application	Land-use applications considered by the Authorised Official within 60 days from a complete land-use application	WCO24	80%	80%	80%	80%	80%	80%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 5	SFA 1	Review, Amend and Update the Municipal Spatial Development Framework Annually	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 5	SFA 1	Development of Local Spatial Development Frameworks for the 10 small towns	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 5	SFA 5	Development of a Spatial Information Performance Management System	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 5	SFA 5	Submission of Feasibility Report for possible Land Banking (Including buildings)	Submission of Feasibility Report for possible Land Banking (Including buildings)	Number of Feasibility Reports for possible Land Banking (Including buildings) submitted by 30 June	WCO24	10	2	2	2	2	2	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 5	SFA 1	Facilitate, and coordinate the enablement of approved Catalytic Initiatives	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

PORTFOLIO PLANNING: 5 YEAR PLAN 2022 - 2027																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 5	SFA 1	Develop and review the Inclusionary Zoning Policy	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 5	SFA 5	Implementation of council approved spatial programmes, projects, or initiatives. (i.e Bosdorpe, Economic Zones, etc.)	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Management	NKPA 5	SFA 5	Review and Update the Heritage Resource Inventory for Stellenbosch Municipality	Review the Heritage Resource Inventory of the Stellenbosch Municipality	Number of Heritage Resource Inventories of the Stellenbosch Municipality reviewed by 31 March	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Management	NKPA 5	SFA 5	Provision of comments i.r.o. land use applications and building plans within 30 days	Provision of comments i.r.o. land use applications and building plans within 30 days	Percentage of plans commented on i.r.o land use applications and building plans within 30 days	WCO24	80%	80%	80%	80%	80%	80%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Management	NKPA 5	SFA 5	Establish and Convene the Conservation Advisory Committee monthly	Establish the Conservation Advisory Committee	Number of Conservation Advisory Committees established by 30 September	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Management	NKPA 5	SFA 5	Develop and review the Outdoor advertising, Poster and Signage Bylaw Annually	Develop an Outdoor advertising, Poster and Signage By-law	Number of Outdoor advertising, Poster and Signage By-laws developed by 31 December	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Management	NKPA 5	SFA 5	Develop and review the Outdoor advertising, Poster and Signage Bylaw Annually	Review the Outdoor advertising, Poster and Signage By-law	Number of Outdoor advertising, Poster and Signage By-laws reviewed by 31 March	WCO24	4	n/a	1	1	1	1	n/a	n/a	n/a	n/a	n/a

PORTFOLIO PLANNING: 5 YEAR PLAN 2022 - 2027																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Planning and Economic Development	Department: Development Management	NKPA 5	SFA 5	Develop a GIS and Spatial Information Policy	Development of a GIS and Spatial Information Policy	Develop a GIS and Spatial Information Policies developed by 30 June	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Management	NKPA 5	SFA 5	Update the Municipality's cadastral dataset quarterly	Updating of the municipality's cadastral dataset	Number of quarterly updates of the municipality's cadastral datasets	WCO24	20	4	4	4	4	4	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Management	NKPA 5	SFA 5	Update the Municipality's Property Register quarterly	Updating of the municipality's Property Register	Number of quarterly updates of the municipality's Property Registers	WCO24	20	4	4	4	4	4	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Management	NKPA 5	SFA 5	Update the Electronic Metadata Catalogue Quarterly	Updating of the Electronic Metadata Catalogue	Number of quarterly updates of the Electronic Metadata Catalogue	WCO24	20	4	4	4	4	4	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 5	SFA 5	Facilitate Municipal GIS Forum Meetings	Facilitate Municipal GIS Forum Meetings	Number of Municipal GIS Forum Meetings facilitated by 30 June	WCO24	20	4	4	4	4	4	n/a	n/a	n/a	n/a	n/a

7.3.5 Portfolio: Local Economic Development and Tourism

Table 56: Portfolio Local Economic Development and Tourism: 5 Year Plan 2022 - 2027

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

PORTFOLIO LOCAL ECONOMIC DEVELOPMENT AND TOURISM: 5 YEAR PLAN 2022 - 2027																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Develop and review the Economic Development Strategy Annually	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Develop and review the Economic Development Strategy Annually	Review of the Economic Development Strategy	Number of Economic Development Strategies reviewed by 31 March	WCO24	4	n/a	1	1	1	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Develop and review a Tourism Development Framework annually	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Functional and Efficient Economic Development and Tourism System Develop a Filming and Events Policy	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Develop and review a Filming and Events Policy annually	Review the Filming and Events Policy	Number of Filming and Events Policies reviewed by 31 March	WCO24	4	n/a	1	1	1	n/a	n/a	n/a	n/a	n/a	n/a

PORTFOLIO LOCAL ECONOMIC DEVELOPMENT AND TOURISM: 5 YEAR PLAN 2022 - 2027																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Develop and update the Annual Events Calendar for Stellenbosch Municipality	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Develop and update the Annual Events Calendar for Stellenbosch Municipality Update the Economic Intelligence Report	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Perform an annual Economic Development Policy and Guideline and SOP Review and Needs Assessment. Compilation of an annual report on the policy / guideline / SOP need assessment for Economic Development	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Percentage of Business License Application processed within 30 days. Finalised Business License Application within 30 days.	Linked to Mayoral Priority		WCO24	90%	90%	90%	90%	90%	90%	n/a	n/a	n/a	n/a	n/a

PORTFOLIO LOCAL ECONOMIC DEVELOPMENT AND TOURISM: 5 YEAR PLAN 2022 - 2027																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Processing of filming and events applications within 30 days	Processing of filming and events applications within 30 days	Percentage of filming and events applications processed within 30 days	WCO24	75% per annum	75%	75%	75%	75%	75%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Facilitate the provision of training opportunities to Entrepreneurs and SMMEs	Training opportunities provided for entrepreneurs and Small, Medium and Micro Enterprises	Training opportunities provided for entrepreneurs and Small, Medium and Micro Enterprises	WCO24	20	4	4	4	4	4	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Number of jobs created through the Municipality's EPWP (public and / or private)	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	WCO24	7400	1400	1400	1500	1500	1600	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Planning and Economic Development	Department: Development Planning	NKPA 3	SFA 1	Facilitate Economic Development and Investment Engagements (Webinar, conferences, forums, etc)	Facilitate Economic Development and Investment Engagements (Webinar, conferences, forums, etc)	Number of Economic Development and Investment Engagements (Webinar, conferences, forums, etc) facilitated by 30 June	WCO24	10	2	2	2	2	2	n/a	n/a	n/a	n/a	n/a

7.3.6 Portfolio: Financial Services

Table 57: Portfolio Financial Services: 5 Year Plan 2022 - 2027

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

PORTFOLIO FINANCIAL SERVICES: 5 YEAR PLAN 2022 - 2027																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Financial Services	Department: Financial Management Services	NKPA 3	SFA 1	Maintain Clean Audit from the AG each financial year	Receive unqualified audit opinion	Number of unqualified audit opinions received by 30 November	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Financial Services	Department: Financial Management Services	NKPA 4	SFA 5	Importance of S71 engagements	Condcut monthly section 71engagements with Directorates	Number of monthly section 71 engagements conducted with Directorates	WCO24	50	10	10	10	10	10	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Financial Services	Department: Financial Management Services	NKPA 4	SFA 5	Specifically ensuring that the status of Capital projects that were recorded as work in progress in the previous financial year per directorate are being completed on time Doing site visits when needed	Manage and Administer the Capital Prioritisation Platform for Stellenbosch Municipality	Number of quarterly reports regarding the management and implementation of Prioritisation Platform submitted to the Management Forum	WCO24	20	4	4	4	4	4	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Financial Services	Department: Revenue and Expenditure	NKPA 4	SFA 5	Revenue Enhancement strategy	Implementation of the adopted Revenue Enhancement Strategy	Number of actions implemented as identified in the Revenue Enhancement Strategy by 30 June	WCO24	20	4	4	4	4	4	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Financial Services	Department: Financial Management Services	NKPA 4	SFA 5	Existing Policies and By-laws reviewed regularly and implemented	Submit a report on policies and by-laws to the MayCo	Number of reports submitted to the MayCo on policies and by-laws by 30 June	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a

7.3.7 Portfolio: Protection Services

Table 58: Portfolio Protection Services: 5 Year Plan 2022 - 2027

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

PORTFOLIO PROTECTION SERVICES: 5 YEAR PLAN 2022 - 2027																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Community and Protection Services	Department: Protection Services	NKPA 1	SFA 3	Satellite Fire Station - South (Major Fire Pumper with CAFS)	Allocation of funding, identification of property or land to be used, approved tender	Completion of the Satellite Fire Station in Jamestown	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Protection Services	NKPA 1	SFA 3	Incident Command Vehicle - DM	Procurement of a Major Fire Pumper with CAFS	Number of Major Fire Pumpers with CAFS procured by 31 March	WCO24	1	n/a	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Protection Services	NKPA 1	SFA 3	Camera Master Plan (CCTV/LPR)	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Protection Services	NKPA 1	SFA 3	Tactical Reaction Unit (TRU)	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Protection Services	NKPA 1	SFA 3	New Traffic Building	Completion of the new Traffic Building for Stellenbosch Traffic Services with Driver's License Testing Centre	Number of new Traffic Buildings for Stellenbosch Traffic Services with Driver's License Testing Centre completed by 30 June	WCO24	**1**	n/a	n/a	n/a	n/a	**1**	n/a	n/a	n/a	n/a	n/a

PORTFOLIO PROTECTION SERVICES: 5 YEAR PLAN 2022 - 2027																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Community and Protection Services	Department: Protection Services	NKPA 1	SFA 3	Traffic Pound	Completion of Register Traffic Pound for all impounded vehicles	Number of Register Traffic Pounds completed for all impounded vehicles by 30 June	WCO24	1	n/a	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Protection Services	NKPA 1	SFA 3	Neighbourhood Watch Support	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Protection Services	NKPA 1	SFA 3	Rent a Cop Implementation	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Protection Services	NKPA 1	SFA 3	Auxiliary (Reservist) Peace Officer Implementation	Linked to Mayoral Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

7.3.8 Portfolio: Corporate Services

Table 59: Portfolio Corporate Services: 5 Year Plan 2022 - 2027

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

PORTFOLIO CORPORATE SERVICES: 5 YEAR PLAN 2022 - 2027																			
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Corporate Services	Section: Properties Management and Municipal Building Maintenance	NKPA 5	SFA 5	Review the Property Management Policy, especially the outdoor dining aspect	Submission of revised Draft Property Management Policy to the Municipal Manager	Number of new Draft Property Management Policies submitted to the Municipal Manager by 31 May	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Corporate Services	Section: Properties Management and Municipal Building Maintenance	NKPA 5	SFA 5	Upgrade Makupula Community Hall	Completion of the Makupula Community Hall	Number of community halls completed by	15	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Corporate Services	Section: Properties Management and Municipal Building Maintenance	NKPA 5	SFA 5	Structural improvement of Van Der Stel Sports Ground	Completion of the structural improvements of the Van De Stel Sports Ground	Number of Van der Stel Sports grounds improvements completed by 30 June	11	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Corporate Services	Section: Properties Management and Municipal Building Maintenance	NKPA 5	SFA 5	Structural upgrade of the Jamestown ward office	Completion of structural upgrade of the Jamestown ward office	Number of Jamestown Ward Offices upgraded by 30 June	21	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

PORTFOLIO CORPORATE SERVICES: 5 YEAR PLAN 2022 - 2027																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Corporate Services	Section: Properties Management and Municipal Building Maintenance	NKPA 5	SFA 5	Corridor structural upgrade	Completion of Kayamandi Corridor structural upgrade	Number of Kayamandi Corridors upgraded by	12	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Corporate Services	Section: Properties Management and Municipal Building Maintenance	NKPA 1	SFA 1	Upgrade of the New Space in Ryneveld Street	Complete the upgrade of the New Office Space in Ryneveld Street	Number of new office spaces upgraded in Ryneveld Street by	8	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

7.3.9 Portfolio: Infrastructure Services

Table 60: Portfolio Infrastructure Services: 5 Year Plan 2022 - 2027

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

PORTFOLIO INFRASTRUCTURE SERVICES: 5 YEAR PLAN 2022 - 2027																		
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Infrastructure Services	Department: Electrical Services	NKPA 1	SFA 2	Alternative energy supply: Purchasing Electricity from Public	Amendment of policy to allow purchasing of electricity from public	Number of policies to be amended to allow purchasing of electricity from the public by 30 June	WCO24	1	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Electrical Services	NKPA 1	SFA 2	Alternative energy supply: Purchasing Electricity from Public	Purchasing of electricity from the public	Percentage of Energy Purchased from Public/(Total energy purchased)	WCO24	10%	n/a	7%	8%	9%	10%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Electrical Services	NKPA 1	SFA 2	Alternative energy supply: Purchasing Electricity from Internal IPPs	Conclusion of IPP tender	Number of IPP tenders concluded by 31 March	WCO24	8	1	1	1	2	2	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Electrical Services	NKPA 1	SFA 2	Alternative energy supply: Purchasing Electricity from external IPPs	Purchasing of Energy from external IPPs	Percentage of Energy Purchased from IPP/(Total energy purchased)	WCO24	30%	n/a	10%	15%	20%	30%	n/a	n/a	n/a	n/a	n/a

PORTFOLIO INFRASTRUCTURE SERVICES: 5 YEAR PLAN 2022 - 2027																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Infrastructure Services	Department: Electrical Services	NKPA 1	SFA 2	Alternative energy supply: Methane Mining	Appointment of a service provider for the Extraction of Methan from Cell 3 for generation of electricity	Number of servicer providers appointed for the Extraction of Methan from Cell 3 for generation of electricity by 31 March	WCO24	**1**	n/a	**1**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Electrical Services	NKPA 1	SFA 2	Alternative energy supply: Wet Waste Anaerobic Digestion (AD) Plant	Conclusion of a contract for diverting 50% of Organic Waste end generating electricity	Number of contracts concluded for diverting 50% of Organic Waste end generating electricity by 30 June	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Waste Management	NKPA 1	SFA 2	Recycling from source: Stellenbosch municipality to provide residents with bins and bags to collect and separate organic waste and recyclable material to be collected by Municipality.	Introducing Bag-for-a-Bag process at all Informal Settlements	Percentage of System introduced = Bag-for-Bag total/(Informal Families)	WCO24	**95%**	60%	70%	80%	90%	95%	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Water and Wastewater Services	NKPA 1	SFA 4	Pre-paid water meters: Households to be fitted with pre-paid water meters to reduce and prevent water wastage.	Installation of pre-paid water meters	Number of pre-paid water meters installed by 30 June	WCO24	15000	3000	3000	3000	3000	3000	n/a	n/a	n/a	n/a	n/a

PORTFOLIO INFRASTRUCTURE SERVICES: 5 YEAR PLAN 2022 - 2027																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Infrastructure Services	Department: Roads, Transport and Storm Water (RTS)	NKPA 1	SFA 1	Parking: Parking areas for park and ride purposes to create adequate parking spaces for people working in and visiting the Stellenbosch municipal area.	Develop single level parking areas	Number of single level parking areas developed by 30 June	WCO24	7	1	2	2	2	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Water and Wastewater Services	NKPA 1	SFA 1	Water pipelines: Old water pipes to be replaced	Linked to Municipal Manager Priority		WCO24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Infrastructure Planning, Development and Implementation Services	NKPA 1	SFA 4	Longlands Housing Project- Building of Top Structures	Construction of 106 subsidised top structures of Longlands Housing Project	Number of subsidised top structures constructed by 30 June	20	106	106	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Infrastructure Planning, Development and Implementation Services	NKPA 1	SFA 4	Longlands Housing Project- Building of Top Structures	Construction of 38 enhanced site in the Longlands Housing Project	Number of enhanced sites constructed by	20	38	38	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Infrastructure Planning, Development and Implementation Services	NKPA 1	SFA 4	Lindida GAP Housing Project – servicing of 166 sites and building of GAP houses.	Construction of 166 GAP houses in Lindida	Number of GAP houses constructed in Lindida by 30 June	5 and 6	166	166	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Infrastructure Services	Department: Infrastructure Planning, Development and Implementation Services	NKPA 1	SFA 4	Servicing of 178 sites in Zone O	Construction of 178 serviced sites in Zone O	Number of serviced sites constructed in Zone O by 30 June	12, 13, 14 and 15	178	178	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

7.3.10 Portfolio: Community Development (Parks, Open Spaces and Environment)

Table 61: Portfolio Community Development: 5 Year Plan 2022 - 2027

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

PORTFOLIO COMMUNITY DEVELOPMENT: 5 YEAR PLAN 2022 - 2027																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Community and Protection Services	Department: Community Services	NKPA 1	SFA 2	Groendal cemetery building repairs being planned and implemented	Upgrade of the Groendal Cemeteries	Number of Groendal cemeteries upgraded by 30 June	1	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Community Services	NKPA 1	SFA 2	Probable boundary markers/ demarcation fencing and improved landscaping at Muslim cemetery Pappegaaiberg	Upgrade of the Muslim cemetery Pappegaaiberg	Number of Muslim cemeteries in Pappegaaiberg upgraded by 30 June	11	1	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Community Services	NKPA 1	SFA 2	Road repairs and resealing in cemeteries	Road repairs and resealing of cemeteries	Number of cemeteries road repairs and resealing by 30 June	WCO24	5	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Community Services	NKPA 1	SFA 2	Management Plans Finalise Jan Marais Park EMP and submit to Cape Nature to endorse before submitting to Council and the Minister for approval	Submission of a Jan Marais Park Environmental Management Plan to Council	Number of the Jan Marais Park Environmental Management Plans submitted to Council by 30 June	8	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Community Services	NKPA 1	SFA 2	Management Plans	Submission of a draft Management plan of Ida's Valley and Botmaskop to Municipal Manager	Number of draft Management Plans of Ida;s Valley and Botmaskop submitted to the Municipal Manager by 30 June	5 and 6	**1**	**1**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

PORTFOLIO COMMUNITY DEVELOPMENT: 5 YEAR PLAN 2022 - 2027																				
IDP Ref No	Responsible Directorate	Responsible Department	National KPA	Municipal SFA	Priority	KPI Name	Description of Unit of Measurement	Ward	5-Year Target	2022/23	2023/24	2024/25	2025/26	2026/27	Progress Rating				
										Target	Target	Target	Target	Target	2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Directorate: Community and Protection Services	Department: Community Services	NKPA 1	SFA 2	Management Plans	Review Management Plans as per the review and revision period. Implement management proposal	Revised Environmental Management Plans submitted to the Municipal Manager by 30 June	WCO24	**1**	n/a	n/a	n/a	n/a	1	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Community Services	NKPA 1	SFA 2	Mont Rochelle Upgrade	Completion of the Mont Rochelle entrance	Number of Mon Rochelle entrances completed by 30 June	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Community Services	NKPA 1	SFA 2	Establish of Friends Groups	Establishment of a Friends Group for the nature reserves	Establish of Friends Groups	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Directorate: Community and Protection Services	Department: Community Services	NKPA 1	SFA 2	Establish of Friends Groups	Submit a revised Friends Group MOUs to the Municipal Manager	Number of revised Friends Group MOUs submitted by 30 June	WCO24	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

CHAPTER 8:

Public Interest and Expression of Needs

8.1 Community Participation

Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) requires municipalities to create 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 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) the Stellenbosch Municipality's methodology has been adjusted with regards to public participation processes for November 2021 – January 2022 to respond appropriately to the health threat posed by COVID-19 and the national disaster regulations. 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, communities and stakeholders in the identification of ward-based priorities and their involvement in the public participation process 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. 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 platforms 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.

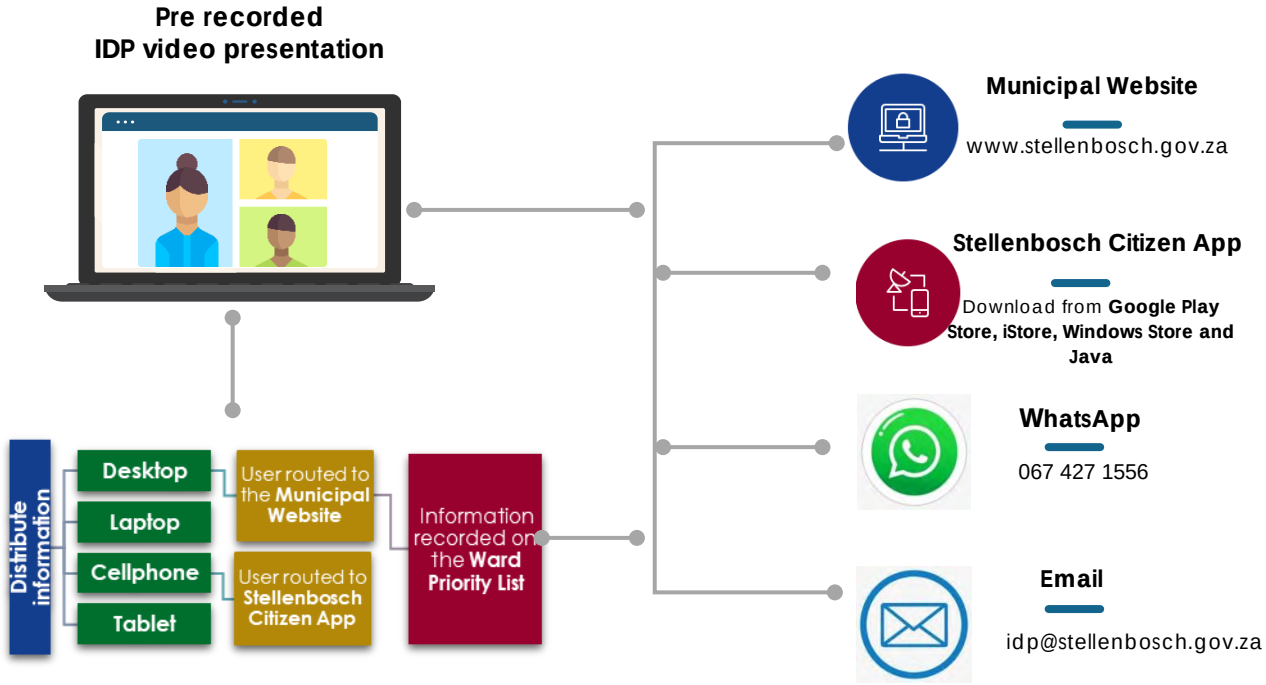
The maturity level that public participation process has achieved during the COVID -19 pandemic, has reached new heights from both the community members and the administration. Further feedback will be provided on the comments captured on written submissions made via the various platforms created for public participation. To ensure that the public participation process is a two-way process, all comments have been carefully considered and discussed with internal departments.

8.2 Public Participation in the drafting of the 5th Generation IDP 2022 – 2027

The adjusted methodology used for public participation from **29 November 2021 until 12 January 2022** during the analysis phase to determine the needs of the community in developing the 5th Generation IDP 2022 – 2027, Stellenbosch Municipality has embarked on the following approach.

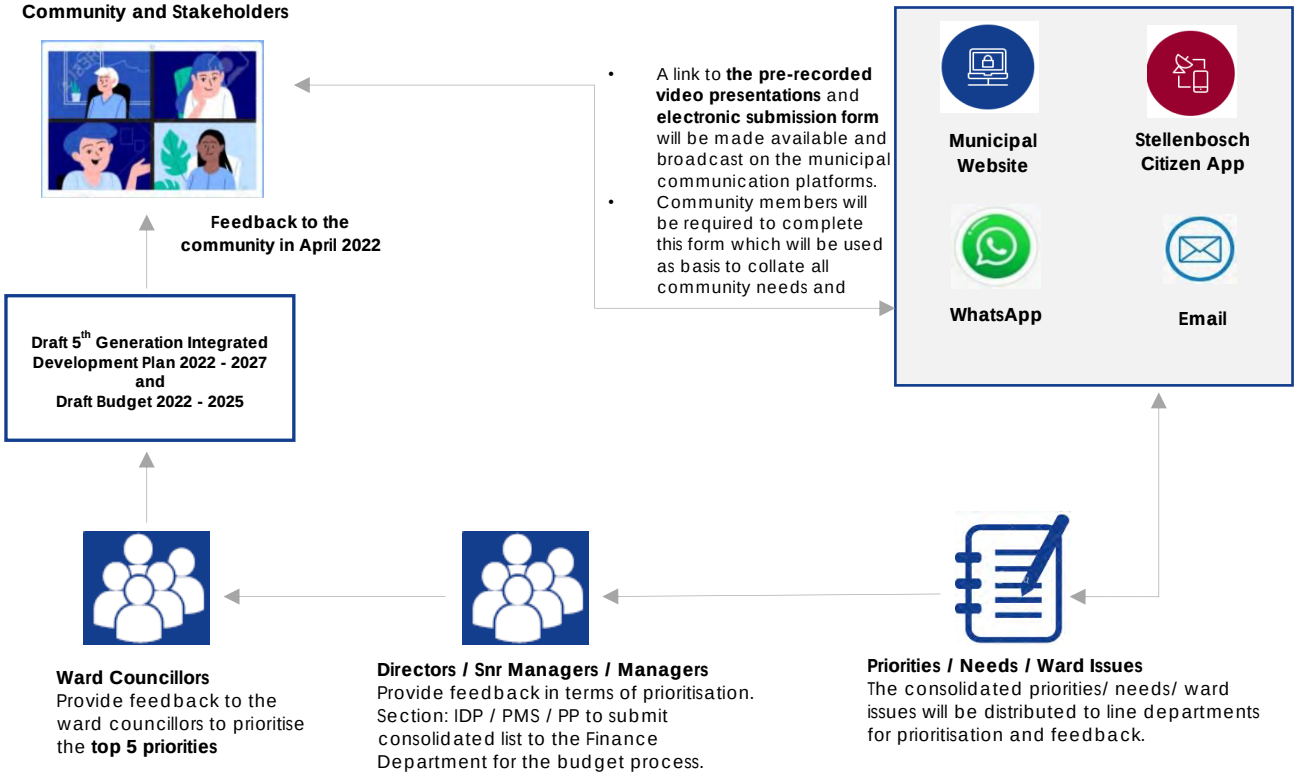
A notice was published in the local newspaper and on the municipal website to announce the start of the public participation process for the development of the 5th Generation IDP 2022 -2027. At the start of the process a link to **pre-recorded IDP video presentations** and an **electronic submission form** was made available on the municipal website, the Stellenbosch Citizen App, broadcast via WhatsApp, Facebook, the municipal Youtube channel and email. The process flow below indicates the public participation approached followed.

Figure 47: IDP Public Participation Approach – November 2021



The electronic submission form made available on the various platforms created for the purpose of public participation, followed the process below:

Figure 48: Process Flow for electronic submissions

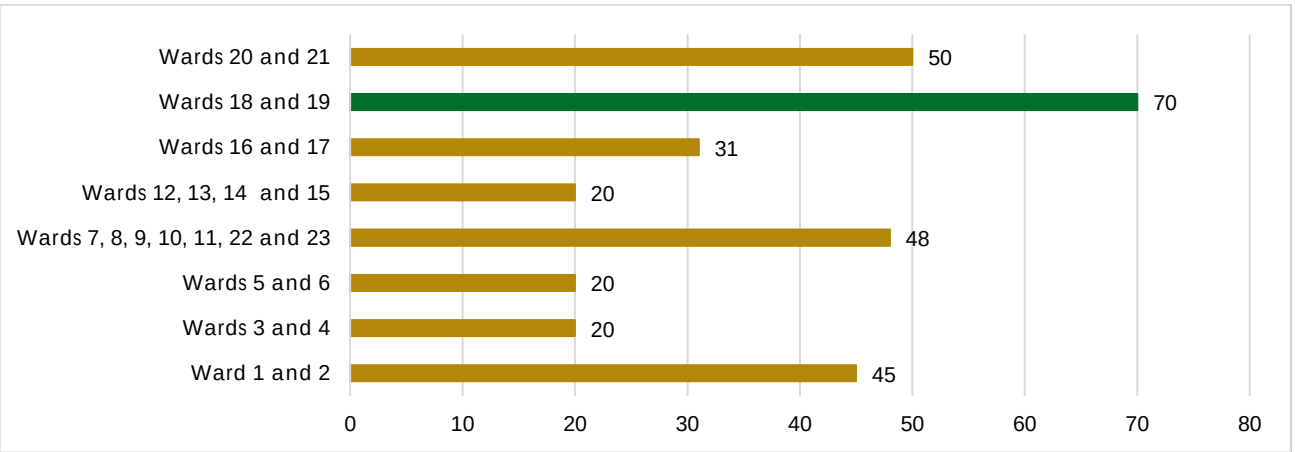


8.3 IDP Pre -Recording Video Presentations

A total of eight (8) IDP Pre – recorded video presentations were published on the Stellenbosch municipal Youtube Channel to view. The pre – recorded video presentation provided feedback on projects / initiatives and programmes undertaken during the 4th Generation IDP 2017 – 2022, but also encouraged community members and stakeholders to submit their inputs and needs for the drafting of the 5th Generation IDP 2022 – 2027.

The graph below indicates the number of views on the Youtube channel per pre – recorded video presentation.

Graph 18: Number of views per pre – recorded video presentation

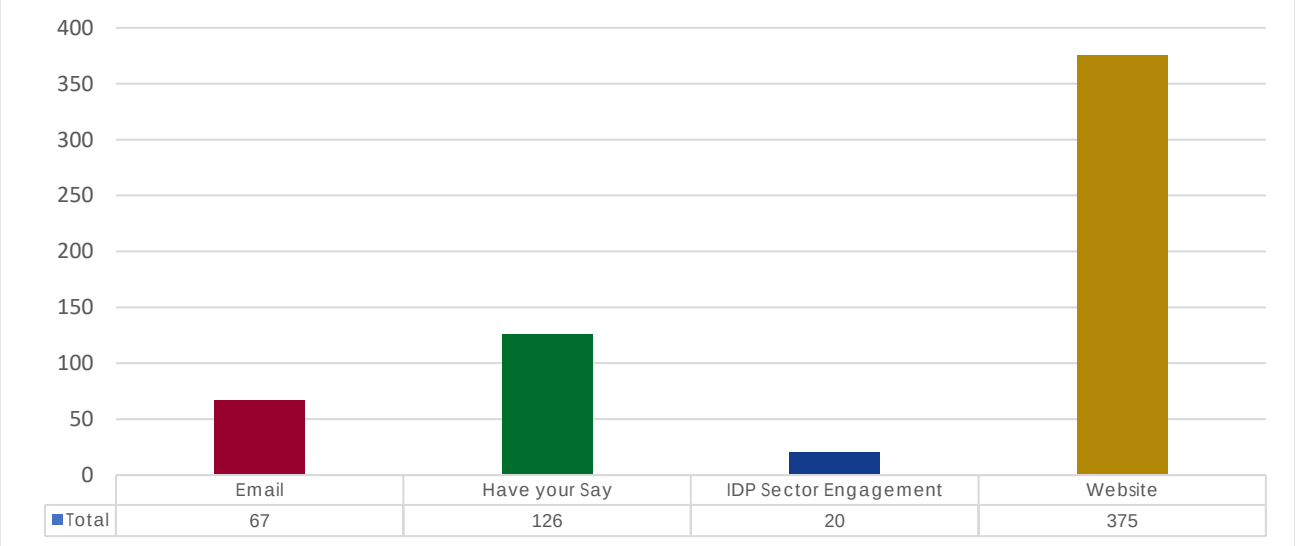


Wards 18 and 19 with a total number of **70 views** had the most views, followed by Wards 7, 8, 9, 10, 11, 22 and 23 with **48 views**.

8.4 Public Participation Statistics: November 2021 – January 2022

The graphs below graphs indicates the number of electronic submissions received on the various communication platforms.

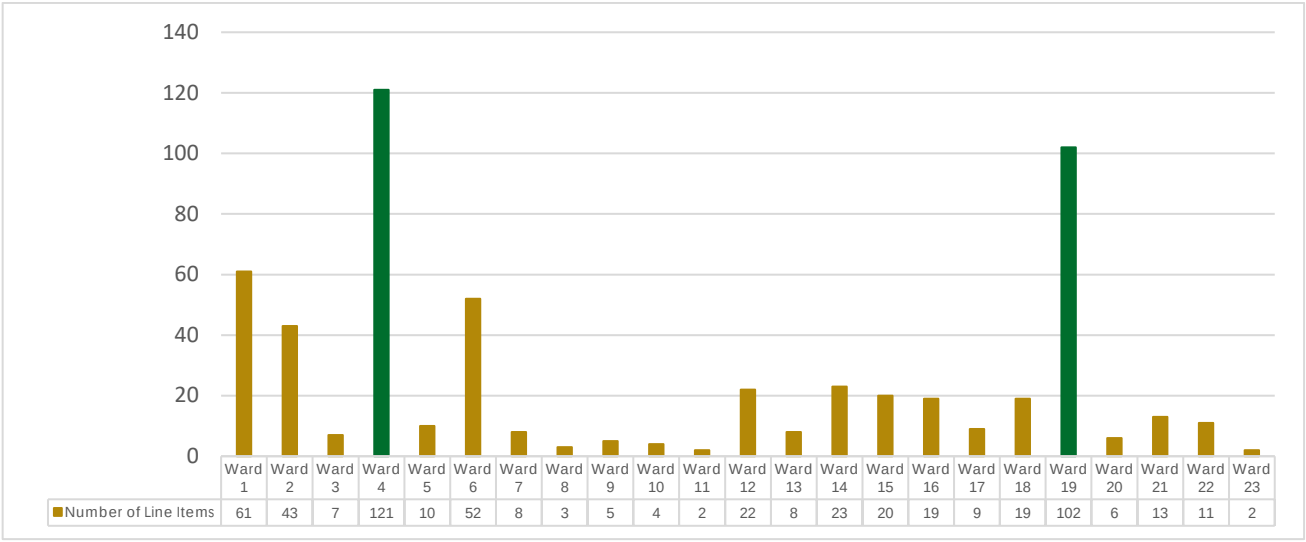
Graph 19: Total number of individual electronic submissions per platform (Nov 2021 – Jan 2022)



As noted from the graph above, the electronic form which was made available on the municipal website, WhatsApp and the Stellenbosch Citizen App was the most popular platform used by the community and stakeholders to submit their needs and priorities. A total of **375** electronic submissions were received via the electronic form on he municipal website, with 'Have Your Say' written submissions as the second popular platform.

The graph (green bars) below indicates that **Ward 4** and **Ward 19** have the highest number of line items / inputs per ward received and capture during the public participation period from 29 November 2021 until 12 January 2022.

Graph 20: Total number of line items per ward (Nov 2021 – Jan 2022)

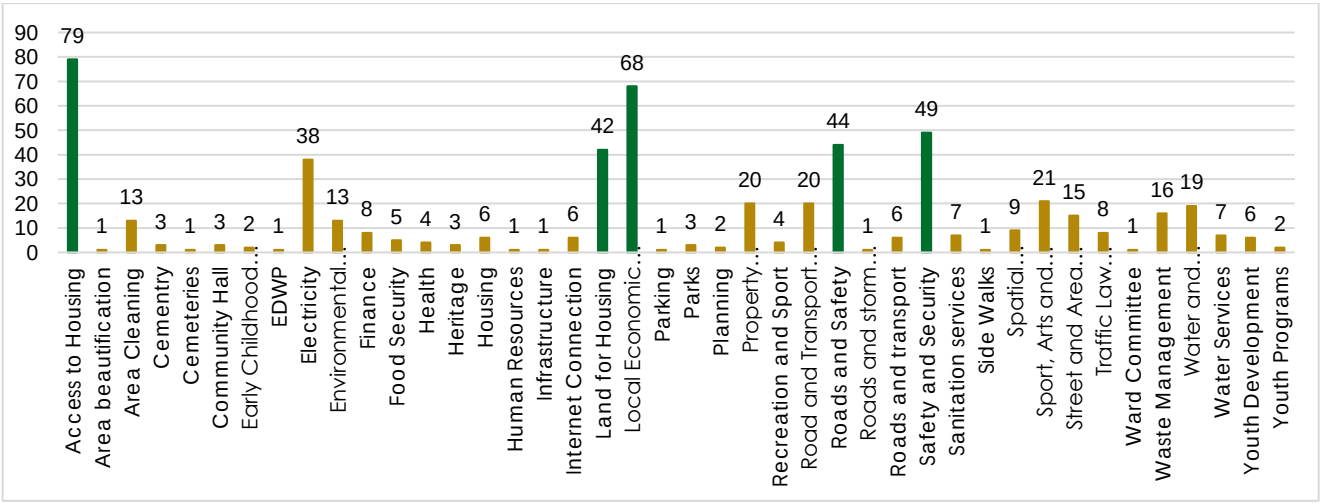


8.5 Summary of Needs and Priorities

The graph below present a summary of the key priorities and needs raised by communities during the public participation period from 29 November 2021 – 12 January 2022. It also depicts the **top 5 priorities** identified for WCO24 by community members and range as follows:

1. Access to Housing;
2. Local Economic Development;
3. Safety and Security;
4. Roads and Safety; and
5. Land for housing.

Graph 21: Number of community inputs per priority area



The table below indicates which priority areas were raised in the different wards:

Table 62: Priority areas per Ward

Community Need / Priority	Wards
Access to Housing	1,2,3,4,6,10,12,14,15,16,17,18,19,20,22,23
Area beautification	2
Area Cleaning	2,4,6,12,15,22
Cemetery	4
Community Hall	2,4,12
Early Childhood development	1
Electricity	1,2,4,6,10,16,17,20,21, WC024
Environmental Management and Protection	1,2,4,15,17,21,22, WC024
Expanded Public Works Programme (EPWP)	13
Finance	WC024
Food Security	2,12,13,20
Health	2,4,12
Heritage	4,
Housing	1,2,9,19,
Human Resources	WC024
Infrastructure	4
Internet Connection	4,15,16
Land for Housing	2,4,6,12,13,14,15,16,18,19
Local Economic Development	1,2,4,5,6,7,14,15,18,19,21, WC024
Parking	WC024
Parks	4,6, WC024
Planning	2
Property management	1,4,12,16,14,15,21
Recreation and Sport	6
Roads and Safety	1,2,3,4,6,7,8,9,12,14,17,19,20,22
Road and Transport Infrastructure	1,2,4,7,8,9,16,18,19,20,22
Roads and Storm water	4
Safety and Security	1,2,3,4,5,6,7,10,11,12,14,15,16,17,18,19,22, WC024
Sanitation services	1,4,19
Side Walks	4
Spatial Development Planning	18,21, WC024
Sport, Arts and Culture	1,4,5,10,12,14,16,20
Street and Area Lighting	2,4,5,12,21
Traffic Law Enforcement	4,9,15,22
Ward Committee	5
Waste Management	1,2,3,4,7,9,12,15,17,21
Water and Sanitation Services	1,2,4,14,15,18,22, WC024
Water Services	1,3,4,11,21
Youth Development	6,5, 12,16,19

8.6 Ward Priorities

Emanating from the community needs and inputs, the following **5 key priorities per ward** was identified by the ward councillor for the period 2022 – 2027. During the annual IDP review, these key priorities may be reviewed and re -prioritised.

8.6.1 Ward Priorities: Ward 1



Ward 1: Cllr. Reginald Pheiffer

Table 63: Ward 1 – Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

WARD PRIORITIES: WARD 1											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Local/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Housing	1	Provision of mixed development housing projects in greater Franschhoek Valley Area	Planning and Economic Development	Integrated Human Development	Local	n/a	n/a	n/a	n/a	n/a
			Establish a policy to control and limit the use of houses and flats for short term rental in Franschhoek	Corporate Services	Property Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Infrastructure Services	2	Construction of the Franschhoek Taxi Rank across the Franschhoek Wine Tram Terminal (PRASA Property) in consultation with local taxi association	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Establishment of parking area at the back of Franschhoek Town Hall / Franschhoek Municipal Offices for use of Taxis during the day and public after operating hours	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 1											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Local/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
			Upgrade and / or establish sidewalks in Reservoir Street specific, and frequently utilised residential routes in Franschhoek Town	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Upgrade and / or establish sidewalks in Mooiwater, Groendal (Accessible for persons with disabilities)	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Upgrading of the Municipal Parking area on the corner of Dirkie Uys- and La Rochelle Street.	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Removal of the parking bays on the west side of Hugenote Street between Berg and De La Rey Street and widening the sidewalks	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Closure of the southeast side of Church Street and conversion of the existing road into a public amenity area	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Traffic calming measures and resurfacing of Reservoir Street	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Develop emergency response access ways / points in Riverside and Klein Mooiwater informal settlement	Planning and Economic Development	Integrated Human Resources	Local	n/a	n/a	n/a	n/a	n/a
			Installation and upgrading of ablution facilities within the Riverside and Klein Mooiwater informal settlements	Planning and Economic Development	Integrated Human Settlement	Local	n/a	n/a	n/a	n/a	n/a
			Provision and upgrading of water access points and sewerage infrastructure within the Riverside and Klein Mooiwater informal settlements	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
			Upgrading of electricity network capacity to provide electricity access for residents in Riverside and Klein Mooiwater informal settlements	Infrastructure Services	Electrical Services	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 1											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Local/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Sports, Recreation and Parks	3	Construction of the Franschhoek community public swimming pooll facility in Groendal / Franschhoek / La Motte	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Establish sports and recreational area on Erf 3229, Mooiwater	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Provision of staff to manage the Circus Grounds facilities (ablution, park and other) Mon – Sun and Public Holidays	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Provision of greater support for management and development of Mont Rochelle Nature Reserve	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Develop Natural Focused Parks alongside the Stiebeuel River in Mooiwater	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Clean-up operation of the Stiebeuel River and implementation of river stewardship programme	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Property Management	4	Construction of a Community Hall / Multi-Purpose Hall on the top part of Beau Coup De L'eau Street, Mooiwater	Corporate Services	Property Services	Local	n/a	n/a	n/a	n/a	n/a
			Upgrade and repurpose of the Old Youth Centre Building in Mooiwater	Corporate Services	Property Services	Local	n/a	n/a	n/a	n/a	n/a
			Development of an Amphitheatre and Wine Museum on the Franschhoek Circus Ground	Corporate Services	Property Services	**Provincial**	n/a	n/a	n/a	n/a	n/a
			Upgrading and expansion of the Franschhoek Municipal Buildings in Franschhoek CBD to render and accommodate more services	Corporate Services	Property Services	Local	n/a	n/a	n/a	n/a	n/a
			Establish a well-positioned Tourism Office in Franschhoek CBD	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 1											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Local/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Local Economic Development	5	Implementation of a policy and effective mechanisms to limit and control restaurants in historic areas of Franschhoek	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a
			Provide space for Jobseeker Data Capturers in Franschhoek / Groendal	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a



Ward 2: Cllr. Wilhelmina Petersen

8.6.2 Ward Priorities: Ward 2

Table 64: Ward 2 – Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

WARD PRIORITIES: WARD 2											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District /Local/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Housing	1	Housing as well as land for housing	Planning and Economic Development	Integrated Human Settlements	Provincial	n/a	n/a	n/a	n/a	n/a
TBC	Basic Infrastructure Services	2	Insitu upgrading of Langrug	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
			Upgrading and beautifying of sidewalks in La Motte Bosbou	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Maintenance of Stiebeuel Riverbanks	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Sewerage problem from Langrug to Blossom Street	Infrastructure Services	Water and Wastewater Services	Local	n/a	n/a	n/a	n/a	n/a
			Sewerage outlet in the Stiebeuel River near Mooiwater informal Settlement in Skool Street	Infrastructure Services	Water and Wastewater Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Sports, Arts and Culture	3	Swimming pool in Groendal next to Groendal Sports Grounds	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Pavilion at Groendal Sports Grounds	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Open Spaces in Bosbou and Groendal	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Safety and Security	4	Safety- checks CCV cameras in Groendal that gives a poor vision	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 2											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District /Local/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
			Increase Law Enforcement personnel to render services in Greater Franschhoek Valley	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Education	5	Community of Langrug will be glad if you can add an IsiXhosa Secondary School	Corporate Services	Property Services	**Provincial**	n/a	n/a	n/a	n/a	n/a



Ward 3: Cllr. Charles Manuel

8.6.3 Ward Priorities: Ward 3

Table 65: Ward 3 – Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

WARD PRIORITIES: WARD 3											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Housing	1	Housing and town establishment in Lanquedoc, Wemmershoek, Maasdorp	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
TBC	Clinic	2	Build clinics in Lanquedoc and Wemmershoek	Corporate Services	Property Services	Provincial	n/a	n/a	n/a	n/a	n/a
TBC	Basic Infrastructure Services	3	Construction of speed humps in Boonzaaier Road	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
TBC	Infrastructure	3	Build Town Hall in Lanquedoc	Corporate Services	Property Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Local Economic Development	4	Business Hubs in all areas	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a
TBC	Multipurpose centre	5	Build Multi-Purpose Centre	Corporate Services	Property Services	Local	n/a	n/a	n/a	n/a	n/a

8.6.4 Ward Priorities: Ward 4



Ward 4: Cllr. Ralphton Adams

Table 66: Ward 4 – Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

WARD PRIORITIES: WARD 4												
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating					
							2022/23	2023/24	2024/25	2025/26	2026/27	2022/23
TBC	Basic Infrastructure Services	1	Roads and Storm water:- Drains overflowing in winter / rainy days	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a	n/a
			Waste management: Recycling system to be implemented in Kylemore and Pniël	Infrastructure Services	Waste Management	Local	n/a	n/a	n/a	n/a	n/a	n/a
			EPWP: Street sweeping in all streets and removal of weed on pavements not taking place	Infrastructure Services	Waste Management	Local	n/a	n/a	n/a	n/a	n/a	n/a
			Electricity: Reliable network needed in ward	Infrastructure Services	Electrical Services	Local	n/a	n/a	n/a	n/a	n/a	n/a
			Increase the number/amount of streetlights in streets	Infrastructure Services	Electrical Services	Local	n/a	n/a	n/a	n/a	n/a	n/a
			Cleaning of Kylemore cemetery and maintenance of it	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a	n/a
			Cleaning of Kylemore cemetery and maintenance	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a	n/a
			Resurfacing / reseal of Sonnestraal Street in Johannesdal	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a	n/a
	Safety and security	2	Visibility of law enforcement officers in area	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 4												
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating					
							2022/23	2023/24	2024/25	2025/26	2026/27	2022/23
			Installation of more security cameras at hotspots in Kylemore, Johannesdal and Pniël	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a	n/a
			Stop after hours speeding of cars	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a	n/a
			Reconsider the existence of Riverside play park in Pniël:- becoming a crime hotspot	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a	n/a
			Make traffic officers more visible in area for longer times of the day	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a	n/a
			Need for more speed bumps in Kylemore, Johannesdal and Pniël	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a	n/a
			Increase safety measures on R 310:- Intersections in Kylemore and Johannesdal	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a	n/a
			Increase safety measures on R 310:- Main Street of Pniël. (Cars speed through town)	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Sport; Recreation, Culture and Facilities	3	Renovation / upgrading of sport facilities:- clubhouses and change rooms:-Kylemore and Pniël	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a	n/a
			Extension of boundaries of existing cemeteries	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a	n/a
			Renovation / upgrading of Millennium Hall and Kylemore Community Hall	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a	n/a
			Force private owners to clean vacant plots	Infrastructure Services	Waste Management	Local	n/a	n/a	n/a	n/a	n/a	n/a
TBC	Local Economic Development	4	More and effective skills development programmes for youth	Community and Protection Services	Community Development	Local	n/a	n/a	n/a	n/a	n/a	n/a
			More job creation opportunities needed	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 4												
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating					
							2022/23	2023/24	2024/25	2025/26	2026/27	2022/23
TBC	Land and Housing	5	Community needs land for affordable housing (GAP) in Pniël, Johannesdal and Kylemore	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a	n/a
			Erf 64 – Kylemore- needs urgent attention for development	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a	n/a

8.6.5 Ward Priorities: Ward 5



Ward 5: Cllr. Roy Van Rooyen

Table 67: Ward 5 - Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

WARD PRIORITIES: WARD 5											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Local Economic Development	1	Ida's Valley Community Trails initiative. Activating Ida's Valley Community Market as trail Centre	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a
			Future tourism hub together with Botmaskop mountain. This will enable integration and social cohesion between wards 5, 6 and 7	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a
			Identify land to be used by community members to start community gardens to ensure that the community is self-sufficient	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a
TBC	Sports, Recreation and Culture.	2	Well-disciplined and structured after school programme for surrounding schools. We will be able to transform the space where the office of the Ward Councillor is into a youth centre	Community and Protection Services	Community Development	Local	n/a	n/a	n/a	n/a	n/a
			Work together with DCAS, surrounding schools, NGOs tennis academy and SAS to build multipurpose courts at the netball fields	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			The other properties like the rugby clubhouse can be used as spaces for this after school programme	Community and Protection Services	Community Services	**Provincial**	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 5											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
			Sports like Futsal Netball volleyball, chess, basketball tennis can be coached. Jobs will be created youth will educated and the sports field will be looked after and again integration can be promoted	Community and Protection Services	Community Services	District	n/a	n/a	n/a	n/a	n/a
			Identify a space where a swimming pool can be built for the community of Ida's Valley. Areas like the Ida's Valley sportsground	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Basic Infrastructure Services	3	Install skips at specific areas in the community to prevent dumping in these open spaces like the rivers and Ida's Valley Nature Area.	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Access to housing	4	Identifying of land in Jonkershoek and Ida's Valley for future housing projects and development	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
TBC	Environmental Management	5	Clean the river that flows from the dam through LA gratitude park through Ida's Valley Community Trials as an EPWP project. This will enable locals to clean their own space and look after their own space and stop dumping since this is where most of the dumping happens	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a

8.6.6 Ward Priorities: Ward 6



Ward 6: Cllr. Nateshia Mcombring

Table 68: Ward 6 – Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

WARD PRIORITIES: WARD 6											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Safety and Security	1	Installation of a Close Circuit Camera near Bruckner De Villiers Primary School and Addendorff Street	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			Installation of a Close Circuit Camera on Old Helshoogte Park	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			Installation of a LPR Camera at the Main Road 5 (Traffic lights on the corner of Helshoogte Road and R44)	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			Installation of a LPR Camera On the corner of Rustenburg Road and Sonnebloem Street	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			Use of building at the community market as a Satellite Police Station	Community and Protection Services	Protection Services	JDMA	n/a	n/a	n/a	n/a	n/a
			More visibility and regular patrols of Police and Law Enforcement officials in all roads, Sport Grounds and farms in the ward. If budget allow use neighbourhood watches and give them a stipend	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			Streetlights on Helshoogte Road opposite Beltana in the direction of The Ridge to address the cable theft and other criminal activities behind the houses of Botmanskop Road	Infrastructure Services	Electrical Services	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 6											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
			Cleaning and fencing (Clearview or Betafence) of all Electricity Boxes in the Ward 6	Infrastructure Services	Electrical Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Infrastructure	2	Request traffic lights on the turn-off from Kromme Rhee Road in the direction of Koelenhoff and turn-off from Elsenburg (near Kanonkop)	Infrastructure Services	Roads, Transport and Storm Water (RTS)	**Provincial**	n/a	n/a	n/a	n/a	n/a
			Pedestrian crossing between Nietvoorbij and Timberlea Farm (Blue Jay) in the direction of Cloetesville	Infrastructure Services	Roads, Transport and Storm Water (RTS)	**Provincial**	n/a	n/a	n/a	n/a	n/a
			Pedestrian crossing between Remhoogte and Lavinir	Infrastructure Services	Roads, Transport and Storm Water (RTS)	**Provincial**	n/a	n/a	n/a	n/a	n/a
TBC	LED (Planning)	3	Request waterproof covers for the Community Market to allow resident to use facility as a hall and through all weather conditions	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a
			Support and funding for tourism / running / cycling / walking	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a
			Support and funding for Skills development, reading and other soft skills programmes, ect.	Community and Protection Services	Community Development	Local	n/a	n/a	n/a	n/a	n/a
TBC	Infrastructure	4	Construct tar pavements for the following roads: Hahn Street, Moffat Street, Kahler Street, Erasmussmith Street, Desch Street, Botmanskop Road, Dahlia Street and Speler Street. All roads in the ward and parks. As well as on the R44 and Helshoogte Road	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Upgrading and resealing of roads and potholes as requires	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 6											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
			More regular basis cutting of grass on all pavements, not only the six-week cycle in parks and main roads. As well as on the R44 and Helshoogte Road	Infrastructure Services	Waste Management	Local	n/a	n/a	n/a	n/a	n/a
TBC	Recreation and Sport	5	Replacement of the vibracrete wall with a solid wall at the Sport Grounds	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Upgrade lights on the rugby fields	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Upgrade of the cricket fields	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			5 Giant rubberised Chessboard Sets (size of board: 30.5 cm; squares: 2.4x2.4 board) in the schools in the ward and public library	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a

8.6.7 Ward Priorities: Ward 7



Ward 7: Cllr. Annemarie Ferns

Table 69: Ward 7- Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

WARD PRIORITIES: WARD 7											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Safety and Security	1	Implementation of safety measures at Botmaskop, as a matter of urgency and complete security fence	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			Improve security at Hangbrug main entrance gate, upstream and visitors along the river and Koloniesland	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Environment	2	Unlocking of the full potential of Jan Marais Park	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Create a parking area at the main gate for visitors at Jan Marais Park	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Upgrading of irrigation system at Jan Marais Park	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Replacement of fences and gates at Jan Marais Park	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Optimise management of Jan Marais Park	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Develop a marketing plan to attract visitors and events to Jan Marais Park	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Implementation of existing ARBORETUM Plan for Unie Park	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 7											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
			Upgrade De Jonkers Park to cater for elderly residents	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Roads and Transport	3	Implementation of traffic calming and safety measures at the intersection of Martison and Endler Street	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
TBC	Roads and Transport	3	Implementation of the Non-Motorised Transport (NMT) policy and plan for ward 7	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
TBC	Roads and Transport	3	Carry out ITS traffic calming plan for Cluver, Kommandeurs, Martison, Jonkershoek Streets	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
TBC	Roads and Transport	3	Resurfacing of Van der Stel Street in Mastertsdrift	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
TBC	Roads and Transport	3	Painting of road signs and house numbers (owner's responsibility)	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
TBC	Property Management	4	Cleaning up of Beltana Depot (remove rubble, shacks metal sheets)	Corporate Services	Property Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Infrastructure services	5	Upgrade / Increase Hangbrug waste removal during weekends and Monday mornings	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Infrastructure services	5	Placement of portable toilet facilities at Hangbrug	Infrastructure Services	Water and Wastewater Services	Local	n/a	n/a	n/a	n/a	n/a

8.6.8 Ward Priorities: Ward 8



Ward 8: Cllr. Carli Van Wyk

Table 70: Ward 8 – Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

WARD PRIORITIES: WARD 8											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Environmental sustainability	1	Collaboration with Stellenbosch University and student communities to ensure recycling programmes are implemented	Infrastructure Services	Waste Management	Local	n/a	n/a	n/a	n/a	n/a
			Improve recycling bins or bags to ensure efficient recycling	Infrastructure Services	Waste Management	Local	n/a	n/a	n/a	n/a	n/a
			Focus on environmental sustainability civic education	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Enforcement of environmental by-laws	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Non-Motorised transport (NMT)	2	Investigate alternative methods of transport	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Focus on mobility for all residents.	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Collaborate with Stellenbosch University regarding mobility and accessibility	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Focus on the safety of cycling	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
TBC	Safety and Security	3	Investigate the quality of lighting on all streets in Ward 8	Infrastructure Services	Electrical Services		n/a	n/a	n/a	n/a	n/a
			Collaborate with Campus Security and other stakeholders to ensure community members are	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 8											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
			informed and aware of safety and security measures								
			Ensure CCTV is working efficiently in Coetzenberg Rd and Noordewal-East	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			Increase visibility of patrols in Ward 8	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Infrastructure Development	4	Look into upgrading pedestrian walkways	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Investigate the possibility of safer cycling lanes	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Replace damaged benches	Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Beautification	5	Ensure flowerpots are maintained	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Collaborate with community to implement a recreational garden project	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a

8.6.9 Ward Priorities: Ward 9



Ward 9: Cllr. Zelda Dalling

Table 71: Ward 7 – Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

WARD PRIORITIES: WARD 9											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Safety and Security Infrastructure	1	Security cameras at regular intervals	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			Monitoring of cameras	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
		2	Universally accessible sidewalks and pavements and improvement of uneven pavements	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Traffic calming with raised pedestrian crossing outside Utopia Retirement Home at the top of Dorp Street – Pastorie Street	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Traffic calming with raised pedestrian crossing on Dorp Street, corner of Andringa and Helderberg Streets	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Visible street names on poles and on the side of buildings on street corners	Planning and Economic Development	Development Management	Local	n/a	n/a	n/a	n/a	n/a
			Park and Ride facilities for the CBD	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
TBC	Environment	3	Preservation of historic trees and other important trees	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Replacement of sick and dead trees as a matter of urgency	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 9											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
			Replacement of trees that have been removed. Suggestion that agreement be reached with private property owners to plant trees inside private properties where pavements are compromised	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Stellenbosch is known as the Eikestad, but the trees in ward 9 need urgent care	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Historic buildings and Tourism	4	Maintenance and preservation of historic buildings and properties	Corporate Services	Property Services	Local	n/a	n/a	n/a	n/a	n/a
			Maintenance and preservation of the Town Hall	Corporate Services	Property Services	Local	n/a	n/a	n/a	n/a	n/a
			Public toilets for use by visitors and tourists (possibly with entrance fee)	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a
			Clean pavements and public spaces	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	NMT non-motorised transport	5	Encourage cycling and walking in the CBD and campus	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a



Ward 10: Cllr. Rozette Du Toit

8.6.10 Ward Priorities: Ward 10

Table 72: Ward 10 – Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Safety and Security	1	Criminal activities in ward 10. Substance abuse. There is a neighbourhood watch.	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Housing	2	Municipal flats infrastructure needs replacement and upgrades.	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
TBC	Youth	3	Provide learnerships for youth. Partner with businesses to train the youth skills. It will also help the youth who left school early.	Community and Protection Services	Community Development	Local	n/a	n/a	n/a	n/a	n/a
TBC	Cleaning of River	4	The river needs clean-up this is a constant problem, as a lot of dumping happens around the river.	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Sport, Arts and Culture	5	There is not sufficient space for sport facilities at the Municipal flats. Hence, we make use of members in the community to provide.	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Municipality to provide different types of sports and make use of different sport facilities. From time to time there is Cultural events at the flats. Municipality to put mechanisms in place to help the youth.	Community and Protection Services	Community Services	District	n/a	n/a	n/a	n/a	n/a

8.6.11 Ward Priorities: Ward 11



Ward 11: Cllr. Johannie Serdyn

Table 73: Ward 11 – Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

WARD PRIORITIES: WARD 11											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Safety and Security	1	CCTV camera installation in the area around the Municipal Court. To in consultation with the ward councillors	Community and Protection Services	Protection Services	District	n/a	n/a	n/a	n/a	n/a
			The deployment of fence monitoring camera in Papegaaiberg Reserve	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			The deployment of rangers patrolling the reserve in Papegaaiberg Reserve	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Combat health risk and illegal structures in Papegaaiberg Reserve	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			A better quality of panels to be used to replace vandalised panels in Papegaaiberg Reserve	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Redeployment of working cameras to Papegaaiberg in Papegaaiberg Reserve	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			Extension of fence around the Papegaaiberg cemetery in Papegaaiberg Reserve	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Land invasions are major and growing threats	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			Overall lighting of ward will be an on-going priority	Infrastructure Services	Electrical Services		n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 11											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Basic Infrastructure Services	2	Bosman Cross / Adam Tas historical bridge requires rebuilding	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Maintenance of Van der Stel Sport Grounds	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Tarring of pathways in Kwikstert Street down to Devon Valley Road	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Sidewalk extension from Libertas to Adam Tas Road	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Sidewalk intersection Adam Tas to Devon Valley Road in front of the businesses	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Reseal of all road surfaces in Onder Papegaaiberg	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			The request for sideways must make provision for pedestrian and cyclists	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Ward strives to confirm with the NMT requirements of Stellenbosch Municipality	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Replacement of waterpipes where necessary	Infrastructure Services	Water and Wastewater Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Development Applications	3	There is a growing concern around the impact on traffic from development in Oude Molen	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			NMT facilities a prerequisite in Oude Molen	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Aggressive stance on the side of the developers in Oude Molen	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a
			The public had no insight into the exact plans of Adam Tas Corridor	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 11											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
			Developers are looking to exploit the needs for rapid growth of Adam Tas Corridor	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a
			Further developments to make provision for Non-Motorising Transport in Woodmill Development	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Employment of residents in Ward 11 that is already on the Unemployment Database for Local Economic Development	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a
TBC	Sport, recreation and culture	4	Request for the removal of alien species to support the natural granite renosterveld in Papegaaiberg Reserve	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Rehabilitation of wetlands area in conjunction with Huis Horison	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Establish and maintain an active group "The Friends of Reserves" Taking care of the total set environmental requirements for a declared reserve	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			The out-dated maintenance plan for the reserve to be revised	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Promote cycle routes for recreational purposes	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Roads and Transport	5	Taxi rank at Stellenbosch Station has taken complete control of the parking area	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			No facilities available at the Taxi rank at Stellenbosch Station	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			No input asked from the public about the Taxi rank at Stellenbosch Station	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			The Integrated Transport Plan (ITP) of 2017 or its revisions should receive attention for the implementation in collaboration with the	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 11											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
			Adam Tas Corridor project and affected wards								
			Establishment of park and ride facilities as a support to our public transport system	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a

8.6.12 Ward Priorities: Ward 12



Ward 12: Cllr. Ayanda Tomose

Table 74: Ward 12 – Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

WARD PRIORITIES: WARD 12											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Land and Housing	1	Land for housing	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
			Land for future developments	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
			Land to build houses for low-income earners	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
TBC	Sports, Recreation, culture and facilities	2	Build a centre for elderly and people living with disabilities	Corporate Services	Property Services	Local	n/a	n/a	n/a	n/a	n/a
			Build a Thusong Centre	Corporate Services	Property Services	**Provincial**	n/a	n/a	n/a	n/a	n/a
			Request for building of Multipurpose centre for the purpose of indoor sport facilities, training centre for skills development, availability of various departmental offices such as SASSA, Social Development and home affairs offices	Corporate Services	Property Services	Local	n/a	n/a	n/a	n/a	n/a
			Build Indoor Sport Facility	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Building of a swimming pool	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Provide youth development facility	Corporate Services	Property Services	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 12											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Food Security	3	Request for the establishment of sustainable food garden project	Community and Protection Services	Community Development	Local	n/a	n/a	n/a	n/a	n/a
			Provide soup kitchen to feed less privileged	Community and Protection Services	Community Development	Local	n/a	n/a	n/a	n/a	n/a
TBC	Health	4	Build youth friendly clinic	Corporate Services	Property Services	**Provincial**	n/a	n/a	n/a	n/a	n/a
			Building of new clinic that will mainly focus on chronic and elderly people	Corporate Services	Property Services	**Provincial**	n/a	n/a	n/a	n/a	n/a
TBC	Electricity	5	Electrification of areas which do not have electricity	Infrastructure Services	Electrical Services	Local	n/a	n/a	n/a	n/a	n/a
			Renewal of streetlights in all our areas	Infrastructure Services	Electrical Services	Local	n/a	n/a	n/a	n/a	n/a
			Floodlights	Infrastructure Services	Electrical Services	Local	n/a	n/a	n/a	n/a	n/a

8.6.13 Ward Priorities: Ward 13



Ward 13: Cllr. Mary Nkopane

Table 75: Ward 13 – Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

WARD PRIORITIES: WARD 13											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Land and Housing	1	RDP houses for back yarders	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
			Land for future developments	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
			Houses for low-income earners	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
TBC	Multipurpose centre	2	Build Thusong Centre- Youth training centre	Corporate Services	Property Services	**Provincial**	n/a	n/a	n/a	n/a	n/a
			Request for building of Multipurpose centre for the purpose of indoor sport facilities, training centre for skills development, availability of various departmental offices such as SASSA, Social Development and home affairs offices	Corporate Services	Property Services	Local	n/a	n/a	n/a	n/a	n/a
			Provide youth development facility with a play park	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Build indoor sports centre	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Provide swimming pool	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Free Wi-Fi in the ward	Corporate Services	Information and Communication Technology	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 13											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Food Security	3	Request for the establishment of sustainable food garden project	Community and Protection Services	Community Development	Local	n/a	n/a	n/a	n/a	n/a
			Provide soup kitchen	Community and Protection Services	Community Development	Local	n/a	n/a	n/a	n/a	n/a
TBC	Electricity	4	Renewal of streetlights in the Ward 13	Infrastructure Services	Electrical Services	Local	n/a	n/a	n/a	n/a	n/a
			Electricity for back yarders	Infrastructure Services	Electrical Services	Local	n/a	n/a	n/a	n/a	n/a
			Floodlights	Infrastructure Services	Electrical Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Health	5	Build youth friendly clinic	Corporate Services	Property Services	Provincial	n/a	n/a	n/a	n/a	n/a
			Clinic for chronic patients and elderly	Community and Protection Services	Community Development	Provincial	n/a	n/a	n/a	n/a	n/a

8.6.14 Ward Priorities: Ward 14



Ward 14: Cllr. Maxwell Danana

Table 76: Ward 14 – Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

WARD PRIORITIES: WARD 14											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Land and Housing	1	Access for the low-income housing, semi urban housing and plots for middle class housing opportunities	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
			Open spaces for housing opportunities (plots)	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
TBC	Health	2	Health Facility (Day Hospital)	Corporate Services	Property Services	**Provincial**	n/a	n/a	n/a	n/a	n/a
TBC	Multipurpose centre	3	Swimming pool	Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Youth development centre	Corporate Services	Property Services	Local	n/a	n/a	n/a	n/a	n/a
			Free Wi-Fi in the ward	Corporate Services	Information and Communication Technology	Local	n/a	n/a	n/a	n/a	n/a
TBC	Electricity	4	Renewal of streetlights	Infrastructure Services	Electrical Services	Local	n/a	n/a	n/a	n/a	n/a
			Floodlights	Infrastructure Services	Electrical Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Safety and Security	5	Neighbourhood watch	Community and Protection Services	Protection Services	**Provincial** and Local	n/a	n/a	n/a	n/a	n/a
			Green paths	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 14											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
			Patrol in the ward	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			Fully furnished police station	Community and Protection Services	Protection Services	JDMA	n/a	n/a	n/a	n/a	n/a

8.6.15 Ward Priorities: Ward 15



Ward 15: Cllr. Mary Nkopane

Table 77: Ward 15 – Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

WARD PRIORITIES: WARD 15											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Land and Housing	1	Access for the low-income housing, semi urban housing and plots for middle class housing opportunities	Planning and Economic Development	Integrated Human Settlements	Provincial	n/a	n/a	n/a	n/a	n/a
			Open spaces for housing opportunities (plots)	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
TBC	Multipurpose centre	2	Swimming pool	Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Youth development centre	Corporate Services	Property Services	Local	n/a	n/a	n/a	n/a	n/a
			Free Wi-Fi in the ward	Corporate Services	Information and Communication Technology	Local	n/a	n/a	n/a	n/a	n/a
TBC	Local Economic Development	3	Focal point to assist growing entrepreneurs to grow their businesses	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a
TBC	Electricity	4	Renewal of streetlights	Infrastructure Services	Electrical Services	Local	n/a	n/a	n/a	n/a	n/a
			Floodlights	Infrastructure Services	Electrical Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Safety and Security	5	Neighbourhood watch	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 15											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
			Green paths	Community and ProtecJD	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			Patrol in the ward	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			Fully furnished police station	Community and Protection Services	Protection Services	JDMA	n/a	n/a	n/a	n/a	n/a

8.6.16 Ward Priorities: Ward 16



Ward 16: Cllr. Elsabe Vermeulen

Table 78: Ward 16 – Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

WARD PRIORITIES: WARD 16											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Land and Housing	1	Municipality to provide stand-alone plots for housing	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
			Municipality to provide basic services for backyarders	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
			Upgrading of Municipal flats in Pine, Primrose, Eike and Jakaranda Streets	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
			Utilising empty plots for housing	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
			Outline areas for selection to erect affordable and RDP housing.to make away with constraints and backlogs	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
			To phase it out in an impact full manner to accomplish fair distribution of the housing matter	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
TBC	Safety and security	2	More visible Law Enforcement	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			More patrols assistance from Law enforcement	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			More cameras in gangster areas with 24-hour mobile Law enforcement units in the community	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 16											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
			Neighbourhood watch and security awareness with community involvement	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Local Economic Development	3	More EPWP projects for the youth and the disabled	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a
			Youth camps, youth orientation and skills development programmes	Community and Protection Services	Community Development	Local	n/a	n/a	n/a	n/a	n/a
			Training programmes for women empowerment to equip themselves to self-sustainability e.g. back yard gardens, selling their products. Crochet and knitting and business start-ups	Community and Protection Services	Community Development	Local	n/a	n/a	n/a	n/a	n/a
TBC	Sports and culture	4	Wheelchair access to the swimming pool facility e.g. the gate	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Entry into the swimming pool	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Transform the tennis court into more useful entity for the community	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Youth recreational space and multipurpose centre	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Floodlights on Cloetesville Sportsground	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Roads and safety	5	Place fencing next to the railway track on the Municipal side of the walkway in Crombie Street of White city, not on PRASA side	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Tar pavements in Pine, Primrose and Eland Streets	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Ramp for disabled residents in ward 16	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 16											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
			Universal access / ramp for disabled to the Cloetesville shopping centre	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Sign boards to all public facilities	Infrastructure Services	Wate		n/a	n/a	n/a	n/a	n/a

8.6.17 Ward Priorities: Ward 17



Ward 17: Cllr. Peter Johnson

Table 79: Ward 17 – Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

WARD PRIORITIES: WARD 17											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Housing	1	Upgrading of Municipal flats in Rhodes Street: Melody, Monte Christo, Monte Ray and Mountview blocks	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
TBC	Open spaces safety	2	Fencing of Erf 7181 / 6668 next to the R44: fence the complete perimeter of the erf to prohibit illegal squatters	Corporate Services	Property Services	Local	n/a	n/a	n/a	n/a	n/a
			Close "Die Gang" in Williams Road that leads into ERF 7181 (safety hazard)	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Fence next to R44 and Kloof Street Park that have been vandalised needs to be repaired.	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Infrastructure services	3	Parking required at the entrances of Rieternbosch and Pieter Langeveld schools	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Resurfacing of parking areas at Kloof and Rhode Streets flats	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Kloof Street flats require 1 Wheelie bin per flat	Infrastructure Services	Waste Management	Local	n/a	n/a	n/a	n/a	n/a
			Streetlights required in Kloof Street (both sides of park)	Infrastructure Services	Electrical Services	Local	n/a	n/a	n/a	n/a	n/a
			Fibre connection application	Infrastructure Services	Development Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Roads	4	Installation of pavements in Raziet, Pool, Ortell, King, Isaacs and Hine Roads	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 17											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
			Beautification of open spaces	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Local Economic Development	5	Create job opportunities for unemployed residents: main focus on youth	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a
			Skills development	Community and Protection Services	Community Development	Local	n/a	n/a	n/a	n/a	n/a
			Liaise with Provincial and National Government to create opportunities locally	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a



Ward 18: Cllr. JC Anthony

8.6.18 Ward Priorities: Ward 18

Table 80: Ward 18 - Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

WARD PRIORITIES: WARD 18											
IDP Ref	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Access to Housing and basic services	1	Provision of residential development housing projects in the Klapmuts area	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
			Installation and upgrading of ablution facilities within the La Rochelle and Mandela City informal settlements	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
			Upgrading of the electricity network capacity to provide electricity access for residents in La Rochelle informal settlements	Infrastructure Services	Electrical Services	Local	n/a	n/a	n/a	n/a	n/a
			Municipality to provide funding to buy land in Klapmuts for RDP housing development	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
TBC	Burial Land / Graveyard	2	There is currently no burial place for our deceased people in town – We note the municipalities proposal to a regional graveyard – The Klapmuts Community however, insisted to have a locally based	Planning and Economic Development	Community Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Local Economic Development	3	Job creation projects in Klapmuts	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a
			No jobs currently for the Klapmuts Community. A structured method should be done to secure Klapmuts Community with permanent jobs	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 18											
IDP Ref	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
			Provide space for Jobseeker Data Capturers in Franschhoek	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a
TBC	Safety and security	4	Cameras should be put at all strategic areas in the Ward to stop the flow of crime in the Ward 18	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			Cameras should also be put on the R44 and inside the Klapmuts area to stop the high flyers coming in to rob the business sector of the town	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			Increase Law Enforcement personnel to render services in Klapmuts	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			Traffic calming measures and resurfacing of Reservoir Street	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
TBC	Spatial Development Planning	5	The spatial development plan for Klapmuts needs to be updated in order for the town to be united – as the boundaries of the town is divided in two municipalities - Drakenstein and Stellenbosch	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a



Ward 19: Cllr. James Williams

8.6.19 Ward Priorities: Ward 19

Table 81: Ward 19 – Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

WARD PRIORITIES: WARD 19											
IDP Ref	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Local Economic Development	1	Learnship, Internships and skills development.	Community and Protection Services	Community Development	Local	n/a	n/a	n/a	n/a	n/a
TBC	Access to Housing	2	Ownership for existing houses on Elsenburg (Vaaldraai / Elsenburg). Elsevier Project which includes De Novo and Kromme Rhee.	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
TBC	Sport	3	Rural sports need to develop within the ward. (Soccer, rugby, netball, chess, swimming, tennis, and golden indigent games. Lifeguard training.	Community and Protection Services	Community Services	District	n/a	n/a	n/a	n/a	n/a
TBC	Road safety and transport	4	Public transport and improvement of services	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
TBC	Roads and transport infrastructure.	5	Potholes and speed humps that are too high	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a

8.6.20 Ward Priorities: Ward 20



Ward 20: Cllr. Joseph Joon

Table 82: Ward 20 - Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

WARD PRIORITIES: WARD 20											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Food Security	1	Because of unemployment many of the community is in need of food security. Projects can be implemented for the youth and parents to be self-sufficient which can then also be used for developing skills and self-employment	Community and Protection Services	Community Development	Local	n/a	n/a	n/a	n/a	n/a
TBC	Access to housing	2	Local farmworker families who have lived generations in this community cannot afford access to safe and decent housing	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
TBC	Electricity	3	Prevention of load shedding and implementation plans and timelines shared for the plan to eliminate loading	Infrastructure Services	Electrical Services	District	n/a	n/a	n/a	n/a	n/a
TBC	Sports, Arts and Culture	4	Activities and facilities for the youth to develop sport, arts and culture in Vlottenburg is urgently needed	Community and Protection Services	Community Services	Provincial	n/a	n/a	n/a	n/a	n/a
			A public library will also make a huge difference in developing the children and youth reading abilities and skills	Corporate Services	Property Services	Local	n/a	n/a	n/a	n/a	n/a
			There are no sportsgrounds to practice their soccer, rugby or netball	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			A hall/place is needed to do extra mural activities	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Because of the lack of facilities our youth are walking around aimlessly and this leads to crime and participation in substance abuse	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 20											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
			The grounds on the outside of the school can be developed into sportsgrounds	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Road and Transport Infrastructure	5	Making the rail transport a priority and liaising with Metrorail and Prasa to get our infrastructure back and running again. Employees are severely affected by the lack of alternative transport	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Bus transport with Golden Arrow extending to some routes would also be an option for further consideration. This will also ensure the importance of road safety	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a

8.6.21 Ward Priorities: Ward 20



Ward 21: Cllr. Rikus Badenhorst

Table 83: Ward 21 – Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

WARD PRIORITIES: WARD 21											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Affordable Housing	1	Completion of phase 2, 3 and 4 of mixed housing project in Mountainview, Jamestown	Planning and Economic Development	Integrated Human Settlements	Provincial	n/a	n/a	n/a	n/a	n/a
TBC	Sport, Arts and Culture	2	Fencing around sports club (betta fencing or solid wall)	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Park	3	Light industrial park to accommodate appropriate enterprises located near Jamestown	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Roads and Transport	4	Traffic calming measures and pedestrian walkways at Webersvallei Rd, Mountainview entrance rd, intersection of Paradyskloof Rd and Houtkapper Street, Anesta Road, Schuilplaats Road and Serruria Road	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Accommodate pedestrians/ cyclists along Upper Paradyskloof Rd	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
TBC	Local Economic Development Hub	5	Business Development Centre / Heritage Centre / Ward Office at South/Western corner of Sportsgrounds	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a

8.6.22 Ward Priorities: Ward 22



Ward 22: Cllr. Esther Groenewald

Table 84: Ward 22 – Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

WARD PRIORITIES: WARD 22											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Safety and security	1	Safety in the ward and along-side the Eerste RIvier	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			All safety requests previously mentioned are top priority. Together with that is the priority that all the cameras in ward 22 should be linked to the internal system with sustainable and reliable internet and be monitored by the control room.	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Road safety	2	Sealing of roads were put on the list as well, but it has somehow disappeared. The internal roads in the suburb need serious attention	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			Maintenance of all pedestrian and cycle paths in the ward	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
TBC	Parks	3	The play parks have not all been upgraded and / or painted.	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Play-Equipment on the parks to be painted and / or replaced	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Bins on parks need to be replaced	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Environmental management	4	Clearing of overhanging trees, branches and bushes that are obstructive in front of traffic signs need serious attention	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 22											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
			Fixing of the two gates that give entry to the Brandwacht mountain area; one of which goes from Nooitgedacht Street and the other one from Brandwacht Street	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
TBC	Electricity	5	More streetlamps in Welgevallen Street on the farm side of the street and replacement of old electric bulbs with LED Lights will be appreciated by the owners of that area	Infrastructure Services	Electrical Services	Local	n/a	n/a	n/a	n/a	n/a

8.6.23 Ward Priorities: Ward 23



Ward 23: Cllr. Lwando Nkamisa

Table 85: Ward 23 – Ward Priorities

Project Rating					
☺	Project completed.	😐	Project in progress.	☹	Not completed / No budget available / District Function / Provincial Function

WARD PRIORITIES: WARD 23											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
TBC	Safety and security	1	Increase the number and presence of Law Enforcement in the ward	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			Increase the number of security cameras in the CBD (Stellenbosch)	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			Also, ensure that all public parking is safe for the cars against window smash and break-ins	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			Address the security of tourists who visit the area by utilising the so-called safety officers for more than just parking attendants. Provide radios and backup	Community and Protection Services	Protection Services	Local	n/a	n/a	n/a	n/a	n/a
			Create a safe dedicated and protected NMT corridor from Kayamandi to Central Stellenbosch	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			With focus on safe and protected intersections	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
			As well as safe crossings for pedestrians	Infrastructure Services	Roads, Transport and Storm Water (RTS)	Local	n/a	n/a	n/a	n/a	n/a
TBC	Community Development	2	Assist curb the impact of homelessness	Community and Protection Services	Community Development	Local	n/a	n/a	n/a	n/a	n/a
			Cooperate with civil society to curb the negative impact of homelessness in town central	Community and Protection Services	Community Development	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 23											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
			Promote the give responsible campaign	Community and Protection Services	Community Development	Local	n/a	n/a	n/a	n/a	n/a
			Increase the capacity of the shelter	Community and Protection Services	Community Development	Local	n/a	n/a	n/a	n/a	n/a
			Proper funding of NGOs such as the night shelter to cope with the massive increases in street living	Community and Protection Services	Community Development	Local	n/a	n/a	n/a	n/a	n/a
			Use the municipal/state house in Mark Street 18 to build a homeless centre, to provide skills, counselling and help for homeless people in town central	Community and Protection Services	Community Development	Local	n/a	n/a	n/a	n/a	n/a
			Work with the Mayor's skills development programme to coordinate resources	Community and Protection Services	Community Development	Local	n/a	n/a	n/a	n/a	n/a
			Work with private sector to raise funds, use ward allocation to provide CV writing, interview and job-hunting skills	Community and Protection Services	Community Development	Local	n/a	n/a	n/a	n/a	n/a
			Provide free Wi-Fi in town central in collaboration with private mobile networks. As it is down in the Neelsie student centre	Corporate Services	Information and Communication Technology	Local	n/a	n/a	n/a	n/a	n/a
TBC	Ward Based Planning	3	Ward 23 Comprehensive Development Plan	Planning and Economic Development	Development management	Local	n/a	n/a	n/a	n/a	n/a
			Develop a ward-based development plan that will include all major developments the municipality plans. Private development that municipality will approve with the ward for the next 5 years	Planning and Economic Development	Development management	Local	n/a	n/a	n/a	n/a	n/a
TBC	Planning and Economic Development	4	Approve and assist the Eerste River Corridor	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a
			Approve the private sector led Eerste River Corridor	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a
			Prioritise young people on job opportunities	Planning and Economic Development	Development Planning	Local	n/a	n/a	n/a	n/a	n/a

WARD PRIORITIES: WARD 23											
IDP Ref No	Ward Priority	Priority Ranking (1-5)	Description of Ward Priority	Linkage to Directorate	Linkage to Department	Government Competency (National / Provincial / District / Municipal/ JDMA)	Progress Rating				
							2022/23	2023/24	2024/25	2025/26	2026/27
			Access to housing: Release municipal land to provide developers to provide affordable housing for young working adults	Planning and Economic Development	Integrated Human Settlements	Local	n/a	n/a	n/a	n/a	n/a
TBC	Environmental Management	5	Regularly clean the Kromrivier and Plankerg river	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Provide educational programmes for residents to stop littering and polluting rivers and the environment	Community and Protection Services	Community Services	Local	n/a	n/a	n/a	n/a	n/a
			Also ensure the ward is clean with sufficient bins in key places, such as the taxi rant, Mark Street, Plankenberg and Kromrivier	Infrastructure Services	Waste Management	Local	n/a	n/a	n/a	n/a	n/a

CHAPTER 9:

Financial Plan

To achieve delivery on the Fifth 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.

9.1 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.

9.2 Capital and Operating Budget Estimates

9.2.1 Budget Assumptions

The selected key assumptions relating to this budget are as follows:

- Government grants for the years 2022/23 to 2024/25 are as per the Division of Revenue Act and Provincial Gazette (capital and operational).
- The inflation **rate has been estimated at 4.8% for 2022/23.**

9.2.2 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 86: Operating Budget Estimates

	(Current) 2021/22 Budget	Year 1 2022/23 Budget	Year 2 2023/24 Budget	Year 3 2024/25 Budget
Revenue Sources				
Property Rates	415 667 656	439 857 715	467 044 177	495 066 827
Electricity	787 275 170	848 868 900	911 004 668	980 000 914
Water	166 399 723	176 783 707	186 966 729	198 184 733
Sewerage	102 956 558	109 133 951	115 681 988	122 622 907
Refuse	87 936 447	94 971 363	102 569 072	110 774 598
Rental of facilities	10 811 501	15 537 894	16 314 808	17 130 469
Fines	120 164 832	124 955 174	128 703 832	132 564 949
Licences and Permits	5 778 049	5 934 010	6 230 701	6 542 226
Operational and Capital grants	331 692 396	385 108 894	366 852 574	369 595 568
Sundry Income	82 024 436	79 017 957	82 550 897	85 710 393
	2 110 706 768	**2 280 169 565**	**2 383 919 446**	**2 518 193 854**
Operating Expenditure				
Employee related cost	577 761 894	624 463 763	631 386 706	668 776 539
Remuneration Councillors	20 059 305	21 062 270	22 115 383	23 221 153
Depreciation	211 541 195	222 118 310	233 224 203	244 885 410
Finance Charges	44 976 262	67 799 365	80 819 298	84 829 237
Bulk Purchases	507 699 460	551 412 384	598 888 990	650 453 332
Contracted Services	263 728 026	278 932 683	286 761 297	302 186 462
Other Expenditure	351 428 870	345 373 003	354 868 175	367 909 325
Operating Expenditure	**1 977 195 012**	**2 111 161 778**	**2 208 064 052**	**2 342 261 458**
Surplus / (Deficit)-Year	**133 511 756**	**169 007 787**	**175 855 394**	**175 932 396**

Table 87: Capital Budget Estimates

	(Current) 2021/22 Budget	Year 1 2022/23 Budget	Year 2 2023/24 Budget	Year 3 2024/25 Budget
Funding Sources				
Capital Replacement Reserve	133 347 349	132 790 031	173 637 075	205 158 365
Grants Provincial	40 497 350	29 000 000	34 863 000	7 900 000
Grants National	71 093 950	90 809 650	48 008 300	47 898 950
External Loans	152 861 625	140 000 000	160 000 000	141 000 000
Development Charges		12 673 523	12 761 030	40 046 120
Total Funding Sources	**398 107 635**	**405 273 204**	**429 269 405**	**442 003 435**
Municipal Manager	44 000	40 000	40 000	40 000

	(Current) 2021/22 Budget	Year 1 2022/23 Budget	Year 2 2023/24 Budget	Year 3 2024/25 Budget
Planning and Development Services	10 358 157	15 185 000	20 156 000	21 780 000
Infrastructure Services	312 262 135	325 047 246	367 027 375	371 428 435
Community and Protection Services	45 469 424	26 850 958	25 846 030	32 355 000
Corporate Services	29 573 919	37 900 000	15 950 000	16 150 000
Financial Services	400 000	250 000	250 000	250 000
Capital Expenditure	**398 107 635**	**405 273 204**	**429 269 405**	**442 003 435**

9.3 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 88: 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	• 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, 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: Fairness; Equity; Transparency; Competitiveness; and cost effectiveness.	In place

Document	Purpose	Status
Budget Implementation and Monitoring Policy	• 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
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	• 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 ensure that its current and future liquidity position is managed in a prudent manner.	In place
Virement 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

9.4 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 89: Key Financial Strategies

Strategy	Currently In Place
Financial viability and sustainability through long term financial planning	• Long term financial planning tool effective implementation and monitoring.
COVID-19 Policy Initiatives and Incentives to enhance vaccinations	• Revise budget and related policies
Clean Audit	• Audit Action Plan • Annual Financial Statement compilation standard operating procedure • Monthly Reconciliations • Training Sessions • Participation at Forums
Staffing	• Revise Organogram • Fill critical vacancies
Capital expenditure	• Implementation of Project Management System including in-year reporting
Revenue Enhancement Strategy	• Implementation of Revenue Enhancement Strategy • Roll-out of WMD and Pre-payment Water Meters • Data cleansing • Validity of registered indigent households
Billing system enhancement	• Web-based billing system • Review Municipal Account Lay-out • Investigate payment methods
Debt management	• Debt Review Committee • Quarterly Report on Debt and Possible Debt to be written off

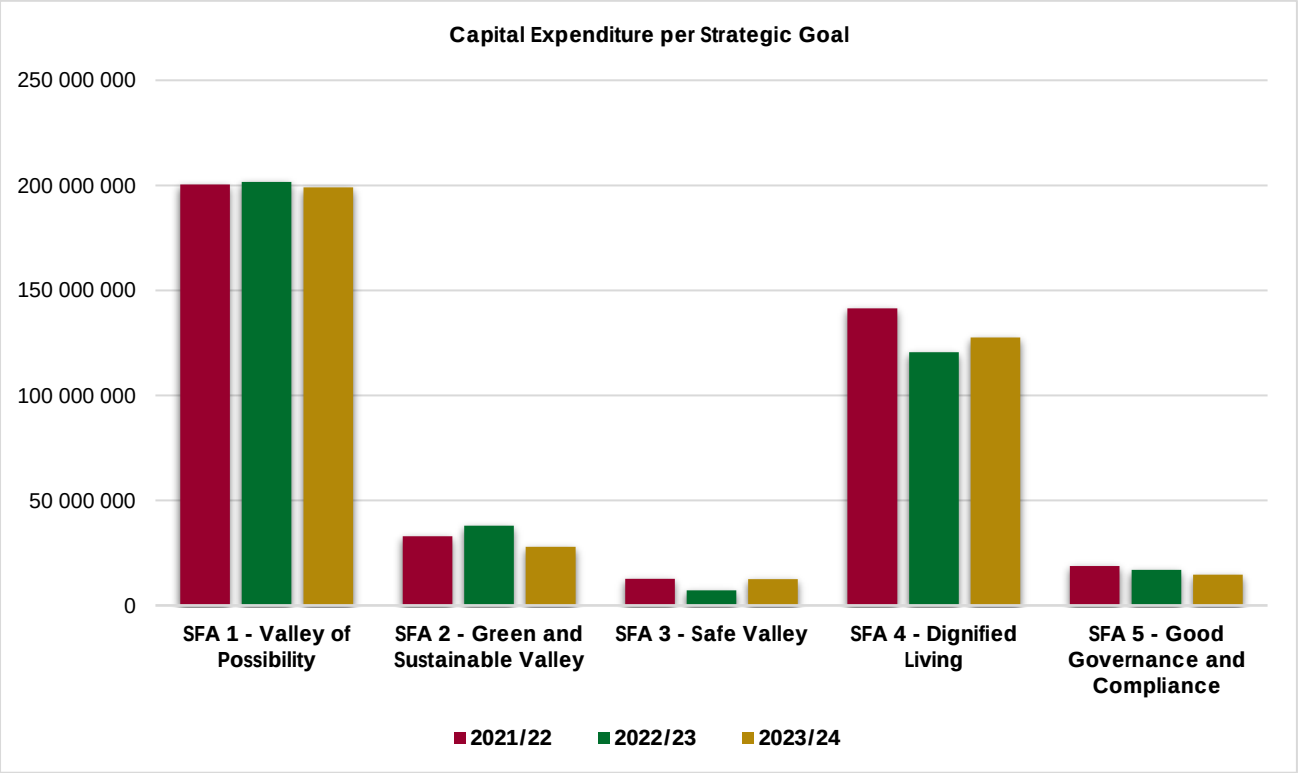
9.5 Meduim – Term Capital Expenditure per Strategic Focus Area

The proposed capital expenditure per strategic focus area over the medium term is illustrated in the table below:

Table 90: Capital Expenditure per Strategic Focus Area

Strategic Goal	2022/23	2023/24	2024/25
SFA 1 - Valley of Possibility	187 730 912	199 000 000	264 808 033
SFA 2 - Green and Sustainable Valley	62 965 928	63 850 000	33 700 000
SFA 3 - Safe Valley	28 900 000	34 093 375	21 799 000
SFA 4 - Dignified Living	107 081 030	116 552 030	95 600 000
SFA 5 - Good Governance and Compliance	18 595 334	15 774 000	26 096 402

Figure 49: Capital Expenditure per Strategic Focus Area



Source: Draft Capital Budget. 2022/23

The most capital intensive strategic focus area is Valley of Possibility with an allocation of R187,7 million in the upcoming financial year, totaling R651,5 million over the MTREF. Water projects dominates this strategic objective receiving an investment of R46,5 million in 2022/23, and it is increasing over the outer years.

The second most capital intensive strategic focus area is Dignified Living, with a total allocation of R319,2 million for the duration of the MTREF. Project highlights include:

- Upgrade of WWTW Wemmershoek;
- Sewerpipe Replacement: Dorp Straat;
- Langrug Franschhoek Mooiwater Dam Rehab & Basic Services;
- Kayamandi: Zone O (±711 services);
- Kayamandi Town Centre; and
- Extension of Cemetery Infrastructure.

The Green and Sustainable Valley strategic focus area receives the 3rd highest capital investment with the total MTREF budget amounting to R160,5 million. Solid Waste Management takes centre stage as part of the broader Green and Sustainable Valley Strategy, for the expansion of the landfill site.

The municipality is also making a concerted effort to improve ICT infrastructure platforms, allocating R16,8 million for this purpose over the multi-year budget period.

9.6 Medium – Term Operational Expenditure

The proposed Operational Expenditure per Strategic Focus Area over the medium term is illustrated in the table below.

Table 91: Operational Expenditure per Strategic Focus Area

Operational Expenditure	2022/23	2023/24	2024/25
SFA 1 - Valley of Possibility	136 535 905	123 776 655	130 161 741
SFA 2 - Green and Sustainable Valley	9 202 266	9 592 357	9 966 451
SFA 3 - Safe Valley	6 675 544	6 983 403	7 316 457
SFA 4 - Dignified Living	146 653 808	136 970 514	144 837 453
SFA 5 - Good Governance and Compliance	1 800 294 255	1 913 326 322	2 031 744 063

9.7 Medium – Term Operational Revenue per Strategic Focus Area

The proposed Operational Revenue per Strategic Focus Area over the medium term is illustrated in the table below.

Table 92: Operational Revenue per Strategic Focus Area

Operational Revenue	2022/23	2023/24	2024/25
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	- 2 279 221 055	- 2 383 919 447	- 2 518 193 585

Table 93: Capital Budget 2022/23 – 2024/25 Municipal Manager

Department	Project name	Funding	Proposed budget 2022/23	Proposed budget 2023/24	Proposed budget 2024/25
MUNICIPAL MANAGER					
Office of the Municipal Manager	Furniture, Tools & Equipment: MM	CRR (Own funds)	40 000	40 000	40 000
			40 000	**40 000**	**40 000**

Table 94: Capital Budget 2022/23 – 2024/25 Planning and Economic Development

Department	Project name	Funding	Proposed budget 2022/23	Proposed budget 2023/24	Proposed budget 2024/25
PLANNING AND ECONOMIC DEVELOPMENT					
Housing Development	Housing Projects	CRR (Own funds)	1 200 000	1 300 000	1 500 000
Housing Development	Cloetesville (380) FLISP	Human Settlements Grant	1 100 000	-	-
Housing Development	Cloetesville Infill (738) FLISP	Human Settlements Grant	850 000	-	-
Housing Development	Erf 64, Kylemore	CRR (Own funds)	612 500	612 500	5 000 000
Housing Development	Erf 7001 and other possible sites for mix-used development in Cloetesville	CRR (Own funds)	525 000	525 000	-
Housing Development	Erven 81/2 and 82/9, Stellenbosh	CRR (Own funds)	437 500	437 500	-
Housing Development	Furniture, Tools & Equipment: Housing Development	CRR (Own funds)	60 000	70 000	80 000
Housing Development	Jamestown: Housing	CRR (Own funds)	700 000	3 028 000	7 300 000
Housing Development	Jamestown: Housing	Human Settlements Grant	2 900 000	-	-
Housing Development	Kayamandi Town Centre	ISUP	3 000 000	6 000 000	6 000 000
Housing Development	Kayamandi Watergang Northern Extension (2000)	Human Settlements Grant	1 900 000	1 900 000	1 900 000
Housing Development	Klapmuts La Rochelle (100)	Human Settlements Grant	150 000	283 000	-
Housing Development	La Motte Old Forest Station (±430 services & ±430 units)	Human Settlements Grant	1 250 000	-	-
Housing Development	Lapland Precinct	CRR (Own funds)	500 000	500 000	-
Housing Development	Stellenbosch Adam Tas Transit Oriented Development (3500)	Human Settlements Grant		3 500 000	

Department	Project name	Funding	Proposed budget 2022/23	Proposed budget 2023/24	Proposed budget 2024/25
PLANNING AND ECONOMIC DEVELOPMENT					
Development Planning	Droë Dyke	Human Settlements Grant	-	2 000 000	-
			15 185 000	**20 156 000**	**21 780 000**

Table 95: Capital Budget 2022/23 – 2024/25 Community and Protection Services

Department	Project name	Funding	Proposed budget 2022/23	Proposed budget 2023/24	Proposed budget 2024/25
COMMUNITY AND PROTECTION SERVICES					
Community Development	Enlarge Office Space (Jan Marais Reserve)	CRR (Own funds)	50 000	55 000	60 000
Community Development	Furniture Tools and Equipment	CRR (Own funds)	-	-	-
Community Services: Library Services	Pniël: Furniture, Tools and Equipment	CRR (Own funds)	-	20 000	-
Community Services: Library Services	Upgrading: Cloetesville Library	CRR (Own funds)	180 000	-	-
Community Services: Library Services	Libraries: Small Capital	CRR (Own funds)	-	180 000	-
Halls	Library Books	CRR (Own funds)	-	200 000	1 500 000
Halls	Specialised Vehicles: Incident command vehicle	CRR (Own funds)	150 000	150 000	-
Halls	Vehicle Fleet	CRR (Own funds)	-	-	250 000
Sports Grounds and Picnic Sites	Hiking Trails in Nature Areas	CRR (Own funds)	-	-	1 100 000
Sports Grounds and Picnic Sites	Jan Marais Nature Reserve: Upgrading and maintenance of the reserve	CRR (Own funds)	-	-	-
Sports Grounds and Picnic Sites	Mont Rochelle Nature Reserve: Upgrade of Facilities.	CRR (Own funds)	150 000	-	-
Sports Grounds and Picnic Sites	Papegaaiberg Nature Reserve	CRR (Own funds)	-	-	-
Sports Grounds and Picnic Sites	Upgrade office space: Simonsberg Road	CRR (Own funds)	-	350 000	-
Sports Grounds and Picnic Sites	Furniture, Tools and Equipment	CRR (Own funds)	-	-	1 750 000

Department	Project name	Funding	Proposed budget 2022/23	Proposed budget 2023/24	Proposed budget 2024/25
COMMUNITY AND PROTECTION SERVICES					
Sports Grounds and Picnic Sites	Workshop: Furniture, Tools and Equipment	CRR (Own funds)	-	-	400 000
Sports Grounds and Picnic Sites	Install Prepaid Meters at Sports Facilities	CRR (Own funds)	-	-	200 000
Sports Grounds and Picnic Sites	Installation of Boreholes	CRR (Own funds)	-	-	1 500 000
Sports Grounds and Picnic Sites	Jonkershoek Picnic Site upgrades	CRR (Own funds)	250 000	500 000	-
Sports Grounds and Picnic Sites	Kayamandi Sports Ground	CRR (Own funds)	-	300 000	-
Sports Grounds and Picnic Sites	La Motte Open Air Gym	CRR (Own funds)	-	300 000	-
Sports Grounds and Picnic Sites	New Project	CRR (Own funds)	-	-	-
Sports Grounds and Picnic Sites	Recreational Equipment Sport	CRR (Own funds)	50 000	-	-
Sports Grounds and Picnic Sites	Sight Screens/Pitch Covers Sports Grounds	CRR (Own funds)	100 000	-	-
Sports Grounds and Picnic Sites	Sport Special Equipment	CRR (Own funds)	300 000	-	-
Sports Grounds and Picnic Sites	Upgrade of Irrigation System	CRR (Own funds)	200 000	-	-
Sports Grounds and Picnic Sites	Upgrade of netball courts	CRR (Own funds)	-	-	1 000 000
Sports Grounds and Picnic Sites	Upgrade of Sport Facilities	CRR (Own funds)	-	-	3 000 000
Sports Grounds and Picnic Sites	Upgrade of Sport Facilities	DC - Community	3 561 030	3 561 030	-
Sports Grounds and Picnic Sites	Vehicle Fleet: Sports	CRR (Own funds)	-	-	-
Environmental Management: Implementation	Botmaskop: Security Fencing	CRR (Own funds)	3 500 000	-	-
Environmental Management: Urban Forestry	Design and implement electronic Urban Forestry management tool	CRR (Own funds)	250 000	250 000	250 000
Environmental Management: Implementation	Enlarge Office Space (Jan Marais Reserve)	CRR (Own funds)	-	-	-

Department	Project name	Funding	Proposed budget 2022/23	Proposed budget 2023/24	Proposed budget 2024/25
COMMUNITY AND PROTECTION SERVICES					
Environmental Management: Implementation	Furniture, Tools & Equipment: Environmental Management	CRR (Own funds)	100 000	-	-
Environmental Management: Urban Forestry	Furniture, Tools & Equipment: Urban Forestry	CRR (Own funds)	500 000	-	1 500 000
Environmental Management: Implementation	Hiking Trails in Nature Areas	CRR (Own funds)	-	-	-
Environmental Management: Implementation	Jonkershoek Picnic Site: Upgrade of Facilities.	CRR (Own funds)	-	700 000	-
Environmental Management: Implementation	Mont Rochelle Nature Reserve: Upgrade of Facilities	CRR (Own funds)	-	1 000 000	-
Environmental Management: Implementation	Papegaaiberg Nature Reserve	CRR (Own funds)	870 000	-	-
Environmental Management: Urban Forestry	Specialised equipment: Urban Forestry	CRR (Own funds)	750 000	-	1 500 000
Environmental Management: Implementation	Specialised Equipment: Workshop	CRR (Own funds)	750 000	-	1 500 000
Environmental Management: Implementation	Specialised Vehicles: Workshop	CRR (Own funds)	800 000	800 000	-
Environmental Management: Implementation	Upgrade office space: Simonsberg Road	CRR (Own funds)	-	-	-
Environmental Management: Implementation	Vehicle Fleet: Workshop	CRR (Own funds)	-	-	100 000
Environmental Management: Implementation	Workshop: Upgrading of facilities	CRR (Own funds)	-	-	3 500 000
Cemeteries	Extension of Cemetery Infrastructure	CRR (Own funds)	7 000 000	9 000 000	-
Cemeteries	New cemetery in Klapmuts area	CRR (Own funds)	-	500 000	-
Parks and Cemeteries	Artificial grass on parks and gardens	CRR (Own funds)	-	-	-
Parks and Cemeteries	Beautification of Parks and Cemetries	CRR (Own funds)	-	300 000	800 000
Parks and Cemeteries	Fencing :Parks and Gardens	CRR (Own funds)	-	200 000	200 000
Parks and Cemeteries	Furniture, Tools & Equipment: Parks & Cemetries	CRR (Own funds)	-	-	50 000

Department	Project name	Funding	Proposed budget 2022/23	Proposed budget 2023/24	Proposed budget 2024/25
COMMUNITY AND PROTECTION SERVICES					
Parks and Cemeteries	Irrigation Systems	CRR (Own funds)	100 000	-	-
Parks and Cemeteries	Nursery: Facilities upgrade	CRR (Own funds)	50 000	-	-
Parks and Cemeteries	Pathways: Parks and Gardens	CRR (Own funds)	200 000	-	-
Parks and Cemeteries	SMART Parks Developement	CRR (Own funds)	-	-	-
Parks and Cemeteries	Spray/Water Parks	CRR (Own funds)	-	-	-
Parks and Cemeteries	Storage Containers: Fertilisers & Pesticides.	CRR (Own funds)	-	-	-
Parks and Cemeteries	Upgrading of Parks	CRR (Own funds)	1 000 000	-	-
Parks and Cemeteries	Upgrading of Parks	DC - open erven	165 928	-	-
Parks and Cemeteries	Vehicle Fleet: Parks & Cemeteries	CRR (Own funds)	-	-	1 000 000
Disaster Management	Specialised Vehicles: Disaster Management	CRR (Own funds)	1 500 000	-	-
Fire and Rescue Services	Furniture, Tools & Equipment: Fire	CRR (Own funds)	200 000	200 000	50 000
Fire and Rescue Services	Specialised Vehicles: Fire	CRR (Own funds)	-	2 500 000	-
Fire and Rescue Services	Fire Station - Jamestown	CRR (Own funds)	200 000	300 000	1 000 000
Law Enforcement and Security	Furniture, Tools & Equipment: Law Enforcement	CRR (Own funds)	150 000	150 000	200 000
Law Enforcement and Security	Install and Upgrade CCTV/ LPR Cameras In WC024	CRR (Own funds)	1 000 000	1 000 000	2 000 000
Law Enforcement and Security	Install Computerised Access Security Systems and CCTV Cameras At Municipal Buildings	CRR (Own funds)	1 200 000	1 200 000	1 000 000
Law Enforcement and Security	Law Enforcement Tools and Equipment	CRR (Own funds)	300 000	-	300 000
Law Enforcement and Security	Neighborhood Watch Safety equipment	CRR (Own funds)	500 000	250 000	250 000

Department	Project name	Funding	Proposed budget 2022/23	Proposed budget 2023/24	Proposed budget 2024/25
COMMUNITY AND PROTECTION SERVICES					
Law Enforcement and Security	Security Upgrades	CRR (Own funds)	-	-	650 000
Law Enforcement and Security	Vehicle Fleet: Law Enforcement	CRR (Own funds)	-	-	2 500 000
Traffic Services	Furniture, Tools & Equipment: Traffic Services	CRR (Own funds)	224 000	130 000	45 000
Traffic Services	Specialised Equipment: Traffic	CRR (Own funds)	-	-	1 500 000
Traffic Services	Construction of a Grade A Driving License Testing Centre	CRR (Own funds)	-	-	-
Traffic Services	Specialised Vehicles: Traffic	CRR (Own funds)	-	-	1 200 000
Traffic Services	Vehicle Fleet: Traffic	CRR (Own funds)	-	1 750 000	-
			26 850 958	**25 846 030**	**32 355 000**

Table 96: Capital Budget 2022/23 – 2024/25 Corporate Services

Department	Project name	Funding	Proposed budget 2022/23	Proposed budget 2023/24	Proposed budget 2024/25
CORPORATE SERVICES					
Properties and Municipal Building Maintenance	Furniture, Tools & Equipment: Property Management	CRR (Own funds)	500 000	250 000	250 000
Properties and Municipal Building Maintenance	Kayamandi: Upgrading of Makapula Hall	CRR (Own funds)	2 000 000	1 000 000	-
Properties and Municipal Building Maintenance	New Depot: La Motte	CRR (Own funds)	-	-	300 000
Properties and Municipal Building Maintenance	Structural Improvement: General	CRR (Own funds)	2 000 000	2 000 000	3 000 000
Properties and Municipal Building Maintenance	Structural improvements at the Van der Stel Sport grounds	CRR (Own funds)	3 500 000	-	-
Properties and Municipal Building Maintenance	Structural Maintenance/Upgrade: Beltana	CRR (Own funds)	-	2 000 000	2 000 000
Properties and Municipal Building Maintenance	Structural Upgrade: Economic Hub	CRR (Own funds)	2 900 000	1 000 000	-
Properties and Municipal Building	Structural Upgrade: Kayamandi Corridor	CRR (Own	500 000	-	-

Department	Project name	Funding	Proposed budget 2022/23	Proposed budget 2023/24	Proposed budget 2024/25
CORPORATE SERVICES					
Maintenance		funds)			
Properties and Municipal Building Maintenance	Structural Upgrade: Heritage Building	CRR (Own funds)	3 000 000	2 000 000	2 000 000
Properties and Municipal Building Maintenance	Upgrade Millenium Hall Pniël	CRR (Own funds)	-	200 000	800 000
Properties and Municipal Building Maintenance	Upgrading Fencing	CRR (Own funds)	200 000	1 000 000	1 000 000
Properties and Municipal Building Maintenance	Upgrading of New Office Space: Ryneveld Street	CRR (Own funds)	15 000 000	-	-
Properties and Municipal Building Maintenance	Furniture, Tools & Equipment: Property Management	CRR (Own funds)	37 900 000	15 950 000	16 150 000
Properties and Municipal Building Maintenance	Kayamandi: Upgrading of Makapula Hall	CRR (Own funds)	500 000	250 000	250 000
Properties and Municipal Building Maintenance	New Depot: La Motte	CRR (Own funds)	2 000 000	1 000 000	-
			37 900 000	**15 950 000**	**16 150 000**

Table 97: Capital Budget 2022/23 – 2024/25 Infrastructure Services

Department	Project name	Funding	Proposed budget 2022/23	Proposed budget 2023/24	Proposed budget 2024/25
INFRASTRUCTURE SERVICES					
Infrastructure Services	Furniture, Tools & Equipment: IS	CRR (Own funds)	75 000	75 000	50 000
Waste Management: Solid Waste Management	Expansion of the landfill site (New cells)	External Loan	44 000 000	41 000 000	-
Waste Management: Solid Waste Management	Formalise skip areas	CRR (Own funds)	500 000	-	-
Waste Management: Solid Waste Management	Franschhoek: Area Cleaning Depot (Piet Smit)	External Loan	-	-	-
Waste Management: Solid Waste Management	Furniture, Tools & Equipment: Solid Waste	CRR (Own funds)	45 000	45 000	50 000
Waste Management: Solid Waste Management	Integrated Waste Management Plan	CRR (Own funds)	100 000	-	-
Waste Management: Solid Waste Management	Landfill Gas To Energy	External Loan	8 000 000	17 000 000	-

Department	Project name	Funding	Proposed budget 2022/23	Proposed budget 2023/24	Proposed budget 2024/25
INFRASTRUCTURE SERVICES					
Waste Management: Solid Waste Management	Major Drop-Offs: Construction - Franschhoek	External Loan	500 000	500 000	3 000 000
Waste Management: Solid Waste Management	Major Drop-offs: Construction - Klapmuts	CRR (Own funds)	-	-	7 000 000
Waste Management: Solid Waste Management	Mini Waste drop-off facilities at Inf Settlements	CRR (Own funds)	100 000	200 000	100 000
Waste Management: Solid Waste Management	Skips (5,5Kl)	CRR (Own funds)	300 000	200 000	-
Waste Management: Solid Waste Management	Street Refuse Bins	CRR (Own funds)	500 000	-	-
Waste Management: Solid Waste Management	Transfer Station: Stellenbosch Planning and Design - Discuss with Clayton	External Loan	-	-	1 000 000
Waste Management: Solid Waste Management	Transfer Station: Stellenbosch Planning and Design - Discuss with Clayton	DC - Refuse	-	-	-
Waste Management: Solid Waste Management	Vehicles: Solid Waste	CRR (Own funds)	-	2 000 000	2 500 000
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	-	-
Waste Management: Solid Waste Management	Waste to Energy - Implementation	External Loan	3 300 000	1 000 000	1 000 000
Waste Management: Solid Waste Management	Waste to Energy - Planning	CRR (Own funds)	-	-	-
Electrical Services	Ad-Hoc Provision of Streetlighting	CRR (Own funds)	2 150 000	3 143 375	2 749 000
Electrical Services	Automatic Meter Reader	CRR (Own funds)	400 000	400 000	400 000
Electrical Services	Bien don 66/11kV substation new - Dwarsrivier	DC - electricity	2 600 000	20 087 111	-
Electrical Services	Bien don 66/11kV substation new - Dwarsrivier	External Loan	-	-	25 000 000
Electrical Services	Bien don 66/11kV substation new - Dwarsrivier	CRR (Own funds)	-	4 912 889	-

Department	Project name	Funding	Proposed budget 2022/23	Proposed budget 2023/24	Proposed budget 2024/25
INFRASTRUCTURE SERVICES					
Electrical Services	Cable replacement 66kV	CRR (Own funds)	-	-	400 000
Electrical Services	DSM Geyser Control	CRR (Own funds)	450 000	450 000	450 000
Electrical Services	Electricity Network: Pniël	External Loan	3 500 000	3 500 000	3 500 000
Electrical Services	Electrification INEP	INEP	-	6 000 000	6 269 000
Electrical Services	Energy Balancing - Metering and Mini-Substations	CRR (Own funds)	250 000	250 000	250 000
Electrical Services	Energy Efficiency and Demand Side Management	CRR (Own funds)	1 000 000	1 000 000	1 000 000
Electrical Services	Enkanini Informal Phase 3	INEP	24 050 000	-	-
Electrical Services	Feeder cable (Watergang to Enkanini) 11kV 95cu	INEP	4 300 000	-	-
Electrical Services	General System Improvements - Franschhoek	External Loan	2 000 000	2 000 000	2 000 000
Electrical Services	General Systems Improvements - Stellenbosch	External Loan	3 700 000	3 800 000	4 000 000
Electrical Services	Infrastructure Improvement - Franschoek	External Loan	1 500 000	1 500 000	1 500 000
Electrical Services	Jan Marais Upgrade: Remove Existing Tx and replace with 20MVA	External Loan	6 600 000	-	-
Electrical Services	Kayamandi(Costa grounds)new substation 11 kV switching station	External Loan	-	300 000	30 000 000
Electrical Services	Laterra Substation	DC - Electricity	14 200 000	-	-
Electrical Services	Laterra Substation	External Loan	-	100 000	225 680
Electrical Services	Masterplan update	CRR (Own funds)	600 000	-	-
Electrical Services	Meter Panels	CRR (Own funds)	250 000	250 000	250 000
Electrical Services	Network Cable Replace 11 Kv	CRR (Own funds)	3 000 000	3 000 000	3 000 000
Electrical Services	Replace Control Panels 66 kV & Circuit breakers	CRR (Own funds)	-	-	8 600 000

Department	Project name	Funding	Proposed budget 2022/23	Proposed budget 2023/24	Proposed budget 2024/25
INFRASTRUCTURE SERVICES					
Electrical Services	Replace Ineffective Meters	CRR (Own funds)	150 000	250 000	-
Electrical Services	Replace Switchgear - Franschhoek	CRR (Own funds)	-	-	9 500 000
Electrical Services	Small Capital: Fte Electrical Services	CRR (Own funds)	100 000	100 000	100 000
Electrical Services	STB Switchgear (11kV) SF6	External Loan	-	-	27 606 738
Electrical Services	Substation 66kV equipment	CRR (Own funds)	4 381 104	2 184 000	2 295 974
Electrical Services	System Control Centre & Upgrade Telemetry	External Loan	727 598	3 000 000	2 075 428
Electrical Services	System Control Centre & Upgrade Telemetry	CRR (Own funds)	987 632	-	-
Electrical Services	Third transformer and associated works 20MVA Cloetesville	External Loan	-	-	550 000
Electrical Services	Upgrade transformers at Main subbstation 7.5MVA to 20MVA	CRR (Own funds)	-	-	500 000
Electrical Services	Upgrading of Offices Beltana	CRR (Own funds)	500 000	500 000	500 000
Electrical Services	Vehicles: Electrical Services	CRR (Own funds)	-	-	2 800 000
Project Management Unit (PMU)	Kayamandi: Zone O (±711 services)	ISUP	13 350 000	6 000 000	-
Project Management Unit (PMU)	Langrug Franschhoek Mooiwater Dam Rehab & Basic Services	ISUP	4 500 000	15 180 000	-
Water and Wastewater Services: Water	Bulk Water Supply Klapmuts	External Loan	5 000 000	-	-
Water and Wastewater Services: Water	Bulk Water Supply Pipe: Cloetesville / Ida's Valley	CRR (Own funds)	-	-	1 000 000
Water and Wastewater Services: Water	Bulk Water Supply Pipe and Reservoir: Kayamandi	External Loan	-	1 500 000	40 000 000
Water and Wastewater Services: Water	Bulk Water Supply Pipe Line & Pumpstations: Franschhoek	External Loan	-	10 000 000	-
Water and Wastewater Services: Water	Bulk Water Supply Pipe: Ida's Valley / Papegaaiberg and Network Upgrades	CRR (Own funds)	-	1 000 000	1 000 000
Water and Wastewater Services: Water	Bulk Water Supply Pipeline & Reservoir - Jamestown	IUDG	6 000 000	15 500 000	-

Department	Project name	Funding	Proposed budget 2022/23	Proposed budget 2023/24	Proposed budget 2024/25
INFRASTRUCTURE SERVICES					
Water and Wastewater Services: Water	Bulk Water Upgrades Franschhoek	CRR (Own funds)	-	-	1 000 000
Water and Wastewater Services: Water	Chlorination Installation: Upgrade	CRR (Own funds)	1 000 000	2 000 000	2 000 000
Water and Wastewater Services: Water	Dwarsriver Bulk Supply Augmentation and Network Upgrades	CRR (Own funds)	550 000	7 000 000	-
Water and Wastewater Services: Water	Furniture, Tools & Equipment: Water	CRR (Own funds)	150 000	150 000	150 000
Water and Wastewater Services: Water	New Developments Bulk Water Supply WC024	CRR (Own funds)	-	-	-
Water and Wastewater Services: Water	New Developments Bulk Water Supply WC024	IUDG	-	3 000 000	3 500 000
Water and Wastewater Services: Water	New Reservoir & Pipeline: Vlottenburg	DC-Water	15 569 470	-	-
Water and Wastewater Services: Water	New Reservoir & Pipeline: Vlottenburg	CRR (Own funds)	-	25 991 700	30 000 000
Water and Wastewater Services: Water	New Reservoir & Pipeline: Vlottenburg	IUDG	5 000 000	13 008 300	15 000 000
Water and Wastewater Services: Water	Northern Extension: Phase 2 Water Infrastructure	CRR (Own funds)	-	-	-
Water and Wastewater Services: Water	Reservoirs and Dam Safety	External Loan	1 500 000	2 000 000	-
Water and Wastewater Services: Water	Specialised Vehicles: Water	CRR (Own funds)	-	-	-
Water and Wastewater Services: Water	Update Water Masterplan (Change project description)	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)	2 500 000	2 500 000	-
Water and Wastewater Services: Water	Vehicles: Water	CRR (Own funds)	-	-	1 000 000
Water and Wastewater Services: Water	Water Conservation & Demand Management	External Loan	2 000 000	2 000 000	2 000 000
Water and Wastewater Services: Water	Water Telemetry Upgrade	CRR (Own funds)	1 500 000	1 500 000	1 500 000
Water and Wastewater Services: Water	Water Treatment Works: Franschhoek	CRR (Own funds)	500 000	2 500 000	-
Water and Wastewater Services: Water	Water Treatment Works: Idasvalley	External Loan	-	1 000 000	3 000 000

Department	Project name	Funding	Proposed budget 2022/23	Proposed budget 2023/24	Proposed budget 2024/25
INFRASTRUCTURE SERVICES					
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	New Development Bulk Sewer Supply WC024	CRR (Own funds)	1 000 000	-	-
Water and Wastewater Services: Sanitation	New Development Bulk Sewer Supply WC024	IUDG	-	2 000 000	2 000 000
Water and Wastewater Services: Sanitation	Sewerpipe Replacement: Dorp Straat	CRR (Own funds)	-	2 000 000	18 000 000
Water and Wastewater Services: Sanitation	Sewer Pumpstation & Telemetry Upgrade	CRR (Own funds)	500 000	500 000	-
Water and Wastewater Services: Sanitation	Sewerpipe Replacement	CRR (Own funds)	4 000 000	4 000 000	4 000 000
Water and Wastewater Services: Sanitation	Specialised Vehicles: Sanitation	CRR (Own funds)	-	-	4 500 000
Water and Wastewater Services: Sanitation	Update Sewer Masterplan (Name change)	CRR (Own funds)	500 000	500 000	500 000
Water and Wastewater Services: Sanitation	Compilation of Water Service Development Plan (tri-annually)	CRR (Own funds)	300 000	300 000	300 000
Water and Wastewater Services: Sanitation	Upgrade of WWTW: Pniël & Decommissioning Of Franschhoek	External Loan	14 000 000	-	-
Water and Wastewater Services: Sanitation	Upgrade of WWTW: Klapmuts	CRR (Own funds)	7 500 000	8 500 000	-
Water and Wastewater Services: Sanitation	Upgrade of WWTW Wemmershoek	External Loan	-	17 500 000	17 500 000
Water and Wastewater Services: Sanitation	Upgrade of WWTW Wemmershoek	IUDG	17 500 000	-	-
Water and Wastewater Services: Sanitation	Extention Of WWTW: Stellenbosch	CRR (Own funds)	-	2 000 000	4 000 000
Water and Wastewater Services: Sanitation	Refurbish Plant & Equipment - Raithby WWTW	External Loan	2 000 000	4 000 000	1 000 000
Water and Wastewater Services: Sanitation	Furniture, Tools & Equipment: Sanitation	CRR (Own funds)	300 000	300 000	400 000
Water and Wastewater Services: Sanitation	Upgrade Laboratory Equipment	CRR (Own funds)	-	-	500 000

Department	Project name	Funding	Proposed budget 2022/23	Proposed budget 2023/24	Proposed budget 2024/25
INFRASTRUCTURE SERVICES					
Water and Wastewater Services: Sanitation	Upgrade Auto-Samplers	CRR (Own funds)	200 000	200 000	-
Water and Wastewater Services: Sanitation	Bulk Sewer Upgrade: Dwarsriver Area (Kylemore, Boschendal, Pniël)	IUDG	-	-	-
Water and Wastewater Services: Sanitation	Cloetesville Bulk Sewer Upgrade	CRR (Own funds)	-	1 000 000	-
Water and Wastewater Services: Sanitation	Dorp Street Bulk Sewer Upgrade	CRR (Own funds)	-	-	500 000
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 (Langrug/Mooiwater)	External Loan	6 000 000	6 000 000	-
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	CRR (Own funds)	-	-	-
Water and Wastewater Services: Sanitation	Northern Extension: Phase 2 Sanitation Infrastructure	CRR (Own funds)	-	-	-
Water and Wastewater Services: Sanitation	Vehicles: Sanitation	CRR (Own funds)	1 500 000	-	2 500 000
Roads and Stormwater	Adhoc Reconstruction Of Roads (WC024)	IUDG	3 000 000	3 000 000	3 000 000
Roads and Stormwater	Bridge Construction	IUDG	15 000 000	5 000 000	-
Roads and Stormwater	Devon Valley Rd	CRR (Own funds)	-	700 000	-
Roads and Stormwater	Furniture, Tools & Equipment: Rds&Stw	CRR (Own funds)	400 000	400 000	400 000
Roads and Stormwater	Gravel Roads Devon Valley - Safety Improvements Structural Repairs	CRR (Own funds)	-	-	500 000
Roads and Stormwater	Klapmuts Transport Network	CRR (Own funds)	-	600 000	-
Roads and Stormwater	Lanquedoc Access road and Bridge	DC-Roads	-	5 000 000	12 000 000
Roads and Stormwater	Lanquedoc Access road and Bridge	CRR (Own funds)	-	-	3 000 000

Department	Project name	Funding	Proposed budget 2022/23	Proposed budget 2023/24	Proposed budget 2024/25
INFRASTRUCTURE SERVICES					
Roads and Stormwater	Parking Area Upgrades - Franschhoek	DC-Parking	711 442	-	-
Roads and Stormwater	Parking Area Upgrades - Stellenbosch	DC-Parking	800 000	-	-
Roads and Stormwater	Reseal Roads - Klapmuts & Surrounding	CRR (Own funds)	-	1 250 000	-
Roads and Stormwater	Reseal Roads - Kylemore & Surrounding	CRR (Own funds)	1 500 000	-	-
Roads and Stormwater	Reseal Roads - Stellenbosch & Surrrounding	CRR (Own funds)	4 000 000	5 000 000	5 000 000
Roads and Stormwater	Reseal Roads - Franschhoek & Surrrounding	CRR (Own funds)	-	2 000 000	-
Roads and Stormwater	River Rehabilitation Implementation	CRR (Own funds)	-	1 000 000	-
Roads and Stormwater	Rivers Rehabilitation Planning & Design	CRR (Own funds)	500 000	-	-
Roads and Stormwater	Specialised Vehicles: Roads	CRR (Own funds)	-	-	-
Roads and Stormwater	Specialised Vehicles: Roads	CRR (Own funds)	-	2 500 000	2 000 000
Roads and Stormwater	Stormwater Drainage - Kayamandi and Enkanini	DC - Stormwater	-	2 000 000	2 276 665
Roads and Stormwater	Stormwater Retention Facilities	CRR (Own funds)	-	-	1 500 000
Roads and Stormwater	Update Pavement Management System	CRR (Own funds)	-	1 000 000	-
Roads and Stormwater	Update Stormwater Masterplan	CRR (Own funds)	-	1 000 000	-
Roads and Stormwater	Wilderbosch Extension to Trumali	CRR (Own funds)	1 500 000	-	-
Traffic Engineering	Bird Street Dualling - Adam Tas to Kayamandi	CRR (Own funds)	500 000	500 000	5 000 000
Traffic Engineering	Endler & Martinson Street Intersection Upgrade	CRR (Own funds)	1 000 000	-	-
Traffic Engineering	Furniture, Tools & Equipment: Traffic Engineering	CRR (Own funds)	150 000	150 000	150 000
Traffic Engineering	Jamestown Transport Network	CRR (Own	3 000 000	3 000 000	-

Department	Project name	Funding	Proposed budget 2022/23	Proposed budget 2023/24	Proposed budget 2024/25
INFRASTRUCTURE SERVICES					
		funds)			
Traffic Engineering	Main Road Intersection Improvements: Franschhoek	CRR (Own funds)	3 000 000	10 000 000	-
Traffic Engineering	Main Road Intersection Improvements: Franschhoek	IUDG	-	-	2 129 950
Traffic Engineering	Main road intersection improvements: Helshoogte rd/La Colline	CRR (Own funds)	1 261 945	3 000 000	-
Traffic Engineering	Main road intersection improvements: Helshoogte rd/La Colline	DC-Roads	1 738 055	-	-
Traffic Engineering	Main Road Intersection Improvements: R44 / Merriman Street	DC-Roads	1 000 000	-	4 000 000
Traffic Engineering	Main Road Intersection Improvements: Strand / Adam Tas / Alexander	DC-Roads	1 000 000	-	4 000 000
Traffic Engineering	Optic Fibre for Traffic Signal Remote Management System	CRR (Own funds)	500 000	500 000	-
Traffic Engineering	Pedestrian Crossing Implementation	CRR (Own funds)	300 000	300 000	-
Traffic Engineering	Raised Intersection Implementation	CRR (Own funds)	600 000	-	600 000
Traffic Engineering	Road Safety Improvements	CRR (Own funds)	-	-	500 000
Traffic Engineering	Signalisation implementation	CRR (Own funds)	500 000	500 000	-
Traffic Engineering	Specialised Equipment: Roadmarking Machine + Trailer	CRR (Own funds)	-	-	500 000
Traffic Engineering	Traffic Calming Projects: Implementation	CRR (Own funds)	300 000	300 000	-
Traffic Engineering	Traffic Management Improvement Programme	CRR (Own funds)	1 000 000	1 000 000	-
Traffic Engineering	Traffic Signal Control: Installation and Upgrading of Traffic Signals and Associated Components	CRR (Own funds)	1 500 000	500 000	500 000
Traffic Engineering	Traffic Signal Management System	CRR (Own funds)	-	-	-
Traffic Engineering	Universal Access Implementation	CRR (Own funds)	200 000	200 000	-
Transport Planning	Adam Tas - Technopark Link Road	CRR (Own funds)	3 000 000	3 000 000	5 000 000

Department	Project name	Funding	Proposed budget 2022/23	Proposed budget 2023/24	Proposed budget 2024/25
INFRASTRUCTURE SERVICES					
Transport Planning	Adam Tas - Corridor Transport	CRR (Own funds)	500 000	1 000 000	-
Transport Planning	Bicycle Lockup Facilities	CRR (Own funds)	300 000	300 000	-
Transport Planning	Comprehensive Integrated Transport Plan	CRR (Own funds)	600 000	600 000	600 000
Transport Planning	Conitinued feasibility studies to establish an transport operating company	CRR (Own funds)	-	-	600 000
Transport Planning	Cycle Plan - Design & Implementation	CRR (Own funds)	500 000	500 000	-
Transport Planning	Development of business model for a Transport service for persons with disabilities in Stellenbosch	CRR (Own funds)	600 000	-	-
Transport Planning	Freight Strategy for Stellenbosch & Franschhoek	CRR (Own funds)	-	500 000	-
Transport Planning	Khayamandi Pedestrian Bridge (R304, River and Railway Line)	IUDG	6 000 000	16 000 000	-
Transport Planning	Khayamandi Pedestrian Bridge (R304, River and Railway Line)	DC-Roads	3 000 000	-	-
Transport Planning	Non-Motorised Transport Implementation	CRR (Own funds)	1 000 000	1 000 000	-
Transport Planning	Park and Ride (Transport Interchange)	CRR (Own funds)	250 000	250 000	-
Transport Planning	Pedestrian Streets in Stellenbosch	CRR (Own funds)	-	-	1 700 000
Transport Planning	Public Transport Infrastructure (Public Transport Shelters & Embayments)	CRR (Own funds)	-	-	400 000
Transport Planning	Public Transport Planning - WC024	CRR (Own funds)	-	600 000	-
Transport Planning	Public Transport Service (Inclusive of Disabled)	CRR (Own funds)	-	-	500 000
Transport Planning	Re-design of Bergzicht Public Transport Facility	CRR (Own funds)	2 500 000	-	-
Transport Planning	Stellenbosch - Bicycle network	CRR (Own funds)	500 000	1 000 000	-
Transport Planning	Stellenbosch Tour Bus Parking	CRR (Own funds)	200 000	600 000	-

Department	Project name	Funding	Proposed budget 2022/23	Proposed budget 2023/24	Proposed budget 2024/25
INFRASTRUCTURE SERVICES					
Transport Planning	Taxi Rank - Franschhoek	CRR (Own funds)	-	-	-
Transport Planning	Technopark Kerb and Channel Upgrade	CRR (Own funds)	-	-	1 500 000
Transport Planning	Update Roads Master Plan for WC024	CRR (Own funds)	-	-	2 000 000
Project Management Unit (PMU)	Upgrading of The Steps/Orlean Lounge	CRR (Own funds)	3 500 000	-	-
			325 047 246	**367 027 375**	**371 428 435**

Table 98: Capital Budget 2022/23 – 2024/25 Financial Services

Department	Project name	Funding	Proposed budget 2022/23	Proposed budget 2023/24	Proposed budget 2024/25
FINANCIAL SERVICES					
Financial Management Services	Furniture, Tools & Equipment	CRR (Own funds)	250 000	250 000	250 000
			200,000	**250,000**	**250,000**

9.8 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 **R280.209** million for the 2022/23 financial year.

Table 99: National and Provincial Investment

National Allocations / Provincial (R'000)	2022/2023	2023/24	2024/25
Stellenbosch			
Equitable share	179 634	196 720	215 547
Expanded Public Works Programme Integrated Grant for Municipalities	4 928	-	-
Integrated National Electrification Programme (Municipal) Grant	28 350	6 000	6 269
Local Government Financial Management Grant	1 550	1 550	1 550
Integrated Urban Development Grant	65 747	42 114	43 821
Total	**280 209**	**246 384**	**267 187**

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 **R51 611** million for the 2022/23 financial year.

Table 100: Provincial allocation to the Stellenbosch Municipality

WCG Departments and funding (R'000)	2022/23	2023/24	2024/25
Cultural Affairs and Sport			
Community Library Services Grant	14 112	11 629	12 151
Development of sport and recreational facilities	-	-	-
Environmental Affairs and Development Planning	**-**	**-**	**-**
RSEP / VPUU municipal projects	-	-	-
Department of Local Government			
Community Development Workers Operational Support Grant	38	38	38
Human Settlements			
Human Settlements Development grant (Beneficiaries)	15 040	30 823	27 900
Informal Settlements Upgrading Partnership Grant: Provinces (Beneficiaries)	20 850	27 180	6 000

WCG Departments and funding (R'000)	2022/23	2023/24	2024/25
Provincial Treasury			
Capacity Building Grant	256	245	249
Western Cape Financial Management	-	-	-
Transport and Public Works			
Financial assistance to municipalities for maintenance and construction of transport infrastructure	495	495	495
Integrated transport planning	-	-	627
District Municipality			
Safety Initiative Implementation-whole of society (WOSA)	1020	-	-
Total	**51 611**	**70 410**	**46 965**

CHAPTER 10:

Organisational Scorecard (5 – years)

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:

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

10.1 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 include the main service delivery indicators of the Municipality. The following table reflects the 5 Year Implementation Plan of the Integrated Development Plan:

10.1.1 SFA 1: Valley of Possibility

Table 101: SFA 1 – Top Layer Indicators

SFA 1 – Valley of Possibility																			
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	Baseline (2021/22)	5 year target	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Outer years 2027 - 2032	NKPA link	NDP (National Planning	PSO (VIP) link	CWDM link	PDO link	SDG LINK	Delivery Indicator
TBC	Planning and Economic Development	Develop Economic Development Strategy	Number of Economic Development Strategies developed by 31 March	Programme	All	New KPI	1	1	n/a	n/a	n/a	n/a	n/a	NKPA 3	NDP 1	VIP 2	CWDM 1	PDO 1.1	SDG 8	Output
TBC	Planning and Economic Development	Review the Economic Development Strategy	Number of Economic Development Strategies reviewed by 31 March	Programme	All	New KPI	4	n/a	1	1	1	1	n/a	NKPA 3	NDP1	VIP 2	CWDM 1	PDO 1.1	SDG 8	Output

SFA 1 – Valley of Possibility																		
IDP Ref No	**Directorate**	**Indicator (Activity/ Project/ Programme/ Key Initiative)**	**Unit of Measurement**	**Indicator Type**	**Wards**	**Baseline (2021/22)**	**5 year target**	**Target 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026/27**	**Outer years 2027 - 2032**	**NKPA link**	**NDP (National Planning**	**PSO (VIP) link**	**CWDM link**	**PDO link**	**SDG LINK**	**Delivery Indicator**
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 by 30 June	Programme	All	TBC	1600 per annum	1400	1400	1500	1500	1600	n/a	NKPA 3	NDP 1	VIP 2	CWDM 1	PDO 1.1	SDG 8	**Output**
TBC	Planning and Economic Development	Land-use applications submitted to the Municipal Planning Tribunal within 120 days	Percentage of land-use applications submitted to the Municipal Planning Tribunal within 120 days after receipt of application	Programme	All	TBC	90% per annum	90%	90%	90%	90%	90%	n/a	NKPA 3	NDP 1	VIP 2	CWDM 1	PDO 2.4	**SDG 11**	**Outcome**
TBC	Planning and Economic Development	Training opportunities provided for Small, Medium and Micro Enterprises (SMMEs)	Number of training opportunities provided quarterly for entrepreneurs and SMMEs	Programme	All	TBC	4 per annum	4	4	4	4	4	n/a	NKPA 3	NDP 1	VIP 2	CWDM 1	PDO 1.2	**SDG 8**	**Output**

SFA 1 – Valley of Possibility																			
IDP Ref No	**Directorate**	**Indicator (Activity/ Project/ Programme/ Key Initiative)**	**Unit of Measurement**	**Indicator Type**	**Wards**	**Baseline (2021/22)**	**5 year target**	**Target 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026/27**	**Outer years 2027 - 2032**	**NKPA link**	**NDP (National Planning**	**PSO (VIP) link**	**CWDM link**	**PDO link**	**SDG LINK**	**Delivery Indicator**
TBC	Planning and Economic Development	Revised Spatial Development Framework (SDF) submitted to Council	Number of Revised SDFs submitted to Council by 31 March	Programme	All	TBC	1 per annum	1	n/a	n/a	n/a	n/a	n/a	NKPA 3	NDP 1	VIP 2	CWDM 1	PDO2.4	**SDG 11; 15**	**Output**
TBC	Planning and Economic Development	Revised Housing Pipeline submitted to MayCo	Number of Revised Housing Pipelines submitted to MayCo by 30 June	Programme	All	TBC	1 per annum	1	1	1	1	1	n/a	NKPA 3	NDP 1	VIP 2	CWDM 1	PDO4.1	**SDG 11**	**Output**
TBC	Planning and Economic Development	Develop of a Rural Economic Development Strategy	Number of Rural Economic Development Strategies developed by 30 June	Programme	All	New KPI	1 per annum	1	n/a	n/a	n/a	n/a	n/a	NKPA 3	NDP 1	VIP 2	CWDM 1	PDO 1.1	SDG 8	**Output**

10.1.2 SFA 2: Green and Sustainable Valley

Table 102: SFA 2 - Top Layer Indicators

SFA 2 – Green and Sustainable Valley																			
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	Baseline (2021/22)	5 year target	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Outer years 2027 - 2032	NKPA link	NDP link	PSO link	CWDM link	PDO link	SDG link	Delivery Indicator
TBC	Infrastructure Services	Construction of a new intake substation in Dwarsriver Valley	Number of new intake substations constructed by 30 June	Project	All	New KPI	1	n/a	n/a	n/a	1	N/A	n/a	NKPA 8	NDP 2	VIP 2	CWDM 1	PDO 4.1	**SDG9**	**Output**
TBC	Infrastructure Services	Upgrade the telemetry monitoring system	Number of telemetry monitoring systems upgraded by 30 June	Programme	All	New KPI	1	n/a	1	n/a	n/a	n/a	n/a	NKPA 8	NDP 2	VIP 2	CWDM 1	PDO 4.1	**SDG 9**	**Output**
TBC	Infrastructure Services	Develop and construction of a New Cell at Stellenbosch Landfill	Construction of a new cell by 30 June	Project	All	New KPI	1	n/a	1	n/a	n/a	n/a	n/a	NKPA 8	NDP 2	VIP 2	CWDM 1	PDO 4.1	**SDG 9**	**Output**
TBC	Community and Protection Services	Establishment of a Friends Group for the nature reserves	Number of Friends Groups for the nature reserves established by 30 June	Key Initative	All	New KPI	1	1	n/a	n/a	n/a	n/a	n/a	NKPA 8	NDP 2	VIP 2	CWDM 1	PDO 2.4	**SDG 15**	**Output**
TBC	Community and Protection Services	Submit a revised Friends Group MOUs to the Municipal Manager	Number of revised Friends Group MOUs submitted by 30 June	Prpgramme	All	New KPI	2	n/a	n/a	1	n/a	1	n/a	NKPA 8	NDP 2	VIP 2	CWDM 1	PDO 42.4	**SDG 11**	**Output**

SFA 2 – Green and Sustainable Valley																			
IDP Ref No	**Directorate**	**Indicator (Activity/ Project/ Programme/ Key Initiative)**	**Unit of Measurement**	**Indicator Type**	**Wards**	**Baseline (2021/22)**	**5 year target**	**Target 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026/27**	**Outer years 2027 - 2032**	**NKPA link**	**NDP link**	**PSO link**	**CWDM link**	**PDO link**	**SDG link**	**Delivery Indicator**
TBC	Planning and Economic Development	Building plan applications of <500sqm processed within 30 days after date of receipt	Percentage of building plan applications of <500sqm processed within 30 days after date of receipt **(Linked to Portfolio Priorities)**	Programme	All	TBC	75%	75%	75%	75%	75%	75%	n/a	NKPA 8	NDP 2	VIP 2	CWDM 1	PDO 4.1	**SDG11**	**Output**
TBC	Infrastructure Services	Development of an Organic Waste Plan	Number of Organic Waste Plan developed by 30 June	Key Initiative	All	New KPI	1	n/a	n/a	n/a	n/a	1	n/a	NKPA 8	NDP 2	VIP 2	CWDM 1	PDO 2.4	**SDG 15**	**Output**
TBC	Infrastructure Services	Reduce organic waste	Percentage of organic waste reduced by 30 June	Programme	All	TBC	20%	20%	20%	20%	20%	20%	n/a	NKPA 8	NDP 2	VIP 2	CWDM 1	PDO 2.4	**SDG 15**	**Output**
TBC	Infrastructure Services	Submission of the Fourth Generation Integrated Waste Management (IWMP) Plan to MayCo	Number of Fourth Generation IWM Plan submitted to MayCo by 30 June	Programme	All	New KPI	1	n/a	n/a	n/a	1	n/a	n/a	NKPA 8	NDP 2	VIP 2	CWDM 1	PDO 2.7	**SDG 15**	**Output**

SFA 2 – Green and Sustainable Valley																			
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	Baseline (2021/22)	5 year target	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Outer years 2027 - 2032	NKPA link	NDP link	PSO link	CWDM link	PDO link	SDG link	Delivery Indicator
TBC	Infrastructure Services	Develop a waste reclaimers strategy	Number of waste reclaimers strategies development by June 2025	Key Initistive	All	New KPI	1	n/a	n/a	1	n/a	n/a	n/a	NKPA 8	NDP 2	VIP 2	CWDM 1	PDO 4.1	**SDG 15**	**Output**
TBC	Infrastructure Services	Develop a Service Level Charter	Number of Service Level Charters developed by 30 June	Key Initative	All	New KPI	1	n/a	1	n/a	n/a	n/a	n/a	NKPA 8	NDP 2	VIP 2	CWDM 1	PDO 4.1	**SDG 15**	**Output**
TBC	Infrastructure Services	External Audit of the Stellenbosch Municipality Waste Disposal Facilities conducted	Number of external audits of the Stellenbosch Municipality Waste Disposal Facilities conducted by 30 June	Programme	All	TBC	1 per annum	2	1	1	1	1	n/a	NKPA 8	NDP 2	VIP 2	CWDM 1	PDO 2.1	**SDG 15**	**Output**
TBC	Infrastructure Services	Implementation of identified waste minimisation projects	Number of waste minimisation projects implemented by 30 June	Programme	All	TBC	2 per annum	n/a	n/a	2	2	2	n/a	NKPA 8	NDP 2	VIP 2	CWDM 1	PDO 2.1	**SDG 15**	**Output**

SFA 2 – Green and Sustainable Valley																			
IDP Ref No	**Directorate**	**Indicator (Activity/ Project/ Programme/ Key Initiative)**	**Unit of Measurement**	**Indicator Type**	**Wards**	**Baseline (2021/22)**	**5 year target**	**Target 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026/27**	**Outer years 2027 - 2032**	**NKPA link**	**NDP link**	**PSO link**	**CWDM link**	**PDO link**	**SDG link**	**Delivery Indicator**
TBC	Planning and Economic Development	Building applications processed within the prescribed/ legislated period	Percentage of building plans processed within the prescribed / legislated period	Programme	All	TBC	90% per annum	4 reports submitted	90%	90%	90%	90%	n/a	NKPA 9	NDP 8	VIP 3	CWDM 1	PDO 1.1	**SDG 11**	**Outcome**
TBC	Infrastructure Services	Waste water quality measured ito 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	TBC	70% per annum	70%	70%	70%	70%	70%	n/a	NKPA 6	NDP 2	VIP 2	CWDM 2	PDO 4.4	**SDG 6**	**Outcome**
TBC	Community and Protection Services	Submission of the revised Facility Management Plan to MayCo	Number of revised Facility Management Plans submitted to MayCo by 31 May	Programme	All	TBC	1 per annum	1	1	1	1	1	1	NKPA 9	NDP 8	VIP 5	CWDM 1	PDO 1.1	**SDG 9**	**Output**

10.1.3 SFA 3 : Safe Valley

Table 103: SFA 3 – Top Layer Indicators

SFA 3 – Safe Valley																			
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	Baseline (2021/22)	5 year target	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Outer years 2027 - 2032	NKPA link	NDP link	PSO link	CWDM link	PDO link	SDG link	Delivery Indicator
TBC	Community and Protection Services	Revised Disaster Management Plan submitted to MayCo	Number of Revised Disaster Management Plans submitted to MayCo by 31 March	Programme	All	TBC	1 per annum	1	1	1	1	1	n/a	NKPA 9	NDP 8	VIP 5	CWDM 2	PDO 3.1	**SDG 13**	**Output**
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 31 March	Programme	All	TBC	1 per annum	1	1	1	1	1	n/a	NKPA 7	NDP 6	VIP 5	CWDM 2	PDO 3.2	**SDG 16**	**Output**
TBC	Community and Protection Services	Revised Traffic Management Plan submitted to Municipal Manager	Number of Revised Traffic Management Plans submitted to Municipal Manager by 31 March	Programme	All	TBC	1 per annum	1	1	1	1	1	n/a	NKPA 7	NDP 6	VIP 5	CWDM 2	PDO 3.2	**SDG 16**	**Output**

10.1.4 SFA 4: Dignified Living

Table 104: SFA 4 – Top Layer Indicators

SFA 4 – Dignified Living																			
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	Baseline (2021/22)	5 year target	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Outer years 2027 - 2032	NKPA link	NDP link	PSO link	CWDM link	PDO link	SDG link	Delivery Indicator
TBC	Infrastructure Services	Number of new water connections meeting minimum standards	Number of new taps installed by 30 June	Programme	All	New KPI	50 per annum	50	n/a	n/a	n/a	n/a	n/a	NKPA 8	NDP 2	VIP 5	CWDM 2	PDO 4.4	**SDG 9**	**Output**
TBC	Planning and Economic Development	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	TBC	50 per annum	50	20	25	30	50	n/a	NKPA 2	NDP 2	VIP 5	CWDM 2	PDO 4.4	**SDG 9**	**Output**
TBC	Infrastructure Services	Limit unaccounted electricity to less than 9% annually {(Number of Electricity Units Purchased and / or Generated -	Percentage average electricity losses measured by 30 June	Programme	All	TBC	<9% per annum	<9%	<9%	<9%	<9%	<9%	n/a	NKPA 9	NDP 8	VIP 5	CWDM 3	PDO 4.4	**SDG 12**	**Outcome**

SFA 4 – Dignified Living																			
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	Baseline (2021/22)	5 year target	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Outer years 2027 - 2032	NKPA link	NDP link	PSO link	CWDM link	PDO link	SDG link	Delivery Indicator
		Number of Electricity Units Sold(incl. Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) x 100}																	
TBC	Infrastructure Services	Water quality measured quarterly ito the SANS 241 physical and micro parameters	Percentage water quality level as per analysis certificate, measured quarterly	Programme	All	TBC	90% per annum	90%	90%	90%	90%	90%	n/a	NKPA 2	NDP 2	VIP 2	CWDM 1	PDO 4.4	**SDG 7**	**Outcome**
TBC	Infrastructure Services	Limit unaccounted water to less than 25%	Average percentage water losses measured as at by 30 June	Programme	All	TBC	<25% per annum	<25%	<25%	<25%	<25%	<25%	n/a	NKPA 3	NDP 3	VIP 5	CWDM 2	PDO 4.5	**SDG 7**	**Outcome**
TBC	Financial Services	Registered indigent formal households with access to free basic water (NKPI Proxy - MSA, Reg. S10(a), (b)	Percentage of registered indigent formal households with access to free basic water, measured quarterly	Programme	All	TBC	100% per annum	100%	100%	100%	100%	100%	n/a	NKPA 6	NDP 2	VIP 5	CWDM 2	PDO 4.4	**SDG 7**	**Outcome**

SFA 4 – Dignified Living																			
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	Baseline (2021/22)	5 year target	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Outer years 2027 - 2032	NKPA link	NDP link	PSO link	CWDM link	PDO link	SDG link	Delivery Indicator
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	TBC	100% per annum	100%	100%	100%	100%	100%	n/a	NKPA 6	NDP 2	VIP 5	CWDM 3	PDO 4.4	SDG 7	Outcome
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	TBC	100% per annum	100%	100%	100%	100%	100%	n/a	NKPA 7	NDP 3	VIP 5	CWDM 3	PDO 4.4	SDG 7	Outcome
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	TBC	100% per annum	100%	100%	100%	100%	100%	n/a	NKPA 8	NDP 4	VIP 5	CWDM 3	PDO 4.4	SDG 7	Outcome

SFA 4 – Dignified Living																			
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	Baseline (2021/22)	5 year target	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Outer years 2027 - 2032	NKPA link	NDP link	PSO link	CWDM link	PDO link	SDG link	Delivery Indicator
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	TBC	25 500 per annum	25 500	25 500	25 500	25 500	25 500	n/a	NKPA 8	NDP 4	VIP 5	CWDM 3	PDO 4.4	SDG 7	Outcome
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	TBC	25 500 per annum	25 500	25 500	25 500	25 500	25 500	n/a	NKPA 8	NDP 4	VIP 5	CWDM 3	PDO 4.4	SDG 7	Outcome
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	TBC	25 500 per annum	25 500	25 500	25 500	25 500	25 500	n/a	NKPA 8	NDP 4	VIP 5	CWDM 3	PDO 4.4	SDG 7	Outcome
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	TBC	25 500 per annum	25 500	25 500	25 500	25 500	25 500	n/a	NKPA 8	NDP 4	VIP 5	CWDM 3	PDO 4.4	SDG 7	Outcome

10.1.5 SFA 5: Good Governance and Compliance

Table 105: SFA 5 – Top Layer Indicators

SFA 5 – Good Governance and Complaince																			
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	Baseline (2021/22)	5 year target	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Outer years 2027 - 2032	NKPA link	NDP link	PSO link	CWDM link	PDO link	SDG link	Delivery Indicator
TBC	Financial Services	Actual expenditure on the approved Capital Budget for the Municipality by 30 June (NKPI - MSA, Reg. S10(c))	Percentage of the approved Capital Budget for the municipality actually spent by 30 June	Programme	All	TBC	90% per annum	90%	90%	90%	90%	90%	n/a	NKPA 9	NDP 8	VIP 5	CWDM 3	PDO 5.9	**SDG 9**	**Input**
TBC	Planning and Economic Development	Submission of an Integrated Zoning Scheme to the MayCo	Number of Integrated Zoning Schemes submitted to the MayCo by 30 June	Key Initative	All	New KPI	1 per annum	1	n/a	n/a	n/a	n/a	n/a	NKPA 11	NDP 4	VIP 5	CWDM 1	PDO 1.3	**SDG15**	**Output**
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	TBC	4 per annum	4	4	4	4	4	n/a	NKPA 9	NDP 8	VIP 5	CWDM 3	PDO 5.8	**SDG 16**	**Input**

SFA 5 – Good Governance and Complaince																			
IDP Ref No	**Directorate**	**Indicator (Activity/ Project/ Programme/ Key Initiative)**	**Unit of Measurement**	**Indicator Type**	**Wards**	**Baseline (2021/22)**	**5 year target**	**Target 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026/27**	**Outer years 2027 - 2032**	**NKPA link**	**NDP link**	**PSO link**	**CWDM link**	**PDO link**	**SDG link**	**Delivery Indicator**
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	TBC	96% per annum	96%	96%	96%	96%	96%	n/a	NKPA 10	NDP 9	VIP 5	CWDM 3	PDO 5.9	**SDG 16**	**Input**
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	TBC	60% per annum	60%	60%	60%	60%	60%	n/a	NKPA 9	NDP 8	VIP 5	CWDM 3	PDO 5.6	**SDG 16**	**Output**

SFA 5 – Good Governance and Complaince																			
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	Baseline (2021/22)	5 year target	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Outer years 2027 - 2032	NKPA link	NDP link	PSO link	CWDM link	PDO link	SDG link	Delivery Indicator
TBC	Corporate Services	The percentage of the actual payroll budget spent on implementing the Municipal Workplace Skills Plan (NKPI Proxy- MSA, Reg. S10(f))	Percentage of the municipality's payroll budget actually spent on implementing its Workplace Skills Plan ((Total Actual Training Expenditure / Total Annual payroll Budget) x100), measured by 30 June	Programme	All	TBC	0.20% per annum	0.20%	0.20%	0.20%	0.20%	0.20%	n/a	NKPA 10	NDP 9	VIP 5	CWDM 3	PDO 5.7	**SDG 16**	**Input**
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	TBC	15% per annum	15%	15%	15%	15%	15%	n/a	NKPA 5	NDP 8	VIP 5	CWDM 3	PDO 5.6	**SDG 16**	**Input**

SFA 5 – Good Governance and Complaince																			
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	Baseline (2021/22)	5 year target	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Outer years 2027 - 2032	NKPA link	NDP link	PSO link	CWDM link	PDO link	SDG link	Delivery Indicator
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	TBC	27% per annum	27%	27%	27%	27%	27%	n/a	NKPA 5	NDP 9	VIP 5	CWDM 3	PDO 5.7	**SDG 16**	**Input**
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	TBC	1 per annum	1	1	1	1	1	n/a	NKPA 5	NDP 8	VIP 5	CWDM 3	PDO 5.5	**SDG 16**	**Output**
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	TBC	1 per annum	1	1	1	1	1	n/a	NKPA5	NDP 8	VIP 5	CWDM 3	PDO 5.5	**SDG 16**	**Output**
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	TBC	1 per annum	1	1	1	1	1	n/a	NKPA 5	NDP 9	VIP 5	CWDM 3	PDO 5.6	**SDG 16**	**Output**

SFA 5 – Good Governance and Complaince																			
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	Baseline (2021/22)	5 year target	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Outer years 2027 - 2032	NKPA link	NDP link	PSO link	CWDM link	PDO link	SDG link	Delivery Indicator
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	TBC	1 per annum	1	1	1	1	1	n/a	NKPA 5	NDP 8	VIP 5	CWDM 3	PDO 5.1	**SDG 16**	**Output**
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	TBC	1 per annum	1	1	1	1	1	1	NKPA 5	NDP 9	VIP 5	CWDM 3	PDO 5.2	**SDG 16**	**Output**
TBC	Office of the Municipal Manager	Draft Integrated Development Plan (IDP) submitted to Council	Number of Draft IDPs submitted to Council by 30 May	Programme	All	TBC	2 per annum (Draft and Final IDP)	2	2	2	2	2	n/a	NKPA 5	NDP 4	VIP 5	CWDM 3	PDO 5.4	**SDG 16**	**Output**
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	TBC	1 per annum	1	1	1	1	1	1	NKPA 5	NDP 4	VIP 5	CWDM 3	PDO 5.4	**SDG 16**	**Output**

SFA 5 – Good Governance and Complaince																			
IDP Ref No	**Directorate**	**Indicator (Activity/ Project/ Programme/ Key Initiative)**	**Unit of Measurement**	**Indicator Type**	**Wards**	**Baseline (2021/22)**	**5 year target**	**Target 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026/27**	**Outer years 2027 - 2032**	**NKPA link**	**NDP link**	**PSO link**	**CWDM link**	**PDO link**	**SDG link**	**Delivery Indicator**
TBC	Infrastructure Services	Review of the Waste Water Master Plan	Number of Waste Water Master Plan reviewed by 30 June	Programme	All	TBC	1 per annum	1	1	1	1	1	1	NKPA 5	NDP 4	VIP 5	CWDM 3	PDO 5.4	**SDG 16**	**Output**
TBC	Infrastructure Services	Revised Electrical Master Plan submitted to Council	Number of Revised Electrical Master Plans submitted to Council by 30 June	Programme	All	TBC	1 per annum	N/A	1	1	1	1	1	NKPA 5	NDP 8	VIP 5	CWDM 3	PDO 4.4	**SDG 16**	**Output**
TBC	Corporate Services	Development of a Draft Smart City Framework	Number of Draft Smart City Framework developed by 31 May	Key Initiative	All	TBC	1 per annum	N/A	N/A	1	N/A	N/A	n/a	NKPA 5	NDP 4	VIP 5	CWDM 3	PDO 5.4	**SDG 16**	**Output**
TBC	Corporate Services	Develop an Integrated Property Maintenance Plan	Number of Integrated Property Maintenance Plans developed by 30 June	Key Initiative	All	TBC	1 per annum	1	N/A	N/A	N/A	N/A	n/a	NKPA 5	NDP 4	VIP 5	CWDM 3	PDO 5.4	**SDG 16**	**Output**
TBC	Office of the Municipal Manager	Submission of a revised Communication Policy to MayCo	Number of revised Communication Policies submitted to Council by 30 June	Key Initiative	All	TBC	1 per annum	1	1	1	1	1	n/a	NKPA5	NDP 4	VIP 5	CWDM 3	PDO 5.4	**SDG 16; 17**	**Output**

SFA 5 – Good Governance and Complaince																			
IDP Ref No	**Directorate**	**Indicator (Activity/ Project/ Programme/ Key Initiative)**	**Unit of Measurement**	**Indicator Type**	**Wards**	**Baseline (2021/22)**	**5 year target**	**Target 2022/23**	**Target 2023/24**	**Target 2024/25**	**Target 2025/26**	**Target 2026/27**	**Outer years 2027 - 2032**	**NKPA link**	**NDP link**	**PSO link**	**CWDM link**	**PDO link**	**SDG link**	**Delivery Indicator**
TBC	Infrastructure	Review of the Roads Master Plan	Number of Roads Master Plans reviewed by 30 June	Programme	All	TBC	1 per annum	1	1	1	1	1	n/a	NKPA5	NDP 4	VIP 5	CWDM 3	PDO 5.4	**SDG 9; 16**	**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). The TL SDBIP must be approved by the Executive Mayor within 28 days after the adoption of the Municipal Budget, to be tabled in Council during May.

**TBC – Baseline cannot be determined at this stage, only at 30 June 2022*

CHAPTER 11:

Implementation, Monitoring and Review (1 – 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:

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

11.1 SFA 1: Valley of Possibility

SFA 1 – Valley of Possibility													
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result (2021/22)	Annual Target 2022/23	TOP LAYER: Service Delivery and Budget Implementation Plan				Delivery Indicator
									Q1	Q2	Q3	Q4	
TBC	Planning and Economic Development	Review the Economic Development Strategy	Number of Economic Development Strategies reviewed by 31 March	Programme	ALL	4	NEW KPI	n/a	n/a	n/a	1		Output
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 by 30 June	Programme	ALL	1600 per annum	TBC	1400	n/a	n/a	n/a	1400	Output
TBC	Planning and Economic Development	Land-use applications submitted to the Municipal Planning Tribunal within 120 days	Percentage of land-use applications submitted to the Municipal Planning Tribunal within 120 days after receipt of application	Programme	ALL	90% per annum	TBC	90%	90%	90%	90%	90%	Output
TBC	Planning and Economic Development	Training opportunities provided for Small, Medium and Micro Enterprises (SMMEs)	Number of training opportunities provided quarterly for entrepreneurs and SMMEs	Programme	All	4 per annum	4	4 quarterly training opportunities provided for entrepreneurs and SMMEs	1	1	1	1	Output
TBC	Planning and Economic Development	Revised Spatial Development Framework (SDF) submitted to Council	Number of Revised SDFs submitted to Council by 31 March	Programme	All	1 per annum	1	1 Revised Housing Pipeline (document) submitted to the MayCo by 31 March	n/a	n/a	1	n/a	Output

SFA 1 – Valley of Possibility													
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result (2021/22)	Annual Target 2022/23	TOP LAYER: Service Delivery and Budget Implementation Plan				Delivery Indicator
									Q1	Q2	Q3	Q4	
TBC	Planning and Economic Development	Revised Housing Pipeline submitted to MayCo	Number of Revised Housing Pipelines submitted to MayCo by 30 June	Programme	ALL	1 per annum	TBC	1	N/A	N/A	N/A	1	Output

11.2 SFA 2: Green and Sustainable Valley

SFA 2 – Green and Sustainable Valley													
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result (2021/22)	Annual Target 2022/23	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2022/23)				Delivery Indicator
									Q1	Q2	Q3	Q4	
TBC	Infrastructure Services	Construction of a new intake substation in Dwarsriver Valley	Number of new intake substations constructed by 30 June	Programme	All	1	NEW KPI	1	n/a	n/a	n/a	1	Outcome
TBC	Infrastructure Services	Upgrade the telemetry monitoring system	Number of telemetry monitoring systems upgraded by 30 June	Programme	All	1	NEW KPI	1	n/a	n/a	n/a	1	Outcome
TBC	Infrastructure Services	Develop and construction of a New Cell at Stellenbosch Landfill	Construction of a new cell by 30 June	Programme	All	1	NEW KPI	1	n/a	n/a	n/a	1	Outcome
TBC	Community and Protection Services	Establishment of a Friends Group for the nature reserves	Number of Friends Groups for the nature reserves established by 30 June	Key Initiative	All	1	NEW KPI	1	n/a	n/a	n/a	1	output
TBC	Community and Protection Services	Submit a revised Friends Group MOUs to the Municipal Manager	Number of revised Friends Group MOUs submitted by 30 June	Key Initiative	All	2	1	1	n/a	n/a	n/a	1	Output
TBC	Planning and Economic Development	Building plan applications of <500sqm processed within 30 days after date of receipt	Percentage of building plan applications of <500sqm processed within 30 days after date of receipt	Programme	All	75%	TBC	75%	75%	75%	75%	75%	Outcome

SFA 2 – Green and Sustainable Valley													
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result (2021/22)	Annual Target 2022/23	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2022/23)				Delivery Indicator
									Q1	Q2	Q3	Q4	
TBC	Infrastructure Services	Submission of the Fourth Generation Integrated Waste Management (IWMP) Plan to MayCo	Number of Fourth Generation IWM Plan submitted to MayCo by 30 June	Programme	All	1	1	1	n/a	n/a	n/a	1	Output
TBC	Infrastructure Services	External Audit of the Stellenbosch Municipality Waste Disposal Facilities conducted	Number of external audits of the Stellenbosch Municipality Waste Disposal Facilities conducted by 30 June	Programme	All	1 per annum	2	1 external audit of the Stellenbosch Municipality Waste Disposal Facilities conducted by 30 June	n/a	n/a	n/a	1	Output
TBC	Infrastructure Services	Implementation of identified waste minimisation projects	Number of waste minimisation projects implemented by 30 June	Key Initiative	All	2 per annum	New KPI	2 identified waste minimisation projects implemented by 30 June	n/a	n/a	1 (1)	1 (2)	Output
TBC	Planning and Economic Development	Building applications processed within the prescribed / legislated period	Percentage of building plans processed within the prescribed / legislated period	Programme	All	90% per annum	4 reports submitted	90% of building plans processed within the prescribed / legislated	90%	90%	90%	90%	Outcome
TBC	Infrastructure Services	Waste water quality measured ito 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	80% per annum	73%	75% waste water quality compliance as per analysis certificate measured by 30 June	n/a	n/a	n/a	75%	Outcome

SFA 2 – Green and Sustainable Valley													
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result (2021/22)	Annual Target 2022/23	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2022/23)				Delivery Indicator
									Q1	Q2	Q3	Q4	
TBC	Corporate Services	Submission of the revised Facility Management Plan to MayCo	Number of revised Facility Management Plans submitted to MayCo by 31 May	Programme	All	1 per annum	New KPI	1 Revised Facility Management Plan submitted to the MayCo by 31 May	n/a	n/a	n/a	1	Output

11.3 SFA 3: Safe Valley

SFA 3 – Safe Valley													
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2021/22	Annual Target 2022/23	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2022/23)				Delivery Indicator
									Q1	Q2	Q3	Q4	
TBC	Community and Protection Services	Revised Disaster Management Plan submitted to MayCo	Number of Revised Disaster Management Plans submitted to MayCo by 31 March	Programme	All	1 per annum	1	1 Revised Disaster Management Plan submitted to the MayCo by 31 March	n/a	n/a	1	n/a	Output
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 31 March	Programme	All	1 per annum	1	1 Revised Safety and Security Strategy submitted to the MayCo by 31 March	n/a	n/a	1	n/a	Output
TBC	Community and Protection Services	Revised Traffic Management Plan submitted to Municipal Manager	Number of Revised Traffic Management Plans submitted to Municipal Manager by 31 March	Programme	All	1 per annum	N/A	1 Revised Traffic Management Plan submitted to the MayCo by 31 March	1	n/a	1	n/a	Output

11.4 SFA 4: Dignified Living

SFA 4 – Dignified Living													
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result (2021/22)	Annual Target 2022/223	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2022/23)				Delivery Indicator
									Q1	Q2	Q3	Q4	
TBC	Infrastructure Services	Number of new water connections meeting minimum standards	50 new taps installed by 30 June	Programme	All	50 per annum	New KPI	50	n/a	n/a	n/a	50	Outcome
TBC	Planning and Economic Development	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	TBC	50	n/a	n/a	n/a	50	Outcome
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	TBC	<9%	n/a	n/a	n/a	<9%	Outcome
TBC	Infrastructure Services	Water quality measured quarterly ito the SANS 241 physical and micro parameters	Percentage water quality level as per analysis certificate, measured quarterly	Programme	All	90% per annum	TBC	90%	90%	90%	90%	90%	Outcome
TBC	Infrastructure Services	Limit unaccounted water to less than 25%	Average percentage water losses measured as at by 30 June	Programme	All	<25% per annum	TBC	<25%	n/a	n/a	n/a	<25%	Outcome

SFA 4 – Dignified Living													
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result (2021/22)	Annual Target 2022/223	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2022/23)				Delivery Indicator
									Q1	Q2	Q3	Q4	
TBC	Financial Services	Registered indigent formal households with access to free basic water (NKPI Proxy - MSA, Reg. S10(a), (b)	Percentage of registered indigent formal households with access to free basic water, measured quarterly	Programme	All	100% per annum	TBC	100%	100%	100%	100%	100%	Outcome
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	100% per annum	TBC	100%	100%	100%	100%	100%	Outcome
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	TBC	100%	100%	100%	100%	100%	Outcome
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	TBC	100%	100%	100%	100%	100%	Outcome
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	TBC	25 500	25 500	25 500	25 500	25 500	Outcome
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	25 500 per annum	TBC	25 500	25 500	25 500	25 500	25 500	Outcome

SFA 4 – Dignified Living													
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result (2021/22)	Annual Target 2022/223	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2022/23)				Delivery Indicator
									Q1	Q2	Q3	Q4	
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	TBC	25 500	25 500	25 500	25 500	25 500	Outcome

11.5 SFA 5: Good Governance and Compliance

SFA 5 – Good Governance and Complaince													
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2021/22)	Annual Target 2022/23	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2022/23)				Delivery Indicator
									Q1	Q2	Q3	Q4	
TBC	Financial Services	Actual expenditure on the approved Capital Budget for the Municipality by 30 June (NKPI - MSA, Reg. S10(c))	Percentage of the approved Capital Budget for the municipality actually spent by 30 June	Programme	All	90%	TBC	90%	n/a	n/a	n/a	90%	Input
TBC	Planning and Economic Development	Submission of an Integrated Zoning Scheme to the MayCo	Number of Integrated Zoning Schemes submitted to the MayCo 30 June	Key Initiative	All	1	TBC	1	n/a	n/a	n/a	1	Outcome
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	TBC	4	10%	30%	60%	90%	Input
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%	TBC	96%	n/a	n/a	n/a	75%	Input
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	60%	TBC	60%	n/a	n/a	n/a	60%	Input

SFA 5 – Good Governance and Complaince													
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2021/22)	Annual Target 2022/23	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2022/23)				Delivery Indicator
									Q1	Q2	Q3	Q4	
TBC	Corporate Services	The percentage of the actual payroll budget spent on implementing the Municipal Workplace Skills Plan (NKPI Proxy- MSA, Reg. S10(f))	Percentage of the municipality's payroll budget actually spent on implementing its Workplace Skills Plan ((Total Actual Training Expenditure / Total Annual payroll Budget) x100), measured by 30 June	Programme	All	0.20%	TBC	0.20%	n/a	n/a	n/a	15%	Input
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%	TBC	15%	n/a	n/a	n/a	27%	Input
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%	TBC	27%	n/a	n/a	n/a	27%	Input
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	TBC	1	n/a	n/a	n/a	1	Output
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	TBC	1	n/a	n/a	1	n/a	Output

SFA 5 – Good Governance and Complaince													
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2021/22)	Annual Target 2022/23	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2022/23)				Delivery Indicator
									Q1	Q2	Q3	Q4	
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	TBC	1	n/a	n/a	n/a	1	Output
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	TBC	1	n/a	n/a	1	n/a	Output
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	TBC	1	n/a	n/a	1	n/a	Output
TBC	Office of the Municipal Manager	Draft Integrated Development Plan (IDP) submitted to Council	Number of Draft IDPs submitted to Council by 30 May	Programme	All	2	TBC	2	n/a	n/a	n/a	1	Output
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	TBC	1	1	n/a	n/a	n/a	Output
TBC	Infrastructure Services	Review of the Waste Water Master Plan	Number of Waste Water Master Plan reviewed by 30 June	Programme	All	1	TBC	1	n/a	n/a	n/a	1	Output

**TBC – Baseline cannot be determined at this stage, only at 30 June 2022*

ANNEXURE B

STELLENBOSCH
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ONLINE IDP and BUDGET PUBLIC PARTICIPATION PERIOD
4 April 2022 – 27 April 2022

The Stellenbosch Municipality encourages participatory democracy and invites all members of the public, in accordance with the approved Integrated Development Plan (IDP) Process Plan/ Time Schedule, to participate in the IDP and Budget public participation process to comment on the draft 5th Generation Integrated Development Plan 2022 – 2027 and Medium-Term Revenue and Expenditure Framework 2022 – 2025 (Budget).

Due to the health and safety concerns of the Covid-19 pandemic, members of the community are requested, to attend the meetings online through one of the links which will be made available on the municipal website and social media platforms.

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.

Should you wish to submit your inputs verbally during the Online Public Participation Meeting, please reserve your place as the MS Teams platform can only allow 250 participants in the meetings. Members of the community can use the following link to register: idp@stellenbosch.gov.za. Please provide the municipality with your name, surname and which ward meeting you would like to attend.

However, should you only wish to follow the meeting and to provide written questions / submissions, a link to an **electronic submission form** to capture comments will be made available on the:

- Live MS Teams meeting Q & A section;
- Municipal Website: www.stellenbosch.gov.za;
- Stellenbosch Citizen App: Download from Google Play Store, iStore, Windows Store and Java;
- WhatsApp: 067 427 1556; and
- Email: idp@stellenbosch.gov.za

The link to the electronic submission form will be live from **4 April 2022 – 27 April 2022,** on the above electronic platforms to submit comments.

ONLINE IDP AND BUDGET PUBLIC PARTICIPATION MEETING SCHEDULE

20 ARPIL 2022 – 26 APRIL 2022

Date	Wards	Ward Councillor/s	Meeting Type	Broadcasting Venue	Online Capacity (public)	Times
Wednesday, 20 April 2022	3	Cllr. Charles Manuel	Online IDP and Budget public participation (MS Teams Link)	Plein Street Library Hall	250 online participants	18:00 – 20:00
	4	Cllr. Ralphton Adams				
	5	Cllr. Roy Van Rooyen	Online IDP and Budget public participation (MS Teams Link)	Stellenbosch Council Chambers	250 online participants	18:00 – 20:00
	6	Cllr. Nateshia Mcombring				
Thursday, 21 April 2022	1	Cllr. Reginald Pheiffer	Online IDP and Budget public participation (MS Teams Link)	Stellenbosch Council Chambers	250 online participants	18:00 – 20:00
	2	Cllr. Wilhelmina Petersen				
	18	Cllr. JC Anthony	Online IDP and Budget public participation (MS Teams Link)	Stellenbosch Town Hall	250 online participants	18:00 – 20:00
	19	Cllr. James Williams				
Monday, 25 April 2022	12, 13, 14 and 15	Cllr. Ayanda Tomose Cllr. Mary Nkopane Cllr. Maxwell Danana Cllr. Elliot Masimini	Online IDP and Budget public participation (MS Teams Link)	Stellenbosch Council Chambers	250 online participants	18:00 – 20:00
	16	Cllr. Elsabe Vermeulen	Online IDP and Budget public participation (MS Teams Link)	Plein Street Library Hall	250 online participants	18:00 – 20:00
	17	Cllr. Peter Johnson				
Tuesday, 26 April 2022	7, 8, 9, 10, 11, 22 & 23	Cllr. Annemarie Ferns Cllr. Carli Van Wyk Cllr. Zelda Dalling Cllr. Rozette Du Toit Cllr. Johannie Serdyn Cllr. Esther Groenewald Cllr. Lwando Nkamisa	Online IDP and Budget public participation (MS Teams Link)	Stellenbosch Council Chambers	250 online participants	18:00 – 20:00
	20	Cllr. Joseph Joon	Online IDP and Budget public participation (MS Teams Link)	Plein Street Library Hall	250 online participants	18:00 – 20:00
	21	Cllr. Rikus Badenhorst				

Geraldine Mettler
Municipal Manager

8.4	MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2022/2023-2024/2025

Collaborator No: 726759
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: 23 March 2022 and 30 March 2022

1. SUBJECT: MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2022/2023-2024/2025

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 R441 million of which over the MTREF R140 million will be required in year one, R160 million in year two and R141 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

EXECUTIVE SUMMARY

BUDGET

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

4. 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 2022/2023, 2023/2024 and 2024/2025, 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** - 32, 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 R441 millions of which R140 million will be required in year one, R160 million in year two and R141 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 112 and 115 that was published to guide the MTREF for 2022/2023 to 2024/2025 as set out in APPENDICES 33 – 34.

5. DISCUSSION / CONTENTS

5.1 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. Discussion

Over the past year, rising vaccination rates have sustained confidence and the global economic recovery, despite the rapid spread of the Omicron virus. Looking ahead to this year, global growth will be slower as the rebound from the pandemic fades. Growth in emerging market and developing economies will continue to lag that in advanced economies, due to a slower pace of vaccinations and other headwinds. South Africa's economy rebounded strongly from the pandemic in 2021, but going forward the growth rate will, like global growth, slow and remain subject to various risks.

The Omicron variant of the coronavirus caused many countries to impose restrictions to manage its spread. In addition, continued imbalances in global value chains have limited the pace of the world's economic recovery.

The South African economy has not been shielded from these global developments. Statistics SA has revised South Africa's economic growth estimate for 2021 to 4.8 per cent, from 5.1 per cent at the time of the 2021 *Medium Term Budget Policy Statement* (MTBPS).

This revision reflects a combination of the impact of changes in the global environment, along with South Africa's own unique challenges. Commodity prices, which have supported South Africa's economic recovery, slowed in the second half of 2021.

Also, violent unrest in July, and restrictions imposed to manage the third wave of COVID-19 further eroded the gains South Africa made in the first half of the year.

Industrial action in the manufacturing sector, and the re-emergence of loadshedding, also slowed the pace of the recovery.

Real Gross Domestic Product (GDP) growth of 2.1 per cent is projected for 2022. Over the next three years, GDP growth is expected to average 1.8 per cent.

Headline inflation is expected to remain between 3 to 6 per cent target range over the 2022/23 MTEF.

Stats SA figures reflects the impact of the pandemic and slow recovery of the economy on a national level as follow:

- South Africa's gross domestic product (GDP) increased by 1,2% in the fourth quarter of 2021.
- The personal services industry increased by 2,7%, contributing 0,4 of a percentage point to GDP growth. Increased economic activities were reported for community and other producers.
- The manufacturing industry increased by 2,8% in the fourth quarter, contributing 0,3 of a percentage point to GDP growth. Eight of the ten manufacturing divisions reported positive growth rates in the fourth quarter. The petroleum, chemical products, rubber and plastic products division made the largest contribution to the increase in the fourth quarter. The food and beverages division and textiles, clothing, leather and footwear division also made significant contributions to growth.
- The trade, catering and accommodation industry increased by 2,9%, contributing 0,3 of a percentage point to GDP growth. Increased economic activities were reported for retail trade, motor trade, and catering and accommodation services.
- The agriculture, forestry and fishing industry increased by 12,2% and contributed 0,3 of a percentage point to GDP growth. The increase was mainly due to increased production of animal products
- The transport, storage and communication industry increased by 2,2%, contributing 0,2 of a percentage point. Increased economic activity was reported for land transport and transport support services.
- Manufacturing production increased by 2,9% in January 2022 compared with January 2021. The largest positive contributions were made by the food and beverages division (11,5% and contributing 2,5 percentage points);

- Mining production increased by 0,1% year-on-year in January 2022.

- After recording eighteen months of positive year-on-year growth, South African mineral sales at current prices pulled back in January 2022, decreasing by 8,2%.
- Electricity generation (production) decreased by 1,1% year-on-year in January 2022

- Electricity distribution (consumption) decreased by 0,2% year-on-year in January 2022.

The aforementioned are just some of the national points which reflects directly on our own economy and how it has been affected.

The 2022 Medium Term Budget Policy Statement (MTBPS) sets the course for fiscal consolidation and economic recovery as follow:

- Government expects to achieve a primary surplus – where revenue exceeds non-interest expenditure – by 2024/25. In 2024/25, main budget non-interest expenditure will grow slightly above CPI inflation.
- The consolidated budget deficit is projected to narrow from 6 per cent of GDP in 2022/23 to 4.2 per cent of GDP in 2024/25.
- Gross loan debt will stabilise at 75.1 per cent of GDP in 2024/25.
- Debt-service costs consume an increasing share of GDP and revenue and are expected to average R333.4 billion a year over the medium term.

The economy began to bounce back from the pandemic lockdowns in 2021, but the recovery weakened in the second half of the year. GDP growth is expected to average 1.8 per cent over the next three years. Significant risks to the outlook include the emergence of new COVID-19 variants in the context of low vaccination levels, rising global inflation, and continued disruptions to power supply.

Longstanding structural constraints entrench South Africa's high levels of poverty and unemployment. Government continues to advance a multifaceted strategy to achieve higher and sustained economic growth rates. These reforms are intended to build private-sector confidence and investment. The combined impact of structural reforms, support for small business and new infrastructure investment will enable higher rates of growth and job creation over the long term. Over the next three years, government will introduce additional measures to improve the delivery of public infrastructure and attract private capital.

Over the medium term, government will devote considerable attention to strengthening the fight against corruption flowing from the reports of the State Capture Commission, cutting red tape for small businesses and strengthening the green transition. In line with government's international and domestic commitments to climate change adaptation and mitigation, the National Treasury plans to pilot a climate budget tagging methodology, which can inform future spending priorities and budget reforms.

The 2022 Budget continues to consolidate the public finances while providing immediate support for the pandemic response, job creation and social protection, as outlined in the 2021 *Medium Term Budget Policy Statement* (MTBPS).

The 2022 Budget Review extends government's support to poor and vulnerable South Africans, while staying on course to restore the health of the public finances. This approach is supported by economic reforms to bolster investment, growth and employment.

The key interventions outlined in the MTBPS to support growth are:

- Energy Security;
- Aligning with the National Development Plan's infrastructure goals;
- Promoting industrial growth;
- Strengthening enabling conditions

The President of South Africa, in his State of the Nation Address (SONA), on 10th February 2022 spoke about the fire that engulfed the Parliament, where the fire was symbolic of the devastation caused by the COVID-19 pandemic, by rising unemployment and deepening poverty. The President spoke to the devastation of a pandemic that over the past two years has taken the lives of tens of thousands of South Africans, put two million people out of work and brought misery to families.

The President stated that within 100 days a comprehensive social compact to grow our economy, create jobs and combat hunger will be finalised.

This work will be built on the foundation of the Economic Reconstruction and Recovery Plan (ERRP), which remains our common programme to rebuild the economy,

It will remain focused on the priorities identified in the SONA last year:

- overcoming the COVID-19 pandemic,
- a massive rollout of infrastructure,
- a substantial increase in local production,
- an employment stimulus to create jobs and support livelihoods,
- the rapid expansion of our energy generation capacity.

During the SONA the President stated it is Government's intention to end the national state of disaster as soon as they have finalised other measures under the National Health Act, 2003 (Act 61 0f 2003) and other legislation to contain the pandemic.

Nearly all restrictions on economic and social activity have already been lifted.

The following focus areas were also highlighted, amongst others, during the State Of Nation Address:

- Covid-19 vaccinations;
- Address the challenges of unemployment, poverty and inequality;
- Electricity crises;
- Modernising VISA process;
- A comprehensive turnaround plan is being implemented to streamline the process for water use license applications;
- New small business loan scheme;
- Cutting red tape for business;
- Building bridges;
- Investment conference in March 2022;
- Regulating sale of scrap metal;
- Finalising mining exploration strategy;
- Formalising cannabis industry;
- Climate change;
- Social employment fund;
- Expand criteria for employment tax incentive;
- Extension of the R350 Social Relief of Distress (SRD) Grant for one further year
- Fill vacancies in security cluster;
- Hire extra 12 000 police officers.

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 15th February 2022, reiterated the following sentiments highlighted during the State of the Nation Address, including but not limited to, normalising our COVID-19 response, lessons learnt from COVID-19, ending the National State of Disaster, 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 nearly two years of loss was caused by a global pandemic that not only took many loved ones away but took away many jobs and many hopes too.

He stated that this year, things have to change. We have to get up, get out, and "set sail" again.

The Premiers' speech focused, amongst others, on the following areas:

- Normalising our COVID-19 response and looking to the future. The data provided by the Department of Health shows us that:
  - 90% of people surveyed in a seroprevalence study in November 2021 had protection against COVID-19, either through vaccination or through prior infection.
  - That the Omicron variant has caused less severe disease because of prior immunity and is less virulent than previous strains.
  - And that 59.7% of residents over 50, and 68.5% of residents over 60 specifically are now also fully vaccinated in the Western Cape.
- Dignity through jobs and safety.
- A new department of infrastructure to be created in the Western Cape: This Infrastructure Department will be tasked with leading the change, working together with local governments in the Western Cape, the National Government as well as the private sector to ensure that we collectively complete quality, catalytic infrastructure projects that will help create jobs in an inclusive way. They will also take forward the establishment of a Schedule 3D Infrastructure Entity.
- Health Infrastructure**:** Planning five mega health infrastructure projects over the medium-to-long term that will significantly modernise this platform to ensure that we have a pipeline right into the future. These include the Belhar, Klipfontein and Helderberg Regional Hospitals, the Tygerberg Central Hospital development and the Swartland District Hospital.
- Education Infrastructure: Investing in education infrastructure that will benefit generations to come, while creating jobs for our residents.
- Economic Infrastructure: The continuing of investment in economic growth over the next financial year by launching 3 new road upgrade projects. This is in addition to 91 road projects currently in progress in various phases, worth approximately R3 billion.
- Energy and resilience: One area of concern has been Eskom's load shedding. A number of steps has been taken to ensure that the Western Cape

Government leverage new, green infrastructure in the province to become energy resilient:

- It is now legal in 24 Western Cape municipalities to produce Solar PV energy, with 19 of these municipalities allowing you to be compensated for feeding back into the grid.
- Additionally, wheeling (which is the private-to-private trading of energy) across municipal networks is being explored in 7 Western Cape municipalities given the recent unlocking of national electricity regulations.
- A successful Request for Information for the Municipal Energy Resilience (MER) initiative has been issued, which has solicited information from more than 100 potential energy generation projects.
- This information has informed five potential pioneering projects based on Solar PV and wind energy. And a roadmap to implement these projects has been extensively defined through technical, financial and legal analysis.

- Social Housing Infrastructure: Investment in social infrastructure will help address the painful legacy of our divided past, by improving basic service delivery, building integrated communities and enabling our residents to live with dignity.
- Social Services infrastructure: investing in infrastructure that expands important government services to our people, so that residents are connected, informed and receive important social services.
- Sustainable growth: The need to grow sustainably and respond to the challenges created by Climate Change, while protecting important ecosystems in our province.
- Infrastructure projects supported by National Government: Five priority projects have been submitted for registration and are being considered for support by National Government, namely:
  - The Wingfield Interchange between the N1 and N7.
  - Investment in Saldanha Bay Port Infrastructure.
  - The Belhar and Klipfontein Regional Hospitals, which forms part of our health platform upgrade.
  - The Tygerberg Hospital public-private partnership, which I previously mentioned.
  - And enabling the expansion of Biovac by relocating our EMS building to another location, providing Biovac with the necessary space to expand.
- Premier to take responsibility for coordinating response to joblessness pandemic through extended jobs cabinet.
- Department of Community Safety to increase focus on Police Oversight
- A first for South Africa: Violence Prevention Unit to be established in Western Cape Department of Health
- Acceleration of the Province's response to Gender Based Violence in the Western Cape.
- Focusing on recovering lost learning time, and comprehensive health services in the Western Cape.
- Focusing on supporting the vulnerable with improved social services, using an all-of-society approach.

The Premier stated that while the challenges that face our province are serious and, at times, can seem overwhelming, we must never forget what a truly special place we live in and that we have everything we need to succeed.

Provincial treasury reiterated most of the challenges and focus areas highlighted in the Premier's State of the Province address, the SONA and the 2022 Budget Review.

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 2022/2023 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 2022/2023 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 electricity and procuring water inventory, 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;
- Transitional period of newly elected council;
- Compilation of new five year Integrated Development Plan;
- Slowdown in new developments;
- Decline in reserves available to fund capital programmes.

The following budget principles and guidelines directly informed the compilation of the 2022/2023 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 2022/2023 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 4.4% 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.

Russia's invasion of Ukraine and tightening sanctions on Russia have sent commodity prices soaring, and will have adverse implications for South Africa's headline consumer price inflation (CPI). The invasion has directly led to higher oil and grain prices, which directly push up prices of key goods within the CPI such as fuel and bread.

It is expected that fuel prices will increase substantially in the next financial year and this will be provided for in the budget.

The total budget quantum for the 2022/2023 year is R2 321 115 390 of which R1 996 416 243 (86%), is allocated to the operating budget and R324 699 147 (14%) 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 2022/2023 – 2024/2025

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 70% of the capital budget, include:

- Expansion of the landfill site (New cells)
- New Reservoir & Pipeline: Vlottenburg
- Upgrade of WWTW Wemmershoek
- Bien donne 66/11kV substation new
- Water Treatment Works: Idasvalley
- Bulk Sewer Upgrade: Dwarsriver Area (Kylemore, Boschendal, Pniel)
- Kayamandi(Costa grounds)new substation 11 kV switching station
- STB Switchgear (11kV) SF6
- Landfill Gas To Energy
- Enkanini Informal Phase 3
- Transfer Station: Stellenbosch Planning and Design
- Bulk Water Supply Pipeline & Reservoir - Jamestown
- Sewerpipe Replacement: Dorp Straat
- Bridge Construction
- Lanquedoc Access road and Bridge
- Reseal Roads - Stellenbosch & Surrrounding
- Langrug Franschhoek Mooiwater Dam Rehab & Basic Services
- Kayamandi: Zone O (±711 services)
- Sewerpipe Replacement
- Upgrade of WWTW: Klapmuts
- Extension of Cemetery Infrastructure
- Kayamandi Town Centre
- Waterpipe Replacement
- Laterra Substation
- Upgrade of WWTW: Pniel & Decommissioning Of Franschhoek
- Jamestown: Housing
- Main Road Intersection Improvements: Franschhoek
- Upgrade and Expansion of IT Infrastructure Platforms
- Electrification INEP
- Water Conservation & Demand Management
- Franschhoek Sewer Network Upgrade

- General Systems Improvements - Stellenbosch
- Specialized Vehicles: Roads
- New Development Bulk Sewer Supply WC024
- Adam Tas - Technopark Link Road
- Electricity Network: Pniel
- Upgrade of Sport Facilities
- Bulk Water Supply Pipe Line & Pumpstations: Franschhoek
- Structural Improvement: General
- Vehicles: Solid Waste
- Replace Switchgear - Franschhoek
- Network Cable Replace 11 Kv
- Adhoc Reconstruction Of Roads (WC024)
- Khayamandi Pedestrian Bridge (R304, River and Railway Line)
- Substation 66kV equipment
- Replace Control Panels 66 kV & Circuit breakers
- Ad-Hoc Provision of Streetlighting
- Dwarsriver Bulk Supply Augmentation and Network Upgrades

The detailed draft capital budgets for 2022/2023, 2023/2024 and 2024/2025 are attached as **APPENDIX 1.**

DRAFT OPERATING BUDGET 2022/2023 – 2024/2025

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 2022/2023:

Electricity	**7.9%**
Sanitation	**6.5%**
Refuse removal	**8%**
Water	**6.2%**
Rates	**6.2%**

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 2022/2023 – 2024/2025

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:

Development Charges Policy **(APPENDIX 5)**

The following budget related policies and by-laws were revised:

Rates Policy **(APPENDIX 6)**

Rates By-Law **(APPENDIX 7)**

Indigent Policy **(APPENDIX 8)**

Tariff Policy **(APPENDIX 9)**

Tariff By-law **(APPENDIX 10)**

Credit Control and Debt Collection Policy **(APPENDIX 11)**

Credit Control and Debt Collection By- Law **(APPENDIX 12)**

Special Ratings Area Policy **(APPENDIX 13)**

Irrecoverable Debt Policy **(APPENDIX 14)**

Travel and Subsistence Policy **(APPENDIX 15)**

Cash Management and Investment Policy **(APPENDIX 16)**

Supply Chain Management Policy **(APPENDIX 17)**

Wayleave Policy (**APPENDIX 18)**

Budget Implementation and Monitoring Policy **(APPENDIX 19)**

Accounting Policy **(APPENDIX 20)**

Asset Management Policy **(APPENDIX 21)**

Ward Allocation Policy **(APPENDIX 22)**

Unchanged Policies

Grants-In-Aid Policy **(APPENDIX 23)**

Special Ratings By-law **(APPENDIX 24)**

Petty Cash Policy **(APPENDIX 25)**

Cost Containment Policy **(APPENDIX 26)**

Virementation Policy **(APPENDIX 27)**

Borrowing, Funds and Reserves Policy **(APPENDIX 28)**

Financing of External Bodies performing municipal functions Policy **(APPENDIX 29)**

Liquidity Policy **(APPENDIX 30)**

Inventory Management Policy **(APPENDIX 31)**

Preferential Procurement Policy **(APPENDIX 32)**

OTHER SUPPORTING DOCUMENTATION

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

6.1 Financial Implications

Financial impact already discussed above.

6.2 External Loan for 2022/2023

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 441 million of which over the MTREF R140 million will be required in year one, R160 million in year two and R141 million in year three (refer to Section G: High Level Budget Overview and Table A1 Budget Summary).

6.3 Legal Implications

The item at my disposal is compliant with the relevant legislative framework.

6.4 Staff Implications

None

6.5 Previous / Relevant Council Resolutions:

6.6 Risk Implications

The risks are addressed through the content of the item.

6.7 Comments from Senior Management:

6.7.1 Director: Infrastructure Services

Noted

6.7.2 *Director: Planning and Development Services*

Noted

6.7.3 Director: Community and Protection Services:

Noted

6.7.4 Director: Corporate Services:

Noted

6.7.5 Chief Financial Officer:

Noted

6.7.6 *Municipal Manager:*

Noted

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-03-23: ITEM 6.4

(a) that the Draft High Level Budget Summary, as set out in **APPENDIX 1 – PART 1 – SECTION C**; be approved for public release and comment;

(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 and comment;

(c) that the proposed Grants-In-Aid allocations as set out in **APPENDIX 1 – PART 2 – SECTION J**, be approved for public release and comment;

(d) that the three-year Capital Budget for 2022/2023, 2023/2024 and 2024/2025, as set out in **APPENDIX 1 – PART 2 – SECTION N**, be approved for public release and comment;

(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 and comment;

(f) that the proposed amendments to existing budget related policies and other policies as set out in **APPENDICES 5 - 32**, be approved for public release and comment.

(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 R441 millions of which R140 million will be required in year one, R160 million in year two and R141 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 112 and 115 that was published to guide the MTREF for 2022/2023 to 2024/2025 as set out in **APPENDICES 33 – 34**.

FOR FURTHER DETAILS CONTACT:

NAME	**KEVIN CAROLUS**
POSITION	***DIRECTOR: FINANCIAL SERVICES***
DIRECTORATE	***FINANCIAL SERVICES***
CONTACT NUMBERS	***021 808 8528***
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REPORT DATE	***23 March 2022***

8.5	MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR FEBRUARY 2022

Collaborator No: 726758
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: 23 March 2022

1. SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR FEBRUARY 2022

2. PURPOSE

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy 2021/2022 to report the deviations to Council.

3. DELEGATED AUTHORITY

Council

FOR NOTING.

4. EXECUTIVE SUMMARY

Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy (2021/2022) stipulate that SCM deviations be reported to Council. In compliance thereto, this report presents to Council the SCM deviations that occurred during February 2022.

5. RECOMMENDATION

that Council notes the deviations as listed for the month of February 2022.

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 2022: 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 05/22	28 January 2022	STBB	To oppose the application for a rule Nisi to be issued for interdicting the municipality to act upon its decision to withdraw the award of tender B/SM73/21 to Securitem pending the finalisation of an appeal by Securitem.	Exceptional case and it is impractical or impossible to follow the official procurement processes	Securitem served a Notice of Motion on the Municipality on or about 28 January 2022 via email in which they intend applying for an interdict to restraining the Municipality in any way to act upon its decision to withdraw the award of Tender B/SM73/21 to Securitem and to award the tender to a qualifying tenderer unconditionally. The application was set to be heard on Monday, 31 January 2022 at 14h00. STBB Attorneys represented the Municipality in previous disputes by Security companies and the timeframe applicable was not sufficient to follow SCM process.	R 86 250
D/SM 06/22	25 February 2022	Adapt IT	CaseWare Financial Reporting System	Goods or services are produced or available from a single provider	Adapt IT holdings Ltd is the sole distributor of CaseWare software products in Africa. The municipality has used CaseWare as its financial reporting system since April 2010.	R 455 673,70
D/SM 07/22	25 February 2022	Longlands Village Property	Re-appointment of Longlands Village Proprietary Limited as implementing	Exceptional case and it is impractical or impossible to follow the official	A deviation for the appointment of the Implementing Agent was concluded in the 2011/2012 financial year for the installation of services and the	R 21 700 000,00

			agent for the construction of top structures on phase 3 of portion B on FARM 393, Stellenbosch	procurement processes.	construction of top structures. The services has subsequently been installed after the MPT approval of the development. The Provincial department of Human Settlements only recently approved the funding for the top structures to the amount approximately R21 700 000. Due to fact that there was an initial appointment as implementing Agent of Longlands Holdings (Pty) Ltd and their successor in title Longlands Village, rights accrued to the Implementing Agent as far back as 2011. At the stage of appointment in 2011 the costs for the tops structures were unknown. The financial implications for the top structures only became known when the services were installed, and the funding approved. It is impractical to now follow an official supply chain process. given the history of the project and the rights they have already accrued.	

6.3 Legal Implications

The regulation applicable is:

GNR.868 of 30 May 2005: Municipal Supply Chain Management Regulations: Deviations from and ratification of minor breaches of, procurement processes.

6.4 Staff Implications:

No staff implications

6.5 Previous / Relevant Council Resolutions:

None

6.6 Risk Implications

That the market may not be tested.

The measures in place to deal with deviations mitigate the risk to an acceptable level. The auditor general also audit the deviations during the yearly audit

6.7 Comments from Senior Management:

The item was not circulated for comment except to Municipal Manager

6.7.1 Municipal Manager

Supports the recommendations.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-03-23: ITEM 6.5

that Council notes the deviations as listed for the month of February 2022.

FOR FURTHER DETAILS CONTACT:

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REPORT DATE	***March 2021***

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)**

11.1.1	**ESTABLISHMENT OF THE STELLENBOSCH COMMUNITY SAFETY FORUM**

Collaborator No: **725647**
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **23 March 2022**

1. SUBJECT: ESTABLISHMENT OF THE STELLENBOSCH COMMUNITY SAFETY FORUM

2. PURPOSE OF THE REPORT

To request approval from Council for the establishment of the proposed Stellenbosch Community Safety Forum (CSF).

3. DELEGATED AUTHORITY

For Council's decision.

4. EXECUTIVE SUMMARY

4.1 This document provides the Terms of Reference for the Stellenbosch Community Safety Forum which is a multi-stakeholder forum to address matters of community safety and security in the Municipality's area of jurisdiction.

4.2 The purpose of Community Safety Forums (CSF) is to promote the development of communities where citizens live in a safe environment and have access to high-quality services at the Local Government level, through multi-agency collaboration between the spheres of government and communities.

4.3 The CSF is an inclusive multi-sectoral structure that would champion the coordination, integration, and implementation of crime and violence prevention community safety initiatives.

4.4 The founding document dates to the mid-nineties.[i]

The National Cabinet instructed the establishment of Community Safety Forums in 2010/2011.

5. RECOMMENDATIONS

that Council approves the establishment of the Stellenbosch Municipality Community Safety Forum (CSF).

6. BACKGROUND

6.1 The CSF are designed to target the root causes of several types of crimes prevalent at Local Government level. It is common knowledge that crime stems from a host of factors such as lack of assorted opportunities and recreation, poor family structures, inadequate law enforcement, lack of police visibility, inadequate housing infrastructure and unemployment. This suggests that greater coordination is required within and amongst all three spheres of government, especially relating to matters of safety and security in our affected communities.

6.2 The CSF is meant to facilitate the delivery of a multi-sectoral governmental approach to increase safety in communities. Its approach is broader than that of a Community Police Forum (CPF) in that it includes the responses from all the Departments in the Justice, Crime Prevention and Security (JCPS) cluster.

6.3 The South African Government strategic objective is that “All People in South Africa Are and Feel Safe”. This is in line with the visions Stellenbosch municipality has for its residents. Furthermore, the Constitution bestows the right on all citizens to enjoy an accountable, effective, and service orientated criminal justice system. As such, Government has shifted its “silo” approach to a more holistic and collaborative approach and to strategically implement policies.

6.4 Thus, the need for a CSF is integral as it is designed to coordinate, integrate, and implement multi-sectoral crime and violence prevention/community safety initiatives within the Criminal Justice System (CJS) and Local Government, utilizing principles in the National Crime Prevention Strategy (NCPS) to enhance the quality of life within targeted communities.

7. DISCUSSION / CONTENT

7.1 Community Safety Forums needs to be established at the National, Provincial and Local Government levels. More specifically at the Local Government level as it is closer to the communities and will be in a better position to advise Government’s economic, development and social policies for crime prevention.

7.2 As crime stems from factors such as inadequate access to basic services such as housing, education, health, and jobs; Local government is closest to the citizens it serves and in the ideal position to coordinate safety within the municipal boundaries. This then requires greater planning and coordination within the three spheres of Government.

7.3 The Local Municipality and the Western Cape Government have been inundated with a variety of Special Council Meetings of complex Humanitarian Emergencies that stems from social ills such as Poverty, Substance Abuse, Crime and Violence, Gang Violence, Land Invasions and Service Delivery protests. These incidences often escalate into vandalism of infrastructure which hurts communities.

7.4 This in turn filters down to disaster declarations whereby existing funds must be redirected and or reprioritized, to coordinate the response to Social Conflict or Complex Humanitarian Emergencies and to complement existing structures. The establishment of a CSF is needed on a municipal level to facilitate planning, monitoring, accounting, and coordination as it is closer to the communities at the grass-root level.

7.5 It will allow the Local Municipality to align its policies to Provincial and National Policies on CSF's. The structure is supported by the Western Cape Government, more specifically The Western Cape Department of Community Safety.

7.6 The CSF has three Clusters namely.

7.6.1 Law Enforcement Cluster:

- Role-players: Law Enforcement Agencies (Law Enforcement, SAPS, Traffic Services, Neighborhood Watches'(NHW)/ farm watches, Criminal Justice System Departments, etc.)
- Main functions: Principles of collaboration is planned joint operations, joint solutions, enhancing the usage of security technology, etc.

7.6.2 Social Cohesion:

- Role-players: Law Enforcement Agencies, Department of Social Development, Department of Justice, Community Development, Correctional services, relevant NGO's, etc.
- Main functions: Plan Gender Base Violence & Feminine Workshops, Drug and Substances Abuse Awareness Workshop, Youth at Risk Workshop, etc.

7.6.3 Crime Prevention through Environmental Design:

- Role-players: Law Enforcement Agencies, Infrastructure services (National, Provincial and Local government), Environmental Affairs and Development Planning, local planning and economic development, Municipal Community Services, etc.
- Main functions: Crime prevention through Environmental Design, Road Infrastructure, Public spaces and recreational parks, Streetlights, Sewerage pipes and drainage, graffiti (Broken Window principle)

8. THE OBJECTIVES OF THE COMMUNITY SAFETY FORUM WILL BE:

8.1 Co-ordinate and promote co-operation and integrated planning and budgeting between all three Spheres of Government on matters of Community Safety.

8.2 Facilitate implementation of public-private partnerships where government and communities are seen to co-produce safety.

8.3 Strategically consult and engage through organised structures the development of local safety planning and monitoring of Safety and Security plans.

8.4 Strategically integrate communities' strengths to implement Provincial Government Programs and achieve the objectives and strategic intent of the Local Municipality.

8.5 To provide for communities (through organisational structures) to participate in the development and local planning and monitoring of safety plans, at the grassroots level.

8.6 Promote closer co-operation and access to basic services at local grassroot level by the Ward Councillor to improve living conditions and community social cohesion.

8.7 Support and enhance crime and violence prevention through public education programs.

8.8 Partnerships with relevant organs of state, communities and, internal and external stakeholders

9. LEGISLATIVE AND BY-LAW ENFORCEMENT FRAMEWORK

9.1 South African Constitution Act 108 of 1996, Chapter 11, Sec 198(a)

9.2 South African Police Services Act No 68 of 1995

9.3 Intergovernmental Relations Framework Act, 2005(Act No. 13 of 2005)

9.4 The Municipal Structures Act, Act No 117 of 1998

9.5 The Municipal Systems Act, Act No 32 of 2000

9.6 Criminal Procedure Act 51 of 1977

9.7 Western Cape Community Safety Act (Act 2013 Act 3 2013)

9.8 Civilian Secretariat for Police Service Act 2 of 2011

9.9 Social Assistance Act 13 of 2004

9.10 Immigration Act 13 of 2002

9.11 The National Crime Prevention Strategy 1996

9.12 The White Paper on Safety and Security 1998

9.13 Intergovernmental Relations Framework Act

9.14 South African Constitution, Act no 108 of 1996, Chapter 11, Sec 198(a)

9.15 And the various By-Laws which has been gazetted by Stellenbosch Municipal Council

10. ROLES AND RESPONSIBILITIES OF STELLENBOSCH MUNICIPALITY'S CSF

10.1 The Stellenbosch Municipality Community Safety Forum will assist in

mobilizing resources of the National, Provincial and Local Government departments, as well as support through the Community Police Forums (CPF), Non-governmental and community-based organizations in the Stellenbosch Municipal area.

10.2 Review safety in Stellenbosch Municipality and develop appropriate safety interventions.

10.3 Facilitate linkages of the Local Crime and Violence Prevention Strategy and Plan.

10.4 The Western Cape developed its Safety Plan as part of its 5-year Provincial Strategic Plan of which Stellenbosch Municipality form part of the plan.

10.5 Three focus areas, Law Enforcement, Social Cohesion and Crime Prevention through Environmental Design.

10.6 Receive and consider regular reports on the safety plan implementation progress.

10.7 The Safety Plan has a Policing and Violence Prevention strategy that recognizes crime and cannot be reduced unless violence prevention and policing work hand in hand. This requires long-term area-based, multi-agency interventions, not just short-term law enforcement ones. It is an "inclusive" initiative where the police, criminal justice system, Province, municipality, and communities work together in area-based teams. It will identify and implement strategies based upon outcomes.

10.8 Conduct regular meetings to inform internal and external stakeholders.

10.9 Communicate successes.

10.10 Establish and maintain a database of stakeholders.

10.11 Resolve conflict and build consensus.

10.12 Play an oversight role on the functioning of the various clusters by the Community Safety Forum.

10.13 Give input, guidance, and direction on appropriate strategic interventions to address the safety in Stellenbosch.

10.14 Responsible for research, problem solving, integrated planning, co-ordination, oversight, and project implementation.

11 EXTERNAL ROLE PLAYERS

The Stellenbosch Municipality Community Safety Forum will consist of representatives from all three Spheres of Governmental Departments, Non -Governmental Organisations (NGO's, Community Based organisations (CBO's) and stakeholders whose primary roles and responsibilities are to address the safety and security of Stellenbosch Municipality. The members of the Community Safety Forum must be designated persons from the various role players who would have the delegated authority in making decisions for those they represent. Further to this are the minimum responsibilities of the primary stakeholders of the CSF structure.

11.1 **The South African Police Service**: Facilitating and maintaining a partnership between the community and the police. Facilitating communication between the police and the community. Improving the rendering of police services to the

community at a local level. Joint identification of local policing priorities and co-ownership of problem-solving programs at a local level. Conducting periodic reporting to the community (accountability meetings).

11.2 **The Department of Correctional Services** aims to contribute towards **maintaining and just, peaceful, and safe society**, by enforcing court-imposed sentences and detaining prisoners in safe custody. The Correctional Services with the South African Police Services should inform the Municipality and NHW's before parolees' are released. Facilitate the social acceptance and effective reintegration of ex-offenders into their communities.

Facilitate parole release programs (pre-release, **protection** supervision, and parole) with communities. Facilitate community service programs. Develop and manage secure places of safety for petty offenders and children in conflict with the law. Develop and implement social crime prevention programs in line with the mandate.

11.3 **Department of Justice and Constitutional Development (DoJCD)** aim is to **uphold and protect the Constitution and the rule of law**. To render accessible, fair, speedy, and cost-effective administration of justice, in the interests of a safer and more secure South Africa, facilitate and promote access to justice services available to the communities (e.g., legal aid board and Thuthuzela Care Centre's).
Empower citizens to understand the Constitution, laws that impact their lives, and access all their rights. Ensure Restorative Justice and Alternative Dispute Resolution (ADR) initiatives. Ensure that victim empowerment and support programs are adopted and are run effectively to address victims' traumatic experiences. Conduct community sessions on bail and sentencing (accountability) at a local level for communities to be assisted in formulating a document by community leaders in giving reason to opposing bail in certain cases that affect the community.

11.4 **Social Development:** Implement comprehensive social security and integrated food security programs to the benefit of local communities. Implement a comprehensive health care program at the local level. Ensure proper housing and human settlement at the local level. Ensure sustainable livelihoods to improve the quality of life for local communities. Facilitate access to education and implement safer school programs. Promote social cohesion at the local government level through various programs. This will be in line with the redress of past imbalances.

11.5 **Community police forums:** Identifying policing priorities with the Police. Joint identification and co-ownership of policing programs. Reciprocal control of crime-fighting programs. Ensuring police accountability to the community. Conduct other extended responsibilities on the CJS Presented earlier in the document.

11.6 **The National Prosecuting Authority** has the power to **institute** and conduct criminal proceedings on behalf of the State. Carry out any necessary functions incidental to instituting that and conducting such criminal proceedings (this includes investigation) and the discontinue of criminal cases / nolle-prosecute

11.7 **The Department of Home Affairs** is the body that **registers professional immigration practitioners.** These immigration practitioners are in turn provided by their clients with the power of attorney, to allow them to compile, submit and monitor their visa applications.

11.8 **Department of Cooperative Governance and Traditional Affairs (DCoGTA)**. The DCoGTA is responsible for **facilitating cooperative governance**, supporting all spheres of government, and assisting the institution of traditional leadership with transforming itself into a strategic partner of government in the development of communities.

11.9 **Non-governmental organizations** play a vital role in the shaping and implementation of participatory democracy. Their credibility lies in the responsible and constructive role they play in society. Formal and informal organizations, as well as grassroot movements, can be recognized as partners in the implementation of people's agenda.

11.10 **Faith-based organizations** have also assumed a role in **helping in promote housing and community development**. Some fourteen per cent of community development corporations (CDC's) are faith-based. The activities of Habitat for Humanity in providing homeownership opportunities are well-known.

11.11 **Corporate Social responsibility** means that **businesses, in addition to maximizing shareholder value, must act in a manner that benefits society**. Social responsibility has become increasingly important to investors and consumers who seek investments that are not just profitable but also contribute to the welfare of society and the environment.

11.12 **The University of Stellenbosch** in a gspefsvexmi$jjsvx$fix{ iir$Wxipirfswgl$ Yrmziwmx}$WY-$erh$Wxipirfswgl$D yrmgmtepmx}xsq tvszi$wxyhirx$wejix}2

11.13 **Provincial Department of Community Safety (DOCS),** responsible for planning, co-ordination, support, capacity building, mentoring, monitoring, oversight, and accountability.

11.14 **Stellenbosch Safety Partnership Role-players: Neighborhood watches, Farm watches, security companies, etc.;** responsible for support, force multiplication, sharing of information, community safety initiatives.

12 CLUSTERS

12.1 Clusters are the working groups responsible to operationalize interventions.

12.2 All role-players will be divided into the three clusters based on their responsibility and function which in turn feeds into the CSF.

12.3 Clusters will be responsible to develop plans annually, informed by the safety priorities identified in the safety plan.

13 FINANCIAL IMPLICATIONS

13.1 Appointment of Project Manager / Coordinator from the Provincial Government Grant as agreed. This position is to be funded and applied for annually.

14. LEGAL IMPLICATIONS

None

15. STAFF IMPLICATIONS

Appointment of Project Manager / Coordinator for the functioning of the Community Safety Forum

16. PREVIOUS / RELEVANT COUNCIL RESOLUTIONS

None

17. RISK IMPLICATIONS

None

18. COMMENTS FROM SENIOR MANAGEMENT:

None

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-03-23: ITEM 7.1.1

that Council approve the establishment of the Stellenbosch Municipality Community Safety Forum (CSF).

Annexures:

A) Civilian Secretariat for Police: Community Safety Forums Policy
B) Civilian Secretariat for Police Services Act, 2011

FOR FURTHER DETAILS CONTACT:

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REPORT DATE	2022-02-14

ANNEXURE A

CIVILIAN SECRETARIAT FOR POLICE

COMMUNITY SAFETY FORUMS POLICY

GLOSSARY OF TERMS

ADR – Alternative Dispute Resolution

BAC – Business Against Crime

CBO – Community-based Organisations

CJS – Criminal Justice System

COGTA - Department of Co-operative Governance and Traditional Affairs

CPF – Community Police Forum

CSA – Community Safety Audit

CSF – Community Safety Forums

CSP - Community Safety Plan

DCS – Department of Correctional Services

Dev Com – Integrated Justice System Development Committee

DHA – Department of Home Affairs

DM – District Municipality

DoJCD – Department of Justice and Constitutional Development

DSD – Department of Social Development

IDASA – Institute for Democracy in South Africa

IDP – Integrated Development Planning process

IDP"s – Integrated Development Plans

IGR – Inter-government Relations

IJS – Integrated Justice System

JCPS – Justice, Crime Prevention and Security Cluster

JOINTS – Joint Operations and Intelligence Structures

LCPS – Local Crime Prevention Strategy and Plan

LM - Local Municipality

MinMec – Ministers and Members of Executive Councils

MTBPS - Medium Term Budget Policy Strategy

MTEF - Medium Term Expenditure Framework

NGO – Non-Governmental Organisations

NCPS – National Crime Prevention Strategy

NPA – National Prosecuting Authority

SAPS – South African Police Service

SGB - School Governing Body

WPSS – White Paper on Safety and Security

CIVILIAN SECRETARIAT FOR POLICE

POLICY FOR ESTABLISHMENT OF COMMUNITY SAFETY FORUMS

1. INTRODUCTION

Community Safety Forums (CSF"s) are meant to facilitate the delivery of a multi-sectoral governmental approach on safety in the community. Its approach is broader than that of the Community Police Forum (CPF) in that it includes the responses from all the departments in the Justice, Crime Prevention and Security (JCPS) cluster. The CSF is distinguished from the CPF through its tasks. The CPF, according to the South African Police Service (SAPS) Act, is meant to provide a partnership to SAPS in liaising with the community in fighting crime. While the CPF is confined to a police station precinct and focuses very narrowly on policing and associated matters, a CSF will have a more inclusive jurisdiction area as it is intended to fulfill a very different and broader role. A CSF is meant to bridge safety issues affecting a particular community and harnesses the energies of most, if not all the department in the JCPS cluster. It includes any safety matters within a community that makes people unsafe in their streets, homes and places of work. A CSF was originally designed to deal with those matters traditional policing could not and does not deal with. This could be anything from clearing a bush that people are robbed in to street lighting in areas where there are regular accidents. Departments involved in the JCPS cluster are integrally involved in providing safety and security through a range of services to the community. The departments of Police, Justice and Constitutional Development, Correctional Services, Defense, Co-operative Governance and Traditional Affairs (COGTA), Home Affairs, Social Development, as well as other relevant Social Cluster Departments, have a role to play within the CSF.

CSF"s were originally piloted in the Western Cape during the mid to late nineties. The pilot was later extended to the Eastern Cape and in a few other provinces. However, the model was not sustainable and when the respective Non-governmental Organisation (NGO) that administered the CSF found itself without funding, the CSF was discontinued.

2. CONTEXT

The context for the development of a policy framework for CSF"s stems from a Cabinet instruction to the Department of Police, through the JCPS cluster to establish ten CSF"s throughout the country during the 2010/2011 financial year. However, based on an analysis of the different CSF and similar structures in Provinces, it was discovered that the form, structure and mandate of the CSF appeared to differ in some areas. This policy framework aims to respond to those questions by proposing a uniform policy approach to the establishment, mandate, structure, location and funding models of a countrywide approach to CSF"s.

Key principles for service delivery in government which create a sound operational context that need to be espoused in setting up community safety structures and initiatives are *at least* the following:

- Integrated service delivery
- Multi-agency collaboration
- Joint planning operations
- Strong community participation and consultation
- A commitment to sharing of resources
- Community engagement and accountability
- Responsiveness
- Openness and transparency

3. THE MANDATE FROM GOVERNMENT

Currently, the South African government‟s strategic objective on crime prevention is that “All People in South Africa Are and Feel Safe”. The initiatives that have been successfully implemented over the past few years in addressing crime have an objective of making South Africans safe.

The Constitution, enacted in 1996, bestows the right on all South African citizens to enjoy an accountable, effective and a service-oriented Criminal Justice System (CJS). The Constitution obligates the state to provide all citizens and those within the country‟s boundaries with adequate security from those who perpetrate crime.

Various initiatives have been undertaken by the democratic government since 1994, to ensure that the CJS is transformed from being an exclusivist punitive racist system to the protector of human rights for all citizens.

Government has shifted its approach from operating in silos within departments to a holistic collaborative approach amongst the various stakeholders. There are various forums that have been established on a national, provincial and local level of government that consist of the heads of the various CJS departments. The main focus of these forums is to provide strategic direction on implementing government policy in a collaborative manner. Some of these forums include the National and Provincial Development Committees and Joint Operations and Intelligence Structures (JOINTS).

The most significant initiative taken to bridge the divide between the CJS role-players and the community in combating crime was the establishment of the CPF. The CPF was established in various communities across the country and it is a community based structure aimed at promoting community-police relations for effective law enforcement and service delivery within a policing precinct. However, CPF‟s are limited in its focus and approach to narrow policing matters. For this reason, the main focus of the CPF was narrowly focused on promoting policing. Many of the areas in other sectors in the community (at one stage or another) grow into a police response if there was no proper engagement and service delivery from other departments. A case in point would be when a community decides to protests because a child is killed by illegal electrical connections across the street. If the matter is not addressed by the municipality, it becomes a policing matter. In view of this, other government departments from the JCPS and Social cluster are required to intervene and CPF‟s alone cannot deal with these cross cutting matters.

The mandate from government is then to set up a policy that will see the development of CSF"s in all parts of the country in order to give effect to the imperative of working in a cohesive and integrated approach so that people"s service delivery needs are met. The resolution from Polokwane speaks to CSF"s being established to monitor and co-ordinate the CJS.

In order to adopt a more holistic approach in combating crime it has become imperative that government shifts away from the exclusive focus on crime control (i.e. law enforcement) to include crime prevention. This dual approach in addressing crime issues is very critical as law enforcement and other forms of crime prevention are interdependent and are both required in order to combat crime in a holistic manner.

4. THE NEED FOR COMMUNITY SAFETY FORUMS

As a statutory structure, CPF"s were not mandated to interact with other criminal justice and social sector government organisations other than the SAPS and were limited to the provisions of the SAPS Act. The limitations of CPFs provided the impetus for the development and growth of CSF"s. It clearly became the incubator of the areas that the CSF must deliver services on to the community. The CSF was developed because of the need to integrate the work of the CJS and in particular the JCPS and Social Cluster Departments. The CPF alone could not perform this and has several limitations.

These limitations include the following:

1. The inability of the CPF to deal with rehabilitation and correctional supervision matters in the community. CPF"s do not become involved in supporting ex-offenders reintegrate into the community. This almost always impacts on the community when certain high profile offenders are released into the community.
2. The inability to deal with bail and justice matters. Often CPF members are accused by members of the community of doing little when violent crime offenders receive bail from courts. This created tension between role players within the Criminal Justice System.
3. The inability of the CPF to deal with xenophobia and related matters. During 2008, events in the country demonstrated that CPF members were not able to decisively act on such matters as xenophobia since these require more role-players than the limited capacity of CPFs.
4. The inability of the CPF to co-ordinate the delivery of basic local government services. When children are attacked in bushes, communities take matters into their own hands and often blame the police. These are local government matters that should be addressed within the local government planning processes.

The critical path of understanding the combating of crime is integrally linked to the two other pillars of the CJS[1], i.e. the Department of Justice and Constitutional Development (DoJCD) and Correctional Services (DCS).

CPFs are community based structures that were established in order to, among others, to promote service delivery and crime prevention within the policing precinct. The CSF is designed to coordinate, integrate and implement multi-sectoral crime prevention or community safety initiatives within the CJS and local government utilising the principles defined in the National Crime Prevention Strategy (NCPS) to enhance the quality of life within the targeted community.

As a consequence, various pilots were implemented in some parts of South Africa, particularly in the Western Cape, to determine how CSF"s could be rolled-out. CSF"s that were piloted in most provinces of South Africa were positioned as a mechanism to coordinate services provided by different governments operating in the three spheres and civil society to design and implement community initiatives that addresses the root cause of crime at a municipal level. Law enforcement interventions are included as one of the broader interventions implemented at a local level. During the pilot phase, CSF"s were primarily construed as:

- An inclusive multi-sectoral structure that operates beyond SAPS.
- A vehicle that would champion the coordination, integration and implementation of crime prevention and relevant community safety initiatives.
- A structure that is responsive to the safety needs of the community and is delivery orientated.

5. THE LEGISLATIVE FRAMEWORK

One of the many needs of any community is the need for peace and stability. The CSF is seen as a vehicle to give effect to the objectives of the NCPS as outlined earlier. The CSF responds to the need for a comprehensive framework that will address crime and safety in a co-ordinated and focussed manner that draws on the resources and energies of all organs of state as well as the different civil society formations dealing with community initiatives involved in crime prevention. Municipalities are at coal-face of service delivery and at a level of government that brings them closest to the needs of the people. These needs are varied and urgent and require municipalities to respond quickly and decisively.

Set out below is a synopsis of the constitutional and legislative imperatives that guides the policy framework for planning, coordination and the execution of the integrated crime prevention initiatives at the three spheres of government and shape municipal responses to dealing with crime, and specifically crime prevention.

The following legal instruments serve as points of reference for the development of a CSF policy:

[1] There is substantial evidence to indicate that the Department of Home Affairs and Social Welfare are also critical actors in addressing crime that should be seen as components of the CJS.

5.1 The Constitution 1996

Section 40 of the Constitution states that government is constituted in the national, provincial and local spheres of government, it is “distinctive, interdependent and interrelated.” Section 41 of the Constitution goes on to state that all spheres of government and all organs of state within each sphere must preserve the peace, secure the well-being of the people of the Republic; co-operate with one another in mutual trust and good faith by, *inter alia,* assisting and supporting one another and co-ordinating their actions and legislation with one another.

Section 152 of the Constitution defines the objects of local government. The objects of local governments include ensuring that the provision of services to communities are rendered in a sustainable manner, that social and economic development is promoted, that a safe and healthy environment is promoted and that communities and community organizations are encouraged to be involved in the matters of local government.

The developmental duties of municipalities are outlined in Section 153 of the Constitution. It states a municipality must budget and plan processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and participate in national and provincial development programs. It is argued that the economic development of the community is intrinsically linked to the safety and security conditions that prevail in the local environment and that these conditions also have an impact on the social development of the community.

The competencies of local government are provided for in Schedules 4 and 5 of the Constitution that relate to the administration of the local government matters which are listed in Part B of Schedule 4 and Part B of Schedule 5. These matters include areas relating to street lighting, street trading, traffic, the control of public nuisances and the consequential by-law enforcement. These matters are some of the matters that the CSF will be addressing as part of the initiatives to pave the way for safety and security in the community.

Section 206(3) of the Constitution also entitles each province to promote good relations between the police and the community. This cannot be achieved by the relevant provincial organ of state without the concomitant involvement of the local community and brings in structures such as the local CPF and other community-based formations into play and involve the CSF.

The Constitution provides the over-arching framework for policy and legislation. The principles, values the imperatives of the Constitution form the basis of legislation that have a bearing on the provision of safety and security.

5.2 The South African Police Service Act (on CPFs) 1995

As already indicated elsewhere in this paper, the SAPS Act, in its present form, provides for specific functions for the CPF which includes:

- Partnerships;
- Communication;
- Cooperation;
- Transparency;
- Improved Partnerships;
- Improved Service Delivery;
- Joint Problem Identification and Problem Solving

5.3 Inter-governmental Relations Framework Act, 2005 (Act No. 13 of 2005)

A National Intergovernmental Forum such as Minmec is to be established to promote and facilitate intergovernmental relations in the functional area for which that Cabinet member is responsible. Its role is to raise matters of national interest within the functional area with provincial governments and, where appropriate, organized local government and to hear their views on those matters. It is also to discuss performance in the provision of services in order to detect failures and to initiate preventive or corrective action.

In terms of section 15 of the Act, two or more National Intergovernmental Forums may meet jointly when necessary to discuss and consult on issues that are inter-sectoral in nature. It is submitted that, on a national and provincial level, these joint meetings become important for discussion and agreement on policy and cross-cutting matters that have an impact on the provision of safety and security to the communities.

In terms of the Act, District Intergovernmental Forums are mandated to discuss, inter alia, the implementation of national and provincial policy and legislation with respect to such matters in the district, the provision of services in the district and coherent planning and development. Intergovernmental technical support structures comprised of officials representing the governments or organs of state participating in the intergovernmental forums, provides an avenue for effective functioning of CSF"s.

5.4 Municipal Systems Act 32 of 2000

- Objective: To provide for community participation and involvement of the local community in the affairs of the municipality
- Mandates each local government to consultatively undertake Integrated Development Planning (IDP) for the local area

- Participation by the local community in the affairs of the municipality must take place through the councilors (s 17).

The Municipal Systems Act also introduces the IDP. This planning process is critical in that it supports the notion of integration, which is central to the efforts of crime prevention as outlined within the NCPS.

In pursuance of the above functions, local authorities/municipalities in South Africa are legally bound to compile Integrated Development Plans (IDP"s) for their areas of jurisdiction. These IDP"s are local plans which are ultimately intended to guide the implementation of the policies and programmes informed by various National and Provincial Government policies, strategies and programmes. Crime prevention is no exception.

The IDP process is not governed by one piece of legislation. A host of pieces of legislation have already been passed and are all aimed at promoting development by local government and impact on the IDP process. It is therefore important that when preparation of an IDP is done, a holistic view must be taken of legislation and its impact on the process.

In terms of Sections 23-37 of the Act, municipal planning must be development-oriented to ensure that it, together with other organs of state, contributes to the progressive realization of the fundamental rights contained in sections 24 (Environment), 25 (Property), 26 (Housing), 27 (Health care, food, water and social security) and 29 (Education) of the Constitution. In addition, planning must be aligned with, and complement, the development plans of other organs of state so as to give effect to the principles of co-operative government. Each municipal council must adopt a single, inclusive and strategic plan for the development of the municipality which links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality.

5.5 Municipal Structures Act 117 of 1998

- Emphasizes role of municipal structures to account on involvement of communities and community organizations in the affairs of the municipality.
- Its objectives include reviewing the needs of communities and to involve the communities.

In conclusion, the Constitution and other legislation referred to above, are relevant in providing clarity and certainty on areas such as the structuring, composition, obligations, functions and sphere of operation of the CSF"s. In order to ensure the effectiveness of CSF"s, it becomes necessary to develop legislative provisions that will clearly inform these areas and provide for legislative obligations and responsibilities on the part of organs of state participating in the CSF"s. This will remove any uncertainty and any objections regarding unfounded mandates.

6. THE POLICY FRAMEWORK

The policy framework for CSF"s is based on deliberations and resolutions of the governing party at its Stellenbosch (2002) and Polokwane (2007) conferences. The establishment of CSF"s was seen as a necessary link with local government and the 2002 policy conference proposed that CSF"s should be established to play a more meaningful role in local crime prevention. It called on government to establish uniform constitutional regulations for the CPF"s and to legislate for the establishment and functioning of the CSF"s.

The 2005 National Policy Conference Peace and Stability Committee resolved that CSF"s should be established and that the CSF"s must be aligned with the municipal IDP"s and resourced through relevant national departments and local government structures to meet their minimum requirements. It also noted that the CPF should be a sub-committee of the CSF structure.

The 2007 Polokwane Conference resolved that CSF"s should be established to monitor and coordinate the functioning of the CJS at the local/municipal level. It also resolved that CSF"s must be located within the Provincial Safety and Security Departments. Lastly, it suggested that all the structures of the justice cluster system, viz., police, justice and correctional services, must be aligned to municipal boundaries and develop appropriate programmes that address all issues of safety, security and justice.

Besides the environmental analysis of the CSF"s policy implementation in South Africa that was commissioned by the Secretariat for Safety and Security (now the Civilian Secretariat for Police) and conducted by IDASA in 2008, there are quite a number of other policy documents which have a bearing, and in some cases, provide the impetus for the establishment of CSF"s. These include:

6.1 The National Crime Prevention Strategy 1996

The NCPS represented a collation of national and international lessons and experiences in crime prevention. It has the following objectives:

- The establishment of a comprehensive policy framework which will enable the government to address crime in a co-ordinated and focused manner which draws on the resources of all government agencies, as well as civil society.
- The promotion of a shared understanding and common vision of how we, as a nation, are going to tackle crime. This vision should also inform and stimulate initiatives at provincial and local level.
- The development of a set of national programmes, which serve to kick-start and focus the efforts of various government departments in delivering quality service aimed at solving the problems leading to high crime levels, particularly in our residential areas.

- The maximization of civil society"s participation in mobilizing and sustaining crime prevention initiatives.
- Creation of a dedicated and integrated crime prevention capacity, which can conduct ongoing research and evaluation of departmental and public campaigns as well as facilitating effective crime prevention programmes at provincial and local level.
- Emphasis on greater community involvement in crime prevention

The NCPS is based on the following four pillars:

- **The Criminal Justice Process** aims to make the CJS more efficient and effective. It must provide a sure and clear deterrent for criminals and reduce the risks of re-offending.

- **Reducing Crime through Environmental Design** focuses on designing systems to reduce the opportunity for crime and increase the ease of detection and identification of criminals.

- **Public Values and Education** concern initiatives aimed at changing the way communities react to crime and violence. It involves programmes which utilize public education and information in facilitating meaningful citizen participation in crime prevention.

- **Trans-national Crime** programmes aim at improving the controls over cross border traffic related to crime and reducing the refuge which the region offenders to international criminal syndicates.

6.2 The White Paper on Safety and Security 1998

The White Paper on Safety and Security (WPSS) has as its objectives to outline:

- Strategic priorities to deal with crime
- Role and responsibilities of various role players in the Safety and Security sphere
- The role of the Department of Safety and Security (now the Department of Police) within the constitutional framework.

The WPSS makes numerous, specific references to the **role of local authorities in crime prevention:**

- The internal prevention of crime i.e. within the Municipality.
- Working with the local SAPS and CPF"s in setting priorities.
- Aligning resources and objectives within a crime prevention framework.
- Ensuring that development projects take crime prevention principles into account.
- Co-ordination of crime prevention initiatives operating within the municipal area to avoid duplication.
- Effective enforcement of by-laws.
- Effective traffic law enforcement.

- Assist victims of crime with information as to support services available.
- Initiate targeted crime prevention programmes.
- Local government to play a lead role in local crime prevention, promoting crime prevention through multi-agency partnerships

6.3 The White Paper on Local Government 1998

- Accountability to consumers (communities) on service delivery
- Affording organized civil society opportunity to partner with and engage in contracts with local government to mobilize additional resources
- Emphasis on structured stakeholder involvement in certain Council committees (issue-oriented committees)

6.4 The White Paper on Traditional Leadership and Governance

- Promotes a strong relationship between the Institution and different spheres of government (particulary local government) to ensure service delivery;
- Support municipalities in the identification of community needs

7. POLICY STATEMENT, SCOPE AND OBJECTIVES

The establishment of CSFs is intended:

> *To promote the development of a community where citizens live in a safe environment and have access to high quality services at local level, through an integrated multi-agency collaboration between organs of state and various communities*

7.1 Policy Statement

CSF"s need to be established to target the root causes of particular types of crime at national, provincial and local level. It is in a better position to inform government"s economic, development and social policies for crime prevention. It is common knowledge that crime stems from a host of factors including the inadequate access of basic services such as housing, education and health as well as job creation. Surveys and reports have identified crime as a barrier to socio-economic development. This suggests that greater planning and co-ordination is required within every sphere of government, specifically on the question of crime prevention and its links to a wider array of other government functions. It also requires the involvement of a wider number of new role-players in safety and security. Important also, is the need to strengthen partnerships and co-operation among key departments in local, provincial and national spheres of government in the JCPS Cluster and other relevant clusters.

7.2 Scope of the CSF policy

The scope of the policy relates to the following:

- Joint working between organs of state and between organs of state and other agencies at all levels. This will involve local people and be responsive to the needs of particular communities and vulnerable groups
- Encouraging both practical crime prevention measures and long term strategies for tackling the causes of crime
- Ensuring that community safety is a high priority for organs of state and community formations
- Providing information, training and opportunities to share and develop good practice

The above scope will be achieved by focusing on the following:

- Reduction of local crime
- Social crime prevention
- Local safety and crime prevention
- Crime prevention through environmental design
- Encouraging and improving citizen participation in community safety initiatives
- Reducing re-offending (recidivism)
- Ensuring effective reintegration of ex-offender into the community
- Improving community cohesion and economy
- Addressing domestic violence and violence against women and children
- Addressing alcohol and substance abuse
- Ensuring safer streets and safer schools
- Ensuring safer human settlements
- Ensuring access to justice
- Promoting restorative justice
- Ensuring road transport safety; *and*
- *Any other matter which directly relates to safety and security*

7.3 Objectives of a Community Safety Forum

The main objectives of a CSF are to:

- Coordinate, synergise and promote closer co-operation and integrated planning and budgeting between government departments on matters of community safety and security

- Facilitate the implementation of government-community partnership capabilities on matters of community safety and security;

- Strategically consult and engage local communities (through organized structures) to participate in the development of local planning and monitoring of safety and security plans;

- Strategically muster community strengths to implement programmes that enhance community safety and security

8. FUNCTIONS OF A COMMUNITY SAFETY FORUM

The main functions of the CSF are to:

- Develop a local social crime prevention capacity
- Conduct a safety audit and develop a Local Crime Prevention Strategy and Plan (LCPS) based on the areas mentioned in the policy scope above
- Facilitate linkages of the LCPS with municipal IDP"s together with provincial government"s crime prevention plans.
- Coordinate, oversee, monitor and evaluate the implementation of LCPS programmes or projects.

9. POLICY IMPLEMENTATION REQUIREMENTS

There is a need to clearly specify the practical, supportive elements that are required towards a successful implementation of a collaborative CSF policy initiative. This includes, and is not limited to human, material and financial resources; and structural design and is logically connected to the roles and responsibilities.

9.1 Establishment and Location of Community Safety Forums

The provincial departments responsible for community safety and security shall be responsible for establishing CSF that is broadly representative of local community structures and organs of state. The establishment shall be subject to the directions of the Member of the Executive Council responsible for policing, in consultation with the Member of the Executive Council responsible for local government matters. The CSF structures will be located to operate within District and Local municipal (administrative and political arm) boundaries to ensure recognition of the CSF structures and accountability.

Provincial departments responsible for community safety must report to the National Secretariat as lead department on the establishment and functioning of CSF"s and their programmes. The Provincial Integrated Justice System Development Committee (Dev Com) should therefore monitor the functioning of CSF"s.

9.2 Composition of CSFs

Government is currently utilizing the cluster approach to enable different departments to coordinate service delivery. Crime prevention, safety and security responsibilities at national level are coordinated by the JCPS Cluster (currently the mandate of both IJS Development Committee and JOINTS) and the Social Cluster. The policy pronouncement proposes that co-ordination of CSF"s must be located

within the Provincial Safety and Security Departments. This is construed as referring to a provincial department facilitating an operational environment in all aspects and ultimately report and account on the operations of CSF"s.

However, service delivery remains at a local municipality level and these provincial departments are not structured at that level. At a local level, crime prevention or community safety partnerships and community development initiatives are structures that are constituted by different sectors which are core to improving levels of safety and the quality of life at the local community level. As a broad structure for integrated local crime prevention planning, coordination and implementation, CSF"s must involve participants from all three spheres of government, as well as attract community-based organizations and formations.

Government should determine and legislate for organs of state that should be constituted as role-players in CSF"s. These should include the following departments (with their agencies):

- Department of Police, which includes the SAPS; Civilian Secretariat for Police and the Provincial Departments responsible for community safety
- Department of Correctional Services (DCS)
- Department of Justice and Constitutional Development (DoJCD)
- National Prosecuting Authority (NPA)
- Department of Home Affairs (DHA)
- Department of Co-operative Governance and Traditional Affairs (COGTA)
- Metro, District and Local Municipalities (including South African Local Government Agency)
- Social Cluster Departments (in all spheres of governance)

It should be noted that the national and provincial secretariat should be the lead department together with the district and local municipality in each province. Together they should constitute the secretariat of the CSF.

A critical part of the CSF remains the community. In order to give effect to enhancing community participation in the CSF, it is incumbent on the CSF to draw in sectors from the community. It cannot represent everyone in defined communities, but base such representation on sectoral interest. It becomes unwieldy and unmanageable when the community is unorganized. Therefore, a responsibility is placed on communities to organize them on a sectoral basis in order to have representation on the CSF. Such participation must be on an organized basis and cannot include individuals or small irrelevant organisations. Such sectoral interest must be representative of the sectors in the community.

Civil society and local communities that could form part of the core in a local CSF include at least the following:

- Existing CPFs
    - Non-government organizations
    - Faith-based organizations
    - Ward councilors as ex-officio members
    - Women Formations
    - Traditional leaders

- Business sector
- Other organized community structures

Additionally, local programmes of action or IDP"s will determine which other relevant government departments and community organisations should form part of the CSF. Therefore, government should, at the very least, legislate for directly affected departments to participate in CSF"s, while allowing for local safety plans to determine additional organs of state required to effectively implement initiatives aimed at addressing the root causes of crime and community safety and security needs.

The ideal organisational representation for an effective district or local CSF should comprise all role-players. However, the boundaries should be addressed through proper alignment or demarcation processes. A Protocol document on how the organs of state will engage on CSF matters in all spheres of government, within the IGR Framework, must be developed.

9.3 Work Organisation for CSF's

- ***Local and District Level Structures***: In order to ensure that CSF"s effectively deliver on their mandate at a local and district level, there is a need to establish operational structures that are strategically configured in such a way that they address the elements that characterize the scope and objectives of the policy. These structures must be able to strategically re-organize themselves into sub-committees in order to achieve their objectives.

  The establishment and structuring of sub-committees should be guided by specific programmes where the relevant department is expected to lead, based on its portfolio or mandate. For example, in a sub-committee on transport safety, the officials from the Department of Transport will take the lead in programmes or initiatives relating to such. The district CSF and the representative of the provincial department responsible for community safety will assume the responsibility of reporting on CSF activities through the existing government cluster structures at provincial and national government.

  The provision of secretariat functions and coordination of CSF structures remains the joint responsibility of the District or Local Municipality and that of the provincial department responsible for community safety.

- ***Provincial Level*** – In order to ensure accountability by the local/district CSF"s, a provincial structure, IJS Development Committee, should be developed to ensure that relevant and required interventions are monitored and reports thereof are forwarded to the national cluster (JCPS). The provincial departments responsible for community safety, in consultation with the IJS Development Committee, will facilitate and coordinate planning, provide programme support, capacity building, mentoring, monitoring, oversight, and ensure accountability.

- ***National Level*** – The Civilian Secretariat for Police will provide vision, policy direction, oversight, strategic advice, co-ordination (though provincial departments responsible for community safety), and programme evaluation. This will be done in constant consultation with the National Development Committee of the JCPS Cluster.

9.4 Roles and Responsibilities of Core Members and Stakeholders

The policy on the establishment of CSFs will only be successful if the collaborating parties are clear about their respective roles and responsibilities. Therefore, a formal statement or concrete list defining the roles and responsibilities of the core members is necessary to determine and clarify understandings of various partners about the collaboration and the allocation.

The roles of the structures into which core members could be organized can be illustrated as follows:

Level	***Structure***	***Responsibility***
Governance Level	JCPS Cluster (Social Crime Prevention); Social Cluster (National)	Vision, Policy, Oversight, Advice, Co-ordination, Evaluation
Oversight Level	Provincial Departments responsible for community safety; Provincial Dev Com; Social Cluster (Provincial)	Planning, Co-ordination, Support, Resourcing; Capacity Building, Mentoring, Monitoring, Oversight, Accountability
Core Performance Level	CSF (metro/district/local municipality	Research, Problem Solving, Integrated Planning, Co-ordination, oversight, project implementation

Although it is rational to establish a clear and detailed allocation of roles and responsibilities at the outset, it is also important to note that these roles and responsibilities may have to be re-evaluated as timelines, political and policy contexts change. Similarly, it is envisaged that the allocation will have to be adjusted to allow for incorporation of more collaborating parties as the network on partnership towards community safety develops. These changes in the allocation of roles and responsibilities will be done in a transparent matter by the interest parties and clearly communicated among the stakeholders responsible for implementing CSF objectives.

Below is a description of the minimum responsibilities of the main organs of states and the CPF (a statutory community structure):

Department of Police, Civilian Secretariat for Police and Provincial Departments responsible for community safety:

National Level:

- Develop and review CSF Policy and relevant Legislation

- Develop national standards and regulations for CSF"s
- Monitor, evaluate and report on CSF policy implementation to JCPS

Provincial Level:

- Establish Intergovernmental Forums to enable Provincial and Local coordination of CSF work.
- Determine performance indicators for CSF structures
- Coordinate design and integration of safety plans into IDP"s jointly with local government
- Establish CSF"s at local sphere and structure them to operate according to district and/or local municipal boundaries
- Budget for and provide resources essential to ensure functionality and effectiveness of CSF"s
- Monitor, evaluate and report on CSF performance to National

The South African Police Service:

- Facilitating and maintaining a partnership between the community and the police;
- Facilitating communication between the police and the community;
- Improving the rendering of police services to the community at a local level;
- Joint identification of local policing priorities and co-ownership of problem-solving programmes at a local level;
- Conducting periodic reporting to the community (accountability)

Department of Correctional Services:

- Facilitate social acceptance and effective reintegration of ex-offenders into their communities
- Facilitate parole release programmes (pre-release, supervision and parole) with communities
- Facilitate community service programmes
- Develop and manage secure places of safety for petty offenders and children in conflict with the law
- Develop and implement social crime prevention programmes in line with the mandate

Department of Justice and Constitutional Development:

- Facilitate and promote access to justice services available to the communities (e.g. legal aid board and Thuthuzela Care Centres)
- Empower citizens to understand the Constitution, laws that impact on their lives, and access all their rights

- Ensure Restorative Justice and Alternative Dispute Resolution (ADR) initiatives
- Ensure that victim empowerment and support programmes are adopted and are run effectively to address victims" traumatic experiences
- Conduct *face-the-people* sessions on bail and sentencing (accountability) at local level

Department of Home Affairs:

- Facilitate and promote members of the public to understand and easily access Home Affairs services
- Ensure that all citizens have the necessary documentation to access government services
- Manage internal migration at local level through migration/immigration help points
- Spearhead programmes and projects concerning safety in relation to internal human movement and settlement

Department of Co-operative Governance and Traditional Affairs:

- Jointly serve as the Secretariat for CSF"s
- Provide budget and infrastructure for CSF functioning
- Develop and integrate safety/crime prevention action plans into IDP"s.
- Implement safety/crime prevention plans.
- Ensure CSF operational committee synergy.
- Develop and integrate CSF annual program of action into IDP"s.
- Demarcate operational boundaries for CSF"s.

Social Cluster Departments:

- Implement a comprehensive social security and an integrated food security programmes to the benefit of local communities
- Implement a comprehensive health care programmes at local level
- Ensure proper housing and human settlement at local level
- Ensure sustainable livelihood to improve the quality of life for local communities
- Facilitate access to education and implement safer schools programmes
- Promote social cohesion at local level through various programmes

Existing CPFs and incorporated structures:

- Identifying policing priorities with the Police;
- Joint identification and co-ownership of policing programmes;
- Reciprocal control of crime fighting programmes;
- Ensuring police accountability to the community

- Conduct other extended responsibilities on the CJS presented earlier in the document

Role of communities in Community Safety Forums

Over reliance on the government to ensure community safety and security is a recipe for failure since government needs a heightened partnership effort that musters strengths and capabilities from various sectors of the community. Although organs of state are properly structured to relevantly interact with each other in and between the national, provincial and local spheres of government, they still require a more representative, integrated and wider community participation in order to relevantly root their programmes among the very object of their service delivery. Therefore, the inclusive participation of the community to ensure that CSF programmes are implemented with high impact is unequalled.

As an integral part of implementing community safety initiatives, the communities, through established sectoral interests such as business and religious forums and other organized community structures, should be mobilized to take the initiative on issues pertaining to community safety and security; and be allowed to also participate in decision-making, though involved consultations between them and organs of state.

10. BUDGETING, RESOURCES AND SUPPORT SYSTEMS FOR COMMUNITY SAFETY FORUMS

Cabinet adopted the WPSS prior to the formulation of the White Paper on Local Government and Municipal Systems Act (Act 32 of 2000) which requires local authorities to develop IDP"s. IDP"s contain various development needs of residents, including law enforcement and community safety. In formulating IDP"s acceptable scientific tools should be utilised to determine municipal-wide safety priorities.

In line with the above, local government should provide a budget for safety intervention and identified crime prevention programmes through the IDP"s. This option is supported by existing policies requiring local government to create a safe environment using their own budget. The objectives of the local sphere of government are outlined in section 152 (1) (a - e) of the Constitution of South Africa (Act 108 of 1996). Object D stipulates that local government must “promote a safe and healthy environment”. This object creates a broad legislative safety mandate for the local sphere of government that extends beyond disaster management and traffic control.

Section 152 (2) clearly outlines that the objects of local government listed in section 152 (1) (a – e) must be met within municipal budgets and within their administrative capacity. The two sections of the Constitution create an obligation on municipalities to make available a budget for community safety. This option is grounded in policy and creates a safety funding obligation for local governments.

However, not all municipalities have the financial means to establish and resource municipal police departments, as some municipalities are indigent, unable to generate their own revenue and predominantly depend on the national, provincial and district governments‟ conditional and non-conditional financial grants for their survival and operation. Accordingly, such municipalities might not prioritise safety in their budgets. For this reason, the White Paper for Safety and Security (1998) required the provincial departments responsible for community safety to extend their financial and administrative assistance to such indigent municipalities to enable them to meet their safety obligations.

A CSF, as a structure representing a collaborative and intergovernmental approach, depends on an integrated budgetary process in terms of which government and the JCPS cluster priorities can be determined and resourced collectively. Therefore, there is a need for participating organs of state to allocate dedicated funding for the establishment and operation of CSF initiatives. This should be done through a properly integrated and inclusive government strategic planning and budgeting process and be prioritized in the Medium Term Budget Policy Strategy (MTBPS) and Medium Term Expenditure Framework (MTEF). This will further ensure sustainability of all CSF initiatives. All municipalities must annually budget and plan, together with provincial organs of state, for CSF programmes.

Financial support may be disbursed on administrative (secretariat) and project activities addressing issues of safety and security such as domestic violence, gangs, victims of crime, etc.

11. MONITORING, EVALUATION AND ACCOUNTABILITY OF CSFS

Monitoring and evaluation is a systematic process that sets out a methodology agreed upon by the stakeholders in order to monitor, measure and assess the quality of the partnership process and results (both intended and unexpected) arising from the collaborative community safety policy implementation. The process usually involves the use of indicators to help measure process, outputs and outcomes of the community safety partnership initiatives.

When done by an external body or structure, monitoring and evaluation provides an external or „objective‟ view of the collaborative initiative to determine what was actually achieved by the community safety policy. Identifying what worked and the reasons thereof allows for the replication of successful approaches.

The monitoring process assists to determine the necessary mid-project corrections, thereby improving the quality of the current partnership initiative. The evaluation process helps to determine shortfalls, thereby making future collaborative processes more efficient and effective. Evaluation can also highlight unexpected outcomes which may be just as important and can lead to future valuable planning lessons precisely because they were not foreseen at the outset of the community safety policy implementation. Furthermore, evaluation can point out results that otherwise might not have been identified, thereby enhancing the morale of the partnership.

Monitoring and evaluation, which also includes oversight and accountability, should be done at local, provincial and national levels.

12. MINIMUM STANDARDS FOR CSFS

The following serve as the irreducible minimum standards that should be considered for implementing CSF"s:

- CSF must be established within Local and District municipal boundaries.
- Stakeholder representation must be at decision making level
- Municipalities must, together with the provincial departments responsible for community safety, co-ordinate all CSF activities
- The Civilian Secretariat for Police should build internal (within the municipality) and external (involving communities) capacity to ensure CSF functionality, effectiveness and sustainability
- CSF programmes, as presented in the policy scope, must comprise the integral part of the IDP"s
- The CSF"s shall be directly accountable to the community in which they operate for the implementation of effective programmes aimed at improving community safety. Therefore, the CSF"s shall do everything in their power to ensure that community needs in terms of safety and security are understood and addressed.
- Each sphere of government and organisation shall be directly accountable to their respective Treasury for the effective use of allocated funds, and for the value realised from implementing their strategic initiatives.
- The organs of state participating in the CSF"s shall be accountable to the relevant institutions and/or accountability structures of government.
- Each CSF shall table to the appropriate forums their quarterly progress reports and one annual report, as a minimum. Such reports will describe any progress made, as well as its impact, and detail the value generated from resources utilised and integrated in the expenditure reports.
- The CSF"s shall, for the benefit of communities, as a minimum, publish a summarized report of the work carried out in each quarter in a local newspaper or newsletter. In publishing the reports, the CSF"s must use a language and medium that will be understood by the residents concerned.

13. CONCLUSION

This document provides possible policy implementation options as recommendations based on literature reviewed and audits conducted to determine practical experiences on the ground. These policy implementation options partly include undocumented knowledge and experience of experts and policy makers in the field of coordination, community policing and safety forums, crime prevention partnerships and community safety.

ANNEXURE ONE

DIAGRAM 1
Establishment and functioning of CSFs



DIAGRAM TWO
CSF STRUCTURE

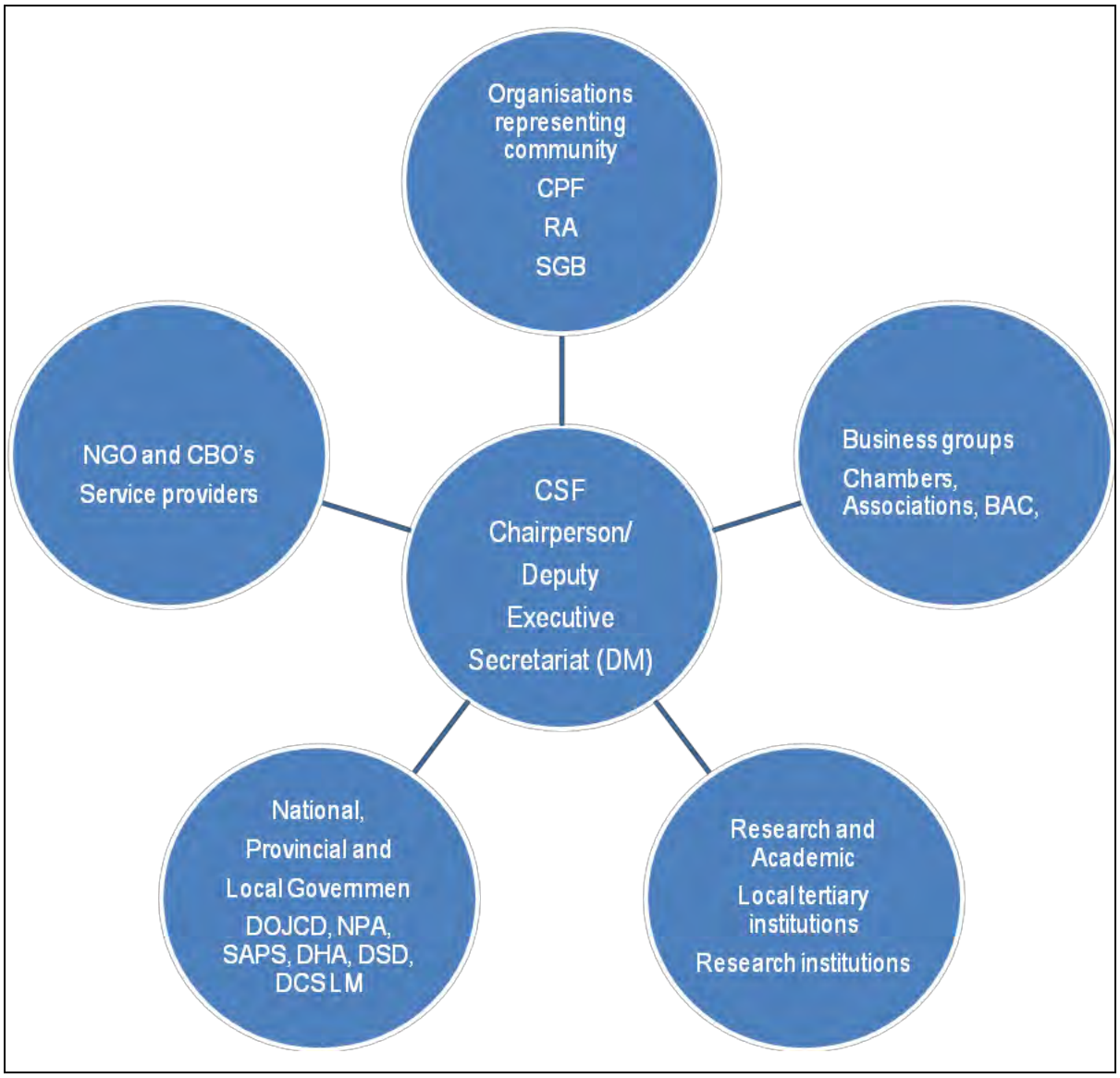
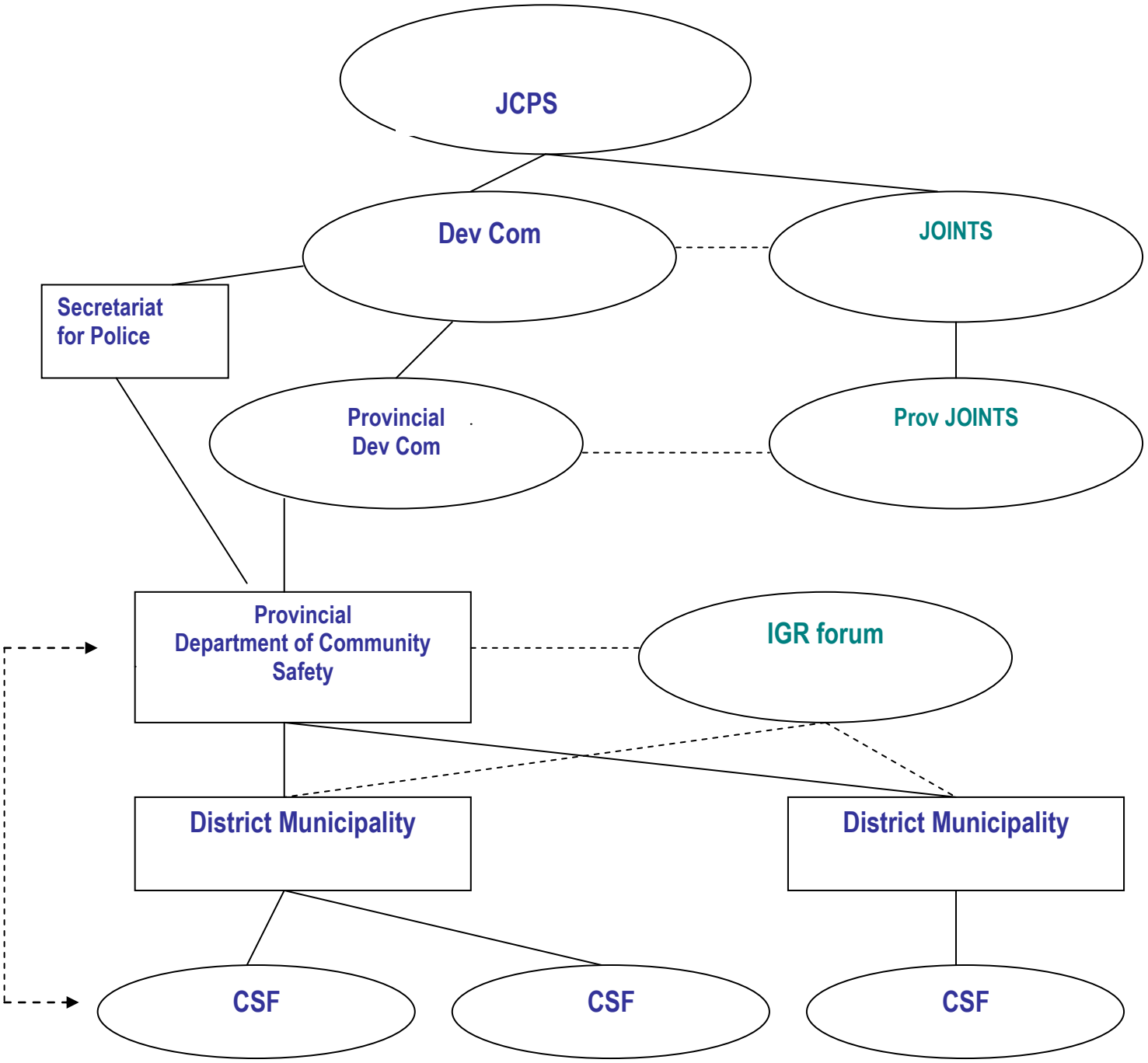


DIAGRAM THREE
CSF REPORTING AND CO-ORDINATION: REPORTING LINES ON CSFS



____ Solid lines represents direct responsibility, accountability and reporting on CSFs

------ Dotted lines represent communication and feedback re CSFs

APPENDIX B

Please note that most Acts are published in English and another South African official language. Currently we only have capacity to publish the English versions. This means that this document will only contain even numbered pages as the other language is printed on uneven numbered pages.

Government Gazette

REPUBLIC OF SOUTH AFRICA

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THE PRESIDENCY

No. 426 16 March 2011

It is hereby notified that the President has assented to the following Act, which is hereby published for general information:–

No. 2 of 2011: Civilian Secretariat for Police Service Act, 2011.

AIDS HELPLINE: 0800-123-22 Prevention is the cure

GENERAL EXPLANATORY NOTE:

[ ] Words in bold type in square brackets indicate omissions from existing enactments.

Words underlined with a solid line indicate insertions in existing enactments.

(English text signed by the President)
(Assented to 12 May 2011)

ACT

To provide for the establishment of a Civilian Secretariat for the Police Service in the Republic; to define the objects, functions and powers of the Civilian Secretariat, and for this purpose to align the operations of the Civilian Secretariat in the national and provincial spheres of government and reorganise the Civilian Secretariat into an effective and efficient organ of state; to regulate the appointment, duties and functions, powers and removal from office of the Secretary for the Police Service and heads of provincial secretariats; to provide for the establishment of a senior management forum and a Ministerial Executive Committee; to provide for co-operation between the Civilian Secretariat and the Independent Police Investigative Directorate; to provide for co-operation between the Civilian Secretariat and the South African Police Service; to provide for intervention into the affairs of provincial secretariats by the Civilian Secretariat; and to provide for matters connected therewith.

PREAMBLE

WHEREAS every person has the right to life and the right to security of the person, which includes, among other things, the right to be free from all forms of violence from either public or private sources;

AND WHEREAS the Constitution places a duty on the State to respect, protect, promote and fulfil the fundamental rights in the Bill of Rights;

AND WHEREAS the adequate protection, promotion and fulfilment of such rights are fundamental to the well-being and social and economic development of every person;

AND WHEREAS the Constitution provides for the police service to combat and investigate crime, to maintain public order, to protect and secure the inhabitants and their property, and to uphold and enforce the law throughout the territory of the Republic;

AND WHEREAS there is a need to promote democratic accountability, transparency and openness within the police service and to ensure co-operation between the police service and the communities it serves;

AND HAVING REGARD to section 208 of the Constitution, which stipulates that a civilian secretariat for the police service must be established by national legislation to function under the direction of the Cabinet member responsible for policing,

BE IT THEREFORE ENACTED by the Parliament of the Republic of South Africa, as follows:—

ARRANGEMENTS OF SECTIONS

CHAPTER 1

INTERPRETATION, APPLICATION AND OBJECTS OF ACT

1. Definitions
2. Application of Act
3. Objects of Act

CHAPTER 2

CIVILIAN SECRETARIAT FOR POLICE SERVICE

4. Establishment of Civilian Secretariat
5. Objects of Civilian Secretariat
6. Functions of Civilian Secretariat

CHAPTER 3

SECRETARY FOR POLICE SERVICE

7. Appointment of Secretary
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CHAPTER 1

INTERPRETATION, APPLICATION AND OBJECTS OF ACT

Definitions

1. In this Act, unless the context indicates otherwise—

"Civilian Secretariat" means the national Civilian Secretariat for the Police Service established in terms of section 4(1) of this Act;

"Committee" means the Ministerial Executive Committee established under section 27(1);

"Constitution" means the Constitution of the Republic of South Africa, 1996;

"Department" means the national Department of Police;

"Directorate" means the Independent Police Investigative Directorate established in terms of section 3 of the Independent Police Investigative Directorate Act, 2010;

"Executive Director" means the Executive Director appointed in terms of section 6(1) of the Independent Police Investigative Directorate Act, 2010;

"forum" means the senior management forum established under section 24;

"head of a provincial department" means the head of a department responsible for safety and security in a province;

"head of a provincial secretariat" means the head of a provincial secretariat appointed in terms of section 18(1);

"member" means a member as defined in section 1 of the South African Police Service Act;

"MEC" means the Member of the Executive Council of a province responsible for policing in the province;

"Minister" means the member of the Cabinet responsible for policing;

"organ of state" means an organ of state concerned with matters relating to the police service;

"police official" means the police official as defined in section 1 of the South African Police Service Act;

"police service" means the South African Police Service established in terms of section 5(1) of the South African Police Service Act;

"prescribe" means prescribe by regulation;

"provincial department" means the department responsible for safety and security services in a province falling under the relevant MEC;

"provincial secretariat" means a provincial secretariat established in terms of section 16;

"regulation" means a regulation made under this Act;

"Secretariat" means the Civilian Secretariat for the Police Service established in terms of section 4(1);

"Secretary" means the Secretary for the Police Service appointed in terms of section 7(1);

"South African Police Service Act" means the South African Police Service Act, 1995 (Act No. 68 of 1995); and

"this Act" includes the Schedule, regulations and any rules, directives or instructions made under it.

Application of Act

2. All organs of state must accord such assistance as may be reasonably required to ensure the effective functioning of the Civilian Secretariat in terms of this Act.

Objects of Act

3. The objects of this Act are to—

(a) give effect to section 208 of the Constitution by establishing the Civilian Secretariat to function under the direction of the Minister;

(b) provide for civilian oversight of the police service;

(c) provide for the functions and powers of the Civilian Secretariat;

(d) provide for the establishment, composition and functions of the ministerial executive committee as required by section 206(8) of the Constitution;

(e) provide for the establishment, composition and functions of the senior management forum;

(f) provide for co-operation with the Independent Police Investigative Directorate and the South African Police Service; and

(g) provide for intervention by the Civilian Secretariat into the affairs of a provincial secretariat.

CHAPTER 2

CIVILIAN SECRETARIAT FOR POLICE SERVICE

Establishment of Civilian Secretariat

4. (1) The Civilian Secretariat for the Police Service contemplated in section 208 of the Constitution is hereby established.

(2) The Civilian Secretariat is hereby established as a designated department at the national level.

(3) The Secretary is the accounting officer of the Civilian Secretariat and must comply with the provisions of the Public Finance Management Act, 1999 (Act No. 1 of 1999).

(4) The Civilian Secretariat established in terms of subsection (1) must exercise its powers and perform its functions without fear, favour or prejudice in the interest of maintaining effective and efficient policing and a high standard of professional ethics in the police service.

(5) Provincial secretariats contemplated in sections 16 and 17 must assist the Civilian Secretariat to achieve its objects, and perform functions and exercise powers of the Civilian Secretariat in the provincial sphere of government in accordance with the principles of co-operative government and intergovernmental relations contained in Chapter 3 of the Constitution.

(6) The Civilian Secretariat is financed from monies appropriated by Parliament.

Objects of Civilian Secretariat

5. The objects of the Civilian Secretariat are to—

(a) exercise civilian oversight over the police service;

(b) give strategic advice to the Minister in respect of developing and implementing policies;

(c) provide administrative support services to the Minister to ensure South Africa's engagement with relevant international obligations;

(d) liaise and communicate with stakeholders;
(e) implement a partnership strategy to mobilise roleplayers and stakeholders to strengthen service delivery by the police service to ensure the safety and security of communities;
(f) implement, promote and align the operations of the Civilian Secretariat in the national and provincial spheres of government;
(g) co-ordinate the functions and powers of the Civilian Secretariat in the national and provincial spheres of government;
(h) promote co-operation between the Civilian Secretariat, the police service and the Directorate; and
(i) provide guidance to community police fora and associated structures and facilitate their proper functioning.

Functions of Civilian Secretariat

6. (1) The Civilian Secretariat must, in order to achieve its objects—
(a) monitor the performance of the police service and regularly assess the extent to which the police service has adequate policies and effective systems and to recommend corrective measures;
(b) monitor the utilisation of the budget of the police service to ensure compliance with any policy directives or instructions of the Minister;
(c) monitor and evaluate compliance with the Domestic Violence Act, 1998 (Act No. 116 of 1998);
(d) make recommendations to the police service on disciplinary procedures and measures with regard to non-compliance with the Domestic Violence Act, 1998;
(e) consider such recommendations, suggestions and requests concerning police and policing matters as it may receive from any source;
(f) conduct or cause to be conducted any research as it may deem necessary;
(g) enter into either memoranda of understanding or agreements or both, in consultation with the Minister, with civilian oversight groups and other parties and engage such groups and parties to strengthen co-operation between the various roleplayers;
(h) advise and support the Minister in the exercise of his or her powers and the performance of his or her functions;
(i) provide the Minister with regular reports with regard to—
(i) the performance of the police service; and
(ii) implementation of and compliance by the police service with policy directives issued or instructions made by the Minister; and
(j) assess and monitor the police service's ability to receive and deal with complaints against its members.

(2) The Civilian Secretariat must, for the purpose of subsection (1), establish competencies and capabilities in its operations in order to—
(a) (i) conduct research into any policing matter and report to the Secretary thereon;
(ii) provide policy advice to the Minister through the Secretary;
(iii) make available recent, relevant and evidence-based research to the Minister and to Parliament;
(iv) create a resource information centre; and
(v) develop at least one civil society reference group;
(b) (i) conduct quality assessment of the police service and monitor and evaluate its performance;
(ii) identify problem areas for early interventions;

(iii) review police practices and develop best practice models;
(iv) recommend steps for improved service delivery and police effectiveness;
(v) develop frameworks and strategies to ensure improved police accountability; and

(c) (i) facilitate and implement intergovernmental co-operation on safety;
(ii) conduct ongoing interaction with citizens in the manner contemplated by this Act;
(iii) enhance the quality and accessibility of safety programmes through improved participation by the community;
(iv) encourage national dialogue on safety and crime prevention;
(v) facilitate pro-active and interventionist models in communities;
(vi) co-ordinate efforts to deal with challenges faced by the police service as requested by the Minister;
(vii) develop frameworks and strategies to ensure uniformity, accountability and enhancement of community police fora and associated structures; and
(viii) maximise capacity and expertise in the Civilian Secretariat.

CHAPTER 3

SECRETARY FOR POLICE SERVICE

Appointment of Secretary

7. (1) The Minister must, subject to the laws governing the public service, appoint a person as Secretary for the Police Service.

(2) The Secretary is appointed for a term of five years, which is renewable for one additional term only, subject to terms and conditions of service under the laws governing the public service.

(3) The Secretary must be a citizen of the Republic and be a fit and proper person with appropriate knowledge, experience or qualifications.

(4) The Secretary must not be a member or former member of the police service of the Republic contemplated in section 199(1) of the Constitution.

Duties and functions

8. (1) The Secretary—

(a) is responsible for the performance of the functions of the Civilian Secretariat and, for this purpose, is the—
(i) head and accounting officer of the Civilian Secretariat; and".
(ii) adviser to the Minister on police and policing policy matters;

(b) takes all decisions relating to the functions of the Civilian Secretariat referred to in section 6;

(c) performs any function assigned to the Civilian Secretariat in terms of this Act or any other Act or memoranda of understanding or agreement referred to in section 6(1)*(g)*;

(d) monitors and evaluates the activities and performance of the Civilian Secretariat; and

(e) ensure the effectiveness and efficiency of the Civilian Secretariat.

(2) As head and accounting officer of the Civilian Secretariat, the Secretary is responsible for the—

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(a) administration and management of the budget of the Civilian Secretariat;
(b) proper and diligent implementation of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
(c) development and organisation of an efficient administration within the Civilian Secretariat;
(d) establishment of the staff component in accordance with the laws governing the public service; and
(e) appointment of such staff as may be necessary to enable the Civilian Secretariat to perform its functions in terms of this Act.

(3) As adviser to the Minister, the Secretary must—
(a) oversee, and advise the Minister on, the implementation of policy directives or instructions issued or made by the Minister;
(b) provide the Minister with the necessary support service to ensure compliance with relevant international obligations;
(c) monitor utilisation of the budget of the police service to ensure compliance with any policy directives or instructions of the Minister;
(d) present legislation in Parliament as determined by the Minister;
(e) perform such functions as the Minister may consider necessary or expedient to ensure police civilian oversight; and
(f) any other function assigned to the Secretary as may be determined by the Minister.

(4) The Secretary must, in consultation with the Minister and subject to the laws governing the public service, appoint employees, either full-time or part-time, to the Civilian Secretariat to assist the Secretary to perform the functions or exercise the powers of the Civilian Secretariat, or both, as may be necessary.

(5) The provisions of this section, in so far as it relates to the Secretary as accounting officer of the Civilian Secretariat, will only come into operation when the Civilian Secretariat becomes a designated department.

Powers

9. The Secretary may do all that is reasonably necessary or expedient to perform the functions of the Civilian Secretariat properly, including—
(a) entering any building or premises under the control of the police service;
(b) requesting and obtaining information and documents relating to any matter under the control of the police service;
(c) requesting, and be entitled to, all reasonable assistance by a member;
(d) obtaining the assistance of any state department, functionary or institution, to perform any specific act or function within the competency of the Civilian Secretariat;
(e) performing any specific act or function within its competence on behalf of any other person, including any state department, functionary or institution; and
(f) performing legal acts, or instituting or defending any legal action in the name of the Civilian Secretariat.

Delegation of powers and assignment of duties

10. (1) Subject to subsection (2), the Secretary may—

(a) delegate to any person in the employ of the Civilian Secretariat any power conferred upon the Secretary by or under this Act, excluding the power referred to in this subsection or in section 9*(f)*; and

(b) authorise any person in the employ of the Civilian Secretariat to perform any duty assigned to the Secretary by or under this Act, on such terms and conditions as the Secretary may determine.

(2) A delegation or authorisation in terms of subsection (1)—

(a) must be in writing; and

(b) may at any time be amended or revoked by the Secretary.

Removal from office

11. The Minister may remove the Secretary from office on account of—

(a) misconduct;

(b) ill health; or

(c) inability to perform the duties of that office effectively.

Vacancy

12. (1) When the Secretary is unable to perform the functions of office, or during a vacancy in the office of Secretary, the Minister may designate another person to act as Secretary until the Secretary returns to perform the functions of office or the vacancy is filled.

(2) The provisions of section 7(1), (3) and (4) apply to the designation or filling of a vacancy in terms of subsection (1).

(3) In the case of a vacancy, the Minister must fill the vacancy within a reasonable period of time, which period must not exceed one year.

Reporting

13. The Secretary must submit quarterly reports to the Minister and the parliamentary committees responsible for police on the activities of the Civilian Secretariat.

Finances and accountability

14. (1) The Secretary—

(a) must, subject to the Public Finance Management Act, 1999 (Act No. 1 of 1999)—

(i) be charged with the responsibility of accounting for money received or paid out for or on account of the office of the Civilian Secretariat;

(ii) cause the necessary accounting and other related records to be kept; and

(b) may exercise such powers and perform such duties as may from time to time be conferred upon or assigned to him or her, and in respect thereof be accountable to the Minister.

(2) The records referred to in subsection (1)*(a)* must be audited by the Auditor-General.

Annual report

15. (1) The Secretary must prepare and submit to the Minister an annual report in a form prescribed by the Minister within five months after the end of the financial year.

(2) The annual report referred to in subsection (1) must include the following documents:

(a) The audited financial statements prepared in terms of this Act;
(b) the Auditor-General's report; and
(c) a detailed report on the activities of the Civilian Secretariat undertaken during the year to which the audit relates.

(3) The Minister must table in Parliament a copy of the annual report, financial statements and the audit report on those statements within one month after receipt thereof if Parliament is then in session, or if Parliament is not then in session, within one month after the commencement of its next ensuing session.

(4) The Secretary must publish the annual report, financial statements and the audit report on those statements.

CHAPTER 4

PROVINCIAL SECRETARIATS

Constitution of provincial secretariats

16. Subject to section 17, each MEC must constitute a provincial secretariat for that province, within 18 months after the commencement of this Act, to support and align the mandate of that provincial secretariat with the mandate of the Civilian Secretariat: Provided that the date on which a provincial secretariat comes into operation, will be determined by the MEC in consultation with the Minister.

Functions of provincial secretariats

17. (1) In order to support the objects of the Civilian Secretariat referred to in section 5 and subject to the principles of co-operative governance and intergovernmental relations contained in Chapter 3 of the Constitution, each provincial secretariat must—

(a) align its plans and operations at the provincial sphere of government with the plans, policies and operations of the Civilian Secretariat; and
(b) integrate its strategies and systems at the provincial sphere of government with the strategies and systems of the Civilian Secretariat.

(2) The provincial secretariat must, for purposes of subsection (1), establish competencies and capabilities in its operations, to—

(a) (i) monitor and evaluate the implementation of policing policy in the province;
(ii) evaluate and monitor police conduct in the province;
(iii) develop and evaluate safety models and monitoring tools to ensure alignment with the functions of the Civilian Secretariat;
(iv) assist the Civilian Secretariat with any monitoring and evaluation projects; and
(b) (i) promote community police relations;
(ii) establish and promote partnerships; and
(iii) manage the enhancement of community safety structures with the province.

Appointment of heads of provincial secretariats

18. (1) The MEC must, in consultation with the Minister and subject to the laws governing the public service, appoint the head of a provincial secretariat in the province.

(2) The head of a provincial secretariat is appointed for a five-year term which is renewable for one additional term only, subject to terms and conditions of service under the laws governing the public service.

(3) The head of a provincial secretariat must be a citizen of the Republic and be a fit and proper person, with appropriate knowledge, experience or qualifications.

(4) The head of a provincial secretariat must not be a member or former member of the police service of the Republic contemplated in section 199(1) of the Constitution.

Duties and functions

19. The head of a provincial secretariat—

(a) is responsible for the performance of the functions of a provincial secretariat as contemplated in section 17 or such duties and functions assigned to the head of a provincial secretariat by the Secretary in terms of section 10;

(b) is responsible for the resources and the employees of a provincial secretariat in the province;

(c) must take all decisions necessary or expedient for performance of the functions of a provincial secretariat referred to in section 17 or otherwise assigned to him or her by the Secretary in terms of section 10 or by the MEC of the province concerned;

(d) must monitor that national policing policies and directives issued or made by the Minister are implemented by the police service in the province and reports thereon are submitted to the head of a provincial department, the MEC and the Secretary;

(e) must evaluate and review practices, methodologies and performance of the police service in the province, submit reports thereon to the head of a provincial department and the MEC and submit copies thereof to the Secretary; and

(f) must perform such functions as the head of a provincial department or the MEC may consider necessary or expedient to ensure civilian oversight over police in the province.

Removal from office

20. The MEC may, after consultation with the Minister, remove the head of the provincial secretariat from office on account of—

(a) misconduct;

(b) ill health; or

(c) inability to perform the duties of that office effectively.

Vacancies

21. (1) When the head of a provincial secretariat is unable to perform the functions of office, or during a vacancy in the office of the head of a provincial secretariat, the MEC may, after consultation with the Minister, designate another person to act as head of the provincial secretariat until the head of a provincial secretariat returns to perform the functions of office or the vacancy is filled.

(2) The provisions of section 18(1), (3) and (4) apply to the designation or filling of a vacancy in terms of subsection (1).

(3) In the case of a vacancy, the MEC must fill the vacancy within a reasonable period of time, which period must not exceed six months.

Reporting and referrals

22. (1) The head of a provincial secretariat in each province must, through the head of a provincial department, submit to the MEC and the Secretary quarterly reports on the activities of a provincial secretariat in the province, and on any matter as or when required by the Secretary.

(2) The head of a provincial department must submit regular reports to the MEC and the relevant committee in the provincial legislature.

(3) The head of a provincial department in each province must—

(a) through the MEC, table an annual report in the provincial legislature on the activities of a provincial secretariat in the province; and

(b) submit a copy of the annual report tabled in terms of paragraph *(a)* to the Secretary.

CHAPTER 5

CO-OPERATIVE FRAMEWORK

Part 1

Secretary and heads of provincial departments

Secretary and heads of provincial departments

23. (1) The Secretary and heads of provincial departments must meet at least on a quarterly basis to—

(a) ensure alignment between the provincial secretariats and the Civilian Secretariat of their respective—

(i) annual strategic and performance plans; and

(ii) priorities, objectives and strategies;

(b) identify any other matter of strategic importance within each province;

(c) discuss performance of the police service in the province in order to identify best practices, to detect failures and to recommend preventative or corrective action when necessary;

(d) ensure regular reporting on matters specific to the performance of the police service in the province; and

(e) prepare for meetings of the Ministerial Executive Committee, the relevant Cabinet cluster committee or any other forum.

(2) The Secretary convenes, determines the agenda for and presides at the meetings referred to in subsection (1), and his or her office is responsible for providing administrative and other support services to the meetings.

(3) The Secretary may invite any person as he or she may consider necessary to attend the meetings referred to in subsection (1).

Part 2

Senior management forum

Establishment of forum

24. There is hereby established a forum to be known as the senior management forum.

Composition and functions of forum

25. (1) The forum established in terms of section 24 consists of—

(a) the Secretary, who is the chairperson of the forum;

(b) the heads of provincial secretariats;

(c) senior management staff from the Civilian Secretariat; and

(d) senior management staff from each provincial secretariat.

(2) The forum meets at least bi-monthly to—

(a) report on the activities of a provincial secretariat in each province; and

(b) facilitate interaction and co-operation amongst the provincial secretariats.

(3) The Secretary convenes, determines the agenda for and presides at the meetings referred to in subsection (2), and his or her office is responsible for providing administrative and other support services to the meetings.

(4) The Secretary may invite any person as he or she may consider necessary to attend meetings referred to in subsection (2).

Part 3

Intervention by Civilian Secretariat

Intervention by Civilian Secretariat

26. (1) Notwithstanding the provisions of this Chapter, the Minister may, after consultation with the relevant MEC, instruct the Civilian Secretariat to intervene in the affairs of a provincial secretariat in accordance with section 100 of the Constitution—

(a) when that provincial secretariat is unable to perform its functions effectively; or

(b) when that provincial secretariat cannot fulfil its obligations in terms of this Act,

and take appropriate steps to ensure proper fulfilment of its functions in terms of this Act.

(2) Nothing in this Part precludes the Minister from instructing the Civilian Secretariat to perform such functions contemplated by this Act in a province.

Part 4

Ministerial Executive Committee

Establishment of Ministerial Executive Committee

27. There is hereby established a Committee to be known as the Ministerial Executive Committee, as contemplated in section 206(8) of the Constitution.

Composition of Committee

28. The Committee consists of—

(a) the Minister, who is the chairperson of the Committee;

(b) the MEC from each province; and

(c) any other member the Minister may consider necessary.

Functions of Committee

29. (1) The functions of the Committee are to—

(a) facilitate close co-operation between the national and provincial spheres of government;

(b) discuss matters of common interest or those emanating from reports of the Civilian Secretariat; and

(c) discuss any other policing matter relevant to the functions of the MEC from each province.

(2) The Secretary or his or her office is responsible for—

(a) providing administrative and other support services to the Committee; and

(b) liaising and consulting with heads of provincial departments to ensure provincial issues are part of the agenda of the Committee.

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Meetings

30. (1) The Minister convenes and determines the agenda for meetings of the Committee.

(2) Suggestions for inclusion in the agenda for a meeting may be submitted to the Minister in terms of a framework determined by the Minister.

Part 5

Co-operation with Independent Police Investigative Directorate

Co-operation with Independent Police Investigative Directorate

31. (1) The Civilian Secretariat must consider reports received from the Executive Director in terms section 9 of the Independent Police Investigative Directorate Act, 2010.

(2) The Civilian Secretariat must monitor the implementation by the police service of the recommendations made by the Directorate and provide the Minister with regular reports on steps taken by it to ensure compliance, and a copy thereof must be sent to the Executive Director.

(3) The Secretary and the Executive Director must ensure the necessary co-operation for the proper functioning of the Consultative Forum contemplated in Chapter 4 of the Independent Police Investigative Directorate Act, 2010.

Part 6

Co-operation with South African Police Service

Co-operation with South African Police Service

32. The members must provide their full co-operation to the Civilian Secretariat and where so required to a provincial secretariat, including but not limited to—

(a) assisting the Civilian Secretariat with the necessary information and records in the manner prescribed to perform its monitoring function in relation to oversight of the police service in terms of this Act;

(b) assisting the Civilian Secretariat to monitor and evaluate compliance with the Domestic Violence Act, 1998 (Act No. 116 of 1998); and

(c) any other information or documentation as may be required by the Civilian Secretariat in order to fulfil its functions in terms of this Act.

CHAPTER 6

REGULATIONS, TRANSITIONAL PROVISIONS, AMENDMENT AND REPEAL OF LAWS, SHORT TITLE AND COMMENCEMENT

Regulations

33. (1) The Minister may, after consultation with the Secretary, make regulations regarding—

(a) any matter which in terms of this Act may or must be prescribed;

(b) any action in order to promote compliance with this Act; and

(c) any ancillary or incidental matter that it is necessary to prescribe for the proper implementation or administration of this Act.

(2) Regulations with regard to the implementation of this Act must be submitted to the Minister by the Secretary within three months of the commencement of this Act.

(3) The regulations referred to in subsection (1) must be submitted to Parliament for notification purposes before promulgation.

Transitional provisions

34. (1) A Civilian Secretariat for the police service in existence immediately before the commencement of this Act continues as the Civilian Secretariat for the police service contemplated in section 4(1).

(2) Any provincial secretariat structure in existence at the provincial sphere of government immediately before the commencement of this Act continues subject to section 16.

(3) Any person who immediately before the commencement of this Act served in the post of Secretary or head of a provincial secretariat, as the case may be—

(a) must be regarded as having been appointed in terms of section 7(1) or section 18(1); and

(b) continues to serve in that capacity under the terms and conditions of service of his or her existing appointment for the remainder of the period of service in terms of such appointment.

(4) Subject to subsection (1), any personnel who immediately before the commencement of this Act served in any post in the Civilian Secretariat—

(a) must be regarded as having been appointed in terms of sections 8(2)*(e)* and 8(4); and

(b) continue to serve in that capacity under the terms and conditions of service of his or her appointment for the remainder of the period of service in terms of such appointment.

(5) Any assessment, evaluation or project instituted by the Civilian Secretariat in terms of the South African Police Service Act which was pending, continues as if this Act had not been passed.

(6) Decisions of the Civilian Secretariat in force immediately before the commencement of this Act remain in force until amended, replaced or rescinded by the Civilian Secretariat.

(7) The reports of the Secretary in terms of section 13 must include progress made in respect of the establishment of provincial secretariats until such time as provincial secretariats are established and functioning in the provinces.

Amendment and repeal of laws

35. The laws mentioned in the Schedule are hereby amended and repealed to the extent set out in third column of that Schedule.

Short title and commencement

36. (1) This Act is called the Civilian Secretariat for Police Service Act, 2011, and takes effect on a date determined by the President by proclamation in the *Gazette*.

(2) The provisions of sections 4(2) and (3), and 14 shall come into operation on a date determined by the President by proclamation in the *Gazette*.

(3) Different dates may be determined under subsection (2) in respect of different provisions of this Act.

SCHEDULE

Laws amended and repealed (section 35)

Number and year of law	Short title	Extent of repeal or amendment
Act 68 of 1995	South African Police Service Act	**Amendment of section 1 of Act 68 of 1995, as amended by section 1 of Act 41 of 1997 and section 1 of Act 83 of 1998** **1.** Section 1 of the South African Police Service Act is hereby amended— *(a)* by the substitution for the definition of **"secretariat"** of the following definition: **"secretariat"** means the **[Secretariat for Safety and Security established under section 2(1)]** Civilian Secretariat for the Police Service established in terms of section 4(1) of the Civilian Secretariat for Police Service Act, 2010;"; *(b)* by the substitution for the definition of **"Secretary"** of the following definition: **"Secretary"** means the Secretary **[for Safety and Security appointed under section 2(2)]** for the Police Service appointed in terms of section 7(1) of the Civilian Secretariat for Police Service Act, 2010;". **Repeal of section 2 of Act 68 of 1995** **2.** Section 2 of the Act is hereby repealed.

Number and year of law	Short title	Extent of repeal or amendment
		3. The substitution for the words **"Secretary for Safety of Security"**, wherever they occur in the Act, of the words **"Secretary for the Police Service"**.
Act 60 of 2000	Firearms Control Act, 2000	**Amendment of section 1 of Act 60 of 2000, as amended by section 1 of Act 43 of 2003 and Act 28 of 2006** **1.** Section 1 of the Firearms Control Act, 2000, is hereby amended by the substitution for the definition of: **"Secretary for Safety of Security"** of the following definition: **"Secretary for the Police Service"** means the Secretary for the Police Service appointed in terms of section 7(1) of the Civilian Secretariat for Police Service Act, 2010;". **2.** The substitution for the words **"Secretary for Safety of Security"**, wherever they occur in the Act, of the words **"Secretary for the Police Service"**.

11.2	**CORPORATE SERVICES: (PC: CLLR L NKAMISA)**

11.2.1	**SUBJECT: DUALLING OF LOWER DORP STREET PROPOSED EXCHANGE OF LAND: REMGRO: PORTIONS OF ERVEN 705, 4080 AND 8719 FOR PORTIONS OF ERVEN 7592 AND 7596, STELLENBOSCH**

Collaborator No:
IDP KPA Ref No: **Good Governance**
Meeting Date: **23 March 2022 and 30 March 2022**

1. SUBJECT: DUALLING OF LOWER DORP STREET PROPOSED EXCHANGE OF LAND: REMGRO: PORTIONS OF ERVEN 705, 4080 AND 8719 FOR PORTIONS OF ERVEN 7592 AND 7596, STELLENBOSCH

2. PURPOSE

To inform Council of the need to dual lower Dorp street and to get council's approval of how the land that is needed will be obtained. One of the options is a possible land swap.

3. DELEGATED AUTHORITY

Council must consider the matter.

4. EXECUTIVE SUMMARY

During 2017 and 2018 Stellenbosch Municipality approved developments on erven 7586, 7588 and 7592, subject to certain conditions. One of the conditions was that lower Dorp street need to be dualling and for this purpose Stellenbosch Municipality need to acquire the land from the landowner, being Remgro.

Remgro is willing to exchange the land needed for other Council owned properties as an alternative to Council purchasing the land from them.

The Property Management Policy provide for exchange of Land Agreements to be concluded, subject thereto that reasons for justifying such a step is recorded in writing. The item served at Mayco in January and was referred back for the administration to obtain valuations for the various erven under discussion. The two valuations are attached as **APPENDIX 5 and 6**.

Council must consider the proposal.

5. RECOMMENDATIONS

(a) that the portions of erven 705, 4080 and 8719 Stellenbosch, as indicated on Fig 4, be identified as land not needed to provide the minimum level of basic services;

(b) For consideration

6. DISCUSSION / CONTENT

6.1 Background

6.1.1 Development of erven 7586, 7588 and 7592, Stellenbosch

During 2017 and 2018 Stellenbosch Municipality approved the development of Remgro's erven, subject to certain conditions.

According to the Directorate: Engineering Services, these developments would trigger the dualling of lower Dorp street from Adams Tas Road to the R44, which is registered for the broader community of Stellenbosch and not only for the development *per se*.

See letters of approval attached as **APPENDIX 1**.

The Engineering Services Directorate state in their memo "*that the areas and land required for dualling of Dorp Street be surrendered by the developer to Stellenbosch Municipality, at his/her cost, in order for construction of the road to take place and that compensation from Stellenbosch Municipality for the aforementioned land required for the dualling of Dorp Street, if any, be based on the value of the land in terms of its current zoning, i.e. Specific Business*".

Find attached hereto as **APPENDIX 2** a plan illustrating the required road reserve for the proposed dualling of Lower Dorp Street.

6.2. DISCUSSION

6.2.1 Location and context

The area needed for the road widening is approximately 800m² and 2390m² in size, respectively, as indicated on **APPENDIX 2** and is shown on fig 1 and 2 below.



Fig 1: Location and context: erven 7586 and 7592



Fig 2: Extent of proposed road widening

6.2.2 Proposed land swap as an alternative to purchasing of land for road widening

Remgro is now in the process of finalising their development proposals in order to proceed with construction of these approved developments. However, this requires the dualling of Lower Dorp Street. For Council to compensate Remgro for the land needed for the dualling of lower Dorp street in order to accommodate the required dualling a property valuer must be appointed to determine the value of the land required for the dualling of Lower Dorp Street.

As an alternative to Council purchasing the land from Remgro, Remgro has indicated that they are willing to engage in a land swap agreement with Council. They have identified three municipal erven (i.e. Erven 705, 4080 and 8719, Stellenbosch) that are located on the Eerste River and which borders on Remgro's erven. They request that these erven be swapped for Remgro's land. The value of the 3 erven mus firt be determined before further engagements can take place. Find attached hereto as **APPENDIX 3** a possible land swap plan.

The public erven that has been identified as land that could be swapped, is located on the Eerste River. These public erven cannot (for environmental and flood line reasons) be developed. It is currently only a maintenance and security burden for Council.

The benefits of such a land swap agreement, is that:

- The land transaction will not cost the taxpayer any money;
- Undevelopable land will be exchanged for developable land (necessary for municipal traffic upgrades); and

- The maintenance and security burden of the river erven will become Remgro's responsibility.

Hereto attached as **APPENDIX 4** a self-explanatory letter/proposal received from TV3 Architects and Town Planners, on behalf of their client, Remgro.

The municipal land that is proposed for the land swop is approximately 3658m±, 4827m², and 8871m² in extent, respectively, as shown on Fig 3 and 4 below.



Fig 3: Location and context



Fig 4: Extent of land

6.2.3 Legal regime

6.2.3.1 Municipal Finance Management Act (MFMA)

In terms of Section 14 of the MFMFA a Municipality may not transfer ownership as a result of a sale or other transaction, or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic services.

Further, in terms of Subsection (2), a municipality may dispose of land not needed to provide the main level of basic municipal services, but only if the Council, in a meeting open to the public, (a) has decided on reasonable grounds that the **asset is not needed to provide the minimum level of basic municipal services**; and (b) has considered the **fair market value** of the asset and the economic and community value to be received in exchange for the asset.

In terms of sub-section (5) any such transfer must be **competitive** and consistent with the **SCM Policy**.

6.2.3.2 Asset Transfer Regulations

In terms of Regulation 5 (1) (b) of the Asset Transfer Regulations, a municipal Council may transfer or dispose of a non-exempted capital asset only after the Municipal Council:-

(i) has **made the determination** required Section 14(2)(a) and (b); and

(ii) has, as a consequence of such determination, **approved in principle** that the asset may be disposed of.

In terms of Regulation (7), when considering any disposal as contemplated above, a council must take into account:-

(*a) whether the capital asset may be required for the municipality's own use at a later date;*

(b) the expected loss or gain that is expected to result from the proposed transferor disposal;

(c) the extent to which any compensation to be received in respect of the proposed transfer or disposal will result in a significant economic or financial cost or benefit to the municipality;

(d) the risks and rewards associated with the operation or control of the capital asset that is to be transferred or disposed of in relation to the municipality's interests;

(e) the effect that the proposed transfer or disposal will have on the credit rating of the municipality, its ability to raise long-term or short-term borrowings in the future and its financial position and cash flow;

(f) any limitation or conditions attached to the capital asset or the transfer or disposal of the asset, and the consequences of any potential non-compliance with those conditions;

(g) the estimated cost of the proposed transfer or disposal;

(h) the transfer of any liabilities and reserve funds associated with the capital asset;

(i) any comments or representations on the proposed transfer or disposal received from the local community and other interested persons;

(j) the interests of any affected organ of state, the municipality's own strategic, legal and economic interests and the interests of the local community; and

(k) compliance with the legislative regime applicable to the proposed transfer or disposal.

In considering the above, Council should take into account the following:

a) The property in question will not be required for the municipality's own use;

b) There should be no loss as a result of the transaction;

c) The compensation, if any, should not result in a significant economic or financial benefit to the municipality, as the proposed swop entails two portions of land equal in size (±100m²);

d) There should be no risks associated with the proposed swop;

e) The transactions will have no effect on the credit rating of the municipality;

f) There are no limitations or conditions attached to the land in question;

g) The cost of transfer and all associated cost, such as compilations of diagrams, closing of public streets, ect, will for the account of the applicant;

h) There are no liabilities reserved funds associated with the land in question;

i) No comment were solicited from the community;

j) No organ of state is involved;

k) All legal requirements will be met

Regulation 11 authorise a Council to approve conditions, when considering an in principle disposal, such as:

(a) the way in which an asset is to be disposal of (e.g. tender, call for proposal, ect.);

(b) a floor price or minimum compensation;

(c) whether the capital asset may be transferred/disposal of for less than its fair market value (in which case the council must first consider the criteria set out in Regulation 12 (2))

6.2.3.3 Property Management Policy

In terms of paragraph 9.23 of the Property Management Policy the "*disposal by exchange of land will be appropriate when it is **advantageous to the Municipality** and other parties to exchange land in their ownerships and will achieve best consideration for the municipality. The Municipal Council must authorise the disposal of land by exchange with another landowner for alternative land. **Reasons for justifying this manner of disposal must be recorded in writing**.*

*The exchange will usually be **equal in value**. However, an inequality in land value may be compensated for by other means where appropriate. In such circumstances the Municipality must seek an independent valuation to verify that "best consideration" will be obtained*".

6.4 Financial Implications

Should Council approve the exchange of land, as proposed by Remgro there would be no exchange of money, but the value of the land swop must be considered. should be no financial implication. Should we, however need to buy the land for road widening, then the municipality will have to make provision in the budget for the acquisition of the land.

The two valuation reports are attached as **APPENDIX 5 and 6**.

6.5 Legal Implications

See par. 6.2.2 (*supra*). If the municipality agree to a land swap a public participation process must be followed to get inputs from the public on the intention of council to swop council owned land for private land. The exchange involves portions of erven 7592 and 7586, measuring ±800m² and ±2390m² in extent, as shown in Fig 2 (Remgro property) for portions of erven 705, 4080 and 8719, measuring ±8571m²; 3658m² and 4827m² in extent, as shown on Fig 4 (Municipal land).

6.6 Staff Implications

An external valuation must be obtained as the capacity does not exist in house.

6.7 Previous / Relevant Council Resolutions

EXECUTIVE MAYORAL COMMITTEE: 2022-01-21: ITEM 7.2.2

RESOLVED

(a) that the item be referred-back for refinement and request that the item be returned when the valuation is available; and

(b) that two independent valuations be obtained to determine the value of the respective portions of land before council make an in-principle decision.

6.8 Risk Implications

The risks has been addressed in the item.

6.9 Comments from Senior Management

6.9.1 Director: Community Services

This section supports the recommendation for the proposed exchange of portions of erven 705, 4080 and 8719. The proposal is for the exchange of developable land for undevelopable land (undevelopable, largely due to its proximity to the Eerste River). Should the proposed land exchange be effected Remgro must take full responsibility for the maintenance of the relevant portions of land in a manner that supports the ecological functioning of the Eerste River.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-03-23: ITEM 7.2.1

(a) that the portions of erven 705, 4080 and 8719 Stellenbosch, as indicated on Fig 4, be identified as land not needed to provide the minimum level of basic services;

(b) that the portions of erven 705, 4080 and 8719 Stellenbosch, as indicated on Fig 4, be identified for a land swap for portions of erven 7592 and erven 7596 for the purpose of the dualling lower Dorp street; and

(c) that the above land swop be subject to Remgro upgrading Lower Dorp Street to a double lane at their own costs in lieu of Development contributions payable.

ANNEXURES:
Appendix 1 Letter of approval
Appendix 2 Plan illustrating the required road reserve
Appendix 3 Possible Land Swop plan
Appendix 4 Letter/proposal received from TV3
Appendix 5 Valuation Rhode and Associates
Appendix 6 Valuation Pendo Property Valuers

FOR FURTHER DETAILS CONTACT:

NAME	**Annalene de beer**
POSITION	***Director***
DIRECTORATE	***CORPORATE SERVICES***
CONTACT NUMBERS	***021-8088018***
E-MAIL ADDRESS	***Annalene.deBeer@stellenbosch.gov.za***
REPORT DATE	***2020-03-16***

APPENDIX 1

STELLENBOSCH
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MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Enquiries	R Fooy / B Mdoda
Your ref	-
Our ref	Erf 7586, Stellenbosch
Application No	LU/3075
Date	20 June 2018
Telephone	021-808 8680 / 8690
Fax	021-886 6899

REGISTERED MAIL

TV3 Architects and Town Planners
1st Floor, La Gratitude Offices
97 Dorp Street
Stellenbosch
7600

Sir

APPLICATION FOR A SPECIAL DEVELOPMENT ON ERF 7586, STELLENBOSCH

Your application in the above regard, refers.

The 17th Council meeting of the Council of Stellenbosch Municipality held on 23 May 2018 resolved as follows:

1. That **approval be granted** in terms of Section 10.7.2 of the Stellenbosch Municipality's Zoning Scheme Regulations (1996) for a Special Development on Erf 7586, Stellenbosch to permit the construction of a commercial building consisting of shops and offices, subject to the following conditions:

   (a) The approval applies only to the Special Development as applied for and shall not be construed as authority to depart from any other legal prescriptions or requirements from Council;

   (b) That the development shall be limited to shops and offices only;

   (c) That the development shall be limited to a 2 storey building, with flat roof only, with basement parking, shops, restaurants, liquor store, offices and flats above ground floor only as indicated on the attached Site Development Plan, Plan number 2970-A-102, dated 03 April 2014, attached as **APPENDIX 2**;

   (d) That building plans must be submitted to this municipality for approval, prior to any building work commencing on site;

   (e) That the conditions imposed by the Directorate Engineering Service in their memo dated 15 July 2017 attached as **APPENDIX 4** be adhered to;

   (f) That an advertising theme be submitted to the Municipality for approval and that the theme complies with the relevant signage policy of Council prior to any signage being fixed to the building;

   (g) That the relevant business licence be obtained if required;

   (h) That the developments proposed on erven 7587, 7588 and 7592 be considered as one application and that the bulk infrastructure cost applicable to each property be paid simultaneously;

(i) That the developer submits a motivation and implementation plan to the Municipality for consideration. That the implementation plan should include items like programmes for the construction of the internal services and the building construction;

(j) That all the conditions of approval listed above need to be complied with prior to any building plans being submitted or considered by the Municipality;

(k) That this Council reserves the right to impose further conditions if deemed necessary.

2. Reasons for the above decision are as follows:

(a) The land use is considered desirable as it is in line with the municipal planning policies and principles; constitutes infill development of underutilised land; will lead to the optimal use and appropriate densification; is compatible with and will complement the surrounding land uses; will have a positive impact on the local economy; will broaden the municipal tax base and will lead to efficient use of existing services and facilities.

3. Kindly note that the above approval does not guarantee approval of any related building plan application in terms of the National Building Regulations and Building Standards Act, No 103 of 1977 and that building work may therefore only commence once such plans are formally passed.

4. I wish to advise that the above decision is therefore now considered final. Accordingly, you may now act on the decision, subject to compliance with the conditions herein.

Yours faithfully

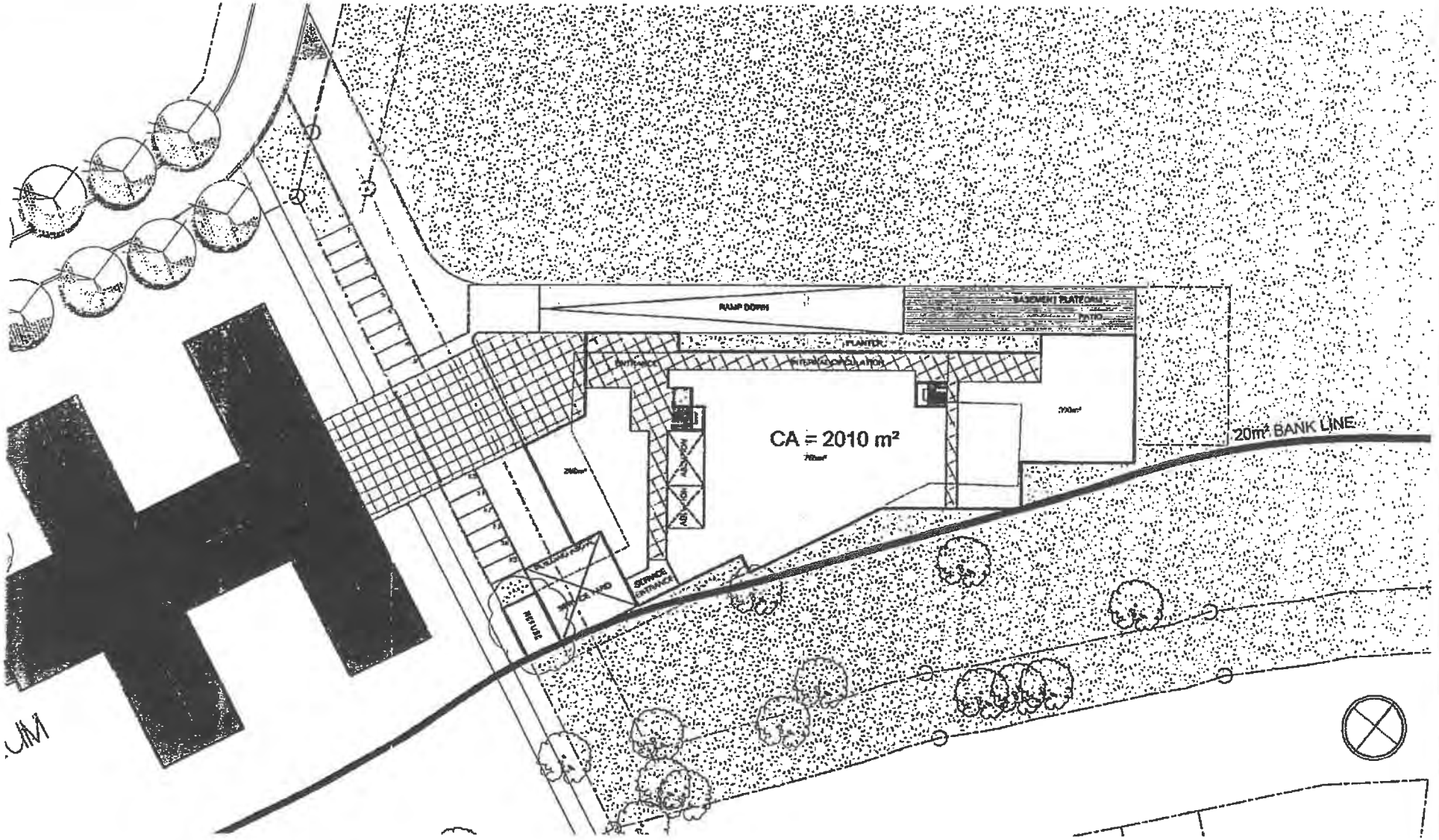
FOR ACTING DIRECTOR: PLANNING & ECONOMIC DEVELOPMENT

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MUNICIPALITY • UMASIPALA • MUNISIPALITEIT
Department: Planning and Economic Development

APPENDIX 2

Application is made in terms of Section 10.7.2 of the Stellenbosch Municipality's Zoning Scheme Regulations (1996) for a Special Development to permit the construction of a commercial building consisting of shops and offices.

SITE DEVELOPMENT PLAN



GROUND FLOOR - SCALE 1:500

ALL STATUTORY REQUIREMENTS (NATIONAL BUILDING REGULATIONS AND MUNICIPAL BY-LAWS) MUST BE ADHERED TO • CONTRACTORS ARE TO CHECK AND VERIFY ALL DIMENSIONS AND LEVELS ON THE BUILDING SITE BEFORE WORK COMMENCES • FIGURED DIMENSIONS AND LARGE SCALE DETAIL TAKES PREFERENCE OVER SCALED DIMENSIONS • REFER ANY AND ALL CONFLICTING INFORMATION TO THE ARCHITECT AND OTHER RESPONSIBLE CONSULTANTS

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DRAWING STATUS CODES:

A: Design • B: Marketing • C: Municipal • D: Tender • E: Construction • F: As Built

PROJECT DESCRIPTION:

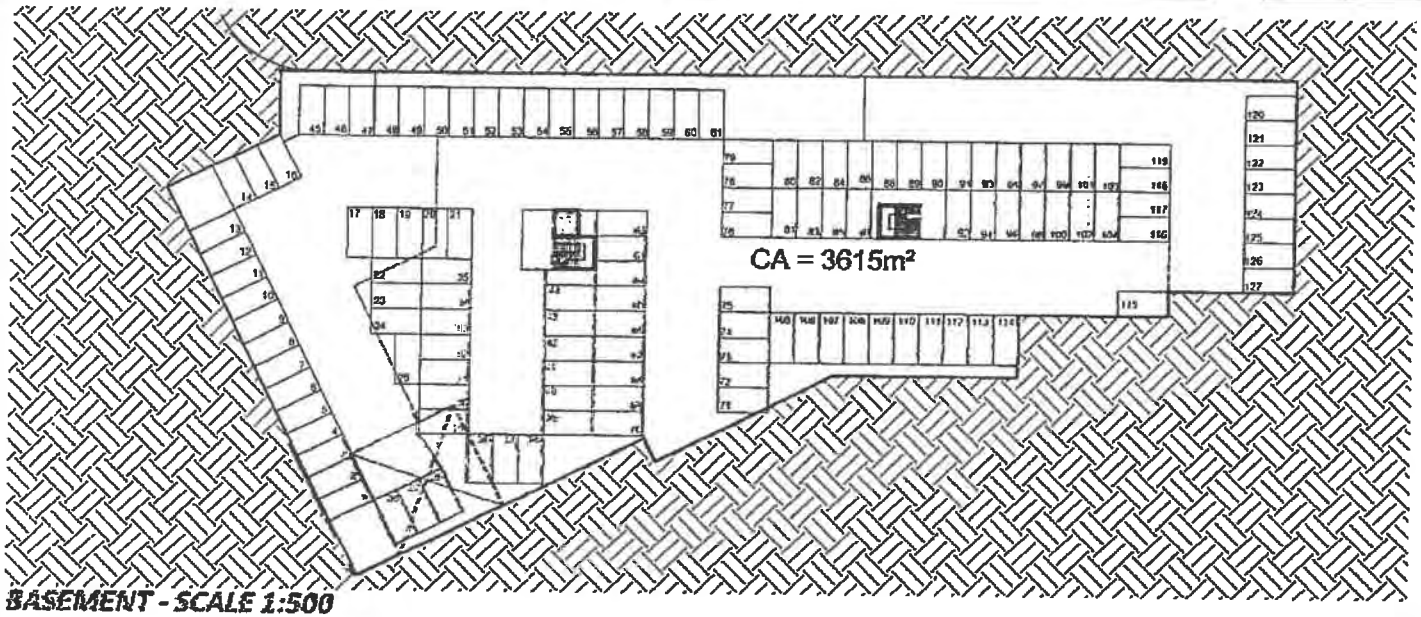
PROPOSED DEVELOPMENT
STELLENBOSCH , Erf No. 7586

DRAWING DESCRIPTION:

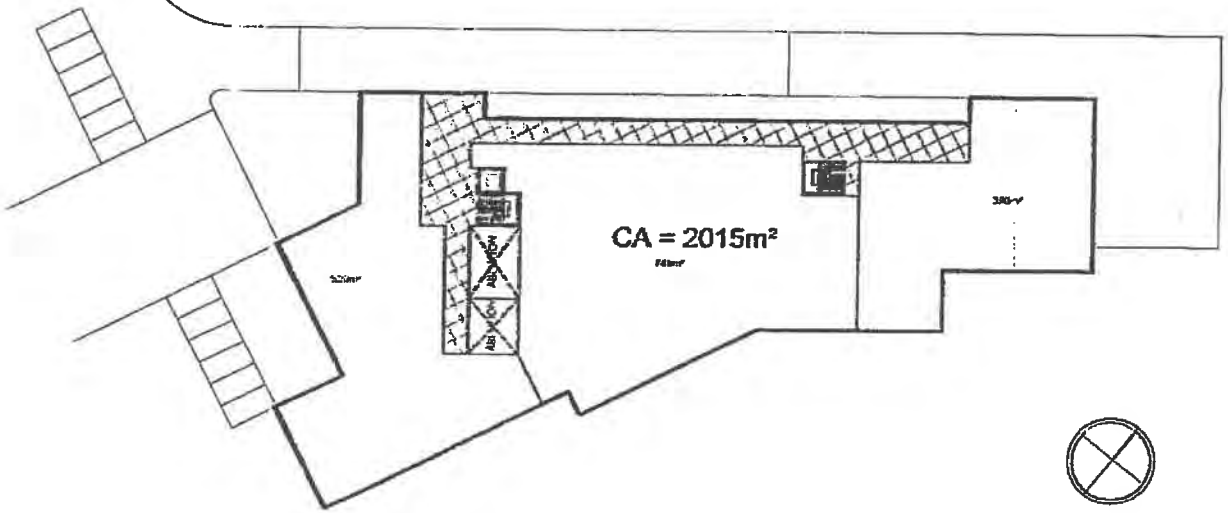
FLOOR LAYOUTS

tv3
ARCHITECTS AND TOWN PLANNERS
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DRAWN:	RJ KILMISTER
CHECKED:	EDWIN SWANEPOEL
DATE:	03 APRIL 2014
SCALE/SHEET SIZE:	TBC
DRAWING No.:	2970-A-102
REVISION:	A



BASEMENT - SCALE 1:500



FIRST FLOOR - SCALE 1:500

Permissible and Proposed Development

DEVELOPMENT PARAMETERS	PERMISSIBLE DEVELOPMENT RIGHTS	TV3 © PROPOSAL
ERF	7586	
ZONING	SPECIFIC BUSINESS	
SITE AREA	20 869 m²	
BUILDING LINES	0 m	REFER TO PLAN
COVERAGE	85 % 17 738m²	14% 2950m²
HEIGHT	G+4	G+2
BULK	N/A	
CA		
BASEMENT		3615 m²
GROUND	SHOPS	2050m²
FIRST	OFFICE	2015 m²
TOTAL =		7640m²
GLA		
BASEMENT		-
GROUND	SHOPS	2050m²
FIRST	OFFICE	2015 m²
TOTAL =		4025m²
GLA		
GROUND	SHOPS	1415m²
FIRST FLOOR	OFFICE	1650m²
TOTAL =		3065m²
PARKING BAYS	REQUIRED	PROVIDED
GROUND / OFFICE / FIRST	1 PER 25m² - OFFICES	
	67 bays required	
	56 bays required	
		15 OPEN Formal surface bays
		127 Basement Parking Bays
TOTAL PARKING	123 BAYS	142 BAYS PROVIDED

ALL STATUTORY REQUIREMENTS (NATIONAL BUILDING REGULATIONS AND MUNICIPAL BY-LAWS) MUST BE ADHERED TO • CONTRACTORS ARE TO CHECK AND VERIFY ALL DIMENSIONS AND LEVELS ON THE BUILDING SITE BEFORE WORK COMMENCES • FIGURED DIMENSIONS AND LARGE SCALE DETAIL TAKES PREFERENCE OVER SCALED DIMENSIONS • REFER ANY AND ALL CONFLICTING INFORMATION TO THE ARCHITECT AND OTHER RESPONSIBLE CONSULTANTS THE DESIGN AND DETAIL ON THIS DRAWING IS THE PROPERTY OF TV3 ARCHITECTS AND TOWN PLANNERS (PTY) LTD, AND COPYRIGHT IS RESERVED.

DRAWING STATUS CODES:

A: Design • B: Marketing • C: Municipal • D: Tender • E: Construction • F: As Built

PROJECT DESCRIPTION:

PROPOSED DEVELOPMENT
STELLENBOSCH, Erf No. 7586

DRAWING DESCRIPTION:

FLOOR LAYOUTS

tv3 ARCHITECTS AND TOWN PLANNERS
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web: www.tv3.co.za

DRAWN: RJ KILMISTER
CHECKED: EDWIN SWANEPOEL
DATE: 04 FEBRUARY 2013 | SCALE/SHEET SIZE: TBC
DRAWING No.: 2970-A-103
REVISION: -

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Department: Planning and Economic Development

APPENDIX 4

Application is made in terms of Section 10.7.2 of the Stellenbosch Municipality's Zoning Scheme Regulations (1996) for a Special Development to permit the construction of a commercial building consisting of shops and offices.

COMMENT RECEIVED FROM EXTERNAL & INTERNAL DEPARTMENTS

MEMO

DIRECTORATE: ENGINEERING SERVICES
DIREKTORAAT: INGENIEURSDIENSTE

TO	:	The Director: Planning and Development
FOR ATTENTION	:	Robert Fooy
FROM	:	Tyrone King (Head: Development Services and Project Management)
DATE	:	15 July 2016
RE.	:	Application for special development: Erven 7586, 7588 and 7592, Lower Dorp Street (Remgo)
Reference	:	Erven 7586, 7588 and 7592, Stellenbosch

Details, specifications and information reflected in the following documentation refers:

Erf 7586

- Land Use application document, dated 28 June 2013;
- Site Development Plan titled Floor Layouts Dwg No 2970-A-103 Rev -, dated 4 February 2013;
- Traffic Impact Assessment by ICE Group dated 1 July 2013;
- Cost Estimates and Funding letter by ICE Group dated 14 June 2016;
- GLS report on water and sewer dated 2 February 2016;
- Engineering Services Report No 1258 / 1B by Bart Senekal Inc dated April 2016;
- Letter re Flood protection of basement by Bart Senekal Inc, dated 25 February 2016 (ref 1258 / A4) and associated drawings 1258/07A and 10258/02B

Erf 7588

- Land Use application document, dated 28 June 2013;
- Site Development Plan titled Floor Layouts Dwg No 2970-A-103 Rev -, dated 4 February 2013;
- Traffic Impact Assessment by ICE Group dated 1 July 2013;
- Cost Estimates and Funding letter by ICE Group dated 14 June 2016;
- GLS report on water and sewer dated 2 February 2016;
- Engineering Services Report No 1282 by Bart Senekal Inc dated April 2016;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

- Letter re Flood protection of basement by Bart Senekal Inc, dated 25 February 2016 (ref 1282 / A1) and associated drawings 1282/02A

Erf 7592

- Land Use application document, dated 28 June 2013;
- SDP Ground Floor Dwg No J2892-A-101 Rev e, dated 25 June 2013;
- Traffic Impact Assesment by ICE Group dated 1 July 2013;
- Cost Estimates and Funding letter by ICE Group dated 14 June 2016;
- GLS report on water and sewer dated 2 February 2016;
- Engineering Services Report No 1281 by Bart Senekal Inc dated April 2016;
- Letter re Flood protection of basement by Bart Senekal Inc, dated 25 February 2016 (ref 1281 / A1)

Application is made for following:

Erf 7586 (Shops and offices):

- A Special Development to permit the development of a commercial facility consisting of retail, shops, restaurant, wine shop and offices
- Business GLA: 3065m^2 (Areas as per Floor Layouts Dwg No 2970-A-103 Rev -, dated 4 February 2013)

Erf 7588 (Offices and residential):

- A Special Development in order to develop offices and apartments
- Business GLA: 3755m^2
- Residential: 7 units (1285m^2 floor area) Areas as per Floor Layouts Dwg No J3083-A-102 Rev -, dated Oct 2013

Erf 7592 (Offices and residential):

- A Special Development to permit the construction of a commercial facility consisting of shops, restaurant, liquor store, offices and apartments
- Business GLA: 8478m^2
- Residential: 46 units (3731m^2 floor area) (No of units defined in TIA) (Areas from SDP Ground Floor Dwg No J2892-A-101 Rev e, dated 25 June 2013)

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

Comments from the Directorate: Engineering Services i.e. Roads & Stormwater, Water Services, Traffic Engineering and Development Services will be reflected in this memo and is to be regarded as development conditions to be reflected in the land-use approval. It must be noted that Electrical Services will comment in a separate memo.

The above-mentioned land-use application is supported, subject to the following conditions:

General

1. that the following words and expressions referred to in the development conditions, shall have the meanings hereby assigned to except where the context otherwise requires:

   (a) *"Municipality"* means the STELLENBOSCH MUNICIPALITY a metropolitan municipality, Local Authority, duly established in terms of section 9 of the Local Government Municipal Structures act, Act 117 of 1998 and Provincial Notice (489/200), establishment of the Stellenbosch Municipality (WC024) promulgated in Provincial Gazette no. 5590 of 22 September 2000, as amended by Provincial Notice 675/2000 promulgated in Provincial Gazette;

   (b) *"Developer"* means the developer and or applicant who applies for certain development rights by means of the above-mentioned land-use application and or his successor-in-title who wish to obtain development rights at any stage of the proposed development;

   (c) *"Engineer"* means an engineer employed by the *"Municipality"* or any person appointed by the *"Municipality"* from time to time, representing the Directorate: Engineering Services, to perform the duties envisaged in terms of this land-use approval;

2. that all previous relevant conditions of approval to this development application remain valid and be complied with in full unless specifically replaced or removed by the *"Engineer"*;

3. that no occupation certificates will be issued or taking up of proposed rights will be allowed until sufficient capacity in the following infrastructure is confirmed by the "Engineer":

   a. **Stellenbosch WWTW (Waste Water Treatment Works):** The proposed development falls within the catchment area of the existing Stellenbosch WWTW (Waste Water Treatment Works). The current capacity of the existing Stellenbosch WWTW **does not** allow for any new developments at this stage. However, construction for the upgrade of the Stellenbosch WWTW with a design capacity of

20.4 Ml/day, to a 35 Ml/day treatment works is underway. Commissioning of the first phase to accommodate sewage from new developments is dependent on the Contractor's adherence to the programme and is estimated to be in December 2017.

b. **Sewer:**

i. Plankenbrug Main Outfall Sewer Phase 1 (WWTW to Plankenbrug River at Bosman's Crossing) and Phase 2 (Plankenbrug River at Bosman's Crossing to Merriman Avenue):
The existing 600 mm, 375 mm and 625 mm diameter bulk outfall sewers to which the proposed developments are to connect, are at capacity and have insufficient capacity to accommodate any additional development within the Adam Tas drainage area. A new 1 200 mm diameter pipe is however currently being constructed by the Stellenbosch Municipality parallel to the existing 600 mm, 375 mm and 625 mm pipes. This will provide sufficient capacity to accommodate future developments. Commissioning of Phase 1 to accommodate sewage from new developments is dependent on the Contractor's adherence to the programme and is estimated to be in December 2017. Commissioning of Phase 2 to accommodate sewage from new developments is dependent on the Contractor's adherence to the programme and is estimated to be in July 2019.

ii. The following items as indicated in the GLS report on water and sewer dated 2 February 2016:

- SSS1.18 :45m x 355 dia upgrade existing sewer

At this stage it is not clear if this pipeline section is included within the scope of the Plankenbrug Main Outfall Sewer project as described above. If not, this will have to be implemented by the Developer in lieu of DC's, or if DCs are not sufficient, at the Developer's own cost.

c. **Water link services (to be implemented by the Developer and at the Developer's cost):** The items as indicated in the GLS report on water and sewer dated 2 February 2016:

i. Item 1 : 330 m x 160 mm dia replace existing 100mm dia pipe

d. **Road infrastructure:** All upgrades listed below as identified in the Traffic Impact Assessment by ICE Group dated 1 July 2013. The Cost Estimates and Funding letter by ICE Group dated 14 June 2016 (*Annexure A*) indicates the funding

requirements and it is clear that the Municipal funding and Development Contributions of the proposed developments on erven 7586, 7588 and 7592 are not sufficient to fund the required upgrades. It is also evident that in order to achieve sufficient funding for the road upgrades, this Development is dependent on the Development Contributions of Farm 183/57 and 183/58 (Woodmill), which also triggers the upgrading of Dorp Street. Without the required upgrades, the proposed development cannot be implemented. Therefore, no further approval i.e. engineering drawing approval and/or building plan approval will be granted until a financial commitment and implementation plan for these upgrades is presented and agreed between all the relevant parties and the Municipality and the approval mentioned in Condition 3e below is granted by the Municipality. It is further recommended that the Developer, in conjunction with the Municipality, engage with the Western Cape Government: Transport and Public Works (stated as PGWC in the letter) to discuss their contribution to these upgrades.

Improvements required at the various intersections with Dorp Street as per TIA:

i. No development

Adam Tas Road-intersection: provide an additional right turn lane on the southern approach (Adam Tas Road), 55 metres long; provide a dedicated left turn lane on the northern approach (Adam Tas Road), 35 metres long; provide two lanes on Dorp Street eastbound to accommodate two right turn lanes from Adam Tas Road; change the dedicated right turn lane on Dorp Street (westbound) to a left/right right lane.

Stellentia Avenue/Stadler Street-intersection: provide traffic signals.

R44-intersection: provide a dedicated left turn lane on the southern approach (R44 from Somerset West) 50 metres long; extend the dedicated right turn lane on the southern approach (Adam Tas Road) to 75 metres (maximum to before bridge over Eerste River); provide an additional dedicated right turn lane on the western approach (Dorp Street) 65 metres long; change the through lane on the eastern approach (Dorp Street) to a through/left turn lane.

ii. **Erf 7586 development**

Adam Tas Road-intersection: No further improvements required
Stellentia Avenue-intersection: No further improvements required
R44-intersection: No further improvements required

iii. **Erf 7586 and Erf 7592 developments**

Adam Tas Road-intersection: No further improvements required
Stellentia Avenue-intersection: No further improvements required
R44-intersection: No further improvements required
Dorp Street: The road should be dualled from Adam Tas Road to the R44 as indicated in Figure 15 of the TIA

iv. **Erf 7586, Erf 7592 and Erf 7588 developments**

Adam Tas Road-intersection: No further improvements required
Stellentia Avenue-intersection: No further improvements required
R44-intersection: No further improvements required
Dorp Street: No further improvements required

e. Should the "Developer" wish to discuss the possibility of proceeding with construction work parallel with the provision of the bulk services listed above, he must present a motivation and an implementation plan to the "Engineer" for his consideration and approval. The implementation plan should include items like programmes for the construction of the internal services and the building construction;

4. that should the "*Developer*" not take up his rights for whatever reason within two years from the date of this memo, a revised Engineering report addressing services capacities and reflecting infrastructure amendments during the two year period, must be submitted to the Directorate: Engineering Services by the "*Developer*" for further comment and conditions. Should this revised Engineering report confirm that available services capacities is not sufficient to accommodate this development, then the implementation of the development must be re-planned around the availability of bulk services as rate clearance in terms of Section 31 of LUPO will not be supported by the Directorate: Engineering Services for this development if bulk services are not available upon occupation or taking up of proposed rights;

5. that the "*Developer*" indemnifies and keep the "*Municipality*" indemnified against all actions, proceedings, costs, damages, expenses, claims and demands (including claims pertaining to consequential damages by third parties and whether as a result of the damage to or

interruption of or interference with the municipalities' services or apparatus or otherwise) arising out of the establishment of the development, the provision of services to the development or the use of servitude areas or municipal property, for a period that shall commence on the date that the installation of services to the development are commenced with and shall expire after completion of the maintenance period.

6. that the "*Developer*" must ensure that he / she has an acceptable public liability insurance policy in place;

7. that the "*Developer*" approach the Western Cape Government: Transport and Public Works for their input and that the conditions as set by the Western Cape Government: Transport and Public Works be adhered to before Section 31 Clearance Certificate will be issued;

8. that the "*Developer*" informs the project team for the proposed development (i.e. engineers, architects, etc.) of all the relevant conditions contained in this approval;

9. that the General Conditions of Contract for Construction Works (GCC) applicable to all civil engineering services construction work related to this development, will be the SAICE 2nd Edition of 2010;

10. that the "*Developer*" takes cognizance and accepts the following:

    a.) that no construction of any civil engineering services may commence before approval of internal – and external civil engineering services drawings;
    b.) that no approval of internal – and external civil engineering services drawings will be given before land-use and or SDP approval is obtained;
    c.) that no approval of internal – and external civil engineering services drawings will be given before the "*Developer*" obtains the written approval of all affected owners where the route of a proposed service crosses the property of a third party;
    d.) that no building plans will be recommended for approval by the Directorate: Engineering Services before land-use and or SDP approval is obtained;
    e.) that no building plans will be recommended for approval by the Directorate: Engineering Services before the approval of internal – and external civil engineering services drawings;
    f.) that no building plans will be recommended for approval by the Directorate: Engineering Services before a Clearance Certificate in terms of Section 31 of the Land-use Planning Ordinance is issued.

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Site Developement Plan

11. that it is recognized that the normal Site Development Plan, submitted as part of the land-use application, is compiled during a very early stage of the development and will lack engineering detail that may result in a later change of the Site Development Plan. Any later changes will be to the cost of the "Developer";

12. that even if a Site Development Plan is approved by this letter of approval, a further fully detailed site plan be submitted for approval prior to the approval of engineering services plans and or building- and/or services plans to allow for the setting of requirements, specifications and conditions related to civil engineering services. Such Plan is to be substantially in accordance with the approved application and or subdivision plan and or precinct plan and or site plan, etc. and is to include a layout plan showing the position of all roads, road reserve widths, sidewalks, parking areas with dimensions, loading areas, access points, stacking distances at gates, refuse removal arrangements, allocation of uses, position and orientation of all buildings, the allocation of public and private open spaces, building development parameters, the required number of parking bays, stormwater detention facilities, connection points to municipal water- and sewer services, updated land-use diagram and possible servitudes;

13. that if the fully detailed Site Development Plan, as mentioned in the above item, contradicts the approved Site Development Plan, the "Developer" will be responsible for the amendment thereof and any costs associated therewith;

14. that an amended Site Development Plan be submitted for approval prior to the approval of building plans for new buildings not indicated on the Site Development Plan applicable to this application and or changes to existing buildings or re-development thereof;

Internal- and Link Services

15. that it be noted that as per the Site Development Plans, the roads are reflected as private roads. Therefore all internal services on the said erven will be regarded as private services and will be maintained by the "*Developer*" and or HOA;

16. that the "*Developer*", at his/her cost, construct the internal (on-site) municipal civil services for the development, as well as any link (service between internal and available bulk municipal service) municipal services that need to be provided;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

17. that the "*Developer*", at his/her cost, construct the internal (on-site) private civil services for the development, as well as any link (service between internal and available bulk municipal service) municipal services that need to be provided;

18. that the Directorate: Engineering Services may require the "*Developer*" to construct internal municipal services and/or link services to a higher capacity than warranted by the project, for purposes of allowing other existing or future developments to also utilise such services. The costs of providing services to a higher capacity could be offset against the Development Contributions payable in respect of bulk civil engineering services if approved by the Directorate: Engineering Services;

19. that the detailed design and location of access points, circulation, parking, loading - and pedestrian facilities, etc., shall be generally in accordance with the approved Site Development Plan and / or Subdivision Plan applicable to this application;

20. that plans of all the internal civil services and such municipal link services as required by the Directorate: Engineering Services be prepared and signed by a Registered Engineering Professional before being submitted to the aforementioned Directorate for approval;

21. that the design and construction/alteration of all civil engineering infrastructure shall be generally in accordance with the Standard Conditions imposed by the Directorate: Engineering Services in this respect or as otherwise agreed. The Standard Conditions is available in electronic format and available on request;

22. that the construction of all civil engineering infrastructure shall be done by a registered civil engineering services construction company approved by the "*Engineer*";

23. that the "*Developer*" ensures that his/her design engineer is aware of the Stellenbosch Municipality Design Guidelines & Minimum Standards for Civil Engineering Services and that his/her design engineer will comply to the mentioned document or as otherwise agreed in writing with the Directorate: Engineering Services;

24. that engineering design drawings will only be approved once Final Notice of LUPO approval is issued;

25. that all the internal civil services (water, sewer and stormwater), be indicated on the necessary building plans for approval by the Directorate: Engineering Services;

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26. that all internal - and link services be inspected by the "*Engineer*" on request by the "*Developer*" or his Consulting Engineer;

27. that a practical completion certificate be issued prior to transfer of individual units or utilization of buildings;

28. that a complete set of test results of all internal – and external services (i.e. pressure tests on water - and sewer pipelines as well as densities on road structure and all relevant tests on asphalt), approved and verified by a professional registered engineer be submitted to the "Engineer" on a monthly basis;

29. that the "*Developer*" shall adhere to the specifications of Telkom (SA) and or any other telecommunications service provider. Copies of all correspondence with Telkom shall be handed over to the *"Engineer";*

30. that the *"Developer"* shall be responsible for the cost for any surveying and registration of servitudes regarding services on the property;

31. that the *"Developer"* be liable for all damages caused to existing civil and electrical services of the "*Municipality*" relevant to this development. It is the responsibility of the contractor and/or sub-contractor of the "*Developer*" to determine the location of existing civil and electrical services;

32. that all connections to the existing services be made by the "*Developer*" under direct supervision of the *"Engineer"* or as otherwise agreed and all cost will be for the account of the *"Developer".*

33. that the "*Developer*" shall install a bulk water meter conforming to the specifications of the Directorate: Engineering Services at his cost at the entrance gate of all private developments before the practical completion inspection is carried out;

34. that the developer takes cognizance of applicable tariffs by Council in respect of availability of services and minimum tariffs payable;

35. that Section 31 Clearance will only be issued if the bulk watermeter is installed, a municipal account for the said meter is activated and the consumer deposit has been paid;

36. that a suitably qualified professional resident engineer be appointed to supervise the construction of all internal – and external services;

37. that the "*Developer*", at his/her cost, will be responsible for the maintenance of all the internal (on-site) municipal – and private civil engineering services constructed for this development until at least 80% of the development units (i.e. houses, flats or GLA) is constructed and occupied whereafter the services will be formally handed over to the HOA, in respect of private services, and to the Municipality in respect of public services;

Servitudes

38. that the "*Developer*" ensures that all main services to be taken over by the Directorate: Engineering Services, all existing municipal – and or private services crossing private - and or other institutional property and any other services crossing future private land/erven are protected by a registered servitude before final Section 31 Clearance will be given or building plans are approved;

39. The width of the registered servitude must be a minimum of 3 m or twice the depth of the pipe (measured to invert of pipe), whichever is the highest value. The "*Developer*" will be responsible for the registration of the required servitude(s), as well as the cost thereof;

40. that the *"Developer"* obtains the written approval of all affected owners where the route of a proposed service crosses the property of a third party before final approval of engineering drawings be obtained.

Stormwater Management

41. that it be noted that the section of the Eersteriver to which these developments drain, is very sensitive to the impact of any additional stormwater generated by new development;

42. that the stormwater management generally be in accordance with the Engineering services reports, which indicates that detention facilities will be provided;

43. that the geometric design of the roads and/or parking areas ensure that no trapped low-points are created with regard to stormwater management. All stormwater to be routed to the nearest formalized municipal system;

44. that the design engineer needs to apply his/her mind to ensure a design that will promote a sustainable urban drainage system which will reduce the impacts of stormwater on receiving aquatic environments;

45. that no disturbance to the river channel or banks be made without the prior approval in accordance with the requirements of the National Water Act;

46. that the consulting engineer, appointed by the "*Developer*", analyses the existing stormwater systems and determine the expected stormwater run-off for the proposed development, for both the minor and the major storm event. Should the existing municipal stormwater system not be able to accommodate the expected stormwater run-off, the difference between the pre- and post-development stormwater run-off must be accommodated on site, or the existing system must be upgraded to the required capacity at the cost of the "*Developer*" and to the standards and satisfaction of the Directorate: Engineering Services. The aforementioned stormwater analysis is to be submitted concurrent with the detail services plans;

47. that for larger developments, industrial developments or developments near water courses a stormwater management plan for the proposed development area, for both the minor and major storm events, be compiled and submitted for approval to the Directorate: Engineering Services.

48. that the approved management plan be implemented by the "*Developer*", at his/her cost, to the standards of the Directorate: Engineering Services. The management plan, which is to include an attenuation facility, is to be submitted concurrent with the detail services plans;

49. that overland stormwater escape routes be provided in the cadastral layout at all low points in the road layout, or that the vertical alignment of the road design be adjusted in order for the roads to function as overland stormwater escape routes. If this necessitates an amendment of the cadastral layout, it must be done by the "*Developer*", at his/her cost, to the standards of the Directorate: Engineering Services;

50. that in the case of a sectional title development, the internal stormwater layout be indicated on the necessary building plans to be submitted for approval.

51. that no overland discharge of stormwater will be allowed into a public road for erven with catchment areas of more than 1500m² and for which it is agreed that no detention facilities are

required. The *"Developer"* needs to connect to the nearest piped municipal stormwater system with a stormwater erf connection which may not exceed a diameter of 300mm.

Floodplain Management

52. that the 1:50 and 1:100 year flood lines of the Eersteriver be shown on all plans submitted. The flood lines are to be verified by a suitably qualified registered engineering professional. Where flood lines have not previously been determined, the *"Developer"* must procure the services of a suitably qualified registered engineering professional to undertake such determinations at his/her own cost. No new development will be allowed under the 1:100 year flood line;

53. that the floor level of all buildings be at least 100 mm above the 1:100 year flood level. These levels must be indicated on all building plans submitted and must be certified by a Registered Professional Engineer;

54. that the engineering design of the internal road, basement parking ramps and ramp retaining walls be generally in accordance with the following:

- Erf 7586: Letter re Flood protection of basement by Bart Senekal Inc, dated 25 February 2016 (ref 1258 / A4) and associated drawings 1258/07A and 10258/02B
- Erf 7588: Letter re Flood protection of basement by Bart Senekal Inc, dated 25 February 2016 (ref 1281 / A1) and associated drawing 1282/02A
- Erf 7592: Letter re Flood protection of basement by Bart Senekal Inc, dated 25 February 2016 (ref 1281 / A1)

55. that all perimeter fencing below the 1:50 year flood line be visually permeable from ground level and not adversely effects the free flow of water (e.g. palisade fencing). No fences will be allowed across the watercourse;

Roads

56. that the "Developer" will enter into a Services Agreement with the "Municipality" in respect of the implementation of the identified infrastructure as reflected in the Traffic Impact Assessment by ICE Group dated 1 July 2013;

57. that no access control will be allowed in public roads;

58. that provision be made for acceptable stacking distances in front of access control gates;

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59. than any amendments to cadastral erven to accommodate access control gates will be for the cost of the "*Developer*" as these configurations were not available at rezoning and subdivision stage;

60. that, where access control is being provided, a minimum of 2 to 3 visitor's parking bays be provided on site, but outside the entrance gate, for vehicles not granted access to the development;

61. that the layout must make provision for all deliveries to take place on-site. Movement of delivery vehicles may not have a negative impact on vehicular – and pedestrian movement on public roads and or public sidewalks;

62. The design and lay-out of the development must be such that emergency vehicles can easily drive through and turn around where necessary;

63. that, prior to commencement of any demolition / construction work, a traffic accommodation plan for the surrounding roads must be submitted to the Directorate: Engineering Services for approval, and that the approved plan be implemented by the "*Developer*", at his/her cost, to the standards of the Directorate: Engineering Services;

64. that the "*Developer*" will be responsible for the design, construction, supervision and implementation of the infrastructure as reflected in the Traffic Impact Assessment by ICE Group dated 1 July 2013 and summarized in Condition 3d above. Clearance / building plan approval will only be given once the construction of these infrastructure is completed to the satisfaction of the Engineer.

65. that Condition 64 above be met by the "*Developer*" before a Certificate in terms of Section 31 will be given / building plans approved or on discretion of the Directorate: Engineering Services, the "*Developer*" furnish the Council with a bank guarantee equal to the value of the required construction work in Condition 64 above as certified by an independent engineering professional, prior to a Certificate in terms of Section 31 will be given or building plans approved;

66. that during the construction stage, access to the site be strictly via the following route only: Stellentia Avenue;

67. that the "*Developer*" will be held liable for any damage to municipal infrastructure within the road reserves of the roads mentioned in Condition 66 above, caused as a direct result of the development of the subject property. The "*Developer*" will therefore be required to carry out the necessary rehabilitation work, at his/her cost, to the standards of the Directorate: Engineering Services;

68. that, after the construction work on site has been completed, the sidewalk, kerbs and channeling in Stellentia Avenue, over the length of the road reserve abutting Erven 7586, 7588 and 7592, be re-established / constructed by the "*Developer*" and to the cost of the "*Developer*" in compliance with the Design and Construction Standards of the Directorate: Engineering Services;

69. that no direct access shall be permitted onto Dorp Street;

70. that access to the properties concerned shall be in accordance with the recommendations of the Traffic Impact Assessment by ICE Group dated 1 July 2013. The TIA further states that it is also not clear from the drawings whether there will be security gates at the various accesses to the proposed developments but should this be the case the spacing between the gates/booms and the edge of Stellentia Avenue should be determined based on the type of control, i.e. remote control, disks, sign in, etc;

71. that visibility splays shall be provided and maintained on each side of the new access in accordance with the standard specifications as specified in the Red Book with regard to sight triangles at intersections;

72. that on-site parking be provided by the owner of the property in the ratios as per the Stellenbosch Municipality Zoning Scheme;

73. that the area of land required for the dualling of Dorp Street, be surrendered by the "*Developer*" to Stellenbosch Municipality, at his/her cost, in order for construction of the road to take place and prior to Section 31 Clearance;

74. that compensation from Stellenbosch Municipality for the aforementioned land required for the dualling of Dorp Street, if any, be based on the value of the land in terms of its current zoning, i.e., Specific Business (erven 7586 and 7592);

75. that the parking area be provided with a permanent surface and be clearly demarcated and accessible. Plans of the parking layout, pavement layerworks and stormwater drainage are to be approved by the Directorate: Engineering Services before commencement of construction and that the construction of the parking area be to the standards of the Directorate: Engineering Services;

76. that no parking be allowed closer than 9 metres from the intersection of Stellentia Avenue and Dorp Street (measured from the closest kerb);

77. that no parking be allowed in the road reserve;

78. that provision be made for a stacking distance of 12 metres for a dual entrance, or 18 metres for a single entrance, measured from the public road kerb to the entrance gate, or as otherwise determined by the "*Engineer*" when civil engineering services drawings / building plans are submitted for approval (also see Condition 70 above);

79. that provision be made for a 3-point turning head in front of the entrance gate, to the satisfaction of the Directorate: Engineering Services in order to enable a vehicle to turn around;

80. that the "*Developer*", at his/her cost, implement the recommendations of the approved Traffic Impact Assessment by ICE Group dated 1 July 2013, and where required, a sound Traffic Management Plan to ensure traffic safety shall be submitted for approval by the Directorate: Engineering Services and the approved management plan shall be implemented by the "*Developer*", at his/her cost;

81. that provision be made for a refuse embayment and hardened store area off the roadway/sidewalk to accommodate refuse removal. (Embayment to be minimum 9.5m x 2.5m);

82. that the design and lay-out of the development must be such that emergency vehicles can easily drive through and turn around where necessary.

Wayleaves

83. that way-leaves / work permits be obtained from the Directorate: Engineering Services prior to any excavation / construction work on municipal land or within 3,0m from municipal services located on private property;

84. that wayleaves will only be issued after approval of relevant engineering design drawings;

Development Contributions

85. that the "*Developer*" hereby acknowledges that development contributions are payable towards the following civil services: water, sewerage, roads, stormwater and solid waste as per Council's Policy;

86. that the "*Developer*" hereby acknowledges that the development contribution levy as determined by the "Municipality" and or the applicable scheme tariffs will be paid by the "*Developer*" towards the provision of bulk municipal civil services in accordance with the relevant legislation and as determined by Council's Policy, should this land-use application be approved;

87. that the "*Developer*" immediately familiarise himself with the latest development contributions applicable to his/her development;

88. that the "*Developer*" accepts that the development contributions will be subject to annual escalation up to date of payment. The amount payable will therefore be the amount as calculated at the time that payment is made;

89. that the "*Developer*" may enter into a services agreement with the "*Municipality*" to install or upgrade bulk municipal services at an agreed cost, to be off-set against Development Contributions payable in respect of bulk civil engineering services;

90. that the "*Developer*" is aware that a contribution is required for municipal services to permit the development at this stage;

91. that the "*Developer*" accepts the average amount, as reflected in this document as the amount required for the provision of municipal services in the event that the development is approved;

92. that the Development Contribution levy as set out below and as reflected on the BICLS Contribution calculation sheet, dated 25 May 2016 (erven 7586, 7592) and 15 July 2016 (erf 7588), and attached herewith as Annexure BICLS, be paid by the "*Developer*" towards the provision of bulk municipal civil services in accordance with the relevant legislation and as determined by Council's Policy.

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Based on the 2016/2017 tariff structure and the proposed lay-out, the following amounts are payable:

Erf 7586		
Water	:	R 88 640, 00
Sewerage	:	R 66 360, 00
Roads	:	R 1 615 286, 00
Stormwater	:	R 104 772, 00
Solid Waste	:	R 10 734, 00
Total (Erf 7586 Civil Services) exclusive of VAT:		**R1 885 792, 00**
Erf 7588		
Water	:	R 169 327, 00
Sewerage	:	R 131 819, 00
Roads	:	R 2 109 717, 00
Stormwater	:	R 109 202, 00
Solid Waste	:	R 18 054, 00
Total (Erf 7588 Civil Services) exclusive of VAT:		**R2 538 119, 00**
Erf 7592		
Water	:	R 644 280, 00
Sewerage	:	R 515 539, 00
Roads	:	R 5 327 496, 00
Stormwater	:	R 122 317, 00
Solid Waste	:	R 61 912, 00
Total (Erf 7592 Civil Services) exclusive of VAT:		**R 6 671 544, 00**
Total all erven:		
Water	:	R 902 247, 00
Sewerage	:	R 713 718, 00
Roads	:	R 9 052 499, 00
Stormwater	:	R 336 291, 00
Solid Waste	:	R 90 700, 00
Total (All Erven Civil Services) exclusive of VAT:		**R 11 095 455, 00**

93. that the Development Contribution levy be paid by the "*Developer*" per erf –

- prior to the approval of any building- and/or services plans in the case of a Sectional title erf in that erf and or;
- prior to the approval of a Certificate in terms of Section 31 in all cases and or;
- prior to the erf or portion thereof being put to the approved use;

94. that it be noted that the Development Contributions as reflected on the BICLS Contribution calculation sheet will be subject to annual escalation up to date of payment. The final amount payable will therefore be the amount as calculated at the time that payment is made;

95. that the development shall be substantially in conformance with the Site Development Plan submitted in terms of this application. Any amendments and/or additions to the Site Development Plan, once approved, which might lead to an increase in the number of units i.e.

Erf 7586: more than 0 units (residential), or which might lead to an increase in the Gross Leasable Area i.e. a GLA of more than 3065m² (All Business) -,

Erf 7588: more than 7 units (residential), or which might lead to an increase in the Gross Leasable Area i.e. a GLA of more than 3755m² (All Business) -,

Erf 7592: more than 46 units (med/high income flats), or which might lead to an increase in the Gross Leasable Area i.e. a GLA of more than 8478m² (All Business) -,

will result in the recalculation of the Development Contributions;

96. Bulk infrastructure contribution levies and repayments are subject to VAT and are further subject to the provisions and rates contained in the Act on Value Added Tax of 1991 (Act 89 of 1991) as amended;

Home Owners Association

97. that a Home Owners Association (HOA) be established in accordance with the provisions of section 29 of the Land Use Planning Ordinance no 15 of 1985 and shall come into being upon the separate registration or transfer of the first deducted land unit arising from this subdivision;

98. that the HOA take transfer of the private roads simultaneously with the transfer or separate registration of the first deducted land portion in such phase;

99. that in addition to the responsibilities set out in section 29, the HOA also be responsible for the maintenance of the private roads, street lighting, open spaces, retention facilities and all internal civil services;

100. that the Constitution of the HOA specifically empower the Association to deal with the maintenance of the roads, street lighting, open spaces, retention facilities and all internal civil services;

Green Technologies

101. Peak water demand should be accommodated with supplementary storage and recycling (e.g. rainwater tanks, grey water recycling) of water so that municipal water only be used to satisfy the base demand;

102. Technologies that facilitate the efficient use of irrigation water must be used;

103. Planting of waterwise flora is encouraged;

104. In accordance with the new SANS 10400-XA standard, all new housing should install solar water heating devices;

105. All non-subsidy housing is encouraged to meet the portion of their electrical demand that exceeds 300 kWh per month by generators such as solar photovoltaic panels and solar hot water heating devices;

106. SANS 10400-XA energy efficiency standards should be adhered to in all planning applications for new buildings, major renovations and usage changes;

Solid Waste

107. that it be noted that the Solid Waste Branch will not enter private property, private roads or any access controlled properties for the removal of solid waste;

108. that detail design be generally in accordance with refuse room positions as indicated on the following drawings:
Erf 7586: Site Development Plan 2970-A-102 Rev A by TV3, dated 3 April 2014 and received by this office on 9 June 2016 (Our Ref LUPO #1259). The position of the refuse room does not comply with Condition 107 above and the position of the refuse room should therefore be amended;

Erf 7588: Site Development Plan J3083-A-101 Rev B by TV3, dated 3 March 2016 and received by this office on 9 June 2016 (Our Ref LUPO #1259);
Erf 7592 Site Development Plan Z 2892-A-101 Rev f by TV3, dated 3 March 2016 and received by this office on 9 June 2016 (Our Ref LUPO #1259);

109. that the "*Developer*" will enter into a service agreement with the "Municipality" for the removal of refuse;

110. that should it not be an option for the "*Municipality*" to enter into an agreement with the "*Developer*" due to capacity constraints, the "*Developer*" will have to enter into a service agreement with a service provider approved by the "*Municipality*";

111. that if the "Developer" wishes to remove the waste by private contractor, provision must still be made for a refuse room should this function in future revert back to the "Municipality";

112. Access to all properties via public roads shall be provided in such a way that collection vehicles can complete the beats with a continuous forward movement;

113. Access shall be provided with a minimum travelable surface of 5 meters width and a minimum corner radii of 5 meters;

114. Maximum depth of cul-de-sac shall be 20 meters or 3 erven, whichever is the lesser. Where this requirement is exceeded, it will be necessary to construct a turning circle with a minimum turning circle radius of 11m or, alternatively – a turning shunt as per the Directorate: Engineering Services' specifications. With respect to the latter, on street parking are to be prohibited by way of "red lines" painted on the road surface as well as "no parking" signboards as a single parked vehicle can render these latter circles and shunts useless;

115. Minimum turning circle radius shall be 11 meters to the center line of the vehicle;

116. Road foundation shall be designed to carry a single axle load of 8.2 tons;

117. Refuse storage areas are to be provided for all premises other than single residential erven;

118. Refuse storage areas shall be designed in accordance with the requirements as specified by the Solid Waste Branch. Minimum size and building specifications is available from the Solid Waste Branch;

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119. A single, centralized, refuse storage area which is accessible for collection is required for each complete development. The only exception is the case of a single residential dwelling, where a refuse storage area is not required;

120. The refuse storage area shall be large enough to store all receptacles needed for refuse disposal on the premises, including all material intended to recycling. No household waste is allowed to be disposed / stored without a proper 240 ℓ Municipal wheelie bin;

121. The size of the refuse storage area depends on the rate of refuse generation and the frequency of the collection service. For design purposes, sufficient space should be available to store two weeks' refuse;

122. Where the premises might be utilized by tenants for purposes other than those originally foreseen by the building owner, the area shall be sufficiently large to store all refuse generated, no matter what the tenant's business may be;

123. All black 85 ℓ refuse bins or black refuse bags is in the process of being replaced with 240 ℓ black municipal wheeled containers engraved with WC024 in front, and consequently refuse storage areas should be designed to cater for these containers. The dimensions of these containers are:

Commercial and Domestic : 585 mm wide x 730 mm deep x 1100 mm high

124. With regard to flats and townhouses, a minimum of 50 litres of storage capacity per person, working or living on the premises, is to be provided at a "once a week" collection frequency;

125. Should designers be in any doubt regarding a suitable size for the refuse storage area, advice should be sought from the Solid Waste Department : Tel 021 808-8224

126. Building specifications for refuse storage area:

Floor

The floor shall be concrete, screened to a smooth surface and rounded to a height of 75mm around the perimeter. The floor shall be graded and drained to a floor trap (See: Water Supply and Drainage).

Walls and Roof

The Refuse Storage Area shall be roofed to prevent any rainwater from entering. The walls shall be constructed of brick, concrete or similar and painted with light color high gloss enamel. The height of the room to the ceiling shall be not less than 2.21 meters.

Ventilation and Lighting

The refuse storage area shall be adequately lit and ventilated. The room shall be provided with a lockable door which shall be fitted with an efficient self-closing devise. The door and ventilated area shall be at least 3 metres from any door or window of a habitable room. Adequate artificial lighting is required in the storage area.

Water Supply and Drainage

A tap shall be provided in the refuse storage area for washing containers and cleaning spillage. The floor should be drained towards a 100 mm floor trap linked to a drainage pipe which discharges to a sewer gully outside the building. In some cases a grease gully may be required.

127. Should the refuse storage area be located at a level different from the level of the street entrance to the property, access ramps are to be provided as stairs are not allowed. The maximum permissible gradient of these ramps is 1:7;

128. A refuse bay with minimum dimensions of 15 meters in length x 2, 5 meters in width plus 45 degrees splay entrance, on a public street, must be provided where either traffic flows or traffic sight lines are affected. The refuse bays must be positioned such that the rear of the parked refuse vehicle is closest to the refuse collection area;

129. Any containers or compaction equipment acquired by the building owner must be approved by the Directorate: Engineering Services, to ensure their compatibility with the servicing equipment and lifting attachments;

130. Refuse should not be visible from a street or public place. Suitable screen walls may be required in certain instances;

131. Access must be denied to unauthorized persons, and refuse storage areas should be designed to incorporate adequate security for this purpose;

132. All refuse storage areas shall be approved by the Directorate: Engineering Services, to ensure that the Council is able to service all installations, irrespective of whether these are currently serviced by Council or other companies;

AS-BUILTs

133. The "*Developer*" shall provide the "*Municipality*" with:
    a. a complete set of as-built paper plans, signed by a professional registered engineer;
    b. a CD/DVD containing the signed as-built plans in an electronic DXF-file format, reflecting compatible layers and formats as will be requested by the "*Engineer*" and is reflected herewith as Annexure X;
    c. a completed Asset Verification Sheet in Excell format, reflecting the componitization of municipal services installed as part of the development. The Asset Verification Sheet will have to be according to the IMQS format, as to be supplied by the "Engineer", and is to be verified as correct by a professional registered engineer;
    d. a complete set of test results of all internal – and external services (i.e. pressure tests on water - and sewer pipelines as well as densities on road structure and all relevant tests on asphalt), approved and verified by a professional registered engineer;
    e. Written verification by the developer's consulting engineer that all professional fees in respect of the planning, design and supervision of any services to be taken over by the "*Municipality*" are fully paid;

134. All relevant as-built detail, as reflected in the item above, of civil engineering services constructed for the development, must be submitted to the "*Engineer*" and approved by the "*Engineer*" before any application for Certificate of Clearance will be supported by the "*Engineer*";

135. The Consulting Civil Engineer of the "*Developer*" shall certify that the location and position of the installed services are in accordance with the plans submitted for each of the services detailed below;

136. All As-built drawings are to be signed by a professional engineer who represents the consulting engineering company responsible for the design and or site supervision of civil engineering services;

137. Section 31 Clearance certificates shall not be issued unless said services have been inspected by the "*Engineer*" and written clearance given, by the "*Engineer*";

Section 31 Clearance Certificate

138. It is specifically agreed that the "*Developer*" undertakes to comply with all conditions of subdivision and rezoning as laid down by the "*Municipality*" before clearance certificates shall be issued, unless otherwise agreed herein;

139. It is specifically agreed that the "*Developer*" undertakes to ensure that ALL applicable development conditions and requirements are met before submitting an application for the issuing of a Clearance Certificate in terms of Section 31. A list stipulating ALL conditions must be attached to the application and ALL conditions to the list must be ticked, indicating that it has been complied to, and evidence of such compliance also needs to be attached;

140. that the "*Municipality*" reserves the right to withhold any clearance certificate until such time as the "*Developer*" has complied with conditions set out in this contract with which he/she is in default. Any failure to pay monies payable in terms of this contract within 30 (thirty) days after an account has been rendered shall be regarded as a breach of this agreement and the "*Municipality*" reserves the right to withhold any clearance certificate until such time as the amount owing has been paid;

141. that clearance will only be given per phase and the onus is on the "*Developer*" to phase his development accordingly;

142. **The onus will be on the "Developer" and or his professional team to ensure that all land-use conditions have been complied with before submitting an application for a Section 31 Certificate. Verifying documentation (proof of payment in respect of development contributions, services installation, etc.) must be submitted as part of the Section 31 Certificate application before an application will be accepted by this Directorate;**

143. that any application for Certificate of Clearance will only be supported by the "*Engineer*" once all relevant as-built detail, as reflected in the item "AS-BUILT's" of this document, is submitted to the "*Engineer*" and approved by the "*Engineer*".

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

Avoidance of waste, nuisance and risk

144. Where in the opinion of the "*Municipality*" a lack of maintenance of any service constitutes a nuisance, health or other risk to the public the "*Municipality*" may give the "*Developer*" and or HOA written notice to remedy the defect failing which the "*Municipality*" may carry out the work itself or have it carried out, at the cost of the "*Developer*" and or HOA.

Streetlighting

145. The "*Developer*" will be responsible for the design and construction at his own expense of all internal street lighting services and street lighting on link roads leading to his development (excluding Class 1, 2 and 3 Roads) according to specifications determined by the municipality's electro technical engineer and under the supervision of the consulting engineer, appointed by the "*Developer*";

146. Prior to commencing with the design of street lighting services, the consulting electrical engineer, as appointed by the "*Developer*" must acquaint himself with, and clarify with the municipality's electro technical engineer, the standards of materials and design requirements to be complied with and possible cost of connections to existing services;

147. The final design of the complete internal street lighting network of the development must be submitted by the consulting electrical engineer, as appointed by the "*Developer*", to the municipality's electro technical engineer for approval before any construction work commences;

148. Any defect with the street lighting services constructed by the "*Developer*" which may occur during the defects liability period of 12 (TWELVE) months and which occurs as a result of defective workmanship and/or materials must be rectified immediately / on the same day the defect was brought to the attention of the consulting electrical engineer, appointed by the "*Developer*". Should the necessary repair work not be done within the said time the "*Municipality*" reserves the right to carry out the repair work at the cost of the "*Developer*";

149. The maintenance and servicing of all private internal street lighting shall be the responsibility and to the cost of the "Developer" and or Home Owners Association.

TYRONE KING
HEAD: DEVELOPMENT SERVICES AND PROJECT MANAGEMENT

ATTACHMENT X

Geographic Information System (GIS) data capturing standards

In drawing up the As-build Plans relating to this development, the consultant must create the following separate layers in ESRI shp, electronic file format in order for the data to reflect spatially correct.

Layer name	Content
TITLE	Title information, including any endorsements and references
NOTES	All noted information, both from the owner / surveyor and SG
PARENT_PROPLINES	Parent property lines
PARENT_PROPNUM	Parent erf number (or portion number)
PROPLINES	New portion boundaries
PROPANNO	New erf numbers
SERVLINES	Servitude polygons
SERVANNO	Servitude type
STREET_NAMES	Road centre lines with street names
STREET_NUMBERS	Points with street numbers
COMPLEX BOUNDARIES	Where applicable, polygon with complex name (mention whether gated or not and if so, where gates are)
SUBURB	Polygon with suburb name, where new suburb / township extension created
ESTATE	Where applicable, polygon with estate name (mention whether gated or not and if so, where gates are)

When data is provided in a .shp format it is mandatory that the .shx, .dbf, files should accompany the shapefile. The prj file containing the projection information must also accompany the shapefile.

It is important that different geographical elements for the GIS capture process remains separate. That means that political boundaries like wards or suburbs be kept separate from something like rivers. The same applies for engineering data types like water lines, sewer lines, electricity etc. that it is kept separate from one another. When new properties are added as part of a development, a list of erf numbers with its associated SG numbers must be provided in an electronic format like .txt, .xls or .csv format.

For road layer shapefiles; the road name, the from_street and to_street where applicable as well as the start en end street numbers needs to be included as part of the attributes. A rotation field needs to be added to give the street name the correct angle on the map.

In addition to being geo-referenced and in WGS 1984 Geographic Coordinate System, the drawing must be completed using real world coordinates based on the Stellenbosch

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

Municipality standard as follows:

- Datum : Hartebeeshoek WGS 84
- Projection : Transverse Mercator
- Central Longitude/Meridian 19
- False easting : 0.00000000
- False northing : 0.00000000
- Central meridian : 19.00000000
- Scale factor : 1.00000000
- Origin latitude : 0.00000000
- Linear unit : Meter

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Enquiries	R Fooy / B Mdoda
Your ref	-
Our ref	Erf 7588, Stellenbosch
Application No	LU/6528
Date	20 June 2018
Telephone	021-808 8680 / 8690
Fax	021-886 6899

REGISTERED MAIL

TV3 Architects and Town Planners
1st Floor, La Gratitude Offices
97 Dorp Street
Stellenbosch
7600

Sir

APPLICATION FOR A SPECIAL DEVELOPMENT ON ERF 7588, STELLENBOSCH

Your application in the above regard, refers.

The 17th Council meeting of the Council of Stellenbosch Municipality held on 23 May 2018 resolved as follows:

1. That **approval be granted** in terms of Section 10.7.2 of the Stellenbosch Municipality's Zoning Scheme Regulations (1996) for a Special Development on Erf 7588, Stellenbosch to permit the construction of a mixed use building consisting of basement parking, offices and flats above ground level, subject to the following conditions:

   (a) The approval applies only to the application under consideration and shall not be construed as authority to depart from any other legal prescriptions or requirements from Council;

   (b) That the development shall be limited to a 3 storey building with basement parking, shops , restaurants, liquor store, offices and flats above ground floor only as indicated on the attached Site Development Plan, Plan number J3083-A-101-2, dated 2013;

   (c) That building plans must be submitted to this municipality for approval, prior to any building work commencing on site; that the building plans submitted to Council for approval is substantially the same as the approved Site Development;

   (d) That building plans must comply with the conditions imposed by Heritage Western Cape and must be endorsed by the relevant Heritage body;

   (e) That the conditions imposed by the Directorate: Engineering Services in their memo dated 15 July 2017 attached as **APPENDIX 4** be adhered to prior to building plans being submitted to Council for approval;

   (f) That a detailed landscaping plan is submitted for approval with the building plans and that the landscaping plan be to the satisfaction of the Directorate Community Services;

   (g) That the landscaping shall be implemented prior to an occupational certificate being issued for the building;

   (h) That the refuse room be placed in such a position on the property to have minimal impact on the streetscape and to form part of architecture of the building;

(i) That any vehicle servicing the refuse room should at all times have minimal impact on the existing traffic flow within the street;

(j) That an advertising theme be submitted to the Municipality for approval and that the theme complies with the relevant signage policy of Council prior to any signage being fixed to the building;

(k) That the relevant business licence be obtained if required;

(l) That the developments proposed on erven 7587, 7588 and 7592 be considered as one application and that the bulk infrastructure cost applicable to each property be paid simultaneously;

(m) That the developer submits a motivation and implementation plan to the Municipality for consideration. That the implementation plan should include items like programmes for the construction of the internal services and the building construction;

(n) That all the conditions of approval listed above need to be complied with prior to any building plans being submitted or considered by the Municipality;

(o) That this Council reserves the right to impose further conditions if deemed necessary.

2. Reasons for the above decision are as follows:

(a) The proposed development of the subject property is considered desirable as it is in line with the municipal planning policies and principles; constitutes infill development of underutilised land. The proposal is compatible with the surrounding land uses. The proposal will have a positive impact on the local economy and will broaden the municipal tax base. The proposal will also facilitate the efficient use of existing services and facilities.

3. Kindly note that the above approval does not guarantee approval of any related building plan application in terms of the National Building Regulations and Building Standards Act, No 103 of 1977 and that building work may therefore only commence once such plans are formally passed.

4. I wish to advise that the above decision is therefore now considered final. Accordingly, you may now act on the decision, subject to compliance with the conditions herein.

Yours faithfully

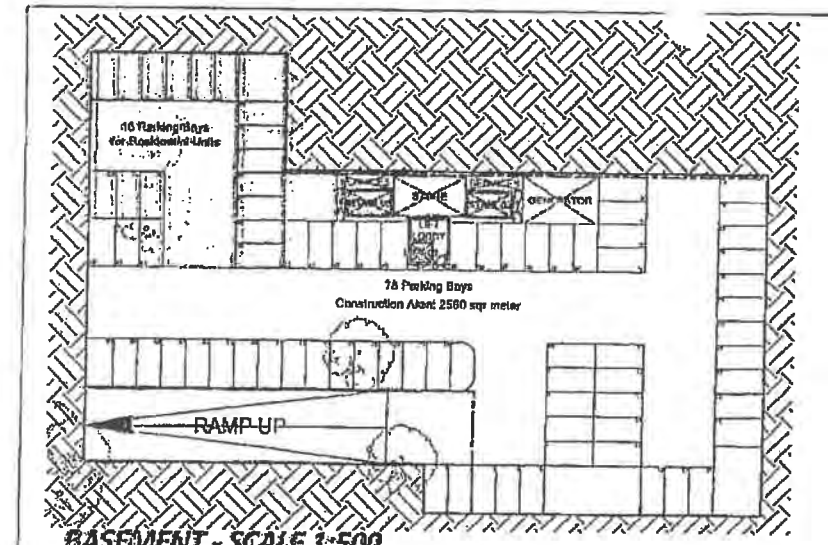
FOR ACTING DIRECTOR: PLANNING & ECONOMIC DEVELOPMENT

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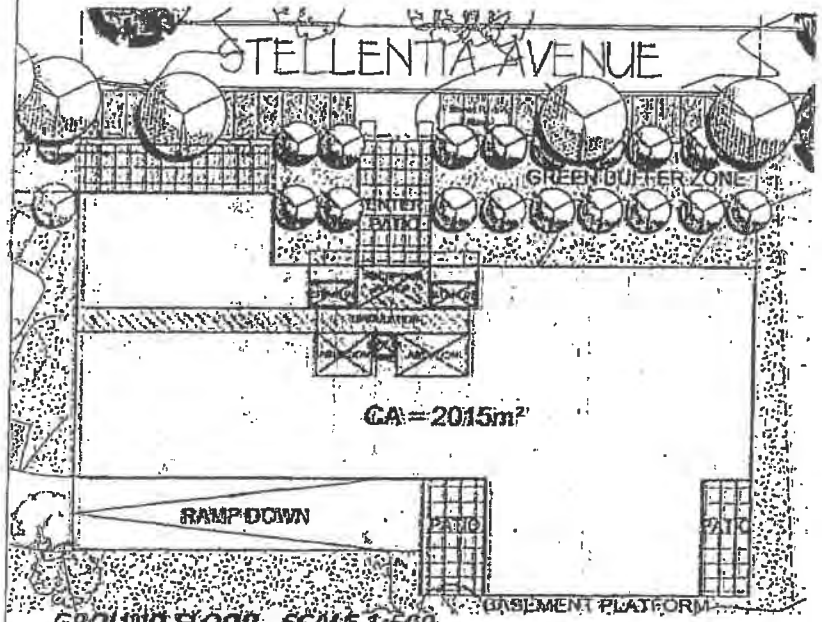
APPENDIX 2

Application is made in terms of Section 10.7.2 of the Stellenbosch Municipality's Zoning Scheme Regulations (1996) for a Special Development on erf 7588, Stellenbosch, to permit the construction of a 3 storey mixed use building consisting of basement parking with shops, restaurants, liquor store, offices and flats above ground floor level.

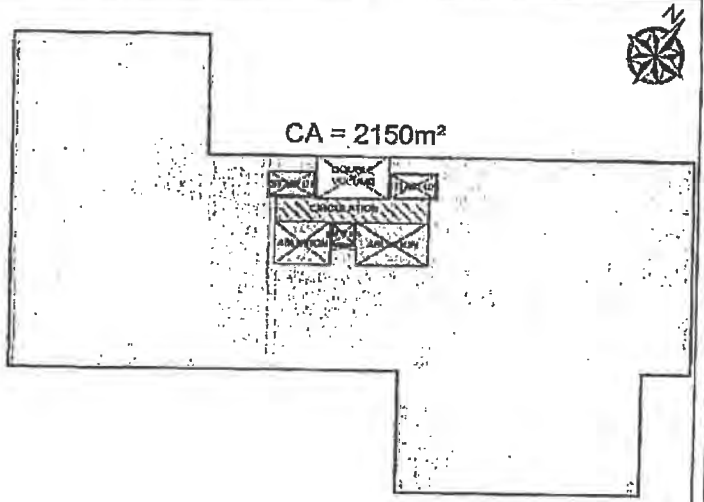
SITE DEVELOPMENT PLAN



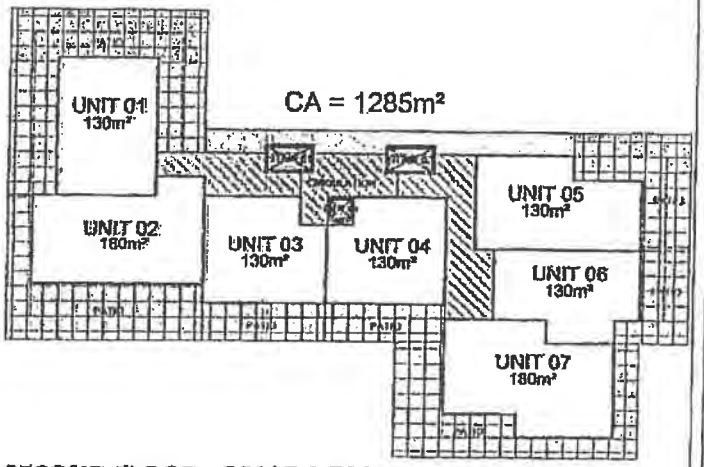
BASEMENT - SCALE 1:500



GROUND FLOOR - SCALE 1:500



FIRST FLOOR - SCALE 1:500



SECOND FLOOR - SCALE 1:500

Permissible and Proposed Development

DEVELOPMENT PARAMETERS	"STANDARD DEVELOPMENT RIGHTS"	TV3'S PROPOSAL
ERF	7588	
ZONING	SPECIFIC BUSINESS	
SITE AREA	14 948 m²	
BUILDING LINES	0 m	REFER TO PLAN
COVERAGE	11 % 11 632m²	14% 2150m²
HEIGHT	0 m	0m2
BULK	N/A	
GFA		
BASEMENT		2150 m²
GROUND	OFFICE	2150 m²
FIRST	OFFICE	2150 m²
SECOND	RESIDENTIAL	1285m²
TOTAL =		5585m²
GLA		
BASEMENT		-
GROUND	OFFICE	1915m²
FIRST	OFFICE	2150 m²
SECOND	RESIDENTIAL	1285m²
TOTAL =		5450m²
GLA		
GROUND	OFFICE	1715m² (LESS 10% = 1543m²)
FIRST FLOOR	OFFICE	1935m² (10% deduction = 1741m²)
SECOND FLOOR	RESIDENTIAL	2 x 100m² = Units (2 PER UNIT)
		8 x 130 m² = Units (1 PER UNIT)
		1010m² (1 per 50m² for offices & visitors)
	TOTAL	4775m² (1 per 50m² for offices & visitors)
PARKING REQUIREMENTS	REQUIRED	PROVIDED
	1 PER 50m² - 96 PKGS	
GROUND + OFFICE	35 bays required	38 OPEN street bays
FIRST	78 bays required	72 basement bays
		20 OPEN Fenced surface bays
		50 OPEN info pool surface bays
RESIDENTIAL	2 BAYS PER RES UNIT (10 bays required)	18 BAYS (PROVIDED in basement)
TOTAL PARKING	161 BAYS	207 BAYS PROVIDED

SITE PLAN - SCALE 1:5000

ALL STATUTORY REQUIREMENTS (NATIONAL BUILDING REGULATIONS AND SERVICING BY-LAWS) MUST BE ADHERED TO • CONTRACTORS ARE TO CHECK AND VERIFY ALL DIMENSIONS AND LEVELS ON THE BUILDING SITE BEFORE WORK COMMENCES • FIGURED DIMENSIONS AND LARGE SCALE DRAWINGS TAKE PREFERENCE OVER SCALED DIMENSIONS • REPRESENTATIVE ALL CONSTRUCTION INFORMATION TO THE ARCHITECT AND OTHER RESPONSIBLE CONSULTANTS THE DESIGN AND DETAIL ON THIS DRAWING IS THE PROPERTY OF TV3 ARCHITECTS AND TOWN PLANNERS (PTY)LTD. AND COPYRIGHT IS RESERVED.

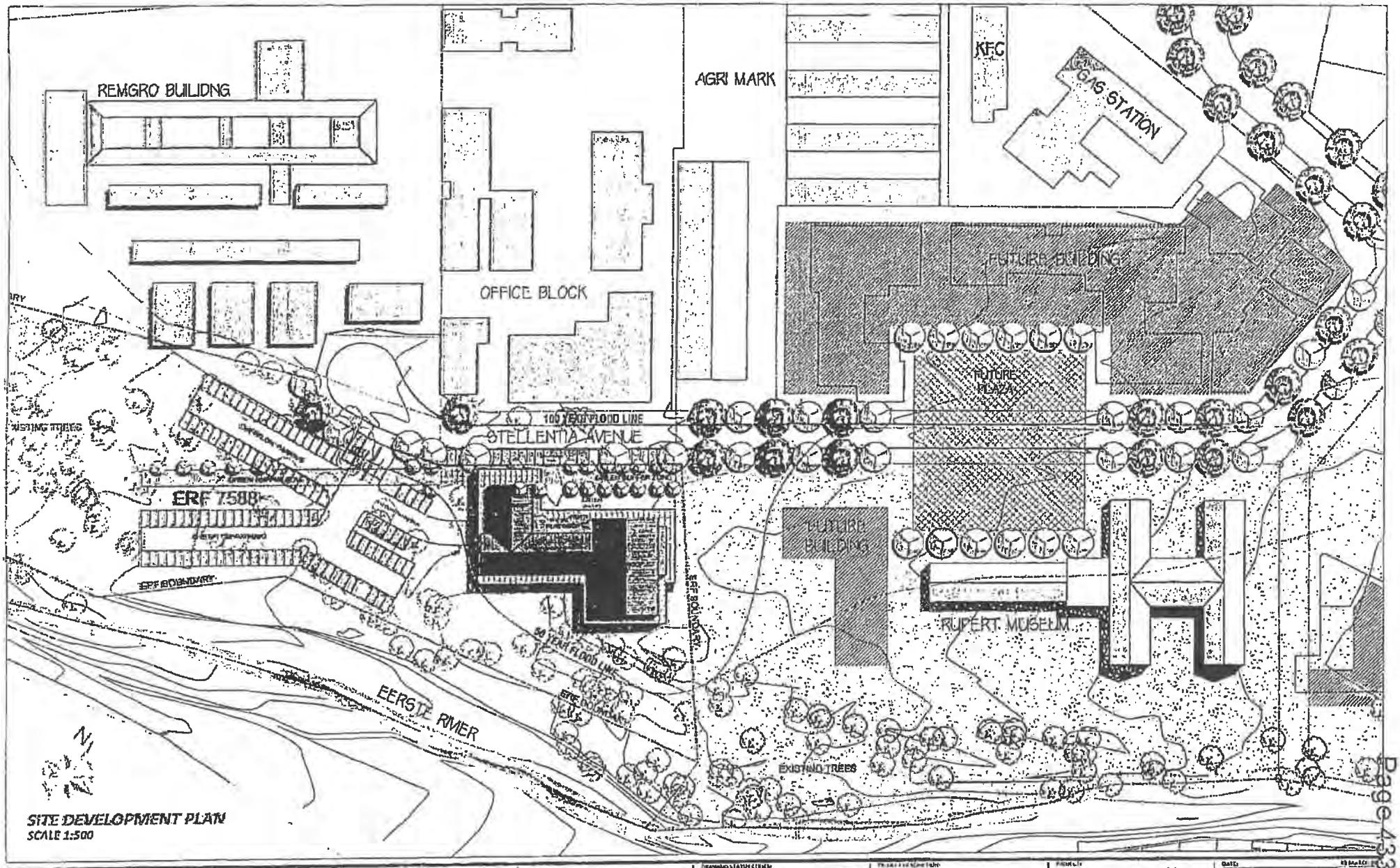
DRAWING STATUS CODES:
A: Design • B: Marketing • C: Municipal • D: Tender • E: Construction • F: As Built

PROJECT DESCRIPTION:
PROPOSED DEVELOPMENT
STELLENBOSCH, Erf No. 7588

DRAWING DESCRIPTION:
FLOOR LAYOUTS

tv3 ARCHITECTS AND TOWN PLANNERS
First Floor • La Gratitude Office Building
97 Dorp Street • Stellenbosch 7600
tel (021) 881 3600
fax (021) 882 8029
e-mail mail@tv3.co.za
web: www.tv3.co.za

DRAWN: ALMA MENTZ
CHECKED: EDWIN SWANEPOEL
DATE: OKTOBER 2013 | SCALE/SHEET SIZE: TBC
DRAWING No: J3083-A-102
REVISION: -



Proposed Development
Erf No. 7588
Stellenbosch

SITE PLAN

OFFICE & RESIDENTIAL DEVELOPMENT

tv3 ARCHITECTS AND TOWN PLANNERS

J3083-A-101 B

DESIGN

STELLENBOSCH
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APPENDIX 4

Application is made in terms of Section 10.7.2 of the Stellenbosch Municipality's Zoning Scheme Regulations (1996) for a Special Development on erf 7588, Stellenbosch, to permit the construction of a 3 storey mixed use building consisting of basement parking with shops, restaurants, liquor store, offices and flats above ground floor level.

COMMENT RECEIVED FROM EXTERNAL & INTERNAL DEPARTMENTS

MEMO

DIRECTORATE: ENGINEERING SERVICES
DIREKTORAAT: INGENIEURSDIENSTE

TO	:	The Director: Planning and Development
FOR ATTENTION	:	Robert Fooy
FROM	:	Tyrone King (Head: Development Services and Project Management)
DATE	:	15 July 2016
RE.	:	Application for special development: Erven 7586, 7588 and 7592, Lower Dorp Street (Remgo)
Reference	:	Erven 7586, 7588 and 7592, Stellenbosch

Details, specifications and information reflected in the following documentation refers:

Erf 7586

- Land Use application document, dated 28 June 2013;
- Site Development Plan titled Floor Layouts Dwg No 2970-A-103 Rev -, dated 4 February 2013;
- Traffic Impact Assessment by ICE Group dated 1 July 2013;
- Cost Estimates and Funding letter by ICE Group dated 14 June 2016;
- GLS report on water and sewer dated 2 February 2016;
- Engineering Services Report No 1258 / 1B by Bart Senekal Inc dated April 2016;
- Letter re Flood protection of basement by Bart Senekal Inc, dated 25 February 2016 (ref 1258 / A4) and associated drawings 1258/07A and 10258/02B

Erf 7588

- Land Use application document, dated 28 June 2013;
- Site Development Plan titled Floor Layouts Dwg No 2970-A-103 Rev -, dated 4 February 2013;
- Traffic Impact Assessment by ICE Group dated 1 July 2013;
- Cost Estimates and Funding letter by ICE Group dated 14 June 2016;
- GLS report on water and sewer dated 2 February 2016;
- Engineering Services Report No 1282 by Bart Senekal Inc dated April 2016;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

- Letter re Flood protection of basement by Bart Senekal Inc, dated 25 February 2016 (ref 1282 / A1) and associated drawings 1282/02A

Erf 7592

- Land Use application document, dated 28 June 2013;
- SDP Ground Floor Dwg No J2892-A-101 Rev e, dated 25 June 2013;
- Traffic Impact Assesment by ICE Group dated 1 July 2013;
- Cost Estimates and Funding letter by ICE Group dated 14 June 2016;
- GLS report on water and sewer dated 2 February 2016;
- Engineering Services Report No 1281 by Bart Senekal Inc dated April 2016;
- Letter re Flood protection of basement by Bart Senekal Inc, dated 25 February 2016 (ref 1281 / A1)

Application is made for following:

Erf 7586 (Shops and offices):

- A Special Development to permit the development of a commercial facility consisting of retail, shops, restaurant, wine shop and offices
- Business GLA: 3065m² (Areas as per Floor Layouts Dwg No 2970-A-103 Rev -, dated 4 February 2013)

Erf 7588 (Offices and residential):

- A Special Development in order to develop offices and apartments
- Business GLA: 3755m²
- Residential: 7 units (1285m² floor area) Areas as per Floor Layouts Dwg No J3083-A-102 Rev -, dated Oct 2013

Erf 7592 (Offices and residential):

- A Special Development to permit the construction of a commercial facility consisting of shops, restaurant, liquor store, offices and apartments
- Business GLA: 8478m²
- Residential: 46 units (3731m² floor area) (No of units defined in TIA) (Areas from SDP Ground Floor Dwg No J2892-A-101 Rev e, dated 25 June 2013)

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

Comments from the Directorate: Engineering Services i.e. Roads & Stormwater, Water Services, Traffic Engineering and Development Services will be reflected in this memo and is to be regarded as development conditions to be reflected in the land-use approval. It must be noted that Electrical Services will comment in a separate memo.

The above-mentioned land-use application is supported, subject to the following conditions:

General

1. that the following words and expressions referred to in the development conditions, shall have the meanings hereby assigned to except where the context otherwise requires:

   (a) *"Municipality"* means the STELLENBOSCH MUNICIPALITY a metropolitan municipality, Local Authority, duly established in terms of section 9 of the Local Government Municipal Structures act, Act 117 of 1998 and Provincial Notice (489/200), establishment of the Stellenbosch Municipality (WC024) promulgated in Provincial Gazette no. 5590 of 22 September 2000, as amended by Provincial Notice 675/2000 promulgated in Provincial Gazette;

   (b) *"Developer"* means the developer and or applicant who applies for certain development rights by means of the above-mentioned land-use application and or his successor-in-title who wish to obtain development rights at any stage of the proposed development;

   (c) *"Engineer"* means an engineer employed by the *"Municipality"* or any person appointed by the *"Municipality"* from time to time, representing the Directorate: Engineering Services, to perform the duties envisaged in terms of this land-use approval;

2. that all previous relevant conditions of approval to this development application remain valid and be complied with in full unless specifically replaced or removed by the *"Engineer"*;

3. that no occupation certificates will be issued or taking up of proposed rights will be allowed until sufficient capacity in the following infrastructure is confirmed by the "Engineer":

   a. **Stellenbosch WWTW (Waste Water Treatment Works):** The proposed development falls within the catchment area of the existing Stellenbosch WWTW (Waste Water Treatment Works). The current capacity of the existing Stellenbosch WWTW does not allow for any new developments at this stage. However, construction for the upgrade of the Stellenbosch WWTW with a design capacity of

20.4 ML/day, to a 35 Ml/day treatment works is underway. Commissioning of the first phase to accommodate sewage from new developments is dependent on the Contractor's adherence to the programme and is estimated to be in December 2017.

b. **Sewer:**

i. Plankenbrug Main Outfall Sewer Phase 1 (WWTW to Plankenbrug River at Bosman's Crossing) and Phase 2 (Plankenbrug River at Bosman's Crossing to Merriman Avenue):

The existing 600 mm, 375 mm and 625 mm diameter bulk outfall sewers to which the proposed developments are to connect, are at capacity and have insufficient capacity to accommodate any additional development within the Adam Tas drainage area. A new 1 200 mm diameter pipe is however currently being constructed by the Stellenbosch Municipality parallel to the existing 600 mm, 375 mm and 625 mm pipes. This will provide sufficient capacity to accommodate future developments. Commissioning of Phase 1 to accommodate sewage from new developments is dependent on the Contractor's adherence to the programme and is estimated to be in December 2017. Commissioning of Phase 2 to accommodate sewage from new developments is dependent on the Contractor's adherence to the programme and is estimated to be in July 2019.

ii. The following items as indicated in the GLS report on water and sewer dated 2 February 2016:

- SSS1.18 :45m x 355 dia upgrade existing sewer

At this stage it is not clear if this pipeline section is included within the scope of the Plankenbrug Main Outfall Sewer project as described above. If not, this will have to be implemented by the Developer in lieu of DC's, or if DCs are not sufficient, at the Developer's own cost.

c. **Water link services (to be implemented by the Developer and at the Developer's cost):** The items as indicated in the GLS report on water and sewer dated 2 February 2016:

i. Item 1 : 330 m x 160 mm dia replace existing 100mm dia pipe

d. **Road infrastructure:** All upgrades listed below as identified in the Traffic Impact Assessment by ICE Group dated 1 July 2013. The Cost Estimates and Funding letter by ICE Group dated 14 June 2016 (*Annexure A*) indicates the funding

requirements and it is clear that the Municipal funding and Development Contributions of the proposed developments on erven 7586, 7588 and 7592 are not sufficient to fund the required upgrades. It is also evident that in order to achieve sufficient funding for the road upgrades, this Development is dependent on the Development Contributions of Farm 183/57 and 183/58 (Woodmill), which also triggers the upgrading of Dorp Street. Without the required upgrades, the proposed development cannot be implemented. Therefore, no further approval i.e. engineering drawing approval and/or building plan approval will be granted until a financial commitment and implementation plan for these upgrades is presented and agreed between all the relevant parties and the Municipality and the approval mentioned in Condition 3e below is granted by the Municipality. It is further recommended that the Developer, in conjunction with the Municipality, engage with the Western Cape Government: Transport and Public Works (stated as PGWC in the letter) to discuss their contribution to these upgrades.

Improvements required at the various intersections with Dorp Street as per TIA:

i. **No development**

Adam Tas Road-intersection: provide an additional right turn lane on the southern approach (Adam Tas Road), 55 metres long; provide a dedicated left turn lane on the northern approach (Adam Tas Road), 35 metres long; provide two lanes on Dorp Street eastbound to accommodate two right turn lanes from Adam Tas Road; change the dedicated right turn lane on Dorp Street (westbound) to a left/right right lane.

Stellentia Avenue/Stadler Street-intersection: provide traffic signals.

R44-intersection: provide a dedicated left turn lane on the southern approach (R44 from Somerset West) 50 metres long; extend the dedicated right turn lane on the southern approach (Adam Tas Road) to 75 metres (maximum to before bridge over Eerste River); provide an additional dedicated right turn lane on the western approach (Dorp Street) 65 metres long; change the through lane on the eastern approach (Dorp Street) to a through/left turn lane.

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

ii. Erf 7586 development

Adam Tas Road-intersection: No further improvements required

Stellentia Avenue-intersection: No further improvements required

R44-intersection: No further improvements required

iii. Erf 7586 and Erf 7592 developments

Adam Tas Road-intersection: No further improvements required

Stellentia Avenue-intersection: No further improvements required

R44-intersection: No further improvements required

Dorp Street: The road should be dualled from Adam Tas Road to the R44 as indicated in Figure 15 of the TIA

iv. Erf 7586, Erf 7592 and Erf 7588 developments

Adam Tas Road-intersection: No further improvements required

Stellentia Avenue-intersection: No further improvements required

R44-intersection: No further improvements required

Dorp Street: No further improvements required

e. Should the "Developer" wish to discuss the possibility of proceeding with construction work parallel with the provision of the bulk services listed above, he must present a motivation and an implementation plan to the "Engineer" for his consideration and approval. The implementation plan should include items like programmes for the construction of the internal services and the building construction;

4. that should the "*Developer*" not take up his rights for whatever reason within two years from the date of this memo, a revised Engineering report addressing services capacities and reflecting Infrastructure amendments during the two year period, must be submitted to the Directorate: Engineering Services by the "*Developer*" for further comment and conditions. Should this revised Engineering report confirm that available services capacities is not sufficient to accommodate this development, then the implementation of the development must be re-planned around the availability of bulk services as rate clearance in terms of Section 31 of LUPO will not be supported by the Directorate: Engineering Services for this development if bulk services are not available upon occupation or taking up of proposed rights;

5. that the "*Developer*" indemnifies and keep the "*Municipality*" indemnified against all actions, proceedings, costs, damages, expenses, claims and demands (including claims pertaining to consequential damages by third parties and whether as a result of the damage to or

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

interruption of or interference with the municipalities' services or apparatus or otherwise) arising out of the establishment of the development, the provision of services to the development or the use of servitude areas or municipal property, for a period that shall commence on the date that the installation of services to the development are commenced with and shall expire after completion of the maintenance period.

6. that the "*Developer*" must ensure that he / she has an acceptable public liability insurance policy in place;

7. that the "*Developer*" approach the Western Cape Government: Transport and Public Works for their input and that the conditions as set by the Western Cape Government: Transport and Public Works be adhered to before Section 31 Clearance Certificate will be issued;

8. that the "*Developer*" informs the project team for the proposed development (i.e. engineers, architects, etc.) of all the relevant conditions contained in this approval;

9. that the General Conditions of Contract for Construction Works (GCC) applicable to all civil engineering services construction work related to this development, will be the SAICE 2nd Edition of 2010;

10. that the "*Developer*" takes cognizance and accepts the following:

    a.) that no construction of any civil engineering services may commence before approval of internal – and external civil engineering services drawings;
    b.) that no approval of internal – and external civil engineering services drawings will be given before land-use and or SDP approval is obtained;
    c.) that no approval of internal – and external civil engineering services drawings will be given before the "*Developer*" obtains the written approval of all affected owners where the route of a proposed service crosses the property of a third party;
    d.) that no building plans will be recommended for approval by the Directorate: Engineering Services before land-use and or SDP approval is obtained;
    e.) that no building plans will be recommended for approval by the Directorate: Engineering Services before the approval of internal – and external civil engineering services drawings;
    f.) that no building plans will be recommended for approval by the Directorate: Engineering Services before a Clearance Certificate in terms of Section 31 of the Land-use Planning Ordinance is issued.

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

Site Developement Plan

11. that it is recognized that the normal Site Development Plan, submitted as part of the land-use application, is compiled during a very early stage of the development and will lack engineering detail that may result in a later change of the Site Development Plan. Any later changes will be to the cost of the "Developer";

12. that even if a Site Development Plan is approved by this letter of approval, a further fully detailed site plan be submitted for approval prior to the approval of engineering services plans and or building- and/or services plans to allow for the setting of requirements, specifications and conditions related to civil engineering services. Such Plan is to be substantially in accordance with the approved application and or subdivision plan and or precinct plan and or site plan, etc. and is to include a layout plan showing the position of all roads, road reserve widths, sidewalks, parking areas with dimensions, loading areas, access points, stacking distances at gates, refuse removal arrangements, allocation of uses, position and orientation of all buildings, the allocation of public and private open spaces, building development parameters, the required number of parking bays, stormwater detention facilities, connection points to municipal water- and sewer services, updated land-use diagram and possible servitudes;

13. that if the fully detailed Site Development Plan, as mentioned in the above item, contradicts the approved Site Development Plan, the "Developer" will be responsible for the amendment thereof and any costs associated therewith;

14. that an amended Site Development Plan be submitted for approval prior to the approval of building plans for new buildings not indicated on the Site Development Plan applicable to this application and or changes to existing buildings or re-development thereof;

Internal- and Link Services

15. that it be noted that as per the Site Development Plans, the roads are reflected as private roads. Therefore all internal services on the said erven will be regarded as private services and will be maintained by the "*Developer*" and or HOA;

16. that the "*Developer*", at his/her cost, construct the internal (on-site) municipal civil services for the development, as well as any link (service between internal and available bulk municipal service) municipal services that need to be provided;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

17. that the "*Developer*", at his/her cost, construct the internal (on-site) private civil services for the development, as well as any link (service between internal and available bulk municipal service) municipal services that need to be provided;

18. that the Directorate: Engineering Services may require the "*Developer*" to construct internal municipal services and/or link services to a higher capacity than warranted by the project, for purposes of allowing other existing or future developments to also utilise such services. The costs of providing services to a higher capacity could be offset against the Development Contributions payable in respect of bulk civil engineering services if approved by the Directorate: Engineering Services;

19. that the detailed design and location of access points, circulation, parking, loading - and pedestrian facilities, etc., shall be generally in accordance with the approved Site Development Plan and / or Subdivision Plan applicable to this application;

20. that plans of all the internal civil services and such municipal link services as required by the Directorate: Engineering Services be prepared and signed by a Registered Engineering Professional before being submitted to the aforementioned Directorate for approval;

21. that the design and construction/alteration of all civil engineering infrastructure shall be generally in accordance with the Standard Conditions imposed by the Directorate: Engineering Services in this respect or as otherwise agreed. The Standard Conditions is available in electronic format and available on request;

22. that the construction of all civil engineering infrastructure shall be done by a registered civil engineering services construction company approved by the "*Engineer*";

23. that the "*Developer*" ensures that his/her design engineer is aware of the Stellenbosch Municipality Design Guidelines & Minimum Standards for Civil Engineering Services and that his/her design engineer will comply to the mentioned document or as otherwise agreed in writing with the Directorate: Engineering Services;

24. that engineering design drawings will only be approved once Final Notice of LUPO approval is issued;

25. that all the internal civil services (water, sewer and stormwater), be indicated on the necessary building plans for approval by the Directorate: Engineering Services;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

26. that all internal - and link services be inspected by the "*Engineer*" on request by the "*Developer*" or his Consulting Engineer;

27. that a practical completion certificate be issued prior to transfer of individual units or utilization of buildings;

28. that a complete set of test results of all internal – and external services (i.e. pressure tests on water - and sewer pipelines as well as densities on road structure and all relevant tests on asphalt), approved and verified by a professional registered engineer be submitted to the "Engineer" on a monthly basis;

29. that the "*Developer*" shall adhere to the specifications of Telkom (SA) and or any other telecommunications service provider. Copies of all correspondence with Telkom shall be handed over to the "*Engineer*";

30. that the "*Developer*" shall be responsible for the cost for any surveying and registration of servitudes regarding services on the property;

31. that the "*Developer*" be liable for all damages caused to existing civil and electrical services of the "*Municipality*" relevant to this development. It is the responsibility of the contractor and/or sub-contractor of the "*Developer*" to determine the location of existing civil and electrical services;

32. that all connections to the existing services be made by the "*Developer*" under direct supervision of the "*Engineer*" or as otherwise agreed and all cost will be for the account of the "*Developer*".

33. that the "*Developer*" shall install a bulk water meter conforming to the specifications of the Directorate: Engineering Services at his cost at the entrance gate of all private developments before the practical completion inspection is carried out;

34. that the developer takes cognizance of applicable tariffs by Council in respect of availability of services and minimum tariffs payable;

35. that Section 31 Clearance will only be issued if the bulk watermeter is installed, a municipal account for the said meter is activated and the consumer deposit has been paid;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

36. that a suitably qualified professional resident engineer be appointed to supervise the construction of all internal – and external services;

37. that the "*Developer*", at his/her cost, will be responsible for the maintenance of all the internal (on-site) municipal – and private civil engineering services constructed for this development until at least 80% of the development units (i.e. houses, flats or GLA) is constructed and occupied whereafter the services will be formally handed over to the HOA, in respect of private services, and to the Municipality in respect of public services;

Servitudes

38. that the "*Developer*" ensures that all main services to be taken over by the Directorate: Engineering Services, all existing municipal – and or private services crossing private - and or other institutional property and any other services crossing future private land/erven are protected by a registered servitude before final Section 31 Clearance will be given or building plans are approved;

39. The width of the registered servitude must be a minimum of 3 m or twice the depth of the pipe (measured to invert of pipe), whichever is the highest value. The "*Developer*" will be responsible for the registration of the required servitude(s), as well as the cost thereof;

40. that the "*Developer*" obtains the written approval of all affected owners where the route of a proposed service crosses the property of a third party before final approval of engineering drawings be obtained.

Stormwater Management

41. that it be noted that the section of the Eersteriver to which these developments drain, is very sensitive to the impact of any additional stormwater generated by new development;

42. that the stormwater management generally be in accordance with the Engineering services reports, which indicates that detention facilities will be provided;

43. that the geometric design of the roads and/or parking areas ensure that no trapped low-points are created with regard to stormwater management. All stormwater to be routed to the nearest formalized municipal system;

APPLICATION FOR SPECIAL DEVELOPMENT: ERVEN 7586, 7588 AND 7592 LOWER DORP STREET

44. that the design engineer needs to apply his/her mind to ensure a design that will promote a sustainable urban drainage system which will reduce the impacts of stormwater on receiving aquatic environments;

45. that no disturbance to the river channel or banks be made without the prior approval in accordance with the requirements of the National Water Act;

46. that the consulting engineer, appointed by the "*Developer*", analyses the existing stormwater systems and determine the expected stormwater run-off for the proposed development, for both the minor and the major storm event. Should the existing municipal stormwater system not be able to accommodate the expected stormwater run-off, the difference between the pre- and post-development stormwater run-off must be accommodated on site, or the existing system must be upgraded to the required capacity at the cost of the "*Developer*" and to the standards and satisfaction of the Directorate: Engineering Services. The aforementioned stormwater analysis is to be submitted concurrent with the detail services plans;

47. that for larger developments, industrial developments or developments near water courses a stormwater management plan for the proposed development area, for both the minor and major storm events, be compiled and submitted for approval to the Directorate: Engineering Services.

48. that the approved management plan be implemented by the "*Developer*", at his/her cost, to the standards of the Directorate: Engineering Services. The management plan, which is to include an attenuation facility, is to be submitted concurrent with the detail services plans;

49. that overland stormwater escape routes be provided in the cadastral layout at all low points in the road layout, or that the vertical alignment of the road design be adjusted in order for the roads to function as overland stormwater escape routes. If this necessitates an amendment of the cadastral layout, it must be done by the "*Developer*", at his/her cost, to the standards of the Directorate: Engineering Services;

50. that in the case of a sectional title development, the internal stormwater layout be indicated on the necessary building plans to be submitted for approval.

51. that no overland discharge of stormwater will be allowed into a public road for erven with catchment areas of more than 1500m² and for which it is agreed that no detention facilities are

APPENDIX 2



Notation:

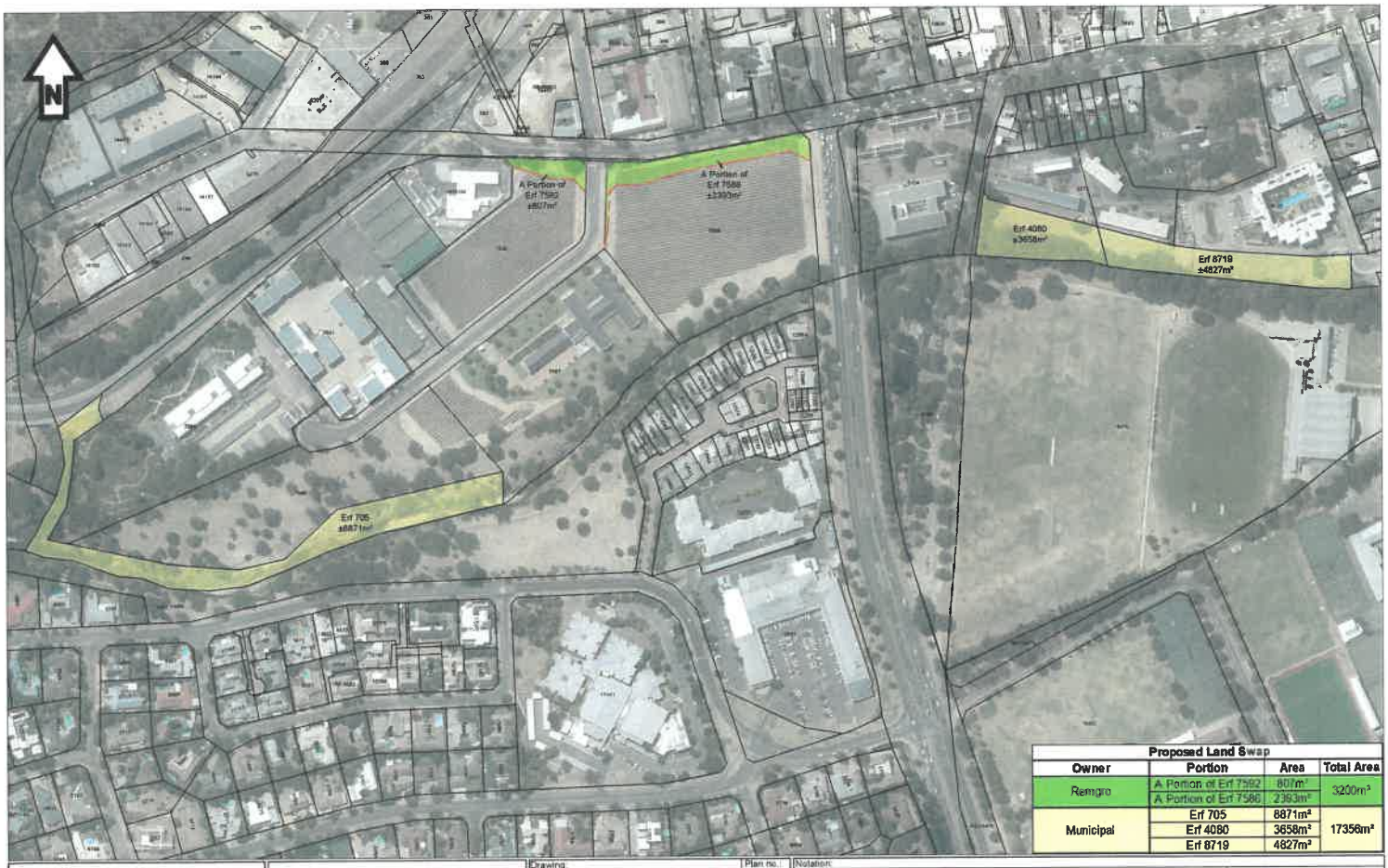
This drawing is the property of TV3 Architects and Town Planners (Pty) Ltd and copyright is reserved

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ARCHITECTS AND TOWN PLANNERS

Lower Dorp Street Widening, Stellenbosch

Drawn:	Checked:	Date:	Scale:
WH	JvR	08/09/2017	1:1000 (A3)
Project no.:		Revision no.:	
D2002		1	
Drawing:			Plan no.:
Proposed New Road Reserve			1

APPENDIX 3



Proposed Land Swap			
Owner	Portion	Area	Total Area
Remgro	A Portion of Erf 7592	807m²	3200m²
	A Portion of Erf 7586	2393m²	
Municipal	Erf 705	8871m²	17356m²
	Erf 4080	3658m²	
	Erf 8719	4827m²	

TV3 ARCHITECTS AND TOWN PLANNERS
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web: www.tv3.co.za

Remgro Land Swap

Drawing:		Plan no.:
Proposed Land Swap		1
Date:	Scale:	
03/10/2019	NTS	
Project no.:	Drawn:	Checked:
D2002	WH	CH

Notation:

Cadastral information obtained from Surveys and Mapping (DRDLR).

Aerial Photography obtained from Stellenbosch Municipality.

Areas are calculated on an estimated middle of river and should be surveyed.

* All areas and dimensions are approximate and should be verified by a professional land surveyor.

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APPENDIX 4

ARCHITECTS AND TOWN PLANNERS
ARGITEKTE EN STADSBEPLANNERS

97 DORP STREET
FIRST FLOOR
LA GRATITUDE
OFFICE BUILDING
STELLENBOSCH 7600
TEL +27 (21) 861 3800
FAX +27 (21) 882 8025
EMAIL stel@tv3.co.za

Our Reference: 3251-P

29 October 2019

Department: Property Management
Stellenbosch Municipality
Town House
7600 STELLENBOSCH

Attention: Mr. Piet Smit

Sir

RE: REMGRO / LOWER DORP STREET, STELLENBOSCH

1. We refer to your meeting with Mr. Hein Carse (Remgro) and their planning consultants (TV3) on 4 September 2019 and 1 October 2019 to discuss the dualling of Lower Dorp Street and the acquisition of Remgro's land to accommodate said dualling.

2. In 2017 and 2018 Council approved the development of Remgro's Erven 7586, 7588 and 7592, Stellenbosch. Find attached hereto copies of the municipal letters of approval (see ***Section A***).

3. According to the Directorate: Engineering Services' memo (included in the abovementioned letters of approval) these developments triggers the dualling of Lower Dorp Street from Adam Tass Road to the R44, which is required for the broader community of Stellenbosch and not only for Remgro's developments. The municipal engineers stated in condition no. 73, "*that the*

area of land required for the dualling of Dorp Street be surrendered by the developer to Stellenbosch Municipality, at his/her cost, in order for construction of the road to take place", and in condition no. 74, "*that compensation from Stellenbosch Municipality for the aforementioned land required for the dualling of Dorp Street, if any, be based on the value of the land in terms of its current zoning, i.e. Specific Business*". Find attached hereto a plan illustrating the required road reserve for the proposed dualling of Lower Dorp Street (see ***Section B***).

4. Remgro is now in the process of finalising their development proposals in order to proceed with construction of these approved developments. However, this requires the dualling of Lower Dorp Street and for Council to purchase Remgro's land in order to accommodate the required dualling. For this reason, we request that you appoint a property valuer to determine the value of the land required for the dualling of Lower Dorp Street and to obtain your Council's approval to purchase the land from Remgro.

5. As an alternative to Council purchasing the land from Remgro, our client is willing to engage in a land swap agreement with Council. We have identified three municipal erven (i.e. Erven 705, 4080 and 8719, Stellenbosch) that are located on the Eerste River and which borders on Remgro's erven. These erven could be swapped for Remgro's land (values must first be determined). Find attached hereto a possible land swap plan (see ***Section C***).

6. The public erven that has been identified as land that could be swapped, is located on the Eerste River. These public erven cannot (for environmental and flood line reasons) be developed. It is currently only a maintenance and security burden for Council.

7. The benefits of such a land swap agreement, is that:

    - The land transaction will not cost the taxpayer any money;

- Undevelopable land will be exchanged for developable land (necessary for municipal traffic upgrades); and
- The maintenance and security burden of the river erven will become Remgro's responsibility.

8. We trust the information provided will suffice in submitting our request to your Council in order for Council to proceed with the purchasing of Remgro's land (or alternatively for Council to enter into a land swap agreement) so that Lower Dorp Street can be dualled. Please feel free to contact the undersigned at 021 861 3800 or clifford@tv3.co.za if you have any queries or require any additional information.

Yours faithfully



CLIFFORD HEYS
TV3 PROJECTS (PTY) LTD

APPENDIX 5

Stellenbosch Municipality

Dorpstreet : Exchange of Properties

Date of Valuation : 1 March 2022

SUMMARY OF VARIABLES

STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK
MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

	Property Description	Registered Owner	Title Deed	Subject Extent ± *	Market R/m² Bulk	Factor Applied**	Market Value
1	Erf 705 Stellenbosch	Municipality Stellenbosch	T18383/1946	8 571 m²	R 2 500	0.10	**R 2 142 750**
2	Erf 4080 Stellenbosch	Municipality Stellenbosch	T25503/1966	3 658 m²	R 2 500	0.25	**R 2 286 250**
3	Erf 8719 Stellenbosch (3453)	Municipality Stellenbosch	T1114/1969	4 827 m²	R 2 500	0.25	**R 3 016 875**
				17 056 m²			R 7 445 875
4	Erf 7592 Stellenbosch	Rembrandt Van Rijn (Pty) Ltd	T17426/1984	800 m²	R 5 000	1.25	**R 5 000 000**
5	Erf 7596 Stellenbosch (17321)	Rembrandt Van Rijn (Pty) Ltd	T34115/2018	2 390 m²	R 5 000	0.25	**R 2 987 500**
				3 190 m²			R 7 987 500

* Not exact extents as per Deed of Registry

** As a function of zoning conditions, realisable bulk, development potential and location specifics.

Tobi Retief **11 March 2022**

Registered as a Professional Valuer with the SA Council for the Property Valuers Profession (SACPVP)

Member of the SA Institute of Valuers (MSAIV)

Rode & Associates
PROPERTY CONSULTANTS. VALUERS & TOWN PLANNERS
www.rode.co.za
11 De Villiers Road, Bellville, 7530; PO Box 1566, Bellville 7535, South Africa; Tel. 021 946 2480; Fax 021 946 1238; E-mail: info@rode.co.za; GPS: 33°53'58,5"S; 18°38'14,5"E
Rode & Associates (Pty) Ltd.; reg. no. 2009/005600/07; VAT nr. 4480101791. MD: ERWIN RODE.



Erf 705 Stellenbosch



Erf 4080 Stellenbosch



Erf 8719 Stellenbosch (3453)



Erf 7592 Stellenbosch



Erf 7596 Stellenbosch (17321)

Rode & Associates
PROPERTY CONSULTANTS, VALUERS & TOWN PLANNERS

www.rode.co.za

11 De Villiers Road, Bellville, 7530; PO Box 1566, Bellville 7535, South Africa; Tel. 021 946 2480;
Fax 021 946 1238; E-mail: info@rode.co.za; GPS: 33°53'58,5"S; 18°38'14,5"E
Rode & Associates (Pty) Ltd.; reg. no. 2009/005600/07; VAT nr. 4480101791. MD: ERWIN RODE.



Erf 705 Stellenbosch



Erf 4080 Stellenbosch



Erf 8719 Stellenbosch (3453)



Erf 7592 Stellenbosch



Erf 7596 Stellenbosch (17321)

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11 De Villiers Road, Bellville, 7530; PO Box 1566, Bellville 7535, South Africa; Tel. 021 946 2480;
Fax 021 946 1238; E-mail: info@rode.co.za; GPS: 33°53'58,5"S; 18°38'14,5"E
Rode & Associates (Pty) Ltd.; reg. no. 2009/005600/07; VAT nr. 4480101791. MD: ERWIN RODE.

WinDeed Database D/O Property

STELLENBOSCH, 705, 0, CAPE TOWN

Lexis® WinDeed

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SEARCH CRITERIA

Search Date	2022/03/11 17:54	Erf Number	705
Reference	-	Portion Number	-
Report Print Date	2022/03/11 17:54	Township Remaining Extent	NO
Township	STELLENBOSCH	Search Source	WinDeed Database
Deeds Office	Cape Town		

PROPERTY INFORMATION

Property Type	ERF	Diagram Deed Number	T18383/946
Township	STELLENBOSCH	Local Authority	STELLENBOSCH MUN
Erf Number	705	Province	WESTERN CAPE
Portion Number	0	Remaining Extent	NO
Registration Division	STELLENBOSCH RD	Extent	9121.0000SQM
Previous Description	-	LPI Code	C06700220000070500000

OWNER INFORMATION (1)

MUN STELLENBOSCH — Owner 1 of 1

Company Type	LOCAL AUTHORITY	Document	T18383/1946
Registration Number	-	Microfilm / Scanned Date	0000000000
Name	MUN STELLENBOSCH	Purchase Price (R)	-
Multiple Owners	NO	Purchase Date	-
Multiple Properties	NO	Registration Date	1946/10/24
Share (%)	-		

ENDORSEMENTS (1)

#	Document	Institution	Amount (R)	Microfilm / Scanned Date
1	VIDE ERF 7584=1,0081	HA	-	-

HISTORIC DOCUMENTS

No historic documents to display

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STELLENBOSCH, 4080, 0, CAPE TOWN

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SEARCH CRITERIA			
Search Date	2022/03/11 17:55	Erf Number	4080
Reference	-	Portion Number	-
Report Print Date	2022/03/11 17:55	Township Remaining Extent	NO
Township	STELLENBOSCH	Search Source	WinDeed Database
Deeds Office	Cape Town		

PROPERTY INFORMATION			
Property Type	ERF	Diagram Deed Number	T25503/966
Township	STELLENBOSCH	Local Authority	STELLENBOSCH MUN
Erf Number	4080	Province	WESTERN CAPE
Portion Number	0	Remaining Extent	NO
Registration Division	STELLENBOSCH RD	Extent	3509.0000SQM
Previous Description	-	LPI Code	C06700220000408000000

OWNER INFORMATION (1)			
MUN STELLENBOSCH			Owner 1 of 1
Company Type	LOCAL AUTHORITY	Document	T25503/1966
Registration Number	-	Microfilm / Scanned Date	0000000000
Name	MUN STELLENBOSCH	Purchase Price (R)	-
Multiple Owners	NO	Purchase Date	-
Multiple Properties	NO	Registration Date	1966/11/29
Share (%)	-		

ENDORSEMENTS

No endorsements to display

HISTORIC DOCUMENTS

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SEARCH CRITERIA

Search Date	2022/03/11 17:56	Erf Number	7592
Reference	-	Portion Number	-
Report Print Date	2022/03/11 17:56	Township Remaining Extent	NO
Township	STELLENBOSCH	Search Source	WinDeed Database
Deeds Office	Cape Town		

PROPERTY INFORMATION

Property Type	ERF	Diagram Deed Number	T17426/1984
Township	STELLENBOSCH	Local Authority	STELLENBOSCH MUN
Erf Number	7592	Province	WESTERN CAPE
Portion Number	0	Remaining Extent	NO
Registration Division	STELLENBOSCH RD	Extent	1,0675HA
Previous Description	PTN OF 7585	LPI Code	C06700220000759200000

OWNER INFORMATION (1)

REMBRANDT VAN RIJN PTY LTD — Owner 1 of 1

Company Type	COMPANY	Document	T17426/1984
Registration Number	195600012507	Microfilm / Scanned Date	2004 1096 0342
Name	REMBRANDT VAN RIJN PTY LTD	Purchase Price (R)	-
Multiple Owners	NO	Purchase Date	-
Multiple Properties	NO	Registration Date	1984/04/04
Share (%)	-		

ENDORSEMENTS (1)

#	Document	Institution	Amount (R)	Microfilm / Scanned Date
1	K300/1984S	REMBRANDT VAN RIJN PTY LTD	-	0000000*

HISTORIC DOCUMENTS

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SEARCH CRITERIA			
Search Date	2022/03/11 09:34	Erf Number	7596
Reference	-	Portion Number	-
Report Print Date	2022/03/11 09:34	Township Remaining Extent	NO
Township	STELLENBOSCH	Search Source	WinDeed Database
Deeds Office	Cape Town		

PROPERTY INFORMATION			
Property Type	ERF	Diagram Deed Number	T10310/1984
Township	STELLENBOSCH	Local Authority	STELLENBOSCH MUN
Erf Number	7596	Province	WESTERN CAPE
Portion Number	0	Remaining Extent	NO
Registration Division	STELLENBOSCH RD	Extent	921.0000SQM
Previous Description	PTN OF 2149	LPI Code	C06700220000759600000

OWNER INFORMATION (1)			
** FOR INFO REFER TO REGISTRAR OF DEEDS **			Owner 1 of 1
Company Type	UNKNOWN	Document	REPLACED
Registration Number	-	Microfilm / Scanned Date	-
Name	** FOR INFO REFER TO REGISTRAR OF DEEDS **	Purchase Price (R)	-
Multiple Owners	NO	Purchase Date	-
Multiple Properties	NO	Registration Date	-
Share (%)	-		

ENDORSEMENTS (1)				
#	Document	Institution	Amount (R)	Microfilm / Scanned Date
1	CONS-7597	-	Unknown	-

HISTORIC DOCUMENTS (1)				
#	Document	Institution	Amount (R)	Microfilm / Scanned Date
1	T10310/1984	BURGESS BRIAN ANTHONY	Unknown	-

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SEARCH CRITERIA			
Search Date	2022/03/11 17:53	Erf Number	17321
Reference	-	Portion Number	-
Report Print Date	2022/03/11 17:53	Township Remaining Extent	NO
Township	STELLENBOSCH	Search Source	WinDeed Database
Deeds Office	Cape Town		

PROPERTY INFORMATION			
Property Type	ERF	Diagram Deed Number	T34115/2018
Township	STELLENBOSCH	Local Authority	STELLENBOSCH MUN
Erf Number	17321	Province	WESTERN CAPE
Portion Number	0	Remaining Extent	NO
Registration Division	STELLENBOSCH RD	Extent	2.1542H
Previous Description	-	LPI Code	C06700220001732100000

OWNER INFORMATION (1)			
REMBRANDT VAN RIJN PTY LTD			Owner 1 of 1
Company Type	COMPANY	Document	T34115/2018
Registration Number	195600012507	Microfilm / Scanned Date	-
Name	REMBRANDT VAN RIJN PTY LTD	Purchase Price (R)	CCT
Multiple Owners	NO	Purchase Date	-
Multiple Properties	NO	Registration Date	2018/07/23
Share (%)	-		

ENDORSEMENTS (2)				
#	Document	Institution	Amount (R)	Microfilm / Scanned Date
1	CONSOLIDATE FROM	TOWN STELLENBOSCH ,ERF 7586 ,PRTN 0	-	0000000*
2	CONSOLIDATE FROM	TOWN STELLENBOSCH ,ERF 17320 ,PRTN 0	-	0000000*

DISCLAIMER
This report contains information provided to LNRM by content providers and LNRM cannot control the accuracy of the data nor the timely accessibility. LNRM will not be held liable for any claims based on reliance of the search information provided. This report is subject to the terms and conditions of LexisNexis Risk Management Agreement. LexisNexis Risk Management (Pty) Ltd is a registered credit bureau (NCRCB26).

WinDeed Database D/O Property

STELLENBOSCH, 3453, 0 (REMAINING EXTENT), CAPE TOWN

Lexis® WinDeed



Any personal information obtained from this search will only be used as per the Terms and Conditions agreed to and in accordance with applicable data protection laws including the Protection of Personal Information Act, 2013 (POPI), and shall not be used for marketing purposes.

SEARCH CRITERIA			
Search Date	2022/03/11 18:00	Erf Number	3453
Reference	-	Portion Number	-
Report Print Date	2022/03/11 18:01	Township Remaining Extent	NO
Township	STELLENBOSCH	Search Source	WinDeed Database
Deeds Office	Cape Town		

PROPERTY INFORMATION			
Property Type	ERF	Diagram Deed Number	T25/964
Township	STELLENBOSCH	Local Authority	STELLENBOSCH MUN
Erf Number	3453	Province	WESTERN CAPE
Portion Number	0 (REMAINING EXTENT)	Remaining Extent	YES
Registration Division	STELLENBOSCH RD	Extent	DUMDUM
Previous Description	-	LPI Code	C06700220000345300000

OWNER INFORMATION (1)			
HISTORIESE HUISE VAN SUID-AFRIKA LTD			Owner 1 of 1
Company Type	COMPANY	Document	T1114/1969
Registration Number	196600264106	Microfilm / Scanned Date	0000000000
Name	HISTORIESE HUISE VAN SUID-AFRIKA LTD	Purchase Price (R)	-
Multiple Owners	NO	Purchase Date	-
Multiple Properties	NO	Registration Date	1969/02/22
Share (%)	-		

ENDORSEMENTS (6)

#	Document	Institution	Amount (R)	Microfilm / Scanned Date
1	I-10784/2004LG	-	Unknown	0000000*
2	I-248/1987LG	-	Unknown	0000000*
3	I20/1971AT-T1114/969	-	Unknown	0000000*
4	ERF-738,739,R/E-710	-	Unknown	-
5	TP1879LD	3439-3452,3978,4436-	Unknown	-

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ENDORSEMENTS (6)				
#	Document	Institution	Amount (R)	Microfilm / Scanned Date
6	TP1879LD RELAYOUT	3439,3442-	Unknown	-

HISTORIC DOCUMENTS
No historic documents to display

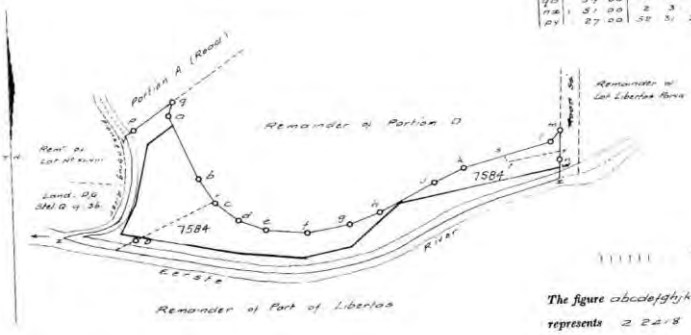
DISCLAIMER
This report contains information provided to LNRM by content providers and LNRM cannot control the accuracy of the data nor the timely accessibility. LNRM will not be held liable for any claims based on reliance of the search information provided. This report is subject to the terms and conditions of LexisNexis Risk Management Agreement. LexisNexis Risk Management (Pty) Ltd is a registered credit bureau (NCRCB26).

Road ~~detached~~/along Bdy. mnx
Amend. Vide T/C's Notice d.d. 24.12.82
File S. 2641/80 p. 88
SURVEYOR GENERAL
Date 1983 01 11

S. G. No. 4976/44

Approved
Surveyor-General.
20 0 0/44

SIDES Cape	Feet	ANGLES OF DIRECTION			SYSTEM L° /9° CO-ORDINATES y	x
					+42000	+1930000
ab	195 17	338	18	0	+ 3119 58	+ 2404 83
bc	81 87	329	18	0	+ 3047 00	+ 2586 00
cd	77 00	309	31	10	+ 3003 20	+ 2636 40
de	78 90	292	48	0	+ 2945 80	+ 2705 40
ef	106 30	278	33	0	+ 2873 00	+ 2736 00
fg	115 97	259	25	0	+ 2767 00	+ 2746 30
gh	84 31	247	41	30	+ 2653 00	+ 2725 00
hj	166 58	240	30	40	+ 2573 00	+ 2693 00
jk	85 87	243	44	0	+ 2430 00	+ 2611 00
kl	238 84	253	35	20	+ 2353 00	+ 2473 00
lm	60 56	217	49	10	+ 2125 89	+ 2305 38
mn	84 30	8	3	0	+ 2099 02	+ 2473 48
no	1129 82	80	5	50	+ 2102 03	+ 2357 73
op	367 80	180	49	10	+ 3215 02	+ 2752 06
pq	128 00	232	31	30	+ 3310 62	+ 2444 20
qa	39 84	15	20	30	+ 3109 54	+ 2366 21
na	31 00	3	3	0		
oy	27 00	52	31	30		



NOW ERF 705
STELLENBOSCH

Scale 1: 2500

The figure abcdefghjklmnopqa Middle of Eerste River & Middle of Plankenbrug River
represents 2 22/8 Morgen
Freehold of land being

Description of beacons:
abcdefghjklmnopqa - ½" iron pegs flush with ground
n - iron fencing standard 4' above ground surrounded by stones
p - " " " " " " " "
o - Heavy iron fence post in concrete

PORTION E (a portion of Portion D) of LOT LIBERTAS PARVA

situate in the Municipality of Stellenbosch Division of Stellenbosch Province of Cape of Good Hope.

Surveyed in Oct 1941 - May 1944 by me

Land Surveyor.

This diagram is annexed to Deed of Transfer No 18385 dated 24.10.46 in favour of Road van Stellenbosch.

Registrar of Deeds.

The original diagram is No. 4976/1944 annexed to D/T

S. G. File No. 2641/80
S.R. No. E. 1261/1-1
Stel. Tvlp. Sht. No. 3
Dep. Sht. BH-80/482
BHSZ-139(6966)

C

FOR ENDORSEMENTS SEE BACK OF DIAGRAM

705
S.R.D.O.T.

709 Blmd
8.9.1944

705

THE FOLLOWING DEDUCTIONS HAVE BEEN MADE FROM THIS DIAGRAM						
SURVEY RECORD	DIAGRAM No.	SUBDIVISION	AREA HA. SQ. M.	TRANSFER NO.	INITIALED	REMARK
E75/82	2720/82	E of 7584	1,008/	T7423/84	[illegible]	

4976/44

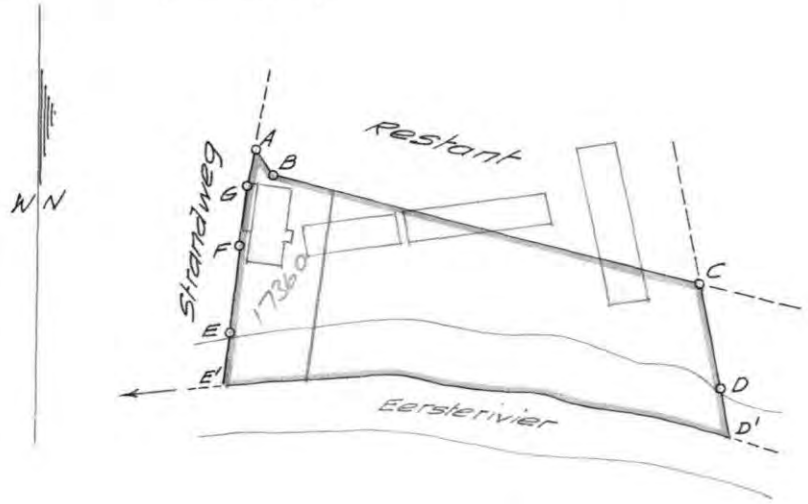
OFFICE COPY
KANTOOR AFSKRIF

L.G. No. 7953/64

Goedgekeur.

Landmeter-generaal.
16.11.1964

SYE Kaapse Voet		RIGTINGS	KO-ORDINATE y Stelsel L° 19° x		AMP. BEN.
			Kon	+40,000·00	+11,930,000·00
AB	22·10	327.03.30	A	+ 2891·50	+ 1872·92
BC	283·37	284.30.40	B	+ 2879·48	+ 1891·47
CD	73·45	349.25.00	C	+ 2605·15	+ 1962·47
DE	316·49	95.56.50	D	+ 2591·66	+ 2034·67
EF	63·00	184.49.00	E	+ 2906·45	+ 2001·88
FG	41·89	187.31.50	F	+ 2901·16	+ 1939·10
GA	25·00	189.35.50	G	+ 2895·67	+ 1897·57
DD'		349.25.00			
EE'		4.49.00			



Beskrywing van Bakens:
A.B = 1/2" x 18" ysterpen.
C.D.E.F.G = 1/2" ysterpen.

Skaal 1: 1250

Die figuur A.B.C.D' middel van Eersterivier E'F.G

stel voor 35,405 Vierkante Voet ~~morg~~ *grond, synde*

Erf 4080 gedeelte van Erf 711 Stellenbosch

geleë in Munisipaliteit en

Administratiewe Distrik Stellenbosch, *Provinsie* Kaap die Goeie Hoop.

Opgemeet in November 1954, sept-oktober 1958, Maart 1962, September 1964 *deur my*

Landmeter.

Hierdie kaart is geheg aan T/A No. L5503/68	*Die oorspronklike kaart is* No. 972/1951	*Lêer No.* S.2641/24
		M.S. No. E 1967/64
gedateer	*Transport/~~Grondbrief~~*	*Komp.* BH-8DC/Y51
t.g.v.	No. 1953-109-5420	*Alg. Plan*
Registrateur van Aktes.	FOR ENDORSMENTS SEE BACK OF DIAGRAM	

S.P.C.T.-C3215

THE FOLLOWING DEDUCTIONS HAVE BEEN MADE FROM THIS DIAGRAM

SURVEY RECORD	DIAGRAM NO.	SUBDIVISION	AREA HA./SQ. M.	TRANSFER NO.	INITIALED	REMDR.
1378/21	2181/21	Erf 17360	727 m²			2783 m²

Goedgekeur sonder /~~met~~ voorwaardes kragtens ~~Artikel 196 van Ordonnansie No. 15 van 1952 en~~ Artikel 9 van Ordonnansie No. 33 van 1934.

Verwysing: N.T.

Datum van Bekendmaking: 26/6/64

DJJK

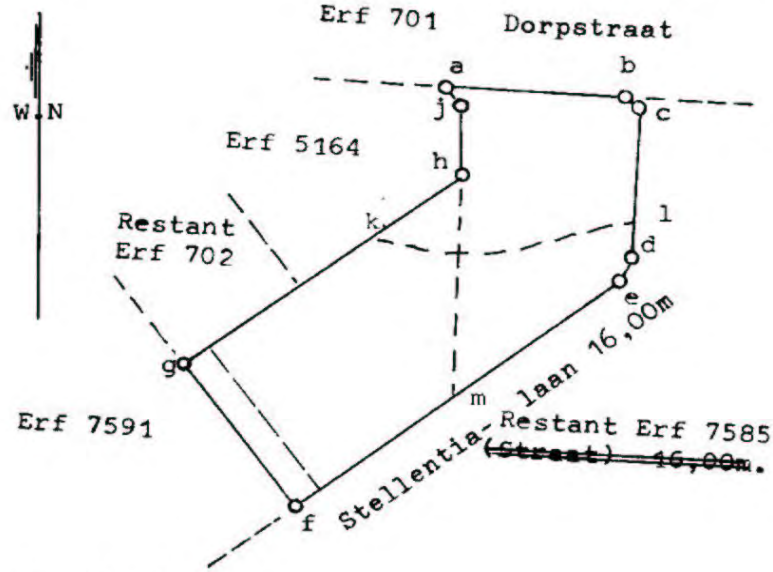
Landmeter-Generaal.

KANTOORAFSKRIF

SYE		RIGTINGS-HOEKE		KOÖRDINATE Y	Stelsel Lo. 19° X	L.G. No.
		Konstante		+10 000,00	+3750000,00	2728/82
ab	60,00	272 02 40	a	+ 3 883,32	+ 6 787,77	
bc	7,07	317 02 40	b	+ 3 823,36	+ 6 789,91	Goedgekeur
cd	51,96	2 02 40	c	+ 3 818,54	+ 6 795,08	
de	9,05	27 17 00	d	+ 3 820,39	+ 6 847,01	Landmeter-generaal
ef	136,70	52 31 30	e	+ 3 824,54	+ 6 855,05	1983 -08- 1
fg	61,71	142 31 30	f	+ 3 933,02	+ 6 938,21	
gh	116,50	232 31 30	g	+ 3 970,57	+ 6 889,24	
hj	24,09	182 02 40	h	+ 3 878,11	+ 6 818,36	
ja	8,91	137 02 40	j	+ 3 877,25	+ 6 794,29	
		P32C	⊕	+ 3 805,54	+ 6 786,75	
		P32D	⊕	+ 4 060,93	+ 6 847,86	

Bakenbeskrywing
a,g,h,j : 12mm ysterpen in beton
b,c,d,e,f : 16mm ysterpen

BAKENS f
HERPLAAS SIEN E 1949/91



Serwituutnota:

Die lyn fg stel die suidwestelike grens van 'n serwituutpad 10,00m wyd, voor.

Skaal 1: 2500

Die figuur a b c d e f g h j

stel voor 1,0675 ha. grond, synde

ERF 7592 ('n gedeelte van Erf 7585) STELLENBOSCH

geleë in die Munisipaliteit en

Administratiewe Distrik Stellenbosch Provinsie Kaap die Goeie Hoop.

Opgemeet in Desember 1981 - Maart 1982

deur my,

Hans J. Volkmann
Landmeter

Hierdie kaart is geheg aan No. Sert.Geregd.Titel gedateer T.17426/1984 t.g.v. Serwituutakte K.300/1984 s Registrateur van Aktes	Die oorspronklike kaart is. No. 2721/82 geheg aan Transport/~~Grondbrief~~ S.V.T. No. T.17424/1984	Lêer No. S.2641/80 M.S. No. E 751/82 Komp. ~~BH-8DC/V42, V51~~ BHSZ-1364 (6963)

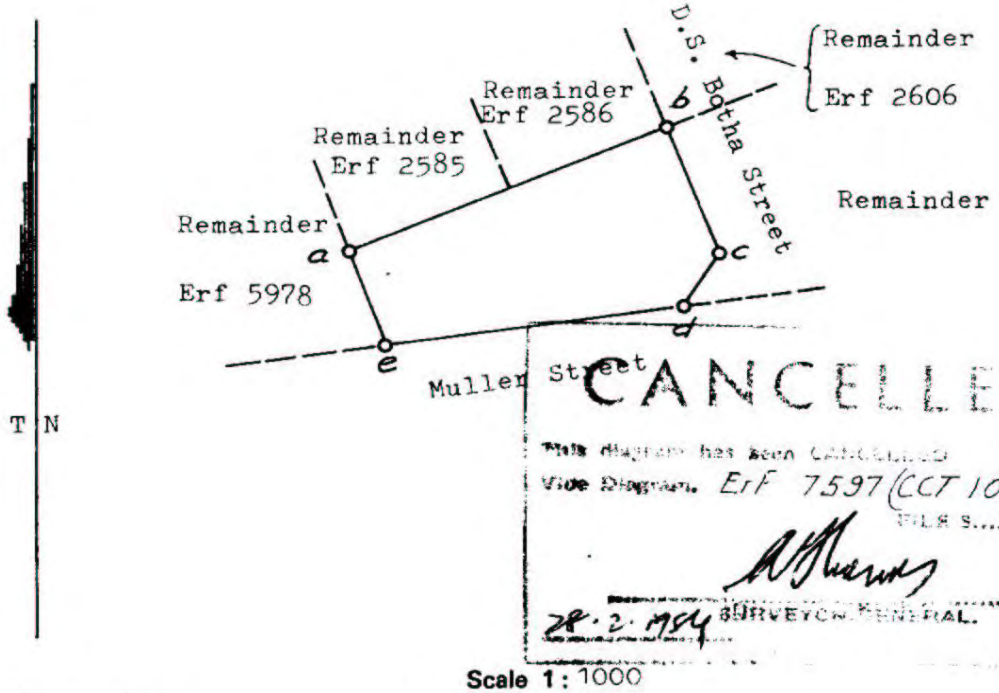
7592

OFFICE COPY

SIDES Metres		ANGLES OF DIRECTION		CO-ORDINATES Y	System Lo. 19° X	S.G. No.
				0,00	+3700000,00	6411/82
ab	46,71	247 19 20	a	+ 13 015,91	+ 55 502,31	Approved
bc	19,25	339 32 00	b	+ 12 972,81	+ 55 484,30	
cd	8,78	30 42 20	c	+ 12 966,08	+ 55 502,34	for Surveyor-General
de	40,82	81 52 40	d	+ 12 970,56	+ 55 509,88	
ea	14,23	159 38 40	e	+ 13 010,97	+ 55 515,65	1982 -12- 06
		N28A	⊕	+ 13 132,77	+ 55 499,95	
		N28B	⊕	+ 12 931,94	+ 55 423,92	

Beacons:

a : 12mm hole in concrete
b,c,d,e : 12mm iron peg



Scale 1 : 1000

The figure a b c d e

represents 921 sq.m. of land, being

ERF 7596 (a portion of Erf 2149) STELLENBOSCH

situate in the Municipality and

Administrative District of Stellenbosch Province of Cape of Good Hope.

Surveyed in August 1982

by me, Land Surveyor

This diagram is annexed to Deed of Transfer No. T.10310/1984 dated i.f.o. Registrar of Deeds	The original diagram is No. 2160/1907 annexed to ~~Transfer~~/Grant No. Stel F. 8-5	File No. S/2641/81 S.R. No. E 1853/82 Comp. BH-8DA/Z51 (1480)

C

M 2751

7596

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Friedlaender, Burger & Volkmann - Land Surveyors - REVISION2

S.G. No.
2334/2017
Approved.
for
Surveyor - General
Date : 8.11.2017

SHEET 1 OF 2 SHEETS

Servitude Notes:

1. The line mn represents the north western boundary of a servitude 7,00 metres wide, vide Diagram No. 2723/1982, C.R.T 1984- -17426
2. The line npq represents the north western boundary of a servitude 10,00 metres wide, vide Diagram No. 2722/1982, C.R.T 1984- -17426
3. The line Bv represents the north eastern boundary of a servitude 7,00 metres wide, vide Diagram No. ~~2722~~ 2723/1982, C.R.T 1984- -17426

Components:

1. The figure CDEFGh middle of Eerste River kB represents Erf 7586 Stellenbosch, vide Diagram No. 2722/1982, C.R.T 1984- -17426
2. The figure ABk middle of Eerste River j represents Erf 17320 Stellenbosch, vide Diagram No. 2333/2017, D/T 2018- - 34114

The figure ABCDEFGh middle of Eerste River j represents 2,1542 hectares of land, being

ERF 17321 STELLENBOSCH and comprises 1. and 2. as above

Situate in the Stellenbosch Municipality
Administrative District of Stellenbosch
Province of Western Cape
Compiled in October 2017
by me

M Stuart-Fox

PLS 1354 M R Stuart-Fox Pr Land Surveyor

This diagram is annexed to No. CT 34115/2018 Dated i.f.o. Registrar of Deeds	The original diagrams are as quoted above	File No. S/2641/80 S.R. No. Compiled Comp. BHSZ-1443 (M2759) BHSZ-1471 (M2762) LPI C0670022

Exempt i.t.o. Section 24 of Municipal Bylaw of Act 3/2014
Ref. 7586
Date: 26-09-2017

Erf 17321 Stellenbosch

OFFICE COPY

Friedlaender, Burger & Volkmann - Land Surveyors - REVISION2

Note:

The figures ABw curve v and BCDEFGt curve u represent freehold land the remainder is quitrent.

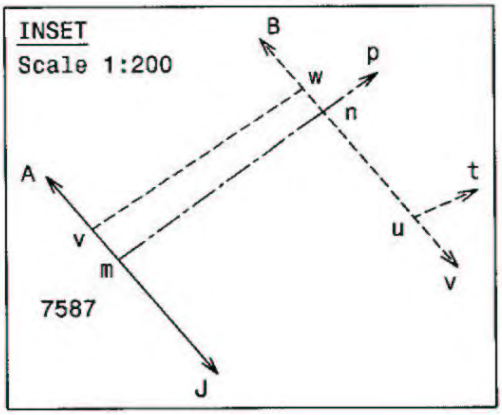
S.G. No.
2334/2017

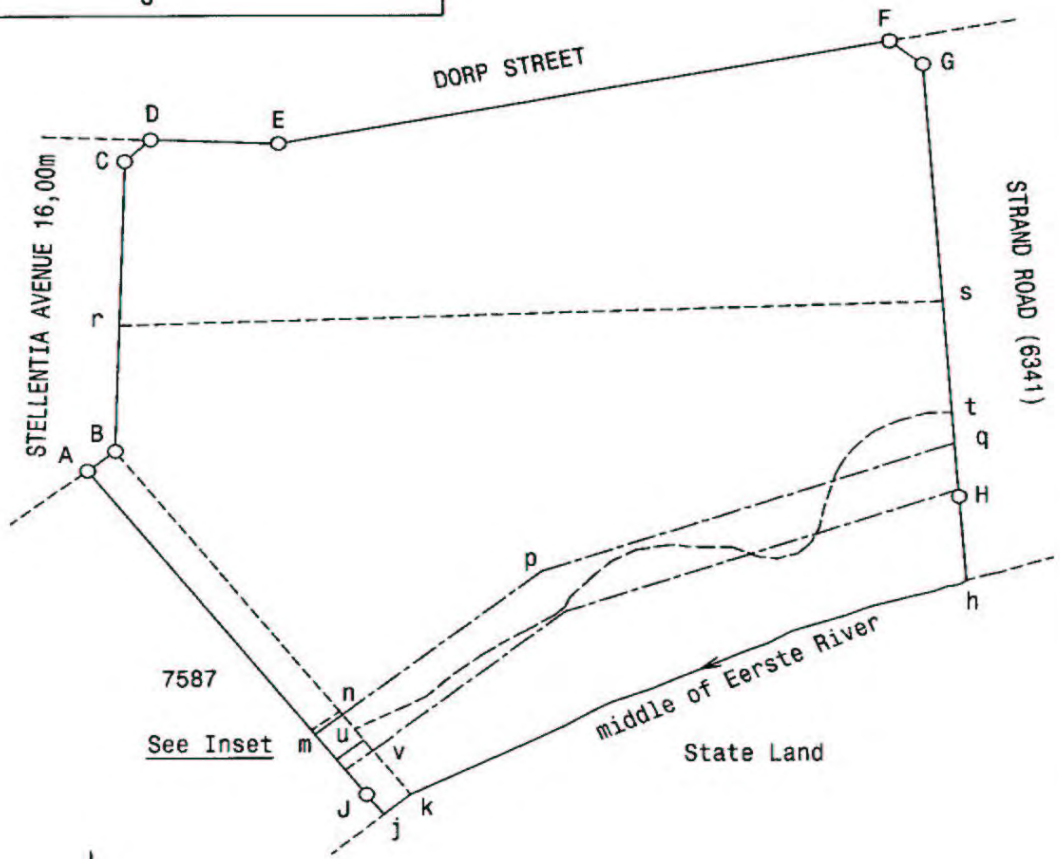
Approved.

for
Surveyor - General
Date : 8-11-2017

SHEET 2 OF 2 SHEETS

INSET
Scale 1:200





T | N

SCALE 1 : 1500

ERF 17321 STELLENBOSCH

Administrative District of Stellenbosch

Compiled in October 2017
by me

PLS 1354 M R Stuart-Fox Pr Land Surveyor

Erf 17321 Stellenbosch

KAARTGRAFSKRIF

SYE METER		RIGTINGS-HOEKE		KOORDINATE STELSEL Lo 19° Y		X
		Konstante		+ 10 000,00		+3750 000,00
ab	7,07	227 02 40	a	+ 3 802,55	+	6 795,65
bc	25,64	272 02 40	b	+ 3 797,37	+	6 790,84
cd	124,23	259 35 00	c	+ 3 771,75	+	6 791,75
de	8,39	307 47 10	d	+ 3 649,57	+	6 769,29
ef	96,45	356 01 00	e	+ 3 642,94	+	6 774,43
fg	128,96	61 26 00	f	+ 3 636,24	+	6 870,65
gh	90,98	142 31 30	g	+ 3 749,50	+	6 932,32
ha	64,50	182 02 40	h	+ 3 804,85	+	6 860,11
ff'		356 01 00				
gg'		322 31 30				
Serwituutdata:						
fj	11,90	176 01 00	j	+ 3 637,07	+	6 858,78
jk	87,56	71 09 20	k	+ 3 719,93	+	6 887,06
kl	51,00	51 25 00	l	+ 3 759,80	+	6 918,87
lg	16,94	342 31 30				
		P32C	⊕	+ 3 805,54	+	6 786,75
		P32D	⊕	+ 4 060,93	+	6 847,86

Serwituutnota:

Die lyn jkl stel die noordwestelike grens van 'n serwituut 10,00m wyd, soos aangetoon, voor.

Die figuur a b c d e f' middel van Eersteriver g' h

stel voor 2,0869 hektaar grond, synde

ERF 7586 ('n gedeelte van Erf 7585) STELLENBOSCH

gelee in die Munisipaliteit en Administratiewe Distrik

Stellenbosch Provinsie Kaap die Goeie Hoop.

Opgemeet in Desember 1981 - Junie 1983

deur my.

Landmeter

Hierdie kaart is geheg aan Sert.Geregd.Titel No. T.17426/1984 gedateer t.g.v. Registrateur van Aktes	Die oorspronklike kaart is. No. 2721/82 geheg aan Transport/~~Akte~~ No. T.17424/1984 S.V.T.	Lêer No. S/2641/80 M.S. No. E 751/82 Komp. BH-BDC/~~442~~ /V51 (1497)

C

S

Bakenbeskrywing:

a,b,e,f,g,h,j,k,l : 16mm yaterpen
c : Ligte spoorstaaf
d : 12mm yaterpen

L.G. No. 2722/1982

Goedgekeur

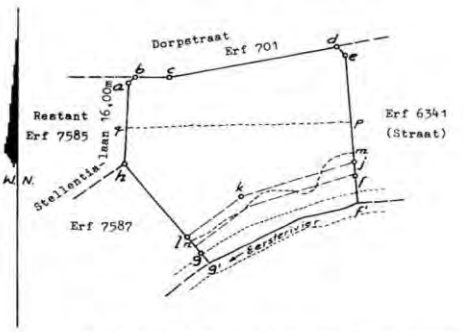
Landmeter-Generaal

1983 -08- 1

CANCELLED
VIDE Erf 17821 (CCT 34115/2018)
vide SG. No. 2384/2017
2018/07/24

BAKENS ...

1949/91



Die figuur abcdem kurwe nh stel Eiendomsgrond voor. Die restant is Erfpag.

B

Skaal: 1/2500

T.P. 1879[10]

KANTOORAFSKRIF

Friedlaender Burger & Volkmann, Land Surveyors

SYE Meter		RIGTINGS-HOEKE Konstante		KOÖRDINATE Stelsel Lo19° Y + 0,00	KOÖRDINATE Stelsel Lo19° X +3 700 000,00
A B	60,94	284 17 30	A	+ 13 414,51	+ 56 844,81
B C	30,38	277 33 30	B	+ 13 355,46	+ 56 859,85
C D	85,03	273 38 50	C	+ 13 325,34	+ 56 863,85
D E	27,58	267 01 40	D	+ 13 240,49	+ 56 869,26
E F	25,00	357 00 00	E	+ 13 212,94	+ 56 867,83
F G	200,23	97 14 40	F	+ 13 211,63	+ 56 892,80
G A	23,13	169 25 00	G	+ 13 410,26	+ 56 867,55
		N 33 B	⊕	+ 13 156,21	+ 56 876,49
		O 32 C	⊕	+ 13 495,34	+ 56 736,22

L.G. No.

4600-86

Goedgekeur

nms

Landmeter-generaal

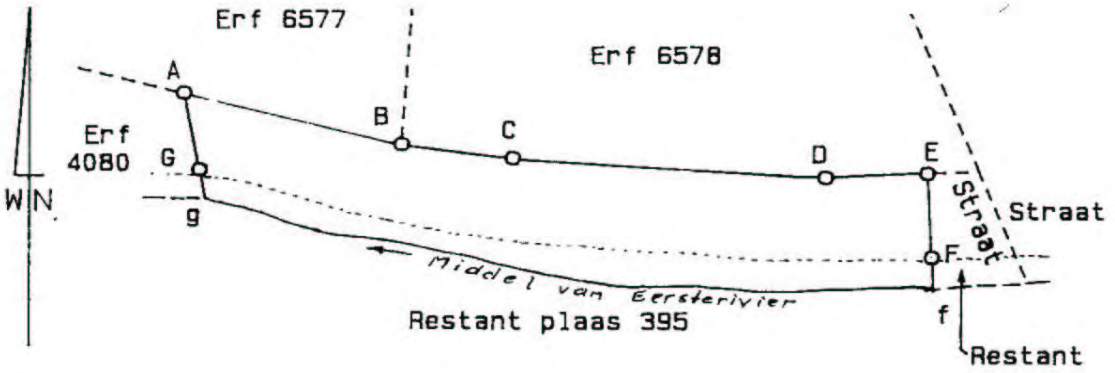
1987-01-09

Beskrywing van Bakens.

A E F G ..... 12mm ysterpen

B ..... 12mm ysterpen teenaan ysterpyp hoekdraadpaal

C D ..... 12mm ysterpen in beton



Skaal 1:2 000

Die figuur A B C D E f middel van Eersterivier g stel voor 6460 vierkante meter grond, synde

ERF 8719 ~~'n gedeelte van Erf 3453~~ STELLENBOSCH

geleë in Stellenbosch Dorp Uitbreiding No.7 in die Munisipaliteit en die Administratiewe Distrik van Stellenbosch Provinsie Kaap die Goeie Hoop.

Opgemeet in Junie 1986

deur my

Jan J. Volkmann.

Landmeter

Hierdie kaart is geheg aan No. gedateer t.g.v. Registrateur van Aktes	Die oorspronklike kaart is No.6568/62 geheg aan S.V.T. No. 1964- -25	Lêer No. S/2641/24 M.S. No. 1418/86 Komp. BHSZ-1443 (M 2759) C Algemene Plan T.P.1879

8719

APPENDIX 6

PENDO
PROPERTY VALUERS

VALUATION REPORT

Determination of the market values of

PORTIONS OF ERVEN 7592 & 17321 STELLENBOOSCH and

ERVEN 705, 4080 & 8719 STELLENBOSCH

STELLENBOSCH REGISTRATION DIVISION

WESTERN CAPE

Client:

STELLENBOSCH MUNICIPALITY

23 March 2022

Compiled by:
Johan Klopper
Professional Valuer
Member of the SA Institute of Valuers
BCom Law (University of Stellenbosch), NDip: Property Valuation (UNISA)

Cell: 083 305 3252 • Fax: 086 611 1511 • E-mail: johan@propertyvaluer.co.za • PO Box 81, Stellenbosch, 7599

PENDO
PROPERTY VALUERS

23 March 2022

Stellenbosch Municipality
Plein Street
Stellenbosch
7600

C/o Mrs. Lorelle Adams

VALUATION CERTIFICATE

I, the undersigned, Johan Klopper, Professional Valuer registered in terms of the Property Valuer's Profession Act, 2000 (Act No 47 of 2000) do hereby certify that I have inspected and valued the following immovable property namely:

Determination of the market value of:
PORTIONS OF ERVEN 7592 & 17321 STELLENBOOSCH and ERVEN 705, 4080 & 8719 STELLENBOSCH
STELLENBOSCH REGISTRATION DIVISION
WESTERN CAPE

As a result of my inspection, research and evaluation it is my opinion that the fair compensation based on the market values of the portions of Erven 7592 & 17321 Stellenbosch required for road widening, on 7 March 2022, amounts to:

Portion of Erf 7592 Stellenbosch	R 2 900 000	Two Million Nine Hundred Thousand Rand
Portion of Erf 17321 Stellenbosch	R 4 300 000	Four Million Three Hundred Thousand Rand
TOTAL	**R 7 200 000**	**Seven Million Two Hundred Thousand Rand**

As a result of my inspection, research and evaluation it is my opinion that the market values of the Erven 705, 4080 & 8719 Stellenbosch, on 7 March 2022, amounts to:

Erf 705 Stellenbosch	R 1 540 000	One Million Five Hundred and Forty Thousand Rand
Erf 4080 Stellenbosch	R 2 630 000	Two Million Six Hundred and Thirty Thousand Rand
Erf 8719 Stellenbosch	R 3 480 000	Three Million Four Hundred and Eighty Thousand Rand
TOTAL	**R 7 650 000**	**Seven Million Six Hundred and Fifty Thousand Rand**

Signed at Stellenbosch this 23rd day of March 2022.

J. Klopper
Professional Valuer
Registration Number: 6372/0

VALUATION REPORT

1. Background

During 2017 and 2018 Stellenbosch Municipality approved development applications relating to Erven 7586, 7588 & 7592 Stellenbosch (Remgro erven), subject to certain conditions. One of the conditions was that lower Dorp Street should be widened and that certain portions of Erven 7586 & 7592 Stellenbosch must be acquired by Stellenbosch Municipality for said widening, and that compensation be based on the value of the land in terms of the current zoning, i.e. Specific Business.

As an alternative to Stellenbosch Municipality purchasing the required portions of Erven 7586 & 7592, the landowner (Remgro) is willing to engage in a land swop agreement. Three municipal erven, being Erven 705, 4080 & 8719 Stellenbosch, have been identified for the potential land swop agreement. These erven represent public open spaces along the Eerste River, located adjacent to existing Remgro properties.

2. Instructions & Purpose of Valuation

Instructions were received from the Stellenbosch Municipality to determine the fair compensation for the portions of Erven 7586 & 7592 Stellenbosch required by Stellenbosch Municipality for the proposed widening of lower Dorp Street.

The valuer was also instructed to determine the market value of Erven 705, 4080 & 8719 Stellenbosch for the purpose of a possible land swop agreement, as at the effective date mentioned in paragraph 3.

For the purpose of this valuation:

- the compensation for the portions of Erven 7586 & 7592 Stellenbosch are based on the value of the land in terms of the current zoning, i.e. Specific Business (as per instruction); and
- the valuations of Erven 705, 4080 & 8719 Stellenbosch were based on the assumption that the erven to be acquired by Remgro will not have any specific restrictive conditions attached to it, other than properties of this nature due to its close proximity to the Eeste River.

Note that Erf 7586 no longer exists. It was consolidated with Erf 17320 to form Erf 17321 Stellenbosch which was registered on 23 July 2018. The valuer will therefore refer to Erf 17321 in the remainder of this valuation report.

3. Date of Inspection

7 March 2022

4. Effective Date of Valuation

7 March 2022

5. Definition of Market Value

The market value can be defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms' length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

(International Definition – International Valuation Standards Council)

6. Valuation Methodology

The most appropriate valuation method to determine the market value of the subject property would be the **Comparable Sales Method:** This approach is based on the principle of comparability and substitution. The assumption is that if similar assets in a similar market place have been sold at a particular value, then the comparable asset will also sell at a similar price. Factors taken into consideration in determining the market value of the subject property include location, size of property, usage and rights of use, potential use, condition, cost, physical position and comparable properties.

7. Restrictive Conditions / Caveats

Information regarding the subject properties and comparable properties was received from local authorities and third parties. This information was received in good faith and it is assumed that the supplied information is correct, but the accuracy thereof is not guaranteed.

We did not undertake a structural survey of each building, nor did we arrange for tests or inspections to be carried out on any of the service installations. This valuation is based on the assumption that the buildings and assets are in a reasonable state of repair and condition, unless expressly stated otherwise in this report.

In this report, the market value and all other values referred to exclude VAT (unless clearly indicated). While taxation can have a considerable influence on the value of the property, we did not take into account the tax consequences that could arise due to past or intended future actions of the present owner.

We did not take into account any possible contamination of the subject properties as a result of an environmental incident, nor did we examine the cost of any remedial measures involved.

The properties are valued wholly owned, with no account being taken of monies due in respect of mortgage bonds, liens, loans or other charges.

Neither all nor any part of this report shall be conveyed to the public or anybody other than the addressee or their principles through advertising, public relations, news sales or any other media without the written consent of the author.

This valuation was performed for the purpose of compensation determination for the required servitudes, and should not be used for any other purpose.

8. Title Deed Information

8.1 Remgro owned properties

Description:	ERF 7592 STELLENBOSCH, WESTERN CAPE
Extent:	1.0675 Ha
Title Deed number:	Held by T17426/1984 (Refer to **Annexure A**)
Registered owner:	REMBRANDT VAN RIJN (PTY) LTD
Registration date:	1984/04/04
Endorsements / Conditions:	None noted that materially affect the market value of the affected area.
S.G. Diagram:	S.G. No. 2722/1982 (Refer to **Annexure F**)
LPI Code:	C06700220000758600000

Description:	ERF 17321 STELLENBOSCH, WESTERN CAPE
Extent:	2.1542 Ha
Title Deed number:	Held by T34115/2018 (Refer to **Annexure B**)
Registered owner:	REMBRANDT VAN RIJN (PTY) LTD
Registration date:	2018/07/23
Endorsements / Conditions:	None noted that materially affect the market value of the affected area.
S.G. Diagram:	S.G. No. 2334/2017 (Refer to **Annexure G**)
LPI Code:	C06700220001732100000

8.2 Stellenbosch Municipality owned properties

Description:	ERF 705 STELLENBOSCH, WESTERN CAPE
Extent:	0.9121 Ha
Title Deed number:	Held by T18383/1946 (Refer to **Annexure C**)
Registered owner:	STELLENBOSCH MUNICIPALITY
Registration date:	1946/10/24
Endorsements / Conditions:	None noted that materially affect the market value of the affected area.
S.G. Diagram:	S.G. No. 4976/1944 (Refer to **Annexure H**)
LPI Code:	C06700220000070500000

Description:	ERF 4080 STELLENBOSCH, WESTERN CAPE
Extent:	0.3509 Ha
Title Deed number:	Held by T25503/1966 (Refer to **Annexure D**)
Registered owner:	STELLENBOSCH MUNICIPALITY
Registration date:	1966/11/29
Endorsements / Conditions:	None noted that materially affect the market value of the affected area.
S.G. Diagram:	S.G. No. 7953/1964 (Refer to **Annexure I**)
LPI Code:	C06700220000408000000

Description:	ERF 8719 STELLENBOSCH, WESTERN CAPE
Extent:	0.6460 Ha
Title Deed number:	Unregistered (Refer to **Annexure E**)
Registered owner:	Unregistered, vesting in Stellenbosch Municipality
Registration date:	n/a
Endorsements / Conditions:	None noted that materially affect the market value of the affected area.
S.G. Diagram:	S.G. No. 4600/1986 (Refer to **Annexure J**)
LPI Code:	C06700220000871900000

9. Local Government Information

9.1 Erven 7592 & 17321 Stellenbosch

Local Authority	Stellenbosch Municipality	
Municipal Valuation (GV2021)	Erf 7592	R 6 405 000
	Erf 17321	R 12 925 000

The applicable zoning parameters and building restrictions can be summarised as follows:

Zoning	Local Business Zone NOTE: Erven 7592 & 17321 were zoned as Specific Business as per the former Stellenbosch Zoning Scheme. In terms of the Stellenbosch Municipality Zoning Scheme By-Law-2019 the Specific Business zoning was converted to Local Business Zone.			
Primary Uses	• Business premises (including a shop, market, restaurant, office) • Clinic • Flats • Medical consulting rooms • Public parking area • Private road • Occasional use (one event/year)			
Building Parameters applicable to the Local Business zone:				
Building type	**Street boundary building lines (m)**	**Common boundary building lines (m)**	**Coverage**	**Height**
Guest house, hostel, hotel, tourist accommodation	All levels 4,5m	Ground floor: 4,5m First floor: 4,5m Second floor: 6m	50%	3 storeys
All other buildings	2 m	1 m	75%	3 storeys

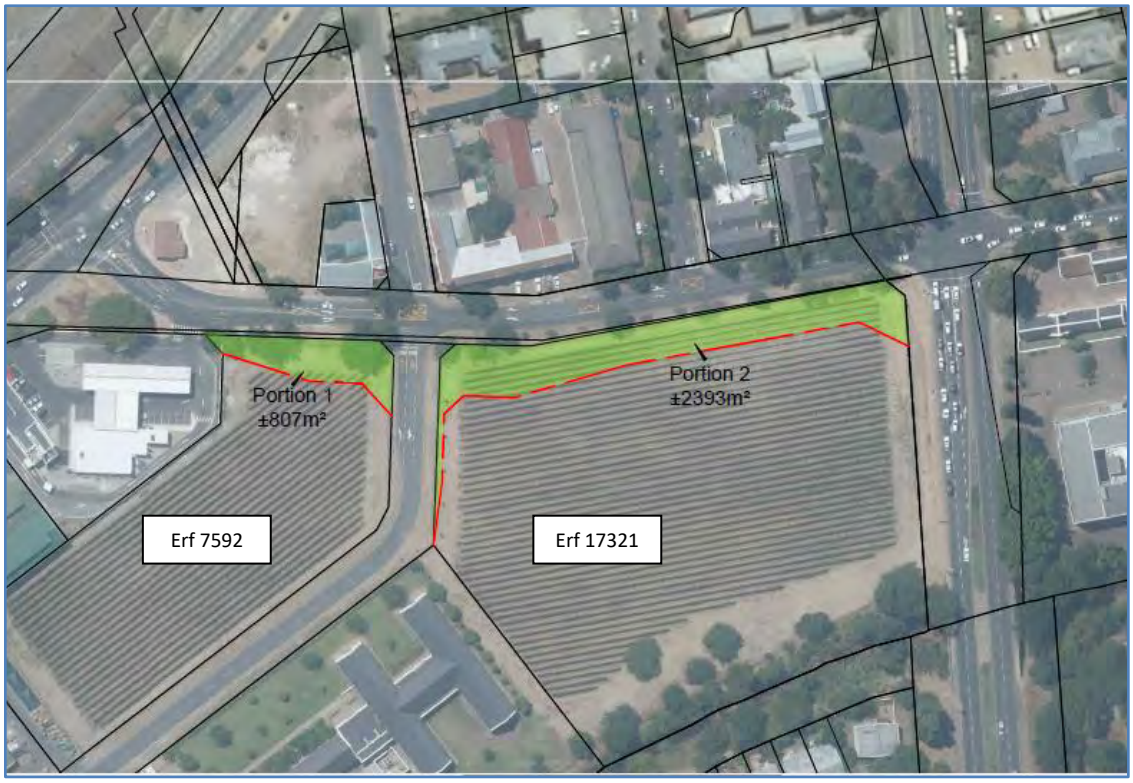
9.2 Erven 705, 4080 & 8719 Stellenbosch

Local Authority	Stellenbosch Municipality	
Municipal Valuation (GV2021)	Erf 705	R 20 000
	Erf 4080	R 4 211 000
	Erf 8719	None
Zoning	Public Open Space	

10. Physical Characteristics

10.1 Erven 7592 & 17321 Stellenbosch

Erven 7592 & 17321 Stellenbosch are located at the Dorp and Stellentia Streets intersection as indicated on the aerial photograph below:



Both sites offer a level gradient and are currently utilised for viniculture purposes. The portion of Erf 7592 required for the proposed road upgrade measures approximately 807 m^2, while the relevant portion of Erf 17321 measures approximately 2393 m^2, as indicated on the aerial photograph above.

10.2 Erven 705, 4080 & 8719 Stellenbosch

10.2.1 Erf 705 Stellenbosch

Erf 705 Stellenbosch is located along the banks of the Eerste River. It represents a long narrow oblong shaped tract of vacant land wedged between the Eerste River and Erf 7588 Stellenbosch, and a portion is located along the western boundary of Erf 7589. The widest point appears to be approximately 29 meters wide, while the narrowest point adjacent to the river appears to be approximately 9 meters wide.

Notwithstanding the registered extent of 9121 m^2, the size of Erf 705 is indicated as 8571 m^2 in the instruction and brief. It is assumed that this can be attributed to the 'changing' boundary line due to the location adjacent to the Eerste River. The valuer accordingly will base valuation calculations on said area of 8571 m^2.

The site appears to include existing river bank, as well as a portion of existing road reserve on the northern portion.

Refer to aerial photograph below.



10.2.2 Erven 4080 & 8719 Stellenbosch

Erven 4080 & 8719 Stellenbosch are located along the banks of the Eerste River opposite the Markotter Sports Grounds. It is bordered on the northern side by Remgro owned properties, including the Stillewaters Helderwaters apartment buildings and the Stellenbosch Academy of Sport (SAS). Refer to aerial photograph below:



Erf 4080 Stellenbosch represents an irregular shaped tract of vacant land with a level gradient, located on the banks of the Eerste River. The widest point appears to be approximately 45 meters wide, while the narrowest point adjacent to the river appears to be approximately 28 meters wide. Notwithstanding the registered extent of 3509 m^2, the size of Erf 4080 is indicated as 3658 m^2 in the instruction and brief. It is assumed that this can be attributed to the 'changing' boundary line due to the location adjacent to the Eerste River. The valuer accordingly will base valuation calculations on said area of 3658 m^2.

Erf 8719 Stellenbosch represents an oblong shaped tract of vacant land with a level gradient, located on the banks of the Eerste River. The widest point appears to be approximately 29 meters wide, while the narrowest point adjacent to the river appears to be approximately 22 meters wide. Notwithstanding the S.G. extent of 6460 m^2, the size of Erf 8719 is indicated as 4867 m^2 in the instruction and brief. It is assumed that this can be attributed to the 'changing' boundary line due to the location adjacent to the Eerste River. The valuer accordingly will base valuation calculations on said area of 4867 m^2.

11. Highest and Best Use

Highest and Best Use is defined under the International Valuation Standards (IVSC) as "The most probable use of an asset which is physically possible, appropriately justified, legally permissible, financially feasible and which results in the highest value of the asset being valued".

11.1 Erven 7592 & 17321 Stellenbosch

Erven 7592 & 17321 Stellenbosch are subject to a Local Business zoning in terms of the current zoning scheme. I was noted that development approvals were obtained in 2018 for mixed-use development on the subject properties, in line with the Specific Business zoning (at the time). Based on the surrounding land uses and the existing development approvals the development rights applicable under the Local Business zoning is considered the highest and best use of these properties.

In terms of the zoning parameters applicable to this zoning development is restricted to three storeys with a maximum coverage of 75%, which translates to a bulk factor of 2.25. However due to the historic character and concomitant heritage protection it is highly unlikely that the full 2.25 bulk could be utilised. In this regard the bulk approved for Erf 7592 equates to approximately 1.14 which is considered a more accurate indication of the bulk that could be utilised on this site. Accordingly, the valuer is of the opinion that a bulk factor of 1.125 would be justified for the portion of Erf 7592 (i.e. 50% of maximum bulk). Based on the higher degree of heritage importance associated with Erf 17321 a bulk factor of 0.5625 would be justified for the relevant portion of Erf 17321 (i.e. 25% of maximum bulk) in the valuation calculations.

Valuation calculations were therefore based on sales of properties with similar potentialities.

11.2 Erven 705, 4080 & 8719 Stellenbosch

These properties are subject to Public Open Space zonings in terms of the current zoning scheme. Given the size and shape of the sites and the proximity to the Eerste River it would be subject to the provisions of the National Environmental Act of 1998. In terms of this act, activities identified in terms of Section 24(2)(a) and (d) of the Act which may not commence without environmental authorisation from the competent authority and in respect of which the investigation, assessment and communication of potential impact of activities must follow the procedure as described in regulations 22 to 26 of the Environmental Impact Assessment Regulations, 2006, promulgated in terms of section 24(5) of the Act, the construction of facilities or infrastructure including associated structures of infrastructure, for any purpose in the one in ten year flood line of a river or stream, or within 32 metres from the bank of a river or stream where the flood line is unknown, excluding purposes associated with existing residential use.

Development of these sites will therefore be restricted and subject to a full EIA process. The most likely scenario would be consolidation with the adjoining sites to increase the total bulk of the consolidated sites and to utilise portions of the subject properties for parking purposes.

In the case of Erf 705 the developability, and 'value-add' is considered very limited due to the narrow shape of the site. On the other hand, erven 4080 and 8719 are relatively level, with the ground level significantly higher than the river. Based on the dimensions of these sites it is envisaged that portions offer development potential and / or could be incorporated with adjoining developments for possible future expansion of the Stillewater Helderwaters and SAS sites. Valuation calculations will therefore be directed according, with this restrictive potential utility in mind.

12. Market Information

We liaised with the Cape Town Deeds Office to determine the recent sales and transfers of comparable properties. Comparisons were then made in terms of size, utilisation and potential of the land and date of sale, after which the necessary adjustments were made. The following transactions in the vicinity of the subject property were registered in the Cape Town Deeds Office and serve as good comparisons in determining the current market value of the subject properties:

No	Description	Extent	Date of sale	Price (Ex VAT)	R/m^2	LPI Code
1	Erf 5357 Stellenbosch	4579	2021/07/26	R 60 000 000	R 13 103	C06700220000535700000
2	Erf 16442 Stellenbosch	2568	2021/04/22	R 28 000 000	R 10 903	C06700220001644200000
3	Erven 143 – 145 & 166 – 170 Stellenbosch	8391	2019/03/28	R 78 317 218	R 9 333	C06700220000014300000 C06700220000014400000 C06700220000014500000 C06700220000016600000 C06700220000016700000 C06700220000016800000 C06700220000016900000 C06700220000017000000
4	Erf 13508 Somerset West	4444	2021/08/25	R 12 850 000	R 2 892	C06700210001350800000
5	Erf 38746 Bellville	7916	2020/04/28	R 29 000 000	R 3 663	C01600020003874600000
6	Erven 27617, 27379 & 27377 Cape Town	10240	2019/11/01	R 91 439 248	R 8 927	C01600070002761700000 C01600070002737900000 C01600070002737700000
7	Erf 40970 Bellville	7325	2018/03/09	R 26 648 000	R 3 638	C01600020004097000000

Sale 1: Erf 5357 Stellenbosch

This site is located in the Stellenbosch CBD and is currently under development. Existing buildings, retained due to heritage considerations, measure approximately 1195 m^2, while additional bulk of 10 292 m^2 was approved Based on a value apportionment of R 20 000 / m^2 for the retained buildings of 1195 m^2, the valuer estimates that a rate of approximately R 3 507 / m^2 would be justified for the additional bulk currently under development. Based on the location a slight downward adjustment is justified for the subject properties.

Sale 2: Erf 16442 Stellenbosch

This site, located in Lower Dorp Street, is currently under development. Total bulk of 5 683 m^2 was approved at the date of sale, which equates to approximately R 4 927 per bulk square meter. Based on the other listed sales this sale is considered an outlier at the upper end of the range in this node.

Sale 3: Erven 143 – 145 & 166 – 170 Stellenbosch (consolidated Erf 17274)
This site assembly is located in Dennesig Street for student accommodation to the known as the Edge. Total bulk of 24 518 m^2 was approved at the date of registration, which equates to approximately R 3 194 per bulk square meter. This sale is considered indicative of the range to be applied to the subject properties.

Sale 4: Erf 13508 Somerset West
Vacant GB1 zoned tract of land located in The Interchange commercial node of Somerset West, which is characterised by retail warehousing. At the date of sale this property offered a General Business GB1 zoning, with a maximum allowed bulk of 6 666m^2. The sale relates to a Rand per bulk square metre of R 1 928 / m^2. The subject property offers superior usage parameters and a superior location which suggests that an upward adjustment would be justified in the bulk rate to be applied to the subject property.

Sale 5: Erf 38746 Bellville
This vacant commercial site is located in the Tyger Valley commercial node. At the date of sale this property offered a Local Business LB1 zoning, with a maximum bulk of 11 082m^2, which relates to a Rand per bulk square metre of R 2 617 / m^2. This sale is considered the best indication of the bulk rate to be applied to the subject property, with a slight upward adjustment justified for the location.

Sale 6: Erven 27617, 27379 & 27377 Cape Town
This vacant commercial site is located in the University Estate commercial node on the periphery of the Cape Town CBD. At the date of sale this property offered a Mixed Use MU2 zoning, with a maximum bulk of 40 960m^2, which relates to a Rand per bulk square metre of R 2 232 / m^2.

Sale 7: Erf 40970 Bellville
This vacant commercial site is located in the Tyger Valley commercial node. At the date of sale this property offered a General Business GB1 zoning, with a maximum bulk of 10 987m^2, which relates to a Rand per bulk square metre of R 2 425 / m^2.

Conclusion on market sales:

The analysed sales can be summarised as follows:

No	Description	Zoning:	Land size	Bulk	Price	Site R/m^2	Bulk R/m^2
1	Erf 5357 Stellenbosch	Mixed Use	4 579 m^2	11 487 m^2	R 60 000 000	R 13 103	R 3 507
2	Erf 16442 Stellenbosch	Mixed Use	2 568 m^2	5 683 m^2	R 28 000 000	R 10 903	R 4 927
3	Erven 143 – 145 & 166 – 170 Stellenbosch	Mixed Use	8 391 m^2	24 518 m^2	R 78 317 218	R 9 333	R 3 194
4	Erf 13508 Somerset West	General Business GB1	4 444 m^2	6 666 m^2	R 12 850 000	R 2 892	R 1 928
5	Erf 38746 Bellville	Local Business LB1	7 916 m^2	11 082 m^2	R 29 000 000	R 3 663	R 2 617
6	Erven 27617, 27379 & 27377 Cape Town	Mixed Use MU2	10 240 m^2	40 960 m^2	R 91 439 248	R 8 927	R 2 232
7	Erf 40970 Bellville	General Business GB1	7 325 m^2	10 987 m^2	R 26 648 000	R 3 638	R 2 425

Comparison in terms of bulk rates per square metre is deemed the most appropriate method to compare and analyse development sites. The comparable sales indicate to a rather wide range in the rate per bulk square metre of between R 1 928 / m^2 and R 4 927 / m^2, with the most comparable sales ranging between roughly R 3 194 / m^2 and R 3 507 / m^2. These sales compare well with the subject properties in terms of utilisation, location, exposure and accessibility. Recent sales point to downward pressure on bulk rates due to challenging market conditions in the commercial property market.

Based on analysis of the listed sales, and after taking cognizance of the locality, utility and zonings of the comparable sales, the valuer is of the opinion that a rate per bulk square metre of R 3 200 can be applied to the subject property with development rights in place.

13. Conclusion of market rates & Valuation calculations

13.1 Erven 7592 & 17321 Stellenbosch

Based on the available market information listed in paragraph 12, the valuer is of the opinion that a bulk rate of R 3 200 / m^2 can be applied to the areas required for widening of Dorp Street. The market values of the above-mentioned properties can therefore be calculated as follows:

Description	Land size	Bulk factor	Available bulk	Rate	Value	Value
Erf 7592	807 m^2	1.125	908 m^2	R 3 200 / m^2	R 2 905 600	R 2 900 000
Erf 17321	2 393 m^2	0.5625	1 346 m^2	R 3 200 / m^2	R 4 307 200	R 4 300 000
TOTAL	**3 200 m^2**					**R 7 200 000**

The value of the portion of Erf 7592 relates to a land rate of approximately R 3 600 / m^2 which is considered in keeping with the market, and a good indication of the base rate to be applied to Erven 705, 4080 & 8719 Stellenbosch, with appropriate adjustments necessary.

13.2 Erven 705, 4080 & 8719 Stellenbosch

Based on the current Public Open Space zoning of Erven 705, 4080 & 8719 Stellenbosch these properties would have to be rezoned to be put to beneficial use. Consolidation with the adjoining properties would also be necessary for bulk accrual to the consolidated sites. Furthermore, due to the size, shape and proximity of these properties to the Eerste River any development of these sites is expected to be very restricted. Therefore, based on the cost and efflux of time to have the properties rezoned, and/or consolidated, as well as the anticipated development limitations of the sites, the valuer is of the opinion that a 5% apportionment of the land rate calculated for Erf 7592 (referred to in paragraph 13.1) would be justified for Erf 705, while an apportionment of 20% would be justified for erven 4080 & 8719.

The market values of the above-mentioned properties can therefore be calculated as follows:

Description	Land size	Rate	Value	Rounded totals
Erf 705	8571 m^2	R 180 / m^2	R 1 542 780	R 1 540 000
Erf 4080	3658 m^2	R 720 / m^2	R 2 633 760	R 2 630 000
Erf 8719	4827 m^2	R 720 / m^2	R 3 475 440	R 3 480 000
TOTAL	**17 056 m^2**			**R 7 650 000**

14. Declaration

I, Johan Klopper a registered Professional Valuer, declare that I have inspected the subject properties and that I have conducted this valuation assignment to the best of my knowledge and skills. I have no present or contemplated interest in this property, and accordingly certify that this valuation was undertaken on a completely independent basis.

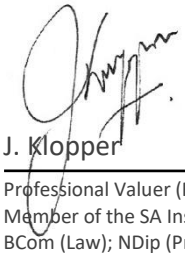
As a result of my inspection, research and evaluation it is my opinion that the fair compensation based on the market values of the portions of Erven 7592 & 17321 Stellenbosch required for road widening, on 7 March 2022, amounts to:

Portion of Erf 7592 Stellenbosch	R 2 900 000	Two Million Nine Hundred Thousand Rand
Portion of Erf 17321 Stellenbosch	R 4 300 000	Four Million Three Hundred Thousand Rand
TOTAL	**R 7 200 000**	**Seven Million Two Hundred Thousand Rand**

As a result of my inspection, research and evaluation it is my opinion that the market values of the Erven 705, 4080 & 8719 Stellenbosch, on 7 March 2022, amounts to:

Erf 705 Stellenbosch	R 1 540 000	One Million Five Hundred and Forty Thousand Rand
Erf 4080 Stellenbosch	R 2 630 000	Two Million Six Hundred and Thirty Thousand Rand
Erf 8719 Stellenbosch	R 3 480 000	Three Million Four Hundred and Eighty Thousand Rand
TOTAL	**R 7 650 000**	**Seven Million Six Hundred and Fifty Thousand Rand**

Signed at STELLENBOSCH on this the 23rd day of March 2022.



J. Klopper

Professional Valuer (Reg. No. 6372/0)
Member of the SA Institute of Valuers
BCom (Law); NDip (Property Valuation)

ANNEXURES:

A. TITLE DEED INFORMATION

B. S.G. DIAGRAMS

C. PHOTOGRAPHS OF THE SUBJECT PROPERTY

A. TITLE DEED INFORMATION

Deeds Office Property

STELLENBOSCH, 7592, 0, CAPE TOWN

Lexis® WinDeed

This report is compiled exclusively from the very latest data directly supplied to WinDeed by the Deeds Office.

Any personal information obtained from this search will only be used as per the Terms and Conditions agreed to and in accordance with applicable data protection laws including the Protection of Personal Information Act, 2013 (POPI), and shall not be used for marketing purposes.

** ASTERISKS INDICATE THE INFORMATION IS ENRICHED FROM THE WINDEED DATABASE.

SEARCH CRITERIA

Search Date	2022/03/06 11:16	Erf Number	7592
Reference	-	Portion Number	-
Report Print Date	2022/03/06 11:16	Township Remaining Extent	NO
Township	STELLENBOSCH	Search Source	Deeds Office
Deeds Office	Cape Town		

PROPERTY INFORMATION

Property Type	ERF	Diagram Deed Number	T17426/1984
Township	STELLENBOSCH	Local Authority	STELLENBOSCH MUN
Erf Number	7592	Province	WESTERN CAPE
Portion Number	0	Remaining Extent	NO
Registration Division	STELLENBOSCH RD	Extent	1,0675HAUNKNOWN
Previous Description	PTN OF 7585	LPI Code	C06700220000759200000
Suburb / Town**	PNIEL	Co-ordinates (Lat/Long)**	-33.941162 / 18.849177

OWNER INFORMATION (1)

REMBRANDT VAN RIJN PTY LTD — Owner 1 of 1

Company Type**	COMPANY	Document	T17426/1984
Registration Number	195600012507	Microfilm / Scanned Date	-
Name	REMBRANDT VAN RIJN PTY LTD	Purchase Price (R)	-
Multiple Owners**	NO	Purchase Date	-
Multiple Properties**	NO	Registration Date	1984/04/04
Share (%)	-		

ENDORSEMENTS (1)

#	Document	Institution	Amount (R)	Microfilm / Scanned Date
1	K300/1984S	REMBRANDT VAN RIJN PTY LTD	-	-

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Page 1 of 2

Deeds Office Property

STELLENBOSCH, 17321, 0, CAPE TOWN

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** ASTERISKS INDICATE THE INFORMATION IS ENRICHED FROM THE WINDEED DATABASE.

SEARCH CRITERIA

Search Date	2022/03/06 11:10	Erf Number	17321
Reference	-	Portion Number	-
Report Print Date	2022/03/06 11:13	Township Remaining Extent	NO
Township	STELLENBOSCH	Search Source	Deeds Office
Deeds Office	Cape Town		

PROPERTY INFORMATION

Property Type	ERF	Diagram Deed Number	T34115/2018
Township	STELLENBOSCH	Local Authority	STELLENBOSCH MUN
Erf Number	17321	Province	WESTERN CAPE
Portion Number	0(REMAINING EXTENT)	Remaining Extent	YES
Registration Division	STELLENBOSCH RD	Extent	2.1542H
Previous Description	-	LPI Code	C06700220001732100000
Suburb / Town**	-	Co-ordinates (Lat/Long)**	-

OWNER INFORMATION (1)

REMBRANDT VAN RIJN PTY LTD — Owner 1 of 1

Company Type**	COMPANY	Document	T34115/2018
Registration Number	195600012507	Microfilm / Scanned Date	-
Name	REMBRANDT VAN RIJN PTY LTD	Purchase Price (R)	CCT
Multiple Owners**	NO	Purchase Date	-
Multiple Properties**	NO	Registration Date	2018/07/23
Share (%)	-		

ENDORSEMENTS (2)

#	Document	Institution	Amount (R)	Microfilm / Scanned Date
1	CONSOLIDATE FROM	TOWN STELLENBOSCH ,ERF 7586 ,PRTN 0	-	-
2	CONSOLIDATE FROM	TOWN STELLENBOSCH ,ERF 17320 ,PRTN 0	-	-

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Deeds Office Property

STELLENBOSCH, 705, 0, CAPE TOWN

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** ASTERISKS INDICATE THE INFORMATION IS ENRICHED FROM THE WINDEED DATABASE.

SEARCH CRITERIA

Search Date	2022/03/06 11:17	Erf Number	705
Reference	-	Portion Number	-
Report Print Date	2022/03/06 11:17	Township Remaining Extent	NO
Township	STELLENBOSCH	Search Source	Deeds Office
Deeds Office	Cape Town		

PROPERTY INFORMATION

Property Type	ERF	Diagram Deed Number	T18383/946
Township	STELLENBOSCH	Local Authority	STELLENBOSCH MUN
Erf Number	705	Province	WESTERN CAPE
Portion Number	0	Remaining Extent	NO
Registration Division	STELLENBOSCH RD	Extent	9121.0000SQM
Previous Description	-	LPI Code	C06700220000070500000
Suburb / Town**	GROENDAL	Co-ordinates (Lat/Long)**	-33.943249 / 18.847053

OWNER INFORMATION (1)

MUN STELLENBOSCH — Owner 1 of 1

Company Type**	LOCAL AUTHORITY	Document	T18383/1946
Registration Number	-	Microfilm / Scanned Date	-
Name	MUN STELLENBOSCH	Purchase Price (R)	-
Multiple Owners**	NO	Purchase Date	-
Multiple Properties**	NO	Registration Date	1946/10/24
Share (%)	-		

ENDORSEMENTS (1)

#	Document	Institution	Amount (R)	Microfilm / Scanned Date
1	VIDE ERF 7584=1,0081	HA	-	-

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Page 1 of 2

Deeds Office Property

STELLENBOSCH, 4080, 0, CAPE TOWN

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** ASTERISKS INDICATE THE INFORMATION IS ENRICHED FROM THE WINDEED DATABASE.

SEARCH CRITERIA

Search Date	2022/03/06 11:18	Erf Number	4080
Reference	-	Portion Number	-
Report Print Date	2022/03/06 11:18	Township Remaining Extent	NO
Township	STELLENBOSCH	Search Source	Deeds Office
Deeds Office	Cape Town		

PROPERTY INFORMATION

Property Type	ERF	Diagram Deed Number	T25503/966
Township	STELLENBOSCH	Local Authority	STELLENBOSCH MUN
Erf Number	4080	Province	WESTERN CAPE
Portion Number	0	Remaining Extent	NO
Registration Division	STELLENBOSCH RD	Extent	3509.0000SQM
Previous Description	-	LPI Code	C0670022000040800000
Suburb / Town**	PNIEL	Co-ordinates (Lat/Long)**	-33.94134 / 18.853812

OWNER INFORMATION (1)

MUN STELLENBOSCH — Owner 1 of 1

Company Type**	LOCAL AUTHORITY	Document	T25503/1966
Registration Number	-	Microfilm / Scanned Date	-
Name	MUN STELLENBOSCH	Purchase Price (R)	-
Multiple Owners**	NO	Purchase Date	-
Multiple Properties**	NO	Registration Date	1966/11/29
Share (%)	-		

ENDORSEMENTS

No endorsements to display

HISTORIC DOCUMENTS

No historic documents to display

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Page 1 of 2

Deeds Office Property
STELLENBOSCH, 8719, CAPE TOWN

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SEARCH CRITERIA

Search Date	2022/03/06 11:19	Erf Number	8719
Reference	-	Portion Number	-
Report Print Date	2022/03/06 11:19	Township Remaining Extent	NO
Township	STELLENBOSCH	Search Source	Deeds Office
Deeds Office	Cape Town		

THERE IS NO INFORMATION AVAILABLE THAT MATCHES YOUR SEARCH CRITERIA.

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B. S.G. DIAGRAMS

KANTOORAFSKRIF

SYE METER		RIGTINGS-HOEKE		KOÖRDINATE Y Stelsel Lo. 19° X	
		Konstante		+10 000,00	+3750000,00
ab	60,00	272 02 40	a	+ 3 883,32	+ 6 787,77
bc	7,07	317 02 40	b	+ 3 823,36	+ 6 789,91
cd	51,96	2 02 40	c	+ 3 818,54	+ 6 795,08
de	9,05	27 17 00	d	+ 3 820,39	+ 6 847,01
ef	136,70	52 31 30	e	+ 3 824,54	+ 6 855,05
fg	61,71	142 31 30	f	+ 3 933,02	+ 6 938,21
gh	116,50	232 31 30	g	+ 3 970,57	+ 6 889,24
hj	24,09	182 02 40	h	+ 3 878,11	+ 6 818,36
ja	8,91	137 02 40	j	+ 3 877,25	+ 6 794,29
		P32C	⊕	+ 3 805,54	+ 6 786,75
		P32D	⊕	+ 4 060,93	+ 6 847,86

L.G. No. 2728/82

Goedgekeur

Landmeter-generaal

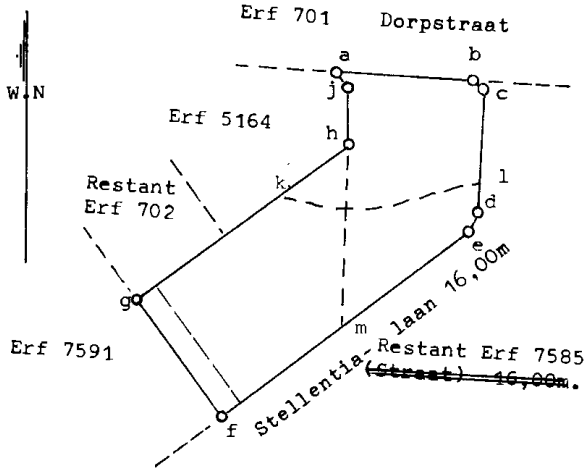
1983 -08- 1

Bakenbeskrywing
a,g,h,j : 12mm ysterpen in beton
b,c,d,e,f : 16mm ysterpen

f

BAKENS 1949/91

HERPLAASSIENE



Serwituutnota:

Die lyn fg stel die suidwestelike grens van 'n serwituutpad 10,00m wyd, voor.

Skaal 1: 2500

Die figuur a b c d e f g h j

stel voor 1,0675 ha. grond, synde

ERF 7592 ('n gedeelte van Erf 7585) STELLENBOSCH

geleë in die Munisipaliteit en

Administratiewe Distrik Stellenbosch Provinsie Kaap die Goeie Hoop.

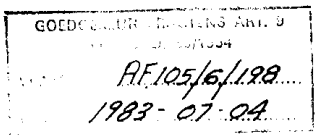
Opgemeet in Desember 1981 - Maart 1982

deur my,

Landmeter

Hierdie kaart is geheg aan No. Sert.Geregd.Titel gedateer T.17426/1984 t.g.v. Serwituutakte K.300/1984 s Registrateur van Aktes	Die oorspronklike kaart is. No. 2721/82 geheg aan Transport/~~Grondbrief~~ S.V.T. No. T.17424/1984	Lêer No. S.2641/80 M.S. No. E 751/82 Komp. ~~BH-8DC/V42, V51~~ BHSZ-1364 (6963)

7592


AF 105/6/198
1983-07-04

	SYE METER	RIGTINGS-HOEKE		Y	KOORDINATE STELSEL Lo 19°	X
		Konstante		+ 10 000,00		+3750 000,00
ab	7,07	227 02 40	a	+ 3 802,55		+ 6 795,65
bc	25,64	272 02 40	b	+ 3 797,37		+ 6 790,84
cd	124,23	259 35 00	c	+ 3 771,75		+ 6 791,75
de	8,39	307 47 10	d	+ 3 649,57		+ 6 769,29
ef	96,45	356 01 00	e	+ 3 642,94		+ 6 774,43
fg	+28,96	61 26 00	f	+ 3 636,24		+ 6 870,65
gb	90,98	142 31 30	g	+ 3 749,50		+ 6 932,32
ha	64,50	182 02 40	h	+ 3 804,85		+ 6 860,11
ff'		356 01 00				
gg'		322 31 30				
Serwituutdata:						
fj	11,90	176 01 00	j	+ 3 637,07		+ 6 858,78
jk	82,56	71 09 20	k	+ 3 719,93		+ 6 887,06
kl	51,00	51 25 00	l	+ 3 759,80		+ 6 918,87
lg	16,94	342 31 30				
		P326	⊕	+ 3 805,54		+ 6 786,75
		P320	⊕	+ 4 060,93		+ 6 847,86

Serwituutnota:

Die lyn jkl stel die noordwestelike grens van 'n serwituut 10,00m wyd, soos aangetoon, voor.

Die figuur a b c d e f' middel van Eersteriver g' h

stel voor 2,0869 hektaar grond, synde

ERF 7586 (n gedeelte van Erf 7585) STELLENBOSCH

gelee in die Munisipaliteit en Administratiewe Distrik

Stellenbosch Provinsie Kaap die Goeie Hoop.

Opgemeet in Desember 1981 - Junie 1983

deur my.

Landmeter

Hierdie kaart is geheg aan	Die oorspronklike kaart is.	Lêer No. S/2641/80
Sert.Geregd.Titel		M.S No. E 751/82
No. T.17426/1984 gedateer	No. 2721/82 geheg aan	Komp.
t.g.v.	Transport S.V.P.	BH-BDC/~~44~~2 /V51 (1497)
Registrateur van Aktes	No. T.17424/1984	

KADASTRALE KAART

L.G. No. 2722/1982

Goedgekeur

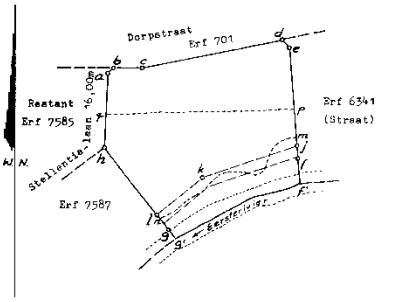
Landmeter-Generaal

1983 -08- 1

Bakenbeskrywing:

a,b,e,f,g,h,j,k,l : 16mm yaterpen
c : Ligte spoorstaf
d : 12mm yaterpen

CANCELLED
Erf 17421 (CCT 35118/2018)
vide SG No 2384/2017
2018/07/24



Die figuur abcdem kurwe nh stel Eiendomsgrond voor. Die restant is Erfpag.

Skaal 1/2500

C S B

REGISTRATEUR VAN AKTES
VERW. RF 105/6/198
DATUM 1983-07-04

7586

OFFICE COPY

Friedlaender, Burger & Volkmann - Land Surveyors - REVISION2

S.G. No.
2334/2017

Approved.

for
Surveyor - General
Date : 8.11.2017

SHEET 1 OF 2 SHEETS

Servitude Notes:

1. The line mn represents the north western boundary of a servitude 7,00 metres wide, vide Diagram No. 2723/1982, C.R.T 1984- -17426
2. The line npq represents the north western boundary of a servitude 10,00 metres wide, vide Diagram No. 2722/1982, C.R.T 1984- -17426
3. The line Bv represents the north eastern boundary of a servitude 7,00 metres wide, vide Diagram No. ~~2722~~ 2723/1982, C.R.T 1984- -17426

Components:

1. The figure CDEFGh middle of Eerste River kB represents Erf 7586 Stellenbosch, vide Diagram No. 2722/1982, C.R.T 1984- -17426
2. The figure ABk middle of Eerste River j represents Erf 17320 Stellenbosch, vide Diagram No. 2333/2017, D/T 2018- - 34114

The figure ABCDEFGh middle of Eerste River j represents 2,1542 hectares of land, being

ERF 17321 STELLENBOSCH and comprises 1. and 2. as above

Situate in the Stellenbosch Municipality
Administrative District of Stellenbosch
Province of Western Cape
Compiled in October 2017
by me

PLS 1354 M R Stuart-Fox Pr Land Surveyor

This diagram is annexed to No. CET 34115/2018 Dated i.f.o. Registrar of Deeds	The original diagrams are as quoted above	File No. S/2641/80 S.R. No. Compiled Comp. BHSZ-1443 (M2759) BHSZ-1471 (M2762) LPI C0670022

Exempt i.t.o. Section 24 of Municipal Bylaw of Act 3/2014
Ref. 7586
Date: 24-09-2017

Erf 17321 Stellenbosch

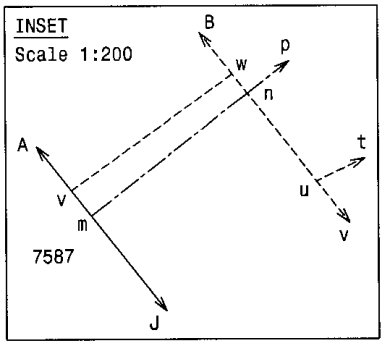
OFFICE COPY

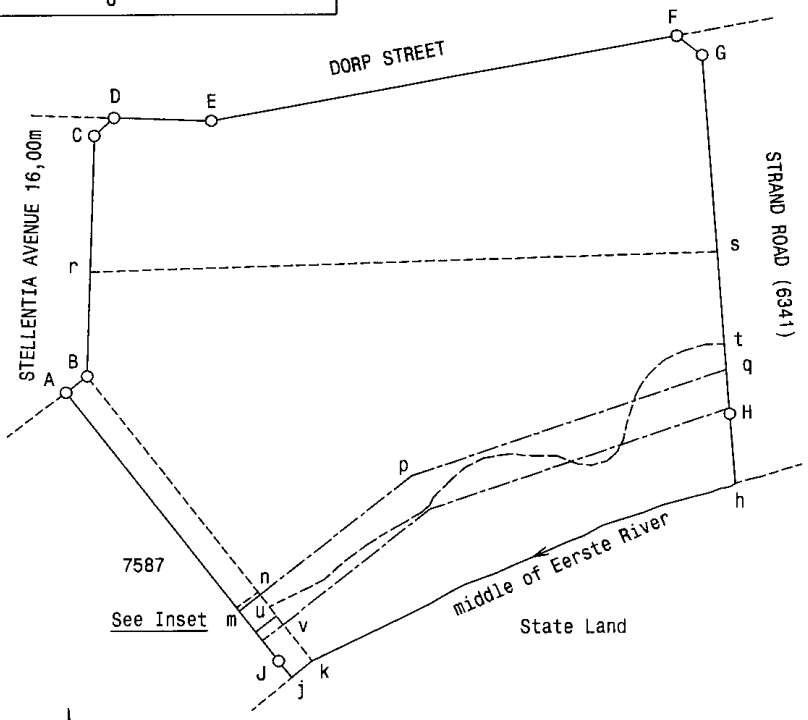
Friedlaender, Burger & Volkmann - Land Surveyors - REVISION2

Note:
The figures ABw curve v and BCDEFGt curve u represent freehold land the remainder is quitrent.

S.G. No.
2334/2017
Approved.
for
Surveyor - General
Date : 8-11-2017

SHEET 2 OF 2 SHEETS







SCALE 1 : 1500

ERF 17321 STELLENBOSCH
Administrative District of Stellenbosch

Compiled in October 2017
by me

PLS 1354 M R Stuart-Fox Pr Land Surveyor

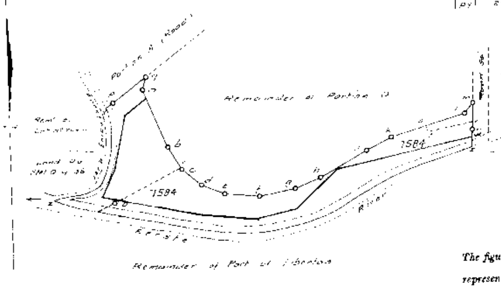
Erf 17321 Stellenbosch

Road ... along ... Vide T/Cs Notice d.o. 24 1283
S.G. 2641/80 ... 88
SURVEYOR GENERAL
Date 1983.01.11

S. G. No. 4976/44

SIDES Cape Feet		ANGLES OF DIRECTION				SYSTEM LO 19° CO-ORDINATES y	x
						+42000	+4930000
ab	115 77	338	10	0	a	+3119.58	+2404.85
bc	81 87	324	18	0	b	+3047.00	+2586.00
cd	77 20	300	31	10	c	+3033.20	+2656.40
de	78 97	292	48	0	d	+2945.80	+2705.40
ef	106 50	275	33	0	e	+2875.00	+2734.00
fg	[illegible]	254	25	[illegible]	f	+2767.00	+2740.30
gh	84 31	247	41	40	g	+2663.00	+2725.[illegible]
hj	166 58	241	50	30	h	+2593.00	+2693.00
jk	85 87	243	40	0	j	+2430.00	+2611.00
kl	258 84	253	35	20	k	+2355.00	+2573.00
lm	[illegible]	271	44	10	l	+2125.87	+2505.52
mn	84 30	7	3	0	m	+2099.32	+2475.45
np	1124 88	82	5	50	n	+2152.03	+2557.73
on	367 80	180	49	10	o	+3275.62	+2752.06
mq	128 40	232	31	30	p	+3210.52	+2444.94
qo	30 84	15	20	30	q	+3100.44	+2304.41
na	51 00	2	3	0			
py	27 00	57	3	30			

Approved
Surveyor-General.
20 6 1944



Description of Beacons:
abcdefghjklmq - ½" iron pegs flush with ground
n - Iron fencing standard 4' above ground surrounded by stones
o - Heavy iron fence post in concrete

NOW ERF 705
STELLENBOSCH

Scale 1: 2500

The figure abcdefghjklm = Middle of Eerste River = Middle of Plankenbrug River = q represents 2 Pace ... of land being

Portion E (a portion of Portion D) of Los Libertas Farm

situate in the Municipality & Division of Stellenbosch — Province of Cape of Good Hope.

Surveyed in Oct 1941 & May 1944 by me
Land Surveyor.

This diagram is annexed to Deed of Transfer No 18383 dated 24.10.46 in favour of Raad van Munisipaliteit van Stellenbosch.
Registrar of Deeds.

The original diagram is No. 4976/1944 annexed to D/T

S. G. File No. 2641/80
S.R. No. E. [illegible]
Stel. Twp. Sht. No. 3.
Deg. sht BH-8DC/4D
BN52-139 (6966)
C

FOR ENDORSEMENTS SEE BACK OF DIAGRAM
705

M. Blum
8.9.1944

705

THE FOLLOWING DEDUCTIONS HAVE BEEN MADE FROM THIS DIAGRAM						
SURVEY RECORD	DIAGRAM NO.	SUBDIVISION	AREA	TRANSFER NO.	INITIALED	REMARKS
E751/82	2720/82	Erf 7584	1.0081	17423/87	[illegible]	

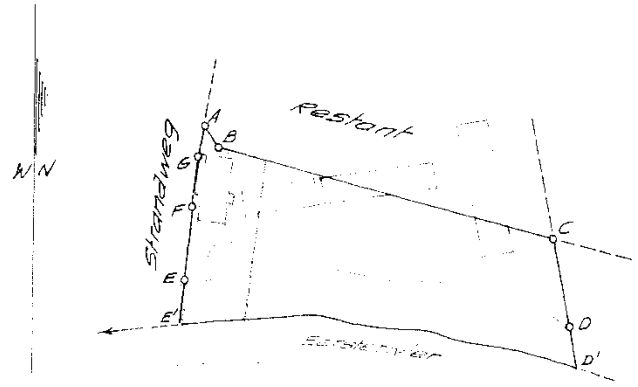
SIEMENS COPY
KOPIE VAN AFSKRIF

L.G. No. 7953/64

SYE Kaapse Voet		RIGTINGS	KO-ORDINATE y	Stelsel 19/19 x	AMP. BEN.
			Kon	+40,000·00	+1130,000·00
AB	22·10	327. 03. 30	A	+ 2891·50	+ 1872·92
BC	293·37	284. 30 40	B	+ 2879·48	+ 1891·47
CD	73·45	349. 25. 00	C	+ 2605·15	+ 1962·47
DE	316·49	95 56. 50	D	+ 2591·66	+ 2034·67
EF	63·00	184. 49. 00	E	+ 2906·45	+ 2001·88
FG	41·89	187. 31. 50	F	+ 2901·16	+ 1939·10
GA	25·00	189. 35. 50	G	+ 2895·67	+ 1897·57
DD'		349. 25. 00			
EE'		4. 49. 00			

Goedgekeur.

Landmeter-generaal.
16.11.1964



Beskrywing van Bakens:
A.B = 1/2" x 18" ysterpen.
C.D.E.F.G = 1/2" ysterpen.

Skaal 1: 1250

Die figuur A.B.C.D' middel van Eersterivier E'F.G

stel voor 35,405 Vierkante Voet ~~morg~~ *grond, synde*

Erf 4080 gedeelte van Erf 711 Stellenbosch

geleë in Munisipaliteit en

Administratiewe Distrik Stellenbosch, *Provinsie* Kaap die Goeie Hoop. B

Opgemeet in November 1954 Sept-Oktober 1958 Maart 1962 September 1964 *deur my*

Landmeter. S

Hierdie kaart is geheg aan T/a No. 25503/64	*Die oorspronklike kaart is* No. 972/1951	*Léer No.* [illegible]
		M.S. No. [illegible] C
gedateer	*Transport/~~Grondbrief~~*	*Komp.* BH-8DC/Y51
t.g.v.	No. 1953-109-5420	*Alg. Plan*
Registrateur van Aktes.	FOR ENDORSMENTS SEE BACK OF DIAGRAM	

S.P.C.T.-C2615

THE FOLLOWING DEDUCTIONS HAVE BEEN MADE FROM THIS DIAGRAM

SURVEY RECORD	DIAGRAM NO.	SUBDIVISION	AREA HA.(SQ. M.	TRANSFER NO.	INITIALED	REMDR.
1378 | 21	2181 | 21	Erf 17360	727 m²			2703 m²

Goedgekeur sonder / ~~met~~ voorwaardes kragtens ~~Artikel 105 van Ordonnansie No. 15 van 1952~~ en Artikel 9 van Ordonnansie No. 33 van 1934.

Verwysing: N.T.

Datum van Bekendmaking: 26/6/1968

Landmeter-Generaal.

T.P. 1879^{LD}

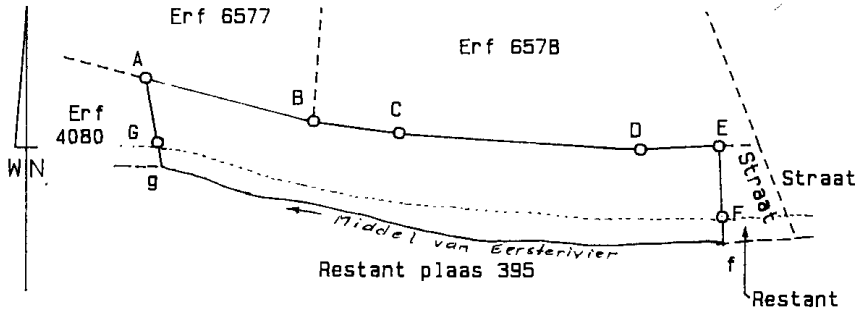
KANTOORAFSKRIF

Friedlaender Burger & Volkmann, Land Surveyors

SYE Meter		RIGTINGS-HOEKE		KOÖRDINATE Stelsel Lo19° Y		X	L.G. No.
		Konstante		+ 0,00		+3 700 000,00	4600-86
A B	60,94	284 17 30	A	+ 13 414,51	+	56 844,81	Goedgekeur
B C	30,38	277 33 30	B	+ 13 355,46	+	56 859,85	
C D	85,03	273 38 50	C	+ 13 325,34	+	56 863,85	
D E	27,58	267 01 40	D	+ 13 240,49	+	56 869,26	
E F	25,00	357 00 00	E	+ 13 212,94	+	56 867,83	nms Landmeter-generaal
F G	200,23	97 14 40	F	+ 13 211,63	+	56 892,80	1987-01-09
G A	23,13	169 25 00	G	+ 13 410,26	+	56 867,55	
		N 33 B	⊕	+ 13 156,21	+	56 876,49	
		O 32 C	⊕	+ 13 495,34	+	56 736,22	

Beskrywing van Bakens.

A E F G ..... 12mm ysterpen
B ..... 12mm ysterpen teenaan ysterpyp hoekdraadpaal
C D ..... 12mm ysterpen in beton



Skaal 1:2 000

Die figuur A B C D E f middel van Eersterivier g
stel voor 6460 vierkante meter grond, synde
ERF 8719 ~~('n gedeelte van Erf 3453)~~ STELLENBOSCH
geleë in Stellenbosch Dorp Uitbreiding No.7 in die Munisipaliteit en die
Administratiewe Distrik van Stellenbosch Provinsie Kaap die Goeie Hoop.
Opgemeet in Junie 1986
deur my

Jan J. Volkmann.
Landmeter

Hierdie kaart is geheg aan	Die oorspronklike kaart is	Lêer No. S/2641/24
No.	No.6568/62	M.S. No. 1418/86
gedateer	geheg aan S.V.T.	Komp.
t.g.v.	No. 1964- -25	BHSZ-1443 (M 2759)
Registrateur van Aktes		C
		Algemene Plan T.P.1879

8719

~~Munisipaliteit Stellenbosch~~

~~Hiermee sertifiseer ek dat hierdie onderverdeling kragtens artikel 9(13)(a) van Ordonnansie 33 van 1934 nodig is, hierin uiteengesit in orde vir Registrasie.~~

~~Datum: 20/6/86~~ ~~nms. STADSKLERK~~

C. PHOTOGRAPHS OF THE SUBJECT PROPERTY

ERF 7592:













ERF 17321:


07.03.2022


07.03.2022


07.03.2022


07.03.2022


07.03.2022


07.03.2022


07.03.2022


07.03.2022

ERF 705:


07.03.2022


07.03.2022


07.03.2022


07.03.2022


07.03.2022


07.03.2022


07.03.2022


07.03.2022

ERF 4080:









ERF 8719:





11.2.2	RETURN ITEM MOUNTAIN BREEZE CARAVAN PARK: CONSIDERATION OF PUBLIC INPUTS

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **23 March 2022**

1. SUBJECT: RETURN ITEM MOUNTAIN BREEZE CARAVAN PARK: CONSIDERATION OF PUBLIC INPUTS

2. PURPOSE

The purpose of this report is two-fold:

a) To inform Council in regard to the public inputs received after council requested the public to provide inputs as to the possible future use of Portions 528 and 529C, measuring 20.3ha in size and

b) To consider the inputs.

3. DELEGATED AUTHORITY

Council must consider the matter.

4. EXECUTIVE SUMMARY

Stellenbosch Municipality and **Stellenbosch Caravan Park cc** (Malan) concluded a long term Lease Agreement during 1992 for a period of 30 years (1 April 1991-31 March 2021)

This Lease Agreement was later ceded to the **Mountain Breeze Caravan Park cc** (Visser). The lease Agreement expired on 31 March 2021 but was extended on a month to month basis until council was in a position to make an informed decision on the future use of the property. The lessee terminated the extension from 30 June 2021. Council then took over the day -to-day upkeep of the property, but closed it to the public.

The long term lessees that entered into lease agreements with the previous lessee has been given notice to vacate the property and break down their structures, but have not vacated the property. They obtained an interdict after the Municipality locked them out of the ablution facilities and legal action will have to be instituted to remove them from the property.

At the Council meeting held on 28 July 2021, Council decided to provide an opportunity for the public to submit written inputs on the most possible future use of the facility, before deciding on a way forward.

The public notice requested inputs on/before 3 September 2021. Due to the Elections the return item is only servicing now. Various written submissions were received. In council's deliberation the inputs can be considered. Whatever future is decided on is subject to section 34 and 35 of the Asset Transfer Regulations published under the MFMA. It will entail a further public participation process indicating the specific intent for the land. The combined municipal valuation for the land is R16.77 Million and the current Zoning is business taking into account that it is situated in an area surrounded by agricultural use and the airfield.

The item served before Mayco in January 2022 and was referred back to get the independent valuations. That has now being obtained and is attached as **APPENDIX 4 and 5.**

5. RECOMMENDATION

For consideration

6. DISCUSSION

6.1 Background

6.1.1 Lease Agreement

Stellenbosch Municipality and Stellenbosch Caravan Park cc (C.P Malan) concluded a long-term Lease Agreement on 18 May 1992 for the period 1 April 1991 to 31 March 2021.

This Lease Agreement, however, was later ceded to the Mountain Breeze Caravan Park cc (R.P. Visser) during 1995.During March 2021 Council approved the extension of the agreement on a month-to-month basis, thereafter the Lessee indicated that she would vacate the premises by 30 June 2021.

6.1.2 Interim management of facility

Following the termination of the agreement, Stellenbosch Municipality took over the day-to-day management of the facility (not open to the public). For this reason, four (4) staff members of the Lessee were continued for a period of 12 months.

6.1.3 Council resolution: Public inputs

On 28 July 2021 Council decided to afford the public an opportunity to submit written inputs in regard to possible future uses of the area. The submissions closed on 3 September 2021.

6.1.4 Public notice

Following the above Council resolution, an official notice was published in Die Burger and on the Municipal website, soliciting public inputs on the future use of the facility. A copy of the official notice is attached as **APPENDIX 1.**

6.2 Discussion

6.2.1 Locality and context

Mountain Breeze Caravan Park is situated on Lease Portions 528 and 529C, measuring 20.3ha in size, as indicated on Fig 1 and 2 below.

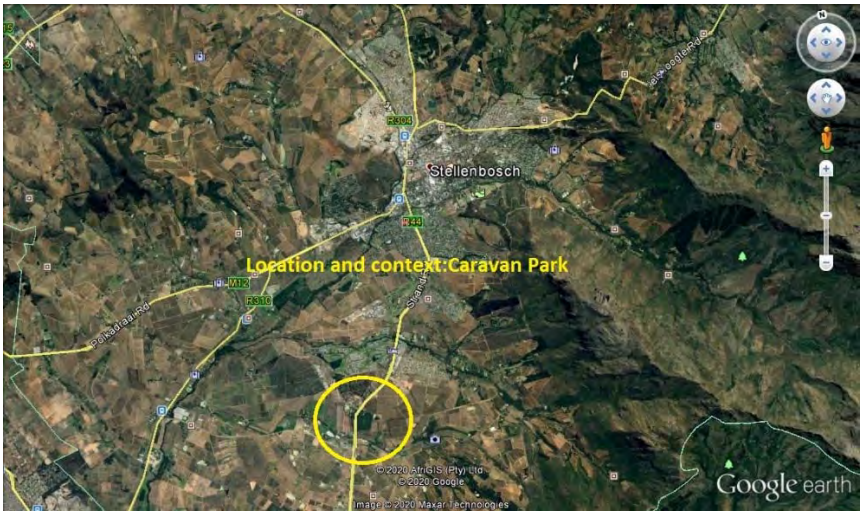


Fig 1: Location and regional context



Fig 2: Extent of property(s)

6.2.2 Ownership

The ownership of the two properties vests in Stellenbosch Municipality by virtue of Title Deeds STFH-891 and STFH6-4/1890, respectively. See Windeed records attached as **APPENDICES 2** and **3** respectively.

6.2.3 Access

Access to the property is *via* a **registered servitude** access off the R44, over a portion of Farm 1166, Stellenbosch as shown on Fig 3, below.



Fig 3: Access road

The servitude was registered at the Surveyor General in 1985, LG Diagram 8786/83.

6.2.4 Access to services

The property has access to irrigation water (Theewaterskloof) and is getting drinking water from a borehole situated on the neighbouring farm 1166.

Electricity is supplied by Eskom.

6.2.5 Improvements

There are various building and amnesties on the site including some chalets, a swimming pool and a hall with a kitchen.

6.2.6 Legal requirements

Depending on whether Council is considering the disposal of the asset or whether to award long term rights, various sections/regulations of the Municipal Finance Act, No 56 of 2003, (MFMA), the Asset Transfer Regulations (ATR) and the Municipality's Policy on the Management of Council owned property, will apply.

6.2.7 Inputs received

Hereunder a summary of written inputs received:

1. **Sarah Jane Strydom:**
    - Replace pine forest with indigenous trees
    - Amble Side School
    - A retreat/gateway

2. **Kelly Botha & Fhatuwani Rasivhenge**
    - Boutique
    - Glamping tents

3. **Hendrik Bekker:**
    - Caravan Park in its current form

4. **Jenifer Mackintosh:**
    - Small scale farming on a lease-basis

5. **Stellenbosch Ratepayers Association:**
    - Eco-education and Adventure center for school groups along with overnight facilities
    - Cycling and hiking groups
    - Caravan park

6. **Gabi Zetler, obo Mountain Breeze Farmers (Pty) Ltd:**
    - Residential development
    - Caravan park
    - Mountain bike track
    - Agricultural

7. **Richard Gordge:**
    - Cycle trail
    - Eco education
    - Energy efficiency & renewal hub and learning Centre

8. **Tiverton Family Trust:**
   - Caravan Park

9. **Trevor Strydom (Audacia Wines):**
   - Keep portion A as forest – in – perpetuity
   - Retain portion B as Caravan park

10. **SAMI:**
    - School for learning and life skills

11. **Dawid Botha:**
    - Cycling, hikers
    - Training Centre with accommodation for cyclists and hikers

12. **Carinus Lemmer:**
    - Cycling centric Centre, with routs, tracks, bicycle shop, training accommodation

13 **Brian Burgess (on behalf of Mr.Zetler, the neighboring land owner):***
    - Interested in buying the property

*Although Mr. Burgess's inputs were received before the period of advertising, the Municipal Manager has requested that his inputs be included in the item. He brought them to the attention of the Municipal Manager recently. His initial inputs were send to the incorrect email address and was therefore not received.

Copies of the various inputs are available for viewing at the properties section, but is not attached as it contains personal information, we may not publish in terms of POPAI and some are marked as confidential.

From the above it is clear that the majority of inputs are:

a) In favour of a caravan park; or

b) In favour of a Cycle/hiking park with associated infrastructure

6.2.6.1 Disposal of fix properties

6.2.6.1.1 Municipal Finance Management Act (MFMA)

In terms of the Section 14 of the MFMA,

"*A municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.*

(2) A municipality may transfer ownership or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public—

(a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and

(b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

(3) A decision by a municipal council that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset has been sold, transferred or otherwise disposed of.

(4) Municipal council may delegate to the accounting officer of the municipality its power to make the determinations referred to in subsection (2)(a) and (b) in respect of movable capital assets below a value determined by the council.

(5) Any transfer of ownership of a capital asset in terms of subsection (2) or (4) must

*be **fair, equitable, transparent, competitive and consistent with the supply chain management policy*** which the municipality must have and maintain in terms of section 111".*

*For the purpose hereof, the Policy on the Management of Council-owned property is deemed to be the Supply Chain Management Policy, insofar as it relates to Disposal Management. See par. 6.2.6.1.3, below.

6.2.6.1.2 Asset Transfer Regulations (ATR)

In terms of Regulation 5 of the ATR

***"**(1) A municipality may transfer or dispose of a non-exempted capital asset only after—*

(a) the accounting officer has in terms of regulation 6 conducted a public participation process to facilitate the determinations a municipal council must make in terms of section 14(2)(a) and (b) of the Act; and

(b) the municipal council—

(i) has made the determinations required by section 14(2)(a) and (b) and

(ii) has as a consequence of those determinations approved in principle that the capital asset may be transferred or disposed of.

(2) Sub regulation (1)(a) must be complied with only if the capital asset proposed to be transferred or disposed of is a high value capital asset" (i.e. in excess of R50M)".

6.2.6.1.3 Policy on the Management of Council owned property

In terms of paragraph 7.2.3 (general principles pertaining to the disposal of immovable property), of the policy;
"*Before alienating Immovable property or rights in Immovable property the Municipality shall be satisfied that alienation is the appropriate methodology and that reasonable economic, environmental and social return cannot be derived whilst ownership of the Immovable property or Property rights is retained by the Municipality*".

Further in terms of paragraph 8 of the policy:

*" 8.1 Before an Immovable property is declared as surplus, and earmarked for disposal or the awarding of rights, it **must first be assessed for its most appropriate use**.*

*8.2 The most appropriate use for a surplus property is one which achieves an **optimum balance between the following three key elements of sustainable development**:*

(a) ***the protection of ecological processes and natural systems****;*

(b) *the* ***optimum financial return to and economic development of the municipal area****; and*

(c) the ***enhancement of the cultural, economic, physical and social wellbeing of people and communities****.*

8.3 ***The three elements of sustainability will apply to all surplus Immovable Properties, however their significance and the relationships between them will vary for individual Immovable Properties****.*

8.4 In determining the most appropriate use of surplus properties, regard should be given to:

(a) Spatial development framework(s);
(b) Regional plans;
(c) Sectoral studies/plans;
(d) Government policies;
(e) Relevant legislation; and
(f) The views of interested and affected parties.

8.5 Where appropriate, opportunities should be provided for community involvement in the assessment process".

Further, ***subsequent to determining the most appropriate use of a property and after the Municipality has decided that the Immovable property could be disposed of, or that rights may be awarded, the method of disposal or method of awarding rights should be determined***".

In terms of paragraph 9.1 the Municipality may use any of the following methods, depending on the circumstances pertaining the specific Immovable property:

"The type of a formal tender may vary, depending on the nature of the transaction:

i) ***Outright tender*** *may be appropriate where the Immovable property ownership is not complex, and the Municipality is seeking obligations to be placed on the successful tenderer which are clear and capable of specification in advance.*

ii) ***Qualified tenders/call for proposals*** *will be appropriate where the Immovable property ownership position is complex or the development proposals for the Immovable property are insufficiently identified or otherwise incapable of detailed specification at the pre-tender stage.*

iii) ***Call for proposals on a build-operate transfer (B.O.T) basis*** *will be used if a developer is required to undertake the construction, including the financing, of a facility on Municipal-owned land, and the operation and maintenance thereof. The developer operates the facility over a fixed term during which it is allowed to charge facility users appropriate fees, rentals and charges not exceeding those proposed in its bid or as negotiated and incorporated in the contract, to enable the developer to recover its investment and operating and maintenance expenses in the project. The developer transfers the facility to the municipality at the end of the fixed term.*

The nature of the formal tender process is that a legally binding relationship is formed between the parties when the Municipality accepts a tender in writing. It is essential therefore, that every aspect of the disposal is specified in the tender

documents. The tender documents could include a contract for sale or lease which could be completed with the tenderer's details, the tender price and be signed by the tenderer. A binding legal agreement is created upon the acceptance in writing of a tender by the Municipality.

Such a process may, depending on the nature of the transaction, include a two-stage or two- envelope bidding process (proposal call) in terms of which only those bidders that meet the pre-qualification criteria specified in the first stage are entitled to participate in the second stage".

6.2.6.2 Granting of rights to use, Control or Manage a Capital asset

6.2.6.2.1 Asset Transfer Regulations (ATR)

In terms of Regulation 34, a municipality may grant a right to use, control or manage a capital asset only after:

"1) a) The accounting officer has, in terms of Regulation 35, concluded a public participation process regarding the proposed granting of the right; and

b) The municipal Council has approved in principle that the right may be granted.

2) Sub-regulation (1)(a) must be complied with only if:

a) the capital asset in respect of which the proposed right is to be granted has a value in excess of R10m; and

b) a long-term right is proposed".

***Please note** that, for the purpose of this report, it will be assumed that the property falls within this category, i.e. value in excess of R10M, as the current Municipal valuation value the properties at R25M.

*"3) a) **Only a Municipal Council may authorise the public participation process** referred to in sub-regulation (a)*

*b) a request to the Municipal Council for the authorisation of a public participation process **must be accompanied by an Information Statement***, stating:*

i) the reason for the proposal to grant a long term right to use, control or manage the relevant capital asset;

ii) any expected benefit to the municipality that may result from the granting of the right;

iii) any expected proceeds to be received by the municipality from the granting of the right; and

iv) any expected gain or loss that will be realised or incurred by the municipality arising from the granting of the right".

NOTE: *At this stage it is not clear whether Council is going to dispose of the property or whether Council is considering the awarding of long term rights. **Only after Council had decided on a way forward, an Information Statement will be prepared and submitted with the return-item**.

In terms of Regulation 35, "*if a Municipal Council has in terms of Regulation 34(3)(a) authorised the Accounting Officer to conduct a public participation process … the Accounting Officer must, at least 30 days before the meeting of the Municipal Council at which the decision referred to in Sub-regulation (1)(b) is to be considered (i.e. in principle decision)*

a) In accordance with Section 21A of the Municipal Systems Act:

i) Make public the proposal to grant the relevant right together with the Information Statement referred to in Reg 34(3)(b); and

ii) invite the local community and interested persons to submit to the municipality comments or representations in respect of the proposed granting of the right; and

b) solicit the views and recommendations of National Treasury or the relevant Provincial Treasury on the matter"

In terms of Regulation 36, *"the Municipal Council must, when considering the approval of any such right, take into account:*

a) whether such asset may be required for the municipality's own use during the period for which such right is to be granted;

b) the extent to which any compensation to be received will result in a significant economic or financial benefit to the municipality;

c) the risks and rewards associated with such right to use; and

d) the interest of the local community"

In terms of Regulation 40*, "an approval in principle in terms of Regulation 34(1) (b) that a right to use, control or manage a capital asset may be granted, may be given subject to any conditions, including conditions specifying: -*

a) The type of right that may be granted, the period for which it is to be granted and the way in which it is to be granted;

b) The minimum compensation to be paid for the right, and

c) A framework within which direct negotiations for the granting of the right must be conducted if applicable"

In terms of Regulation 41*," if an approval in principle has been given in terms of regulation 34 (1)(b), the municipality may grant the right only in accordance with the **disposal management system*** of the municipality, irrespective of:-*

a) the value of the asset; or

b) the period for which the right is granted; or

c) *whether the right is to be granted to a private sector party or organ of state".*

*The Policy on the Management of Council-owned property is regarded as the Municipality's Disposal Management System.

6.2.6.2.2 Policy on the Management of Council owned property

In terms of section 21 the public competitive methods of disposal are describe:

i) Formal tender
ii) Auction
iii) Closed bid.

6.3 Financial Implications

The combined municipal valuation for the land is R16.77 Million and the current Zoning is business taking into account that it is situated in an area surrounded by agricultural use and the airfield. The valuations obtained in line with the last resolution is attached as **APPENDIX 4 and 5.**

6.4 Legal Implications

The recommendations in this report comply with the Council's policies and applicable legislation and is discussed under 6.2.6 above.

6.5 Staff Implications

There are currently four staff members employed on short term contracts until July 2022. They ensure maintenance including cleaning of the ablution facilities and access control;

6.6 Previous / Relevant Council Resolutions

On 28 July 2021 Council approved the public notice to afford the public an opportunity to submit written inputs in regard to possible future uses of the area. The submissions closed on 3 September 2021.

EXECUTIVE MAYORAL COMMITTEE: 2022-01-21: ITEM 7.2.3

RESOLVED

(a) that this item be referred-back to Administration for further refinement; and

(b) that two market related valuations be obtained of the property where after the item be resubmitted after the valuation is available.

6.7 Risk Implications

The risks are addressed through the item.

6.8 Comments from Senior Management

The item was not circulated for comments at this stage.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-03-23: ITEM 7.2.3

(a) that Council take note of all the proposals received;

(b) that Council identifies Portions 528 and 529C, Stellenbosch as not currently needed for minimum municipal services;

(c) that a call for proposal for development of the facilities for Cycling, hiking groups, an Eco-education and Adventure center for school groups along with overnight facilities be advertised;

(d) that the existing buildings and infrastructure be use for the above purpose;

(e) that the facility to be leased for a period of 5 years; and

(f) that successful lessee enter into a rental agreement with the municipality and be responsible for the security, maintenance and the payment of all services of the facility.

ANNEXURES:

Annexure 1: Public Notice

Annexure 2: Windeed records

Annexure 3: Windeed records

Annexure 4: Valuation Rhode and Associates

Annexure 5: Valuation Pendo Properties

FOR FURTHER DETAILS CONTACT:

NAME	**Annalene de Beer**
POSITION	***Director***
DIRECTORATE	***Corporate Services***
CONTACT NUMBERS	***021-8088018***
E-MAIL ADDRESS	***Annalene.deBeer@stellenbosch.gov.za***
REPORT DATE	***2022 – 03 -17***

APPENDIX 1

STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK
MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

OFFICIAL NOTICE: FUTURE USE OF PORTIONS 528A AND 528CC, STELLENBOSCH (FORMERLY KNOWN AS MOUNTAIN BREEZE CARAVAN PARK)

1.PURPOSE:

The purpose of this notice is to solicit inputs/comments from the general public on the future use of Portions 528A and 528CC, Stellenbosch (Formerly known as Mountain Breeze Caravan Park)

2.BACKGROUND:

Stellenbosch Municipality and the 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). The Lease Agreement expired on 31 March 2021 and the Council, at a meeting held on 31 March 2021 decided, *inter alia*, to extent the then Lease Agreement on a month-to-month basis whilst Council decides on the long-term future of the land. The Lessee has subsequently informed Council that she does not want to continue with the lease and vacated the property on 30 June 2021. Council has taken over the land and closed the park.

At a meeting held on 23 July 2021, Council resolved, *inter alia*, **to afford the public an opportunity to submit comment/ inputs on the future use of the property.**

3. DISCUSSION:

3.1 Property description

The Mountain Breeze Caravan Park is situated on Lease Portions 528 A and 529 C, off the R44 (direction Somerset-west), measuring approximately 22.2 Ha in extent, as shown on Fig 1 and Fig 2, below.



Fig 1. Location and context



Fig 2. The site

3.1 Ownership

Ownership of the properties vests with Stellenbosch Municipality by virtue of Title Deeds ST FH6-6/1891 and ST FH 6-4/1890

3.2 Legal status

Council will through a public participation process solicit the views of the public to determine the future use or most appropriate use of the land. Once the future use is determined a decision will be made on whether to sell or lease the land for that use. The Municipal Assets transfer regulations are applicable to land as it is valued above R10 million.

3.2.1 Municipal Finance Management Act

In compliance with the provisions of section 14(1) of the MFMA, the Municipality shall not transfer ownership as a result of a sale or other transaction, or otherwise permanently dispose of an Immovable property that is needed to provide the minimum level of basic municipal services.

3.2.2 Asset Transfer Regulations

a) the transfer and disposal of capital assets by municipalities and municipal entities; and

b) the granting by municipalities and municipal entities of rights to lease, use, control or manage capital assets;

3.2.3 Property Management Policy

The following extracts from the policy are highlighted below:

5.1. The following principles and values should underpin Immovable property disposal activities:

(a) The use of the Municipality's Immovable property to promote social integration, to redress existing spatial inequalities, to promote economic growth, to build strong, integrated and dignified communities and to provide access to housing, services, amenities, transport and opportunities for employment.

4. Process

A further public participation process will therefore follow after council has determined in their view the most appropriate use for the land.

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.

Subsequent to determining the most appropriate use of a property and after the Municipality has decided that the Immovable property could be disposed of, or that rights may be awarded, the method of disposal or method of awarding rights will be determined.

5 SUBMISSION OF INPUTS/COMMENTS/OBJECTIONS

Submissions/inputs/comments on the future use of the property are herewith requested from the public to be submitted to the Municipal Manager within 30 days from publication of this notice. Submissions can be hand delivered or e-mailed to the Municipal Manager at the following addresses:

Email:municipal.manager@stellenbosch.gov.za or piet.smit@stelelnbosch.gov.za
Physical address: 3rd Floor, Plein Street, Stellenbosch.
Landline: 021 808 8025

The closure date for submissions is: 3 September 2021

6 FURTHER INFORMATION

Further information is available at the office of the Municipal Manager during office hours, including the agenda item that served before Council.

PERSONS WITH DISABILITIES

Notice is further given in accordance with Section 21 of the Local Government: Municipal Systems Act, No. 32 of 2000 that anyone with disabilities or who is unable to write, but need to participate in the process, may present him/herself during office hours at the office of the Municipal Manager, where a staff member of the Municipality will assist such person to transcribe that person's comments/inputs/objections.

GARALDINE METTLER **DATE 5 AUGUST 2021.**
MUNICIPAL MANAGER: STELLENBOSCH MUNICIPALITY

APPENDIX 2

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Deeds Office Property

FARM 529, 529, 0 (REMAINING EXTENT) (CAPE TOWN)

GENERAL INFORMATION

Deeds Office	CAPE TOWN
Date Requested	2020/05/18 10:45
Information Source	DEEDS OFFICE
Reference	-

SearchInsure

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 3

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Deeds Office Property

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

DISCLAIMER

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APPENDIX 4

Rode & Associates
PROPERTY CONSULTANTS, VALUERS & TOWN PLANNERS
www.rode.co.za
11 De Villiers Road, Bellville, 7530; PO Box 1566, Bellville 7535, South Africa; Tel. 021 946 2480; Fax 021 946 1238; E-mail: info@rode.co.za; GPS: 33°53'58,5"S; 18°38'14,5"E
Rode & Associates (Pty) Ltd.; reg. no. 2009/005600/07; VAT nr. 4480101791. MD: ERWIN RODE.

Open Market Valuation Summary

Farm 528 & Farm 529
Stellenbosch Registration Division

MOUNTAIN BREEZE CARAVAN PARK



Client
Stellenbosch Municipality

Date of valuation
01 March 2022

Date of this report
11 March 2022

Valuation Certificate

Farm 528 & Farm 529
Stellenbosch Registration Division
MOUNTAIN BREEZE CARAVAN PARK

STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK
MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Based on an assessment of the available information and following a physical inspection it is my opinion that the realistic **open market value** of the subject property, in its present state and condition, as at 1 March 2022, was:

Capitalisation of Income	R 13 020 000
Depreciated Replacement Value	R 13 642 000
Best estimate MV as at 1 March 2022	**R 13 642 000**

The market related **monthly rental** amount for the subject property, in its present state and condition, as at 1 March 2022, was:

Property market value	R 13 642 000
Expected income return	8.00%
Annual gross rental	R 1 091 360
Monthly gross rental as at 1 March 2022	**R 90 947**



Tobi Retief

Registered as a Professional Valuer with the SA Council for the Property Valuers Profession
Member of the SA Institute of Valuers

11 March 2022

Rode & Associates
PROPERTY CONSULTANTS, VALUERS & TOWN PLANNERS
www.rode.co.za
11 De Villiers Road, Bellville, 7530; PO Box 1566, Bellville 7535, South Africa; Tel. 021 946 2480; Fax 021 946 1238; E-mail: info@rode.co.za; GPS: 33°53'58,5"S; 18°38'14,5"E
Rode & Associates (Pty) Ltd.; reg. no. 2009/005600/07; VAT nr. 4480101791. MD: ERWIN RODE.

Primary use : Recreational Facility - Public Caravan Park

The subject property comprises an established public caravan park with ancillary recreational facilities, albeit presently mostly vacant; requiring renovation and maintenance work.

Accommodation & areas

Recreation Hall	:	860 m²
Ablution block : Swimming Pool	:	100 m²
Ablution block : Camp Site	:	190 m²
Reception Office	:	30 m²
Nu-Tec House 1	:	120 m²
Nu-Tec House 2	:	150 m²
Nu-Tec House 3	:	150 m²
Nu-Tec House 4	:	150 m²
Nu-Tec House 5	:	150 m²
Nu-Tec House 6	:	150 m²
Nu-Tec House 7	:	150 m²
Nu-Tec House 8	:	150 m²
Triplex Chalet Building 1	:	80 m²
Triplex Chalet Building 2	:	80 m²
Staff House 1	:	45 m²
Staff House 2	:	45 m²




















MOUNTAIN BREEZE CARAVAN PARK
Capitalisation of Income
Date of Valuation : 01 March 2022

Unit type		Area m² GLA	Market rental per unit	Gross market rental per month	References
Nu-Tec House 1	1	120	R 5 000	R 5 000	Market analysis
Nu-Tec House 2	1	150	R 6 500	R 6 500	
Nu-Tec House 3	1	150	R 6 500	R 6 500	
Nu-Tec House 4	1	150	R 6 500	R 6 500	
Nu-Tec House 5	1	150	R 6 500	R 6 500	
Nu-Tec House 6	1	150	R 6 500	R 6 500	
Nu-Tec House 7	1	150	R 6 500	R 6 500	
Nu-Tec House 8	1	150	R 6 500	R 6 500	
Triplex Chalet Building 1	3	80	R 4 000	R 12 000	
Triplex Chalet Building 2	3	80	R 4 000	R 12 000	
Staff Housing	2	45	R 3 500	R 7 000	
Events facilties : Recreation hall | swimming pool | ablutions				R 35 000	Outsourced to operator
Telecommunications Tower : Contributing rental			R 18 500	-	Contractual : Not included Paid directly to Municipality
					Weighted rental : R 7 281
Total	16	1 375		R 116 500	
Weighted average gross market rental				R 7 281	
Total m² (GLA)				1 375	
Gross operating expenses				R 184 788	
Long-term vacancy factor				5.0%	
Capitalisation rate		*Regression Cap rate = 13.169–(0.0609*weighted gross rental)*		9.50%	Market analysis & regression
Discount rate				14.50%	Cap rate + 5%
Gross market income Year 1				R 1 398 000	
Gross normalised expenses Year 1				(R 184 788)	(R11.20) /m² 13.2%
Long term vacancy loss				(R 69 900)	
Net normalised market income Year 1				R 1 143 312	R 95 276
Capital value				R 12 034 863	
Less short term vacancy				(R 23 417)	Assuming 6-month take-up
Less : Renovations & Maintenance				R 1 000 000	R 62 500 per unit ave.
MARKET VALUE (MV) (ROUNDED) as at 01 March 2022				**R 13 020 000**	

Normalised operating costs for Year 1

Expense item	R/annum	R/month	R/m²
Assessment rates (normalised)	R 57 750	R 4 813	R 3.50
Repairs and maintenance	R 82 500	R 6 875	R 5.00
Insurance	R 23 913	R 1 993	R 1.45
Audit fees	R 20 625	R 1 719	R 1.25
Total operating expenses	R 184 788	R 15 399	R 11.20

MOUNTAIN BREEZE CARAVAN PARK
Depreciated Replacement Value
Date of Valuation : 01 March 2022

	GBA* (m²)	Rate** (R/m²)	Fees	Replacement Cost	Depreciation %	Current value
1. Improvements						
Operational						
Recreation Hall	860	R 3 000	8.5%	R 2 799 300	70.0%	R 839 790
Ablution block : Swimming Pool	100	R 3 800	12.0%	R 425 600	65.0%	R 148 960
Ablution block : Camp Site	190	R 4 200	10.0%	R 877 800	55.0%	R 395 010
Reception Office	30	R 4 500	8.5%	R 146 475	70.0%	R 43 943
Accommodation						
Nu-Tec House 1	120	R 4 500	8.5%	R 585 900	70.0%	R 175 770
Nu-Tec House 2	150	R 4 500	8.5%	R 732 375	75.0%	R 183 094
Nu-Tec House 3	150	R 4 500	8.5%	R 732 375	75.0%	R 183 094
Nu-Tec House 4	150	R 4 500	8.5%	R 732 375	75.0%	R 183 094
Nu-Tec House 5	150	R 4 500	8.5%	R 732 375	75.0%	R 183 094
Nu-Tec House 6	150	R 4 500	8.5%	R 732 375	75.0%	R 183 094
Nu-Tec House 7	150	R 4 500	8.5%	R 732 375	75.0%	R 183 094
Nu-Tec House 8	150	R 4 500	8.5%	R 732 375	75.0%	R 183 094
Triplex Chalet Building 1	80	R 6 200	10.0%	R 545 600	70.0%	R 163 680
Triplex Chalet Building 2	80	R 6 200	10.0%	R 545 600	70.0%	R 163 680
Staff House 1	45	R 4 800	5.0%	R 226 800	75.0%	R 56 700
Staff House 2	45	R 4 800	5.0%	R 226 800	75.0%	R 56 700
Ancillary						
Swimming Pool				R 150 000	50.0%	R 75 000
Perimeter Fencing & Gates	1 200	R 250		R 300 000	50.0%	R 150 000
				R 11 956 500		R 3 550 889
				Total (Rounded)	**A.**	**R 3 550 000**

* GBA = Gross built area
** Incl. site works and services

2. Land value	20.18 ha	@	R 500 000	/ha	**B.**	**R 10 092 000**

MARKET VALUE (MV) (ROUNDED) as at 01 March 2022	**A + B**	**R 13 642 000**

Title Deed Summary Reports

WinDeed Database D/O Property

STELLENBOSCH RD, FARM 528, 528, 0, CAPE TOWN

Lexis® WinDeed

Any personal information obtained from this search will only be used as per the Terms and Conditions agreed to and in accordance with applicable data protection laws including the Protection of Personal Information Act, 2013 (POPI), and shall not be used for marketing purposes.

SEARCH CRITERIA			
Search Date	2022/03/11 09:01	Farm Number	528
Reference	-	Registration Division	STELLENBOSCH RD
Report Print Date	2022/03/11 09:01	Portion Number	-
Farm Name	-	Remaining Extent	NO
Deeds Office	Cape Town	Search Source	WinDeed Database

PROPERTY INFORMATION			
Property Type	FARM	Diagram Deed Number	ST FH 6-6/1891
Farm Name	FARM 528	Local Authority	STELLENBOSCH MUN
Farm Number	528	Province	WESTERN CAPE
Registration Division	STELLENBOSCH RD	Remaining Extent	NO
Portion Number	0	Extent	4.8639H
Previous Description	-	LPI Code	C06700000000052800000

OWNER INFORMATION (1)			
MUN STELLENBOSCH			Owner 1 of 1
Company Type	LOCAL AUTHORITY	Document	ST FH 6-6/1891
Registration Number	-	Microfilm / Scanned Date	-
Name	MUN STELLENBOSCH	Purchase Price (R)	-
Multiple Owners	NO	Purchase Date	-
Multiple Properties	NO	Registration Date	1891/06/29
Share (%)	-		

ENDORSEMENTS (4)

#	Document	Institution	Amount (R)	Microfilm / Scanned Date
1	K401/1992S	-	-	1992 043 0 :08:43
2	EX758/1965-ST FH 6-6	/	-	-
3	FARM ST 528	-	-	1985 0072 0648

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ENDORSEMENTS (4)

#	Document	Institution	Amount (R)	Microfilm / Scanned Date
4	PTNS ST RD 528/1-8,1	5	-	-

HISTORIC DOCUMENTS

No historic documents to display

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WinDeed Database D/O Property

STELLENBOSCH RD, FARM 529, 529, 0, CAPE TOWN

Lexis® WinDeed



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SEARCH CRITERIA			
Search Date	2022/03/11 09:02	Farm Number	529
Reference	-	Registration Division	STELLENBOSCH RD
Report Print Date	2022/03/11 09:02	Portion Number	-
Farm Name	-	Remaining Extent	NO
Deeds Office	Cape Town	Search Source	WinDeed Database

PROPERTY INFORMATION			
Property Type	FARM	Diagram Deed Number	STF6-4/1890
Farm Name	FARM 529	Local Authority	STELLENBOSCH MUN
Farm Number	529	Province	WESTERN CAPE
Registration Division	STELLENBOSCH RD	Remaining Extent	NO
Portion Number	0	Extent	86.7292H
Previous Description	-	LPI Code	C06700000000052900000

OWNER INFORMATION (2)			
MUN STELLENBOSCH			Owner 1 of 2
Company Type	LOCAL AUTHORITY	Document	T101559/2005
Registration Number	-	Microfilm / Scanned Date	2006 0406 0391
Name	MUN STELLENBOSCH	Purchase Price (R)	-
Multiple Owners	NO	Purchase Date	-
Multiple Properties	NO	Registration Date	-
Share (%)	-		

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OWNER INFORMATION (2)

MUN STELLENBOSCH			Owner 2 of 2
Company Type	LOCAL AUTHORITY	Document	ST FH 6-4/1890
Registration Number	-	Microfilm / Scanned Date	2006 0406 0383
Name	MUN STELLENBOSCH	Purchase Price (R)	SECT 16
Multiple Owners	NO	Purchase Date	-
Multiple Properties	NO	Registration Date	1890/12/12
Share (%)	-		

ENDORSEMENTS (10)

#	Document	Institution	Amount (R)	Microfilm / Scanned Date
1	K401/1992S	-	-	1992 043 0 :08:43
2	EX758/1965-ST FH 6-4	/	-	-
3	K1262/2005S	-	-	2006 040 6 :03:95
4	VA1405/1986-6-4/1890	STF	-	-
5	VA544/1989-STF6-4/18	90	-	-
6	VA8545/2005	MUN STELLENBOSCH	-	2006 040 6 :03:76
7	FARM ST 529	-	-	1985 0072 0660
8	PTN'S ST RD 529/1-2	-	-	-
9	K325/2018S	-	-	-
10	VA2447/2018	MUN STELLENBOSCH	-	-

HISTORIC DOCUMENTS

No historic documents to display

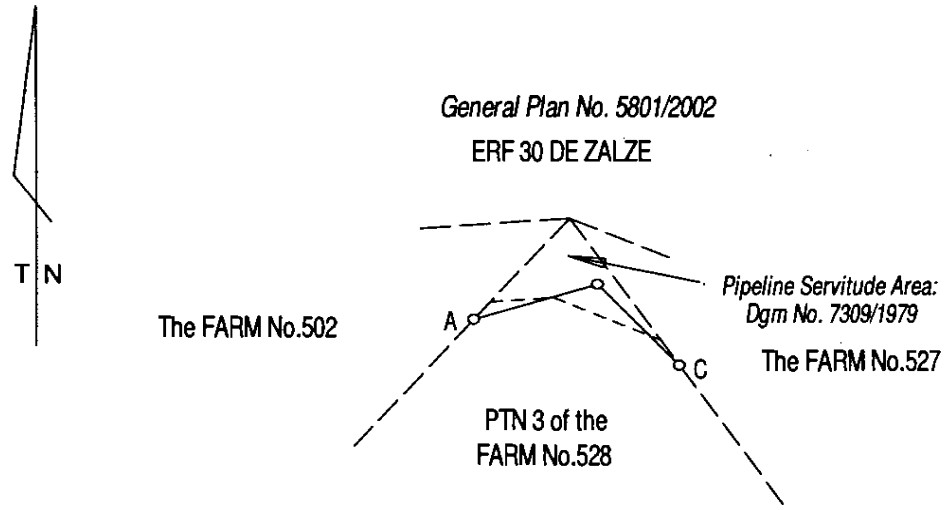
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Surveyor General Information

Town & Country, Pr.Land Surveyors, Bredasdorp

SIDES Metres		ANGLES OF DIRECTION		CO-ORDINATES Y System: WG19° X		S.G. No. 1028/2014 Approved for SURVEYOR-GENERAL 9-6-2014
		Constants:		0,00	+3700 000,00	
AB	17,42	252 04 50	A	+15 091,05	+61 328,63	
BC	16,53	318 24 40	B	+15 074,48	+61 323,27	
			C	+15 063,51	+61 335,63	
		388 Golfdam	△	+15 265,49	+59 793,18	
		538 BSI	△	+14 836,26	+59 543,11	

Description of Beacons
A,B,C : 16mm round iron peg



Scale 1:1000

The line ABC represents the centre line of an electrical cable servitude 5m wide, over

PORTION 3 of the FARM No.528

situate in the Municipality of Stellenbosch
Administrative District of Stellenbosch
Province of Western Cape

Surveyed in June 2013 and April 2014 by me

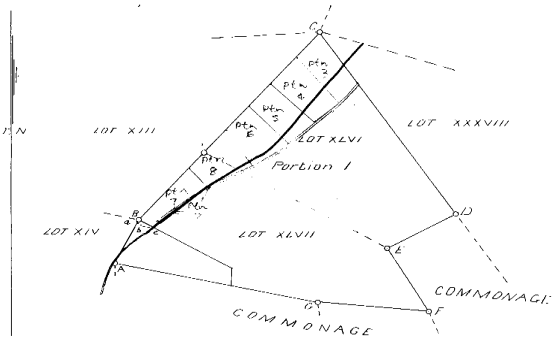
PLS 1141 F.Truter
Professional Land Surveyor

This diagram is annexed to No. d.d. i.f.o. Registrar of Deeds	The original diagram is S.G. No. 7886/1954 Transfer 1954. .20593	File Ste.528 S.R. E728/2013, E526/2014 Comp. BH-8DCD(3785) BH-8DC/Y42(1510) LPI C0670000

No. 205/1891.

The numerical data of this Diagram are provisionally approved.
(Sgd.) [illegible]
Surveyor-General.

SIDES.		ANGLES.		CO-ORDINATES.		
AZ	54.24	A	76.28. 0	A	- 120.34	- 711.29
BA	326.71	B	165.59.40	B	- 174.76	- 877.16
CB	280.71	C	73.30. 0	C	- 430.95	- 442.11
DC	92.09	D	86.43.20	D	- 444.63	- 309.75
EZ	27.07	E	295. 0. 0	E	- 106.99	- 302.30
FE	129.46	F	84.46.10	F	- 19.40	- 353.63
GA	243.13	G	172.38.30	G	- 43.34	- 480.47



528

1" = 1/15000 Cape Rds.

Lots XLVI, and XLVII .

The above Figure marked A B C D E F G A represents 130 Morgn. 56 Sq. Roods of Land, situate in the Field-cornetcy of Koelenhof Division of Stellenbosch, being part of the Commonage of the Town of Stellenbosch.

Bounded N.W. by Lots XIII and XIV,
S.E. by Lot XXXVIII,
S. by Commonage.

Framed from actual Survey by me,

(Sgd.) P. A. Tader.
Government Surveyor.
Dec. 1890.

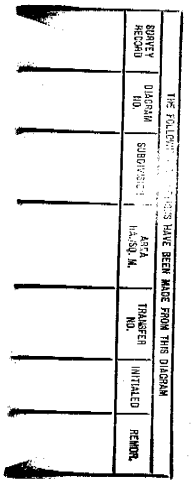
Copied from Plan No. Stel.F.6-3
Title [illegible]
29:6:1891
27.10.1950

B c

VN 528

S.G. Dgm. No. 205/1891

DEFINITIONS/LEASEHOLD AREAS				
SURVEY RECORD	DIAGRAM NO.	DESCRIPTION	DEED	INITIALED
S 2604/95	8146/95	The line abc represents the centre line of a pipe line servitude 4.00m wide		



4330/1920 3321/40 Portion 1 119.7795

~~E353/40 4926/40 Ptn 2~~

1941 - 22 - 1064

~~1944 - 22 - 1065~~

VN.528

SERWITUUTKAART

KANTOORAFSKRIF

	SYE Meter	RIGTINGS -HOEKE		KOÖRDINATE Y Stelsel	X
		Konstantes		0,00	+3700000,00
AB	33,40	291 59 40	A	+ 15 805,50	+ 61 975,52
BC	32,52	289 01 10	B	+ 15 774,53	+ 61 988,03
			C	+ 15 743,79	+ 61 998,63
AD	11,41	206 21 20	D	+ 15 800,44	+ 61 965,30
		(68) Stel 6	Δ	+ 18 771,96	+ 63 742,58
		(65) Stel 7	Δ	+ 14 377,22	+ 62 509,37

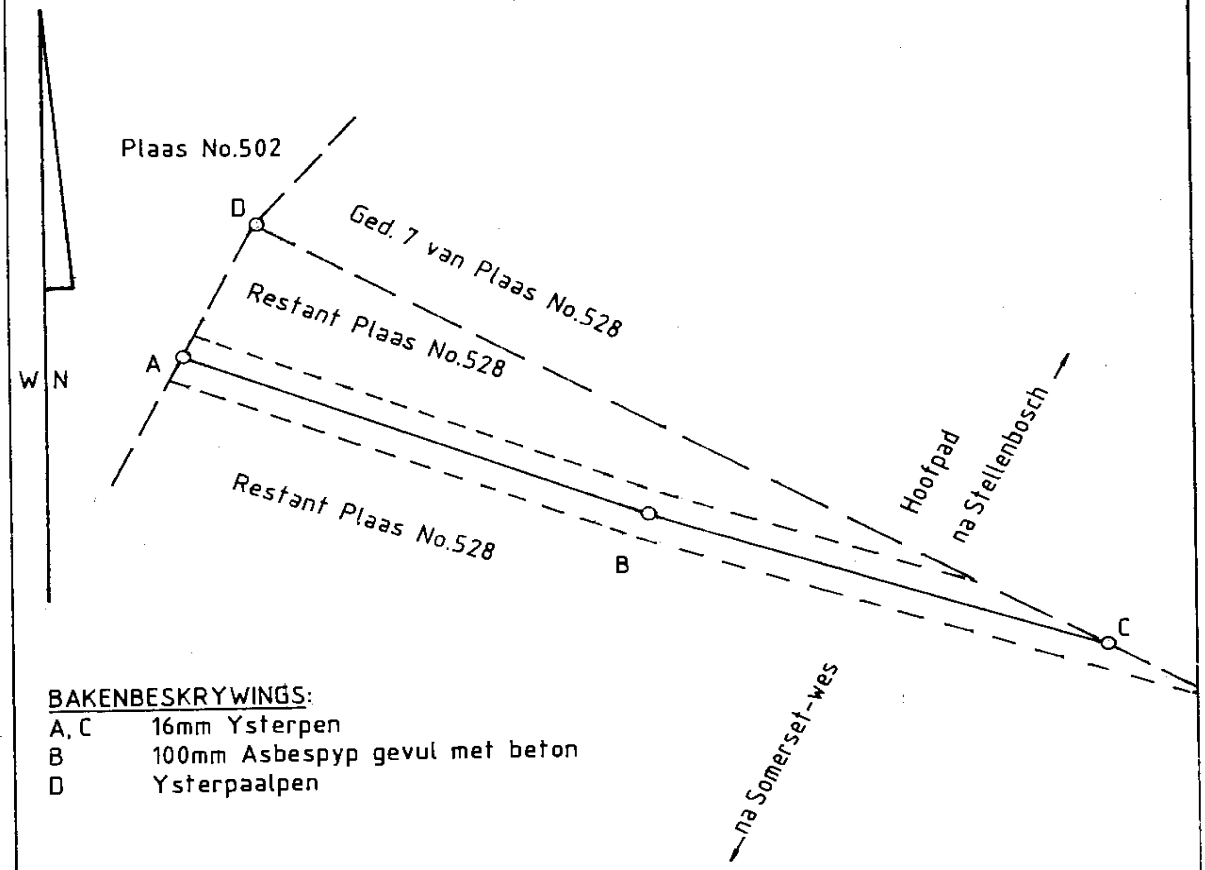
L.G. No.

8146/95

Goedgekeur

" Landmeter-generaal

1995 . 10 . 20



BAKENBESKRYWINGS:

A, C	16mm Ysterpen
B	100mm Asbespyp gevul met beton
D	Ysterpaalpen

Skaal: 1 / 500

Die ~~figuur~~ lyn A B C stel voor die middellyn van 'n Pyplynserwituut, 4,00m wyd

~~stel voor~~ soos aangetoon oor die Restant van PLAAS No. 528 **~~grond, synde~~**

geleë in die

Stellenbosch Provinsie van die Wes-Kaap **Administratiewe Distrik**

~~Provinsie Kaap die Goeie Hoop.~~

Opgemeet in Junie 1995

deur my,

N Loubser 0892 **Landmeter**

Hierdie kaart is geheg aan	**Die oorspronklike kaart is.**	**Lêer No.** Stel 528
No.		**M.S. No.** E 2604/95
gedateer	**No.** 205 / 1891 **geheg aan**	**Komp.** BH-8DCD (3785)
t.g.v.	**~~Transport~~/Grondbrief**	
	No. Stel F. 6-6	
Registrateur van Aktes		

SERWITUUTKAART Ref. 324(A) Waltons Stationery Co.

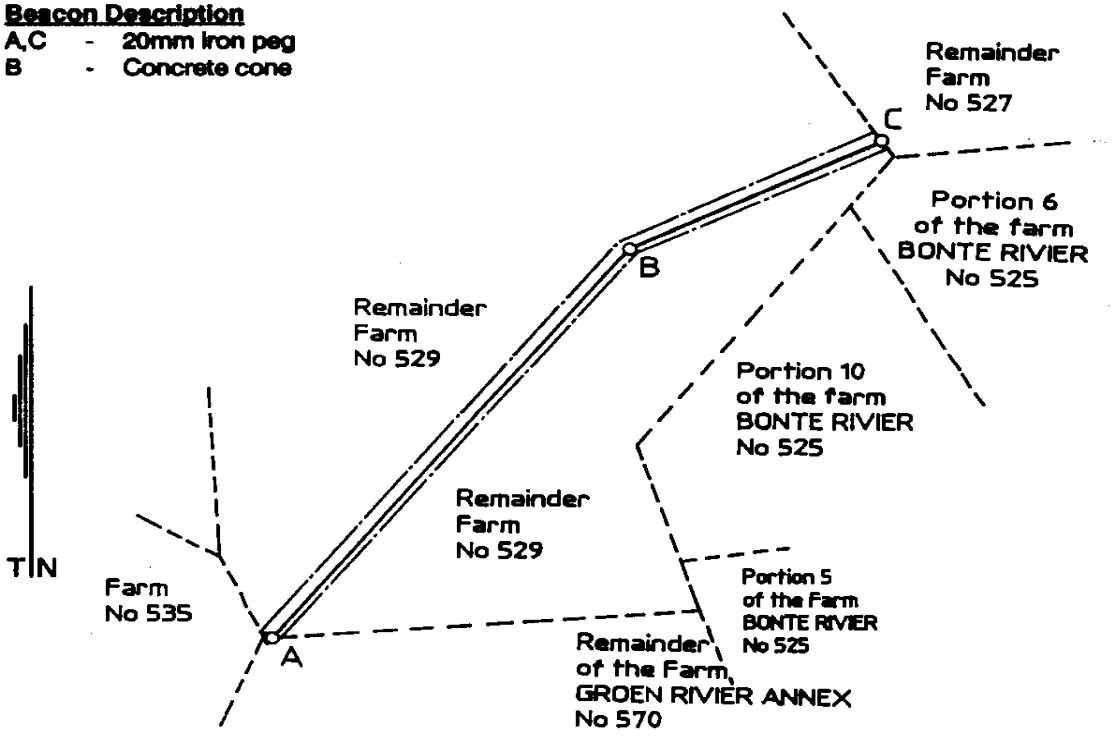
david heilig & abrahamse (ref L3937)

SERVITUDE DGM.

OFFICE COPY

SIDES Metres		ANGLES OF DIRECTION		CO-ORDINATES Y System Lo19° X		S.G. No. 10314/1995
		Constants		0,00	+ 3700 000,00	
AB	774,88	218 36 40	A	+ 14 918,18	+ 63 191,27	Approved
BC	377,48	243 56 30	B	+ 14 434,62	+ 62 585,78	
			C	+ 14 095,51	+ 62 419,96	
65	Stel 7		⚠	+ 14 377,22	+ 62 509,37	f Surveyor-General
27	Stellenboschberg		⚠	+ 9 428,89	+ 59 961,86	1996-03-20

Beacon Description
A,C - 20mm iron peg
B - Concrete cone



Scale 1:10000

The line A B C represents the South Eastern and North Western boundary of an 8,00 metre and a 4,00 metre wide pipeline servitude respectively, as shown over **Remainder of FARM NO. 529**

Situate in the Administrative District of Stellenbosch

Province of ~~Cape of Good Hope~~ the Western Cape

Surveyed in January 1992 to September 1994

by me,

S G Le Brun (PLS0337)
Professional Land Surveyor

This diagram is annexed to	The original diagram is	File No. STEL MF
No. dated i.f.o. Registrar of Deeds	No. 463/1890 annexed to Stel.F.6-4 dated 12/12/1890	S.R. No. E 3284/1995 Comp. BH-8DCD (3785)

SERVITUDE DGM.

SERVITUDE DGM.

OFFICE COPY

DAVID HELLIG & ABRAHAMSE, LAND SURVEYORS

SIDES Metres		ANGLES OF DIRECTION	CO-ORDINATES Y System WG 19° X		
		Constant		± 0,00	+3 700 000,00
AB	0,12	59 02 10	A	+14 480,77	+ 62 226,56
BC	318,35	60 08 50	B	+14 480,87	+ 62 226,62
CD	9,40	33 38 20	C	+14 756,98	+ 62 385,09
DE	19,57	17 36 40	D	+14 762,19	+ 62 392,92
EF	13,69	347 43 50	E	+14 768,11	+ 62 411,57
FG	242,68	329 56 50	F	+14 765,20	+ 62 424,95
GH	58,71	327 09 40	G	+14 643,67	+ 62 635,01
HJ	36,29	322 54 20	H	+14 611,83	+ 62 684,34
JK	10,22	82 10 50	J	+14 589,94	+ 62 713,29
			K	+14 600,06	+ 62 714,68
	9 Helderberg		△	+11 049,63	+ 67 146,93
	148 Held West		△	+12 058,73	+ 67 943,05

S.G. No. 2473/2011

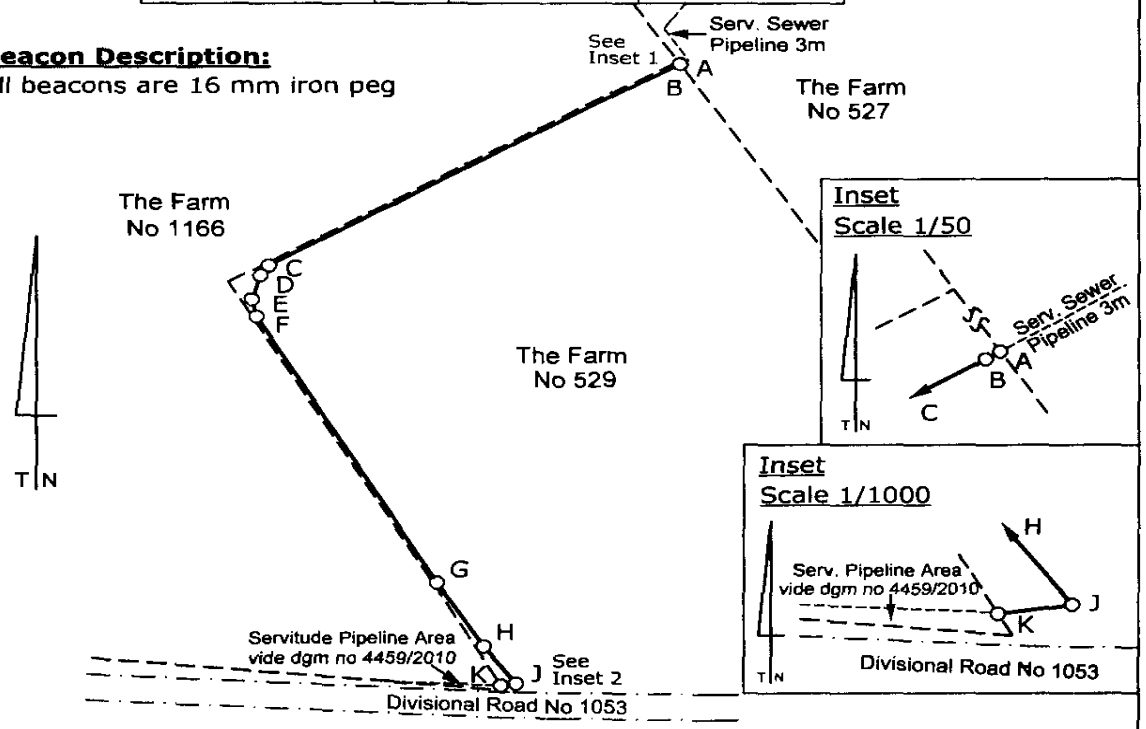
Approved

for Surveyor-General

22-07-2011

Beacon Description:

All beacons are 16 mm iron peg



Scale 1: 5000

The *line* **A B C D E F G H J K**

represents **Centre Line of a Servitude Sewer Pipeline 3m wide, as shown**

over **the Remainder of the Farm No 529**

situate in **the Municipality and**

Administrative District of **Stellenbosch** Province of the Western Cape

Surveyed in **June 2011**

by me

S G DREYER
Professional Land Surveyor
(PLS1028)

This diagram is annexed to No: K325/2018 dated i.f.o. Registrar of Deeds	The original diagram is No. 463/1890 annexed to Transfer No. Stel.F.6-4 dated 12/12/1890	File No. Stel.529 S.R. No. 919/2011 Comp. BH-8DCD (3785) LPI C0670000

SERVITUDE DGM.

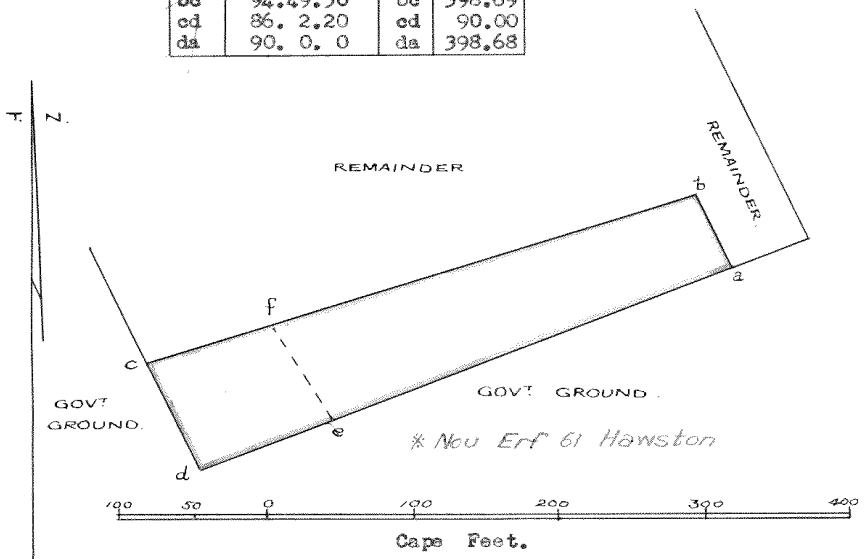
S

S. G. DGM. NO. 463/1890.

The numerical data of this diagram are sufficiently consistent.
No. 463/1890.

(Sgd.) Max Jurisch,
Examiner.

Angles. ° ' "		Sides.	
ab	89. 7.50	ab	62.47
bc	94.49.50	bc	398.69
cd	86. 2.20	cd	90.00
da	90. 0. 0	da	398.68



The above diagram a. b. c. d. bordered green represents 210 Square Roods 109.1 Square Feet of ground being part of the Remainder of the Land granted in Freehold to Samson Deyer on the 25th of March, 1839 last transferred to P.D. Swart on the 19th April, 1853, situate in the vicinity of the Bot River Lake Division of Caledon Fieldcornetcy of Palmiet & Bot Rivers.

Bounded Northwards & Eastwards by Remainder
Southwards & Westwards " Government Ground

Taken from Original Diagrams framed from Survey by the late Surveyor J.A. Kuys, by me,

(Sgd.) T. Risler,
Govt. Surveyor.
Cape Town.
2nd June, 1890.

Note. The figure cdef represents 57 S.R. 21.5 S.Ft. The Fig. abfe represents 153 S.R. 87.6 S.Ft. Total - 210 S.R. 109.1 Sq.Ft.

(Int.) T.R.

NAGESIEN 26/7/60
GEO. W... NAGESIEN

A I - 3 CB/W11

Transfer xxxx 351

23rd June, 1890.

Est. of late W.H. Theunissen.

61

M. M. Hogan
SURVEYOR-GENERAL
CAPE TOWN.
27.8.1956

S B

C

61

P.B./R.B.

SERWITUUTKAART

KANTOORAFSKRIF

	SYE Meter	RIGTINGS -HOEKE		KOÖRDINATE Y Stelsel Lo 19°	X
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AB	7,69	144 22 00	A	+ 14 365,31	+ 62 553,37
BC	9,58	131 54 40	B	+ 14 369,79	+ 62 547,12
CD	135,30	134 55 20	C	+ 14 376,92	+ 62 540,72
DE	552,35	92 43 50	D	+ 14 472,72	+ 62 445,18
			E	+ 15 024,45	+ 62 418,87
EF	21,64	176 50 10	F	+ 15 025,64	+ 62 397,26
.		(68) Stel 6	Δ	+ 18 771,96	+ 63 742,58
		(65) Stel 7	Δ	+ 14 377,22	+ 62 509,37

L.G. No.

8147/95

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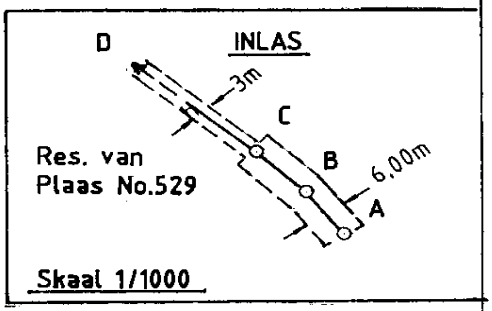
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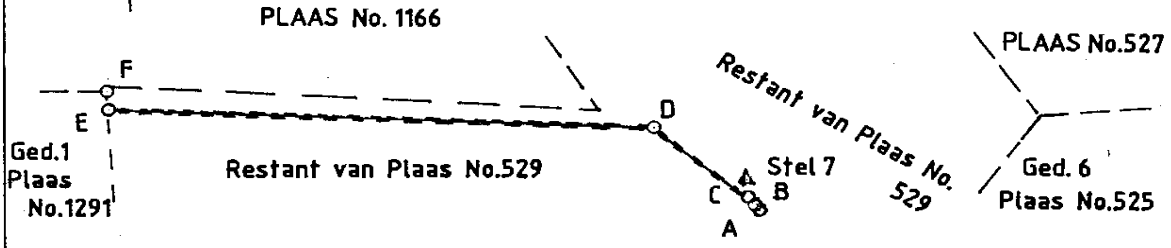
1995 . 10 . 20

BAKENBESKRYWINGS:

A, B, C, E 16mm Ysterpen
D 100mm Asbespyp gevul met beton
F Ysterpaalpen







Skaal : 1/7500

Die ~~figuur~~ lyne A B C en C D E

stel voor . die middellyn van 'n Pyplynserwituut, 6,00m en 3,00m wyd, ~~grond, synde~~

onderskeidelik, soos aangetoon oor die RESTANT VAN PLAAS No. 529

geleë in Administratiewe Distrik

STELLENBOSCH Provinsie Wes-Kaap ~~Provinsie Kaap die Goeie Hoop.~~

Opgemeet in Junie 1995

deur my.

N Loubser 0892 Landmeter

Hierdie kaart is geheg aan No. gedateer t.g.v. Registrateur van Aktes	Die oorspronklike kaart is. No. 463 / 1890 geheg aan ~~Transport~~/Grondbrief No. Stel.F. 6-4	Lêer No. Stel 529 M.S. No. E2604/95 Komp. BH-8DCD (3785)

SERWITUUTKAART Ref. 324(A) Waltons Stationery Co.

APPENDIX 5

PENDO
PROPERTY VALUERS

VALUATION REPORT

Determination of the market values and rentals of

LEASE FARMS 528A & 529C

STELLENBOSCH REGISTRATION DIVISION

WESTERN CAPE

Client:

STELLENBOSCH MUNICIPALITY

14 March 2022

Compiled by:
Johan Klopper
Professional Valuer
Member of the SA Institute of Valuers
BCom Law (University of Stellenbosch), NDip: Property Valuation (UNISA)

Cell: 083 305 3252 • Fax: 086 611 1511 • E-mail: johan@propertyvaluer.co.za • PO Box 81, Stellenbosch, 7599

PENDO
PROPERTY VALUERS

14 March 2022

Stellenbosch Municipality
Plein Street
Stellenbosch
7600

C/o Mrs. Lorelle Adams

VALUATION CERTIFICATE

I, the undersigned, Johan Klopper, Professional Valuer registered in terms of the Property Valuer's Profession Act, 2000 (Act No 47 of 2000) do hereby certify that I have inspected and valued the following immovable property namely:

Determination of the market value and market rental of:
LEASE FARMS 528A & 529C
STELLENBOSCH REGISTRATION DIVISION
WESTERN CAPE

As a result of my inspection, research and evaluation it is my opinion that the fair **market value** of lease farms 528A & 529C Stellenbosch Registration Division, on 11 March 2022, amounts to:

Lease Farm 528A	R 9 500 000	Nine Million Five Hundred Thousand Rand
Lease Farm 529C	R 7 700 000	Seven Million Seven Hundred Thousand Rand
TOTAL	**R 17 200 000**	**Seventeen Million Two Hundred Thousand Rand**

As a result of my inspection, research and evaluation it is my opinion that the fair **market monthly rental** of lease farms 528A & 529C Stellenbosch Registration Division, on 11 March 2022, amounts to:

Lease Farm 528A	R 98 000	Ninety Eight Thousand Rand
Lease Farm 529C	R 10 000	Ten Thousand Rand
TOTAL	**R 108 000**	**One Hundred and Eight Thousand**

As at: **11 March 2022**

Signed at Stellenbosch this 14th day of March 2022.

J. Klopper
Professional Valuer
Registration Number: 6372/0

VALUATION REPORT

1. Instructions & Purpose of Valuation

The lease of farms 528A and 529C, Stellenbosch Registration Division, known as the Mountain Breeze Caravan Park, terminated on 30 June 2021, after which Stellenbosch Municipality took over the day-to-day management of the facility. It was then decided to follow a public participation process to assess the most appropriate use of the sites. The Stellenbosch Municipality Council must now consider various options, including disposal of the properties or to award rights, i.e. via a lease agreement. Property valuations are therefore required to assist Council in this process.

Instructions were received from the Stellenbosch Municipality to determine the market value and market rental of lease farms 528A and 529C, Stellenbosch Registration Division.

2. Date of Inspection

11 March 2022

3. Effective Date of Valuation

11 March 2022

4. Definition of Market Value / Rental

The market value / rental can be defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer / lessee and a willing seller / lessor in an arms' length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

(International Definition – International Valuation Standards Council)

5. Valuation Methodology

The most appropriate valuation method to determine the market value and market rental of the subject property would be the **Method of Direct Comparison:** This approach is based on the principle of comparability and substitution. The assumption is that if similar assets in a similar market place have been sold/leased at a particular value, then the comparable asset will also sell or be leased at a similar price. Factors taken into consideration in determining the market value of the subject property include location, size of property, usage and rights of use, potential use, condition, cost, physical position and comparable properties.

6. Restrictive Conditions / Caveats

Information regarding the subject properties and comparable properties was received from local authorities and third parties. This information was received in good faith and it is assumed that the supplied information is correct, but the accuracy thereof is not guaranteed.

We did not undertake a structural survey of each building, nor did we arrange for tests or inspections to be carried out on any of the service installations. This valuation is based on the assumption that the buildings and assets are in a reasonable state of repair and condition, unless expressly stated otherwise in this report.

In this report, the market value and all other values referred to exclude VAT (unless clearly indicated). While taxation can have a considerable influence on the value of the property, we did not take into account the tax consequences that could arise due to past or intended future actions of the present owner.

We did not take into account any possible contamination of the subject properties as a result of an environmental incident, nor did we examine the cost of any remedial measures involved.

The properties are valued wholly owned, with no account being taken of monies due in respect of mortgage bonds, liens, loans or other charges.

Neither all nor any part of this report shall be conveyed to the public or anybody other than the addressee or their principles through advertising, public relations, news sales or any other media without the written consent of the author.

This valuation was performed for the purpose stated in this report, and should not be used for any other purpose.

7. Title Deed Information

7.1 Lease farm 528A

Description:	LEASE FARM 528A, STELLENBOSCH REGISTRATION DIVISION, WESTERN CAPE
Extent:	4.8639 Ha
Title Deed number:	Held by ST FH 6-6/1891 (Refer to **Annexure A**)
Registered owner:	STELLENBOSCH MUNICIPALITY
Registration date:	1891/06/29
Endorsements:	None noted that materially affect the market value of the affected area.
S.G. Diagram:	S.G. No's 205/1891, 8146/1995 & 1028/2014 (Refer to **Annexure C**)
LPI Code:	C06700000000052800000

7.2 Lease farm 529C

Description:	LEASE FARM 529C, STELLENBOSCH REGISTRATION DIVISION, WESTERN CAPE
Extent:	86.7292 Ha
Title Deed number:	Held by STF 6-4/1890 (Refer to **Annexure B**)
Registered owner:	STELLENBOSCH MUNICIPALITY
Registration date:	1890/12/12
Endorsements:	None noted that materially affect the market value of the affected area.
S.G. Diagram:	S.G. No's 463/1890, 8147/1995, 10314/1995 & 2473/2011 (Refer to **Annexure D**)
LPI Code:	C06700000000052900000

8. Local Government Information

8.1 Local authority

Stellenbosch Municipality

8.2 Municipal valuations

Municipal Valuation (GV2021)	Farm 528A	R 11 600 000
	Farm 529C	R 5 170 000

8.3 Zoning

The subject properties appear to be subject to a Rural zoning. The valuer was however instructed to base the valuation on the deemed zoning which is Resort Zone.

NOTE: In terms of the Stellenbosch Municipality Zoning Scheme By-Law of 2019 conversion, outside the urban edge this zoning was converted to Agriculture and Rural Zone plus deemed consent for tourist accommodation/Hotel/Guest house (based on lawful land use).

9. Physical Characteristics

9.1 Location

The subject properties, known as the Mountain Breeze Caravan Park, are located along the R44, approximately 6 kilometres south of the Stellenbosch CBD, and approximately 2 kilometres south of the Jamestown suburb on the southern periphery of Stellenbosch. This is a rural node with a viniculture being the dominant agricultural activity. A number of small holdings are also located in close proximity along the R44. The site borders what is known as the 'golden triangle', a high value rural area between Stellenbosch and Somerset West, which is in high demand due to the locality and aesthetic appeal of the surroundings.

The site is accessed from the R44 via a gravel servitude road, approximately 500 meters long, over the adjoining Farm 1166. Farm 529C is bisected by the Stellenrust Road, with access to the severed portion available directly off the Stellenrust Road. Refer to location map below:



9.2 Site

The site, comprises Farm 528A and Farm 529C, as indicated on the aerial photograph below:



Eskom electricity is supplied and the property is entitled to Theewaterskloof irrigation water, as well as water for consumption purposes from a borehole on the adjoining farm.

Farm 528A has a registered extent of 4.8639 hectares of which approximately 1.754 hectares forms part of the R44 road reserve and/or is severed from the remainder. The area that can be put to beneficial use therefore measures approximately 3.1 hectares. It slopes down slightly in a westerly direction and is covered by pine trees.

Farm 529C has a registered extent of 86.7292 hectares but comprises a number of lease farm portions. The size of Farm 529C is indicated as 15.4361 in the valuation roll, but portions form part of the R44 and Stellenrust Road reserves. Based on measures the area that can be put to beneficial use measures approximately 13.8 hectares, with the portion north of Stellenrust Road measuring 8.68 hectares and the portion south of Stellenrust Road measuring 5.12 hectares. It slopes down slightly in a south-westerly direction and is covered by pine trees. The portion south of Stellenrust Road potentially offers aesthetic views over the adjoining Winelands, with concomitant lifestyle appeal, if portions of the pine forest are cleared. The proximity of the R44, with concomitant noise pollution, does however detract somewhat from the appeal of this site.

The site is improved with several structures, the majority of which are located on Farm 528A. These structures are predominantly for tourist accommodation and associated purposes. These improvements can be summarised as follows:

Farm 528A:

- **Office and Dwelling 1:** Prefab structure with a pitched corrugated iron roof of ±153m^2, with outbuildings including a laundry of 22m^2 (IBR structure) and workshop of 42m^2 (prefab structure with corrugated iron roof sheeting);
- **Dwellings 2 to 8:** Prefabricated dwellings all with a similar configuration and sizes ranging between 135m^2 and 148m^2, with a total size of ±997m^2;
- **Chalets:** Two buildings each of 181m^2 with covered patios of 67m^2, with each building comprising three chalets; i.e. six chalets in total;
- **Function hall:** Prefabricated structure with a pitched corrugated iron roof of ±597m^2 and a covered patio of 390m^2;
- **Recreational area:** Swimming pool of ±85m^2 with recreational area and ablutions of ±81m^2;

Farm 529C:

- **Main ablution block to caravan park:** Face brick building of ±219m^2;
- **Refuse building:** Face brick structure of ±50m^2.
- **Labourers' cottages:** One labourer cottage of approximately 50m^2 as well as a building of ±159m^2 comprising two attached dwellings. These structures are dilapidated.
- NOTE: a number of semi-permanent dwellings are located on the caravan park site. The valuer was informed that these structures below to the occupants and will be removed when vacated. These structures were therefore not considered for valuation purposes.

Refer to Annexure X for photographs of the subject properties.

10. Highest and Best Use

Highest and Best Use is defined under the International Valuation Standards (IVSC) as "The most probable use of an asset which is physically possible, appropriately justified, legally permissible, financially feasible and which results in the highest value of the asset being valued".

The subject property is currently utilised as a caravan park and function view, which is considered the lawful land use. In terms of the Stellenbosch Municipality Zoning Scheme By-Law of 2019 conversion, for properties outside the urban edge this zoning was converted to Agriculture and Rural Zone plus deemed consent for tourist accommodation based on lawful land use.

Given the high selling prices of lifestyle properties in this node, the demand from high end buyers would be greater than the demand from potential buyers for a caravan park. It is also envisaged that a portion might be utilised for lifestyle purposes while the remainder could be utilised for tourism and related activities. Sales of similar sized lifestyle properties are therefore considered indicative of the highest and best use value of the site, with adjustments for the value forming characteristics required. Valuation calculations were therefore based on sales of properties with similar potentialities.

In terms of rental potential, the subject properties offer several buildings that could be leased on a monthly basis. Specifically residential dwellings would be in relative high demand. The ancillary buildings, e.g. function hall and ablutions could be leased separately and utilised for commercial purposes. The valuer is of the opinion that the aforementioned individual rentals would yield the highest rental income. Valuation calculations will therefore be done accordingly.

11. Market Information

11.1 Market sales

We liaised with the Cape Town Deeds Office to determine the recent sales and transfers of comparable properties. Comparisons were then made in terms of size, utilisation and potential of the land and date of sale, after which the necessary adjustments were made. The following transactions in the vicinity of the subject property were registered in the Cape Town Deeds Office and serve as good comparisons in determining the current market value of the subject properties:

No	Description	Extent	Date of sale	Price (Ex VAT)	R/Ha	LPI Code
1	Portion 2 of Farm 1537 Stellenbosch RD	1.2195	2021/11/10	R 6 000 000	R 4 920 049	C06700000000153700002
2	Portion 1 of Farm 1537 Stellenbosch RD	1.8530	2020/02/14	R 6 000 000	R 3 237 992	C06700000000153700001
3	Portion 9 of Farm 468 Stellenbosch RD	9.2727	2019/03/11	R 6 400 000	R 690 198	C06700000000046800009
4	Portion 6 of Farm 543 Stellenbosch RD	2.5357	2017/08/02	R 3 000 000	R 1 183 105	C06700000000054300006
5	Portion 5 of Farm 991 Stellenbosch RD	10.5110	2015/07/23	R 3 015 330	R 286 874	C06700000000099100005

Sales 1 & 2 are located in the immediate vicinity, adjoining lease Farm 529C. These properties offer spectacular views over the adjoining vineyards, and is considered indicative of the 'opportunity value' for small holdings in this node, notwithstanding the land size. The subject properties are significantly bigger than these sites and offer inferior lifestyle appeal which suggests a downward adjustment in the land rate would be justified.

Sales 3 & 4 is located in relative close proximity to the subject properties and are considered a good indication of the market land rate range in this node and would be justified for the subject properties.

Sale 5 is relatively dated, but represents a vacant tract of land located in relative close proximity. This is considered the lower end of the range to be applied, with an adjustment for the efflux of time pointing to a present value of approximately R 400 000 per hectare.

Conclusion on market sales:

Based on analysis of the listed sales, and after taking cognizance of the locality, utility and attributes of the comparable sales, the valuer is of the opinion that a land rate of R 750 000 per hectare would be justified for lease Farm 528A. Notwithstanding the size difference, a slightly higher rate of R 800 000 per hectare would be justified for lease Farm 529C.

11.2 Market rentals

The location is relatively remote and the accommodation offered is basic. The valuer therefore utilised market information in similar nodes and made the necessary adjustments where necessary.

The following market rentals were identified and utilised in the valuation calculations:

	Description	Rental (Excl. VAT)	Size	R/m²	Comments
1	Paarl School of Skills	R 6 610	149 m²	± R 44 / m²	House No. 5. Three bedroom, one bathroom dwelling with basic finishes.
2	Paarl School of Skills	R 7 760	183 m²	± R 42 / m²	House No. 2. Four bedroom, two bathroom dwelling with basic finishes.
3	Lemoenkloof (Paarl)	R 8 400	980 m²	± R 105 / m²	Two bedroom, one bathroom apartment with basic finishes
4	Mt Simon Estate (Stellenbosch)	R 8 500	90 m²	± R 94 / m²	Two bedroom, one bathroom dwelling with basic finishes
5	Klapmuts	R 11 500	90 m²	± R 128 / m²	Three bedroom, two bathroom dwelling with average finishes.
6	Jamestown (Stellenbosch)	R 12 000	162 m²	± R 74 / m²	Three bedroom, two bathroom dwelling with modern finishes.

The aforementioned points to a broad range of R 42 / m² to R 151 / m², but generally offer superior accommodation which suggests that a rate at the lower end of the range of say R 40 / m² would be justified for the dwellings. The chalets are considerably smaller and offers functional accommodation of a slightly higher quality, with a rate of R 60 / m² justified for the chalets. The function hall should attract medium to high demand, with a rate of R 45 / m² deemed reasonable for the function hall with associated recreational activities. Demand for the other buildings/structures is considered limited, with downward adjustments in the aforementioned rates justified.

The market land rate for the subject properties would be relatively low, and would ultimately be included in the rental of the improvements. It was noted that arable agricultural land is lease by Stellenbosch Municipality at a rate of roughly R 2 750 per hectare per year, which translates to approximately R 230 per hectare per month. Provision for the land component at this rate is considered justified.

12. Market value calculations

12.1 Lease Farm 528A

The land value was based on the market information listed in paragraph 11.1, with an apportionment for the improvements based on the depreciated replacement cost of said improvements. The market value of lease farm 528A can therefore be calculated as follows:

LAND COMPONENT	Size (Ha)	Rate/Ha			Value
Usable land	3,1099	R 750 000			R 2 332 425
Severed and part of road reserve	1,754	-			R -
IMPROVEMENTS	**Size (m²)**	**Rate/m²**	**Reproduction cost**	**Depreciation factor**	**Depreciated Value**
Dwellings	1150	R 5 750	R 6 612 500	0,525	3 471 563
Chalets	362	R 7 500	R 2 715 000	0,525	R 1 425 375
Laundry	22	R 4 500	R 99 000	0,125	R 12 375
Workshop	42	R 4 000	R 168 000	0,15	R 25 200
Function hall	597	R 6 500	R 3 880 500	0,5175	R 2 008 159
Ablutions	81	R 8 500	R 688 500	0,15	R 103 275
Swimming pool	85	R 3 600	R 306 000	0,375	R 114 750
Total: Combined					R 9 493 121
Rounded TOTAL					**R 9 500 000**

12.2 Lease Farm 529C

The land value was based on the market information listed in paragraph 11.1, with an apportionment for the improvements based on the depreciated replacement cost of said improvements. The market value of lease farm 528A can therefore be calculated as follows:

LAND COMPONENT	Size (Ha)	Rate/Ha			Value
Usable land	8,6	R 800 000			R 6 880 000
Severed and part of road reserve	6,8361	-			-
IMPROVEMENTS	**Size (m²)**	**Rate/m²**	**Reproduction cost**	**Depreciation factor**	**Depreciated Value**
Ablutions	219	R 8 650	R 1 894 350	0,3575	R 677 230
Refuse room	50	R 5 500	R 275 000	0,1	R 27 500
Labourers cottages	209	R 4 250	R888 250	0,125	R 111 031
Total: Combined					R 7 695 761
Rounded TOTAL					**R 7 700 000**

13. Market rental calculations

13.1 Lease Farm 528A

Based on the market information listed in paragraph 11.2, the monthly market rental of lease farm 528A can therefore be calculated as follows:

LAND COMPONENT	Size (Ha)	Rate/Ha	Value
Usable land	3,1099	R 230	R 715
Severed and part of road reserve	1,754	-	-
IMPROVEMENTS	**Size (m²)**	**Rate/m²**	**Depreciated Value**
Dwellings	1150	R 40	R 46 000
Chalets	362	R 60	R 21 720
Laundry	22	R 15	R 330
Workshop	42	R 20	R 840
Function hall	597	R 45	R 26 865
Ablutions	81	R 20	R 1 620
Total: Combined			R 98 090
Rounded TOTAL			**R 98 000**

13.2 Lease Farm 529C

Based on the market information listed in paragraph 11.2, the monthly market rental of lease farm 529C can therefore be calculated as follows:

LAND COMPONENT	Size (Ha)	Rate/Ha	Value
Usable land	8,6	R 230	R 1 978
Severed and part of road reserve	6,8361	-	-
IMPROVEMENTS	**Size (m²)**	**Rate/m²**	**Depreciated Value**
Ablutions	219	R 20	R 4 380
Refuse room	50	R 10	R 500
Labourers cottages	209	R 15	R 3 135
Total: Combined			R 9 993
Rounded TOTAL			**R10 000**

14. Declaration

I, Johan Klopper a registered Professional Valuer, declare that I have inspected the above property and that I have conducted this valuation assignment to the best of my knowledge and skills. I have no present or contemplated interest in this property, and accordingly certify that this valuation was undertaken on a completely independent basis.

As a result of my inspection, research and evaluation it is my opinion that the fair **market value** of lease farms 528A & 529C Stellenbosch Registration Division, on 11 March 2022, amounts to:

Lease Farm 528A	R 9 500 000	Nine Million Five Hundred Thousand Rand
Lease Farm 529C	R 7 700 000	Seven Million Seven Hundred Thousand Rand
TOTAL	**R 17 200 000**	**Seventeen Million Two Hundred Thousand Rand**

As a result of my inspection, research and evaluation it is my opinion that the fair **market monthly rental** of lease farms 528A & 529C Stellenbosch Registration Division, on 11 March 2022, amounts to:

Lease Farm 528A	R 98 000	Ninety Eight Thousand Rand
Lease Farm 529C	R 10 000	Ten Thousand Rand
TOTAL	**R 108 000**	**One Hundred and Eight Thousand**

Signed at STELLENBOSCH on this the 14th day of March 2022.

J. Klopper

Professional Valuer (Reg. No. 6372/0)
Member of the SA Institute of Valuers
BCom (Law); NDip (Property Valuation)

ANNEXURES:

A. TITLE DEED INFORMATION

B. S.G. DIAGRAMS

C. PHOTOGRAPHS OF THE SUBJECT PROPERTY

A. TITLE DEED INFORMATION

Deeds Office Property

STELLENBOSCH RD, FARM 528, 528, 0, CAPE TOWN

Lexis® WinDeed

This report is compiled exclusively from the very latest data directly supplied to WinDeed by the Deeds Office.

Any personal information obtained from this search will only be used as per the Terms and Conditions agreed to and in accordance with applicable data protection laws including the Protection of Personal Information Act, 2013 (POPI), and shall not be used for marketing purposes.

** ASTERISKS INDICATE THE INFORMATION IS ENRICHED FROM THE WINDEED DATABASE.

SEARCH CRITERIA

Search Date	2022/03/10 16:48	Farm Number	528
Reference	-	Registration Division	STELLENBOSCH RD
Report Print Date	2022/03/10 16:48	Portion Number	-
Farm Name	-	Remaining Extent	NO
Deeds Office	Cape Town	Search Source	Deeds Office

PROPERTY INFORMATION

Property Type	FARM	Diagram Deed Number	ST FH 6-6/1891
Farm Name	FARM 528	Local Authority	STELLENBOSCH MUN
Farm Number	528	Province	WESTERN CAPE
Registration Division	STELLENBOSCH RD	Remaining Extent	YES
Portion Number	0(REMAINING EXTENT)	Extent	4.8639H
Previous Description	-	LPI Code	C06700000000052800000
Suburb / Town**	4KM NORTH OF RAITHBY	Co-ordinates (Lat/Long)**	-33.988179 / 18.829481

OWNER INFORMATION (1)

MUN STELLENBOSCH — Owner 1 of 1

Company Type**	LOCAL AUTHORITY	Document	ST FH 6-6/1891
Registration Number	-	Microfilm / Scanned Date	-
Name	MUN STELLENBOSCH	Purchase Price (R)	-
Multiple Owners**	NO	Purchase Date	-
Multiple Properties**	NO	Registration Date	1891/06/29
Share (%)	-		

ENDORSEMENTS (4)

#	Document	Institution	Amount (R)	Microfilm / Scanned Date
1	EX758/1965-ST FH 6-6	/1891	-	-

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Page 1 of 2

ENDORSEMENTS (4)

#	Document	Institution	Amount (R)	Microfilm / Scanned Date
2	K401/1992S	-	-	1992 043 0 :08:43
3	FARM ST 528	-	-	-
4	PTNS ST RD 528/1-8,1	5	-	-

HISTORIC DOCUMENTS

No historic documents to display

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Deeds Office Property

STELLENBOSCH RD, FARM 529, 529, 0, CAPE TOWN

Lexis® WinDeed

This report is compiled exclusively from the very latest data directly supplied to WinDeed by the Deeds Office.

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** ASTERISKS INDICATE THE INFORMATION IS ENRICHED FROM THE WINDEED DATABASE

SEARCH CRITERIA

Search Date	2022/03/10 16:50	Farm Number	529
Reference	-	Registration Division	STELLENBOSCH RD
Report Print Date	2022/03/10 16:51	Portion Number	-
Farm Name	-	Remaining Extent	NO
Deeds Office	Cape Town	Search Source	Deeds Office

PROPERTY INFORMATION

Property Type	FARM	Diagram Deed Number	STF6-4/1890
Farm Name	FARM 529	Local Authority	STELLENBOSCH MUN
Farm Number	529	Province	WESTERN CAPE
Registration Division	STELLENBOSCH RD	Remaining Extent	YES
Portion Number	0(REMAINING EXTENT)	Extent	86.7292H
Previous Description	-	LPI Code	C0670000000052900000
Suburb / Town**	4KM NORTH OF RAITHBY	Co-ordinates (Lat/Long)**	-33.992221 / 18.829006

OWNER INFORMATION (2)

MUN STELLENBOSCH — Owner 1 of 2

Company Type**	LOCAL AUTHORITY	Document	ST FH 6-4/1890
Registration Number	-	Microfilm / Scanned Date	-
Name	MUN STELLENBOSCH	Purchase Price (R)	SECT 16
Multiple Owners**	NO	Purchase Date	-
Multiple Properties**	NO	Registration Date	1890/12/12
Share (%)	-		

DISCLAIMER
This report contains information provided to LNRM by content providers and LNRM cannot control the accuracy of the data nor the timely accessibility. LNRM will not be held liable for any claims based on reliance of the search information provided. This report is subject to the terms and conditions of LexisNexis Risk Management Agreement. LexisNexis Risk Management (Pty) Ltd is a registered credit bureau (NCRCB26).

LexisNexis

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windeed.support@lexisnexis.co.za
search.windeed.co.za | www.windeed.co.za

Page 1 of 2

OWNER INFORMATION (2)

MUN STELLENBOSCH — Owner 2 of 2

Company Type**	LOCAL AUTHORITY	Document	T101559/2005
Registration Number	-	Microfilm / Scanned Date	-
Name	MUN STELLENBOSCH	Purchase Price (R)	-
Multiple Owners**	NO	Purchase Date	-
Multiple Properties**	NO	Registration Date	-
Share (%)	-		

ENDORSEMENTS (10)

#	Document	Institution	Amount (R)	Microfilm / Scanned Date
1	EX758/1965-ST FH 6-4	/1890	-	-
2	K1262/2005S	-	-	2006 040 6 :03:95
3	K325/2018S	-	-	-
4	K401/1992S	-	-	1992 043 0 :08:43
5	VA1405/1986-6-4/1890	STF	-	-
6	VA2447/2018	MUN STELLENBOSCH	-	-
7	VA544/1989-STF6-4/18	90	-	-
8	VA8545/2005	MUN STELLENBOSCH	-	2006 040 6 :03:76
9	FARM ST 529	-	-	-
10	PTN'S ST RD 529/1-2	-	-	-

HISTORIC DOCUMENTS (1)

#	Document	Institution	Amount (R)	Microfilm / Scanned Date
1	ST FH 6-4/1890	MUN STELLENBOSCH	Unknown	-

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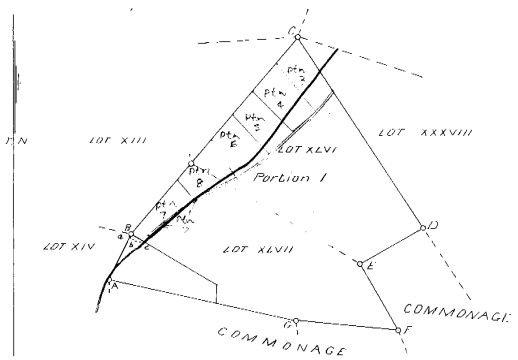
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B. S.G. DIAGRAMS

No. 205/1891.

The numerical data of this Diagram are graphically correct.
(Sgd.) [illegible]
Surveyor.

STONS.		ANGLES.		CO-ORDINATES.	
AB	34.24	A	76.22. 0	A	- 120.33	- 711.39
BC	336.21	B	165.59.40	B	- 174.75	- 677.16
CD	280.71	C	73.30. 0	C	- 430.45	- 442.13
DE	92.69	D	86.43.30	D	- 144.63	- 302.35
EF	97.07	E	210. 0. 0	E	- 106.30	- 302.30
FA	129.46	F	54.26.10	F	- 19.40	- 353.63
GA	243.13	G	179.39.50	G	- 49.34	- 480.47



528

1" = 1 chain = 1/5000 Cape Rds.

Lots XLVI, and XLVII .

The above Figure marked A B [illegible] G A representing 130 Morgn. 56 Sq. Roods of land, situate in the Field-cor[illegible]ty of Koloniegat Division of Stellenbosch, being part of the Commonage of the Town of Stellenbosch.

Bounded "A." by Lots XIII and XIV,
"B." by Lot XXXVIII,
"C." by Commonage.

Framed from actual Survey by me,

(Sgd.) P. A. Vader.
Government Surveyor.
Dec. 1890.

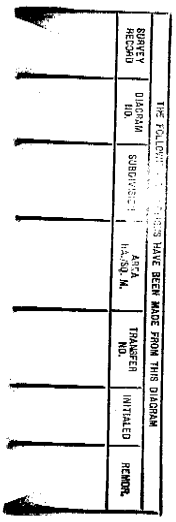
Copied from Title Stel.F./-3
Title 29:6:1891
27.10.1950

B c

VN 528

S.G. Dgm. No. 205/1891

SERVITUDES/LEASEHOLD AREAS				
SURVEY RECORD	DIAGRAM NO.	DESCRIPTION	DEED	INITIALED
S 2604/95	8146/95	The line abc represents the centre line of a pipe line servitude 4,00m wide		



S.930/1983 3771/91 Portion 1 119.7795 1941 - 22 - 1064

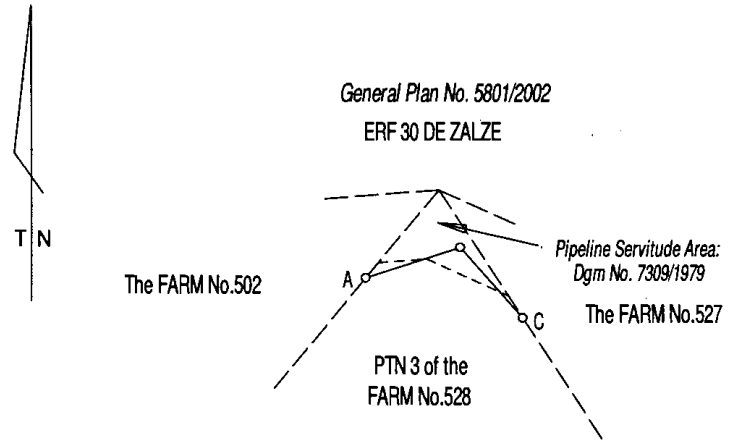
~~S.953/40 4925/40 Ptn 2 1944 - 23 - 1965~~

V.N.528

Town & Country, Pr.Land Surveyors, Bredasdorp

SIDES Metres		ANGLES OF DIRECTION		CO-ORDINATES Y System: WG19° X		S.G. No. 1028/2014 Approved for SURVEYOR-GENERAL 9-6-2014
		Constants:		0,00	+3700 000,00	
AB	17,42	252 04 50	A	+15 091,05	+61 328,63	
BC	16,53	318 24 40	B	+15 074,48	+61 323,27	
			C	+15 063,51	+61 335,63	
		388 Golfdam	△	+15 265,49	+59 793,18	
		538 BSI	△	+14 836,26	+59 543,11	

Description of Beacons
A,B,C : 16mm round iron peg



Scale 1:1000

The line ABC represents the centre line of an electrical cable servitude 5m wide, over

PORTION 3 of the FARM No.528

situate in the Municipality of Stellenbosch
Administrative District of Stellenbosch
Province of Western Cape

Surveyed in June 2013 and April 2014 by me

PLS 1141 F.Truter
Professional Land Surveyor

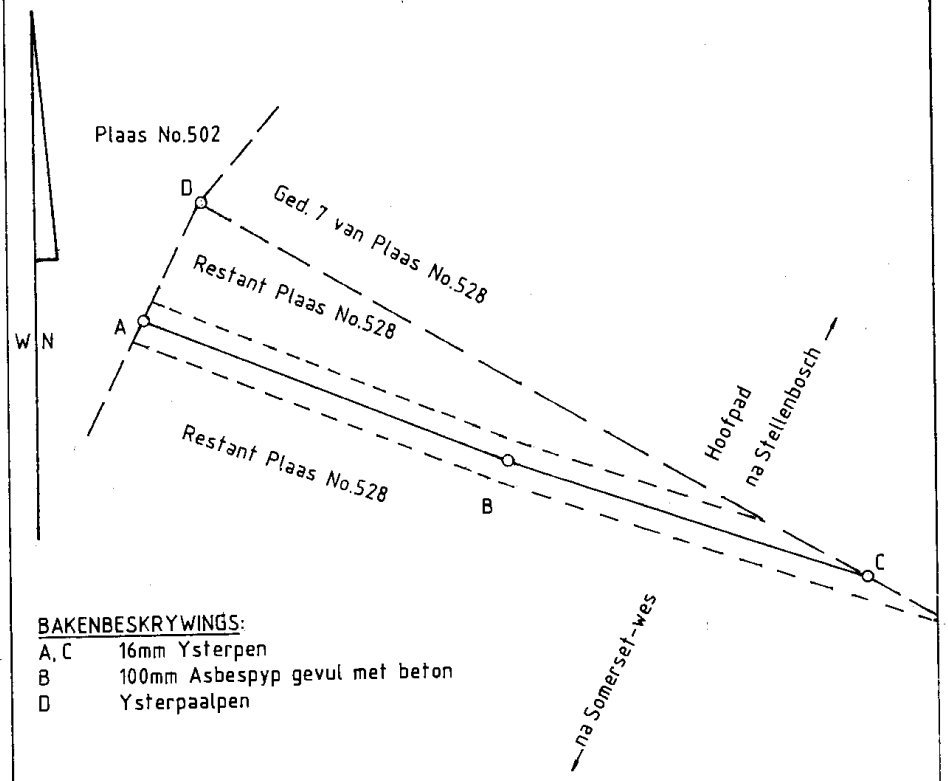
This diagram is annexed to No. d.d. i.f.o. Registrar of Deeds	The original diagram is S.G. No. 7886/1954 Transfer 1954. .20593	File Ste.528 S.R. E728/2013, E526/2014 Comp. BH-8DCD(3785) BH-8DC/Y42(1510) LPI C0670000

SERWITUUTKAART

KANTOORAFSKRIF

SYE Meter		RIGTINGS -HOEKE		KOÖRDINATE Y Stelsel	X
		Konstantes		0,00	+3700000,00
AB	33,40	291 59 40	A	+ 15 805,50	+ 61 975,52
BC	32,52	289 01 10	B	+ 15 774,53	+ 61 988,03
			C	+ 15 743,79	+ 61 998,63
AD	11,41	206 21 20	D	+ 15 800,44	+ 61 965,30
		(68) Stel 6	Δ	+ 18 771,96	+ 63 742,58
		(65) Stel 7	Δ	+ 14 377,22	+ 62 509,37

L.G. No.
8146/95
Goedgekeur
" Landmeter-generaal
1995 . 10 . 20



BAKENBESKRYWINGS:
A, C 16mm Ysterpen
B 100mm Asbespyp gevul met beton
D Ysterpaalpen

Skaal: 1 / 500

Die ~~figuur~~ lyn A B C stel voor die middellyn van 'n Pyplynserwituut, 4,00m wyd
~~stel voor~~ soos aangetoon oor die Restant van PLAAS No. 528 **~~grond, synde~~**

geleë in die
Stellenbosch Provinsie van die Wes-Kaap **~~Provinsie Kaap die Goeie Hoop.~~**
Opgemeet in Junie 1995
deur my.

Administratiewe Distrik
N Loubser 0892 **Landmeter**

Hierdie kaart is geheg aan	**Die oorspronklike kaart is.**	**Lêer No.** Stel 528
No.		**M.S. No.** E 2604/95
gedateer	**No.** 205 / 1891 **geheg aan**	**Komp.** BH-8DCD (3785)
t.g.v.	**~~Transport~~/Grondbrief**	
	No. Stel F. 6-6	
Registrateur van Aktes		

SERWITUUTKAART Ref. 324(A) Waltons Stationery Co.

SERVITUDE DGM.

OFFICE COPY

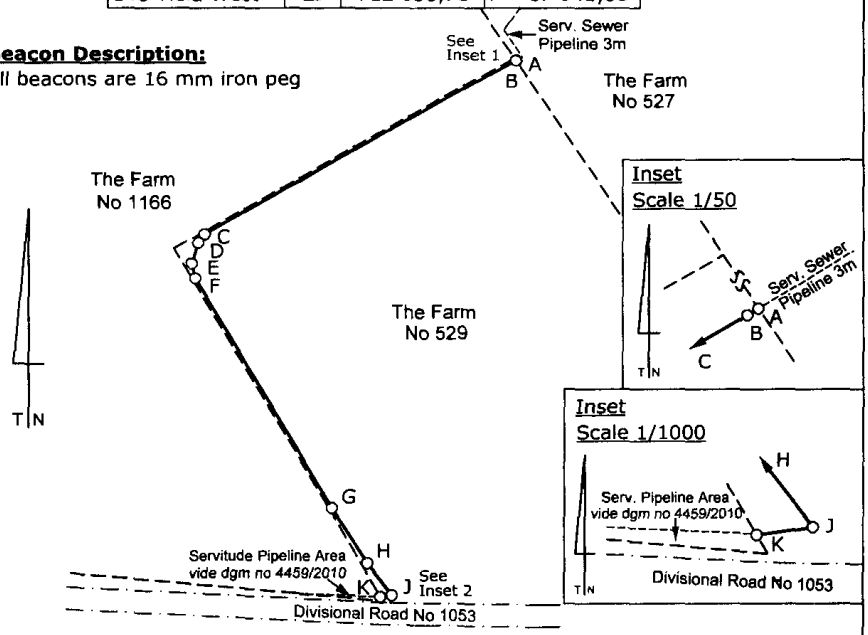
DAVID HELLIG & ABRAHAMSE, LAND SURVEYORS

SIDES Metres		ANGLES OF DIRECTION		CO-ORDINATES Y System WG 19°	X
		Constant		± 0,00	+3 700 000,00
AB	0,12	59 02 10	A	+14 480,77	+ 62 226,56
BC	318,35	60 08 50	B	+14 480,87	+ 62 226,62
CD	9,40	33 38 20	C	+14 756,98	+ 62 385,09
DE	19,57	17 36 40	D	+14 762,19	+ 62 392,92
EF	13,69	347 43 50	E	+14 768,11	+ 62 411,57
FG	242,68	329 56 50	F	+14 765,20	+ 62 424,95
GH	58,71	327 09 40	G	+14 643,67	+ 62 635,01
HJ	36,29	322 54 20	H	+14 611,83	+ 62 684,34
JK	10,22	82 10 50	J	+14 589,94	+ 62 713,29
			K	+14 600,06	+ 62 714,68
	9 Helderberg		△	+11 049,63	+ 67 146,93
	148 Held West		△	+12 058,73	+ 67 943,05

S.G. No.
2473/2011
Approved

for Surveyor-General
22-07-2011

Beacon Description:
All beacons are 16 mm iron peg



Scale 1: 5000

The line **A B C D E F G H J K**
represents **Centre Line of a Servitude Sewer Pipeline 3m wide, as shown**
over **the Remainder of the Farm No 529**
situate in **the Municipality and**
Administrative District of **Stellenbosch**
Province of the Western Cape

Surveyed in **June 2011**
by me

S G DREYER
Professional Land Surveyor
(PLS1028)

This diagram is annexed to No: K325/2018 dated i.f.o. Registrar of Deeds	The original diagram is No. 463/1890 annexed to Transfer No. Stel.F.6-4 dated 12/12/1890	File No. Stel.529 S.R. No. 919/2011 Comp. BH-8DCD (3785) LPI C0670000

SERVITUDE DGM.

S

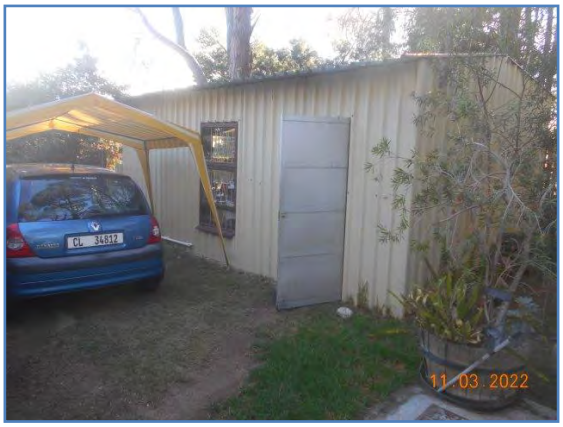
C. PHOTOGRAPHS OF THE SUBJECT PROPERTY

FARM 528A:


















11 03 2022


11 03 2022


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11 03 2022


11 03 2022

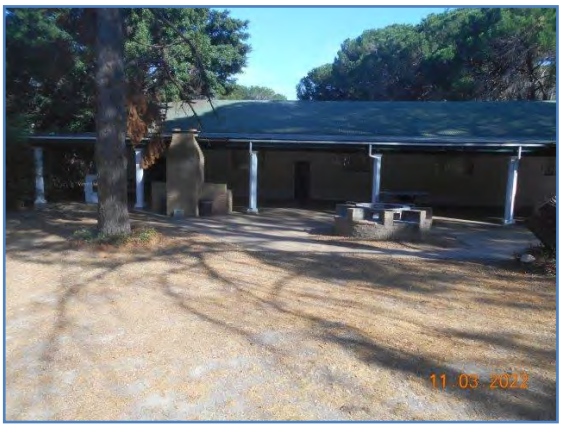

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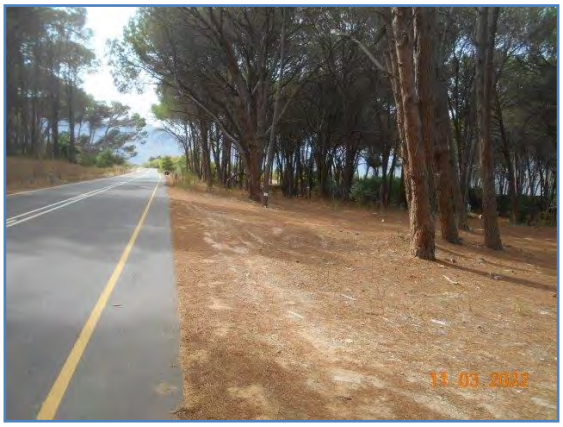

11.03.2022

FARM 529C:


11.03.2022


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11 03 2022

11.2.3	APPOINTMENT OF COUNCILLORS TO SERVE ON EXTERNAL BODIES

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **23 March 2022**

1. SUBJECT: APPOINTMENT OF COUNCILLORS TO SERVE ON EXTERNAL BODIES

2. PURPOSE

For Council to appoint Councillors to serve on External bodies

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The following external bodies have Councillors on representing Stellenbosch Municipality. Council appoints the representatives to these bodies. This item was placed on the first Council meeting and it was resolved that it will stand over to a later meeting in 2022.

External Body	Number or representatives	Name of representatives
Jan Marais Nature Reserve Advisory Committee	1	
Mont Rochelle Nature Reserve Advisory Committee	2	1. 2.
Pension and retirement Funds SALA LA Pension Fund CRF Councillor Pension fund (currently under curatorship)	1 representative dealing with all 4 funds. [1]	
Stellenbosch Tourism and Information Bureau	2	1. 2.
Stellenbosch Museum Trustee	1	
Franschhoek Museum	1	
Franschhoek Valley Tourism	2	1. 2.
Community Police Forum Stellenbosch	3	1. 2. 3
Community Police Forum Kayamandi	3	1. 2. 3.
Community Police Forum Franschhoek	2	1. 2.
Community Police Forum Klapmuts	2	1. 2.

[1] Councillor Esther Groenewald currently serving on the SALA board of trustees representing Western Cape until end of 2023. Elected due to her being the representative during the previous term.

Community Police Forum Cloetesville	2	1. 2.
Community Police Forum Groot Drakenstein	1	
SWOKK (Stellenbosch Welsyns en Ontwikkelings-koordinerings Komitee	3	1. 2. 3.
FREMCO Trust	1	
Hospital Board	1	
University Board	1	
Winelands Water Utilisation Association	1	
District Health Committee	1	

5. RECOMMENDATIONS

For consideration

6. BACKGROUND

6.1. Discussion

The following external bodies have Councillors on representing Stellenbosch Municipality. Council appoints the representatives to these bodies. This item was placed on the first Council meeting, and it was resolved that it will stand over to a later meeting in 2022.

External Body	**Number of representatives**
Jan Marais Nature Reserve Advisory Committee	**1**
Mont Rochelle Nature Reserve Advisory Committee	**2**
Pension and retirement Fund	**1**
Stellenbosch Tourism and Information Bureau	**2**
Stellenbosch Museum Trustee	**1**
Franschhoek Museum	**1**
Franschhoek Valley Tourism	**2**
Community Police Forum Stellenbosch	**3**
Community Police Forum Kayamandi	**3**
Community Police Forum Franschhoek	**2**
Community Police Forum Klapmuts	**2**
Community Police Forum Cloetesville	**2**
Community Police Forum Groot Drakenstein	**1**
SWOKK (Stellenbosch Welsyns en Ontwikkelings-koordinerings Komitee)	**3**
FREMCO Trust	**1**
Hospital Board	**1**
University Board	**1**
Winelands Water Utilisation Association	**1**
District Health Committee	**1**

6.2 Financial Implications

As per the approved budget and the upper limits applicable to Councillors.

6.3 Legal Implications:

The representatives will be representing Stellenbosch Council on the different External bodies and must carry the mandate of the Stellenbosch Council into the meetings.

6.4 Previous Council Resolutions:

ADJOURNED 1ST COUNCIL MEETING: 2021-11-23: ITEM 6.11

The Speaker **RULED**

that this matter stand over until the January 2022 Council meeting to enable the Political Parties to have more time to apply their minds as to which members they want to nominate to serve on the external bodies.

6.5 Risk Implications:

The risk are addressed in through the content of the item .

6.6 Comments from Senior Management:

The item was not circulated for comments.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-03-23: ITEM 7.2.6

For Council's consideration

FOR FURTHER DETAILS CONTACT:

NAME	*Annalene de Beer*
POSITION	*Director: Corporate Services*
DIRECTORATE	*Corporate Services*
CONTACT NUMBERS	*021 808 8018*
E-MAIL ADDRESS	*Annalene.deBeer@stellenbosch.gov.za*
REPORT DATE	*15 March 2022*

11.3	**FINANCIAL SERVICES: (PC: CLLR P JOHNSON)**

11.3.1	**REQUEST FOR PERMISSION TO IMPLEMENT INTERIM ARRANGEMENT ON PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT**

Collaborator No: **725647**
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **23 March 2022**

1. SUBJECT: REQUEST FOR PERMISSION TO IMPLEMENT INTERIM ARRANGEMENT ON PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT

2. PURPOSE

To obtain Council approval for the adoption of an interim arrangement in terms of Preferential Procurement Policy Framework. The Constitution of the Republic of South Africa, 1996, provides in sections 152(1)(c) and 152(2) that local government must promote social and economic development and that the municipality must strive within its financial and administrative capacity, to achieve the objects set out in subsection 152(1).

3. DELEGATED AUTHORITY

Council

4. **EXECUTIVE SUMMARY**

On 2 November 2020, the Supreme Court of Appeal (SCA) in the case of Afribusiness NPC v The Minister of Finance declared the Preferential Procurement Regulation, 2017 invalid and set it aside. The SCA suspended the declaration of invalidity for 12 months. The Minister of Finance appealed to the Constitutional Court and by operation of section 18(1), the operation and execution of a decision of the SCA was suspended pending the appeal.

On 16 February 2022, the Constitutional Court in Minister of Finance v Afribusiness NPC, dismissed the appeal against the SCA judgement.

On 25 February 2022, the Director-General at National Treasury issued an Advisory Note to all organs of state (see attach Annexure A) wherein he ''advised'' that:

''While awaiting the outcome of the of the above guidance from the Constitutional Court, organs of state are advised that –

- *Tenders advertised before 16 February 2022 be finalized in terms of the Procurement Regulations.*
- *Tenders advertised on or after 16 February 2022 be held in abeyance; and*
- *No new tenders be advertised.''*

The above ''advice'' are based on the Director-General at NT's view that there is uncertainty on the status of the SCA's order of suspension. According to the advisory Note of NT, the uncertainty arises due to a footnote in the minority judgement of the Constitutional Court.

The municipality differs with this view and decided that we will implement the Preferential Procurement Regulations, 2017, for 12 months until 15 February 2023 unless it is repealed sooner. The municipal manager will also send a letter to the Director-General at NT setting out the view above.

On 3 March 2022, the Director-General issued another advisory Note to organs of state the inform that its communication of 25 February 2022 was an ''advisory note''. It further advised that NT is developing draft regulations that will be published for comment on Monday 7 March 2022. It argued that organs of state who need any procurement above R30,000 must apply for exemption to the Minister in compliance with section 3(c) of the Preferential Procurement Policy Framework Act, 2000.

The Western Cape Provincial Treasury has subsequently also issued a Treasury Circular No.6 / 2022 (Annexure C) guiding the municipalities on the way forward. Stellenbosch Municipality is of the opinion that the route as identified by Western Cape Provincial Treasury hold the least risk and would allow the municipality to continue with procurement in the interim.

5. **RECOMMENDATIONS**

(a) that Stellenbosch Municipality will maintain the status quo and apply the Preferential Procurement Policy Framework Regulations, 2017 and exclude section 3, 4 and 9.

(b) use the pre-existing points system with thresholds and associated formulas as per the PPPFR, 2017 i.e., 80/20 preference point system for procurement with a rand value equal to or above R30 000 up to R50million and the 90/10 preference point system for procurement above R50million (all applicable taxes included)

(c) use the pre-existing mechanism to address the evidence requirements as it relates to the allocation of points for preference i.e., B-BBEE certificates and affidavits.

(d) Implement sub-contracting conditions in line with the CIDB prescripts/regulations in terms of empowerments and continue implementing the sub-contracting contractor development program as approved by Stellenbosch Municipality.

(e) that the status quo in terms of obtaining quotations, evaluation and awarding of quotations below R30 000 be maintained.

(f) that this interim arrangement will be effective until the new Preferential Procurement Regulations is promulgated.

(g) that all bids advertised before, 16 February 2022 must be finalized in terms of the Preferential Procurement Regulations, 2017

(h) that all bids advertised after 16 February 2022 be evaluated in terms of Preferential Procurement Regulations, 2017 and only bids that included the sections as identified under point a.) be cancelled and re-advertised; and

(i) that all new bids be advertised with the prescribes as identified above.

6. **DISCUSSION / CONTENTS**

To obtain Council approval for the adoption of a interim arrangement in terms of Preferential Procurement Policy Framework. The Constitution of the Republic of South Africa, 1996, provides in sections 152(1)(c) and 152(2) that local government must promote social and economic development and that the municipality must strive within its financial and administrative capacity, to achieve the objects set out in subsection 152(1).

Additionally, the Constitution further provides in section 217 that an organ of state must contract for goods or services in accordance with a procurement system which is fair, equitable, transparent, competitive, and cost effective and to implement a policy to grant preferences within a framework prescribed by National Legislation.
On 2 November 2020, the Supreme Court of Appeal (SCA) in the case of Afribusiness NPC v The Minister of Finance declared the Preferential Procurement Regulation, 2017 invalid and set it aside. The SCA suspended the declaration of invalidity for 12 months. The Minister of Finance appealed to the Constitutional Court and by operation of section 18(1), the operation and execution of a decision of the SCA was suspended pending the appeal.

The Supreme Court of Appeal (SCA) declared that the Preferential Procurement Regulations , 2017 were inconsistent with the Preferential Procurement Policy Framework Act 5 of 2000 and ruled that the regulations were invalid .The court exercised its powers in terms of section 172(1)(b)(ii) of the Constitution of the Republic of South Africa , 1996 and suspended the order of invalidity for a period of twelve months and to allow the Minister to correct the defects because the main finding was that the regulations were ultra vires the Ministers regulatory authority as set out in section 5 (1) of the PPPFA . The court held that the legislative scheme created by the PPPFA allocated points to bidders based on Specific goals as contemplated in section 2 of the Act. The application of Regulation 4 (Pre-Qualification) adopted a different approach by conferring a discretion on organs of state to impose certain Pre-qualification criteria as a condition of tender to advance designated groups. Not only was this contrary to section 2 of the PPPFA, but the Minister failure to provide organs of State with a framework for the application of pre-qualification criteria. The court held that the Ministers powers to make regulations were not unconstrained as he could only make regulations regarding the matter that may be necessary or expedient to prescribe to achieve the objects of the Act according to (Dr Peter Volmink and Dr Allison Anthony).

The Minister of Finance appealed to the Constitutional Court and by operation of Section 18(1) of the Supreme Court Act, the operation and execution of a decision of the SCA was suspended pending the appeal.
Section 18(1) states:
"(1) Subject to subsections (2) and (3), and unless the court under exceptional circumstances orders otherwise, the operation and execution of a decision which is the subject of an application for leave to appeal or of an appeal, is suspended pending the decision of the application or appeal."

On 16 February 2022, the Constitutional Court in Minister of Finance v Afribusiness NPC, dismissed the appeal against the SCA judgement.

On 25 February 2022, the Director-General at National Treasury (NT) issued an Advisory Note to all organs of state (see attach Annexure A) wherein he ‘’advised’’ that:

> *‘’While awaiting the outcome of the of the above guidance from the Constitutional Court, organs of state are advised that –*
>
> - *Tenders advertised before 16 February 2022 be finalized in terms of the Procurement Regulations.*
> - *Tenders advertised on or after 16 February 2022 be held in abeyance; and*
> - *No new tenders be advertised.’’*

The above ‘’advice’’ are based on the Director-General at NT’s view that there is uncertainty on the status of the SCA’s order of suspension. According to the advisory Note of NT, the uncertainty arises due to a footnote in the minority judgement of the Constitutional Court.

The municipality differs with this view and decided that we will implement the Preferential Procurement Regulations, 2017, for 12 months until 15 February 2023 unless it is repealed sooner.

The National Treasury subsequently on 03 March 2022 (attached hereto marked Annexure B) issued a further letter indicating in summary that:

a. *the advice provided on 25 February 2022 excluded procurement with a Rand value less than R30 000 obtained through price quotations;*

b. *regulations will be issued providing for the thresholds for the points system.*

Note that draft regulations in this respect were subsequently issued on 10 March 2022, with the comment period closing on 11 April 2022 until the new regulations take effect that organs of state may in terms of section 3 (c) of the Act, request an exemption from the provisions of the Act for a specific procurement or category of procurement requirements limiting this to procurement that cannot await the new regulations or Constitutional Court’s guidance.

The NT advisory notes were not issued in terms of section 168(1) of the Municipal Finance Management Act as only the Minister of Finance, acting with the concurrence of the Cabinet member responsible for local government, could issue such guidelines. In the current instance the advisory notes were issued by the Director-General at NT. This advisory notes therefore have no legal status and is neither peremptory on municipalities.

The initial and the subsequent advisory notes provides no time frame when the application will be launched nor whether the Constitutional Court might agree to hear it. It is our respected legal view that NT should have approached the SCA which granted the suspension order to provide clarity (if they were unclear) or ask for a further extension. It will be difficult for any court and the Constitutional Court to give clarity on something it did not pronounce.

The Western Cape Provincial Treasury has subsequently also issued a Treasury circular No.6 / 2022 (Annexure C) guiding the municipalities on the way forward. Stellenbosch Municipality is of the opinion that the route as identified by Western Cape Provincial Treasury hold the least risk and would allow the municipality to continue with procurement in the interim.

Holding our tenders and, by implication, our service delivery abeyance in the circumstances will amount to a dereliction of fiduciary duties and constitutional obligations. The Municipality need to urgently take up our external loans to finance our Capital projects and if we are non-compliant by not taking up the loan then it will directly impact service delivery and other service delivery projects. Therefor it is imperative that Council approve interim arrangements until the new Regulations comes into effect. The advisory notes as issued by National treasury cannot be implemented and that the most viable route and least disruptive approach in the procurement system would be to maintain the status quo with the necessary amendments to ensure compliance and consistency. The new Preferential Procurement Policy will replace the interim arrangement once approved.

6.3 Financial Implications

The financial implication based on the spending at February 2022.

Expenditure Budget	Approved Budget	Actual Expenditure	Commitments	Balance
Capital Expenditure	398 107 636	140 258 864	146 841 510	111 007 262
Operational Expenditure	1 977 195 012	940 611 507	89 608 122	946 975 383
Total Expenditure Budget	**2 375 302 648**	**1 080 870 371**	**236 449 632**	**1 057 982 645**

6.4 Applicable Legislation

1. Constitution of the Republic of South Africa, Section 217
2. Local Government: Municipal Systems Act, No. 32 of 2000 and Regulations, section 55
3. Local Government: Municipal Finance Management Act, No. 56 of 2003, Section 186 and section 61
4. Preferential Procurement Policy Framework Act, 2000, section 2, 3 and 5
5. Superior Courts Act, 2013, Section 18
6. Preferential Procurement Regulation, 2017 (entire regulations)

6.5 Staff Implications:

No staff implications

6.6 Previous / Relevant Council Resolutions:

None

6.7 Risk Implications

Holding our tenders and, by implication, our service delivery abeyance in the circumstances will amount to a dereliction of fiduciary duties and constitutional obligations.

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.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-03-23: ITEM 7.3.1

(a) that Stellenbosch Municipality will maintain the status quo and apply the Preferential Procurement Policy Framework Regulations, 2017 and exclude section 3, 4 and 9.

(a) use the pre-existing points system with thresholds and associated formulas as per the PPPFR, 2017 i.e., 80/20 preference point system for procurement with a rand value equal to or above R30 000 up to R50million and the 90/10 preference point system for procurement above R50million (all applicable taxes included)

(b) use the pre-existing mechanism to address the evidence requirements as it relates to the allocation of points for preference i.e., B-BBEE certificates and affidavits.

(c) Implement sub-contracting conditions in line with the CIDB prescripts/regulations in terms of empowerments and continue implementing the sub-contracting contractor development program as approved by Stellenbosch Municipality.

(d) that the status quo in terms of obtaining quotations, evaluation and awarding of quotations below R30 000 be maintained.

(e) that this interim arrangement will be effective until the new Preferential Procurement Regulations is promulgated.

(f) that all bids advertised before, 16 February 2022 must be finalized in terms of the Preferential Procurement Regulations, 2017

(g) that all bids advertised after 16 February 2022 be evaluated in terms of Preferential Procurement Regulations, 2017 and only bids that included the sections as identified under point a.) be cancelled and re-advertised; and

(h) that all new bids be advertised with the prescribes as identified above.

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	***March 2022***

ANNEXURE A

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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To all organs of state

Preferential Procurement Regulations, 2017 - Minister of Finance v Afribusiness NPC [2022] ZACC 4

On Wednesday, 16 February 2022, the Constitutional Court handed down judgment in the application for leave to appeal against a judgment and order of the Supreme Court of Appeal. This application was brought by the Minister of Finance (Minister) against Afribusiness NPC, and concerns the validity of the Preferential Procurement Regulations, 2017 (Procurement Regulations) promulgated by the Minister on 20 January 2017, in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000 (Procurement Act).

The Supreme Court of Appeal (SCA) held that the Minister's promulgation of regulations 3(b), 4 and 9 of the Procurement Regulations was unlawful. Due to what the SCA held to be the interconnectedness of the regulations, the entirety of the Procurement Regulations was declared invalid on the basis that the content of the Regulations exceeded what the Minister could permissibly regulate in terms of section 5 of the Procurement Act and section 217 of the Constitution. The declaration of invalidity was suspended for 12 months. In terms of section 18(1) of the Superior Courts Act, the SCA's judgment and orders were suspended when the Minister launched the application for leave to appeal.

The majority judgment of the Constitutional Court dismissed the appeal against the SCA judgment. The majority judgment was silent on the question of remedy. It did not address itself to the specific issue of the status of the SCA's order of suspension. The minority judgment addresses the issue at footnote 28, where it asserts that "the period of suspension expired on 2 November 2021". This assertion is in conflict with section 18(1) of the Superior Courts Act, on its face, and neither of the judgments address the issue of suspension in the body of their orders.

Neither judgment purports to set aside or replace the order of the SCA. The order of the Constitutional Court confines itself to granting leave to the Minister to appeal, and dismissing the appeal against the SCA's order. The legal position, accordingly – although not what the Constitutional Court seemed to intend – is that the SCA's order is no longer suspended in terms of section 18(1) of the Superior Courts Act, the suspensive period of invalidity has been re-engaged, and the Procurement Regulations have been and continue to be of full force and effect.

The Minister will, on an urgent basis, be seeking confirmation from the Constitutional Court that the invalidity of the Procurement Regulations has been and continues to be suspended. Confirmation will be sought by way of declaration, variation and/or clarification. In other words, guidance is

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required as to whether the Procurement Regulations remain valid until 15 March 2023, unless repealed sooner.

While awaiting the outcome of the above guidance from the Constitutional Court, organs of state are advised that—

- tenders advertised before 16 February 2022 be finalised in terms of the Procurement Regulations;
- tenders advertised on or after 16 February 2022 be held in abeyance; and
- no new tenders be advertised.

DONDO MOGAJANE
DIRECTOR-GENERAL
Date: 25 February 2022

ANNEXURE B

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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To all organs of state

Advisory note: Preferential Procurement Regulations, 2017 - Minister of Finance v Afribusiness NPC [2022] ZACC 4

1. I refer to my communication of 25 February 2022 informing organs of state that the Minister will, on an urgent basis, seek confirmation from the Constitutional Court that the invalidity of the Preferential Procurement Regulations, 2017 (the 2017 Regulations), has been and continues to be suspended for a period of 12 months.

2. Please note that the communication of 25 February 2022 is an advisory note in response to the numerous requests for guidance regarding how to deal with the implications of the Constitutional Court judgment. Please further note that the advice referred to in that communication excludes procurement with a Rand value of less than R30 000 obtained through price quotations and petty cash.

3. According to section 217(2) of the Constitution, read with section 2 of the Preferential Procurement Policy Framework Act, 2000 (PPPFA), organs of state must determine a preferential procurement policy. This policy and procurement decisions must be made by an accounting officer/authority in line with the framework set out in section 2 of the PPPFA and other applicable legislation.

4. The PPPFA requires that the threshold amounts in which the 80/20 and 90/10 preference point systems must be utilised, together with the formula to be applied, must be prescribed by regulations, in terms of section 2(1)(b) and (c). Such regulations are necessary for organs of state to implement their preferential procurement policies.

5. National Treasury is preparing new draft regulations in terms of the Preferential Procurement Policy Framework Act, 2000 (Act), to be published for comment in the week of 7 March 2022. The draft regulations will provide for amounts and the formula that must be prescribed by regulation in terms of section 2(1)(b) and (c) of the Act and any matter that may be necessary or expedient to prescribe in order to achieve the objects of the Act.

6. Until the new regulations take effect or the Constitutional Court's clarity on the suspension of the invalidity of the 2017 Regulations is provided, whichever occurs first, an organ of state may, in terms of section 3(c) of the Act, request an exemption from the provisions of the Act for a specific procurement or category of procurement requirements. Such requests should be limited to

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procurement requirements that cannot await the new regulations or the Constitutional Court's guidance.

7. The papers for seeking the Constitutional Court's clarity are being finalised and organs of state will be advised once these are filed, and of further developments.

DONDO MOGAJANE
DIRECTOR-GENERAL
Date: 3 March 2022

ANNEXURE C

Reference number: RCS/C.5

TREASURY CIRCULAR MUN NO. 06 /2022

Private Bag X9165
CAPE TOWN
8000

THE MAYOR, CITY OF CAPE TOWN: MR G HILL-LEWIS
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR R STRYDOM
THE MAYOR, MATZIKAMA MUNICIPALITY: MR J VAN DER HOVEN
THE MAYOR, CEDERBERG MUNICIPALITY: DR R RICHARDS
THE MAYOR, BERGRIVIER MUNICIPALITY: MR R VAN ROOY
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR A TRUTER
THE MAYOR, SWARTLAND MUNICIPALITY: MR H CLEOPHAS
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: DR H VON SCHLICHT
THE MAYOR, WITZENBERG MUNICIPALITY: MR H SMIT
THE MAYOR, DRAKENSTEIN MUNICIPALITY: MR C POOLE
THE MAYOR, STELLENBOSCH MUNICIPALITY: ADV. G VAN DEVENTER
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MS A STEYN
THE MAYOR, LANGEBERG MUNICIPALITY: MR S VAN EEDEN
THE MAYOR, OVERBERG DISTRICT MUNICIPALITY: MR A FRANKEN
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MR K PAPIER
THE MAYOR, OVERSTRAND MUNICIPALITY: DR A RABIE
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR P SWART
THE MAYOR, SWELLENDAM MUNICIPALITY: MR F DU RAND
THE MAYOR, GARDEN ROUTE DISTRICT MUNICIPALITY: MR M BOOYSEN
THE MAYOR, KANNALAND MUNICIPALITY: MR N VALENTYN
THE MAYOR, HESSEQUA MUNICIPALITY: MR G RIDDLES
THE MAYOR, MOSSEL BAY MUNICIPALITY: MR D KOTZE
THE MAYOR, GEORGE MUNICIPALITY: MR L VAN WYK
THE MAYOR, OUDTSHOORN MUNICIPALITY: MR C LOUW
THE MAYOR, BITOU MUNICIPALITY: MR D SWART
THE MAYOR, KNYSNA MUNICIPALITY: MR L DAVIS
THE MAYOR, CENTRAL KAROO DISTRICT MUNICIPALITY: MS J BOTHA
THE MAYOR, LAINGSBURG MUNICIPALITY: MR M SMITH
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MS M JAFTHA
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR G PIETERSEN

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: ADV. L MBANDAZAYO
THE MUNICIPAL MANAGER, WEST COAST DISTRICT MUNICIPALITY: MR D JOUBERT
THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR G SEAS (ACTING)
THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR D ADONIS
THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: ADV. H LINDE
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR H METTLER
THE MUNICIPAL MANAGER, SWARTLAND MUNICIPALITY: MR J SCHOLTZ
THE MUNICIPAL MANAGER, CAPE WINELANDS DISTRICT MUNICIPALITY: MR H PRINS
THE MUNICIPAL MANAGER, WITZENBERG MUNICIPALITY: MR D NASSON
THE MUNICIPAL MANAGER, DRAKENSTEIN MUNICIPALITY: DR J LEIBBRANDT
THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MS G METTLER
THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR D McTHOMAS
THE MUNICIPAL MANAGER, LANGEBERG MUNICIPALITY: MR A DE KLERK
THE MUNICIPAL MANAGER, OVERBERG DISTRICT MUNICIPALITY: MR P OLIVER (ACTING)
THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR J JONKERS
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: MR D O'NEILL
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR E PHILLIPS
THE MUNICIPAL MANAGER, SWELLENDAM MUNICIPALITY: MR A GROENEWALD
THE MUNICIPAL MANAGER, GARDEN ROUTE DISTRICT MUNICIPALITY: MR M STRATU
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THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR H VISSER (ACTING)
THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: MR C PUREN (ACTING)
THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: DR M GRATZ (ACTING)
THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR W HENDRICKS (ACTING)
THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR N MAREDI (ACTING)
THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MR J JACOBS (ACTING)
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THE CHIEF FINANCIAL OFFICER, LANGEBERG MUNICIPALITY: MR M SHUDE
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THE CHIEF FINANCIAL OFFICER, THEEWATERSKLOOF MUNICIPALITY: MR D LOUW
THE CHIEF FINANCIAL OFFICER, OVERSTRAND MUNICIPALITY: MS S REYNEKE-NAUDÉ
THE CHIEF FINANCIAL OFFICER, CAPE AGULHAS MUNICIPALITY: MR H VAN BILJON
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THE CHIEF FINANCIAL OFFICER, GARDEN ROUTE DISTRICT MUNICIPALITY: MR J DE JAGER
THE CHIEF FINANCIAL OFFICER, KANNALAND MUNICIPALITY: MR C CLAASEN (ACTING)
THE CHIEF FINANCIAL OFFICER, HESSEQUA MUNICIPALITY: MS H VILJOEN
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THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR D SAVAGE)
THE DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES (DR R HAVEMANN)
THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MS J GANTANA)
THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (DR R HAVEMANN) (PRO TEM)
THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS A PICK)
THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (MR S KENYON)
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THE DIRECTOR: INFRASTRUCTURE (MR K LANGENHOVEN)
THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR F SALIE)
THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR M BOOYSEN)
THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR T NTSHINGILA)
THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR I TSIE)
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THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS T VAN DE RHEEDE)
THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK) (PRO TEM)
THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)
THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS N ISMAIL)
THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A MAZOMBA)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT

THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT

THE CHIEF DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS – NATIONAL TREASURY (MR J HATTINGH)

THE CHIEF DIRECTOR: MFMA IMPLEMENTATION – NATIONAL TREASURY (MR TV PILLAY)

INTERIM ARRANGEMENTS FOR THE MUNICIPALITIES AND MUNICIPAL ENTITIES AS IT RELATES TO PREFERENTIAL PROCUREMENT FOLLOWING THE CONSTITUTIONAL COURT JUDGMENT DECLARING THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017 INVALID

1. PURPOSE

1.1 The purpose of this circular is to share with accounting officers of municipalities and municipal entities the interim strategy put in place post the recent Constitutional Count judgment concerning the

validity of the Preferential Procurement Regulations, 2017, for the Western Cape Government (WCG) as endorsed by Provincial Cabinet on 09 March 2022. A copy of the Provincial Interim arrangements PT Circular 07/2022 is attached herewith marked **Annexure A**.

1.2 To provide guidance and recommendations in respect of the interim arrangements for municipalities and municipal entities, as it relates to Preferential Procurement in terms of the Preferential Procurement Policy Framework Act (Act No. 5 of 2000) given the recent Constitutional Court judgment declaring the Preferential Procurement Regulations, 2017 invalid.

2. BACKGROUND

2.1 On Wednesday,16 February 2022, the Constitutional Court handed down judgment in the application for leave to appeal against a judgment and order of the Supreme Court of Appeal (SCA). This application was brought by the National Minister of Finance ("the Minister") against Afribusiness NPC, and concerns the validity of the Preferential Procurement Regulations, 2017 ("Procurement Regulations" as referred to in the judgment) promulgated by the Minister on 20 January 2017, in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000 ("Procurement Act" as referred to in the judgment).

2.2 The SCA held that the Minister's promulgation of regulation 3(b) (determining whether pre-qualification criteria are applicable to the tender as envisaged in regulation 4), regulation 4 (pre-qualification criteria for preferential procurement) and regulation 9 (subcontracting as a condition of tender) of the Procurement Regulations was unlawful.

2.3 Due to the interconnectedness of the regulations, the SCA declared the entire Procurement Regulations invalid on the basis that the content of the Regulations exceeded the Minister's power on what could permissibly be regulated on in terms of section 5 of the Procurement Act and section 217 of the Constitution. The declaration of invalidity was suspended for 12 months which ended 02 November 2021.

2.4 The declaration of invalidity was suspended for 12 months which accordingly ended 2 November 2021. The matter was then heard by the Constitutional Court where the majority judgment dismissed the appeal against the SCA judgment. The majority judgment was silent on the question of remedy and did not address the specific issue of the status of the SCA's order of suspension. The minority judgment addresses the issue at footnote 28, where it asserts that "the period of suspension expired on 02 November 2021". The Constitutional Court hence in both its majority and minority judgments technically did not address the issue of suspension in the body of their orders.

2.5 In response, the National Treasury has indicated that the national Minister has on an urgent basis on 4 March 2022, sought confirmation from the Constitutional Court whether or not the invalidity of the Procurement Regulations has been and continues to be suspended. Confirmation is sought by way of declaration, variation and/or clarification. *In other words, guidance is required as to whether the Procurement Regulations remain valid until 15 February 2023, unless repealed sooner.* The Constitutional Court has subsequently issued a directive that the last date for parties to file papers in this matter is 25 March 2022.

2.6 The National Treasury has in the interim (whilst seeking guidance from the Court on the date of invalidity of the regulations), issued a letter on 25 February 2022 (attached hereto marked **Annexure B**) indicating that whilst awaiting the outcome of guidance from the Constitutional Court, organs of state are advised that:

a) tenders advertised before 16 February 2022 be finalised in terms of the PPPFR,2017;
b) tenders advertised on or after 16 February 2022 be held in abeyance; and

c) no new tenders be advertised.

2.7 The National Treasury subsequently on 03 March 2022 (attached hereto marked **Annexure C**) issued a further letter indicating in summary that:

a) the advice provided on 25 February 2022 excluded procurement with a Rand value less than R30 000 obtained through price quotations;

b) regulations will be issued providing for the thresholds for the points system. Note that draft regulations in this respect were subsequently issued on 10 March 2022, with the comment period closing on 11 April 2022;

c) until the new regulations take effect that organs of state may in terms of section 3 (c) of the Act, request an exemption from the provisions of the Act for a specific procurement or category of procurement requirements limiting this to procurement that cannot await the new regulations or Constitutional Court's guidance.

2.8 It must be noted that the above letters do not have any binding effect in law, given that the format and content of the letter is advisory in nature and is not issued under any authority contained in the Municipal Finance Management Act (No. 56 of 2003) or otherwise. However, the letter has now been issued to all organs of state and hence there is an obligation to assess the impact of the requirements to determine whether and to what extent the letter should be applicable to procuring institutions given that the Auditor-General of South Africa may audit all subsequent procurement based on this advice.

2.9 It must be noted that whilst the judgment has been welcomed and supported by the WCG it has left a *lacuna* as it relates to value thresholds and the evidence burden to claim preference points. These matters can only be prescribed via regulations by the National Minister and the entire regulations have now been declared invalid. This also removes the thresholds and evidence burden to claim points via the preference points system, despite this not being in dispute.

3. RISKS FOR THE MUNICIPALITIES AND MUNICIPAL ENTITIES

3.1 The primary risks for municipalities due to the *lacuna* created by the court ruling include the following:

- Increase in Irregular expenditure;
- Delivery of critical municipal service;
- Delays in procurement processes;
- Audit risks, non-compliance, and interpretation challenges;
- NT not responding or approving exemption timeously or at all;
- Impact on future budgetary allocations for the 2022/23 financial year;
- Legal implications for municipalities
- Some tenders for the period will be dealt with in terms of preference and the exempted ones not; and
- Possibility of supplier litigation risks from aggrieved suppliers who will have grounds for the municipalities applying regulations that have been declared unconstitutional with higher chances of success.

3.2 The issuance of both the National Treasury advisory letters creates significant risks for municipalities should procurement not proceed as intended. This will impact directly on service delivery and the ability to spend on both the current and forthcoming financial year's budget as planned for in terms of procurement planning and budget planning initiatives. This will be to the detriment of the communities within the local sphere of government, as it will result in the non-delivery of goods, services and infrastructure and potentially also derogate their Constitutional rights.

3.3 Municipalities and municipal entities inability to spend their budgets will result in significant under expenditure, that may have future budgetary implications, albeit not within the control of the municipal manager.

3.4 It must also be noted that procurement has already been impacted by COVID-19 where municipalities and municipal entities could not procure the goods or services as originally planned for and hence certain procurement processes were delayed or put on hold for a later date.

3.5 This is exacerbated further by the uncertainty on whether or not the court will extend the suspension of invalidity, and when this clarification will be made. If indeed it does provide clarity that the suspension of invalidity has not been extended, then the *lacuna* persists up until such time that the national Minister issues replacement Procurement Regulations.

3.6 It is therefore critical that municipalities and municipal entities puts in place their own interim arrangements to mitigate the risk of non-delivery, underspending and the impact on citizens that any moratorium on procurement will create, even if only for a short period. These interim arrangements will also provide risk mitigation coverage for municipal managers, will enable synergy in decision-making and ensure that there is consistent application across the board when accounting officers are exercising their obligations.

4. INTERIM ARRANGEMENTS FOR THE MUNICIPALITIES UP UNTIL THE NEW REGULATIONS COMES INTO EFFECT

4.1 The national Minister is obligated to issue regulations in terms of section 2(1) of the Preferential Procurement Policy Framework Act, to prescribes the value thresholds that apply to the preference point system. Section 2 (1) states that:

"(a) A Preference point system must be followed;
(b) (i) for contracts with a Rand value above a prescribed amount a maximum of 10 points may be allocated for specific gods as contemplated in paragraph (d) provided that the lowest acceptable tender scores 90 points for price;
(ii) for contracts with a Rand value equal to or below a prescribed amount a maximum of 20 points may be allocated for specific gods as contemplated in paragraph (d) provided that the lowest acceptable tender scores 80 points for price"

4.2 The National Treasury published draft regulations for public comment on 10 March 2022, with the comment period closing on 11 April 2022 **(attached as Annexure D).** It must however be noted that these draft regulations are not at present applicable and will only be formally gazetted after the period for public comment has closed. Hence in the absence of the Regulations the interim arrangements articulated hereunder may be considered for adoption by municipalities to manage their procurement needs up until the new Regulations are formally issued or clarity is provided by the Constitutional Court.

4.3 After an extensive consultations process with key stakeholders including the Provincial Cabinet, Legal Services in the Province and other stakeholders to determine an interim way forward that would mitigate the risks, municipalities and municipal entities should consider adopting the following interim measures to manage their own delivery risks. Such interim arrangements must be approved by Council of each municipality:

a) Municipalities and municipal entities should maintain the status quo and apply the Preferential Procurement Policy Framework Regulations, 2017(PPPFR) up until such time as the Constitutional Court clarifies the applicable date of the invalidity of said Regulations, or new Procurement Regulations come into effect.
b) use the pre-existing points system with thresholds and associated formulas as per the PPPFR, 2017 i.e., 80/20 preference point system for procurement with a rand value equal to or above R30 000 up to R50million and the 90/10 preference point system for procurement above R50million (all applicable taxes included);

c) use the pre-existing mechanism to address the evidence requirements as it relates to the allocation of points for preference i.e., B-BBEE certificates and affidavits given that these matters were not in dispute and will be covered by the new National Treasury regulations;
d) sub-contracting requirements as contemplated in the 2017 Procurement Regulations have also been declared as invalid. However, the cidb prescripts/ regulations in terms of empowerment impact assessments may still be concluded and sub-contracting as per the cidb prescripts/ regulations in terms of the different cidb contracts may still be used in terms of the different contracting models for construction-related bids; and
e) the status quo in terms of the advertisement and evaluation and awarding of quotations below R30 000 to be maintained.

4.4 In respect of NT's letter issued on 25 February 2022, it is thus proposed that municipalities, subject to Council approval, adopt the following approach:
a) tenders advertised **before 16 February 2022** must be finalised in terms of the Procurement Regulations;
b) tenders advertised **on or after 16 February 2022** must be evaluated as intended given the municipality's interim arrangements to maintain the status quo in terms of the PPPFR, 2017; and
c) in order to mitigate the risks for municipalities and municipal entities as articulated above, accounting officers may proceed with the advertisement of new bids (including quotations) as intended and apply the interim arrangements as it relates to the evaluation of bids as articulated above.

4.5 The most viable and least disruptive approach in the procurement system would be to maintain the status quo and that is to continue applying the 2017 Preferential Procurement Regulations, 2017, up until such time as the Constitutional Court has clarified the date at which the regulations are invalid.

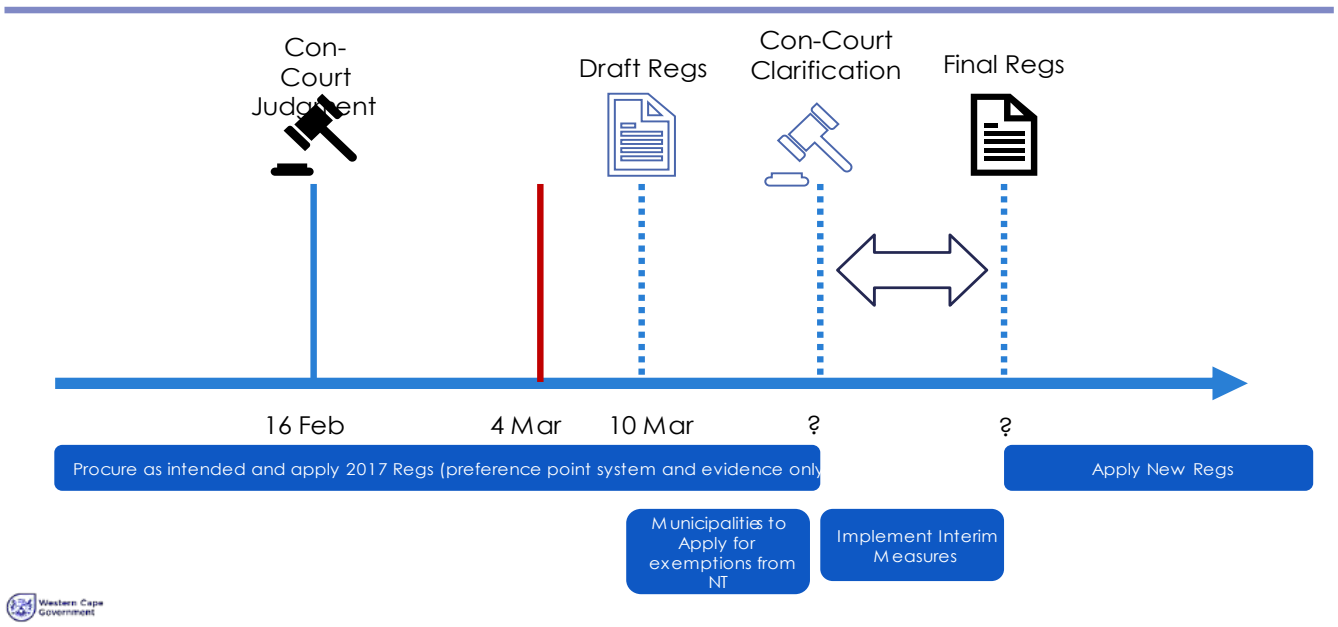
4.6 Accounting Officer of municipalities and municipal entities may, at their own discretion, apply these interim measures and revise their current policies to be tabled before Council for approval and implementation.

4.7 Accounting Officers also need to take cognisance of where SCM policies were approved by Council with the pre-qualification and local production and content requirements, it should be retracted and amended accordingly before final approval by Council.

4.8 It should be noted that municipalities and municipal entities may apply for an exemption from the national Minister of Finance from section 2 (1)(b) – (g) and subsection 2 of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) up until National Treasury issues new regulations to the Act, and to the extent that they meet the exemption requirements in terms of section 3 of the PPPFA. A decision to apply for exemptions should be considered in the context of the risk that the suspension of the invalidity of the regulations will not be granted by the court up until the new regulations are issued and come into effect.

4.9 The abovementioned interim arrangements are depicted diagrammatically hereunder in Illustration 1 for ease of reference of the requirements:

Illustration 1:



4.10 Municipalities and municipal entities may approach the National Treasury and the Auditor-General (AG) for approvals and concurrence, where necessary with their approach. This must be understood in the context of the PPPFA providing for organs of state to determine their own Preferential Procurement Policies and for the National Treasury to determine the threshold values and the calculations associated with the application of preferences.

5. SUPPORT TO MUNICIPALITIES TO SPEED UP THE RESPONSE TIME DURING THE PROCUREMENT PROCESSES

5.1 The Provincial Treasury will provide the following support to municipalities and municipal entities:

a) Procurement assistance and guidance via its helpdesk;
b) Partnerships with municipalities in liaising with the Office of the Chief Procurement Officer and the Auditor-General of South Africa as and when required;
c) Regular engagements via the municipal CFO and SCM Fora; and
d) Provide support in respect of SCM Communication of audit findings (Comaf) as and when required.

5.2 In order to be more responsive and to provide timeously response to municipalities enquiries, kindly direct all enquiries to the PT Supply Chain Management HDMFMA Helpdesk function via the following email address: SupplyChainManagement.HDMFMA@westerncape.gov.za.

5.3 The Provincial Treasury will re-assess the situation and the direction provided in this Circular once the Constitutional Court direction has been received via the National Treasury/ or the new Regulations are formally issued and take effect.

5.4 Further guidance will be issued by the Provincial Treasury should any supervening communication or action be taken by the National Treasury or by way of Court direction require that the interim arrangements be reviewed.

6. REQUEST

6.1 Municipalities and municipal entities may be guided by the policy stance taken by the Province to mitigate their service delivery risks;

6.2 A risk assessment of the approach utilised by the Province should be undertaken by each municipality and municipal entity to assess the viability to implement similar measures as the Province

6.3 Municipalities and municipal entities should record all risks, impacts on service delivery and budgetary implications as part of their record of decision and keep this as evidence for audit purposes.

6.4. Municipalities and municipal entities must note that any interim measures taken must be adopted by their Council.

DAVID SAVAGE
HEAD OFFICIAL: PROVINCIAL TREASURY

11.4	**HUMAN SETTLEMENTS: (PC: CLLR J FASSER)**

NONE

11.5	**INFRASTRUCTURE SERVICES : (PC : CLLR Z DALLING (MS))**

11.5.1	**UTILISING AN INDEPENDENT POWER PRODUCER (IPP) TO GENERATE ELECTRICITY FOR STELLENBOSCH MUNICIPALITY**

Collaborator No: **726787**
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **23 March 2022 and 30 March 2022**

1. SUBJECT: UTILISING AN INDEPENDENT POWER PRODUCER (IPP) TO GENERATE ELECTRICITY FOR STELLENBOSCH MUNICIPALITY

2. PURPOSE

To inform council about the investigation launched by the Western Cape Government (WCG) municipal electricity11 resilience initiative to perform two pioneering projects to produce electricity within Stellenbosch, pioneering project 2, and pioneering project 5.

3. DELEGATED AUTHORITY

For consideration by Municipal Council

4. EXECUTIVE SUMMARY

Based on the assessment, as part of the MER Initiative, (including at least technical, financial, regulatory) two energy projects were selected and are proposed for implementation in collaboration with Stellenbosch Municipality. The value for money and affordability assessment indicated that the average cost of sale for implementing the new generation capacity projects will be lower than the current average cost of supply.

The MER Programme is an initiative of the Western Cape Government to assist municipalities in the Western Cape to achieve energy resilience, and thereby, contributing to alleviating the plight of load shedding and, furthermore, promoting the use of electricity generated from renewable energy sources. Stellenbosch Municipality identified the impact of the shortage of nationally available electricity and wishes to investigate and implement measures to lower the shortage of electricity and negate the need for load shedding. Stellenbosch Council commenced with the process of generating Alternate Electricity in order to counter the effect of Loadshedding. One of the possible projects identified as part of Alternative Energy for Stellenbosch stated: “Purchasing electricity from Independent Power Producers (IPPs).

The MER initiative followed a structured process to select candidate municipalities. Stellenbosch municipality is one of the MER candidate municipalities. The MER initiative followed a structured approach to identify potential pioneering projects. This included a Request for Information (RFI) process for private project developers and municipal developed projects. Two pioneering projects were evaluated and selected

to a pre-feasibility level with Stellenbosch Municipality. These 2 pioneering projects were identified and assessed and reported in the Energy Projects Report. No absolute constraints to the viability of the projects were identified at the pre-feasibility level. The implementation plan for the 2 pioneering projects with Stellenbosch municipality were developed and HR & Institutional capacity evaluated as reported in the Pioneering Projects Roadmap.

Pioneering Project 2 was found to be acceptable by the Municipality and it is proposed that this project be immediately commenced with. Pioneering Project 5 would however need further evaluation to determine its viability and effectiveness

5. RECOMMENDATIONS

(a) that Council notes the investigation launched by the Western Cape Government, Municipal Electricity Resilience Initiative Attached as **ANNEXURE A**;

(b) that Council notes the two Pioneering Projects proposed for Stellenbosch Municipality namely:

i). Pioneering Project 2: Stellenbosch Municipality Solar PV project

ii) Pioneering Project 5: Joint Municipality Generation Project

(c) that in terms of Pioneering Project 2, Council approves the setting up and issuing of a Request for Proposals (RFP) tenders to call for proposals from suppliers, to build multiple generating facilities and supply electricity to Stellenbosch up to a combined level of 51MW;

(d) that all relevant process works as prescribed by Section 34 of the Electricity Regulation Act, Act 4 of 2006, as well as associated regulations, as amended, be commenced with up to the level prescribed, in addition to those already commenced with by the CSIR;

(e) that, after further deliberation with the MER team and participating municipalities, a further report be submitted to Council to report on the feasibility and legal framework of Pioneering Project 5 where a number of Municipalities is proposed to jointly establish a process to purchase electricity from one or a number of Independent Power Producers; and

(f) that it be endeavoured to also purchase electricity to cover the daily, weekly and seasonal requirements of Stellenbosch Municipality in its objective to be able to reduce the necessity to Load Shed during periods of reduced supply from Eskom.

6. DISCUSSION / CONTENTS

6.1 Background

Council commenced with the process of generating Alternate Electricity in order to counter the effect of Loadshedding. Stellenbosch Municipality to commence with the investigation to generate at least sufficient electricity such that loadshedding up to Level 2 will have no impact on the business of Stellenbosch Consumers.

6.1.1 Stellenbosch Municipality concluded two MOUs with:

a. University of Stellenbosch (US) and the Council of Scientific Industrial Research (CSIR) of SA

b. Western Cape Government's Municipal Electricity Resilience (MER) team

6.1.2 In terms of the MOU with US & CSIR the following projects were launched

a. Feasibility Study for Rooftop Solar generation (US) - completed

b. Energy Master Plan Investigation (CSIR) – in progress

c. Energy Storage (US) – in progress

6.1.3 In terms of the MER investigations the following were completed by the MER and other entities:

a. Pre-Feasibility Study into the possibility of Alternative Electricity Generation within Stellenbosch Municipal Electricity Control areas

b. Pre-Feasibility and Feasible study exercises on Rooftop PV installations done by the University of Stellenbosch.

6.1.4 The next steps will be followed:

a. To call for a Request for Proposals (RFP) from prospective service providers to install, operate and sell electricity to Stellenbosch Municipality in a predetermined minimum amount of generation at several points on the municipal network and the total of which, not to exceed 51MW.

b. Tenders to be inclusive of the process of only purchasing energy from such a provider or set of providers. The manufacturing and operations is to be for the account of the provider.

c. The Tenderers will comply with all legislation pertaining to the Generation of Electricity via a Solar PV format, which shall include, but not be limited to, all matters pertaining to registering an Independent Power Producer, and associated matters as prescribed by the Electricity Regulation Act (ERA)

d. The action of selling electricity will be done under the provision of a Power Purchase Agreement as is to be established as per the requirements of the ERA.

e. MFMA Section 33 process to be followed since the purchasing of energy from such suppliers is seen to be for longer than 3 years and up to a period of 20 years.

f. Drawing up of a contract and negotiating such a contract as is required by the MFMA, which is to be approved by Council in Draft form, prior to commencing with the full MFMA Section 33 process of public participation, National Government Department Participation and a full Financial Viability Exercise.

6.2. Discussion

6.2.1 SANITISED EXECUTIVE SUMMARY OF THE MER REPORT

Sanitised:- Sensitive detail pertaining to other participating municipalities, have been removed from the original report. Full reports are available on request from the Directorate.

(Full Sanitised Version attached as **ANNEXURE A**)

The MER Programme is an initiative of the Western Cape Government to assist municipalities in the Western Cape to achieve energy resilience, and thereby, contributing to alleviating the plight of load shedding and, furthermore, promoting the use of electricity generated from renewable energy sources. Through the MER Programme the Western Cape Province ultimately seeks to contribute towards the achievement of the outcome to improve energy resilience with a target of an additional nominal capacity of 500 MW of lower carbon electricity implemented in the Western Cape province within 5 years.

During June and July 2021, the Western Cape Government undertook a Request for Information (RFI), soliciting information, from both municipalities and private sector developers, about electricity generation projects they may contribute to the generation of electricity for purchasing by Municipalities. Following an assessment of the responses to this RFI, the Western Cape Government selected five Pioneering Projects, namely, solar photovoltaic and/or wind projects in the Drakenstein Local Municipality, solar photovoltaic projects in each of Stellenbosch Local Municipality, Mossel Bay Local Municipality and Saldanha Bay Local Municipality, and a multi-jurisdictional utility project to serve the consolidated load demand in these four selected Candidate Municipalities (Pioneering Projects).

The Energy Projects Report seeks to address, amongst other matters, the following:

- to determine the potential load demand within the selected Candidate Municipalities.
- to identify substations within these municipalities where there is spare capacity to connect new renewable energy electricity generation and to assess the maximum potential capacity at these substations.
- to identify representative sites within these municipalities so as to determine the potential energy generation for each of the Pioneering Projects. It is to be noted that it was not the intention to select a specific site for locating an electricity generation project, but merely a site, in proximity to the substations, so as to assess the potential generation.
- to determine a cost of electricity generated for each Pioneering Project, including capital and operating expenditure and the cost of financing the project.
- to assess the municipalities' financial capacity to enter into a long-term power purchase agreement, in terms of each of their capacities as a buyer of electricity from an IPP; and
- to identify the key milestones from technical, financial, legal and economic development perspectives so as to inform an Energy Projects Implementation Roadmap.

From our assessment of the five Pioneering Projects, we note that none of the projects are absolutely constrained resulting in such a project being excluded from further consideration. We do, however, note that there are significant constraints on the spare capacity available at the substations limiting the overall capacity to procure new electricity generation by the Candidate Municipalities. Furthermore, we note that the Drakenstein Local Municipality have fiscal constraints which may further limit its financial capacity to enter into a long-term power purchase agreement. We have recommended further studies, as part of the Energy Projects Implementation Plan, to assess the impacts of these constraints. Consequentially, the outcome of these, and other further studies, may have a bearing on the decision as to which of the five Pioneering Projects are selected by the Western Cape Government, in consultation with the Candidate Municipalities, to continue into feasibility study phase of the MER Programme.

We summarise in the table below our assessment of the maximum new generation capacity that one may expect to procure through each of the Pioneering Projects. We also provide an indicative price of the electricity through such a procurement process – where through a properly structured procurement programme these indicative prices may indicate the upper end of a range of prices.

Description	Municipality	Combined
Off-taker	Stellenbosch Municipality	All selected Candidate Municipalities
Technology	Solar PV	Solar PV
Maximum capacity that can be procured	51,22 MW	204 MW1
Indicative price per MWh	626	535

We, therefore, recommend that all five Pioneering Projects be considered for inclusion in the next phase of the MER Programme – the Energy Projects Implementation Roadmap.

After Investigation to the viability of the largest generation the following table was generated.

Table 5: Summary of key technical considerations in relation to Stellenbosch Municipality

Municipality	**Largest municipal POS**	**Estimated capacity at largest POS**	**Aggregate capacity for all POS's (PV generation)**
Stellenbosch	Stellenbosch Devon Valley Substation	37,0 MVA	51,2 MVA

In terms of the maximum electricity that could be injected into the electricity grid of the Stellenbosch Municipal Electricity Network it is found that Stellenbosch could cater for a generation capacity peak of 37MVA at the largest point of supply, or Stellenbosch could have various intake points on its three networks, the total of which must not be larger than 51.2MVA.

The largest would be possible to inject near the Eskom/Devon Valley Main substation. It is close to various open grounds for the construction of PV Solar generation. The Devon valley substation would have the ability to absorb this energy and transfer this to the Stellenbosch networks along a network that is already suitable for this supply.

The injection of 37MVA would be equivalent of the absolute maximum simultaneous maximum demand of 75MVA which would then be 49% of the maximum demand of Stellenbosch usage, but would of course be available only during day time unless storage is used to transfer this to night time.

The storage feasibility is currently being addressed by US. Should various injection points be sought then the maximum energy that would be able to be injected would be 51MVA or then 68% of the maximum power needed by Stellenbosch at peak consumption.

The savings that Stellenbosch Municipality would see by buying electricity from this source instead of Eskom would be 7.4%. Stellenbosch currently has a total annual budget to purchase from Eskom of R400 million. 7.4% of this would be a saving of R29.6 million at the current February 2022 tariffs.

6.3 Financial Implications

This report has financial implications to the municipality but will only become known once some assessments have been done. Listed projects may also have security of supply benefits as well as savings due to generating own electricity. Various budgets have been created for the projects mentioned above. An estimate is made that the cost of day time electricity could be reduced in the order of 5% per kWh.

6.4. Legal Implications

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

6.5. Staff Implications

No staff positions are affected at this point in time.

6.6. Previous / Relevant Council Resolutions

"*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"

6.7. Risk Implications

Risks such as sufficient electricity supply and proper funding balancing are being mitigated.

6.8. Comments from Senior Management:

6.8.1. Director: Infrastructure Services

WRITER OF REPORT

6.8.2. ***Director: Planning and Economic Development***

Accepted the report with no comment

6.8.3. Director: Community and Protection Services

No Comment

6.8.4. Director: Corporate Services

Commented. Adjustments were made related to comments.

6.8.5. Chief Financial Officer

Part of the Stellenbosch Alternate Energy Team.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-03-23: ITEM 7.5.1

(a) that Council notes the investigation launched by the Western Cape Government, Municipal Electricity Resilience Initiative Attached as **ANNEXURE A**;

(b) that Council notes the two Pioneering Projects proposed for Stellenbosch Municipality namely:

i) Pioneering Project 2: Stellenbosch Municipality Solar PV project

ii) Pioneering Project 5: Joint Municipality Generation Project

(c) that in terms of Pioneering Project 2, Council approves the setting up and issuing of a Request for Proposals (RFP) tenders to call for proposals from suppliers, to build multiple generating facilities and supply electricity to Stellenbosch up to a combined level of 51MW;

(d) that all relevant process works as prescribed by Section 34 of the Electricity Regulation Act, Act 4 of 2006, as well as associated regulations, as amended, be commenced with up to the level prescribed, in addition to those already commenced with by the CSIR;

(e) that, after further deliberation with the MER team and participating municipalities, a further report be submitted to Council to report on the feasibility and legal framework of Pioneering Project 5 where a number of Municipalities is proposed to jointly establish a process to purchase electricity from one or a number of Independent Power Producers; and

(f) that it be endeavoured to also purchase electricity to cover the daily, weekly and seasonal requirements of Stellenbosch Municipality in its objective to be able to reduce the necessity to Load Shed during periods of reduced supply from Eskom

ANNEXURES

Annexure A: Energy Projects Report: 1 November 2021

FOR FURTHER DETAILS CONTACT:

NAME	**Deon Louw**
POSITION	***Director Infrastructure Services***
DIRECTORATE	***Infrastructure Services***
CONTACT NUMBERS	***021 808 8213***
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REPORT DATE	***22 February 2022***

ANNEXURE A

Annexure A

Western Cape Government
Economic Development and Tourism

CONFIDENTIAL

WESTERN CAPE MUNICIPAL ENERGY RESILIENCE (MER) PROGRAMME (Sanitised)

ENERGY PROJECTS REPORT

1 NOVEMBER 2021

Final 3.1

J Maynard
Project Advisory | Development | Implementation | Management

BOWMANS

Royal HaskoningDHV
Enhancing Society Together

Title	MER Programme – Energy Projects Report
Reference	WCG-MER-S3-0004-EPR-v3.1F-20211101
Revision	Final 3.1
Status	Restricted
Date	18 March 2022

Originator	**Mike Fitzpatrick**
Designation	Lead Advisor
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Date	

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Signature	
Date	

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Designation	Director Energy (Green Economy)
Signature	
Date	

Amendments	Date	Notes

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GLOSSARY OF TERMS

Term	Description
Advisory Team	the team comprising J Maynard (South Africa) (Pty) Ltd, Bowman Gilfillan Inc. and RoyalHaskoning DHV (Pty) Ltd appointed pursuant to Tender No. EDT 008/20 for the appointment of an advisory team to render project development services for the MER Programme
Amended B-BBEE Codes of Good Practice	the amended B-BBEE Codes of Good Practice issued under Government Gazette No. 36928 on 10 October 2013 in terms of section 9(1) of the B-BBEE Act
B-BBEE Act	the Broad-Based Black Economic Empowerment Act No. 53 of 2003 as amended by the Broad-Based Black Economic Empowerment Act, No. 46 of 2014
B-BBEE Status Level	the B-BBEE level of any entity which is based on the overall performance of that entity, in respect of B-BBEE measured in terms of any applicable sector code and or the Amended B-BBEE Codes of Good Practice and demonstrated by the submission of a valid B-BBEE Verification Certificate
B-BBEE Verification Certificate	means: a) the B-BBEE Status Level verification certificate to be issued by a South African National Accreditation System accredited verification agency in terms of any applicable Sector Code and or the Amended B-BBEE Codes of Good Practice, as applicable; and b) in the case of Qualifying Small Enterprises and Exempted Micro-Enterprises, a sworn affidavit as contemplated in paragraphs 4 and 5 of Statement 000: General Principles and the Generic Scorecard of the Amended Codes of Good Practice, provided that such sworn affidavit is accompanied by a letter from a Chartered Accountant registered with the South African Institute of Chartered Accountants or an auditor registered with the Independent Regulatory Board for Auditors confirming the turnover, level of shareholding by Black People and indicating the B-BBEE Status Level of the particular entity
Black Person	a generic term that means African, Coloured, Indian or Chinese South African citizens, provided that such person who obtained South African citizenship (i) before 27 April 1994, or (ii) on or after 27 April 1994 and would have been entitled to acquire South African citizenship by naturalisation prior to that date, “Black People”, “Black Persons” and “Black Citizens” shall have a corresponding meaning
Black Women	Black Persons of the female gender and “Black Woman” shall have a corresponding meaning
Black Youth	Black People who are Citizens between the ages of eighteen (18) and thirty five (35) years, when entering a project

Term	Description
Business Case Report	the Business Case Report issued in final form on 10 August 2021
CA Regulations	the Civil Aviation Regulations published under Government Notice No.1219 in Government Gazette 18286 of 26 September 1997, under the Aviation Act 74 of 1962
Capital Cost to Total Operating Expenditure	the interest and capital paid on debt relative to total expenditure
Carbon Tax Act	the Carbon Tax Act 15 of 2019
CARA	the Conservation of Agricultural Resources Act 43 of 1983.
Citizens	people who have obtained South African citizenship by birth, descent or naturalisation in terms of the South African Citizenship Act, No. 88 of 1995
Constitution of the Republic of South Africa or "the Constitution"	the Constitution of the Republic of South Africa, 1996
COGTA Minister	a member of the Cabinet that is responsible for local government and tradition affairs
Customs and Excise Act	the Customs and Excise Act 91 of 1964
Debt Service Cover Ratio	measures the ability of the IPP to use its net operating income (i.e., revenue less operating expenditure) to cover its debt obligations (principal and interest amounts).
Debt Service Reserve Account	Typically used in limited or non-recourse project finance type structure which provides additional security to the lenders of a project. The lenders will require a debt service reserve account be set up as a reserve used to make debt repayments in the event there is insufficient cash flow to service debt repayment at any debt service repayment date. The debt service reserve account is generally required to keep a minimum balance at all times.
Debt to Revenue Ratio	debt (the aggregate of money borrowed both short- and long-term) relative to revenue (including the total operating revenue less conditional operating grants)
Designated Local Content	the minimum threshold for local production and content as determined by the *dtic*
Determination or Ministerial Determination	a determination issued by the Minister to determine that new generation capacity is needed, in terms of section 34 of the Electricity Regulation Act 4 of 2006

Term	Description
Deviation or Ministerial Deviation	an approval by the Minister of Mineral Resources and Energy for the deviation from the Integrated Resource Plan in terms of section 10(2)(g) of the Electricity Regulation Act 4 of 2006
Distribution Code	the set of documents titled RSA Distribution Code, version 6.1, published by NERSA in August 2019, as amended, modified, extended, replaced or re-enacted from time to time
Drakenstein	the Drakenstein Local Municipality
Economic Development	the economic development requirements including Local Content, Local Economic Development, and B-BBEE
Employment Equity	employment equity as contemplated in the Employment Equity Act 55 of 1998
Employee	a person engaged on the MER Programme, whether seconded to or employed directly in relation to such project activities and "Employment" and or "Employed" shall have a corresponding meaning
Energy Projects Report or the Report	this report
Exempted Micro Enterprise	a Measured Entity with an annual turnover of R10 million (ten million Rands) or less
Financial Close	the date on which an IPP, as a borrower under its financing agreements, has received confirmation that all suspensive conditions to the financing agreements have either been met to the relevant lender's satisfaction or have been appropriately waived by the lender, as stipulated in the finance agreements
Grid Code	either the Distribution Code or the Transmission Code, as the context requires
Implementation Roadmap	the third report in Phase 1 of the MER Programme
Imported Content	that portion of the price or component price represented by the cost of imported components and the cost of parts or materials which have been or are still to be imported
Integrated Resources Plan or IRP	an Integrated Resource Plan issued by the Minister
Integrated Resources Plan 2019 or IRP 2019	the Integrated Resource Plan (IRP2019) issued by the Minister of Energy under Notice No. 1360 dated 18 October 2019 in Government Gazette 42784, pursuant to the Electricity Regulation Act

Term	Description
Infrastructure Fund	the fund established pursuant to the memorandum of agreement entered into on 17 August 2020 between National Treasury, the Development Bank of Southern Africa and Infrastructure South Africa (in the Department of Public Works and Infrastructure)
Integrated Development	the Integrated Development Plan required in terms of Chapter 5 of the Municipal Systems Act
ISMO Bill	the Independent System and Market Operator Bill, 2012
Job	1 Person employed for 12 months
Job Creation	the creation of sustainable Jobs to assist members of the local population in securing sustainable employment. It should be noted that this would include both temporary and permanent employment opportunities that are created directly from a project
Local Community	the residents of the Municipality. "Local Communities" shall have a corresponding meaning
Local Community Ownership	Ownership by the Local Community in a Measured Entity
Local Content	the portion of the price or component price that is not included in the Imported Content, provided that local manufacturing takes place
Local Economic Development	is a collective term for the following elements: a) Ownership; b) Procurement and Subcontracting; c) Job Creation and Local Employment; d) Management Control and Employment Equity; e) Skills Development; and f) Socio-Economic Development
Management Control	the effective control of the management by reference to top management and senior management
Measured Entity	an entity which is subject to measurement in respect of any one or more of the Economic Development elements
Medium Term Strategic Framework	the Medium Term Strategic Framework 2019-2024
Megaflex	that TOU electricity tariff charged by Eskom to its urban customers with a notified maximum demand of greater than 1 MVA

Term	Description
MER Programme or MER	the Municipal Energy Resilience Programme, an initiative of the Department of Economic Development and Tourism in the Western Cape Government
Minister	the Minister of Mineral Resources and Energy
Mossel Bay	the Mossel Bay Local Municipality
Municipal Asset Transfer Regulations	the Municipal Asset Transfer Regulations published under Government Notice R878 in Government Gazette 31346 on 22 August 2008 under the MFMA
Municipal Finance Management Act or MFMA	the Local Government Municipal Finance Management Act 56 of 2003
Municipal Fiscal Act	the Local Government: Municipal Fiscal Powers and Functions Act 12 of 2007
Municipal Public Private Partnership Regulations or MPPP Regulations	the Municipal Public Private Partnership Regulations issued by the Minister of Finance under Notice No. 309 dated 1 April 2005 in Government Gazette 27431, pursuant to the Municipal Finance Management Act
Municipal Supply Chain Management Regulations or MPPP Regulations	the Municipal Supply Chain Management Regulations issued in accordance with the provisions of the MFMA
Municipal Systems Act or Systems Act	the Municipal Systems Act, 2000
Municipal Structures Act	the Local Government: Municipal Structures Act 117 of 1998
Municflex	that electricity tariff charged by Eskom to its a large municipality power users
National Development Plan	the National Development Plan 2030
National Spatial Development Framework	the National Spatial Development Framework 2019
National Building Regulations and Building Standards Act	the National Building Regulations and Building Standards Act 103 of 1977
National Energy Regulator of South Africa	the regulatory authority established as a juristic person in terms of Section 3 of the National Energy Regulator Act 40 of 2004
Net Present Value	the difference between the present value of cash inflows and the present value of cash outflows over a period of time

Term	Description
New Gen Regulations	the electricity regulations on new generation capacity published in terms of ERA in Government Notice R399 in Government Gazette 34262 of 4 May 2011
NMD	the Notified Maximum Demand and is a chosen maximum power demand at any point in time that has been agreed to between Municipality and the Supply Authority (usually Eskom)
Ownership	the effective rights of Ownership of shares in a Measured Entity specifically the Exercisable Voting Rights and Economic Interest in a Measured Entity
Person Month	an Employee working at least 8 hours per day, 5 days per week and 4 weeks per month
Pioneering Projects	those projects selected, based upon the assessment of the RFI responses, to consider further in this Report
POS substation	the point of supply substation in a municipality where Eskom supplies power to that municipality
Private Party	excludes— a municipality; a municipal entity; or an organ of state, including an institution listed in any of the Schedules to the Public Finance Management Act, 1999 (Act 1 of 1999)
Public Finance Management Act or PFMA	the Public Finance Management Act, 1999 and the regulations thereto
Preferential Procurement Policy Framework Act	the Preferential Procurement Policy Framework Act, 2000 and the regulations thereto
PPPFA Regulations	the Preferential Procurement Regulations published under Government Notice R32 in Government Gazette No. 40553 of 20 January 2017, in terms of section 1(iii)(f) of the Preferential Procurement Policy Framework Act
Request for Information	the request for information issued by the Western Cape Government on 11 June 2021 inviting respondents which have an interest in the MER Programme to provide information about their projects
RFI Assessment Report	the MER Programme RFI Assessment Report date on or about 10 August 2021
Qualifying Small Enterprise	a Measured Entity that qualified for measurement under the Qualifying Small Enterprise scorecard with a turnover of R10 million (ten million Rands) or more but not less than R50 million (fifty million Rands)

Term	Description
Skills Development	a skills development initiatives set out in the Learning Matrix of the Amended B-BBEE Codes of Good Practice
Small Scale Embedded Generator	an embedded generator with a generation capacity of up to 1000kVA (1MVA)
Socio-Economic Development	the initiatives carried out towards the promotion of access to the economy by previously disadvantaged individuals
SIDAFF Programme	the Sustainable Infrastructure Development and Finance Facility which is a part of the Sustainable Green Finance programme
Stellenbosch	the Stellenbosch Local Municipality
Terms of Reference	the Terms of Reference for the procurement of a service provider to provide Project Development Services for the Municipal Energy Resilience project in the Western Cape (Tender No. EDT008-20)
Transmission Code	the set of documents titled South African Grid Code, version 9.0, published by NERSA in July 2014, as amended, modified, extended, replaced or re-enacted from time to time
Treasury Regulations	the Treasury Regulations for departments, trading entities, constitutional institutions and public entities published by the Minister of Energy under Notice No. 1430 in Government Gazette 40445 of 25 November 2016, pursuant to the Electricity Regulation Act
Western Cape Government	the provincial government of the Western Cape Province
Wheeling Charge Rules	the Regulatory Rules on the Network Charges for Third-Party Transportation of Energy
White Paper on Energy	the White Paper on the Energy Policy of the Republic of South Africa, 1998

ACRONYMS

Term	Description
AC	alternating current
AMEU	the Association of Municipal Electricity Utilities
B-BBEE	broad-based black economic empowerment, as defined in the B-BBEE Act
c/kWh	cents per kilowatt-hour
CESA	the Consulting Engineers South Africa
CAA	the Civil Aviation Act 13 of 2009
CARA	the Conservation of Agricultural Resources Act 43 of 1983
CIPC	the Companies and Intellectual Property Commission
CoCT	the City of Cape Town Metropolitan Municipality
CoS	cost of supply
COGTA	the National Department of Cooperative Government and Traditional Affairs
CoUE	cost of unserved energy
DBSA	the Development Bank of Southern Africa
DC	direct current
DFFE	the Department of Forestry, Fisheries and Environmental Affairs
dtic	the Department of Trade, Industry and Competition
DMRE	the Department of Mineral Resources and Energy
DSCR	debt service cover ratio
DSRA	debt service reserve account
EIA	environmental impact assessment
ECA	the Electronic Communications Act 36 of 2005
ERA	the Electricity Regulation Act 4 of 2006

Term	Description
EPP	the Electricity Pricing Policy, published by the Minister of Mineral Resources and Energy under Notice No. 1398 in Government Gazette 31741 of 19 December 2008
Eskom	Eskom Holdings SOC Limited with registration number 2002/015527/30
EU	the European Union
EU ETS	the EU Emissions Trading System
FiT	feed-in tariff
GA	a general authorisation published in terms of section 39 of the NWA
GHG	greenhouse gas
GIFA	the Gauteng Infrastructure Financing Agency
IAS	an international accounting standard published by the International Accounting Standards Board
IEP	the Integrated Energy Plan, published by the Minister of Mineral Resources and Energy under Notice No. 1430 in Government Gazette 40445 of 25 November 2016, pursuant to the Electricity Regulation Act
IFRS	an international financial reporting standard published by the IFRS Foundation and the Accounting Standards Board
IGFA	the Intergovernmental Relations Framework Act 13 of 2005
IDC	the Industrial Development Corporation of South Africa
IPP	independent power producer
IDP	the Integrated Development Plan required in terms of Chapter 5 of the Municipal Systems Act
kVA	kilovolt-ampere, a measure of the instantaneous electrical power
kVARh	kilovolt-ampere reactive hour, a measure of the reactive power consumed in one hour
kWac	kilowatt-alternating current
kWh	kilowatt-hour, a measure of electrical power produced (or consumed) in one hour

Term	Description
kWp	kilowatt-peak, a measure of the peak electrical power produced by a solar photovoltaic panel
LCOE	Levelised cost of energy
MBM	the Mossel Bay Municipality
MEC	the Member of the Executive Council
MTSF	the Medium Term Strategic Framework 2019-2024
MRET	the municipal readiness evaluation tool developed by the Province in collaboration with GreenCape to assess municipal readiness to implement successful projects
MSPV	municipal special purpose vehicle
MOI	Memorandum of Incorporation
MPPP	a Municipal Public Private Partnership
MPRDA	the Mineral and Petroleum Resources Development Act 28 of 2002
MFMA	the Municipal Finance Management Act 56 of 2003
MVA	mega-volt amperes
MW	megawatt
MWac	megawatt-alternating current
NDP	the National Development Plan
NDSF	the National Spatial Development Framework 2019
NBRBSA	the National Building Regulations and Building Standards Act 103 of 1977
NERSA	the regulatory authority established as a juristic person in terms of Section 3 of the National Energy Regulator Act 40 of 2004
NCCRP	the National Climate Change Response White Paper
NEMA	the National Environmental Management Act 107 of 1999
NHRA	the National Heritage Resources Act 25 of 1999

Term	Description
NPV	net present value
NSP	network service provider
NTC	the Network Transmission Company, being Eskom
NWA	the National Water Act 36 of 1998
PCC	point of common coupling
PPA	power purchase agreement
PPP	public private partnership
PV	photovoltaic
QSE	a Measured Entity that qualified for measurement under the Qualifying Small Enterprise scorecard with a turnover of R10 million (ten million Rands) or more but not less than R50 million (fifty million Rands)
RE	renewable energy
REFIT	a renewable energy feed-in tariff
REIPP	the Renewable Energy Independent Power Producer Programme, the procurement programme undertaken by the IPP Office under mandate from the DMRE
RES	the regulation of electricity supply
RFI	the Request for Information
RFP	a request for proposal
SAICE	the South African Institution of Civil Engineering
SSEG	a small-scale embedded generator
SED	socio-economic development
SAGEN	the South African-German Energy Programme
SALGA	the South Africa Local Government Association
SAL Act	the Subdivision of Agricultural Land Act 70 of 1970
SBIDZ	the Saldanha Bay Industrial Development Zone

Term	Description
SCM	supply chain management
SPLUMA	the Spatial Planning and Land Use Management Act 16 of 2013
ToR	the Terms of Reference
ToU	time of use, being the time blocks based on the volume of electricity demand during high, mid and low demand periods and may differ per tariff
Province	the Western Cape Province
WCG	the Western Cape Government
WULA	a water use licence

EXECUTIVE SUMMARY

The MER Programme is an initiative of the Western Cape Government to assist municipalities in the Western Cape to achieve energy resilience, and thereby, contributing to alleviating the plight of load shedding and, furthermore, promoting the use of electricity generated from renewable energy sources. Through the MER Programme the Western Cape Province ultimately seeks to contribute towards the achievement of the outcome to improve energy resilience with a target of an additional nominal capacity of 500 MW of lower carbon electricity implemented in the Western Cape province within 5 years.

During June and July 2021 the Western Cape Government undertook a Request for Information (**RFI**) soliciting information, from both municipalities and private sector developers, about electricity generation projects they may under development. Following an assessment of the responses to this RFI, the Western Cape Government selected five Pioneering Projects, namely, solar photovoltaic and/or wind projects in the Drakenstein Local Municipality, solar photovoltaic projects in each of Stellenbosch Local Municipality, Mossel Bay Local Municipality and Saldanha Bay Local Municipality, and a multi-jurisdictional utility project to serve the consolidated load demand in these four selected Candidate Municipalities (**Pioneering Projects**).

The Energy Projects Report seeks to address, amongst other matters, the following:

- to determine the potential load demand within the selected Candidate Municipalities;
- to identify substations within these municipalities where there is spare capacity to connect new renewable energy electricity generation and to assess the maximum potential capacity at these substations;
- to identify representative sites within these municipalities so as to determine the potential energy generation for each of the Pioneering Projects. It is to be noted that it was not the intention to select a specific site for locating an electricity generation project, but merely a site, in proximity to the substations, so as to assess the potential generation;
- to determine a cost of electricity generated for each Pioneering Project, including capital and operating expenditure and the cost of financing the project;
- to assess the municipalities' financial capacity to enter into a long-term power purchase agreement, it each of their capacities as a buyer of electricity from an IPP; and
- to identify the key milestones from technical, financial, legal and economic development perspectives so as to inform an Energy Projects Implementation Roadmap.

From our assessment of the five Pioneering Projects we note that none of the projects are absolutely constrained resulting in such a project being excluded from further consideration. We do, however, note that there are significant constraints on the spare capacity available at the substations limiting the overall capacity to procure new electricity generation by the Candidate Municipalities. We have recommended further studies, as part of the Energy Projects Implementation Plan, to assess the impacts of certain constraints. Consequentially, the outcome of these, and other further studies, may have a bearing on the decision as to which of the five Pioneering Projects are selected by the

Western Cape Government, in consultation with the Candidate Municipalities, to continue into feasibility study phase of the MER Programme.

We also provide an indicative price of the electricity through procurement process – where through a properly structured procurement programme these indicative prices may indicate the upper end of a range of prices.

Description	Pioneering Project 2	Pioneering Project 5
Off-taker	Stellenbosch Municipality	All selected Candidate Municipalities
Technology	Solar PV	Solar PV
Maximum capacity that can be procured	51 MW	198 MW
Indicative price per MWh	626	535

We, therefore, recommend that all five Pioneering Projects be considered for inclusion in the next phase of the MER Programme – the Energy Projects Implementation Roadmap.

ENERGY PROJECTS REPORT FOR PIONEERING PROJECTS 1 TO 5

1 Introduction

1.1 The ongoing load shedding and the resulting negative economic impact, as well as a recognition of the need to move towards a lower carbon footprint for the electricity generation has led the Western Cape Government, in its Provincial Strategic Plan to prioritise the need for energy resource resilience and investment through promotion of "catalytic infrastructure".

1.2 The Western Cape Government: Provincial Strategic Plan for the period 2019-2024 contains five vision inspired priorities ("VIPs"). One of these VIPs relate to growth and jobs which in turn consists of a number of focus areas that include:

1.2.1 increasing investment in terms of which the Western Cape aspires to be a leading location for investment in Africa, through attracting investment in "catalytic infrastructure" and "securing energy supply" within the Western Cape Province, this focus area will be underpinned by "resource resilience"; and

1.2.2 creating an enabling environment for economic growth through resource resilience in terms of which the Western Cape Provincial Government will look to mitigate the challenges and impacts of climate change through use of "emission abatement and mitigation technologies" and to establishing an "energy-secure province" through "diversification of the regional energy mix".

1.3 The above focus areas are given further impetus in the DEDAT's Strategic Plan 2020-2025 which sets out its energy-related long-term strategic outcome to improve energy resilience with a target of an additional nominal capacity of 500 MW of lower carbon electricity implemented in the Western Cape province within 5 years.

1.4 The Municipal Energy Resilience (**MER**) Programme is an initiative of the Western Cape Government to assist municipalities in the Province to become energy resilient, with a view to contributing to alleviating the plight of load shedding and to promoting the generation by the municipalities of electricity and/or purchasing electricity generated by IPPs from renewable energy sources. Through the MER Programme the Western Cape Government seeks to contribute to the achievement of the outcome as set out in the DEDAT's Strategic Plan 2020-2025.

1.5 In June and July 2021 the Western Cape Government undertook a Request for Information (**RFI**) soliciting information, from both municipalities and private sector developers, about electricity generation projects they may under development. Following an assessment of the responses to this RFI, the Western Cape Government identified five projects within the selected Candidate Municipalities (the **Pioneering Projects**).

1.6 This Report is the second report, after the Business Case Report, in phase 1 of the MER Programme and it seeks to test for each of the five Pioneering Projects, at the level of a pre-feasibility study, the key technical, financial, legal and economic development considerations that will be used to inform the Western Cape Government, in consultation with the Candidate Municipalities, as to whether to take any of the Pioneering Projects into a feasibility study.

2 Structure of this Report

2.1 This Report has been structured as an introduction and background to the MER Programme to-date and an overview of the five Pioneering Projects, namely:

2.1.1 Sanitised

2.1.2 Sanitised;

2.1.3 Sanitised;

2.1.4 Solar photovoltaic projects in Stellenbosch; and

2.1.5 Solar photovoltaic and/or wind project(/s) contracted for through a multi-jurisdictional entity for Drakenstein, Mossel Bay, Saldanha Bay and Stellenbosch.

2.2 The main body of the Report provides the background to the MER Programme, the outcome of the assessment of the RFI responses, an overview of the renewable energy generation and electricity distribution in the Western Cape, an overview for each Pioneering Projects with the detail in respect of each such project being annexed to the Report.

3 Objectives of the MER Programme and the Business Case Report

3.1 We set out in the Business Case Report the strategic outcomes of the MER Programme, which we repeat below for sake of convenience.

3.1.1. Implementation of renewable energy in municipalities to improve energy resilience: development, support and capacity for municipalities to develop and procure own power generation projects, including but not limited to municipalities transacting directly with IPPs (independent power producers), where the energy-related strategic outcome is set with a target of 500 MW of lower carbon electricity being produced in the Western Cape within 5 years; and

3.1.2. Post-Covid19 economic recovery and resilience plan: resource resilience, investment, infrastructure.

3.2 In order to meet the stated strategic outcomes, the MER Programme was conceptualised to comprise three implementation phases:

3.2.1 Phase 1: Development of business cases, municipal evaluation, project identification and feasibility and the Pioneering Project roadmap;

3.2.2 Phase 2: Implementation of Pioneering Projects at selected Candidate Municipalities; and

3.2.3 Phase 3: Project implementation in municipalities across the Province,

with the scope of the Advisory Team being limited to Phase 1 only.

3.3 In the Business Case Report we also set out, amongst other matters, the four business cases for each of the utility-scale procurement from IPPs; the distributed generation at sub-utility-scale; SSEG at less than 1 MW; and large-scale battery storage.

3.4 A project selection process was prepared as part of the Business Case Report. This project funnel was loosely based upon the framework required for the preparation of a feasibility study [1]. In presenting the Business Case Report, the project funnel was represented, in a simplified form, as depicted in Figure 1 below.

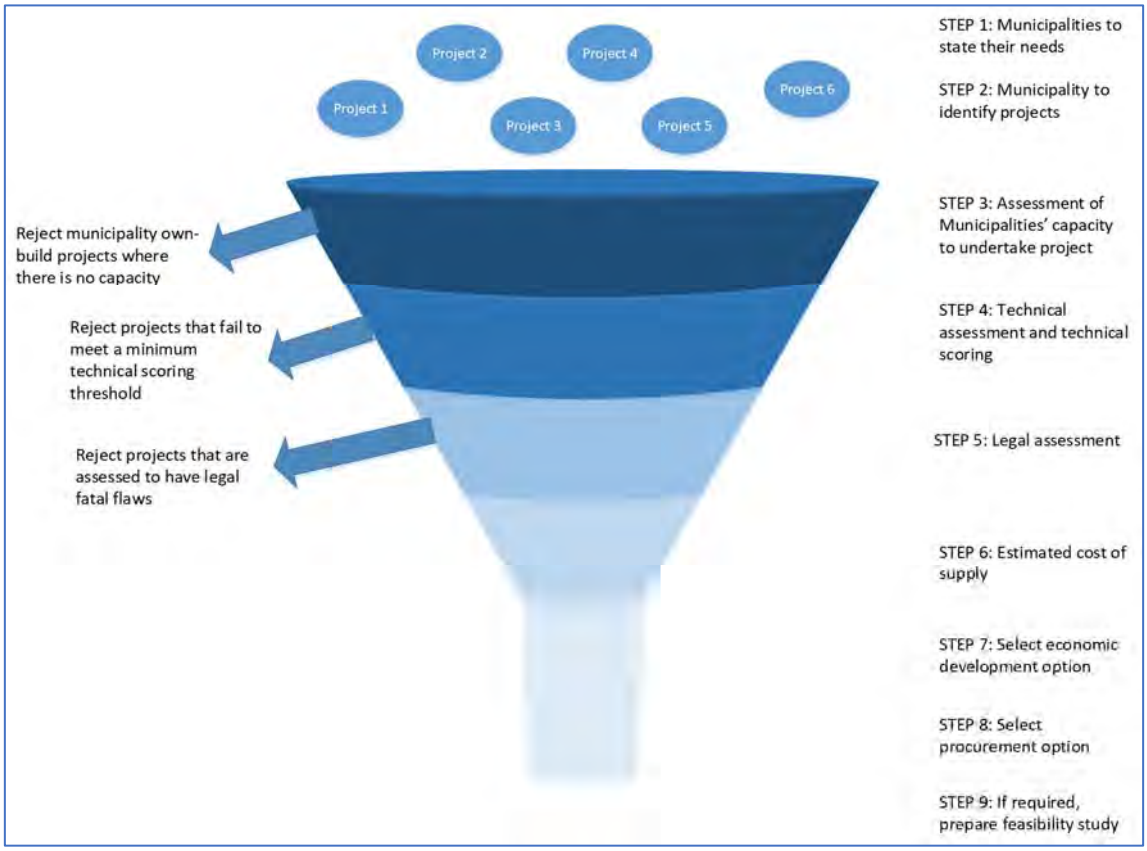


Figure 1: Project funnelling process

In seeking to employ this project funnel in this pre-feasibility study assessment stage of this Phase 1 of the MER Programme, we were faced with the following challenges:

- the municipalities had not fully determined their needs (other than identifying an electricity generation source that would provide electricity at a price cheaper than Eskom and providing greater resilience, so as to potentially assist in averting load shedding);

- the municipalities had not, in general, identified projects for selection as potential Pioneering Projects, or alternatively, where municipalities had identified projects for consideration as potential Pioneering Projects these projects were more conceptual in nature, rather than projects that may be considered for procurement.

3.5 Accordingly, the project funnelling process employed in this Energy Projects Report is a modified approach that has been adopted, based upon the outcome of discussions with the MER team. Importantly, one will note the inclusion of a RFI process – an RFI had been

1 Based upon the requirement that Regulation 5 of the NewGen Regs requires a municipality to prepare a feasibility study (addressed in the legal analysis in the Business Case Report)

incorporated into the funnelling process so as to: a) identify a long-list of projects which may be considered as potential Pioneering Projects, and b) identify a short-list of projects for consideration as potential Pioneering Projects. The modified approach to the project funnelling is depicted in Figure 2 below.



Figure 2: Modified project funnelling process
Source: J Maynard

3.6 Following the assessment of the RFI responses, the assessment of the short-listed potential Pioneering Projects will address those matters originally contemplated in the Business Case Report – the technical capacity assessment, the financial capacity assessment, the legal assessment and an assessment of the economic development alternatives. Each of these assessments is covered in this Energy Projects Report for each potential Pioneering Project.

4 Outcome of the Assessment of the Request for Information responses

4.1 The objectives of the RFI and the outcome of the assessment of the responses to the RFI were set out in the RFI Assessment Report.

4.2 Through the RFI, both the municipalities and private sector developers were invited to propose projects for consideration in the design of a possible procurement process for municipalities to procure renewable energy capacity. For those projects located in the Western Cape, a summary of the level of interest expressed by both private sector developers and municipalities is depicted in Figure 3 below; where the project numbers represent the unique project identifiers.

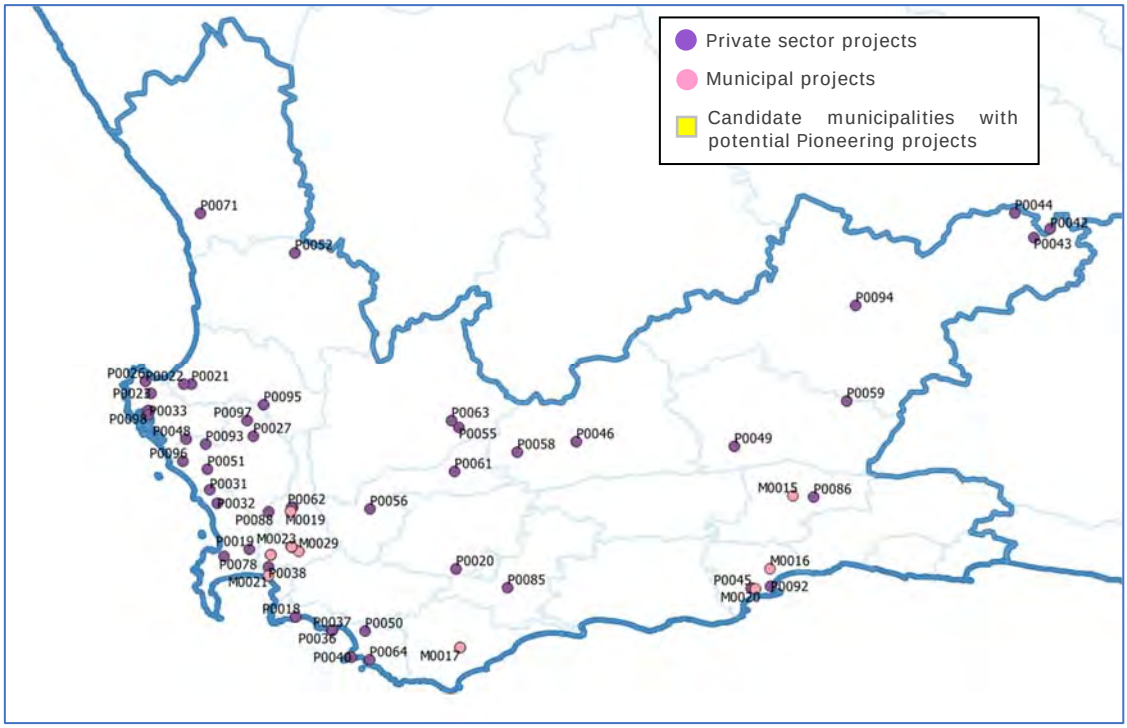


Figure 3: Graphical representation of private and municipal projects following the assessment of the RFI responses
Source: J Maynard

4.3 In respect of the private sector projects, where the respondents had identified either the location of the project or the preferred municipal offtaker, Table 1 below provides a summary of the technology, capacity (expressed in MW) and number of projects located in each of the Candidate Municipalities.

Municipality name	Solar Projects		Photovoltaic	Onshore Projects	Wind
	Capacity (MW)	# Projects		Capacity (MW)	# Projects
Stellenbosch	171	6		10	1
Total	**1258**	**32**		**996**	**11**

Table 1: Summary of private projects following the assessment of the RFI responses
Source: J Maynard

As indicated in Table 1 above, from the assessment of the RFI responses, the highest level of 'ready' projects [2] were assessed to have been submitted by private sector developers and, furthermore, the greatest interest from these private sector developers was expressed in the

2 Refer to the RFI Assessment Report for the description of a 'ready' project.

Candidate Municipalities of Drakenstein, Mossel Bay, Saldanha Bay and Stellenbosch. Based upon this table, it was recommended to pursue procuring potential solar photovoltaic Pioneering Projects in each of the aforementioned Candidate Municipalities, and in respect of Drakenstein only to consider both solar photovoltaic and wind projects, with a recommended fifth Pioneering Project addressing a 'pooled' power procurement approach for these four Candidate Municipalities [3].

5 Overview of the renewable energy generation and distribution sector in the Western Cape

5.1 From research undertaken by the CSIR, in 2020, 220,6 TWh of electricity was generated in South Africa from all generation sources [4]. The generation mix comprised coal, nuclear, diesel and gas and renewable energy generating plant. The country's fleet of renewable energy plant contributed 12,4 TWh, or 5,6%, of the total.

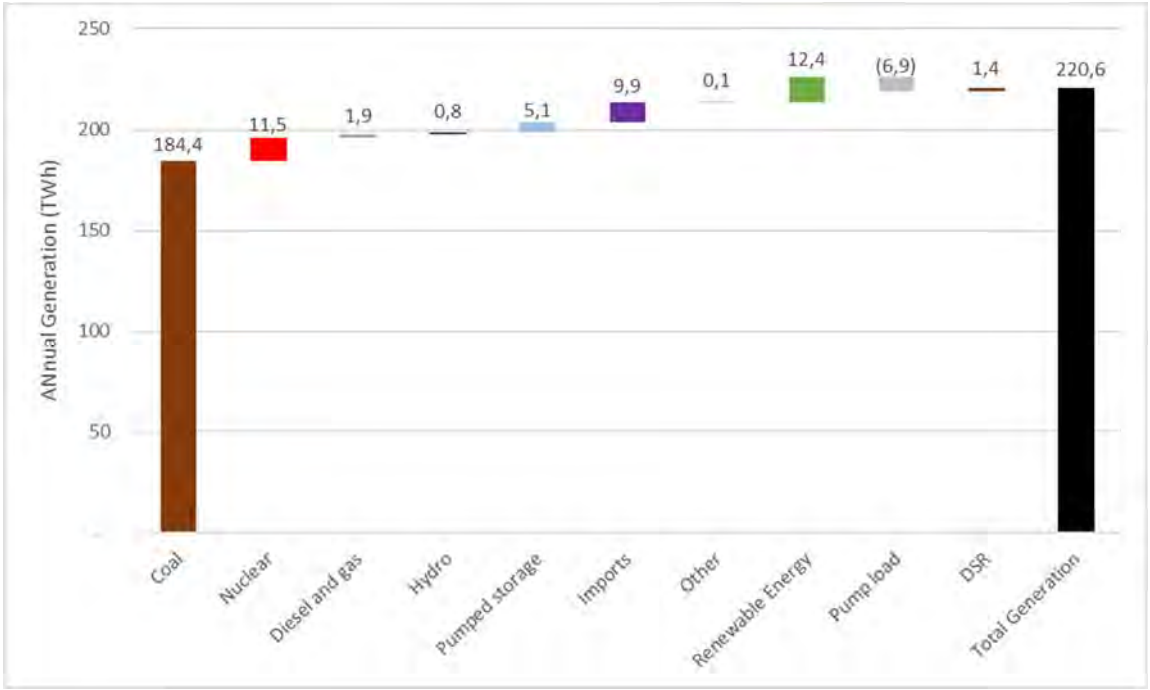


Figure 4: South Africa electricity generation mix (per CSIR study 2020)
Source: CSIR (with minor amendments)

5.2 Through 6 bidding rounds of the REIPPP Programme, some 5 250 MW of renewable energy generation capacity has been procured and is fully operational [5]. There are 11 renewable energy plant located in the Western Cape, excluding Eskom's Sere Wind Farm, that are currently operational – the total capacity of these plant is 592,1 MW (listed in Table 2 below) [6]. At full production it is estimated that these plant will generate approximately 1,97 TWh of electricity per annum [7].

3 The Terms of Reference for the Advisory Team required there to be five Pioneering Projects identified.
4 CSIR, Statistics of utility-scale power generation in South Africa in 2020, March 2021
5 IPP Projects retrieved on 7 October 2021 from https://ipp-projects.co.za/ProjectDatabase/
6 Ibid.
7 Using the average capacity factors reported by CSIR.

Project Name	Technology	Capacity (MW)	Local Community
Aurora-Rietvlei Solar Power	Photovoltaic Crystalline Fixed	8,9	Aurora
Dassieklip Wind Energy Facility	Onshore Wind	27,0	Caledon
Excelsior Wind Energy Facility	Onshore Wind	31,9	Swellendam
Gouda Wind Project	Onshore Wind	135,5	Gouda
Hopefield Wind Farm	Onshore Wind	65,4	Hopefield
Electra Capital - Paleisheuwel	Photovoltaic Crystalline Fixed	75,0	Clanwilliam
Perdekraal East	Onshore Wind	107,8	Touwsrivier
Slimsun Swartland Solar Park	Photovoltaic Crystalline Fixed	5,0	Malmesbury
Touwsrivier Project	Photovoltaic Crystalline-Dual Axis	36,0	Touwsrivier
Vredendal Solar Park	Photovoltaic Crystalline Fixed	8,8	Vredendal
Wind Farm West Coast 1	Onshore Wind	90,8	Vredenburg
TOTAL		**592,1**	

Table 2: Summary of IPP projects located in Western Cape
Source: IPP Office

The location of the renewable energy plant is depicted in the Figure 5 below.

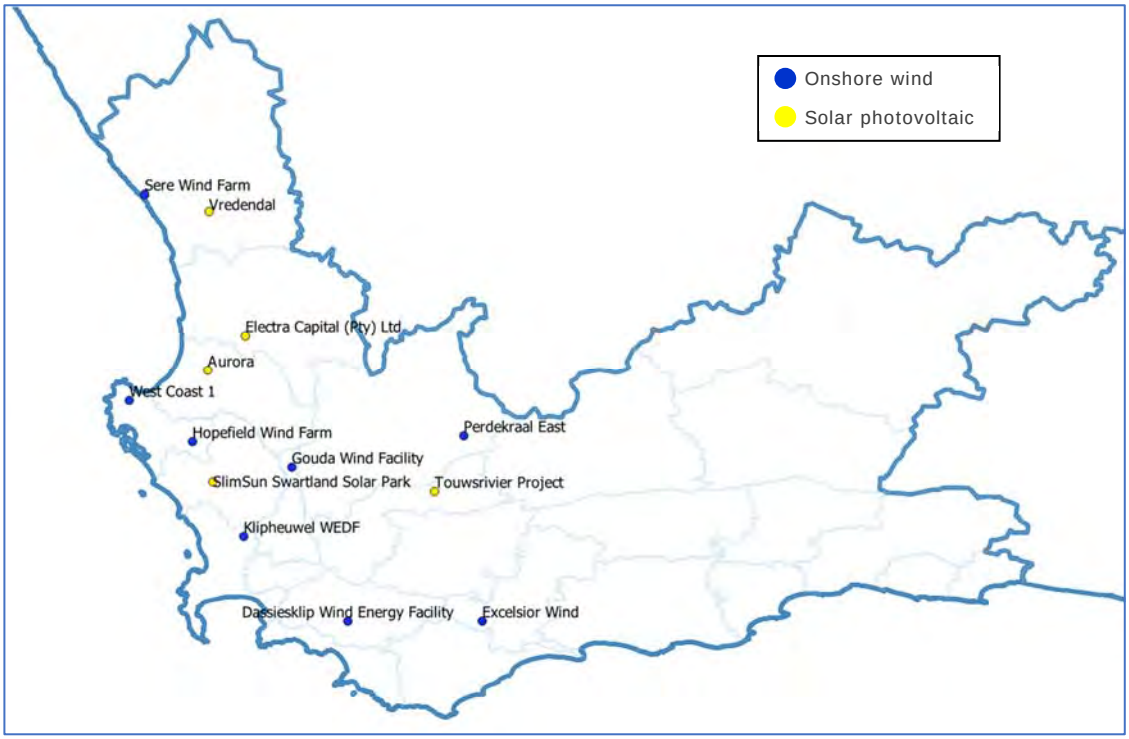


Figure 5: Graphical representation of renewable energy plants located in Western Cape
Source: Eskom

5.3 In 2019, 223,0 TWh of electricity was distributed through the grid, of which the Western Cape Province consumed 22,4 TWh, or approximately 10%, of the electricity distributed.

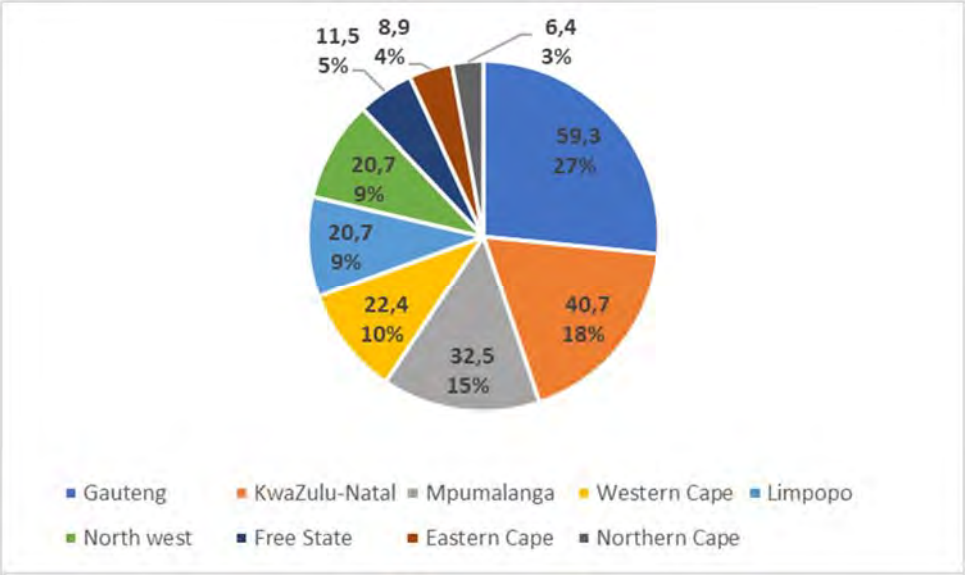


Figure 6: Breakdown of electricity distributed (in TWh) through the grid (per province)
Source: Statistics South Africa

5.4 If one analyses the sales of electricity (from the most recent data from 2019 provided by NERSA)[8] by each of Eskom, the City of Cape Town Metropolitan Municipality (**CTMM**) and the other municipalities across the Western Cape, the distribution of electricity sales is depicted in Figure 7 below.

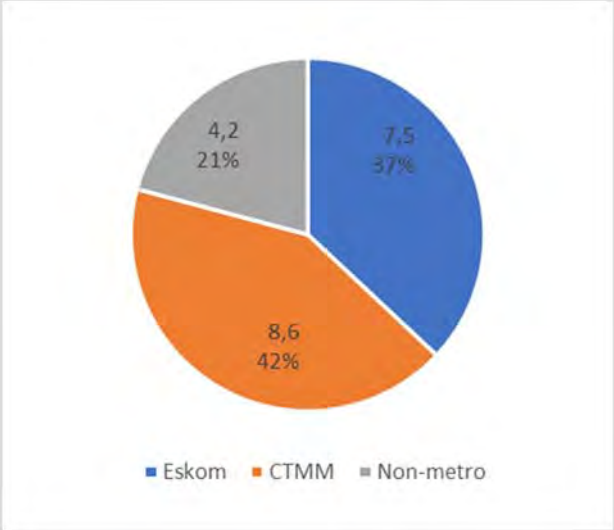


Figure 7: Breakdown of electricity sales (in TWh) in the Western Cape
Source: NERSA, Statistics South Africa

Excluding the CTMM, the top 10 municipalities, by electricity sales (using 2019 data) are depicted in Table 3 below. The Candidate Municipalities compising Drakenstein, Stellenbosch, Saldanha Bay, Mossel Bay, Overstrand and Swartland account for some 47% of electricity

8 The difference between 22,4 TWh representing electricity distributed in the Western Cape and the 20,3 TWh representing total sales in the Western Cape is accounted for by the electricity losses (both technical and non-technical losses). The electricity loss figures are as provided by NERSA.

sales of all municipalities in the Western Cape (excluding the CTMM), and approximately 62% of the top 10 municipalities.

Municipality	Electricity sales per annum (GWh)
Stellenbosch	366,0
TOTAL	**3 242,7**

Table 3: Top 10 municipalities in the Western Cape, by electricity sales
Source: NERSA

6 Overview of the Technical Analysis for the Pioneering Projects

6.1 Objectives of the technical analysis

6.1.1 The purpose of the technical analysis of pioneering projects within each Candidate Municipality will be to:

- to identify or define parameters to locate an "idealised" or representative site within each Candidate Municipality area;
- to identify any technical capacity constraints on electricity generation from within a Candidate Municipality area;
- to determine a maximum theoretical size of renewable energy generation plant within each Candidate Municipality area;
- to determine the anticipated electricity generation from such a facility.

6.2 Load demand

6.2.1 In the Business Case Report, the Advisory Team noted that any procurement of new generation projects should be informed by a municipal IRP taking into account the long-term *forecast* of municipal load demand, generation profiles per technology and the potential cost of the power from the different technologies (using a least cost of supply methodology).

6.2.2 In the absence of any such IRP, for purposes of this Report, the Advisory Team has used the current invoices from each of the selected Candidate Municipalities as a proxy for *current* load demand.

6.2.3 Based upon the summation of the current electricity purchases, the estimated electricity load demand for Drakenstein (Sanitised GWh), Stellenbosch (382 GWh), Mossel Bay

(Sanitised GWh)[9] and Saldanha Bay (Sanitised GWh) gives a combined total of 1 632 GWh per annum [10].

6.3 Site considerations

6.3.1 In undertaking a consideration of possible sites, the objective of the exercise is *not* for the Advisory Team to identify a specific site for the development of a renewable energy generation project, but to identify a *representative* site within the proximity of the Candidate Municipalities so as to identify matters such as limitations on the sizing of the generating plant, the available energy resources and, ultimately, the cost of supply.

6.3.2 The purpose of identifying these parameters is to arrive at a site/s, capable of providing a commercially viable techno-economic solution for scalable renewable energy generation in the Candidate Municipality area.

6.3.3 In identifying a suitable location for a potential renewable energy project a developer would take into consideration some of the following factors, including, but not limited to, energy resources, grid access, cost of land, topography, environmental consents, social impact, access to other infrastructure and other considerations.

Energy resources within the area

6.3.4 The price at which the power is being produced is the main influence on the decision as to whether the generation is commercially viable. The energy resource is one of the main contributors to this price. For example, the lower the solar radiation or wind density the more generation equipment and associated land would be required, increasing the capital expenditure and the electricity price.

6.3.5 South Africa has good renewable energy resources, in particular, solar resources. Commercially viable solar resources should be at least 1 500-1 600 kWh/kWp/annum, and the wind speed to target should be at least 5,6-5,8 m/s at a hub height of 100m. The average solar resources for South Africa, as a whole, is 1 825 kWh/kWp/annum [11], and the average wind resources in South Africa, for the 10 windiest areas, is 7,73 m/s [12].

6.3.6 Typical land parcel size required per kWp, for solar PV projects (depending on the type of panels and tracking technology) is estimated to be 0,9 to 1,5 hectares per 1 000 kWp [13].

6.3.7 Wind generation is, however, more site-specific as the influence of the site and surrounding topography and surrounding structures has a significant influence on the electricity potential of the site. This is ascribed to the aerodynamic effects generated by each specific site. It is because of these uniqueness characteristics, that site-specific data measurement set is normally installed at a selected wind energy site to provide inputs for the wind energy facility design. It would, thus, be necessary to have a specific land parcel and size identified in order to determine an annual energy production value for a specific site.

9 All figures have been extracted from recent invoices and/or cost of supply studies (where provided by the Candidate Municipalities) for electricity purchases by the relevant Candidate Municipalities.
10 All figures have been extracted from recent invoices and/or cost of supply studies (where provided by the Candidate Municipalities) for electricity purchases by the relevant Candidate Municipalities.
11 Data from https://globalsolaratlas.info/, based upon a median value of 5 kWh/kWp daily value of the potential energy production from a solar photovoltaic plant.
12 Data from https://globalwindatlas.info/, based upon a hub height of 100m.
13 International Finance Corporation, Utility-Scale Solar Photovoltaic Power Plants: A Project Developer's Guide, p60.

6.3.8 As stated in the assumptions of this Report, the focus is on scalability of projects. Thus, large site sizes will be considered, rather that multiple smaller sites such as rooftops, parking lots, or smaller vacant plots of land.

Access to the grid infrastructure, at reasonable cost.

6.3.9 The Report focuses on utility-scale generation of at least 20MW and, in respect of Pioneering Projects 1-4, embedded within the Candidate Municipalities' networks; in respect of Pioneering Project 5, connecting into Eskom's network. The assumption would be that all shallow grid costs are for the developers' expense. These costs are normally associated with the works from the renewable energy plant to the point of connection. Deep strengthening, beyond the point of connection, is a socialised cost – to be allocated across all users of the network. However, the funding for this deep strengthening becomes controversial, for example, if grid owners have no available funding the developer may fund the development of the deep strengthening and recover the monies from other projects connecting at the same point of connection.

6.3.10 Eskom supplies the Candidate Municipalities at multiple grid connection points (POS substations) within their respective municipal areas. Eskom's transmission grid is currently generally constrained in terms of spare capacity in the areas covered by the Candidate Municipalities, and thus the focus of this analysis will be on grid-tied generation for own use by each municipality. This type of renewable energy generation will serve to address the availability of supply issues resulting from load shedding, as well as cater for additional capacity required to supply increased load demand.

6.3.11 The objective of our study is to identify the spare capacity at the POS substations and other high voltage substations in the municipal grid to connect the proposed renewable energy generation plants at scale. By distributing the location of the generation plant distributes the load as widely as possible and avoids the generation being constrained by the demand profile from a specific load. The renewable energy generation plant should ideally be positioned as close as possible to the POS substations to optimise power transfer and losses. The distance from the renewable energy generation plant will be determined by factors such as power generated in kW, and connection voltage in kV, which in turn determines the choice in size of infrastructure such as underground cable or overhead conductor. The voltage drop and capacity constraints of the conductor and cable are distance based. Therefore, the distance to the nearest connection substation is a governing factor.

6.3.12 The Report provides concentric zones around the connection substations within which possible land parcels for renewable energy generation could be identified in future. The distance of these circles from each substation in the analysis based on the spare capacity at the substation as well as the connecting voltage governed by an acceptable voltage drop of 3%. Using these concentric zones around the POS substations consideration will be give to probable areas suitable for renewable energy generation projects in each of the Candidate Municipalities. These areas are identified for each Candidate Municipality in the appendices to this Report. Figure 8 below illustrates this principle:

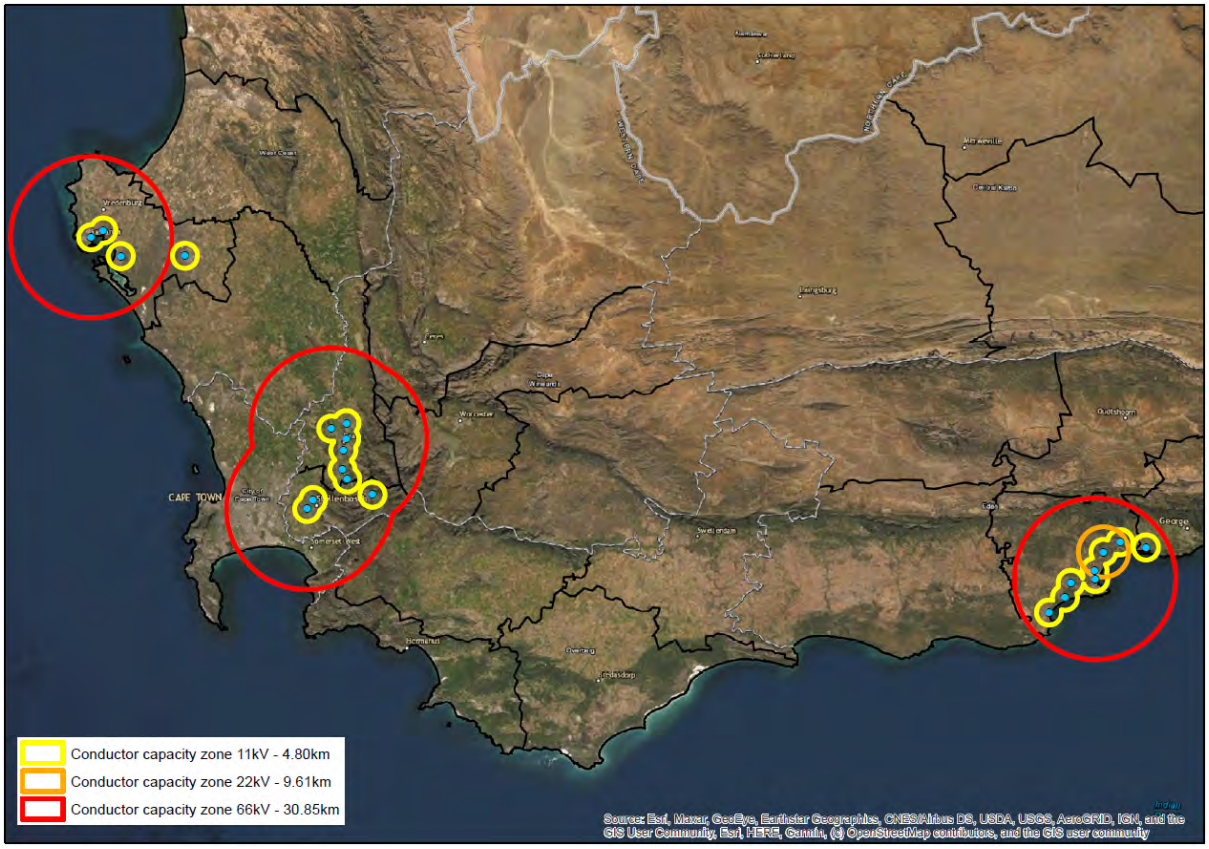


Figure 8: Overview of the conductor capacity zones for each Municipality and POS

6.3.13 Meetings and discussions with the municipal grid owners are necessary to ensure the municipality is aware of an intention to the connect renewable energy generation into their grid, and to plan for any such connection. It will also assist the developer of the renewable energy plant in the scoping and sizing of the intended plant. Eskom will also need to be informed of embedded generation connection from an operational and quality of supply perspective, even though the energy is not fed into the national grid.

6.3.14 The Advisory Team met with the Eskom planning engineers to obtain information on spare capacity in the Eskom distribution grid. Eskom has indicated that there is limited spare capacity, and, in most cases, the grid is constrained. This reinforces the concept of embedded generation within the Candidate Municipalities' networks.

6.3.15 The Advisory Team also reviewed the Transmission Generation Connection Capacity Assessment of the 2023 Transmission Network (GCCA – 2023) Report (**GCCA Report**)[14] published by Eskom Transmission. These results from this GCCA Report are considered in the Appendix 5 of this Report, where the option of wheeling is investigated.

Access to suitable land, at reasonable cost

6.3.16 Discussion regarding the availability of land and the possibility of securing land tenure is vital as part of the preparation works for a renewable energy project, as this contributes to determine the viability of a project. Landowners could provide further input in terms of the

14 Transmission Generation Connection Capacity Assessment of the 2023 Transmission Network (GCCA – 2023): Phase 1, June 2021

intended future use of the land or even provide alternative land parcels. Aspects such as access and construction dust and interference are often topics, all be it minor, which need to be clarified before they become challenges to the development of a project.

6.3.17 As the focus of the report is on scalability of projects, larger generation projects would require land in the tens of hectares. Such land parcels in the Candidate Municipalities is in the less densely populated areas, typically occupied by agricultural use. Within the Candidate Municipalities being considered, opportunities for multi-purpose land use may be possible, such as agrivoltaics.

6.3.18 The Report will, in respect of Pioneering Projects 1-4, identify potential zones for the potential development of renewable energy projects in proximity to the Candidate Municipality; and, in respect of Pioneering Project 5, identify general areas where there is capacity within Eskom's transmission network so as to allow the potential development of renewable energy projects at scale to meet the objectives of the MER Programme.

Topography

6.3.19 The topography of the proposed land has an influence on the renewable energy generation technologies as it determines the commercial viability for installation as well as the construction. Significant additional costs, for example, large-scale earth moving to flatten the terrain for installation of PV panels may increase the construction cost.

6.3.20 The basic requirement for large-scale solar PV installations is for land to be as flat as possible (generally less than 5% slope), preferably with a northern slope. Sites with topographical or vegetation features casting shadows (mountains, trees etc.) should be avoided.

6.3.21 Where the cost of the land is significant in relation to the total cost of a project, the shape of the site for a solar PV installation is as square or rectangular as possible, so as to maximise the panel string population density.

6.3.22 The topography influences the selection of wind generation sites in that the slope of the terrain, mountains, trees or even buildings which could affect the aerodynamics of the site. The investigation of potential wind energy sites require more detailed site-specific investigation.

6.3.23 The report will consider the influence of topography within the identified zones around the POS substations.

Environmental Impact assessments and WULA applications.

6.3.24 From the Advisory Team's experience on large-scale renewable energy projects, the early initiation of the environmental screening and application processes is essential. Obtaining a WULA or EIA can take around 300 days, although, as discussed below, it is possible that shorter timeframes may be achieved if a project is located within a REDZ.

6.3.25 Where projects impact water courses and flood plains, fauna and flora, heritage and archaeological sites must be fully assessed to determine the extent of the impact and the identification of any mitigation measures. The identification of these impacts can be determined by means of a scoping study, especially if more than one site is considered, or to identify the risks on a specific site to influence the proposed land size etc.

6.3.26 The visual impact of large-scale renewable energy generation plant may impact upon the social acceptance of a project factors such as property values, noise etc. must be considered.

6.3.27 Consideration of the environmental impact will require further studies once specific sites have been identified.

Other infrastructure – roads, water, telecommunications

6.3.28 Access to other infrastructure such as roads, water and telecommunication systems and powerlines could influence the choice of site location given that there will be: (a) a requirement for ease of access to deliver equipment and materials to site during the construction phase and thereafter to maintain the facility, (b) a possible need for water to wash the panels and/or for use by employees located on-site, and (c) a requirement to connect the project into the plant control systems (SCADA).

6.3.29 This infrastructure will be kept in mind during the evaluation of the ideal zones for connecting plant.

Other considerations

6.3.30 Other aspects influencing the choice of sites are the location within a REDZ zone which may offer additional benefits such as reduced timeframes to obtain environmental consents and/or these REDZ being prioritised for investment in grid infrastructure by Eskom.

6.3.31 The proximity to airports and other infrastructure will be evaluated, especially where sites are in line with airport approach path where, for example, wind masts could cause interference with air traffic.

6.4 Municipal grid capacity constraint considerations

6.4.1 The assessment of electricity generation in-feed capacity at each POS was based on the information provided by the Candidate Municipalities. The information provided included the NMD, the annual demand profiles, the actual demand on the meter readings and the spare capacity at each POS. Redundancy of transformer infrastructure at the POS was not considered, which would form part of a broad grid stability study.

6.4.2 Our assessment was designed to determine the maximum amount of renewable energy generation that may be connected to each POS so as to avoid over generation, and thus loss of energy. Any over generation will be prevented from flowing back into Eskom's grid by means of a generation power controller at municipal level. Such generation power controller system will manage the power flow in to and from the Eskom network, for example, to curtail any surplus generation, or to optimise the consumption of electricity generated from renewable energy and therefore reduce the consumption from Eskom's network.

6.4.3 In cases where potential electricity generation is larger than the capacity of a POS substation, the surplus generation should be developed as a separate generation project connecting to another municipal substation if the generator is proximate to the substation to satisfy the criteria discussed in section 6.4 above.

6.4.4 The generation power in-feed limits are described in Table 4 below

Item no	Limit	Description
1	Theoretical hard limit	Limit of the proposed system based on the NMD
2	Theoretical soft limit	Limit of the proposed system based on the load MD per annum
3	Practical soft limit	The lowest demand value during the RE generation time window which results in minimum or no curtailing of RE power generation. This value can be used in sizing of the RE generation plant at the POS Substation.
4	Supply Authority soft limit	Limit of the proposed system as imposed by the Supply Authority. In Eskom's case the benchmark is that renewable energy generation within a 15% - 20% limit of the NMD does not require additional grid integration studies. Should this limit be exceeded grid integration studies will be required.
5	Supply Authority hard limit	Limit of the proposed system as imposed by the Supply Authority. Should be determined on a case by case basis

Table 4: System limit definitions

6.4.5 These limits are determined for each POS and connection substation based on the NMD and load profile data provided by the municipalities. The load data is reviewed for the entire year to allow for the seasonal variance in the loads at the substations.

6.4.6 The renewable energy generation facilities are then sized for each substation, based on the practical limit to prevent curtailment. The soft limit of 20% renewable energy generation will be applied as a check upon the aggregated load value of substations each municipality.

6.5 Generation technologies and potential electricity generation within the Candidate Municipalities

RFI assessment and the choice of technologies

6.5.1 Following the assessment of the responses to the RFI (ref to section 4 above), it became apparent that the most significant interest from potential developers was to develop solar photovoltaic projects within the Western Cape, generally. In certain municipalities there was strong interest to develop wind projects. For purposes of this Energy Projects Report, it was therefore proposed to consider only solar photovoltaic generation technology in each of the selected Candidate Municipalities and, in respect of Drakenstein, to consider both solar photovoltaic and wind technologies.

6.5.2 In the Business Case Report, the Advisory Team considered the price of electricity generated by way of various generation technologies coupled with storage technologies, in a hybridised technology solution. The price of such hybridised solutions was assessed to be *unaffordable* (when compared with Eskom's time-of-use tariff) and, accordingly, in this Energy Projects Report we consider only solar photovoltaic and wind electricity generation technologies.

6.5.3 However, in the design of a procurement documents consideration should be given, from technical and legal perspectives, for hybridised solutions to be retrofitted at a later stage (that is, when energy storage technologies become more affordable).

Solar PV system design considerations and limits

6.5.4 The size of a PV system is typically measured in kWp or MWp values. This value is the maximum size of the installed PV system (expressed in DC) according to the nameplate rating of the PV panels.

6.5.5 The PV nameplate rating is usually based upon Standard Test Conditions (**STC**) and Nominal Operating Cell Temperature (**NOCT**). For a typical PV panel of 500W (JAM66S30-500/MR) the STC rated maximum power is 500W while the NOCT rated maximum power is 378W (NOCT is approx. 75,6% of STC). PV simulation software ordinarily determines the electricity output based upon the NOCT rating. For this reason, the kWp or MWp values of the PV panels are usually scaled up by approximately 20% relative to the required plant output, expressed in kWac or MWac values (which is the rating of the inverter.)

6.5.6 A typical system was modelled at a representative site in each Candidate Municipality. So as to maximise generation capacity within a municipal area, this site was typically proximate to largest POS. The variance between the sizing of the POSs is small enough not to affect the conceptual design and therefore the potential solar generation. This conceptual system was simulated in PVSyst (a well-known PV simulation software system), with the optimum tilt (equal to the degree of latitude) and with orientation north-facing. The PV generation values used were the average hourly values for each month. The average hourly values are significantly lower than the maximum hourly values for each month, due to the fluctuations in weather conditions over the month.

6.5.7 The load demand at each POS was analysed to determine a viable size for renewable energy generation at that point. Consideration was given to the applicable RE generation technology, PV in this case, and its generation profile. The solar PV generation for a fixed tilt installation is generally between 06:00 and 18:00 and typically follows the graph shown below.

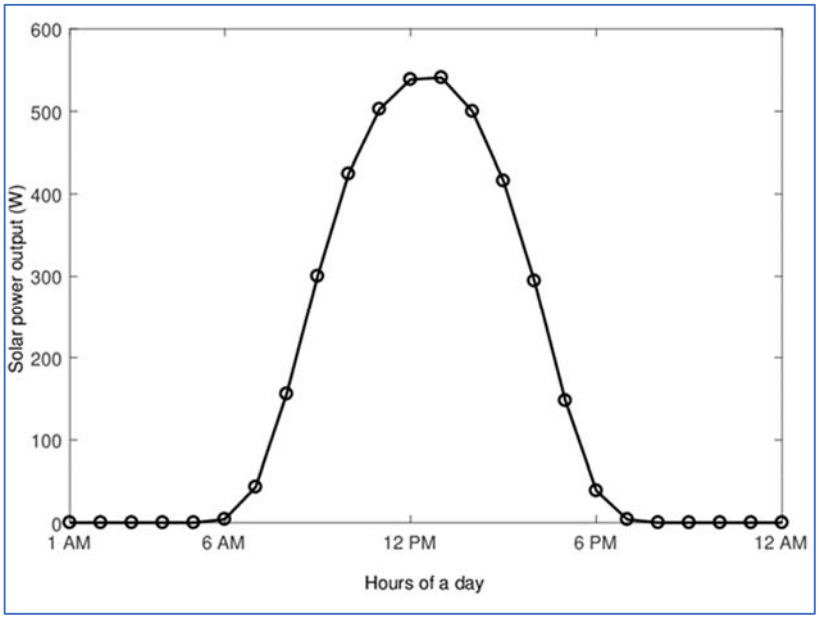


Figure 9: Typical PV generation profile of a generic 550W solar panel (STC)

6.5.8 While there are variances in the output from a solar photovoltaic plant between summer and winter seasons we have used a 'typical' solar generation profile ramping up 09h00 and ramping down from 16h00. The minimum load demand at each POS between 09h00 and 16h00 was used to size the PV system.

6.5.9 The soft limits values identified in section 6.4 (i.e. the limits identified as items 2, 3 and 4 in Table 4 above) obtained for each connection substation were used to scale the PV system

calculated to determine the maximum size of the RE generation to be connected at each substation, so as to prevent curtailment.

6.5.10 This calculation is shown in the appendix of this report for each municipality, in graphic format in comparison to the load profile, indication the portion of renewable energy contributing to the load at the substation.

6.5.11 In an attempt to contribute to the objectives of the MER Programme, the Advisory Team focussed on areas with the potential to establish PV projects of 20MW and larger (and in the case of Drakenstein, also wind projects). It has been considered that rooftop PV installations for embedded generation are unlikely to achieve this scale.

6.5.12 Tracking solutions are available in single or dual axis systems and render a squarer generation curve. Tracking systems require panel strings to be installed. In addition, the site size requirements are, typically, larger when compared with fixed tilt systems, due to the need to prevent inter-row shading. The tracking system is more expensive. The Advisory Team suggests that further analysis of type of panels, tracking and inverter and other technological options be considered during concept and detail design stages after a specific land parcel has been identified such that the optimal cost-benefit analysis is done for a specific site.

Wind generation system design considerations and limits

6.5.13 The Wind and Solar PV Resource Aggregation Study of South Africa [15] provides power generation profiles for different areas throughout South Africa. The study utilised numerical weather models and actual measurements to derive wind generation potential for various areas throughout the country. The areas correspond with the Eskom Transmission (Tx) supply areas, where Drakenstein falls within Eskom's Peninsula area.

6.5.14 The average turbine hub height used in the study is 100m. This aligns well with current turbine technology applications. The temporal resolution of the data was in 15 minutes intervals. This data was converted to 1 hour data and an average daily profile per season was derived. The figure below shows the average wind profile data for the Drakenstein area.

Figure sanitised

Figure 10: Drakenstein average wind generation profile

6.6 Wheeling Considerations

6.6.1 Wheeling of power is when power is generated by one party and sold to another party not directly connected to the generator or the grid node point (substation) where the generator is connected. Power is "wheeled" across the electrical network connected between the "seller" and "buyer" and paying the owner/s of the interconnecting grid for using its grid (wheeling charges). The "electrons" entering the power grid at the generation site do not actually arrive at the buyer's site, but the buyer pays the seller for injecting the equivalent number of "electrons" into the power grid. A comprehensive set of contractual documents describing buying, selling and wheeling (transport) charges are required to ensure all parties involved are compensated for their commercial interests.

15 Fraunhofer IWES and CSIR, Wind and Solar PV Resource Aggregation Study for South Africa: Final Report, November 2016

6.6.2 A technical analysis or network study needs to be performed to analyse and ensure sufficient compliance at the grid connection of the generator, and the capability of the power system dynamics of the system connecting the generator and the load, i.e. the grid has capacity to accommodate the generator in-feed and can deliver the required load capacity to honour the wheeling agreement.

6.6.3 As the power wheeling is likely to involve more than one municipality, it would require the planning engineers of the municipalities involved to collaborate and perform a joint network study to ensure the technical feasibility of the wheeling.

6.6.4 Wheeling is still not commonplace in South Africa and based on recent industry discourse on the topic[16], in the view of the Advisory Team the critical success factors for the implementation of wheeling include the appropriate allocation of risks (for example, network interruptions and grid unavailability), potential cost of unserved energy and network stability and losses.

6.6.5 The Advisory Team recommends that a specialist to study and develop the required wheeling contractual documentation, the outcome of such work may be used to standardise the contractual and procedural matters for power wheeling in the Western Cape Province. These model or template contracts will assist in making the wheeling of power between provinces feasible as well as to ensure communication between all parties to focus on resolving the challenges.

6.7 Other considerations

6.7.1 A network steady state and dynamic study should be undertaken to investigate and determine the impact of this proposed renewable energy generation projects on each of the Candidate Municipalities' grids. This investigation will include discussions with Eskom regarding grid stability and the impact of the renewable energy generation on the Eskom's spinning reserve and baseload supply. Grid planning disciplines from each Candidate Municipality should be invited into such a forum, as well as the Eskom's regional and national planning function. The studies should result in a comprehensive solution to address the question as to how much renewable energy generation may be allowed on the Candidate Municipalities' combined grids.

6.7.2 The Advisory Team recommends that the grid studies also address voltage regulation at the municipal grid level to ensure voltage stability and other quality of supply limits are complied with.

6.7.3 The launching of any procurement programme by either the Western Cape Government and/or the Candidate Municipalities would, like the REIPP Programme, result in developers approaching the municipalities to understand, amongst other matters, grid connection costs, available capacity, grid integration design etc. to inform a "Cost Estimate Letter".

6.7.4 This could be a new or unfamiliar process for some municipalities and the Advisory Team recommends that the municipalities consider an external party to assist with the process. This process would typically involve:

6.7.4.1 Network studies described above;

16 *Inter alia*, Energy Dialogue hosted by Nedbank on 30 September 2021.

6.7.4.2 Defining the generation parcels in consideration of the available land parcels (this could be an iterative process);

6.7.4.3 Perform cost estimate studies for connections to the municipal grids for the connection applications; and

6.7.4.4 Perform the role of a project management office to ensure the connections take place as planned.

6.8 Technical considerations specific to each of the Candidate Municipalities

6.8.1 Table 5 below summarises the key technical considerations for each municipality.

Municipality	Largest municipal POS	Estimated capacity at largest POS	Aggregate capacity for all POS's (PV generation)
Stellenbosch	Stellenbosch Substation	37 MVA	51 MVA
Total aggregate capacity			**198 MVA**

Table 5: Summary of key technical considerations for each Candidate Municipality

Multi-jurisdictional utility

6.8.2 The latest Eskom Transmission Development Plan 2021-2030 (**TDP**) published in 2021 states that *"… the initial bid windows of the DoE REIPP Programme have taken advantage of the available generation connection capacity on the existing Transmission grid. Most of this capacity has been rapidly allocated, especially in the areas with excellent RE resources like the Northern Cape, Eastern Cape and Western Cape."* [17]

6.8.3 Furthermore, the TDP states *"To enable successful integration of future IPPs into the national grid, the grid will have to be expanded to create more access for the Bid windows beyond Round 4B, specifically for the period 2023 to 2029."*

6.8.4 The Advisory Team concludes from the above statements in the TDP that the transmission grid is constrained in the Western Cape Province for further connections to the grid for the connection of IPPs.

6.8.5 In addition to the TDP, Eskom published the GCCA Report which points out the local and regional capacities for connecting generation to the grid. The capacities quoted in this Report

17 Eskom Transmission, Transmission Development Plan 2021-2030, p 107

are based upon the assumption that connections associated with Bid Window 4B have been allowed for.

6.8.6 Figure 11 below depicts the spare capacity for generation connection to the transmission network.

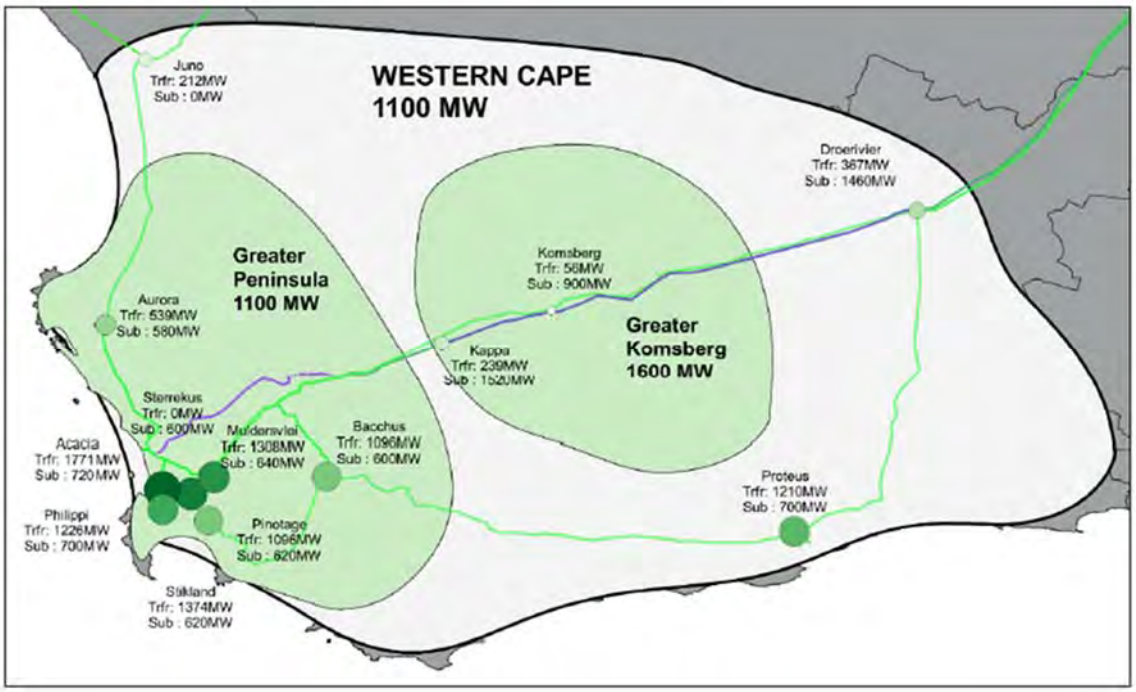


Figure 11: Spare capacity for generation on the grid

6.8.7 This Report concludes that the Western Cape has capacity at all the transmission substations, with more capacity at the local areas when compared with the regional areas. This can be ascribed to the capacity limitations of some of the powerlines interconnecting the transmission substations.

6.8.8 The Advisory Team held discussions with the Eskom's regional planning engineers responsible for the planning within the local areas. The feedback received is that the Eskom distribution areas, predominantly at 66 kV level, is very constrained in in terms of spare capacity.

6.8.9 Thus, the Advisory Team recommends further investigation be undertaken with Eskom transmission and regional planning offices to identify how to unlock spare capacity for wheeling power generated by IPP generators connected to the transmission grid within or outside the Western Cape region to the municipal grid POS substations, or even possibly load centres within the municipal grid.

6.8.10 Available capacity within Eskom's network may cover any shortfall between the overall objective to contribute to the strategic outcome to target 500 MW of lower carbon electricity generation capacity and the available capacity within the municipal areas.

7 Commercial and Financial Analysis

7.1 Introduction

7.1.1 The commercial and financial analysis seeks to address the following key aspects for each of the Pioneering Projects:

7.1.1.1 to engage with potential lenders to understand any concerns and/or comments regarding the bankability of a PPA entered into between a Candidate Municipality and an IPP;

7.1.1.2 to **determine an indicative price** that would be payable by each Candidate Municipality to an IPP for the new electricity to be procured;

7.1.1.3 to determine the **financial impact of the Pioneering Project on the current cost of supply** for the new electricity to be procured by a Candidate Municipality; and

7.1.1.4 to identify **potential financial constraints** that may limit the size of transaction that a Candidate Municipality enters into.

7.2 An overview of the market for municipal borrowings and engagement with potential lenders

7.2.1 The sources of funding available to municipalities for capital expenditure is through own-revenue generation, government grants allocated from the fiscus and borrowings, where the source of the borrowings in the main are bonds and loans.

7.2.2 If we firstly analyse the outstanding borrowings of R71 billion, as at 30 June 2021, between bonds and loans. Of the total borrowings of all municipalities, approximately 77% of the borrowings were loans and 23% were bonds. And of the bonds, 100% of the outstanding borrowings of R16,5 billion was attributable to various metropolitan municipalities. Therefore, in our view, it is reasonable to assume that (municipal) bond financing is unlikely to be a source of financing for the MER Programme.

7.2.3 Secondly, we consider the sources of financing for the municipal market. If we include financing sources for both bonds and loans, the commercial banks provided 52% of the financing and DBSA 45%. It is notable that *Agence Française de Développement* (AFD) are an important contributor to the municipal financing market.

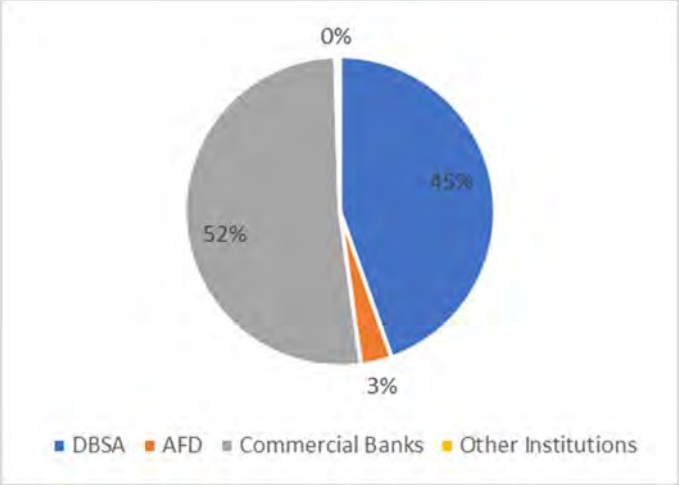


Figure 12: Municipal financing market (including bond financing)
Source: National Treasury

Excluding bond financing (*circa* R16 billion), one observes a different picture, where DBSA dominates the municipal lending market in providing 58% of the lending.

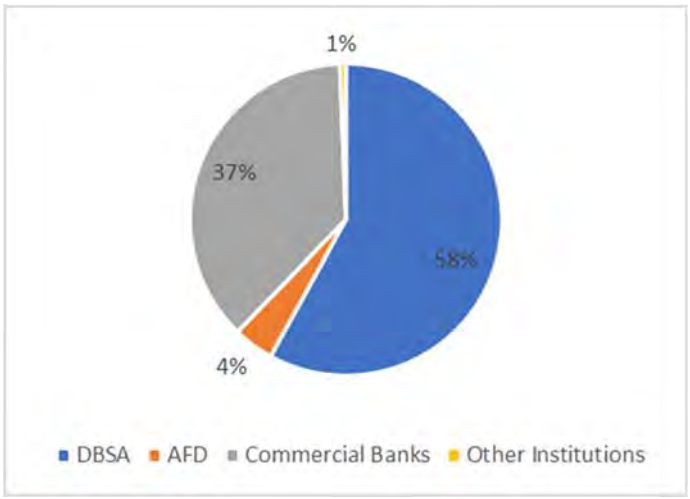


Figure 13: Municipal financing market (excluding bond financing)
Source: National Treasury

From the graphic below, it is evident that Nedbank (with 47% market share) followed by ABSA (with 27% market share) dominate the commercial lending into the municipal lending market.

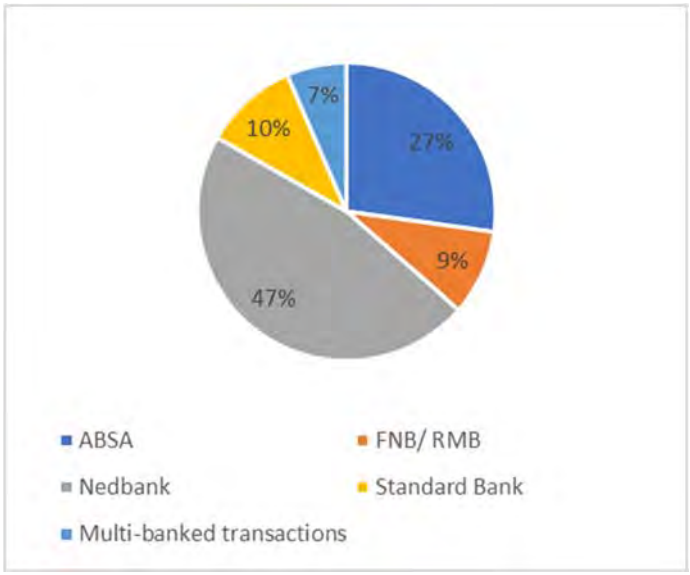


Figure 14: Municipal financing market (market share, excluding bond financiers)
Source: National Treasury

Furthermore, from conversations with financial institutions between Nedbank and ABSA, anecdotally, between them they have a market share of around 70-80% of the commercial bank lending into the recent REIPP bid windows [18].

18 Personal communications with Nedbank and ABSA.

7.2.4 Engagement with the lending market

7.2.4.1 The objectives in engaging with the lending market, generally, were:

7.2.4.1.1 to better understand the appetite from the lending market to provide credit to municipalities[19] (either directly to municipalities or indirectly through a long-term financing contracting arrangement, for example, through a PPA);

7.2.4.1.2 to understand the lending products that may be available (for example, senior debt, sub-ordinated debt, equity financing etc.);

7.2.4.1.3 to understand some of the general parameters for the key lending terms (for example, debt tenors, coverage ratios etc.) that one may use in preparing a high-level financial model to determine a reasonable price for the electricity purchases; and

7.2.4.1.4 to understand some of the key bankability considerations in the risk allocation when considering the commercial structuring.

7.2.4.2 Rather than to canvass the lenders' views across a broad spectrum of the lending market, given the time available and based upon the analysis of the municipal borrowings (set out in section 7.2 above), we targeted a number of key commercial and development financing institutions, most importantly, the Development Bank of Southern Africa (**DBSA**) and two of the commercial banks – Nedbank and ABSA.

Feedback from the meetings with DBSA

7.2.4.3 The Advisory Team engaged with the teams from the Embedded Generation Investment Programme (**EGIP**) and the Climate Finance Fund (**CCF**).

7.2.4.4 The EGIP financing consists of a credit support mechanism providing financing for embedded generation renewable energy projects in South Africa. The projects under EGIP will be implemented by private sector entities (in their capacity as IPPs and as off-takers) and local municipalities (acting primarily as off-takers), where EGIP financing will not require any National Government debt underpin. The EGIP financing has been structured as a first-loss facility, aiming to support and crowd-in private sector financing through the increased cashflow available for debt service (and thus improving the senior debt coverage ratios under a project financing structure) and reducing the exposure at default (EAD) (a credit metric typically used by senior lenders as a measure of a bank's credit exposure). The graphic below compares a typical project finance structure against the EGIP blended finance/credit enhancement structure.

19 Given that there was very little information about the commercial structuring being provided to the lending market, it should be noted that the intention was NOT to solicit views specifically around the Candidate Municipalities, but municipal lending more generally.

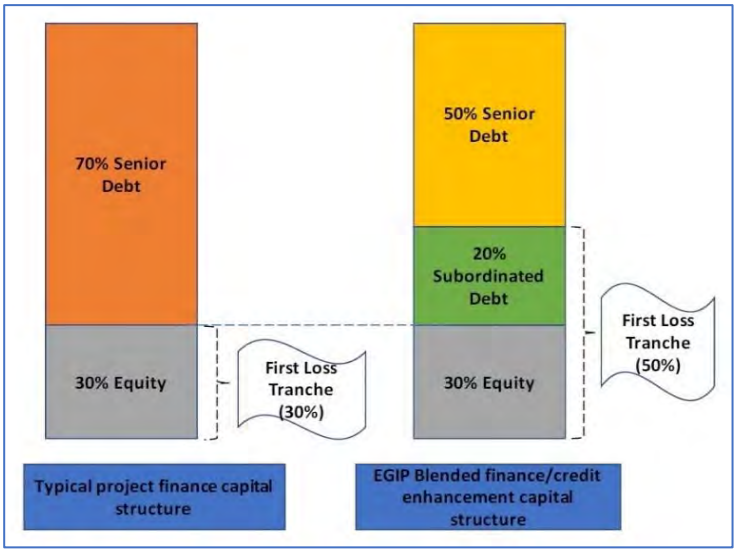


Figure 15: Project finance structure vs credit enhancement structure
Source: DBSA

From our discussion with the EGIP team, the following indicative key lending terms were provided:

Key lending terms	Information provided
Technology	Solar photovoltaic and wind (generally > 10MW)
Capital structure (equity/ subordinated debt/ senior debt)	30:20:50 (typical) 20:30:50 (aggressive)
Subordinated debt tranche tenor	16 years (Phase 1 transactions – 20 year PPA) 17-18 years (later Phase transactions – 20 year PPA) Debt tenors may exceed senior debt tranche
Subordinated debt tranche DSCR	Marginally above senior debt
Subordinated debt tranche margin	30bp above senior debt
Subordinated debt tranche security	Typical project financing security (performance guarantees, pledge and cession of shares, bank accounts and project documents etc.) without any third-party credit support. Pro-rated and pari passu sharing of project security with senior lenders, with junior enforcement provisions.

Table 6: Indicative terms (EGIP)
Source: DBSA

The EGIP team were disinclined to look at using the EGIP financing facility to provide any guarantee facilities (including tenor extensions for senior debt).

7.2.4.5 The CCF facility seeks to provide a financing facility to projects at a scale below that which may be considered by EGIP (i.e., smaller than 10 MW). The terms of the lending are very similar to that of the EGIP but may be used as an extension of the DBSA's project preparation facility – in support of early stage project development initiatives by project

sponsors (including municipalities). The table below summarises the *indicative* key lending terms available from CCF.

Key lending terms	Information provided
Technology	Solar photovoltaic and wind (generally < 10MW) Biogas projects may be considered, however, the Green Climate Fund as part provider of financing may not support such projects.
Project size	R50 – R250 million
Capital structure (equity/ subordinated debt/ senior debt)	20:30:50 (typical)
Subordinated debt tranche tenor	15 years (Phase 1 transactions – 20 year PPA) Debt tenors will be aligned with the senior debt tranche, although tenor extensions for senior debt may be considered.
Subordinated debt tranche DSCR	No indication provided – no projects closed.
Subordinated debt tranche margin	No indication provided – no projects closed.
Subordinated debt tranche security	Typical project financing security (performance guarantees, pledge and cession of shares, bank accounts and project documents etc.) without any third-party credit support. Pro-rated and pari passu sharing of project security with senior lenders, with junior enforcement provisions.

Table 7: Indicative terms (CCF)
Source: DBSA

7.2.4.6 In addition to the above financing facilities, the DBSA has been actively involved in providing equity loans to Black shareholders and local community trust shareholders where such projects have been procured under PPP and/or IPP procurement programmes. Furthermore, the DBSA may provide project preparation funding for the provision of funding to cover the costs of pre-financial close costs for development of projects.

7.2.4.7 The DBSA expressed a willingness to explore discussions with the Western Cape Government to enter into a memorandum of understanding to support the MER Programme.

*Feedback from the meeting with the International Finance Corporation (**IFC**)*

7.2.4.8 The purpose of meeting with the IFC was to explore alternate lending products and guarantee products to support municipalities, through the MER Programme, to crowd-in financing from the private sector.

7.2.4.9 As at the date of this report, the WCG and the IFC were still in the process of settling non-disclosure agreement documentation and therefore detailed discussions have yet to be held.

Feedback from the meeting with Nedbank

7.2.4.10 As one of the largest commercial lenders into the municipal and IPP sectors, it was considered essential to solicit the views of Nedbank around key bankability provisions. Given the recent relaxation in the licensing requirements for private sector power generators, the IPP market is current very active and commercial positions are being settled. Accordingly, the feedback from Nedbank was not as comprehensive as one would have hoped – perhaps for commercial reasons.

7.2.4.11 However, the following general guidance was provided by Nedbank:

7.2.4.11.1 Recent corporate and industrial power generation projects have been concluded with 7-8-year debt tenors, with a 50% lump sum payment at the end of the debt term;

7.2.4.11.2 REIPP-type senior debt tenors may be expected, however, this may only be achieved with proper structuring. Key structuring considerations include: senior debt third party guarantor[20] for termination events, liquidity support for payments and support for 'systems event risk' the lenders would not accept this risk;

7.2.4.11.3 Strong support was provided for a portfolio approach to procuring projects, perhaps allowing the sponsors to switch between off-takers in the event of default by one such off-taker under a portfolio; and

7.2.4.11.4 Government should carefully consider ownership of the power generation plant after the expiry of the PPA – a build-own-operate/ build-own-operate-transfer structures were suggested.

Feedback from the meeting with ABSA

7.2.4.12 Similar to Nedbank, ABSA is also actively engaged in the municipal and IPP lending markets. The feedback from ABSA provided more insights when compared with that of Nedbank:

7.2.4.12.1 Given the recent amendments to the licensing regulations, ABSA were prepared to consider banking a transaction without debt underpins. Therefore, debt underpins upon termination were not an absolute requirement, however, the PPA should allow the lenders to sell the electricity to alternative off-takers – reducing the risk to the lenders of stranded assets

7.2.4.12.2 ABSA would be prepared to take a standalone credit view at the municipal level. They did, however, stress that only around 20 municipalities in the country were rated;

7.2.4.12.3 Outside of the metropolitan municipalities, ABSA expressed concerns, generally, around municipalities' ability to procure and implement such projects. They suggested that support to the municipalities to undertake such programmes was essential. In this regard, standardisation of processes and documentation was critical. Through standardised processes and/or documentation this would save lenders time in concluding

20 For example, the Provincial Treasury in a manner similar to the role played by National Treasury in the REIPP Programme.

these transactions and may enable lenders to consider smaller transactions (recent 10 MW corporate PPA transactions were cited as an example);

7.2.4.12.4 Debt tenors in excess of 20 years have been seen for the metropolitan municipalities, therefore tenors of similar to the REIPP programme may be possible. Credit enhancement products offered by the development financing institutions, such as DBSA, would be strongly welcomed to attract competitively-priced senior debt lending; and

7.2.4.12.5 ABSA may be able to consider accepting grid risk, however, the appropriate information regarding the grid stability should then be made available to the lenders for the lenders' technical advisors to express a view to the lenders for purposes of their credit assessment.

7.3 Financial Analysis

7.3.1 This section of the Report sets out the financial analysis undertaken by the Advisory Team for each of the five Pioneering Projects as informed by the RFI process and detailed in the technical analysis undertaken by the Technical Advisor.

7.3.2 A full description setting out the technical scope of the five Pioneering Projects is set out under relevant Appendices of this Report however their key details are summarised in Table 8 below for convenience. The financial analysis is based on the technical scope as summarised in Table 8 below.

Description	Pioneering Project 2	Pioneering Project 5
Candidate municipality	Stellenbosch	All Candidate Municipalities
Project type	Embedded generation	Utility scale distributed generation
Delivery of power	Self-dispatch basis	Self-dispatch basis
Off-taker	Stellenbosch Municipality	All Candidate Municipalities and other third-party offtakers[21]
Technology	Solar PV	Solar PV
Maximum capacity that can be procured [22]	51,22 MW	197,52MW
Capacity factor	23,06%	25,42%

Table 8: Technical summary of the Pioneering Projects

21 For Pioneering Project 5, it is assumed that the Candidate Municipalities will procure electricity based on their maximum capacity per their individual Pioneering Project and any excess capacity can be sold to other third-party offtakers.

22 The cost of supply figures has been based upon an (initially) estimated capacity of 204 MW. The reduction from 204 MW to 198 MW does not have a significant impact on the indicative price of electricity figures stated in this Report.

7.3.3 Background and context to the financial analysis

7.3.3.1 Based on the outcomes of the regulatory review completed by the Advisory Team as part of the Business Case Report, a municipality procuring new electricity will require the following approvals:

7.3.3.1.1 In order for a municipality to procure new generation facility, the municipality may need to prepare and submit a feasibility study (in accordance with Regulation 5(2) of the New Gen Regulations) and it must show the financial impact of the new projects on the current cost of supply (a cost of supply study), which must ultimately be approved by NERSA.

7.3.3.1.2 In terms of the MFMA, a PPA for longer than 3 years will require section 33 approval. In order to obtain this approval, a municipality must model and forecast the total financial obligations and the impact of these obligations on the tariffs. The impact of the tariff would be included in a cost of supply study that a municipality would be required to complete and to present to NERSA for annual tariff approval.

7.3.3.2 It should be noted that the financial analysis described in this section of the Report is based on the technical scope (for example the maximum capacity (MW) that can be procured by the Candidate Municipality in respect of the Pioneering Project) as determined by the Technical Advisor following their technical analysis of the Candidate Municipality i.e. if the outcomes of the technical analysis determined the Candidate Municipality is able to undertake a new solar photovoltaic generation plant with 10MW of nameplate capacity from a technical perspective then the financial analysis uses this assumption and calculates the indicative price required such that the Pioneering Project is bankable and assesses its financial impact on the current cost of supply for the Candidate Municipality.

7.3.3.3 The indicative cost of supply is done without taking into consideration any potential financial constraints that may prevent or hamper a Candidate Municipality from undertaking the Pioneering Project.

7.3.3.4 A separate analysis, in section 7.3.7 below, seeks to determine the potential financial constraints of the Candidate Municipality and to assess the impact on any financial covenants that might prevent or hamper the Candidate Municipality from undertaking the Pioneering Project.

7.3.4 The sections below set out the approach and methodology used in the financial analysis and then provides a summary of the key outcomes for each of the Pioneering Projects, the specific assumptions and detailed outcomes for each of the Pioneering Projects can be found in the Appendices for the relevant Pioneering Project. The general assumptions (for example economic, timing and financing assumptions) used for the financial analysis applicable to all Pioneering Projects may be found in Appendix 6 – Financial Tool Databook).

7.3.5 In relation to the financial analysis undertaken in this Report, the following should be noted that:

7.3.5.1 while this Report provides an estimate of the financial impact of the Pioneering Projects on the current cost of supply, this Report is not intended to meet the requirements of a feasibility study as required in the New Gen Regulations. This Report provides a high-level indication of the impact of the Pioneering Projects on the current cost of supply i.e., a proxy

and the Candidate Municipality must carry out a full feasibility study (in accordance with the New Gen Regulations) should it wish to pursue the Pioneering Project.

7.3.5.2 it is advisable for each Candidate Municipality prepare a full cost of supply study, in accordance with the NERSA cost of supply framework. This study would need to include certain scenarios showing the impact of the new power from the Pioneering Project on the overall cost of supply for the Candidate Municipality. Using these scenarios, the current cost of supply can be compared against the new cost of supply, including the new power that will be procured. The cost of supply study will be specific to each municipality. It will be based on the project (for example, specific location, connection points and etc) and municipal specific assumptions and inputs (for example, load requirements, distribution network and substation capacities).

7.3.6 Indicative price of electricity from Pioneering Projects

7.3.6.1 This section of the Report sets out the approach and methodology used to calculate the indicative price for each of the Pioneering Projects. A summary of the indicative prices per MWh for each of the Pioneering Projects is presented in Table 9 below.

7.3.6.2 These indicative prices may also potentially be used to inform a potential price cap in any procurement documents for the Pioneering Project. It is however important to note that this indicative price is only one potential source that will inform any price cap, there may be other factors that may need to be considered, for example, the current REIPP Programme prices.

7.3.6.3 The Advisory Team created a separate financial tool for each Pioneering Project to calculate the indicative price that would be payable by the Candidate Municipality to the IPP for the new electricity to be procured. The financial tool prepared for each Pioneering Project can be found under its relevant Appendix 7 (Financial Tool – electronic version).

7.3.6.4 The indicative price (based on a best estimate basis) is then used to assess the financial impact of the Pioneering Project on the overall cost of supply of the Candidate Municipality in undertaking the Pioneering Project.

7.3.6.5 A summary of the financial impact on the current cost of supply for each of the Pioneering Projects based on the assumptions of this Report can be found in Table 12 and Table 13 below. Note that this analysis is indicative and can be used as a proxy for the cost of supply study or analysis that a Candidate Municipality would be required to undertake in respect of their Pioneering Project. It is based on numerous assumptions which need to be verified and other inputs that are project and municipality specific. These assumptions and inputs will need to be detailed and verified as part of the feasibility study required for each Pioneering Project.

7.3.7 Financial constraints

7.3.7.1 From a financial constraints perspective there are two main factors which will potentially impact the bankability of the Pioneering Projects. These two factors are: the municipality's liquidity position (i.e., its ability to pay its creditors) and the potential financial constraints as a consequence of the impact on the financial covenants in the existing loan agreements. These two factors may potentially constrain a Candidate Municipality's ability to enter into a PPA with an IPP. The analysis below sets out the assessment of the municipality's liquidity

position and the potential impact on the financial covenants, to determine whether there are any financial constraints which may potentially impact the bankability of the Pioneering Project.

7.3.8 Assessment of financial standing

7.3.8.1 The financial standing and creditworthiness of a municipality will directly influence how bankable a potential Pioneering Project will be. The stronger the financial standing of a municipality, the lower the perceived risk that a municipality will default on its obligations under the PPA and/or terminate a project. This will directly impact the funding terms that a potential IPP may secure from the lenders to the project. In a worst case scenario, a poor financial standing may render a potential project unbankable as the lenders will perceive the Candidate Municipality and hence the Pioneering Project as being too risky.

7.3.8.2 There are various qualitative and quantitative assessments used by rating agencies to help assess and determine whether a Candidate Municipality is in good financial standing and is able to meet its financial obligations as they arise. This type of assessment would typically be required by any lender looking to lend to an IPP. This could be done by the lenders themselves as part of their credit check process or by a third party credit rating agency which would issue a formal credit rating for the municipality. A simplified credit assessment was done as part of the MER Municipal Evaluation Report [23] where various metrics were used to screen and identify a shortlist of the Candidate Municipalities.

7.3.8.3 Each Candidate Municipality scored 5 out of a possible 6 for the financial standing based on that assessment and were found to generally have a good financial standing. It is however important to note that in order for potential lenders to fund the Pioneering Projects, a more detailed review of the financial standing and an internal credit rating will be undertaken by the lenders.

Assessment of financial covenants

7.3.8.4 A PPA, from the perspective of the Candidate Municipality (being the offtaker), is a long-term offtake agreement that will result in a long-term financial obligation to pay the IPP for the electricity contracted for under the PPA.

7.3.8.5 Depending on the terms of a PPA, there are potential financial consequences of entering into a PPA that may impact (negatively) on some of financial covenants on existing borrowings for the Candidate Municipality and/or its ability to raise future borrowing for other projects (or other business operations).

7.3.8.6 The financial consequences typically relate to the (1) financial consequences in the event of breach of contract (for example, compensation on early termination of the PPA in the event of default) and (2) the financial consequences inherent in the financial reporting of a PPA.

7.3.8.7 Based on the initial engagements with various stakeholders in the MER Programme, there is an intention to limit any compensation payable to an IPP for various events that may disrupt the IPP's ability to deliver electricity such as system events and termination events. This limited compensation has, to some extent, been discussed with the potential lenders

23 Municipal Energy Resilience Project: Evaluation criteria and methods used to develop the Municipal readiness evaluation Tool, dated December 2020.

to the Pioneering Projects as part of the initial engagement process in order to test some key bankability matters (refer to section 7.2.4 above for further details). From our initial engagements with the lenders, it would appear that the municipalities may be in a position to avoid compensation on termination if, for example, an IPP has the ability to 'divert' the electricity from a defaulting offtaker and sell to an alternative offtaker. Accordingly, for purposes of this analysis, no compensation on termination and the impact on the contingent liability was considered in the analysis below. This will however need to be addressed further as part of the feasibility study once there is more detail on the specific risk allocations and provisions in the PPA for the Pioneering Projects.

7.3.8.8 The main financial constraint considered below is the impact on the financial statements of a municipality by entering into a PPA (not arising from a contingent liability, but rather an actual liability). The impact on the financial statements for a municipality may result in a potential breach of the financial covenants in relation to its existing borrowings.

7.3.8.9 Depending on the risk allocation in the PPA, there are various ways in which the PPA can be accounted for. The flowchart [24] below provides a high-level overview of various considerations used to determine the accounting treatment of a PPA contract. The main consideration that may impact on how the PPA will be accounted for is whether the offtaker will receive the bulk of the benefits from the generation asset and whether the offtaker has 'control' over the generation asset. The question of 'control' is nuanced and does not imply direct control of an asset, for example, the municipality may have effective control through determining how the generating asset is dispatched or how it is maintained.

24 Source: EY Accounting Guideline: IFRS accounting primer for renewable energy power purchase agreements (https://assets.ey.com/content/dam/ey-sites/ey-com/en_ca/topics/energy/ey-brc-guideline.pdf?download)

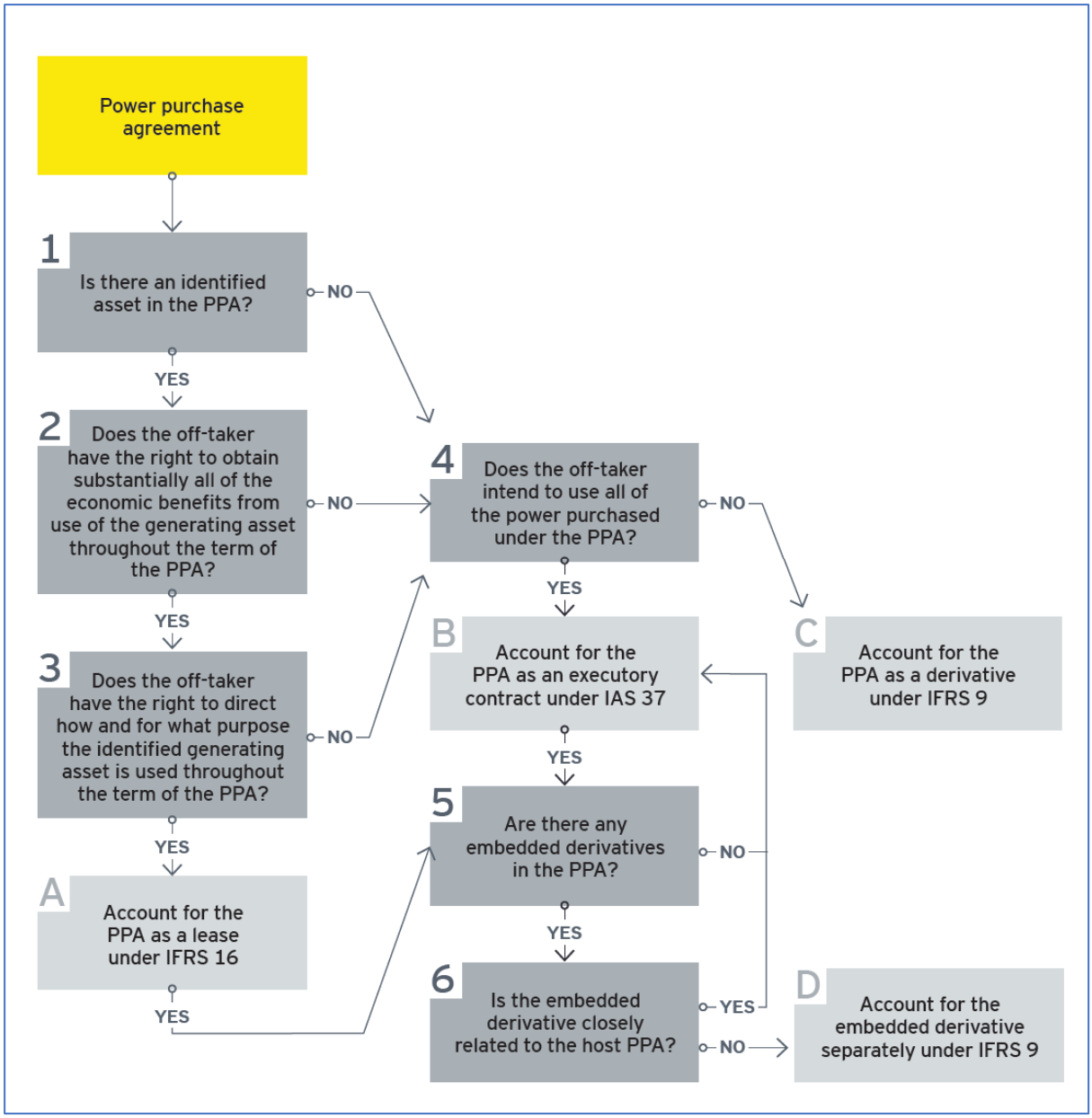


Figure 16: Decision tree for accounting for PPAs
Source: EY

7.3.8.10 Based on the above, there are three primary bases to account for a PPA:

7.3.8.10.1 The PPA can be treated as a financial lease under IFRS 16[25]. In this instance it will be accounted for on the balance sheet as a liability (valued as the present value of the future lease payments or in this case the energy payments that will be made to the IPP) and an asset (the right of use asset, also valued initially as the present value of the energy payments to be made under the PPA which depreciates over time). This accounting treatment will result in an increase in liabilities, which can be seen to be akin to interest

25 IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Source: https://www.ifrs.org/issued-standards/list-of-standards/ifrs-16-leases/

bearing debt. This will potentially negatively impact on any financial covenants in respect of any existing borrowings and will likely impact on the municipality's ability to raise future borrowing. This basis of accounting treatment may potentially have the biggest impact on the balance sheet for a municipality.

7.3.8.10.2 The PPA can be treated as a supply contract whereby the energy costs are accounted for in the income statement based on actual invoices in the ordinary course of business. The PPA is accounted for as a normal executory contract in terms of IAS 37[26]. IAS 37 outlines the accounting provisions for liabilities of uncertain timing or amounts, contingent liabilities and contingent assets, however it does not apply to executory contracts. An executory contract is defined as a contract under which neither party has performed any of its obligations or partially performed their obligations to an equal extent. By exempting executory contracts avoids the need to account for the asset and liability on the balance sheet and, in addition, there may not be a need to record the liability under the executory contract as a contingent liability. It should, however, be noted that if the contract were to become "onerous" (unavoidable costs of meeting the obligations under the contract which exceed the economic benefit) then there may be a need to recognise the liability on the balance sheet. This accounting treatment is the most simple accounting treatment and has the least accounting impact for any municipality.

7.3.8.10.3 The PPA can be treated in terms of IFRS 9[27] as a derivative instrument. This accounting treatment is generally used where the PPA has more complex pricing mechanisms (e.g. price floor and/or price caps) which result in the contract being classified as a financial instrument. The valuation would be done at fair value, which is a price that a willing seller is prepared to sell to a willing buyer to transfer a liability in an orderly transaction between the two market participants on a certain date. The calculation of the fair value of a derivative can potentially be complex and often requires the involvement of valuation specialists. A wide range of valuation techniques exists that may be used in valuing derivatives. Outside of advanced electricity trading markets, this accounting treatment is less widely used for standard PPAs.

7.3.8.11 The ultimate accounting treatment of the PPA for the Pioneering Projects will be based on the provisions within the PPA and will need further analysis once the risk allocation in the PPA is further developed. For the purposes of the analysis below, it is assumed that the PPA will fall within the definition of a financial lease in terms of IFRS 16. This may potentially have financial consequences that may impact on the financial covenants of the Candidate Municipality and its ability to raise future borrowings.

7.3.8.12 The Advisory Team reviewed various existing loan agreements between various lenders and the Candidate Municipalities in order to extract and summarise the main financial covenants which the municipalities need to comply with. The two common financial covenants that may potentially have an impact on a Candidate Municipality signing up to a PPA are the Debt to Revenue Ratio and the Capital Cost to Total Operating Expenditure. Note that there may be other financial covenants which are lender-specific, however, these

26 IAS 37 defines and specifies the accounting for and disclosure of provisions, contingent liabilities, and contingent assets. Source: https://www.ifrs.org/issued-standards/list-of-standards/ias-37-provisions-contingent-liabilities-and-contingent-assets/#about

27 IFRS 9 specifies how an entity should classify and measure financial assets, financial liabilities, and some contracts to buy or sell non-financial items. Source: https://www.ifrs.org/issued-standards/list-of-standards/ifrs-9-financial-instruments

two financial covenants are the most relevant to determine a Candidate Municipality's borrowing capacity.

7.3.8.12.1 Debt to Revenue Ratio: Debt (the aggregate of money borrowed both short- and long-term) relative to revenue (including the total operating revenue less conditional operating grants) ratio must be less than 78% (DBSA has a threshold of 78% while Standard Bank and Nedbank have indicated in the past a threshold of 70%).

7.3.8.12.2 Capital Cost to Total Operating Expenditure: Interest and capital paid on debt relative to total expenditure is less than or equal to 15% of total expenditure (DBSA has threshold of 15% while Standard Bank has indicated in the past as low as 7,5%).

7.3.8.13 For the purposes of this Report, we take a prudent approach and assume that the PPA will be accounted for as a financial lease and, furthermore assume that the financial obligation will be treated as debt in order to test the robustness of this financial covenant.

7.3.8.14 The financial lease liability is estimated as the net present value of the nominal cost of the electricity that will be purchased by a municipality under the PPA with the IPP.

7.3.8.15 The repayment of the financial lease is based on the payments made for the electricity under the PPA payable by the municipality. This is akin to the interest and capital repayments made on an interest-bearing loan.

7.3.8.16 In order to test the maximum financial exposure and the estimated maximum size of a Pioneering Project that a municipality could potential procure, the value of financial liability was added to the existing debt level to test whether the Debt to Revenue Ratio financial covenant would potentially be in breach. Similarly, the value of the lease payment (which is the cost of the electricity in that year) was added to the capital and interest payments for a municipality to test whether the Capital Cost to Total Operating Expenditure would potentially be in breach.

7.3.8.17 The outcomes of the assessment of the financial covenants described above for each Candidate Municipality is summarised in under section 7.3.9.5 below.

7.3.9 Summary results of the financial analysis

7.3.9.1 This section of the Report provides a summary of the outcomes of the financial analysis described above. The detailed assumptions and analysis can be found in the relevant Appendix of the relevant Pioneering Project.

Indicative price for the new electricity procured through the Pioneering Projects

7.3.9.2 Table 9 below summarises the indicative price and expected price range calculated for each Pioneering Project, based on their respective technical and financial assumptions set out in this Report. The results in the table below are all presented in April 2020 terms, per MWh.

Indicative Price (Per MWh)			Pioneering Project 2			Pioneering Project 5
Indicative price per MWh			626			535
Expected low range (R/MWh)			516			439
Expected high range (R/MWh)			766			652

Table 9: Summary of indicative price (All Pioneering Projects)

It should be noted that the indicative price for Pioneering Project 5 excludes the cost of wheeling.

The expected range in the table above is based on various changes to key input assumptions. It was found that changes to the capital expenditure costs, and capacity factor were the two most material assumptions which will impact on the actual price. Further details on the sensitivities analyses may be found in the relevant appendices for each Pioneering Project. The indicative prices in the second row of the table above are used to determine the new cost of supply on the basis that the power generated from the Pioneering Projects will displace the current power being purchased by the Candidate Municipality from Eskom (up to the maximum energy output of the Pioneering Project).

For the solar photovoltaic projects, the indicative price was estimated to be in the range between R 535 per MWh and R 644 per MWh which is lower than the LCOE of a range between R 850 per MWh (for project less than 5MW) and R 700 per MWh (for projects in excess 200MW) seen in the RFI responses. For the onshore wind project, the indicative price was estimated at R 756 per MWh which is lower than the LCOE in the region on R 850 per MWh seen in the RFI responses.

The difference between the calculated price for the electricity in this Report and the LCOE in the RFI responses are a function of capital expenditure, operational costs, and the location of the energy services. It should however be noted that this is a high-level comparison only as the LCOE is indicative of the price of electricity but not the same.

Summary results of the current cost of supply (without Pioneering Project)

7.3.9.3 Using the municipality-specific information and supporting documentation provided by the Candidate Municipalities and applying the applicable Eskom tariff charge (per the Eskom tariff book 2020/21) for the electricity procured by the Candidate Municipalities from Eskom and then adding the cost of the electricity procured from other sources (such as IPPs and/or SSEGs and other municipalities), where applicable, the current cost of supply for each Pioneering Project in 2020 terms is summarised in the tables below.

Current cost of supply (c/kWh)		Stellenbosch		
Average cost of supply		116.9 c/kWh		

Table 10: Current cost of supply (each Candidate Municipality)

It should be noted that Eskom is currently reviewing its proposed tariff structure and has submitted its revised tariff structure, including a Municflex tariff for municipalities, to NERSA for review and approval. An analysis was undertaken to determine (at an indicative

level only) the potential impact on the current cost of supply using the proposed Municflex tariff. For the analysis it was assumed that the Municflex tariff will replace the current Eskom tariffs being charged at the various substations (where applicable) of the Candidate Municipalities (the analysis excludes electricity purchased from other sources – specifically in the case of Stellenbosch Municipality).

Current cost of supply (Municflex scenario)		Stellenbosch		
Current Eskom tariff type (A)		114.3 c/kWh		
Municflex scenario (B)		111.5 c/kWh		
Difference (C = B -A)		(2.8)		
% Difference (C/A)		-2.4%		

Table 11: Current cost of supply (Municflex scenario)

From the table above, it can be seen that using the proposed Municflex tariff is likely to result in a reduction in the cost of supply. In most instances in reduction is not considered material, given that no design has been done the capital expenditure is indicative, however in the case of Saldanha Bay municipality a reduction of 8.4% was estimated (it should however be noted that in the case of Saldanha Bay municipality the analysis excludes electricity purchased from other sources which will impact on their cost of supply).

The results in the table above should be treated as indicative only and the impact of this Municflex tariff will need to be considered in more detail if the proposed tariff structure is approved by NERSA. For the purposes of analysis below (i.e., the financial impact on the current cost of the supply (with Pioneering Project)), it is assumed that current tariffs charged by Eskom to the Candidate Municipalities will still apply (as opposed to the new Municflex tariff proposed by Eskom).

Financial impact on the current cost of supply (with Pioneering Project)

7.3.9.4 The results of the financial impact on the current cost of supply and expected range based on the assumption that the new electricity procured from the Pioneering Project displaces only the Eskom power procured (other sources of power procured where applicable was assumed to remain the same) based on the generation profile of the Pioneering Project is presented in the tables below. For the purposes of analysis below, it is assumed that current tariffs charged by Eskom to the Candidate Municipalities will still apply (as opposed to the new Municflex tariff proposed by Eskom).

Pioneering Projects 1 to 4:

Financial impact on the current cost of supply	Solar PV		Pioneering Project 2		
Candidate Municipality			**Stellenbosch**		
Financial impact on the current cost of supply					
Current cost of supply (without Pioneering Project)			116.9 c/kWh		
New cost of supply (with Pioneering Project)			108.2 c/kWh		
% change from the current cost of supply			-7.4%		
Indicative range of the new cost of supply (with Pioneering Project)					
Expected low range			105 c/kWh		
Expected high range			112 c/kWh		

Table 12: Financial impact of current cost of supply (Pioneering Project 1 to 4)

A high-level range of the new cost of supply was estimated based on various percentage changes to the indicative price for the new electricity. For the analysis a range between -20% to a maximum of 20% was assumed. Further details on the sensitivities analyses undertaken in respect of the indicative range of the new cost of supply may be found in the relevant Appendix for each Pioneering Project. For the table above, the expected low range is based on the lower limit of -20% and the high range is based on the maximum limit of +20% as assumed for the analysis.

Pioneering Project 5:

Financial impact on the current cost of supply	Drakenstein	Stellenbosch	Mossel Bay	Saldanha Bay
Financial impact on the current cost of supply				
Current cost of supply (without Pioneering Project)		116.9 c/kWh		
New cost of supply (with Pioneering Project)		106.4 c/kWh		
% change from the current cost of supply		-8.93%		
Indicative range of the new cost of supply (with Pioneering Project)				
Expected low range		102.9 c/kWh		
Expected high range		110.0 c/kWh		

Table 13: Financial impact of current cost of supply (Pioneering Project 5)

The new cost of supply (with Pioneering Project) in the table above includes the cost of wheeling. For the purposes of the analysis the wheeling charges were based on the on the Eskom template (extracted from the Eskom website) - Refer to section 3.4.3.3 in Appendix 5 for the wheeling assumptions used. It should however be noted that the wheeling charges are dependent on a number of factors including the generator's location, voltage and MW

capacity. The Candidate Municipalities will need to consider the full financial implications of the wheeling charges on the price for the new electricity to be procured from Pioneering Project 5.

For the table above, the expected low range is based on the lower limit of -20% and the high range is based on the maximum limit of +20% as assumed for the analysis (It should be noted that the analysis of the indicative range of the new cost of supply for Pioneering Project 5 follows the same methodology as described for Pioneering Project 1 to 4 above).

7.3.9.5 The table below summarises the financial covenant assessment done for each Candidate Municipality (It should be noted that the outcomes per the table below are same for Pioneering Project 5).

Financial Covenant Assessment Summary	Current Ratio	New Ratio (with Pioneering Project)	Threshold Ratio	Proposed Pioneering Project Capacity (MW)	Estimated Max Project Capacity (MW)
Drakenstein Municipality (Solar PV)					
Drakenstein Municipality (Wind)					
Stellenbosch Municipality					
Debt to Revenue Ratio	25.3%	70.5%	<=70%	51.22	51
Capital to Operational expenditure	3.4%	7.9%	<=15%		133
Mossel Bay Municipality					
Saldanha Bay Municipality					

Table 14: Summary of Financial Covenant Assessment

7.3.9.6 Stellenbosch Municipality, has sufficient capacity to potentially sign up to a solar photovoltaic Pioneering Project of circa 51 MW,

7.3.9.7 It is however important to note that, depending on how the PPA is treated on the annual financial statements, the project may potentially reduce the ability of the municipality to raise additional debt to fund other capital projects. The financial impact on the financial

covenants will need to be further analysed as part of the feasibility study stage of the Pioneering Project. As mentioned above, the provisions of the PPA will determine how the project is potentially treated from a financial accounting perspective and these details and risk allocations would need to be developed such that it can inform the financial accounting and impact on potential financial covenants.

7.3.10 Summary of the outcome of the Financial Analysis

7.3.10.1 The indicative price for the solar photovoltaic Pioneering Projects range between R535/MWh and R644/MWh which resulted in an overall decrease in the current cost of supply in the range of -8.9% and -5.3% depending on the Pioneering Project and Candidate Municipality. The indicative price for the wind Pioneering Project was circa R756/MWh which resulted in an overall decrease in the cost of supply of circa 5,0%.

Financial Analysis Summary	Pioneering Project 1		Pioneering Project 2	Pioneering Project 3	Pioneering Project 4	Pioneering Project 5
Candidate Municipality			Stellenbosch			All
Technology			Solar Photovoltaic			Solar Photovoltaic
Capacity			51.22 MW			198 MW
Indicative price per MWh			626			535
% Change in current cost of supply			-7,4%			between -8,93% & -5,4%

Table 15: Summary of Financial Analysis

For Pioneering Project 5, the indicative price is R 535 per MWh excluding wheeling charges and approximately R 598 per MWh including wheeling charges (the wheeling charges ranged between R 63 and R 97 per MWh depending on the Candidate Municipality).

It can be seen that Pioneering Project 5 has the lowest price (from the solar photovoltaic projects) as the indicative price benefits from economies of scale and potentially better funding terms.

7.3.10.2 The assessment of the financial covenants suggested all Candidate Municipalities, with the exception on Drakenstein, have sufficient fiscal capacity to sign up to a PPA up to and in some instances exceeding the technical thresholds of the Pioneering Projects. Based on the analysis in section 7.3.9.5 above, Drakenstein has a fiscal limitation (based on the currently exceeding their debt to revenue financial covenant) and may be unable to enter into any PPA. Although, it should be emphasised that the outcome of the assessment of the financial covenants will ultimately depend on how the PPA is treated from an accounting perspective in the financial statements of the Candidate Municipalities.

The outcomes set out above are based on the assumptions covered int this Report and its Appendices. In order to obtain a higher level of confidence, a full feasibility study (including a full cost of supply covering both generation and an assessment of the grid infrastructure) should be carried out by the Candidate Municipalities (in accordance with

the New Gen Regulations) prior to any procurement. The feasibility study should include a full analysis to determine the accounting treatment to fully understand the impact of the Pioneering Projects on the financial statements of the Candidate Municipalities.

8 Legal Analysis

8.1 Introduction

8.1.1 Over the years, the structure of the South African electricity supply industry has significantly changed. In the Business Case Report, we considered the applicable legal framework in detail. We also considered how the changing legal environment enabled or presented opportunities or constraints to municipalities that wish to buy renewable power from the IPPs or establish their generation facilities.

8.1.2 Now in this Energy Projects Report, we consider what the Candidate Municipalities will need to do in order to implement their Pioneering Projects. More specifically, the Candidate Municipalities will require a number of internal and external approvals in order to: (i) undertake a procurement process for the purchase of electricity from an IPP; and (ii) enter into a PPA with one or more IPPs pursuant to a procurement process.

8.1.3 The requirements and timing of these approvals vary significantly and this variance and in some instances overlapping requirements will require conscientious planning and execution. We summarise the key considerations or requirements that will need to be taken into account in planning and implementing the Pioneering Projects.

8.1.4 The requirements are largely similar in each of the Pioneering Projects but in the case of Pioneering Project 5 (i.e. MSPV), there are additional considerations relating to the MSPV that will need to be taken into account. These include issues relating to establishment and governance of the MSPV and participation of the Western Cape Government in the establishment and operations of the MSPV.

8.2 Summary of the key considerations for Pioneering Projects 1 – 4

8.2.1 Approvals and authorisations to undertake the procurement process and enter a long term PPA

8.2.1.1 Following the amendment of Schedule 2 of ERA, any generation facility which generates less than 100MW will not need a licence but a registration. When facilities of the facilities of this size needed a licence, NERSA's stance was that it could not licence any municipality-procured generation facility without a Determination issued by the Minister

8.2.1.2 The landscape has now changed such that the generation facilities that are linked to the Pioneering Project will not require a licence but registration with NERSA. The current (outdated) framework for registration does not require a Determination if the offtaker will be a municipality.

8.2.1.3 The provisions of Regulation 5 of the New Gen Regulations as currently drafted are triggered if a municipality wishes to "apply" the IRP, this will not arise for a registered generation facility.

8.2.1.4 In the short term, and in the absence of a clear framework regarding the use of Regulation 5 and the issue of a Determination to municipalities we cannot see that there is anything to be gained in trying to seek a Determination prior to initiating a procurement process for new generation capacity given the uncertainties surrounding this issue.

8.2.1.5 If it becomes clearer in future that a Determination will be required, we would suggest that this be sought by the relevant municipality after appointment of Preferred Bidders in the same way as Ekurhuleni Metropolitan Municipality did.

8.2.1.6 The Constitution and the Systems Act require a municipality to 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. The most important instrument that a municipality uses to implement these constitutional instructions is the IDP which is also a mandatory obligation.

8.2.1.7 The IDP legally binds the municipality in the exercise of its executive authority. From our preliminary review of the Candidate Municipalities' IDPs, establishment or procurement of power from the Pioneering Projects by these municipalities do not appear to be in conflict with the respective municipalities' IDPs and none may require amendment in order to provide for the respective Pioneering Projects.

8.2.2 Procurement process approvals for procurement electricity by the municipality

8.2.2.1 From a procurement point of view, we recommend that the municipalities undertake open competitive procurement in compliance with the Municipal SCM Regulations and their respective SCM Policies. This will include procedures for releasing procurement documents to the market and approvals needed at different stages of the procurement.

8.2.2.2 Prior to launching the procurement documents, it will have to be ensured that budgets for procuring electricity are approved. This is necessary because the municipalities must spend according to budget. If any adjustment to the budget is required, the MFMA requirements of budget adjustments will need to be followed.

8.2.2.3 In terms of section 33 of the MFMA, the PPA will need to be approved by the municipal council. Before doing so, the PPA which the municipal council is proposing to approve must be put out to public participation at least 60 days before the meeting at which it will be approved. Practically, this means this approval may only be sought after the Preferred Bidder status because the members of public must be provided with the draft agreement. The comments received from the public and views received from treasure, COGTA and DMRE among others must be considered before approving the PPA.

8.2.3 Environmental authorisations or approvals

8.2.3.1 The construction and operation of a renewable energy generation facility will inter alia require a number of environmental consents.

8.2.3.2 Given the fact that the Pioneering Projects will primarily be PV and Wind, the IPPs may need the following environmental authorisations and approvals in order to construct the projects:

8.2.3.2.1 Environmental authorisation in terms of NEMA;

8.2.3.2.2 Water use authorisation in terms of the NWA and this will inter alia depend on project site location (e.g. located near water courses or not). The targeted technologies do not generally require water use licence);

8.2.3.2.3 Biodiversity and or conservation permits, in terms of the Biodiversity Act and any applicable provincial laws, and biodiversity off-set programmes;

8.2.3.2.4 protected tree licences, in terms of the National Forests Act;

8.2.3.2.5 heritage approvals in terms of the NHRA and any applicable provincial laws; and

8.2.3.2.6 relevant municipal consents in terms of applicable municipal by-laws

8.2.3.2.7 A number the above consents are long-lead items and will need to be in place when the procurement process starts but others may generally be secured when the IPP has been selected as Preferred Bidder. These considerations must be taken into account when setting appropriate qualification criteria and setting the procurement timetable.

8.2.4 <u>The IPP will need the following land use approvals</u>

8.2.4.1 From a land use and approval perspective, in summary, an IPP will need to:

8.2.4.1.1 Secure the project site and this may include ownership of the project site or leasing arrangements. In respect of leases, it will have to be ensured that the lease is unconditional (e.g. not subject to subdivision approval). In respect of both ownership or lease arrangement, it will have to be ensured that the title deed or lease agreement does not contain any conditions which may restrict the construction or operation of the Pioneering Project.

8.2.4.1.2 Apply and obtain approvals to lawfully use the site to construct and operate the generation facility relating to the Pioneering Project. The authorisations that may be required include (i) land use change or rezoning, (ii) subdivision, or (iii) removal of restrictive conditions. Some of these authorisations may be streamlined by the provincial government or the MSPV and we discuss this point further below.

8.2.4.2 Where the Pioneering Project site is located on municipality-owned land, all relevant municipal statutory requirements (including attendant authorisations, consents, approvals, resolutions should be obtained; and procedures followed, in the conclusion of the land use arrangements with the municipality.

8.2.4.3 Overall, the IPP should arrange its land use arrangements in such a manner that at bidding it easily demonstrate that that it will not be hindered by absence of land use approvals or insurmountable conditions included in the documentation evidencing the land or resource use arrangements for the Project from reaching Commercial Close or implementing the Pioneering Project if it was selected as a Preferred Bidder.

8.3 Electricity generation registration and wheeling requirements

Registration and wheeling arrangements

8.3.1 The capacity of the Pioneering Projects is less than 100 MW and as mentioned above, these facilities will need registration and not licensing. The registration is currently done in

accordance with the registration procedure which was designed to register the SSEG facilities. An application for registration will need to be supported by a number of approvals which include:

8.3.1.1 A consent letter from the licensed NSP confirming that there is network capacity to accommodate the proposed generator and that it meets the NSP requirements;

8.3.1.2 A PPA between the generator and the consumer, this would be a PPA between the IPP and the municipality in this case;

8.3.1.3 Environmental authorisation issued by the relevant authority, if applicable; and

8.3.1.4 Any applicable wheeling agreement with the NSP.

8.3.2 The registration certificate is granted within 60 days of the all the required documentation has been provided.

8.3.3 Eskom allows for wheeling arrangements provided that several requirements are satisfied. The relevant requirements include applying to Eskom for grid connection and payment of the applicable cost estimate fee for the cost estimate letter to be issued, then payment the quotation fee to request the budget quote and pay the connection charges quoted in the budget quote. Issuing of the cost estimate and budget quote letters takes time and this timing must be planned for.

8.3.4 A person generating electricity and connecting to the municipality network, will need municipal consent. The Candidate Municipalities will need to put in place the requirements and procedures for granting these consents.

NERSA approval of electricity tariff and/or PPA

8.3.5 The tariff under the PPA will be considered and may be approved by NERSA when registration of the facility is sought by the generator.

8.3.6 In addition, support their annual tariff adjustment the Candidate Municipalities will need to submit a defensible Cost of Supply study to support the PPA costs. The need for a Cost of Supply originates from the EPP which requires that electricity distributors undertake Cost of Supply studies at least every five years, but at least when significant licensee structure changes occur, such as in customer base, relationship between cost components and sales volumes. This must be done according to the NERSA's approved standard to reflect changing costs and customer behaviour.

8.3.7 Cost of Supply studies for tariff setting or decision making has increased in importance since the EPP. Failure to commission a thorough Cost of Supply study may result in the NERSA refusing to approve tariffs applied for following its participation in procuring electricity from the Pioneering Projects.

8.4 Summary of the key considerations for Pioneering Project 5

8.4.1 In this section, we only focus on key considerations which are specific to Pioneering Project 5 and do not repeat considerations which are common to Pioneering Project 5 and other Pioneering Projects which are already summarized in respect of Pioneering Projects 1 -4.

8.4.2 For the purposes of Pioneering Project 5, we recommend that the participating municipalities establish a company (i.e. the MSPV) under the Companies Act in which the participating municipalities and the provincial government have a shareholding.

8.4.3 Although the MSPV will be a company for incorporation purposes, in substance and form it will be a "municipal entity" under the Systems Act and the MFMA because it will be established by the participating parent municipalities.

8.4.4 In light of the above, this section summarises:

8.4.4.1 the applicable legal requirements for the establishment, operation, and management of such a MSPV;

8.4.4.2 the key considerations in respect of composition of a MSPV, the documentation needed to establish a MSPV and the key elements of its governance structure; and

8.4.4.3 the consents and approvals for the MSPV to: (i) undertake a procurement process for the purchase of electricity from one or more IPPs; and (ii) enter into a PPA with one or more IPPs.

8.4.5 <u>Establishment of a MSPV</u>

8.4.5.1 The MSPV must be established or incorporated as a "state-owned company" under the Companies Act. This is a new category of company introduced in terms of the 2018 Companies Act. There is however a misalignment between the Systems Act and the Companies Act on the "form" of the company to be incorporated.

8.4.5.2 The misalignment is largely due to the fact that the Systems Act has not been amended to take account of these changes. The Companies Act does however specifically refer to the Systems Act in the definition "state-owned company" and so there is every indication that Parliament intended that a municipality may establish and participate in the establishment of a "state-owned company" notwithstanding the fact that the consequential amendments have not been carried through to the Systems Act.

8.4.5.3 This approach accords with the approach in section 12 of the Interpretation Act, 1957 which provides that repealed provisions must, unless the contrary intention appears, be construed in light of the re-enacted provisions. In addition, it is an established principle of our law that *"every part of a statute should be construed so as to be consistent, so far as possible, with every other part of that statute, and with every other unrepealed statute enacted by the Legislature"*.

8.4.5.4 Practically, this means references in the Systems Act to the repealed Companies Act and to the forms of companies provided for under that Act must be construed as references to Companies Act, 2008 and the forms of companies now allowed. There is a clear category of company contemplated by the re-enacted 2018 Companies Act for municipalities and so references to "private company" in the Systems Act should be read as references to a "state-owned company" under the 2018 Companies Act.

8.4.5.5 If the MSPV is established as a state-owned company, the 2018 Companies Act's provisions relating to the establishment or incorporation of the "state-owned-companies" will have to

be applied. Practically, this means that at incorporation the shareholders must reserve a name for the MSPV that ends with the expression “SOC Ltd”.

8.4.5.6 Once the MSPV has been incorporated as a state-owned company, the MSPV will be subject to the state-owned company provisions of the Companies Act unless altered in terms of section 15(2) of the Companies Act and specified in the memorandum of incorporation (MOI). The state-owned company provisions in the Companies Act that would apply to the MSPV include the extended accountability provisions that are applicable to public and state-owned companies and certain provisions that apply to governance structures of public and state-owned companies.

8.4.6 Approvals required by a Candidate Municipality to establish or participate in the establishment of the MSPV

Insourcing and outsourcing approvals

8.4.6.1 If a municipality establishes a company or acquires an interest in such a company for the purpose of using that company as a mechanism to provide a municipal service, Chapter 8 of the Systems Act applies, which relates to insourcing and outsourcing approvals.

8.4.6.2 We however do not think that these approvals will be required. This because, the MSPV will aggregate municipal purchasing power to procure renewable energy to meet energy needs to participating municipalities and create energy resilience, among others. The MSPV will not deliver electricity to purchasers and will not take over any part of the municipalities’ distribution networks. In other words, the MSPV will not “provide” a municipal service.

The need and desirability approval of the Systems Act and the MFMA

8.4.6.3 Two or more municipalities may only establish a private company (municipal entity) or acquire an interest in such a company for the purpose of utilising the company as a mechanism to assist it in the performance of any of its functions or powers.

8.4.6.4 Each municipality must also demonstrate that there is a need to perform that function or power in accordance with business practices in order to achieve the strategic objectives of the municipality more effectively and that the company would benefit the local communities.

8.4.6.5 The report regarding the need and desirability is required to be put out for public participation for 90 days and views and recommendations of National Treasury, COGTA and the MEC for local government in the province must be solicited.

8.4.6.6 Once this has been assessed each Municipal Council is required to consider the matter and approve the establishment of the MPSV.

8.4.6.7 While the MSPV could be established primarily or initially to simply aggregate the power needs of the participating municipalities, the shareholding in the MSPV may be extended to include the Western Cape Government as a shareholder in the MSPV. For the reasons discussed below, the Western Cape Government could be a shareholder at inception or incorporation.

8.4.6.8 The participation of the Western Cape Government as a shareholder of the entity would allow the Western Cape Government to ensure that the initial seed funding which it is

providing to meet the objectives of the MER is well spent and it can ensure that the MSPV assists in meeting the overall objectives of the MER to establish an "energy-secure province" through "diversification of the regional energy mix" and help to develop, support and capacity building of municipalities to implement renewable energy projects in municipalities across the province. It is possible that in future, with the consent of the participating municipalities other municipalities could be invited to join the MSPV and also aggregate power needs and achieve energy security. The participation of the Western Cape provincial government in the MSPV as a shareholder could assist in securing these strategic objectives of the MSPV.

8.4.6.9 The participation of the Western Cape Government can be justified on a number of constitutional grounds which we discuss in the Report.

8.4.7 Governance and incorporation of the MSPV

Documentation related to incorporation

8.4.7.1 From a documentation point of view and if approval has been obtained from the relevant municipalities for the participation by the participating municipalities and National Treasury for provincial government participation from the perspective of the Companies Act the incorporation of the MSPV will require the shareholders to:

8.4.7.1.1 complete an information sheet which includes information relating to the registered address, financial year end and authorised share capital of the MSPV;

8.4.7.1.2 complete and sign an MOI in the prescribed form or in a form unique to a state-owned company;

8.4.7.1.3 file a notice of incorporation, in accordance with section 15(2) of the Companies Act;

8.4.7.1.4 appoint the MSPV initial directors which must be set out in the notice of incorporation. Among others, the appointment of the directors of the MSPV must take into account the requirements of Part 6 of Chapter 8A of the Systems Act and the directors must have consented to act as directors of MSPV, must have completed and signed a disclosure of interest form pursuant to sections 24(5) and 75 of the Companies Act and included certified copies (not older than three months) of their identity documents;

8.4.7.1.5 appoint an auditor which according to the Public Audit Act we understand would be the Auditor General of South Africa; and

8.4.7.1.6 appoint a company secretary which may be appointed within 40 business days of incorporation.

8.4.7.2 The incorporation of the MSPV at the CIPC itself is a short administrative exercise which can be accomplished in five to ten business days.

The MOI and its requirements

8.4.7.3 We recommend that the MSPV must adopt an MOI that is unique to the company and suitable for a state owned-company as opposed to using the prescribed form. A purpose specific MOI will allow the MSPV (as permitted by section 15(2)(b) or (c) of the Companies Act) to insert special voting restrictions and other restrictive conditions applicable to the

MSPV and to prohibit the amendment of particular provisions of the MOI without specific approval levels.

8.4.7.4 The substantive requirements of the MOI are set out in detail below.

The shareholders agreement, governance, and budgeting requirements

8.4.7.5 In approving the establishment of the MSPV participating municipalities are required to:

8.4.7.5.1 Determine the budgetary and funding arrangements of the MSPV. From the outset, this will require the participating municipalities to determine precisely the function or service that such entity would perform on behalf of the municipality and the viability of the entity.

8.4.7.5.2 Agree a suitable governance structure for the MSPV. The governance structure would be the board of directors. The manner of appointment, qualifications/disqualification, removal or recall procedures, duties and board meetings requirements are set out in the Systems Act.

8.4.7.6 Before the board is appointed, the participating municipalities will have to establish a process through which applications for nomination or appointment are widely solicited.

8.4.7.7 The shareholders agreement may cater or provide opportunities to include additional participating municipalities as the MER Programme is rolled out to other Western Cape municipalities.

8.5 Approvals or authorisations required by the MSPV to purchase power from an IPP and sell power to a Municipality

Do the New Gen Regulations apply to the MSPV and section 34 Determination

8.5.1 Regulation 3 of the New Gen Regulation states that they *"apply to the procurement of new generation capacity, by organs of state active in the energy sector"*.

8.5.2 While the MSPV will be wholly owned by organs of state, and will be majority owned by various municipalities, this ownership per se is not sufficient to qualify it as an "organ of state". The powers and functions of the MSPV will be the purchase of power from IPPs and the sale of electricity to municipalities, this is not necessarily a "public function" and it is not performed in terms of any statute, the power to do this is derived from the MOI.

8.5.3 However, one of the criteria for a municipality to participate in such an MSPV is that the "purpose" must be to use the company to assist in the performance of a municipal power and function". On this ground, the MSPV is likely to be considered to be exercising a public power and so would be an organ of state.

8.5.4 Although the MSPV may be regarded to be an organ of state, it does not mean that it will need a section 34 Determination to procure electricity from the IPPs.

8.5.5 In the Business Case Report, the debate regarding when a section 34 Determination is needed for an organ of state to procure new generation capacity is discussed in detail. In summary, while the wording of section 34 empowers the Minister to issue a Determination, it arguably does not make a Determination a mandatory requirement for procurement of new generation capacity by any organ of state.

Does Regulation 5 of the New Gen Regulations apply to the MSPV?

8.5.6 On the face of it, Regulation 5 appears to have no application to such purchases by the MSPV, Regulation 5 is specifically directed at "a municipality". The term "municipality" is defined in ERA. It is also not specifically defined in the Constitution which speaks of the "local government" sphere.

8.5.7 The term municipality does not appear to cover additional juristic persons in which a municipality has an ownership interest. It accordingly appears that Regulation 5(3) would not be directly applicable to a MSPV.

Electricity Trading

8.5.7.1 The MSPV will conclude a PPA with the IPP to purchase electricity and will in turn sell electricity to the participating municipalities. It is possible that it may also sell to third parties (e.g. non participating municipalities if there is surplus for whatever reason).

8.5.7.2 This on the face of it is "trading" in electricity and which requires an electricity trading licence from NERSA. "Trading" is however defined as:

> *"the buying or selling of electricity as a commercial activity". [Own emphasis]*

8.5.7.3 The ERA does not define "commercial activity". Similar to ERA, the Systems Act does not define what constitutes commercial activity.

8.5.7.4 The MSPV is however specifically precluded from engaging in any "commercial activity" by section 164(4) of the MFMA, which provides that:

> *"No municipality or municipal entity may- (a) conduct any commercial activities –- (i) otherwise than in the exercise of the powers and functions assigned to it in terms of the Constitution or national or provincial legislation; or (ii) outside the borders of the Republic."*

8.5.7.5 As such, an MSPV could not "reticulate" or deliver electricity to customers other than customers within the participating municipalities' area of jurisdiction or with the consent of another municipality into whose jurisdiction they wish to deliver the service or electricity.

8.5.7.6 The buying and selling of electricity at "cost" and to the participating municipalities may arguably not amount to buying and selling as a "commercial activity" for the purposes of ERA. If the MSPV starts selling to parties beyond the participating municipalities (with their consent) this would arguably also be allowed under the MFMA and Systems Act if it was also not intended purely to "profit" the MSPV and was an ancillary activity. The MSPV could not in this way become a "commercial" electricity trading vehicle. The point at which such an activity triggered the need under ERA to seek a "trading" licence may be a question of degree and if sales were made to third parties beyond the participating municipalities it may be advisable to seek a "trading" licence under ERA.

8.5.7.7 While in such a case it may be preferable to seek this licence upfront, this may trigger the requirement to obtain Ministerial consent for a deviation from the IRP which could cause delays in obtaining the trading licence. This is because any licence sought from NERSA would have to be granted by NERSA with reference to the IRP or a Ministerial IRP

exemption. This trading activity is not covered in the IRP and so NERSA could refuse to licence without Ministerial consent.

Restrictions on the MSPV's electricity payments and prices

8.5.7.8 There is no statutory restriction on the price the MSPV may pay to purchase electricity under the PPA with one or more of the IPPs. There is also no statutory limit on the price which the MSPV can sell to a participating municipality.

8.5.7.9 However, the price the MSPV pays the IPP will be interrogated by NERSA at registration of the generation facility and also if it seeks a trading licence.

8.5.7.10 In addition to NERSA interrogating the PPA between the MSPV and the IPP at the registration of the facility, and approval of the trading licence (if required), the costs incurred under a PPA entered into by the participating municipality as a distribution licensee would be interrogated by NERSA under the annual at the point of tariff adjustment. A change to the tariff structure arising from a PPA with the MSPV is likely to require an updated Cost of Supply study be provided by the municipality to NERSA as part of the annual tariff adjustment application.

8.5.7.11 This means when the MSPV sets up its electricity pricing structure will need to take into account the effect of the price on the financial stability and affordability of the tariffs of participating municipalities because of the cost of buying electricity from it.

8.5.7.12 In considering the application and determining an appropriate tariff for the participating municipalities (the MSPV shareholders), NERSA will be looking to set cost reflective tariffs. This inter alia means tariffs will be set so as to allow an efficient licensee to recover the full cost of its licensed activity, including a reasonable margin of return.

8.5.8 <u>MFMA and SCM procurement approval for electricity purchases and sales</u>

8.5.8.1 Section 110(1)(a) of the MFMA provides that Chapter 11 of the MFMA applies to the procurement by a municipality or municipal entity of goods and services.

8.5.8.2 The MSPV will thus need to have and implement an SCM policy which gives effect to sections 110 to 119 of the MFMA. Practically, this means procurement of IPP and entering into PPA by the MSPV will be subject to the MSPV's SCM policy and procedure and not the SCM policies of the participating municipalities.

8.5.8.3 Similar to the Pioneering Projects 1 to 4, we recommend that when the MSPV undertakes procurement of the renewable energy from an IPP or enters into a long term PPA it should follow an open competitive process.

8.5.8.4 The MSPV will need to establish its own internal processes and delegations of authority for initiating procurement, appointing preferred bidders and concluding a PPA with an IPP. It is not required to seek approval from the participating municipalities for such decisions. The accounting officer of the MSPV (which would be the Board of the MSPV) is required to undertake revenue and expenditure management on an ongoing basis.

8.5.9 MSPV Long-term contracts – section 33

8.5.9.1 There is also no section 33 equivalent approval for the MSPV to enter into any long-term contract.

8.5.9.2 The accounting officer of the municipal entity is responsible for implementing the entity's budget including taking effective and appropriate steps to ensure funds are spent in accordance with the budget and revenue and expenditure is properly monitored.

8.5.9.3 The MSPV is required to obtain approval for the budget of the MSPV on an annual basis from the participating municipalities. This is required to include "multi-year" information where this is relevant.

8.5.10 SCM approvals required by a Participating Municipality to purchase power from the MSPV

8.5.10.1 The contract between the MSPV and the individual municipalities will not be subject to the MFMA procurement process.

8.5.10.2 This is because in terms of section 110(2)(a) of the MFMA, the municipal public procurement requirements do not apply if a municipality or municipal entity contracts with another organ of state for the provision of goods or services to the municipality or municipal entity.

8.5.11 Participating Municipality approvals for a Long-term contract – section 33

8.5.11.1 Before each individual municipality concludes a PPA with the MSPV, it will however need to ensure that it complies with the requirement of long-term contracts in section 33 which is discussed in various parts of this report and our previous reports.

8.5.11.2 There is no similar exemption in this regard for long term contracts with another "organ of state".

9 Overview of the Economic Development Assessment for the Pioneering Projects

9.1 The purpose of the Socio-Economic Development analysis to the Energy Projects Report is to provide the potential Economic Development frameworks for each Pioneering Project, determine a preferred approach to Economic Development for each Pioneering Project, determine the elements of Economic Development based on the preferred approach, and identify the key milestones to the recommended approach.

9.2 Three potential Economic Development initiatives were analysed:

9.2.1 Initiative 1: Apply the PPPFA (90/10) and existing Local Content designations as the minimum applicable Economic Development requirement;

9.2.2 Initiative 2: Apply the PPPFA (90/10) with existing Local Content designations and apply for additional Local Content designations (Non-Designated Local Content); and

9.2.3 Initiative 3: Apply for exemption from the provisions of the PPPFA and pursue Economic Development including Local Content, Local Economic Development and B-BBEE.

9.3 Each Economic Development initiative was evaluated and scored according to the potential impact on procurement time; project price; project risk; and Economic Development benefit. These measurements were also weighted to the level of importance for the pioneering projects.

9.4 Economic Development Initiative 1 (Apply the PPPFA) scored the highest between the three initiatives for all Pioneering Projects due to its limited impact on time, price and risk as well as providing some Economic Development benefit due to Local Content requirements, sub-contacting criteria, the induced impact of a B-BBEE level threshold (e.g., Ownership), and the potential for Local Employment.

9.5 As such, Initiative 1 (Apply the PPPFA) is recommended as the most suitable Economic Development approach for each Pioneering Project. The Economic Development Elements would include qualification criteria as envisaged in the PPPFA (legislated Local Content designations and pre-qualification criteria) and evaluation criteria as envisaged in the PPPFA (the preference point system of 90/10).

10 Summary and Conclusion

10.1 The Advisory Team has assessed each of the five Pioneering Projects and we note that **none of the five Pioneering Projects** are, in our view, absolute constrained resulting in our recommendation that all projects may proceed into the feasibility study stage of the MER Programme.

10.2 However, from a technical perspective, we note that the available capacity and the POSs within each Candidate Municipality were generally significantly constrained. Furthermore, from financial perspective, we note that, other than Drakenstein, each of the Candidate Municipalities should have sufficient financial capacity to enter into a long-term PPA within the indicative technical grid constraints. In respect of Drakenstein, it has financial covenants in its existing borrowings which are likely to place a cap on the new generation capacity that it is able to procure. However, such fiscal limitations require further discussion amongst stakeholders before one conclusively determines a limit on its capacity.

10.3 Setting aside Drakenstein's current fiscal constraints, in Table 16 below, we summarise, in our assessment, the **maximum renewable energy generation capacity** that may be procured by each of the selected Candidate Municipalities and an **indicative price for the energy component of the electricity tariff** which, based upon our analysis one may expect to achieve for each of the Pioneering Projects.

Description	Pioneering Project 1		Pioneering Project 2	Pioneering Project 3	Pioneering Project 4	Pioneering Project 5
Off-taker			Stellenbosch Municipality			All selected Candidate Municipalities
Technology			Solar PV			Solar PV
Maximum capacity that can be procured			51 MW			198 MW
Indicative price per MWh			626			535

Table 16: Summary results of the technical and financial assessment

10.4 For each Pioneering Project we set out in this Energy Projects Report the key milestones that are required to be addressed in order to implement these projects. A summary of the key milestones will be set out in the next report for Phase 1 of the MER Programme – the Pioneering Projects Roadmap Report.

Appendix 1: Pioneering Project #1: Drakenstein PV and/or Wind			

APPENDIX 2: PIONEERING PROJECT #2 STELLENBOSCH PV

1 Introduction

1.1 Based upon the most recent invoices from Eskom, the electricity load demand for Stellenbosch is approximately 382 GWh per annum.

1.2 Stellenbosch has good solar resources, generally, available throughout the municipal boundary and within close proximity to the major centres. The estimate of potential long-term output from a PV plant located in the general vicinity of Stellenbosch is estimated at around 1 618 kWh/kWp per annum. By way of comparison, the long-term output for photovoltaic plant located in Upington should yield around 1 967 kWh/kWp per annum and, similarly a plant located in Prieska should yield around 1 932 kWh/kWp per annum [28].

1.3 In framing this Pioneering Project #2: Stellenbosch PV, we make the following assumptions:

- the envisaged commercial arrangement will be the purchase of electricity generated from PV generation by an IPP, where the electricity buyer will be the Stellenbosch Local Municipality;
- the IPP shall be responsible for the identification of the site on which the renewable energy generation plant is located and, in addition, the IPP shall be responsible for securing tenure to the land;
- in order to provide a level of electricity resilience, we impose a requirement that the electricity generator shall connect into the municipal network;
- in the Business Case Report we distinguished between utility-scale procurement from IPPs (where we defined 'Utility-Scale' to be a generator with electricity generation capacity of 10 MW or more) and distributed generation at sub-utility-scale (where distributed generation we defined distributed generation to be embedded within a municipal network. In this Report, we relax the distinction between procuring from IPPs at utility-scale versus sub-utility-scale and embedded versus non-embedded generation and we seek to test the maximum generation capacity that Stellenbosch may procure against various constraints, in the main technical and financial constraints.

1.4 This Appendix to the Energy Projects Report addresses the technical, financial, legal and economic development considerations that one would expect to be assessed further in the Energy Projects Roadmap.

2 Specific Technical Analysis

2.1 Technical capacity constraint considerations

2.1.1 Only projects local to Stellenbosch will be considered, therefore any renewable generation will connect to Stellenbosch network.

28 All figures sourced from SolarGIS.

2.1.2 Grid Capacity

2.1.2.1 Stellenbosch has 3 Eskom POS's:

POS No.	Name	GPS East	GPS North	Voltage Level (kV)	Tariff	NMD (kVA)
1	Stellenbosch 66kV	-33.942550	18.826858	66	Eskom Megaflex	60 000
2	Cloetesville 66kV	-33.911677	18.851356	66	Eskom Megaflex	16 000
3	Franschhoek 66kV	-33.893368,	19.096942	66	Eskom Megaflex	10 000

Table 17: Stellenbosch Municipality POS's

2.1.2.2 There are a further 3 POS's from the Drakenstein Municipality:

POS No.	Name	GPS East	GPS North	Voltage Level (kV)	Tariff	NMD (kVA)
4	Rhodes Food Group					4 000
5	Pniel					4 000
6	Hollandse Molen					1 000

Table 18: Stellenbosch Municipality additional POS's (from Drakenstein)

2.1.3 Loading

2.1.3.1 The following graphs illustrate the load demand at each POS

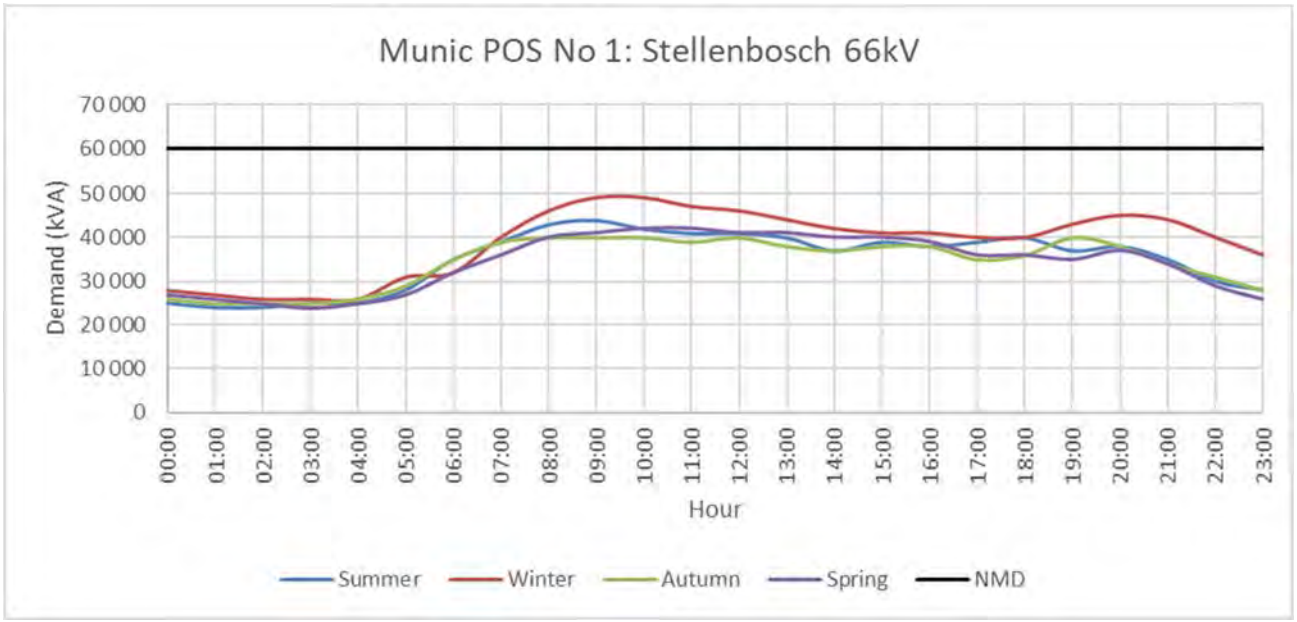


Figure 17: Stellenbosch POS1 load demand

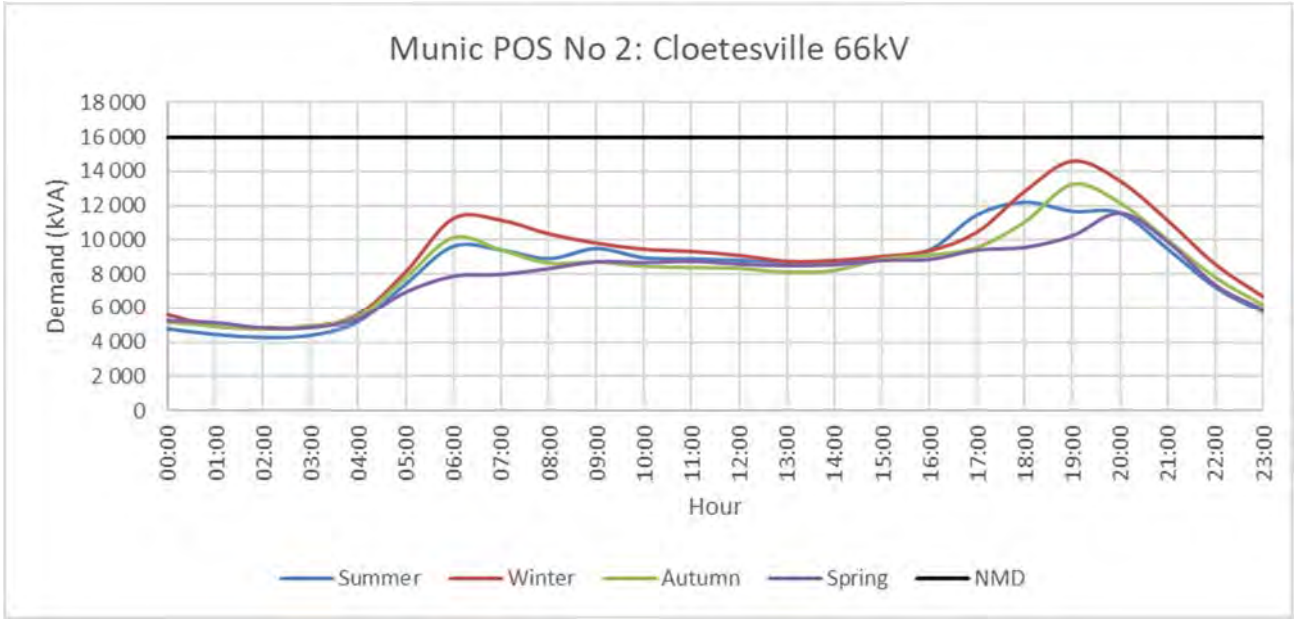


Figure 18: Stellenbosch POS2 load demand

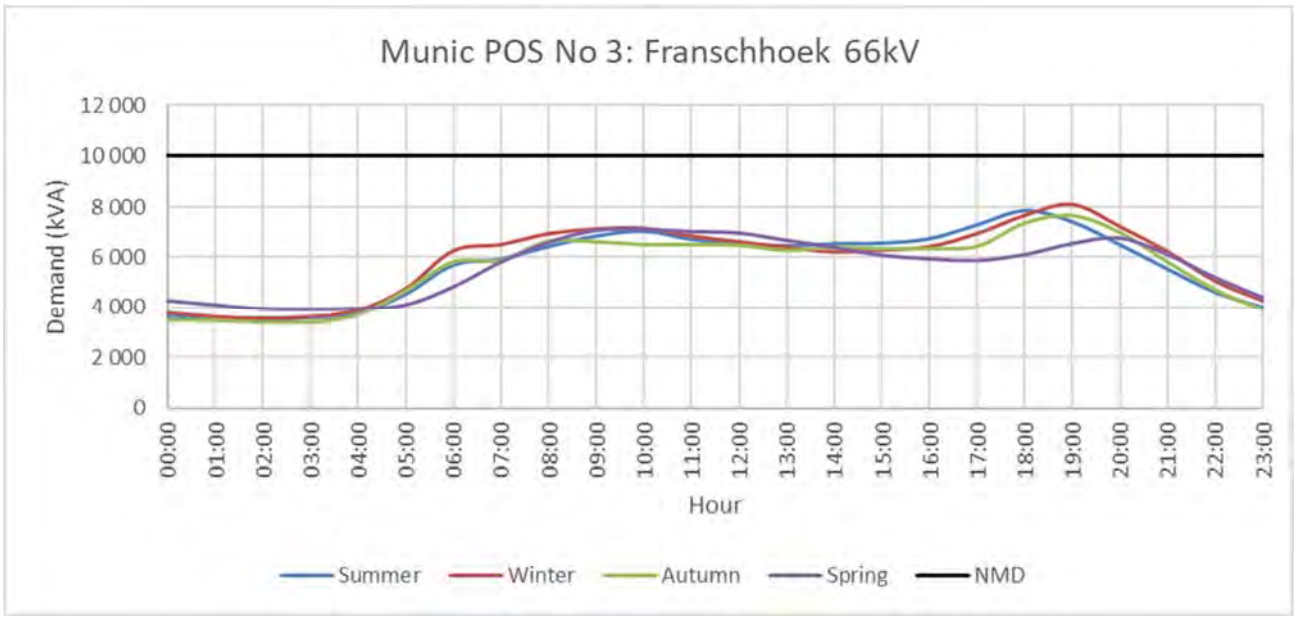


Figure 19: Stellenbosch POS3 load demand

2.1.4 {POS from Drakenstein loading info not available}

2.1.4.1 Assuming the generation is still ramping up until 09:00 and ramping down from 16:00, the minimum load demand for each POS between 09:00 and 16:00 was utilised to size the PV system.

POS No.	Name	Voltage Level (kV)	NMD (kVA)	Min Load during Solar Generation (kVA)	Max Load full day (kVA)
1	Stellenbosch 66kV	66	60 000	37 000	49 000
2	Cloetesville 66kV	66	16 000	8 120	14 570
3	Franschhoek 66kV	66	10 000	6 100	8 090

Table 19: Stellenbosch minimum load during RE generation window

2.2 Electricity generation potential

2.2.1 Hypothetical PV system

2.2.1.1 A hypothetical system was considered for Stellenbosch. This was arrived at by aggregating all the POS Substations. The solar resources do not vary significantly between the different POS's and therefor the same set of parameters was assumed for this calculation.

2.2.1.2 The PVSyst software was used to create a generic system with a North orientation and 34° panel tilt. The system already incorporated the normal losses associated with a PV system.

2.2.1.3 The following graph illustrates the average PV generation profile as a percentage of the peak system size and that can be upscaled to any hypothetical PV system size.

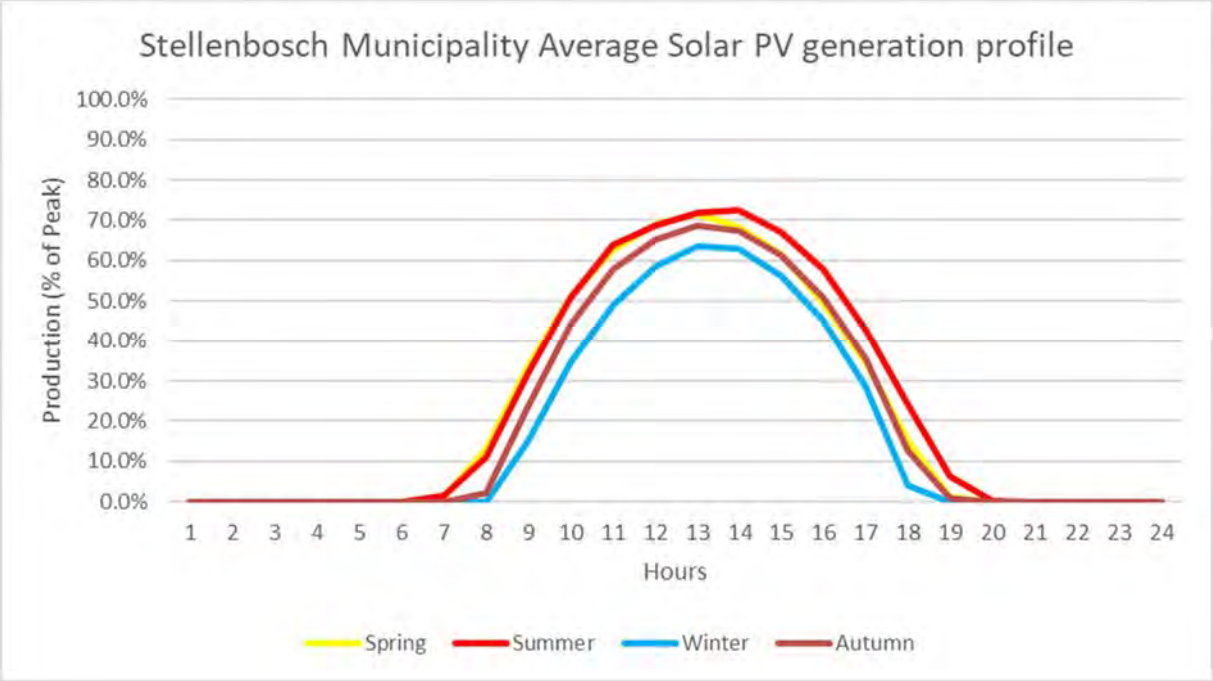


Figure 20: Stellenbosch average daily solar PV generation profile

2.2.1.4 The aggregated minimum load during solar generation was used for a hypothetical system size of **51,22MWac** (or ***61,46MWp*** if 20% oversizing of the PV modules are allowed for.)

2.2.1.5 Because the average PV production values were used, the peak value of generation is still below the load demand.

2.2.1.6 The average electricity generation profiles (Eskom and renewable) for summer and winter are illustrated in the graphs below:

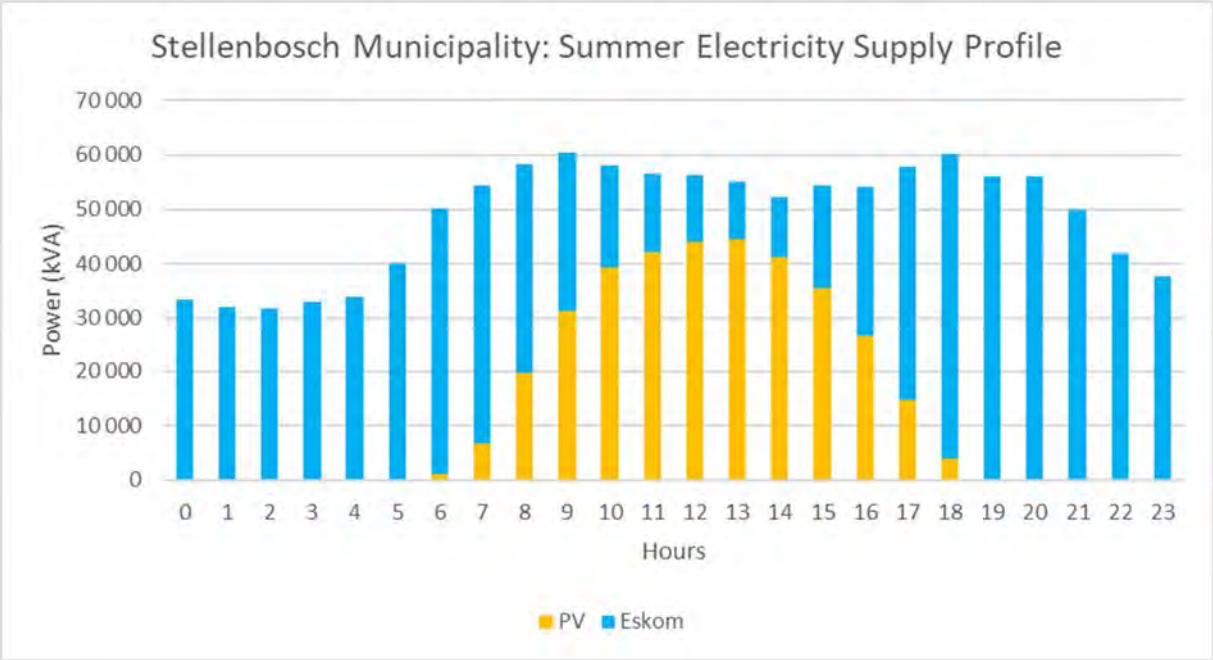


Figure 21: Stellenbosch Summer Electricity Supply Profile (PV System)

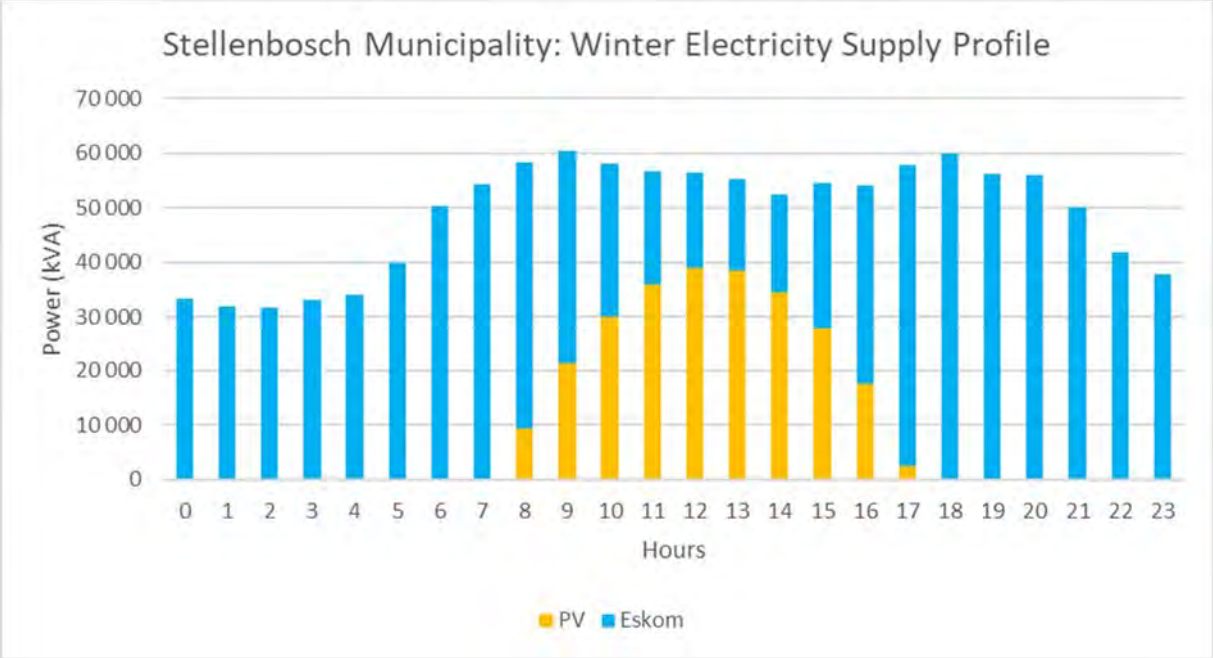


Figure 22: Stellenbosch Winter Electricity Supply Profile (PV System)

2.2.1.7 Stellenbosch's estimated seasonal electricity consumption is as follows:

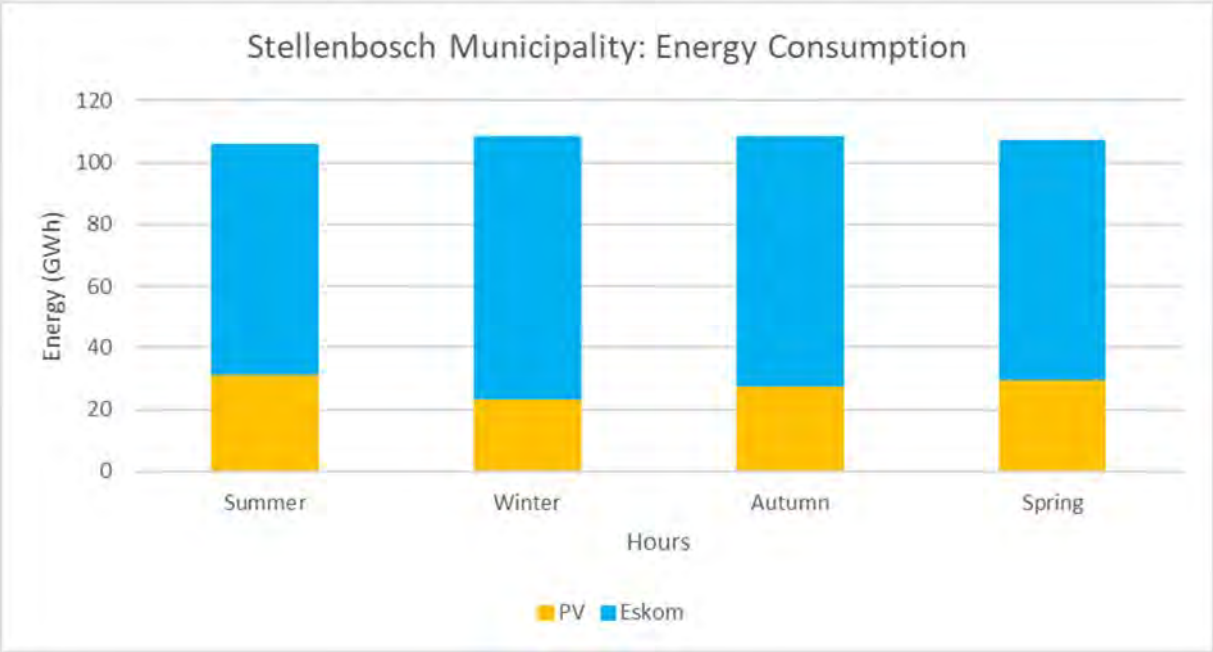


Figure 23: Stellenbosch Electricity consumption per season (PV system)

2.2.1.8 The total estimated electricity consumption for Stellenbosch is **429GWh, based upon the average daily seasonal maximum demand,** of which **316GWh** is supplied by Eskom and **113GWh** by the proposed PV system.

2.2.2 POS specific system: PV

2.2.2.1 To derive a POS specific RE system size, consideration is given to the one to one relationship between the RE project and POS. The specific RE system sizes are calculated, proportional to the hypothetical system, as follows:

Name	NMD (kVA)	Supply Authority Soft Limit [20%] (kVA)	Min Load during Solar Generation (kVA)	PV: POS proportion to hypothetical system (kVA)	PV: Practical Specific POS RE System [20%] (kVA)	PV: Practical Proportion of hypothetical system (%)	PV: Proportion of hypothetical system (%)
Stellenbosch 66kV	60 000	12 000	37 000	72.2%	12 000	32.4%	72.2%
Cloetesville 66kV	16 000	3 200	8 120	15.9%	8 120	100.0%	15.9%
Franschhoek 66kV	10 000	2 000	6 100	11.9%	6 100	100.0%	11.9%

Table 20: Stellenbosch POS specific system calculations (PV System)

The POS specific electricity consumption per annum for Stellenbosch is as follows:

Name	Load Energy per annum (GWh)	PV: PV Energy per annum (GWh)	PV: Eskom Energy per annum (GWh)
Stellenbosch 66kV	100	26	74
Cloetesville 66kV	68	18	50
Franschhoek 66kV	51	13	38

Table 21: Stellenbosch POS specific system electricity consumption (PV System)

2.2.2.2 For purposes of this Report, we have sized the potential Pioneering Project based upon the total capacity available at all POS's within a Candidate Municipalities' boundary.

2.2.3 POS RE Generation zones based on conductor and voltage limits

2.2.3.1 The following image illustrates the concentric zones around each POS which is within the prescribed conductor and voltage limits of the POS. Possible projects / land parcels within these zones are considered more suitable accordioning to the technical limits of the infrastructure that will evacuate the generated energy. For the specific project, consideration is given to the 66kV conductor capacity zones as illustrated below.

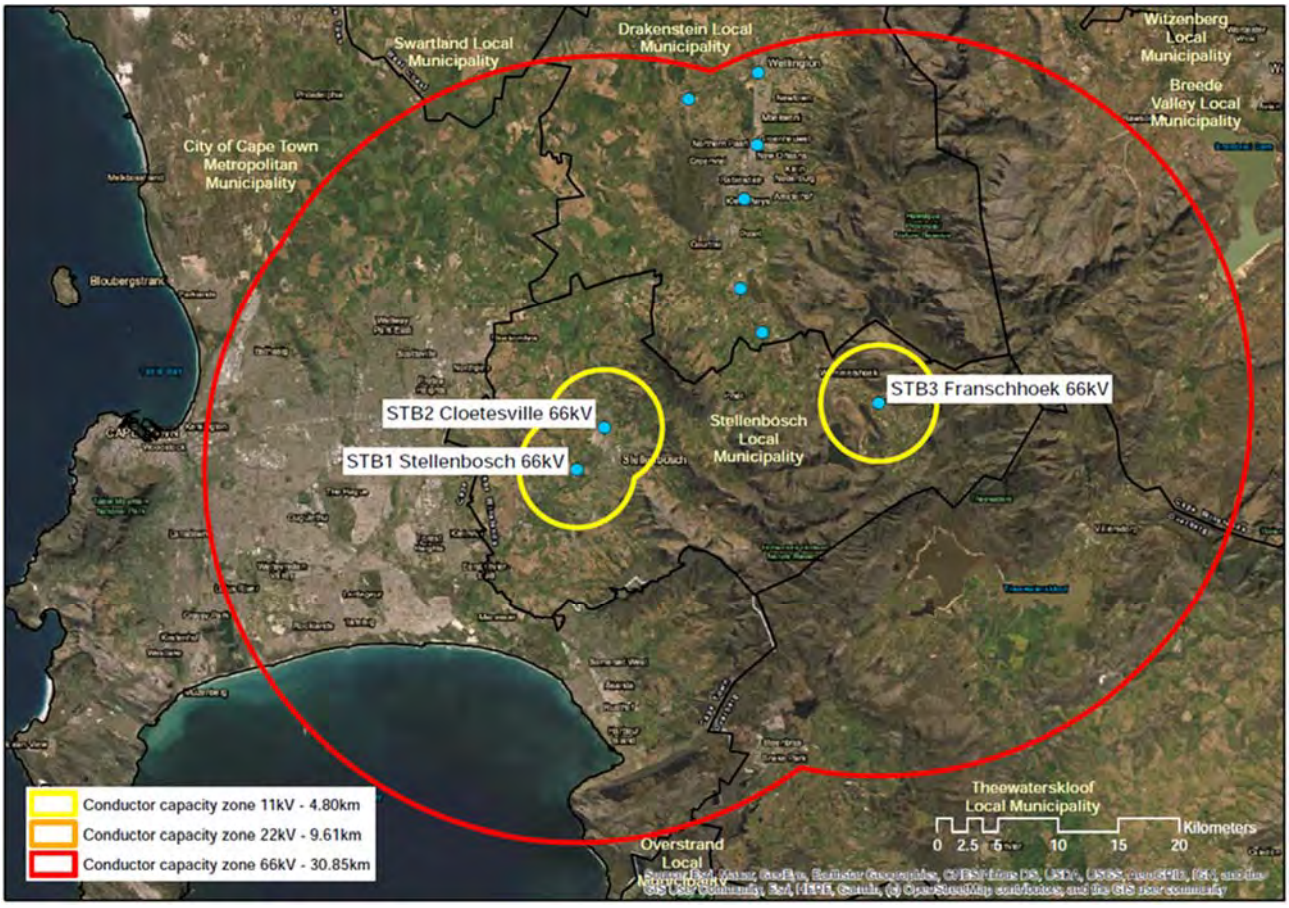


Figure 24: Stellenbosch conductor capacity zones at POS's

2.2.3.2 The following illustration includes the REEA areas within the conductor capacity zones. It can be noted that there is only one REEA within the 66kV conductor capacity zone and that this REEA is outside the Stellenbosch Municipal boundaries.

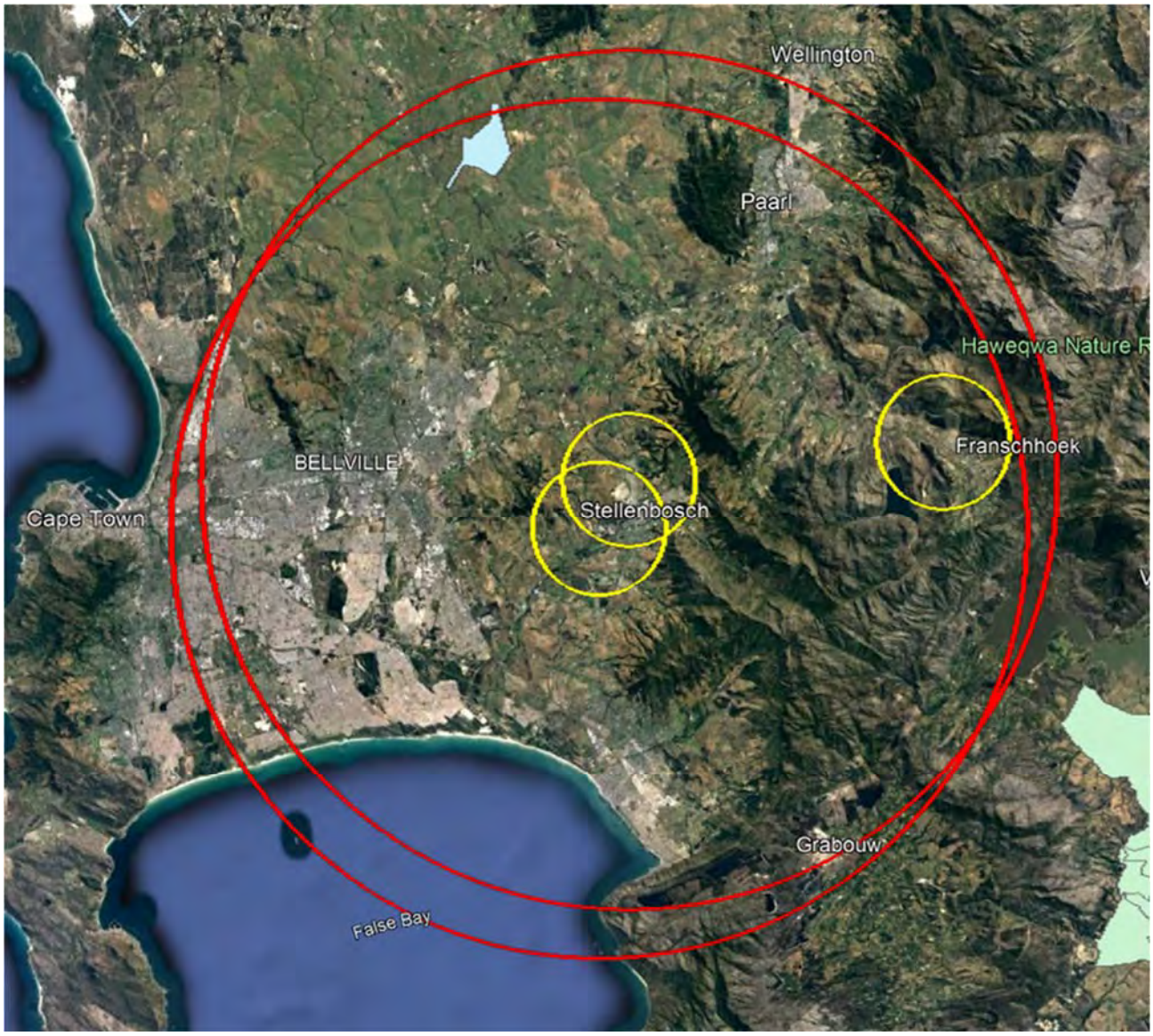


Figure 25: Stellenbosch conductor capacity zones including REEA areas

2.2.3.3 Based on the above results, the Stellenbosch Substation is the largest POS. Applying the 20% of the NMD guideline, results in a generation value of **12 000kVA**. The 20% guideline originates from ensuring grid stability and resilience due to the intermittence on RE generation. This is more than apparent for larger blocks of generation i.e. in excess of 50MW. Due to the meshed interconnection of the Municipal and Eskom grids and the probability of common mode generation intermittence occurrences, the Consultants are of the opinion that the 20% guideline can be relaxed towards the practical soft limit, **37 000kVA** in this case. This needs to be verified by grid studies.

3 Financial Analysis

3.1 The purpose of this section of the Appendix is to set out the specific project and municipal assumptions and results of the Stellenbosch PV project, based on the technical analysis of the Stellenbosch PV project as described in the sections above.

3.2 The outcome of the financial analysis is to (1) determine the indicative price that would be payable by the Stellenbosch Municipality to the IPP for the new power to be procured, (2) determine the financial impact on the cost of supply and (3) flag at any potential financial constraints that would prevent or hamper Stellenbosch Municipality from undertaking the Stellenbosch PV project. Accordingly, this section of the Appendix covers the following:

- Indicative price for the new electricity to be procured:
    - The project specific assumptions used in the financial tool;
    - The results of the financial tool (including the total project cost, sources of funding and the indicative price calculated such that the Stellenbosch PV project is bankable); and
    - The results of the sensitivity analysis undertaken to test the impact on the indicative price to changes to key input assumptions.
- Financial impact of the cost of supply:
    - The municipality specific assumptions used to determine the current cost of supply;
    - Impact on the current cost of supply using the newly proposed Municflex tariff;
    - The results of the financial tool (including the current cost of supply (without the Stellenbosch PV project and the new cost of supply (with the Stellenbosch PV project); and
    - The results of the sensitivity analysis undertaken to test the impact on the new cost of supply to changes to the price of the new power to be procured.
- Financial constraints:
    - Assessment of the financial covenants of the Stellenbosch Municipality.

3.2.1 Indicative price for the new electricity

3.2.1.1 The outcome of this section of the Appendix is to determine the indicative price (and a possible price range) that would be payable by the Stellenbosch Municipality to the IPP for the new power to be procured as a result of the Stellenbosch PV project based on the input assumptions as detailed in the sections that follow.

3.2.1.2 It should be noted that only the project specific assumptions are detailed in this Appendix with all other general assumptions applied across all Pioneering Projects detailed in Appendix 6. Refer to section 3.2.1.3 below for the further details on the general assumptions.

3.2.1.3 General assumptions

3.2.1.3.1 The Stellenbosch PV Project is one of five potential Pioneering Projects being considered for the MER programme. While each Pioneering Project and Candidate Municipality may potentially be different from a technical, financial and programme point of view, for the purposes of this Report (and related Appendices) there are certain assumptions that was applied same across all five of the Pioneering Projects.

3.2.1.3.2 The general assumptions applied across all the five Pioneering Projects can be found under Appendix 6 which relate to the following key assumptions:

- Economic assumptions (relating to currency, inflation rate, and discount rates);
- Timing assumptions (relating to the key dates and PPA term);
- Capital structure (relating the debt to equity ratios);
- Equity and shareholder loan assumptions (relating equity IRR return requirements shareholder loan terms);
- Debt funding assumptions (relating to the senior and subordinated debt (EGIP facility) terms);
- Taxation assumptions (relating to corporate tax rate and wear and tear allowances); and
- Calculation of the price of the new power to be procured (relating to how the price for the new power is solved for in the financial tool and the indexation regime followed).

3.2.1.4 Summary of the technical scope of the Stellenbosch PV project

3.2.1.4.1 The Stellenbosch PV project contemplates a new solar photovoltaic power generation plant of 51.22 MW embedded generation capacity to be located at a suitable site (at the preference and responsibility of the selected IPP) in the Stellenbosch Municipality. The power to the Stellenbosch Municipality from the IPP will be delivered on a self-dispatch basis.

3.2.1.4.2 The project costing and energy generation assumptions below were prepared by the Technical Team based on the technical scope summarised above.

3.2.1.5 Project costing assumptions

3.2.1.5.1 Capital expenditure

3.2.1.5.1.1 The capital expenditure estimates used in the financial tool are based on using current market related rates and industry standard norms and include all project development costs, land related costs, contingency costs, and EPC profit margin.

3.2.1.5.1.2 The capital expenditure was estimated at R 10 000 per kW equating to a total capital cost of approximately R 512 million in 2021 terms. The total capital cost including escalation is approximately R 535 million (in nominal terms).

3.2.1.5.1.3 Pre-contract escalation of the capital expenditure costs was assumed to be indexed on a monthly basis assuming an annual inflation rate of 4.5%.

3.2.1.5.1.4 It is assumed that the construction phase will follow a 12 month construction timeline (reasonably expected for a project of this nature and size).

3.2.1.5.1.5 The charts below summarise the monthly drawdown schedule assumed for the purposes of the financial tool.

- Construction s-curve drawdown profile:



Figure 26: Stellenbosch PV: Construction S-Curve

- Monthly and cumulative capital expenditure drawdown:

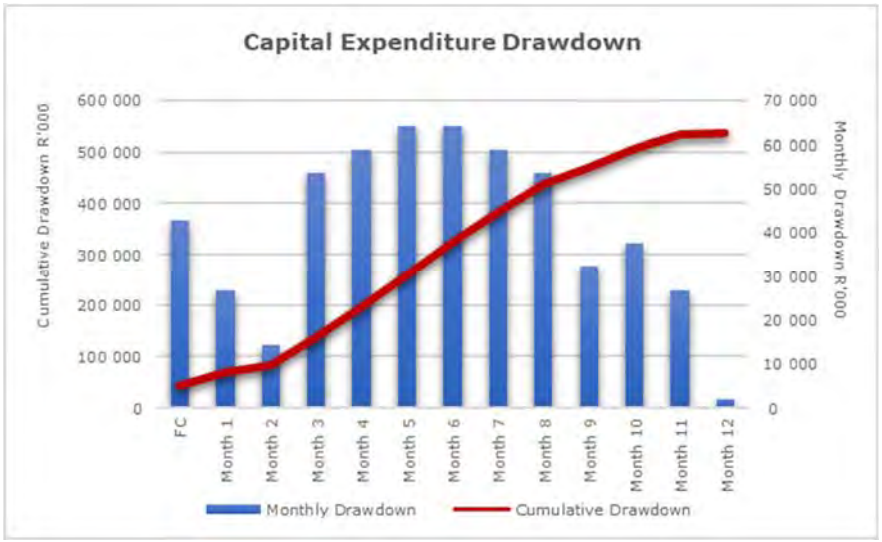


Figure 27: Stellenbosch PV: Capital Expenditure Drawdown

3.2.1.5.1.6 While the capital expenditure estimates used in the financial tool (as above) are based on best estimates using market related rates and industry standards, it should however be noted that since there are no detailed drawings and no site due diligence to assess

specific site conditions (as the project site is unknown at this time) at this pre-feasibility stage, the capital cost estimates should therefore be considered as indicative only.

3.2.1.5.2 In the above regard, a sensitivity analysis testing the impact on the indicative price under a range of possible capital expenditure cost scenarios (upside and downside scenarios) was undertaken in section 3.2.1.8 below.

3.2.1.5.2.1 O&M cost assumptions

3.2.1.5.2.2 The O&M costing assumptions used in the financial tool includes all fixed operating costs and major maintenance and replacement costs. Variable operating costs are not applicable for the Stellenbosch PV project (all costs are included in the fixed and major maintenance and replacement costs).

3.2.1.5.2.3 The fixed operating costs was calculated at 1.5% of the total capital expenditure costs per MWh equating to approximately R 150 000 per MW per year (i.e., 1.5% * R 10 000 per kWh * 1000) in July 2021 terms.

3.2.1.5.2.4 It should be noted that the major maintenance and replacement costs are assumed to be covered through a service level agreement with the O&M contractor and accordingly these costs are included in the fixed operating costs above.

3.2.1.5.2.5 It is assumed that the fixed operating costs, following the financial close date, will escalate annually in accordance with inflation. Prior to the financial close date (i.e., for the time period from the base date up to the financial close date), the fixed operating costs was indexed on a monthly basis using the assumed inflation rate.

3.2.1.5.2.6 Figure 28:Stellenbosch PV: Annual Fixed Operating Costs (Nominal)Figure 28 below summarises the total fixed operating costs over the full operations period of the PPA (i.e., 20 years) in nominal terms:

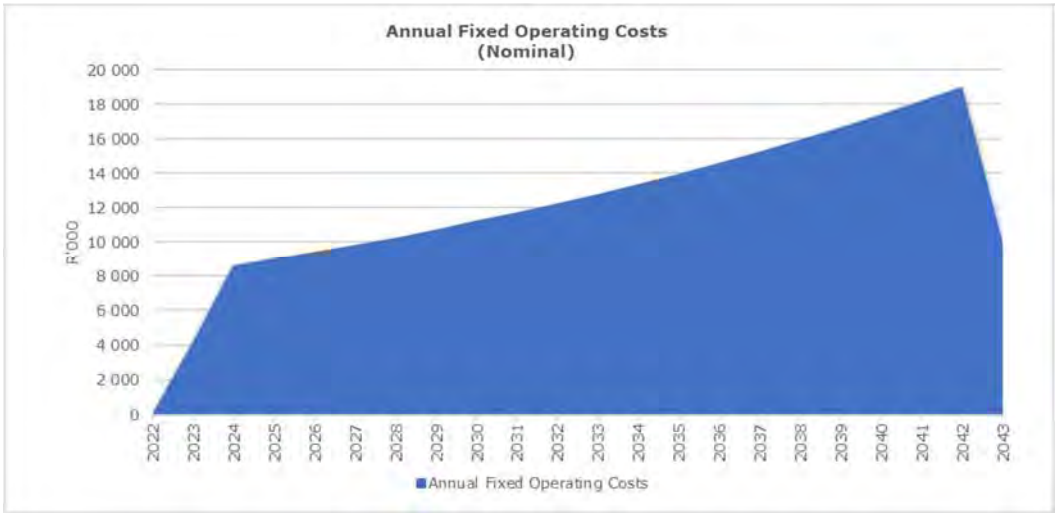


Figure 28:Stellenbosch PV: Annual Fixed Operating Costs (Nominal)

The total fixed operating costs over the life of the operations period is approximately R 263 million, in nominal terms.

3.2.1.6 Generation assumptions

3.2.1.6.1 Table 22 below summarises the assumptions prepared by the Technical Team and used in the financial tool to determine the energy generation profile for the Stellenbosch PV project. It should be noted, for the purposes of the analysis in this Appendix, the energy generation profile was used to calculate the revenue potential (i.e., the indicative price per MWh * energy generated in MWh) for of the Stellenbosch PV project as the power is procured on a self-dispatch basis (therefore revenue is earned based on the energy delivered). It is also later used to estimate to determine the new cost of supply under section 3.2.3 below.

Generation Assumption	Assumption Used
Net capacity[29]	51.22 MW
Capacity factor	23.06%
Days in a year	365 days in a year
Hours in a day	24 hours in a day
Degradation factor	0.5% per annum (following the first year of operations)

Table 22: Stellenbosch PV: Generation assumptions

For the sake of clarity, the capacity factor represents the total net capacity that the plant will produce and takes into account the provisions for efficiency (how much energy in kWh is produced for every KWp of module capacity installed), availability (allowing for downtime for maintenance and system events) and own use (auxiliary load). The energy generated was therefore calculated as 51.22 MW * 23.06% * 8760 hours in a year prior to applying the annual degradation factor.

3.2.1.6.2 Figure 29 below illustrates the seasonality assumptions assumed in the financial tool and the monthly generation profile.



Figure 29: Stellenbosch PV: Seasonality & Monthly Generation

3.2.1.6.3 Figure 30 below compares the generation profile of the Stellenbosch PV project and load profile of the Stellenbosch Municipality.

29 Refer to section 2.2 above.

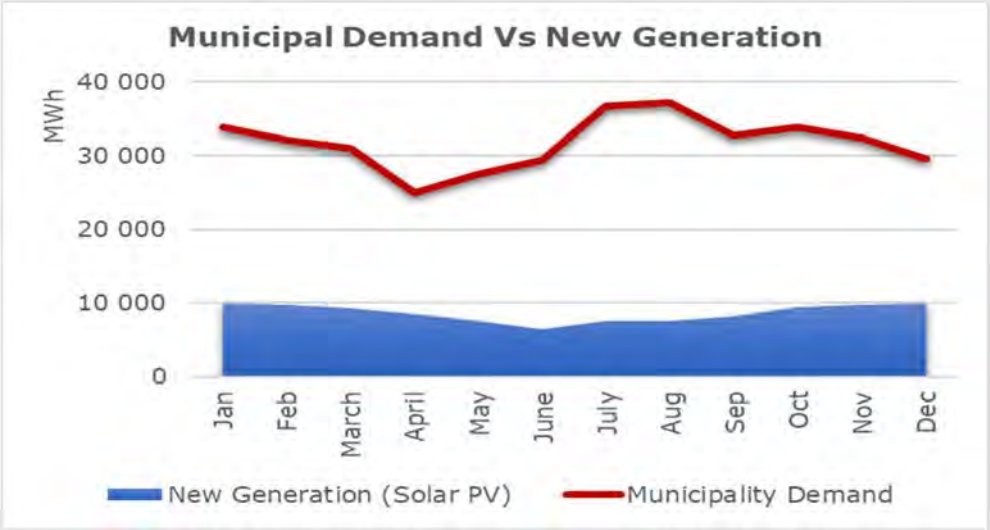


Figure 30: Stellenbosch PV: Municipal Demand Vs New Generation

3.2.1.6.4 Figure 31 below summarises the annual energy generation profile (including the impact of the degradation factor) over the life of the operations period (being 20 years) based on the assumptions in Table 22 and seasonality assumptions in Figure 29 above.

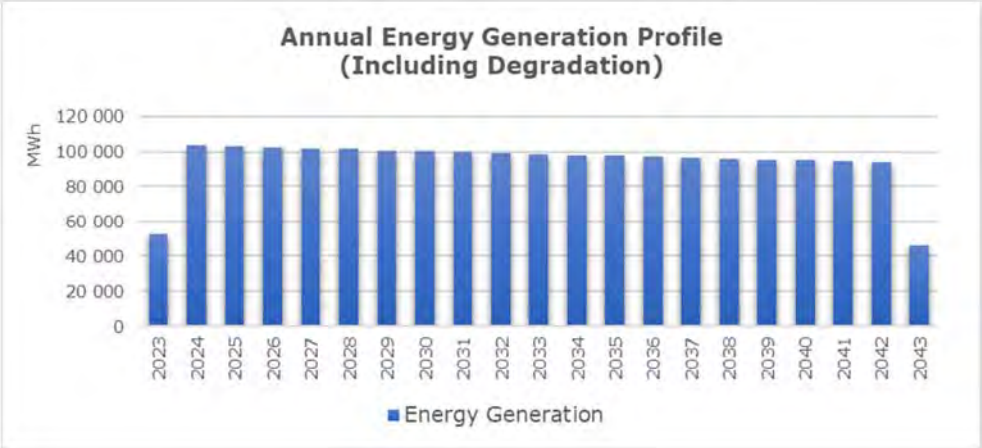


Figure 31: Stellenbosch PV: Annual Generation Profile (Including Degradation)

Based on the assumptions above, the annual energy generated (excluding degradation) 103 445 MWh and approximately 1 971 987 MWh (including the degradation factor) over the total operations period.

3.2.1.7 Summary outputs

3.2.1.7.1 Funding required and source of funds

3.2.1.7.1.1 Based on the general assumptions as set out under Appendix 6 and the capital expenditure assumptions set out under 3.2.1.5.1 above, the total project cost at financial close (including any interest during construction capitalised and paid, debt finance raising fees, debt service reserve accounts and capital expenditure costs including escalation) is approximately R 602 million for the Stellenbosch PV project.

3.2.1.7.1.2 Table 23 below summarises the total funding required for the Stellenbosch PV project. All amounts are expressed in South African Rand.

Total Funding Required	Amount I	%
Capital Expenditure (including escalation)	R535 249 000	88.9%
Financing Raising Fees	R4 515 425	0.7%
DSRA Prefunded	R27 884 562	4.6%
Interest during construction	R34 407 686	5.7%
Total funding required	**R602 056 673**	**100%**

Table 23: Stellenbosch PV: Total funding required

3.2.1.7.1.3 Table 24 below summarises the funding sources assumed for the purposes of this analysis. All amounts are expressed in South African Rand.

Total Funding Sources	Amoul(R)	%
Equity (Share capital)	R1 000 000	0.2%
Shareholder loan	R149 514 168	24.8%
Senior debt	R361 234 004	60.0%
Subordinated debt	R90 308 501	15.0%
Total funding sources	**R602 056 673**	**100%**

Table 24: Stellenbosch PV: Total funding sources

3.2.1.7.2 Debt service cover ratio analysis

3.2.1.7.2.1 Figure 32 below, compares the total debt service cover ratio over the life of the debt repayment period for all debt (i.e., senior debt plus the subordinated debt (EGIP facility)) against the assumed minimum debt service cover ratio assumed for the analysis.

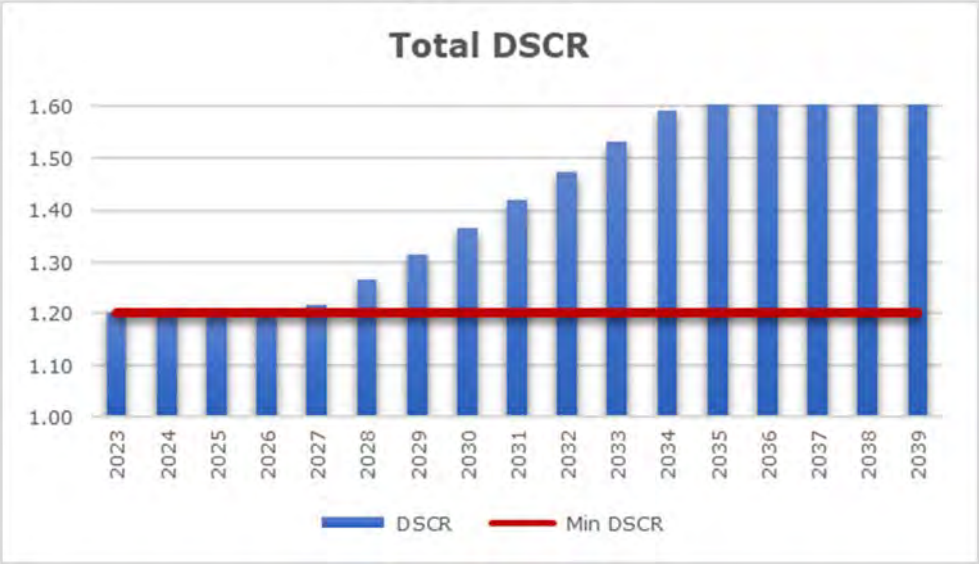


Figure 32: Stellenbosch PV: DSCR analysis

As seen in the chart above, the calculated DSCR for the total debt (on an annual basis) is above the target minimum DSCR over full debt repayment period. It should be noted that the debt repayments for the senior debt and subordinated debt (EGIP facility) were intentionally sculpted to meet the minimum DSCR in the initial years of the project. This was done to try optimise the calculated tariff instead of increasing the tariff to meet the required debt covenants.

From year 2027 (i.e., from year 4 of the operations period) onwards no sculpting of the debt repayments was required as there was sufficient net revenue to meet the debt obligations and meet the required debt covenants.

3.2.1.7.3 Indicative price for the new power

3.2.1.7.3.1 Based on the input assumptions detailed in this Appendix in relation to Stellenbosch PV project, the indicative price for the new power to procured was calculated at approximately **R 626 per MWh, in 2020 terms**. The chart below summarises the indicative price payable per MWh over the life of the project operations period (being 20 years) in nominal terms.

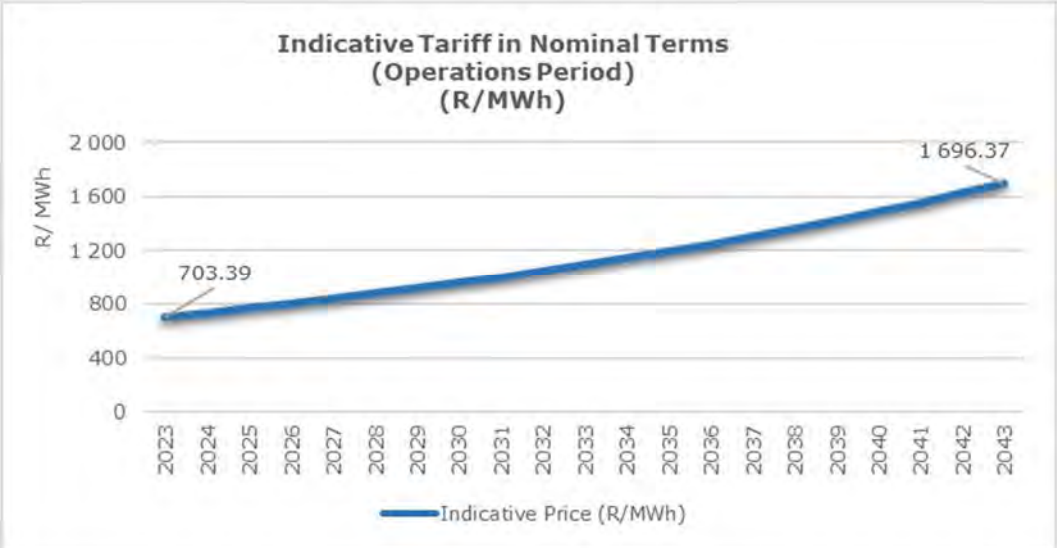


Figure 33: Stellenbosch PV: Indicative tariff per MWh over the operations period (Nominal)

The indicative price in the first year of operations is approximately R 703 per MWh in 2023 terms. It should be noted that the indicative price is adjusted on a monthly basis using the applicable monthly inflation rate prior to financial close (i.e., from the base date to financial close) and then an annual adjustment in accordance with inflation (assumed at 4.5% per annum) for the time periods following financial close.

3.2.1.7.3.2 The financial tool back-solves the starting price such that all O&M costs including taxes are paid, all debt is repaid in full, the primary debt covenants such as the minimum debt service coverage ratios are not breached and a target equity return requirement for the shareholders of the IPP is met

3.2.1.7.3.3 The total revenue generated from the Stellenbosch PV project (for the IPP) is calculated as the indicative price per MWh * energy generated (MWh). The chart and table below summarise the total revenue (and illustrating the cost distribution that make-up the

indicative price) on an annual basis over the life of the operations period (20 years) in nominal terms and on an NPV basis, respectively. From the Stellenbosch Municipality perspective, this represents the total amount payable to the IPP for the energy delivered.

- Make-up of the revenue payable to the IPP (on an annual basis in nominal terms):

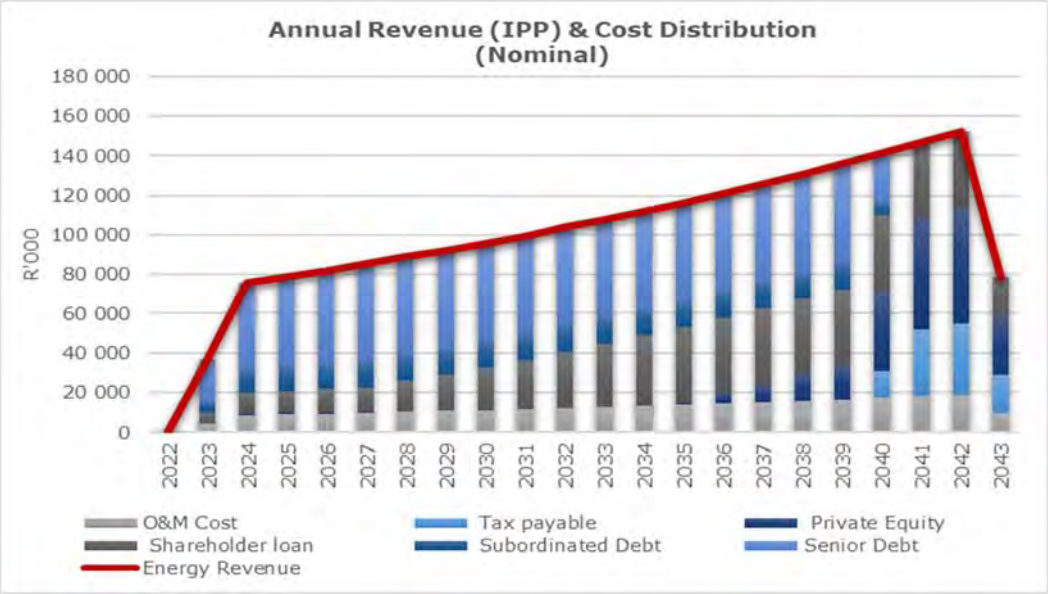


Figure 34: Stellenbosch PV: Annual Revenue (IPP) & Cost Distribution

- Make-up of the revenue payable to the IPP on an NPV basis (using a nominal discount rate of 12%):

Cost distribution	NPV	Per MWh	%
O&M cost	R76 990 126	R73	12%
Tax payable	R10 771 938	R10	2%
Private equity	R29 790 739	R28	5%
Shareholder loan	R142 002 013	R135	22%
Subordinated debt	R80 839 248	R77	12%
Senior debt	R317 888 464	R302	48%
Total Revenue	**R658 282 528**	**R626**	**100%**

Table 25: Stellenbosch PV: Cost Distribution

From the chart and table above, it can be seen that the senior debt component make-up the majority of the indicative price, approximately 48%, followed by the shareholder loan and sub-ordinated debt. Accordingly, the bulk of the price is made up of capital costs and the associated funding costs, rather than operational and maintenance costs.

3.2.1.7.4 Project returns

3.2.1.7.4.1 Figure 35 below illustrates the combined (i.e., the pure equity and shareholder loan returns) running equity IRR returns over the life of the operations period (20 years), in real and nominal terms. It can be seen in Figure 35 below that the shareholders of the IPP achieve the required return of 10% real on an IRR basis (as assumed for this analysis) in year 20 year of the operations period.



Figure 35: Stellenbosch PV: Equity IRR analysis

3.2.1.8 Sensitivity analysis

3.2.1.8.1 The Advisory Team has undertaken a sensitivity analysis to stress test the indicative price under various scenarios with regards to changes to key input assumptions.

3.2.1.8.2 The objective of the sensitivity analysis is to provide a range of the expected price should the Stellenbosch PV project reach procurement.

3.2.1.8.3 Table 26 summarises the changes to the key input assumptions considered for the sensitivity analysis.

Key input assumptions	Change in assumptions
Capital expenditure cost	-20%,-10%,10%,20%
O&M cost	-20%,-10%,10%,20%
Capacity factor assumption	-20%,-10%,10%,20%
Debt to equity ratio	80% Debt/ 20% Equity, 70% Debt/ 30% Equity, 60% Debt/ 40% Equity
Debt tenor (all debt)	-2,-1, 1, 2 years
Debt interest rate (all debt)	-2%,-1%,1%,2%

Table 26: Stellenbosch PV: Indicative price: Sensitivities

3.2.1.8.4 Table 27 below compares the results of the sensitivity analysis against the indicative base case price (in 2020 terms) calculated under section 3.2.1.7.3 above.

Description	Price (Per MWh)	% from Base
20% decrease in capital expenditure	516	-17.65%
10% increase in capacity factor	523	-16.41%
10% decrease in capital expenditure	571	-8.76%
2% decrease in debt interest rate (all debt)	572	-8.70%
5% increase in capacity factor	578	-7.73%
1% decrease in debt interest rate (all debt)	603	-3.66%
20% decrease in operating costs	612	-2.23%
10% decrease in operating costs	620	-0.91%
20% Equity and 80% Debt	620	-0.99%
2 year increase in debt term (all debt)	623	-0.50%
1 year increase in debt term (all debt)	625	-0.20%
Base Case	**626**	0%
1 year decrease in debt term (all debt)	631	0.80%
2 year decrease in debt term (all debt)	631	0.80%
30% Equity and 70% Debt	634	1.24%
10% increase in operating costs	635	1.45%
20% increase in operating costs	642	2.47%
40% Equity and 60% Debt	645	3.09%
1% increase in debt interest (all debt)	653	4.35%
2% increase in debt interest (all debt)	681	8.70%
10% increase in capital expenditure	683	9.10%
5% decrease in capacity factor	691	10.39%
20% increase in capital expenditure	739	18.00%
10% decrease in capacity factor	766	22.33%

Table 27: Stellenbosch PV: Indicative price: Results of sensitivities

From the analysis in table above, it can be seen that changes to the capital expenditure costs, and capacity factor were the two most material assumptions which will impact on the actual price.

3.2.1.9 Conclusion

3.2.1.9.1 The indicative price payable by the Stellenbosch Municipality to the IPP for the new power to be procured in respect of the Stellenbosch PV project is **R 626 per MWh in 2020 terms**. It should be noted that the results are based on the input assumptions used in the financial tool as determined for the purposes of this Appendix and are indicative only.

3.2.1.9.2 The result of the indicative price above is used in section 3.2.3 below to assess the financial impact of the Stellenbosch PV project on the current cost of supply to determine the new cost of supply.

3.2.1.9.3 The outcomes of the sensitivity analysis suggested the indicative price for the new power to be procured could range between **R 516 per MWh and R 766 per MWh in 2020 terms**, depending on the project specific assumptions. The capital costs and the capacity factor were the two most material assumptions which will impact on the actual price.

3.2.2 Current Cost of Supply

3.2.2.1 At present, Stellenbosch Municipality procures power from three main sources (1) Eskom, (2) Drakenstein Municipality and (3) from IPPs and/or SSEGs and accordingly the cost of these three sources make-up their current cost of supply.

3.2.2.2 The assumptions used to determine the current cost of supply for the Stellenbosch Municipality are based on the responses received and information provided by the Stellenbosch Municipality which included a recent cost of supply study (dated February 2021) for in respect of power procured from Eskom, actual invoices for the period April 2020 to March 2021 for power procured from Drakenstein Municipality and cost and demand information for power procured from the IPPs (a cost of supply study for the IPPs was also provided). The Advisory Team extracted the relevant assumptions from the information provided to estimate the current cost of supply for the analysis.

3.2.2.3 The assumptions used and the results of the Stellenbosch Municipality current cost of supply for the purposes of the analysis of this Appendix is set out in the sections that follow.

3.2.2.4 IPP and/or SSEG cost of supply assumptions

3.2.2.4.1 Based on the information provided by the Stellenbosch Municipality, the cost of power procured from the IPP and/or SSEG is approximately **R 751.10 per MWh (or 75.11 c/kWh) in 2020 terms** and is paid for the energy delivered.

3.2.2.4.2 The chart below summarises the off peak, peak and standard energy consumed from the IPP and/or SSEGs and is used to calculate the total energy charge in the financial tool.

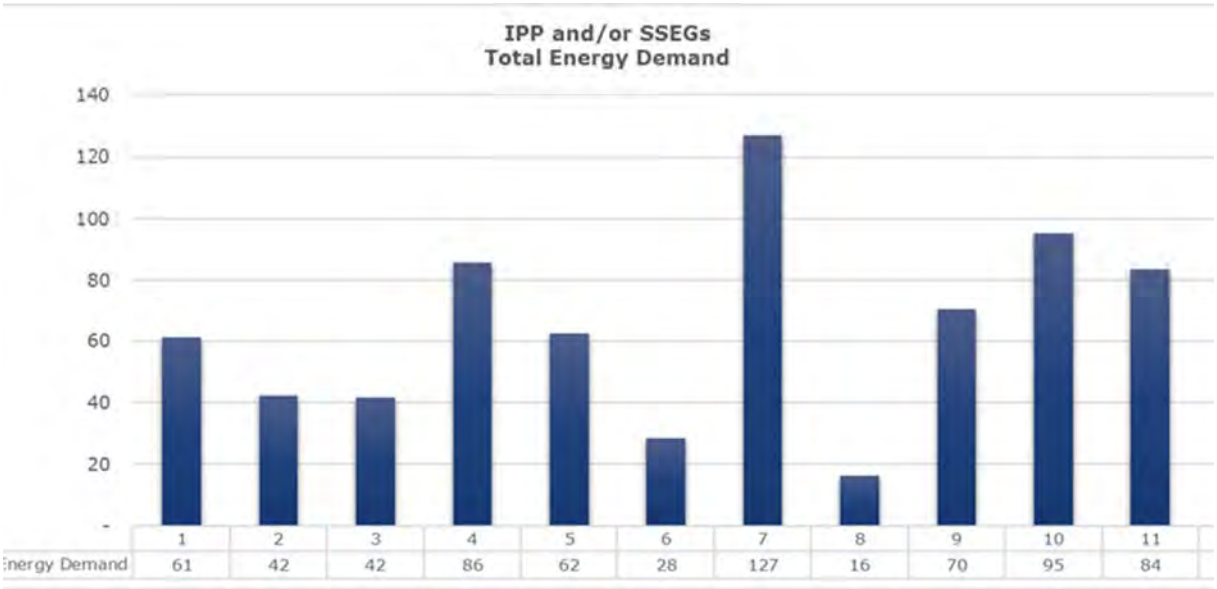


Figure 36: Stellenbosch Municipality: IPP and/or SSEGs: Total Energy Demand

Based on the assumptions in the table above, the total annual energy demand is approximately 800 MWh, equating to approximately R 600 666 per annum. These assumptions are used to estimate the cost of supply below.

3.2.2.5 Eskom tariff charge assumptions

3.2.2.5.1 The applicable Eskom tariff charges (per the Eskom tariff book for 2020/21) payable for the power procured from Eskom are based on municipal specific information and criteria such as (but not limited to) the technical specifications of the various substations, the applicable tariff type charged to the municipality (for example Megaflex/WEPS and Municflex), customer segments and rural or urban location type.

3.2.2.5.2 The power procured from Drakenstein Municipality is also based on the Eskom tariff charges however it includes a 5% mark-up plus VAT charged by the Drakenstein Municipality.

3.2.2.5.3 For the purposes of this analysis to determine the applicable Eskom tariff charges for the power procured from Eskom and the Drakenstein Municipality, the substations at the Stellenbosch Municipality with the same technical specifications and criteria were grouped together (herein referred to as a 'Tariff Structure') as indicated in Table 28 below.

3.2.2.5.4 The tables below summarise the key assumptions used in the financial tool to determine the applicable Eskom tariff charges for each Tariff Structure (based on the municipal specific information and extracting the relevant information from the actual invoices provided by the Stellenbosch Municipality, cost of supply study and the applicable Eskom tariff charges for each Tariff Structure (based on the Eskom tariff book for 2020/21).

Description	Tariff Structure 1	Tariff Structure 2
Power Source	Eskom	Drakenstein Municipality
Substation grouping per Tariff Structure		
Substation 1	Franschhoek	Rhodes Food Group
Substation 2	Cloetesville	Pniel
Substation 3	Stellenbosch Municipality	Hollandse Molen
Total substations in Tariff Structure	**3 substations**	**3 substations**
Eskom tariff structure assumptions		
Tariff type	MEGAFLEX/ WEPS	MEGAFLEX/ WEPS
Supply voltage	≥ 66kV & ≤ 132 kV	≥ 500 V & < 66 kV
Transmission zone	> 900 km	> 900 km
Customer segment	Key customers	> 1 MVA
Rural or urban	URBAN	URBAN

Table 28: Stellenbosch Municipality: Eskom Tariff Structure assumptions

Eskom tariff charge	Power Source	Tariff Structure 1 Eskom		Tariff Structure 2 Drakenstein Municipality	
	Unit	High	Low	High	Low
Network Charge					
Transmission network charge	R/kVA	9.40	9.40	11.72	11.72
Distribution network capacity	R/kVA	6.76	6.76	22.82	22.82
Distribution network demand	R/kVA	12.50	12.50	43.26	43.26
Network demand charge	c/kWh	0.00	0.00	0.00	0.00
LV subsidy charge	R/kVA	16.55	16.55	0.00	0.00
Energy Charge					
Peak energy charge	c/kWh	364.41	118.86	454.37	148.20
Standard energy charge	c/kWh	110.40	81.79	137.63	102.00
Off peak energy charge	c/kWh	59.95	51.89	74.76	64.69
Energy charge	c/kWh	0.00	0.00	0.00	0.00
Energy demand charge	R/kVA	0.00	0.00	0.00	0.00
Other Charges					
Reactive energy	c/kVARh	16.56	0.00	20.00	0.00
ERS charge	c/kWh	9.17	9.17	11.07	11.07
Ancillary service charge	c/kWh	0.43	0.43	0.57	0.57
Service charge	R/day	4 613.69	4 613.69	284.29	284.29
Administration charge	R/day	442.02	442.02	384.46	384.46
Connection fee	R/day	0.00	0.00	0.00	0.00

Table 29: Stellenbosch Municipality: Eskom tariff charge

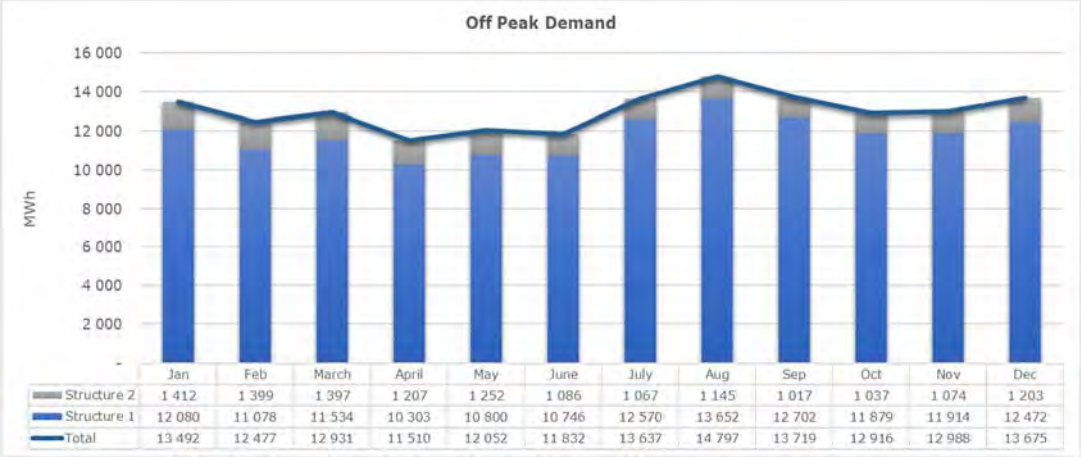
It should be noted that Eskom charge rates for Tariff Structure 1 and Tariff Structure 2 in the table above are based on the Eskom tariff book for 2020/21 however Tariff Structure 2 includes the Drakenstein Municipality mark-up as indicated above.

For the purposes of applying the correct tariff to determine the cost of supply under section 3.2.2.6 below, low demand season is assumed to be (September to May) and high demand season (June to August).

3.2.2.5.5 Energy demand and consumed assumptions

3.2.2.5.5.1 The charts below summarise the off peak, peak and standard energy consumed for each Tariff Structure, used to calculate the **energy charge component** as indicated in Table 29 above.

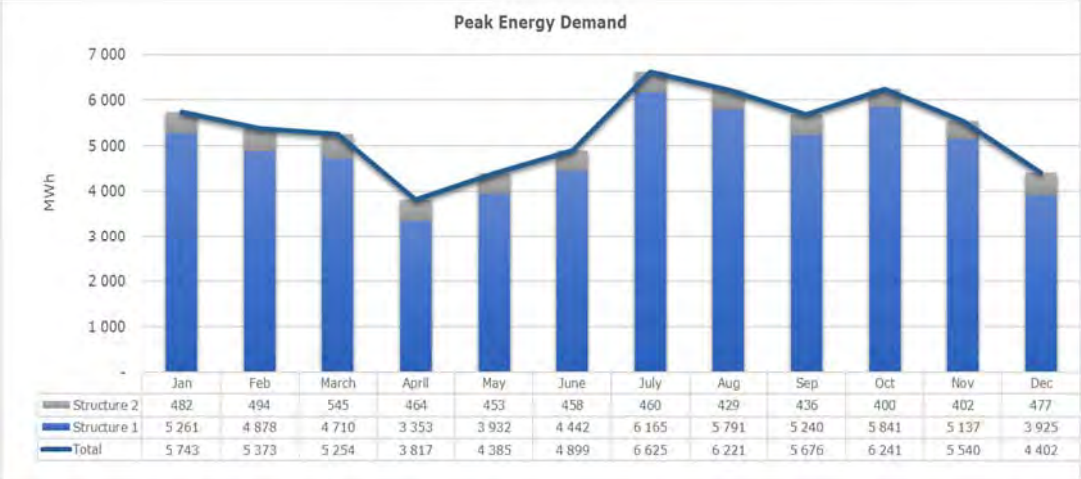
- Off-peak consumed (for each Tariff Structure)



	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec
Structure 2	1 412	1 399	1 397	1 207	1 252	1 086	1 067	1 145	1 017	1 037	1 074	1 203
Structure 1	12 080	11 078	11 534	10 303	10 800	10 746	12 570	13 652	12 702	11 879	11 914	12 472
Total	13 492	12 477	12 931	11 510	12 052	11 832	13 637	14 797	13 719	12 916	12 988	13 675

Figure 37: Stellenbosch Municipality: Current cost of supply: Off peak demand

- Peak consumed (for each Tariff Structure)



	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec
Structure 2	482	494	545	464	453	458	460	429	436	400	402	477
Structure 1	5 261	4 878	4 710	3 353	3 932	4 442	6 165	5 791	5 240	5 841	5 137	3 925
Total	5 743	5 373	5 254	3 817	4 385	4 899	6 625	6 221	5 676	6 241	5 540	4 402

Figure 38: Stellenbosch Municipality: Current cost of supply: Peak demand

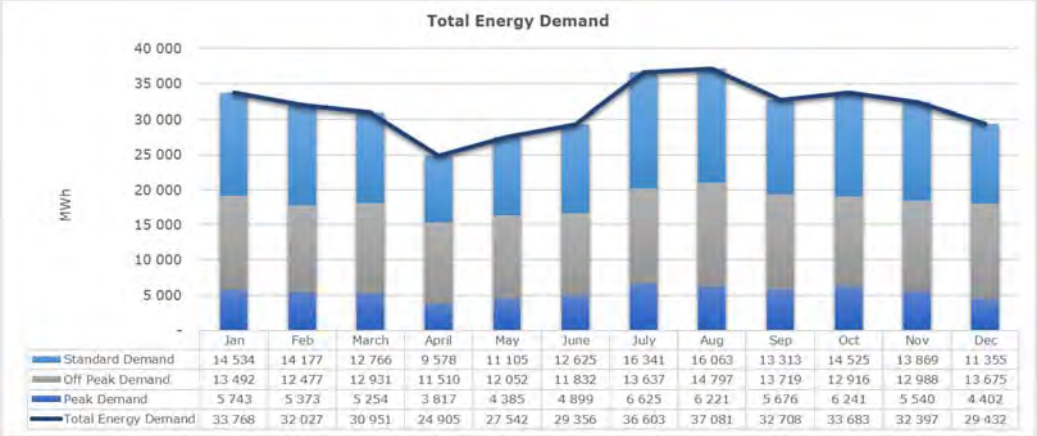
- Standard consumed (for each Tariff Structure)



	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec
Structure 2	1 154	1 178	1 299	1 085	1 082	1 047	1 036	1 023	955	944	939	1 109
Structure 1	13 380	12 999	11 467	8 493	10 023	11 578	15 305	15 040	12 357	13 581	12 930	10 246
Total	14 534	14 177	12 766	9 578	11 105	12 625	16 341	16 063	13 313	14 525	13 869	11 355

Figure 39: Stellenbosch Municipality: Current cost of supply: Standard demand

- Total consumed (consolidated)



	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec
Standard Demand	14 534	14 177	12 766	9 578	11 105	12 625	16 341	16 063	13 313	14 525	13 869	11 355
Off Peak Demand	13 492	12 477	12 931	11 510	12 052	11 832	13 637	14 797	13 719	12 916	12 988	13 675
Peak Demand	5 743	5 373	5 254	3 817	4 385	4 899	6 625	6 221	5 676	6 241	5 540	4 402
Total Energy Demand	33 768	32 027	30 951	24 905	27 542	29 356	36 603	37 081	32 708	33 683	32 397	29 432

Figure 40:Stellenbosch Municipality: Current cost of supply: Total energy demand

The total energy consumed is used to calculate the **ERS charge and the ancillary service charge (included in the other charges cost component as of the Eskom tariff structure)**.

3.2.2.5.6 The table and charts below summarise the assumptions used to calculate the **network charge cost component** of the Eskom tariff charge.

- Notified maximum demand (for each Tariff Structure)

Notified maximum demand	Unit	Tariff Structure 1	Tariff Structure 2
	kVA	86 000	9 000

Table 30: Stellenbosch Municipality: Current cost of supply: Notified maximum demand

The notified maximum demand assumptions above are used to calculate the transmission network charge, the distribution network capacity charge any LV subsidy charge.

It should be noted that the kVA assumptions in the table above represents the combined kVA for all substations (grouped) in the respective Tariff Structure.

- Chargeable demand (for each Tariff Structure)

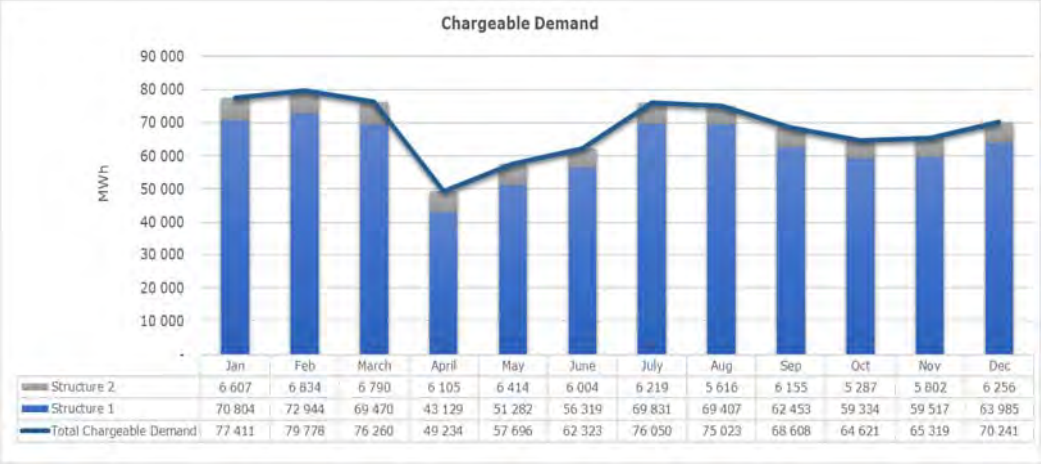


Figure 41:Stellenbosch Municipality: Current cost of supply: Chargeable demand

The chargeable demand assumptions above are used to calculate any distribution network demand charges. It is also used to calculate the **energy demand charge (included in the energy cost component of the Eskom tariff structure**).

3.2.2.5.7 The tables below summarise the assumptions used to calculate the **other charges cost component** of the Eskom tariff charge.

- Reactive energy (for each Tariff Structure)

Reactive energy	Unit	Tariff Structure 1	Tariff Structure 2
June	kVARh	466	897 301
July	kVARh	0	804 775
August	kVARh	2 323	817 105
Total	**kVARh**	**2 789**	**2 519 181**

Table 31: Stellenbosch Municipality: Current cost of supply: Reactive energy

Based on the information received from the Stellenbosch Municipality the reactive energy is only incurred during the high demand season between June and August.

The reactive energy assumptions above are used to calculate the reactive energy charge.

- The service charge, administration charge and connection fee charge are based on the number of days in the billing period and accordingly is calculated as the

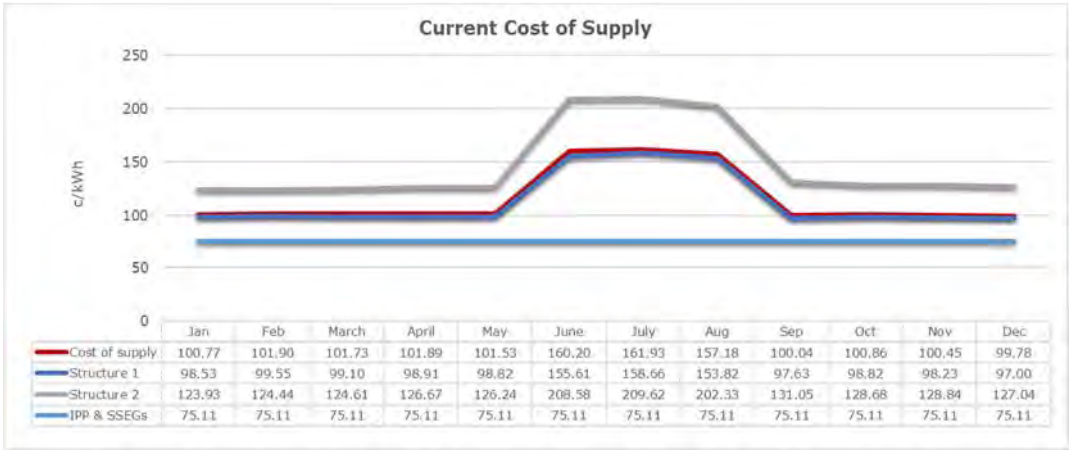
applicable Eskom tariff charge (per Table 28 above) * number of days in the relevant month (or billing period).

3.2.2.6 Current cost of supply results

3.2.2.6.1 Based on the assumptions above and applying the applicable low and high season Eskom tariff charge (per the Eskom tariff book 2020/21) for relevant Tariff Structures and using the assumptions for the cost of power from the IPP and/or SSEGs above, the current cost of supply is summarised in the table and figure below.

Current cost of supply (average)	Tariff Structure 1	Tariff Structure 2	IPP and/or SSEGs	Total
Network Charge				
Transmission network charge	9 700 800	1 265 825	n/a	10 966 625
Distribution network capacity charge	6 976 320	2 464 749	n/a	9 441 069
Distribution network demand charge	9 355 938	3 205 384	n/a	12 561 321
Network demand charge	0	0	n/a	0
LV subsidy charge	17 079 600	0	n/a	17 079 600
Total Network Charge	**43 112 658**	**6 935 958**	**n/a**	**50 048 615**
Energy Charge				
Peak energy charge	110 008 275	12 274 256	101 309	122 383 840
Standard energy charge	132 552 194	14 214 626	252 710	147 019 530
Off peak energy charge	76 523 191	9 579 265	246 647	86 349 102
Energy charge	0	0	n/a	0
Energy demand charge	0	0	n/a	0
Total Energy Charge	**319 083 660**	**36 068 147**	**600 666**	**355 752 472**
Other Charges				
Reactive energy	462	503 740	n/a	504 202
ERS charge	31 893 708	3 614 921	n/a	35 508 629
Ancillary service charge	1 495 561	185 279	n/a	1 680 841
Service charge	1 683 997	103 767	n/a	1 787 764
Administration charge	161 337	140 326	n/a	301 664
Connection fee	0	0	n/a	0
Total Other Charges	35 235 065	4 548 035	n/a	39 783 100
Total Charge	**397 431 382**	**47 552 139**	**600 666**	**445 584 188**
Average cost				
Annual Demand (kWh)	**347 804 887**	**32 646 931**	**799 715**	**381 251 533**
Average (c/kWh)	**114.27**	**145.66**	**75.11**	**116.87**

Table 32: Stellenbosch Municipality: Average current cost of supply



	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec
Cost of supply	100.77	101.90	101.73	101.89	101.53	160.20	161.93	157.18	100.04	100.86	100.45	99.78
Structure 1	98.53	99.55	99.10	98.91	98.82	155.61	158.66	153.82	97.63	98.82	98.23	97.00
Structure 2	123.93	124.44	124.61	126.67	126.24	208.58	209.62	202.33	131.05	128.68	128.84	127.04
IPP & SSEGs	75.11	75.11	75.11	75.11	75.11	75.11	75.11	75.11	75.11	75.11	75.11	75.11

Figure 42:Stellenbosch Municipality: Current cost of supply

3.2.2.6.2 Based on the analysis above, the current cost of supply is approximately **116.87 c/kWh in 2020 terms (on an average basis)**. This is based on the information provided by Stellenbosch Municipality and extracting information (where applicable) from the invoices and the cost of supply study provided. The assumptions used in this analysis was verified by the Stellenbosch Municipality. This cost of supply is used in section 3.2.3 below to test the financial impact of the Stellenbosch PV project on the current cost of supply.

3.2.2.7 It should be noted that Eskom is currently reviewing its proposed tariff structure and has submitted their revised tariff structure, including a Municflex tariff for municipalities, to NERSA for review and approval. An analysis was undertaken to determine (as in indication only) the potential impact on the current cost of supply using the newly proposed Municflex tariff. The assumptions used and result are set out below.

3.2.2.7.1 For the purposes of the analysis it was assumed that the Municflex tariff will replace the Eskom tariff type currently being charged for Tariff Structure 1. The key assumptions used to calculate the Eskom tariff charges is summarised below.

Description	Unit	Value
Eskom tariff type	Type	MUNI FLEX
Supply voltage	Type	≥ 66kV & ≤ 132 kV
Transmission zone	Type	> 900 km
Customer segment/size	Type	Key customers
Rural or urban	Type	URBAN
NMD	MVA	86 000
Annual Energy Demand	MWh	381 252

Table 33: Stellenbosch Municipality: Municflex scenario: Eskom tariff structure assumptions

The assumptions in the table above are based on the specifications of Tariff Structure 1. The NMD and annual energy demand assumptions in the table above are cumulative (i.e., including all substations at the Stellenbosch Municipality and is based on the same energy demand assumptions used in 3.2.2.5.5 above to calculate the current cost of supply.

3.2.2.7.1.1 The Eskom tariff charge assumptions are based on the 2019/20 Municflex charge rates per Eskom comparison tool, adjusted to 2020/21 terms. The Eskom tariff charges based on the Municflex tariff is summarised below.

Eskom tariff charge	Unit	Municflex Tariff	
		High	Low
Network Charge			
Transmission network charge	R/kVA	6.14	6.14
Distribution network capacity	R/kVA	11.32	11.32
Distribution network demand	R/kVA	10.71	10.71
Network demand charge	c/kWh	-	-
LV subsidy charge	R/kVA	5.36	5.36
Energy Charge			
Peak energy charge	c/kWh	366.94	152.29
Standard energy charge	c/kWh	91.73	85.63
Off peak energy charge	c/kWh	61.16	61.16
Energy charge	c/kWh	-	-
Energy demand charge	R/kVA	-	-
Other Charges			
ERS charge	c/kWh	4.36	4.36
Reactive energy	c/kVARh	-	
Ancillary service charge	c/kWh	0.22	0.22
Service charge	R/day	761.11	761.11
Administration charge	R/day	23.32	23.32

Table 34: Stellenbosch Municipality: Municflex scenario: Eskom tariff charge rates

3.2.2.7.1.2 A comparison of the current cost of supply as calculated in Table 32 above and the cost of supply using the Municflex tariff based on the assumptions above is presented in the table below.

Eskom tariff charge	Cost of supply (Current) (A)	c/kWh	Cost of supply (Municflex) (B)	c/kWh	Difference (A – B)	% Difference
Network Charge						
Transmission network charge	9 700 800	2.79	6 338 651	1.82	(3 362 149)	
Distribution network capacity charge	6 976 320	2.01	11 678 301	3.36	4 701 981	
Distribution network demand charge	9 355 938	2.69	8 013 367	2.30	(1 342 571)	
Network demand charge	0	0.00	0	0.00	0	
LV subsidy charge	17 079 600	4.91	5 529 247	1.59	(11 550 353)	
Total Network Charge	**43 112 658**	**12.40**	**31 559 567**	**9.07**	**(11 553 090)**	**-26.8%**
Energy Charge						
Peak energy charge	110 008 275	187.49	124 554 192	212.28	14 545 917	

Eskom tariff charge	Cost of supply (Current) (A)	c/kWh	Cost of supply (Municflex) (B)	c/kWh	Difference (A – B)	% Difference
Standard energy charge	132 552 194	93.52	128 775 313	87.36	(3 776 881)	
Off peak energy charge	76 523 191	51.92	86 676 970	61.16	10 153 779	
Energy charge	0	0.00	0	0.00	0	
Energy demand charge	0	0.00	0	0.00	0	
Total Energy Charge	**319 083 660**	**91.74**	**340 006 474**	**97.76**	**20 922 814**	**6.6%**
Other charges						
Reactive energy	462	0.00	0	0.00	(462)	
ERS charge	31 893 708	9.17	15 178 747	4.36	(16 714 961)	
Ancillary service charge	1 495 561	0.43	776 543	0.22	(719 018)	
Service charge	1 683 997	0.48	277 804	0.08	(1 406 193)	
Administration charge	161 337	0.05	8 511	0.00	(152 826)	
Connection fee	0	0.00	0	0.00	0	
Total Other Charges	**35 235 065**	**10.13**	**16 241 605**	**4.67**	**(18 993 461)**	**-53.9%**
Total Eskom Tariff Charge	**397 431 382**	**114.27**	**387 807 646**	**111.50**	**(9 623 737)**	**-2.4%**

Table 35: Stellenbosch Municipality: Municflex Scenario: Comparison against existing Eskom tariff type

From the table above, it can be seen that while using the Municflex tariff will result in a reduction in the cost of supply, the impact on the cost of supply is not considered as material. The results should be treated as indicative only and the impact of this Municflex tariff will need to be considered in more detail if the proposed tariff structure is approved by NERSA.

3.2.2.7.2 It should be noted that for the purposes of analysis below (i.e., to estimate the new cost of supply), it is assumed that current tariffs charged by Eskom to the Candidate Municipalities will still apply (as opposed to the new Municflex tariff proposed by Eskom). The current cost of supply (i.e., without the Stellenbosch PV project) as determined in 3.2.2.6 above is used in 3.2.3 below to test the financial impact of the Stellenbosch PV project on the current cost of supply

3.2.3 Financial impact of the Stellenbosch PV project on the current cost of supply

3.2.3.1 The analysis set out below, determines the new cost of supply (i.e., with the Stellenbosch PV project) based on the assumption that the new power to be procured from the Stellenbosch PV project will displace the current power being purchased from Eskom based on the generation profile of the new power generation plant. The balance of the Eskom demand as currently being provided will continue to be provided by Eskom. For the analysis, the power procured (energy demand) from the Drakenstein Municipality and the IPP and/or SSEGs will remain same (i.e., no change to energy demand from Drakenstein Municipality and the IPP and/or SSEGs).

3.2.3.2 The new cost of supply is therefore the cost of the new power to be procured from the new generation plant based on its generation profile plus the cost of supply from Eskom as calculated under 3.2.2.6 above however based on an adjusted demand profile that takes into account some of the current power being purchased from Eskom will be replaced by the power purchased from the new power generation plant and cost of supply from the other two sources.

3.2.3.3 The assumptions used to determine the cost of the new power to be procured for the Stellenbosch PV project:

3.2.3.3.1 The cost of the new power is simply the energy generated from the new power generation plant multiplied by the associated price for the power.

3.2.3.3.2 Figure 43 below summarises the energy generated (excluding any degradation) based on the generation assumptions as set out under section 3.2.1.6 above and the energy cost based on the calculated price of **R 626 per MWh in 2020 terms** as an outcome of section 3.2.1.7.3 above.

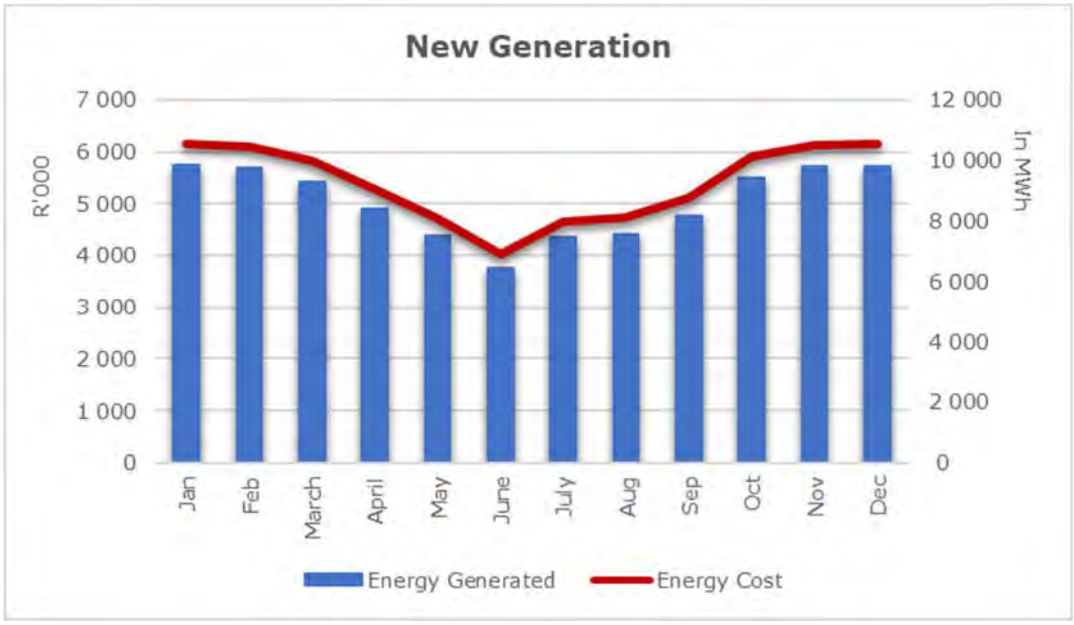


Figure 43: Stellenbosch PV: New cost of supply: New generation from new facility and cost of energy

From the charts above, the total annual energy production is approximately 103 445 MWh (which equates to approximately 27% of the total energy demand of the Stellenbosch Municipality, on an annual basis) and the total annual cost of the new power is approximately R 65 million in 2020 terms. These assumptions are used below to calculate the new cost of supply.

3.2.3.4 The assumptions used to determine the cost of supply for power procured from Eskom based on the reduced demand profile:

3.2.3.4.1 As mentioned above, it is assumed that the new power to be procured will displace the current Eskom power being purchased based on the generation profile of the new power generation plant. This will reduce the amount of power required and purchased from Eskom and accordingly will impact (reduce) the energy charge component, the reactive energy charge and ERS charge components of the Eskom tariff charge (per the Eskom tariff book) calculated in the current cost of supply for each Tariff Structure under section 3.2.2.6 above as these costs are calculated as a function of energy demand (consumption). The network and other fixed charges will remain the same. It is reminded that the power procured from the other two sources will remain the same (no change in energy demand).

3.2.3.4.2 Assumptions used to determine the energy charge component for the Eskom tariff charge for the new cost of supply is summarised in the sections that follow:

3.2.3.4.2.1 In order to calculate the energy demand profile for the power to be procured from Eskom, the energy generated from the new power generation plant is subtracted from the total energy demand for Tariff Structure 1 at the relevant time of use periods (i.e., peak, off peak and standard times). It is reminded that only Tariff Structure 1 is applicable (impacted) as it represents the power procured from Eskom.

3.2.3.4.2.2 The total energy demand at the relevant time of use periods for Tariff Structure 1 was determined under 3.2.2.5.5.1 above.

3.2.3.4.2.3 Using the daily generation profile and then applying the applicable Eskom tariff time of use periods based on the Eskom tariff type (per the Eskom tariff book 2020/21) for Tariff Structure 1 the energy output was split into the relevant time of use periods per the charts below.

- Off-peak output of the new generation plant (for Tariff Structure 1)



Figure 44: Stellenbosch PV: New cost of supply: Off peak demand (new generation)

- Peak output of the new generation plant (for Tariff Structure 1)

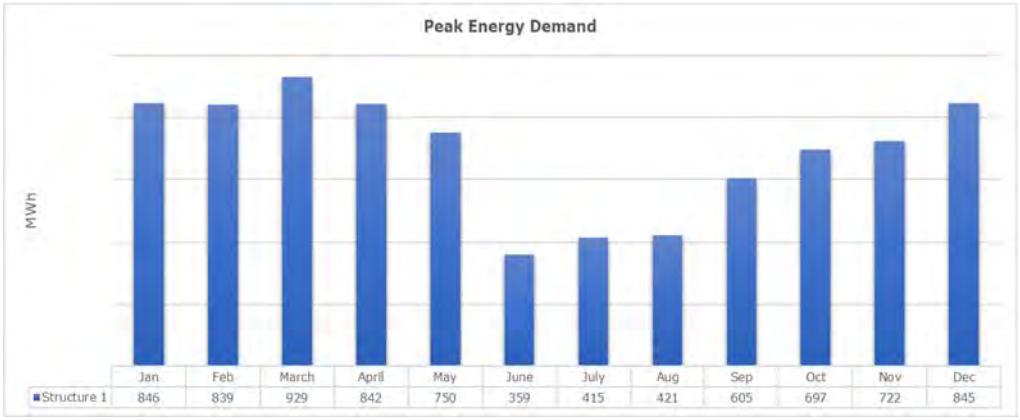


Figure 45: Stellenbosch PV: New cost of supply: Peak demand (new generation)

11.6	PARKS, OPEN SPACES AND ENVIRONMENT: (PC: J JOON)

11.6.1	MONT ROCHELLE NATURE RESERVE ENVIRONMENTAL MANAGEMENT PLAN

Collaborator No: 720739
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: 23 March 2022

1. SUBJECT: MONT ROCHELLE NATURE RESERVE ENVIRONMENTAL MANAGEMENT PLAN (October 2021)

2. PURPOSE

The Mont Rochelle Nature Reserve (MRNR) Environmental Management Plan (EMP) (October 2021) (**ANNEXURE A**) has been prepared to establish a distinct vision and overarching goal for the management of MRNR in context off, and giving effect to, the relevant legislation and associated regulations. Following the Council resolution of April 2021 (included under section 6.6 below) a draft version of this document was advertised for public comment for a period of 21 days (**ANNEXURE B**). Comment received during this period (**ANNEXURE C**) has been considered and various amendments made (**ANNEXURE D**) culminating in the above document herewith presented to Council for approval.

3. DELEGATED AUTHORITY

For decision by the Council of Stellenbosch Municipality (the Municipality).

4. EXECUTIVE SUMMARY

MRNR, proclaimed as a Local Nature Reserve in 1982 (Provincial Notice 671/1982), is located at the top of Franschhoek Pass 3km east of the town of Franschhoek. The NR is approximately 1 760ha in size and mainly comprises of Farm no. 23, municipal property. MRNR falls within the Cape Floral Kingdom. It also falls within a small area known as a Strategic Water Source Areas (SWSA)[2] which is areas known to supply a disproportionate amount of mean annual runoff to a geographical region of interest. SWSA areas make up 8% of the land area across South Africa, Lesotho and Swaziland but provide 50% of the water in these countries. Since its proclamation MRNR has been managed without a formally approved EMP in place. Because of the area's ecological value, its value as public resource and its vulnerability to degradation due to past and present use it is important that an overarching management plan for the area be put in place to ensure that MRNR is managed in a sustainable manner.

5. RECOMMENDATION

that Council approves the Mont Rochelle Nature Reserve Environmental Management Plan (October 2021) as the document to guide the management of Mont Rochelle Nature Reserve.

2 http://bgis.sanbi.org/nfepa/SWSAmap.asp

6. DISCUSSION / CONTENT

6.1 Background

As stated above MRNR falls within the Cape Floral Kingdom, which is inter-nationally recognised as one of the six Floral Kingdoms of the world. The unique Cape Floral Kingdom is the smallest, covering a mere 0,06% of the earth's surface, and is the only Floral Kingdom contained in its entirety within a single country. It also falls within a SWSA.

MRNR is currently used for a range of outdoor recreational activities. It is visited by an undetermined number of tourists for the purposes of picnicking, trail-running, mountain-biking and studying ecological manifestations. Wing-gliding and sight-seeing are also undertaken from specific sites within the reserve. Hiking is the activity that attracts most of the recreationists to MRNR.

MRNR is also unique in that a number of private properties are located within the reserve along with other municipal infrastructure associated with water supply to Franschhoek and surroundings.

The primary threats to the ecology, aesthetic quality and catchment functions of MRNR include the following:

Inappropriate Fire Regime: The Fynbos vegetation in MRNR requires a fire regime that provides for high intensity fires at intervals that range from 8 to 20 years, occurring in late-summer (i.e. February-March). As stated above, MRNR is managed as part of the Hottentots Holland Mountain Catchment Area, the fire management of which is undertaken in accordance with a '*minimum interference*' policy. The latter policy essentially implies that controlled burning, as a management practice, is largely excluded and that the emphasis falls on controlling 'unnatural' wildfires. Due to the topography, climatic conditions, and factors such as land-uses on adjoining properties that are conducive to the starting of wildfires, and financial constraints that inhibit fire control activities, MRNR is particularly prone to wildfires that do not conform with its natural fire regime requirements. The latter could, in the long-term, have an adverse effect on the structure of the local plant communities, biodiversity in general, and the natural functioning of the reserve as a catchment area. In addition, an inappropriate fire regime could have immensely negative cost-implications in that it generally upsets management programs such as alien plant eradication.

Over-utilisation by visitors: MRNR is a particularly attractive natural area and provides for a broad spectrum of recreation opportunities. It is, subsequently, a popular attraction for eco-tourists and sports persons practicing specific nature-related activities. The main potential problems in this regard include pollution, trampling of plants, disturbing of animals, soil compaction leading to unnatural erosion, and degradation of the social environment. It is imperative that the carrying capacity (both social and ecological) of the reserve is not exceeded by visitors.

Alien Plant Infestation: The infestation of Fynbos areas by alien plants is known to be a primary threat to biodiversity in general (mainly due to habitat fragmentation), and catchment dynamics. In the latter regard, it is important to note that Fynbos has unique intrinsic water conservation capabilities and subsequently plays a critical role in the maintenance of the natural *water cycle*. In order to sustain the fundamentally important catchment function of MRNR it is, therefore, imperative to implement integrated eradication programs for alien plants.

Security and vandalism: MRNR is relatively secluded. Infrastructure, especially those located at the entrance complex is damaged and vandalised regularly.

Inappropriate development: The existence of the homesteads or private erven within the NR have been noted above. Development of these erven must fit with the scale, landscape and use of the area.

The core value of MRNR is the ecosystem goods and -services it provides to the area and its surroundings. It is therefore important that it be managed in a manner that addresses the challenges listed above, to maximize the value of MRNR's resources and ensure sustainability.

6.2 Discussion

The MRNR EMP (October 2021) has been prepared to establish a distinct vision and overarching goal for the management of MRNR in context off, and giving effect to, the relevant legislation and associated regulations. The EMP consist of management strategies and guidelines for the management of the area under the following themes:

- Administration
- Environmental Protection
- Land Use Management
- Environmental Auditing

6.3 Financial Implications

The EMP includes an in principle costing plan that provides for the basic management functions to be implemented. This costing plan is to guide the preparation of annual budgets for the management of the NR. A large portion of these items are already implemented by the MRNR Advisory Board with funds generated from visitor admission fees. A portion of the management cost of the NR will however have to be budgeted for by the Department: Community Services, Section: Environmental Management.

6.4 Legal Implications

The recommendations in this report comply with 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

The 42nd Council Meeting: 2021-04-28: Item 11.6.1, Resolved (nem con):

(a) that Council approves the advertisement of the draft Mont Rochelle Nature Reserve Environmental Management Plan (February 2021) for a period of 21 days for public input; and

(b) that the inputs received during the above-mentioned public participation process be worked into a final draft Mont Rochelle Nature Reserve Environmental Management Plan, to be presented to Council for approval.

6.7 Risk Implications

This report addresses the risk implications for the Municipality.

6.8 Comments from Senior Management

This report and proposed MRNR EMP was circulated via e-mail on 29 October 2021 with a request for comment by 9 November 2021.

6.8.1 No comments were received

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-03-23: ITEM 7.6.1

that Council approves the Mont Rochelle Nature Reserve Environmental Management Plan (October 2021) as the document to guide the management of Mont Rochelle Nature Reserve.

ANNEXURES

Annexure A: Mont Rochelle Nature Reserve Environmental Management Plan (October 2021)

Annexure B: Eikestad News Advert

Annexure C: Public Input Received

Annexure D: Response Report

FOR FURTHER DETAILS CONTACT:

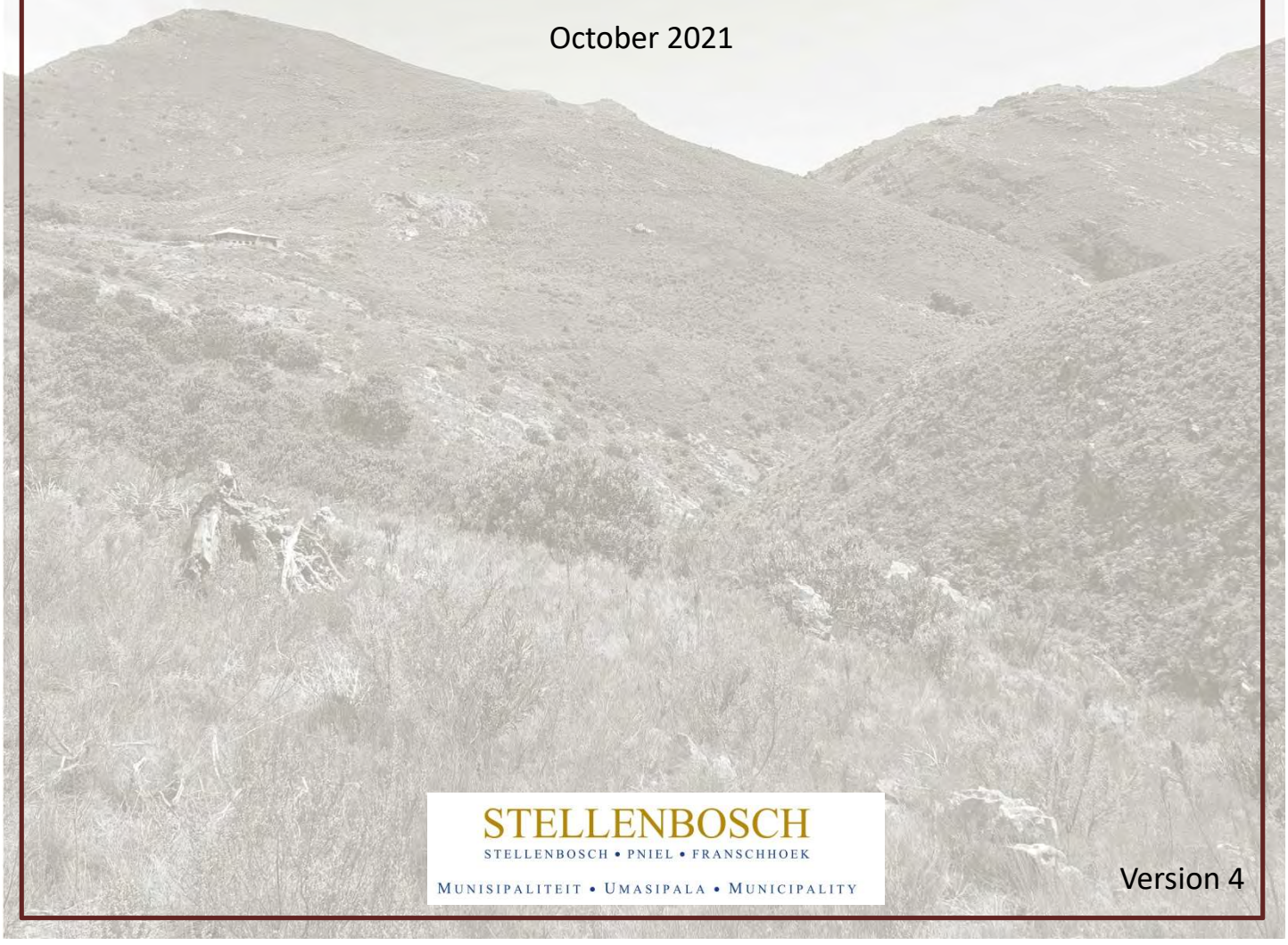
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DIRECTORATE	**Community and Protection Services**
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REPORT DATE	**11 November 2021**

ANNEXURE A

MONT ROCHELLE NATURE RESERVE

ENVIRONMENTAL MANAGEMENT PLAN

October 2021



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK
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Version 4

PREAMBLE

Mont Rochelle Nature Reserve was proclaimed a *Local Nature Reserve* in 1982 in terms of Provincial Notice 671/1982. It is now governed under the National Environment Management: Protected Areas Act, 57 of 2003, which contains the following set of requirements for management plans.

Section 41 of the above Act states that:

(1) The object of a management plan is to ensure the protection, conservation and management of the protected area concerned in a manner which is consistent with the objectives of this Act and for the purpose it was declared.
(2) A management plan must contain at least —
  (a) the terms and conditions of any applicable biodiversity management plan;
  (b) a coordinated policy framework;
  (c) such planning measures, controls and performance criteria as may be prescribed;
  (d) a programme for the implementation of the plan and its costing;
  (e) procedures for public participation;
  (f) where appropriate, the implementation of community-based natural resource management; and
  (g) a zoning of the area indicating what activities may take place in different sections of the area, and the conservation objectives of those sections.
(3) A management plan may contain —
  (a) development of economic opportunities within and adjacent to the protected area in terms of the integrated development plan framework;
  (b) development of local management capacity and knowledge exchange;
  (c) financial and other support to ensure effective administration and implementation of the co-management agreement; and
  (d) any other relevant matters.
(4) Management plans may include subsidiary plans, and the Minister or MEC may approve the management plan or any subsidiary plan in whole or in part.

Through this Environmental Management Plan the vision, goals and objectives of Stellenbosch Municipality for Mont Rochelle Nature Reserve are given effect in context of the relevant legislation and associated regulations. Accordingly, the primary aims of this Environmental Management Plan include the following:

1. Facilitating the restoration and long-term conservation of Mont Rochelle Nature Reserve in a manner which is consistent with the objectives of the National Environment Management: Protected Areas Act, 57 of 2003.
2. Restoration and long-term protection of the nature reserve as a valuable natural heritage site.
3. Promotion of a conservation ethos in the minds of the people of the area and the general public with the objective to create a shared responsibility to maintain the health, diversity and productivity of Mont Rochelle Nature Reserve in a spirit of stewardship and caring.
4. Implementation of management practices that will benefit current and future generations and will honour applicable obligations and undertakings at all levels of society.
5. Provision of sustainable outdoor recreational opportunities that does not compromise the biodiversity value of Mont Rochelle Nature Reserve.

6. Implementing management practices that benefit current and future generations, and honor Stellenbosch Municipality's obligations and undertakings from local to global levels.
7. Celebrating the diversity, beauty and richness of Mont Rochelle Nature Reserve and seeking an equitable balance of opportunities and benefits in its utilisation.
8. Striving for recognition by all the people of Franschhoek that Mont Rochelle Nature Reserve is 'their' property to enjoy in a spirit of community.

This Environmental Management Plan assigns responsibility for management intervention within Mont Rochelle Nature Reserve, schedules such intervention and quantifies the cost associated with such intervention. In so doing, this document aims to be a mechanism whereby management intervention can be monitored and audited on a yearly basis.

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ABBREVIATIONS

CBA	Critical Biodiversity Area
DEA&DP	Department of Environmental Affairs and Development Planning
DEA	National Department of Environmental Affairs
DAFF	Department of Agriculture, Forestry and Fisheries
DWA	National Department of Water Affairs
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
FEPA	Freshwater Ecosystem Priority Area
FPA	Fire Protection Association in terms of the National Veld and Forest Fire Act
GIS	Geographical Information System
IDP	Municipal Integrated Development Plan
IUCN	International Union for the Conservation of Nature
MEC	Member of the Executive Council
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
NEMA	National Environmental Management Act
NFEPA	National Freshwater Ecosystem Priority Area
NPAES	National Protected Area Expansion Strategy
NSBA	National Spatial Biodiversity Assessment
PA	Protected Area
SAHRA	South African Heritage Resources Agency

SOB	State of Biodiversity Report
SDF	Municipal Spatial Development Framework
SMME	Small, Micro and Medium Enterprises
SWOT	Strengths, weaknesses, opportunities and threats analysis
UNESCO	United Nations Educational, Scientific and Cultural Organisation
WWF	Word Wildlife Fund

1. INTRODUCTION

The Mont Rochelle Nature Reserve (hereafter referred to as either the reserve or MRNR) is a declared local authority nature reserve. It forms part of the Cape Winelands Biosphere Reserve (CWBR) which was approved by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) and included in the World Network of Biosphere Reserve on 18 September 2007. It is situated within the Cape Floral Kingdom containing remnants of near extinct Renosterveld types.

Stellenbosch Municipality (further referred to as the Municipality) is in the process of making all its declared nature reserves National Environmental Management: Protected Areas Act, 57 of 2003 (NEM:PAA), compliant. In terms of Section 39 of the NEM:PAA a dedicated *Management Authority* is to be established for a protected nature area. The Municipality is to act in this capacity. The NEM:PAA furthermore requires that a *management plan* be prepared and be submitted to the relevant Minister for consideration. The purpose of this plan is to meet the latter requirement.

Through this Environmental Management Plan (EMP), the vision, goals and objectives of the Municipality and all other stakeholders for MRNR are given effect in context of the relevant legislation and associated regulations. Accordingly, the primary aims of the EMP include the following:

a) Facilitating the restoration and long-term conservation of MRNR in a manner which is consistent with the objectives of the NEM:PAA.
b) Restoration and long-term protection of the nature reserve as a valuable natural heritage site.
c) Promotion of a conservation ethos in the minds of the people of the area and the general public with the objective to create a shared responsibility to maintain the health, diversity and productivity of the reserve in a spirit of stewardship and caring.
d) Implementation of management practices that will benefit current and future generations and will honour applicable obligations and undertakings at all levels of society.
e) Provision of sustainable outdoor recreational opportunities that does not compromise the biodiversity value of the nature reserve.
f) Implementing management practices that benefit current and future generations, and honour our obligations and undertakings from local, to global levels.
g) Celebrating the diversity, beauty and richness of MRNR and seeking an equitable balance of opportunities and benefits in its utilisation.
h) Striving for recognition by all the people of Franschhoek that MRNR is ‘their’ property to enjoy in a spirit of community.

2. PURPOSE, GOAL AND VISION

2.1 PURPOSE OF THE PROTECTED AREA

The purpose of a protected area, as described in Section 17 of the NEM:PAA, is to:

(a) protect ecologically viable areas representative of South Africa's biological diversity and its natural landscapes and seascapes in a system of protected areas;
(b) preserve the ecological integrity of those areas;
(c) conserve biodiversity in those areas;
(d) protect areas representative of all ecosystems, habitats and species naturally occurring in South Africa
(e) protect South Africa's threatened or rare species;
(f) protect an area which is vulnerable or ecologically sensitive;
(g) assist in ensuring the sustained supply of environmental goods and services;
(h) provide for the sustainable use of natural and biological resources;
(i) create or augment destinations for nature-based tourism;
(j) manage the interrelationship between natural environmental biodiversity, occurring in South Africa;
(k) generally, to contribute to human, social, cultural, spiritual and economic development; or
(l) rehabilitate and restore degraded ecosystems and promote the recovery of development; or endangered and vulnerable species.

MRNR is located in the Cape Floral Kingdom, an area of global biodiversity significance. The reserve conserves a unique combination of habitats, ecosystems and species. In conserving this unique biodiversity, secondary objectives will include the conservation of the only examples of Swartland Alluvium Fynbos left within the boundaries of Stellenbosch. MRNR also acts as a research, recreational and educational facility for the people of Stellenbosch Municipality.

2.2 OVERARCHING GOAL

The over-arching goal of the MRNR is to contribute towards environmental sustainability and the conservation of biodiversity as a prerequisite for the latter. This EMP builds on the recognition that for biodiversity conservation to succeed, the maintenance of environmental integrity (as defined by ecological, economic and social criteria) must be one of the primary determinants of land-use planning and management.

Sustainability, under present circumstances, cannot be achieved without any form of management intervention and such intervention has to be financed to a significant extent. Accordingly, sustainable development projects or use within the area should ideally contribute towards the required financing of management activities in a spirit of partnership. The CSIR (2002) states that sustainable development should *improve the state of any given situation.* Sustainable development requires a long-term, integrated, systems approach pertaining to economic, environmental and social issues. Fostering a strong sense of community and building partnerships and consensus among key stakeholders are important elements of sustainable development (CSIR, 2002). The International Union for the Conservation of Nature (IUCN) defined sustainable development as '*development that meets the needs of the present generations without compromising the ability of future generations to meet their own needs*'.

The International Institute for Sustainable Development (IISD) (1995) states that sustainable development occurs at the intersection of three global imperatives, namely *human well-being, environmental integrity* and *economic efficiency*. The interactive model of sustainability illustrates that sustainable development occurs where the three imperatives interact within an 'interactive zone' (Figure 1). Development outside this 'interactive zone' will not be sustainable. Mebratu (1998).[1] The EMP builds on the following understanding of the three global imperatives:



Figure 1: The interactive model of sustainability.

2.2.1 Human Well-Being

Human well-being refers to both *material* and *spiritual* well-being. Material well-being refers to the absence of poverty. Spiritual well-being *inter alia* refers to the absence of inequality and being in a position to obtain new powers, emotionally, intellectually and physically and to be able to play a meaningful role in promoting and achieving sustainable development. It is recognised that MRNR has a significant impact on the well-being of the people of Stellenbosch and surroundings in terms of a number of important aspects.

2.2.2 Environmental Integrity

Environmental integrity refers to the relative '*wholeness*' of the environment. 'Environment' is defined as the aggregate of all external conditions and influences affecting the life of an organism. Environmental integrity is determined by the *value* of the environment or place (natural or human-made), with specific reference to its intrinsic, systemic, and/or instrumental value. The EMP builds on the recognition that the human-made environment is located within and 'contained' by the natural environment. The manner in which human settlements are developed, therefore, has an immense impact on the quality and integrity of the environment as a totality. It is therefore imperative that the human-made environment be planned, designed and developed in a manner that will ensure the maintenance of the values referred to above (i.e. intrinsic, systemic, and/or instrumental value). From a natural environmental perspective, ecological integrity is a key factor in the sustainable development equation. Ecological integrity *inter alia* requires that biodiversity is protected and essential ecological processes and services (e.g. water yield and quality, soil conservation, decomposition, etc.) are maintained. *Environmental health* is the key to sustainable development. The primary threat to environmental health is fragmentation of community-supporting ecosystems. Fragmentation generally leads to a cycle of environmental degradation, which subsequently influences the well-being of the dependent communities.

2.2.3 Economic Efficiency

Economic efficiency is understood as *the optimisation of benefit at the lowest cost*. It includes the innovative and efficient use of available resources. MRNR is an important public resource that has to be managed for the benefit of all concerned and in terms of best-practice management strategies in order to ensure efficiency.

[1] Mebratu, D. 1998: Sustainability and sustainable development: Historical and conceptual overview. *Environmental Impact Assessment and Review*, 18:493-520.

2.3 GUIDING PRINCIPLES

It is important that the following principles guide management of MRNR:

i. Precautionary principle: The precautionary principle refers to actions on issues considered to be uncertain. The principle is used by policy makers to justify discretionary decisions in situations where there is the possibility of harm from making a certain decision when extensive scientific knowledge on the matter is lacking. Precaution may be defined as *caution in advance* or *caution practised in the context of uncertainty*. The precautionary principle is an expression of a need by decision-makers to anticipate harm before it occurs.

ii. Causal principle: This principle indicates that default responsibility for rectification or mitigation of any particular impact rests with the entity which directly caused such impact. While the more well-known polluter pays principle is a subcategory of this, the causal principle applies not just to pollution but more generally to all impacts.

iii. Integration principle: The Integration principle refers not only to the cooperation between different social bodies, but also to the integration of different physical, biological and social realities and issues pertaining to a particular geographic area.

iv. Cooperation principle: Government as well as the private sector, non-governmental organisations and science all need to be involved to ensure sustainability. Successful long-term environmental management requires that all role players to act cooperatively to achieve a common goal.

2.4 MANAGEMENT OBJECTIVES

Further to achieving the above listed goals, the management objections for MRNR are the following:

(a) Water conservation through the conservation of the catchment area with the aim of providing the optimal sustainable stream-flow of high quality water to lower lying areas and the town of Franschhoek.

(b) Nature conservation by managing the reserve in accordance with ecologically acceptable principles.

(c) Outdoor recreation by creating opportunities for dedicated environmental interpretation and low intensity outdoor recreation.

(d) Providing opportunities for research that would benefit nature conservation in general.

2.5 ADAPTIVE MANAGEMENT

The preparation of this management plan has been undertaken based on the guiding principles of adaptive management, which is a structured, iterative process in which decisions are made using the best available information, with the aim of obtaining better information through monitoring of performance (Figure 1.1). In this way, decision making is aimed at achieving the best outcome based on current understanding, whilst accruing the information needed to improve future management. Adaptive management can lead to revision of a part or if necessary the whole management plan.



Figure 2: Adaptive Management Cycle (Management Strategy Evaluation, 2009)

Adaptive management enables landowners and managers to:

a) Learn through experience
b) Take account of, and respond to, changing factors that affect the biodiversity stewardship site
c) Develop or refine management processes
d) Adopt best practices and new innovations in biodiversity conservation management.
e) Demonstrate that management is appropriate and effective

2.6 VISION

The overriding mission of the International Union for Conservation of Nature was adopted as a fundamental guideline in the formulation of the vision, goals and objectives for the nature reserve, namely:

a) 'The maintenance of essential ecological processes, the preservation of genetic diversity and the insurance of the sustainable utilisation of species and ecosystems that can only be achieved by the conservation of essential habitats and not individual species'.
b) 'The management of human use of the biosphere so that it may yield the greatest sustainable benefit to present generations while maintaining its potential to meet the needs and aspirations of future generations' (IUCN, 1980).

The following vision is set for the nature reserve:

<u>To manage and protect Mont Rochelle Nature Reserve as a sustainable and safe area which is recognised and valued for its environmental significance, environmental integrity and community-supporting functions.</u>

3. LOCATION AND EXTENT

3.1 LOCATION

MRNR is situated within Stellenbosch Municipality at the top of the Franschhoek Pass, 3 km east from the town of Franschhoek on the R45, a busy regional route linking Franschoek, Paarl and Stellenbosch with Villiersdorp and Caledon. The elevation reaches approximately 300 m above sea level in the eastern slopes of Franschhoek, up to 600 m in the Franschhoek Pass and approximately 1 000 – 1 400 m above sea level in the mountain peaks.

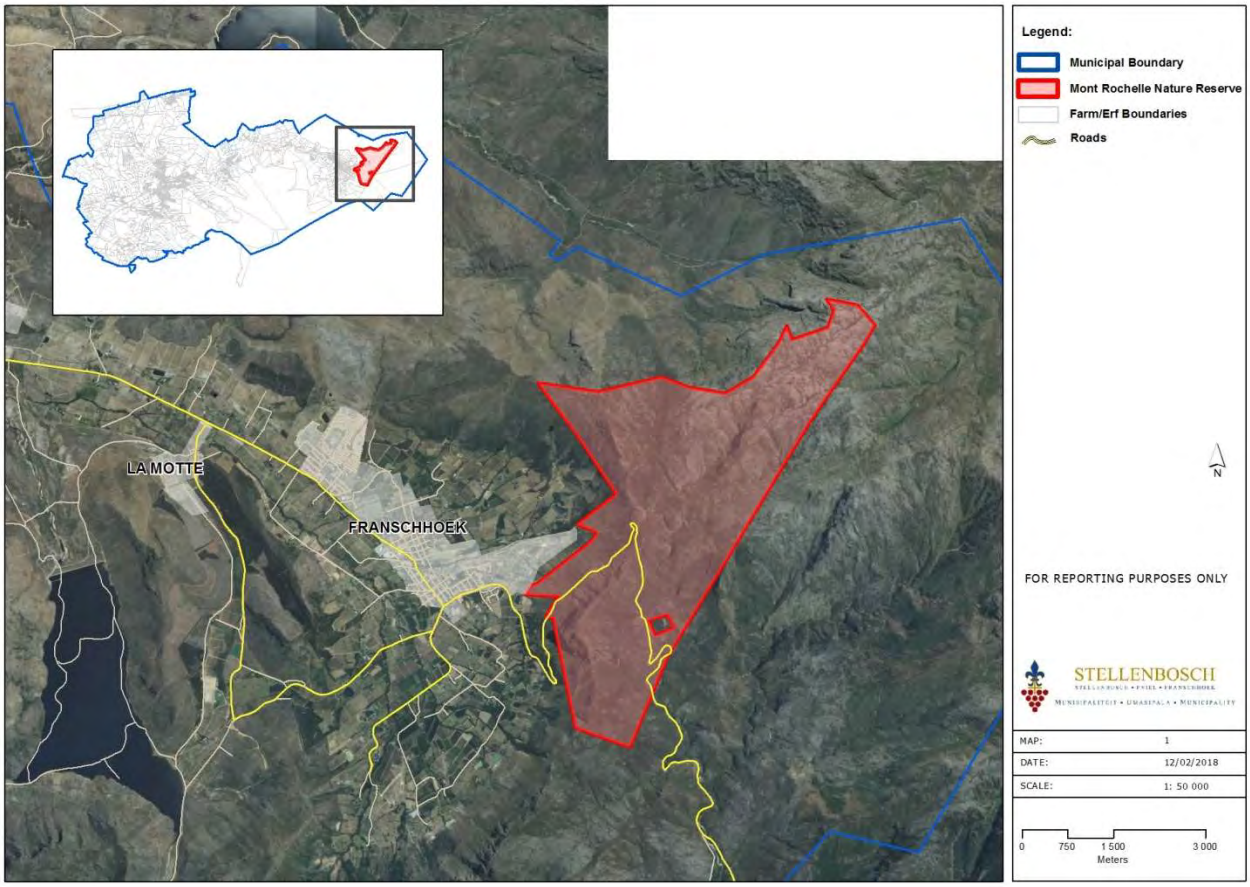


Figure 3: Mont Rochelle Nature Reserve in context of Franschhoek town.

MRNR covers an area of ± 1 760 ha, is bordered by the Hottentots Holland Provincial NR (42 000 ha), the Limietberg Provincial NR (117 000 ha) and the Theewaterskloof Conservancy (21 000 ha). It is situated within the Hawequas and Hottentots-Holland Mountain Catchment Area which is administered by the Western Cape Nature Conservation Board (WCNCB). MRNR was proclaimed a *Local Nature Reserve* in 1982 in terms of Provincial Notice 671/1982.

3.2 PROPERTY INFORMATION

As mentioned above, MRNR consists of an area of approximately 1 760 ha which mainly comprises of Farm No. 23.

Farm 759 is located in the south-eastern area of the reserve and does not form part of the MRNR (Figure 3). In 1977, this portion of the reserve (former commonage) was donated to the ACSV by the

former Franschhoek Municipality. This 10 ha site, approximately 300 m south of the entrance to the reserve, has been managed under the name, Karmel, for the past 30 years. No formal zoning exist for this portion inside MRNR but the site has been registered as a camp site.

The latter site is hired out to schools or other interested groups and extends across the Du Toits River with footpaths leading down to several rock pools. The Catspad hiking trail, which starts on private property on the Franschhoek side of the mountain, extends over a portion of the site. On-site amenities include two sleeping quarters, a hall, toilets as well as braai facilities. The site is capable of housing 104 at a time people and bookings have to be made well in advance.

In the centre of the reserve a portion of land has been subdivided into various erven explained briefly in the section below.

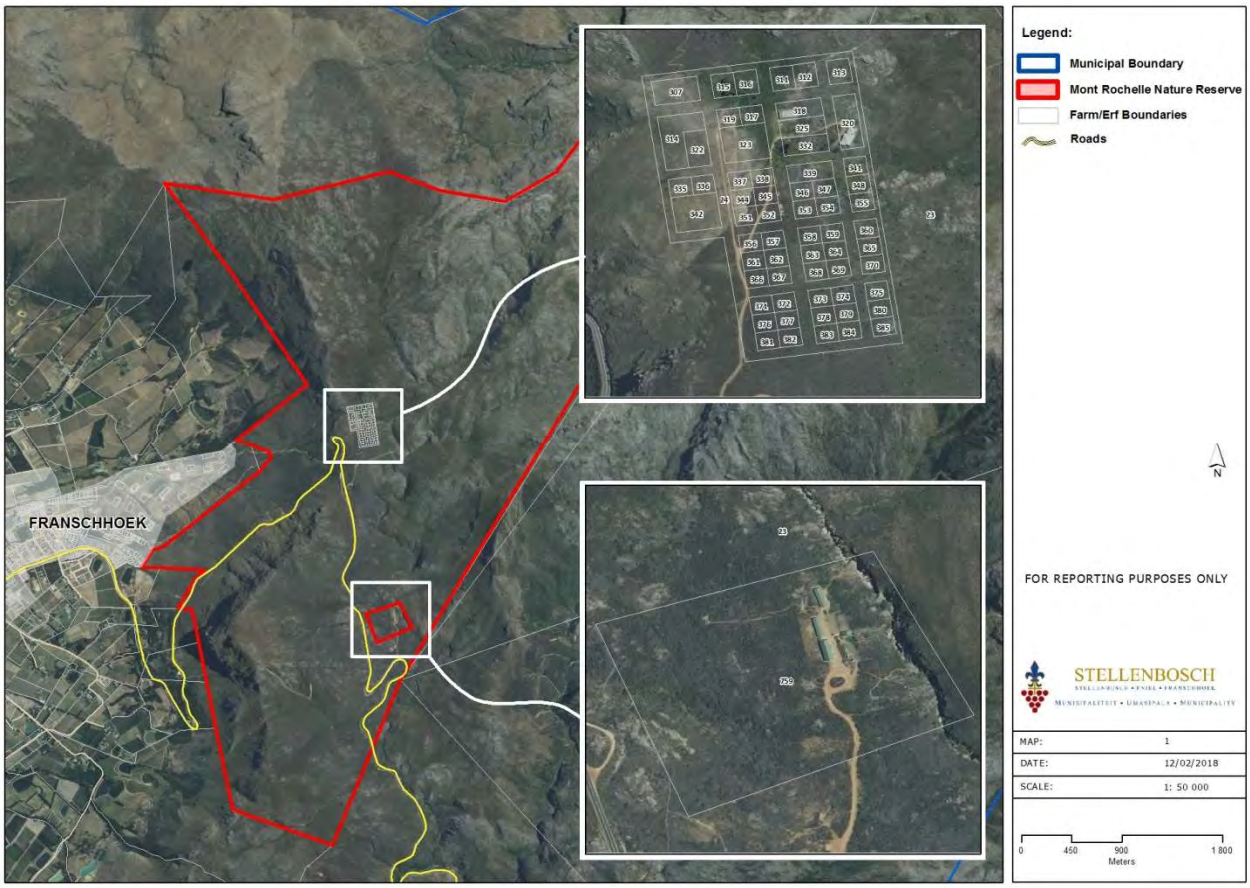


Figure 4: Property description.

4. LAND USES

4.1 HOMESTEADS AND PRIVATE ERVEN

In terms of a Council resolution (28 November 1911, Minutes Book 2:288) a total of 62 erven were proclaimed in MRNR in 1910, 14 of which have been sold on an auction to private individuals. The purpose of the auction was to generate funds for improving the Franschhoek sports facilities and the water provision to the town. The last erf was sold in 1995 after which the Council decided that no more erven would be sold.

Between 1912 and 1913 homesteads were erected on two of these erven, one of which was destroyed by a wildfire in 1998/99. Basic access roads to the erven were constructed by the Municipality. Some of the owners use their erven for camping during certain times of the year.

There are no limiting conditions that exempt the Council from providing services and prevents the owners from constructing any buildings. The Municipality plans to deproclaim unsold erven (excluding the road) and consolidate them into the reserve to be managed in accordance with the MRNR EMP.

4.2 OUTDOOR RECREATION

Annually MRNR is visited by more than 13 000 tourists for the purposes of picnicing, trail-running, mountain-biking and studying ecological manifestations. Wing-gliding and sight-seeing are also undertaken from specific sites within the reserve.

Hiking is the activity that attracts most of the recreationists to MRNR. Hikers have several options of trails to choose from. Entrance to the hiking trails is situated at the reserve entrance on top of the pass. The Catspad Hiking Trail which follows the original toll road between Franschoek and Villiersdorp is a popular trail which starts on private land and leads through the Limietberg and MRNR. A permit is required for the use of these trails.

The second trail to Perdekop (inside Limietberg Nature Reserve) is about 7,5 km and takes between 3 and 4 hours there, and 2.5 hours back. It leads from the the parking area at MRNR, climbing steeply to a contour and then high above the Du Toits River. On route hikers have a view over the Theewaterskloof dam and the Villiersdorp valley. Once at Observation Point (1 056m) one has a view over the Wemmershoek dam and valley. Before reaching Observation Point a cairn indicates a neck where the path climbs steeply up to Perdekop. Once the plateau has been reached the path to Perdekop is relatively easy. Additional routes include the Du Toitskloof trail and the Middagkransberg trail.

As per Section 8.3 below two categories in use have been identified in the utilisation / development zone on top of the pass. The first zone include the area where private homes are located whilst the other include the zone utilised by visitors. The latter is the area between the entrance gate and the mountain pass where recreation facilities such as picnic facilities, ablutions, a parking area, information centre, and a vantage area will be located.

The Catspad Monument, on the top of the Franschhoek pass, was erected in 1952. This monument was erected by the original post wagon on the exact site where it went over the Franschhoek mountains.

5. PHYSICAL DESCRIPTION

5.1 CLIMATE

Mont Rochelle is located within the Mediterranean climatic zone of the Western Cape, which is typified by cool, wet winters and hot, dry summers. The rainfall in MRNR ranges between 900 mm and 1 300 mm per annum with occasional snowfall in winter months, sometimes even as late as October and November. The high precipitation is partly due to the occurrence of orographic rainfall during most of the year. Strong south-easterly winds are common during summer months and accompanying clouds, which often covers the reserve, bring lots of moisture with it.

5.2 TOPOGRAPHY, GEOLOGY AND SOIL

The landscape in the region of MRNR dates back to the break-up of the super continent called Gondwana, approximately 140 million years ago. On that stage Southern Africa was a hilly plateau landscape. The new rivers that originated with the birth of the Indian and Atlantic Oceans of that time, gradually extended their valleys until the current Berg River and Riviersonderend's high waters met each other at MRNR, at the crescent of the mountain pass. The whole landscape that can be seen around MRNR is the effect of erosion from these two rivers during the past 140 million years.

The largest part of MRNR is covered by the Table Mountain Formation, a sandstone deposit which covers an area from Nieuwoudtville in the northwest to Port Elizabeth in the east. The cliffs and hilltops in the surrounding landscapes are dominated by this formation and is the sandy type of soil typical of the Fynbos biome. The age of the Table Mountain sandstone is known to be Ordovician to Silurian, this entails that it was deposited approximately 495 million to 417 million years ago, and consist one of the largest quarts sandstone formations in the world. This sandstone formation formed the Cederberg Mountain landscapes and the impressive Cape Folds Mountain range along the southern regions of the continent.

MRNR is situated in the syntax of the Fold range, in the region where the two main mountain landscapes intersect. This causes that the geological structures in the Mont Rochelle region are characterised by a complex mixture of Fold mountains and Block mountains, which determines the quality and shape of the landscape. The geological structure of Du Toit's Head is, for example, a large anticline, or kind of fold. A large amount of faulting or cracks in the earth crust occur. The top of the Franschhoek Pass is determined by one of these faultings and a large part of this pass, in the direction of Purgatory Uitspan, follow the same faulting because it created a natural route for road builders.

The main formation of MRNR is the Peninsula sandstone, a reasonable pure quarts sandstone, which was originally deposited on a coastal plain more or less similar to that of the Cape Flats, now forms the prominent cliffs throughout the range from the Franschhoek peaks to the escarpments in the Banhoek area.

Interesting rock formations which occur in the MRNR region, in the southern direction towards Purgatory Uitspan, is the Pakhuis tillite and the Cederberg shale formation. They represent a very important ice age approximately 443 million years ago. The Pakhuis Formation, a narrow band of tillite, was formed by material deposited by glacial action 400 million years ago. The ice plates, which moved from the north and west, ploughed the coastal plain sand of the Peninsula into the shape of

large folds. Soft shales of the Cederberg Formation overlay the tillite. These shales are susceptible to weathering and allow exposure of the underlying layers in a landscape that is relatively resistant to erosion (Cummings, 1997).

The western reaches of MRNR, beneath the Franschhoek Pass, are characterised by granite and older formations. These formations are poorly visible but the source of clay soils which is derived from granites and shales occurring on the lower slopes of the reserve.

5.3 HYDROLOGY

The Table Mountain sandstone formation is one of the most important underground water carriers in South Africa, this also applies to MRNR. Its fountains are in general perennial in times of drought and the water quality is excellent. Franschhoek's domestic water source has for more than a decade been the mountain stream and fountains of the Perde gorge, all of which is directly derived from the MRNR.

As stated above, MRNR forms part of the quarternary catchment of both the Breede and the Berg River, with a tributary of the latter, namely the Du Toits River originating on the reserve. Mont Rochelle, subsequently, forms part of the Hawequas and Hottentots-Holland Mountain Catchment Areas proclaimed in terms of the Mountain Catchment Areas Act, 1970 (Act 63 of 1970). Due to the shallow soils and topography of the area, the mean annual runoff is high (> 500 mm) (Midgley *et al*, 1994).

It is important to note that MRNR falls in an area that is defined as a Strategic Water Source Areas (SWSA)[2]. SWSAs are those areas that supply a disproportionate amount of mean annual runoff to a geographical region of interest. These areas are important because they have the potential to contribute significantly to overall water quality and supply, supporting growth and development needs that are often a far distance away. SWSA areas make up 8% of the land area across South Africa, Lesotho and Swaziland but provide 50% of the water in these countries. At a national level, Strategic Water Source Areas form the foundational ecological infrastructure on which a great deal of built infrastructure for water services depends. Investing in Strategic Water Source Areas is also an important mechanism for long-term adaptation to the effects on climate change on water provision growth and development. The importance of managing this small fraction of land that contributes so vitally to our water security should be acknowledged at the highest level across all sectors.

[2] http://bgis.sanbi.org/nfepa/SWSAmap.asp

6. BIOPHYSICAL DESCRIPTION

6.1 FLORA

The vegetation of MRNR is described by Acocks (1975) as Veld Type 69: Fynbos. Low and Rebelo (1998) described its vegetation as Mountain Fynbos and identified MRNR as part of the *Franschhoek center of endemism.* Several of the plant species which occur in this centre are very restricted in their distribution. According to Low and Rebelo (1998) Mountain Fynbos is well conserved within the latter *center of endemism*, with some 98% being under statutory protection.

Due to the topography of MRNR a variety of habitats and associated plant communities occur. The vegetation of MRNR is generally lower than 1m, with taller plants such as *Protea repens*, *P. laurifolia*, *Leucadendron rubrum*, and other *Proteacae* occurring in places. Some tree species, including *Cunonia capensis*, *Ilex mitis*, and *Bradejum stellatifolium* occur mainly along streams and in kloofs. A number of species that are endemic to the region are known to occur in MRNR, including *Serruria florida* and *Serruria zeyheri*, both of which have a narrow distribution (Greyling & Huntley, 1984).

On 6 June 1985, an exciting discovery were made when two honorary forest officers stumbled upon a new natural *Disa* hybrid. The flower, which colour was a mixture between red/purple and a very pale pink to white, was found in a colony of about 50 plants. What makes this find even more interesting is the fact that this *Disa,* which only flowers in late December, was found in mid-winter. Dr. Louis Vogelpoel (A new natural intergeneric hybrid from Table Mountain. *S.A. Orchid Journal*, 1985), diagnosed the flower to be a natural hybrid and a cross between *Disa uniflora* and *Disa caulescens*.

A number of invasive alien plant occur in the area, most of them are concentrated around riparian areas. In the rivers and streams, the spread of Black Wattle (*Acacia mearnsii*) kills all shaded indigenous understorey vegetation exposing the river banks to erosion by flooding water (Versveld, 1995). Other invasive plants include Pine trees, (*Pinus pinaster* & *P. radiata*) Hakea (*Hakea gibbosa*), and Blue gum (*Eucalyptus globulus*).

MRNR falls within the Cape Floral Kingdom, which is inter-nationally recognised as one of the six Floral Kingdoms of the world. The unique Cape Floral Kingdom is the smallest, covering a mere 0,06% of the earth's surface, and is the only Floral Kingdom contained in its entirety within a single country (refer to Figure 5).

The Cape Floral Kingdom is of immense scientific importance. It covers only 4% of South Africa, but contains 45% of all plant species occurring in the country. About three-quarters of all plants in the South African Red Data Book occur in the Cape Floral Kingdom. The Cape Floral Kingdom is characterised by an exceptional richness in plant species and high endemicity. More than 8 700 species are known to occur, with more than 68% being endemic. It, thus, compares with some of the richest floras worldwide, surpassing many tropical forest regions in floral diversity. The Cape Floral Kingdom comprises various biomes, namely Fynbos, Forest, Nama Karoo, Succulent Karoo, and Thicket. However, Low and Rebelo (1996)[3] state that the contribution of Fynbos in terms of

[3] Low, A.B. & Rebelo, A.G. (eds). 1996. ***Vegetation of South Africa, Lesotho and Swaziland.*** Dept. Environmental Affairs and Tourism, Pretoria.

species richness, endemicity, and fame, is so overwhelming, that the Cape Floral Kingdom is considered to be 'essentially Fynbos'.

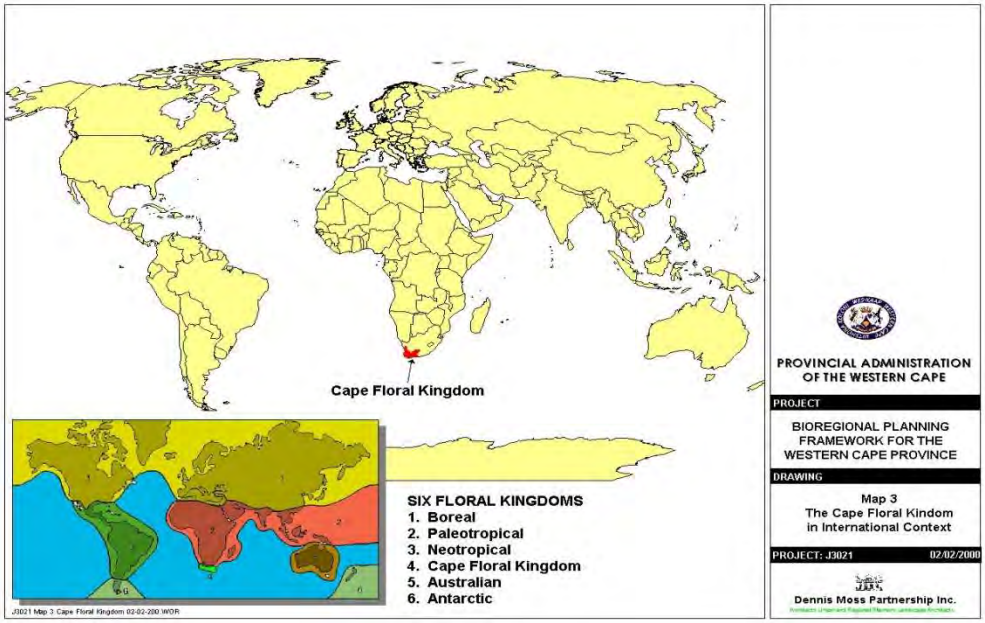


Figure 5: The Cape Floral Kingdom in International Context.

Fynbos is the noun describing the unique flora that occurs exclusively in the South-Western Cape in a narrow band following the Cape Fold Mountains from north of Nieuwoudtville to near Port Elizabeth. Many Fynbos species are extremely localised in their distribution, with sets of such localised species organised into 'centres of endemism' (Low and Rebelo, 1996).

The uniqueness and value of Fynbos puts South Africans under the obligation to explore this unique natural heritage, to display it to the rest of the world, and to preserve it for future generations. To accomplish this, an understanding of the uniqueness of Fynbos and its complicated processes and ecological cycles, and the interdependence of its various components, is necessary. Research is the key to this understanding. The Fynbos Biome provides opportunities for specialised research to scientists and students from all over the world.

The information provided by the South African National Biodiversity Institute (SANBI) and the Cape Action for People and the Environment (C.A.P.E.) with regard to the irreplaceability[3] of habitats indicates that almost the whole of the reserve is indicated to be either vulnerable or critical with the higher lighting areas of MRNR being of immense conservation importance (Figure 6). This is mainly due to the fact that the area is the habitat of the Kogelberg Sandstone Fynbos. In terms of the Western Cape Biodiversity Spatial Plan (2017) the reserve is assigned the highest order conservation status due to its status as formally protected area (Figure 7). The various categories (CBA's [Critical Biodiversity Areas]) are defined in Table 1 below.

[3] The potential contribution of a site to a preservation or representation goal. It is a fundamental way of measuring the conservation value of any site. An irreplaceable site will appear in every analysis of alternative combinations of sites. In other words, it is one which must be included in a conservation area because significant options for preservation are lost if the site is excluded.

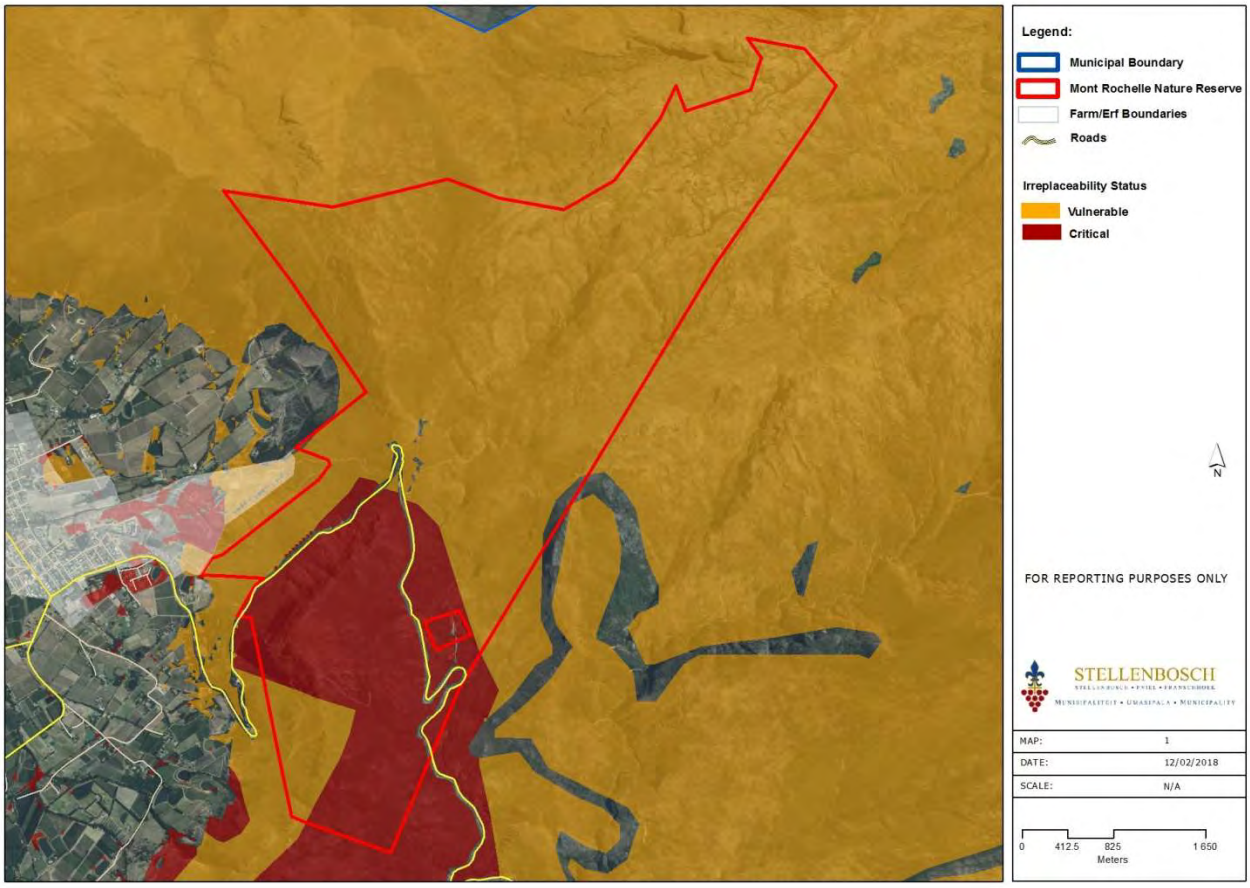


Figure 6: Irreplaceability of habitats in MRNR (Source: CAPE).

Table 1: Western Cape Biodiversity Spatial Plan map categories

MAP CATEGORY		DEFINITION
	Protected Area	Areas that are proclaimed as protected areas under national or provincial legislation.
	CBA 1	Areas in a natural condition that are required to meet biodiversity targets, for species, ecosystems or ecological processes and infrastructure.
	CBA 2	Areas in a degraded or secondary condition that are required to meet biodiversity targets, for species, ecosystems or ecological processes and infrastructure.
	ESA 1[4]	Areas that are not essential for meeting biodiversity targets, but that play an important role in supporting the functioning of PAs or CBAs, and are often vital for delivering ecosystem services.
	ESA 2	Areas that are not essential for meeting biodiversity targets, but that play an important role in supporting the functioning of PAs or CBAs, and are often vital for delivering ecosystem services.

[4] Ecological Support Area

	Other Natural Area	Areas that have not been identified as a priority in the current systematic biodiversity plan, but retain most of their natural character and perform a range of biodiversity and ecological infrastructure functions. Although they have not been prioritised for biodiversity, they are still an important part of the natural ecosystem.

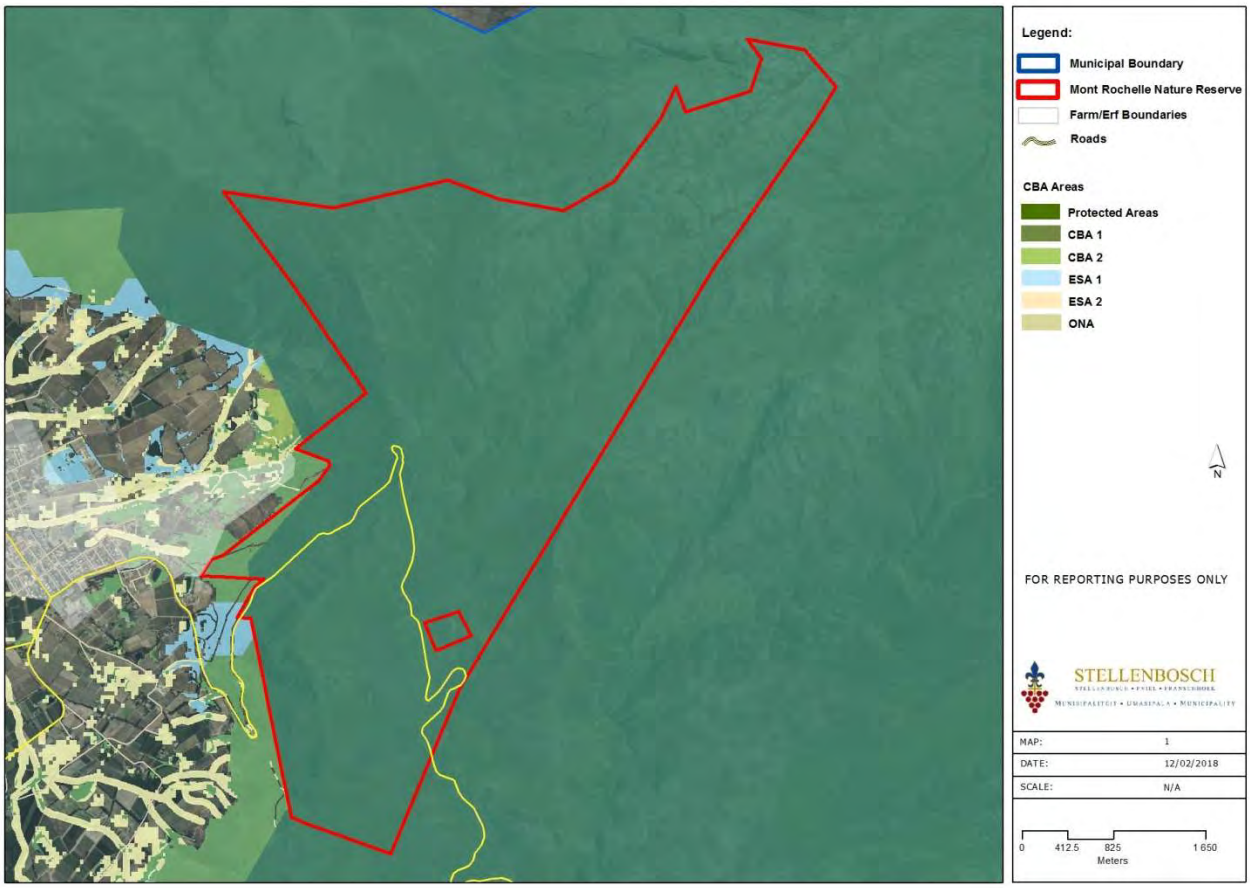


Figure 7: Critical Biodiversity Areas (Source: SANBI)

6.2 FAUNA

As with most Fynbos areas, MRNR generally has a low vertebrate animal biomass. However, the species richness of birds, mammals, frogs, reptiles, and insects is reasonably high. Species such as Leopard (*Panthera pardus*), Caracal (*Felis caracal*), Grey Rhebok (*Pelea capreolus*), Cape Grysbok (*Raphicerus melanotis)*, Klipspringer (*Oreotragus oreotragus*), Baboon (*Papio ursinus*), Badger (*Mellivora capensis*), Dassie (*Hystrix africaeaustralis*), Grey Mongoose (*Galerella pulverulenta)*, Striped Polecat (*Ictonyx straitus),* Porcupine (*Hystrix africaeaustralis*), and Water Mongoose (*Atilax paludinosus)* are known to occur in the area.

More than 200 bird species having been noted in the area, including the Hamerkop (*Scopus umbretta*), Barn Owl (*Typo alba*), Cape Eagle Owl (*Bubo capensis*), Cape Sugarbird (*Promerops cafer*), and the Malachite Sunbird (*Nectarinia famosa*). A number of birds of prey occur in the area, the most notable of which is the Black Eagle (*Aquila verreauxii*).

On 3 December 1995 a butterfly study was conducted by AK Brinkman and Alan Heath in MRNR. Results from this study identified a number of butterfly species, three of which were classified as endangered in the SA Red Data Book for Butterflies. These endangered species included *Poecilmitis endymion*, *Poecilmitis nigricans nigricans*, and *Tsitana dicksoni.*

Both *Poecilmitis endymion* and *Tsitana dicksoni* are classified as rare[4] species, while *Poecilmitis nigricans nigricans* is classified as intermediate[5]. These rare species are endemic to the region above Du Toit's Kloof and Franschhoek Mountain pass. While *Poecilmitis endymion* inhabits the highest peaks of the mountains, with its colonies usually just off the summits along small rocky ridges, *Tsitana dicksoni* are found on partly grassy slopes, skipping around the bushy shrubs that grow in its habitat.

Some of the larger endangered species include the Hawequa Flat Gecko (*Afreodura hawequensis*). This reptile is listed in the South African Red Data Book as restricted. The species is restricted to an area centred around the Hawequa Mountains, extending to Bainskloof in the north and the mountains at Franschhoek to the south (Branch, 1988).

4 Taxa with small populations that are not at present endangered or vulnerable but, are at risk. They are usually localised within restricted geographical areas or habitats or are thinly scattered over a more extensive range.

5 Taxa which may be worthy of inclusion but for which insufficient information is currently available on which to judge their status.

7. MANAGEMENT POLICY FRAMEWORK

Chapter 41 of the NEM:PAA requires that management plans be compiled within the context of a policy framework. The EMP, in common with all protected areas, is to be developed and managed within the framework of guiding statutes and policy frameworks. The EMP is based upon and gives effect to a dedicated environmental management policy which is defined as *'a statement by the organisation* (i.e. the Management Authority) *of its intentions and principles in relation to its overall environmental performance, which provides a framework for action and for the setting of objectives and targets'* (SABS ISO 14004:1996{E}[5]). In this regard, the primary policy statements are as follows:

a) Cape Winelands Biosphere Reserve inter-governmental agreements: The nature reserve, as part of the Cape Winelands Biosphere Reserve, will be managed in compliance with the applicable inter-governmental agreements upon which the Cape Winelands Biosphere Reserve is based. The reserve forms part of the CWBR core area.
b) Planning and management context: Management of the reserve will be undertaken in context of all applicable levels of planning.
c) Biodiversity conservation: Biodiversity is an imperative for environmental sustainability. A key objective in the management of the reserve is to ensure that biodiversity in the study area is protected and enhanced.
d) MRNR is an important part of a system of protected areas: The reserve is to be managed as part of a system of protected areas.
e) MRNR is a public resource: The reserve is a public resource and should be available for the sustainable use of the entire community.

7.1 PLANNING AND MANAGEMENT CONTEXT

The Municipality has directed that the bioregional planning approach advocated by the Provincial Government of the Western Cape through its Bioregional Planning Policy and comprehensively described in the *Manual for application of Bioregional Planning in the Western Cape* (PGWC, 2003) be adopted in municipal planning projects.

The Municipality recognises that one of the critical determinants of the success of an EMP planned in term of the bioregional planning approach is the extent to which all spheres of government co-operate and co-ordinate their activities as it relates to the subject area (in this case, MRNR). This EMP therefore gives effect to the requirement that the planning and management of land units such as the nature reserve should be undertaken within the context of distinct levels, namely the *international level, national level, provincial level, regional level* and the *local level.* Effective integrated planning at these levels requires innovative forms of institutional integration and social co-operation. Dialogue amongst all stakeholders, participatory planning and institutional flexibility are, therefore, essential to plan and manage effectively.

The reserve responds to the international protocols and conventions of which South Africa and, consequently, all lower spheres government are a signatory to, and the relevant legislation, policy and regulations, the most important of which are summarised below.

[5] SABS ISO 14004;1996(E)

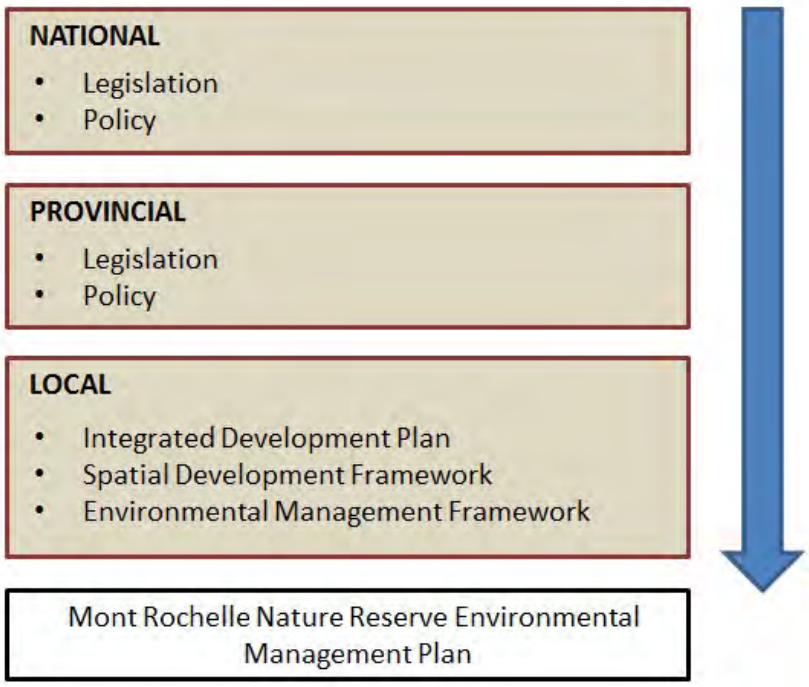


Figure 8: Planning levels applicable to the MRNR EMP.

7.1.1 International Level

7.1.1.1 UNESCO'S MAB Program and Cape Winelands Biosphere Reserve Inter-Governmental Agreements

Stellenbosch Municipality has played a leading role in the establishment of the Cape Winelands Biosphere Reserve (CWBR), which aims to give practical effect to UNESCO's MAB (Man and the Biosphere) Program. This program was launched in 1971 by UNESCO, as a global initiative of international scientific co-operation dealing with people-environment interactions over the entire realm of bioclimatic and geographic situations of the biosphere. The MAB Program was designed to solve practical problems of resource management, and aims to fill gaps in the understanding of the structure and function of ecosystems, and of the impact of different types of human interaction. Key ingredients in the program are the involvement of decision-makers and local people in research projects, training and demonstration at the field level, and the bringing together of disciplines from the social, biological and physical sciences in addressing complex environmental problems. The application approved by UNESCO represents the overarching terms of agreement upon which the CWBR are premised. These refer to the:

- Fulfilment of the three functions of the biosphere reserve as stipulated in the *Statutory Framework of the World Network of Biosphere Reserves* (1995).
- Planning and management of the biosphere reserve in accordance with the bioregional planning approach of the PGWC as described in the *Bioregional Planning Manual*.

The Municipality is a signature to the inter-governmental agreement upon which the biosphere reserve is based and is consequently under the obligation to comply with and give effect to the terms of agreement.

7.1.1.2 Agenda 21

The Agenda 21[6] agreements reflect global consensus and political commitment on developmental and environmental co-operation. Underlying the above agreements is the realisation that the international world cannot continue with present policies, which increase poverty, hunger, sickness and illiteracy and cause continuing deterioration of ecosystems on which life on earth depends. Agenda 21 provides a broad overview of issues pertaining to sustainable development, including statements on the basis for action, objectives, recommended activities and the means of implementation. Of particular relevance for the EMP are the following principles of Agenda 21:

a) Integrated approach to the planning and management of land resources.
b) Promoting sustainable human settlement development.
c) Integrating environment and development in decision-making.
d) Establishing systems for integrated environmental management and auditing.

7.1.2 National Level

7.1.2.1 South African Constitution

The South African Constitution, Act 108 of 1996, places an obligation on all to ensure that sustainable development is promoted and that the integrity of the environment is respected. In Section 24(b)(iii) of the Bill of Rights chapter of the Constitution, it is stated that 'everyone has the right to have the environment protected for the benefit of present and future generations, through reasonable legislative and other measures that secure ecologically sustainable development and use of natural resources, whilst promoting justifiable economic and social development'.

7.1.2.2 National Environmental Management Act

Section 28 of the National Environmental Management Act, 107 of 1998 (NEMA), creates a general duty of care on every person to *take reasonable measures to prevent significant pollution or degradation of the environment from occurring, continuing or recurring, or, in so far as such harm to the environment is authorised by law or cannot reasonably be avoided or stopped, to minimise and rectify such pollution or degradation of the environment*. The Act provides for the preparation of environmental management plans by the relevant national departments involved in the management of the environment. The purpose of such plans is to co-ordinate and harmonise the environmental policies, plans, programs and decisions of the various national departments that exercise functions that may affect the environment or are entrusted with powers and duties aimed at the achievement, promotion, and protection of a sustainable environment, and of provincial and local spheres of government.

The NEMA Environmental Impact Assessment (EIA) Regulations in turn regulate activities which may impact on the environment as well as those that require environmental authorization. In this regard it must be noted that the competent authority for any activities occurring within Mon Rochelle Nature Reserve is the National Department of Environmental Affairs as the nature reserve is located within the core area of the CWBR.

[6] Agenda 21 is an international program, adopted by some 178 governments, to put sustainable development into practice around the world. It emerged from the United Nations Conference on Environment and Development held in Rio de Janeiro in 1992.

7.1.2.3 National Environmental Management: Protected Areas Act

As stated previously, Act 57 of 2003 provides the legislative premise for the declaration and management of a Section 23 Nature Reserve. It makes provision for the *protection and conservation of ecologically viable areas representative of South Africa's biodiversity and its natural landscapes.* It makes provision for the *establishment of a national register of all national, provincial and local protected areas; for the management of those areas in accordance with national norms and standards* and *for intergovernmental co-operation and public consultation in matters concerning protected areas.* The purposes (Section 17 of the above Act) of the declaration of areas as protected areas are to:

(a) protect ecologically viable areas representative of South Africa's biological diversity and its natural landscapes and seascapes in a system of protected areas;
(b) preserve the ecological integrity of those areas;
(c) conserve biodiversity in those areas;
(d) protect areas representative of all ecosystems, habitats and species naturally occurring in South Africa;
(e) protect South Africa's threatened or rare species;
(f) protect an area which is vulnerable or ecologically sensitive;
(g) assist in ensuring the sustained supply of environmental goods and services;
(h) provide for the sustainable use of natural and biological resources;
(i) create or augment destinations for nature-based tourism;
(j) manage the interrelationship between natural environmental biodiversity, human settlement and economic development;
(k) contribute to human, social, cultural, spiritual and economic development; or
(l) rehabilitate and restore degraded ecosystems and promote the recovery of endangered and vulnerable species.

7.1.2.4 National Environmental Management: Biodiversity Act

The Protected Areas Act, 57 of 2003 must, in relation to a protected area, be read, interpreted an applied in conjunction with the National Environmental Management: Biodiversity Act, 2004 (Act 10 of 2004) which has the following objectives:

a) To provide for the management and conservation of South Africa's biodiversity within the framework of the National Environmental Management Act, 1998 (Act 107 of 1998).
b) To provide for the protection of species and ecosystems that warrant national protection.
c) To provide for the sustainable use of indigenous biological resources.
d) To provide for the fair and equitable sharing of benefits arising from bioprospecting involving indigenous biological resources.
e) To provide for the establishment and functions of a South African National Biodiversity Institute.

Alien vegetation is also regulated through the NEM:BA.

7.1.2.5 National Water Act

The purpose of the National Water Act, 36 of 1998, is to ensure that South Africa's water resources are protected, used, developed, conserved and controlled in a manner that takes into account, amongst others, basic human needs, equitable access thereto, the promotion of efficient, sustainable and beneficial use of water, facilitation of social and economic development, and protection of aquatic and associated ecosystems.

7.1.2.6 National Veld and Forest Fire Act

Veld fires in South Africa are dealt with under the National Veld and Forest Fire Act, 101 of 1998. The purpose of the National Veld and Forest Fire Act is *to prevent and combat veld, forest and mountain fires throughout the Republic*. The Act places the duty on land owners to make provision for the management of veld fires on their own land. Failure to do so may result in penalties being enforced (refer to Section 24 and 25 of the above Act) and claims lodged against a landowner if the above Act's requirements were not met.

7.1.2.7 National Heritage Resources Act

South Africa' heritage are dealt with under the National Heritage Resources Act, 25 of 1999 which aims to *promote good management of the national estate, and to enable and encourage communities to nurture and conserve their legacy so that it may be bequeathed to future generations.*

7.1.2.8 Conservation of Agricultural Resources Act

The purpose of the Conservation of Agricultural Resources Act, 43 of 1980 (CARA), is to provide control over the utilization of the natural agricultural resources in order to promote the conservation of soil, water sources and the vegetation and the combating of weeds and invader plants.

7.1.2.9 Spatial Planning and Land Use Management Act

The Spatial Planning and Land Use Management Act, 16 of 2013 (SPLUMA), includes the following development principles:

The following principles apply to spatial planning, land development and land use management:

(a) The principle of spatial justice
(b) the principle of spatial sustainability,
(c) the principle of efficiency,
(d) the principle of spatial resilience,
(e) the principle of good administration

7.1.3 Provincial Level

7.1.3.1 Constitution of the Western Cape Province

The EMP supports and gives effect to the Constitution of the Western Cape (Act 1 of 1998). In terms of Chapter 10 of the Constitution, this province has to adopt and implement strategies to actively promote and maintain the welfare of the people and the environment of the Western Cape, including policies aimed at achieving inter alia the following:

a) Safety and security.
b) The protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination.
c) The promotion of a market-orientated economy.
d) The development of rural communities and the promotion of the welfare of rural workers.
e) The protection of the environment of the Western Cape, including its unique fauna and flora, for the benefit of present and future generations.
f) The protection and conservation of the natural historical, cultural historical, archaeological and architectural heritage of the Western Cape for the benefit of present and future generations.

7.1.3.2 Western Cape Provincial Spatial Development Framework

The Western Cape Provincial Spatial Development Framework (generally referred to as the PSDF) is aligned with the National Spatial Development Perspective (NSDP) and other national policy frameworks, and endorses the vision of the Western Cape Provincial Government to create *'A Home for All'.* The PSDF is purported to support the development growth path paved by the iKapa Elihlumayo Strategy and the other lead strategies.

7.1.3.3 Land Use Planning Act

The SPLUMA and the Western Cape Land Use Planning Act, 3 of 2014 (LUPA), require that spatial planning and development be guided by normative principles and that policy and plans should explicitly indicate how they would meet the requirements of such principles. These principles are:

a) Justice: Fair allocation of public resources to ensure that the needs of the poor are addressed.
b) Sustainability: Sustainable patterns of consumption and production should be supported, and ways of living promoted that do not damage the natural environment.
c) Resilience: Vulnerability to environmental degradation, resource scarcity and climatic shocks must be reduced. Ecological systems should be protected and replenished. The resilience of all other forms of capital, including social, monetary and infrastructural capital should be enhanced to the extent possible.
d) Efficiency
e) Good governance: Good governance is the key to long-term sustainability.

7.1.3.4 Provincial Bioregional Planning Policy

As stated above, the PGWC is advocating a bioregional planning approach as described in the *Manual for application of Bioregional Planning in the Western Cape* (PGWC, 2003). The Stellenbosch Municipality has adopted the said approach for the planning, development and management of its area of jurisdiction.

7.1.4 District Level

7.1.4.1 Cape Winelands District Municipality Integrated Development Plan

The Cape Winelands District Municipality set itself the broader goal of ensuring sustainable development through strategic management objectives. This will be achieved by adhering to the vision of the Municipality, namely to have *'a safe, prosperous and united Cape Winelands where all its people enjoy high standards of living'.* The Municipal IDP states that there is a dis-equilibrium between development initiatives and environmental sustainability. In order to address this problem the Municipality identified several strategies. One such strategy is '*to have data-driven sustainable livelihoods, premised on bioregional planning and in line with Agenda 21 that seeks to build and preserve the five forms of community capital (social, physical, natural, financial and institutional)'*.

7.1.4.2 Cape Winelands District Municipality Spatial Development Framework

The Cape Winelands District Municipality Spatial Development Framework conforms, to *inter alia, the provincially-endorsed bioregional planning principles, but adds the principles of consistency and vertical equity. The latter assumes that the disadvantaged should be favoured above more advantaged people and refers to the distribution of impacts (who receives benefits or bears costs).* The SDF classifies the Cape Winelands Biosphere Reserve as *a scale-informed value-adding management entity, operational within a sustainable paradigm, to support existing roles and responsibilities through structured participation and (scientific and local) knowledgeable input that responds to local conditions, needs and perceptions*. The SDF states that *on the regional and local level, the biosphere reserve is to facilitate coherent planning and land-use management in terms of the principles of sustainable development.*

7.1.4.3 Cape Winelands Biosphere Reserve Spatial Development Framework Plan

The Cape Winelands Biosphere Reserve Spatial Development Framework Plan includes plans, guidelines and strategies that give effect to the three functions of the Cape Winelands Biosphere Reserve namely, *development*, *conservation* and *logistical support*. As such this Spatial Development Framework Plan indicates which type of land-use should be undertaken in the Cape Winelands Biosphere Reserve, where it should take place, and how such land-use should be undertaken in order to be sustainable.

7.1.5 Local Level

7.1.5.1 Stellenbosch Integrated Development Plan

The Stellenbosch IDP includes a needs-analysis, which puts forward a number of needs for the area within which MRNR is located.

7.1.5.2 Stellenbosch Spatial Development Framework

The primary goal of the Stellenbosch SDF is to give practical effect to the mission statement of the people of the local municipal area, as expressed in the SDF of the Stellenbosch Municipality, namely: *'The spatial development framework of the Stellenbosch Municipality should be measured by the 'triple bottom line' of economic efficiency, environmental sustainability and social justice with an emphasis on the issues facing the rural and urban poor.'*

7.1.5.3 Stellenbosch Environmental Management Framework

The Stellenbosch Environmental Management Framework (SEMF), adopted by the Council of Stellenbosch Municipality (June 2019) describes the international, national, provincial and local context of environmental planning and management within the Municipality. It also:

- Describes the planning and management approach adopted in the Municipality
- Serve as a basis for the preparation of detailed management plans for specific areas or aspects, e.g. river management, fire management, pollution control, etc.
- Promote sustainable development throughout the Municipality in a manner that supports the intentions of NEPAD, Agenda 21 and Local Agenda 21.
- Promote the conservation of biodiversity both within and outside conservation areas.
- Provide a spatial framework and serve as a basis for the evaluation of development proposals in terms of site-specific criteria.
- Providing guidance to developers with regard to the planning and design of projects and the establishment of contractual agreements and appropriate partnerships with the municipality and the affected communities, the purpose of which is to ensure that each development brings sustainable benefit for all parties as well as the receiving environment.

In terms of the Spatial Planning Categories contained in the SEMF Mont Rochelle is a designated A.a Area defined as a statutory protected area. In terms of the SEMF such areas are designated in terms of legislation for biodiversity conservation, outdoor recreation and non-consumptive resource use. *Conservation purposes are purposes normally or reasonably associated with the use of land for the protection of the natural and/or built environment, including the protection of the physical, ecological, cultural and historical characteristics of land against undesirable change.*

7.1.5.4 Stellenbosch Municipality: By-Law Relating Plantations, Parks, Gardens, Recreational Facilities and Nature Reserves (P.N. 373/1988)

According to the above by-law n*o person shall in or on premises, buildings, land, plantations, a commonage, enclosures, nature reserves, parks, gardens, open erven and spaces, picnic areas, nurseries, trees, sport and recreation facilities which are vested in or under control of the Council –*

(a) disfigure or deface any post, railing, fence, seat, barrier, gale, notice board, plate, house, building, shed, urinal, closet, flag, mark or other article or thing by pasting thereon or affixing thereto in any way any bills, papers, placards or notices or by cutting, writing, stamping, painting, drawing or marking thereon in any way whatsoever,

(b) remove, destroy, damage or deface any notice or sign

(c) make a fire or commit any acts whereby a fire may be caused, except in places where fireplaces are provided;

(d) saw, cut, gather, remove dig up, burn, pick or break any timer, tree, shrub, brushwood, fencing, pole, lawn, plants, fruits, flower or equipment, or climb therein or thereon or damage it in any way;

(e) remove or disturb any soil or water at a place other than that specially provided by Council;

(f) erect or cause to be erected any post, rail, fencing, tent, screen, stand, swing, building or construction of whatever nature without the written permission of the Council;

(g) park, drive, ride pull or propel any type of vehicle except a manually operated wheelchair or perambulator when used for the conveyance of an invalid or a child;

(h) leave any refuse, building waste, rubbish, paper, materials or any object except in containers provided for that purpose;

(i) injure, kill, hunt, capture, or disturb any animal or bird, or damage or destroy the nest or eggs of any bird or interfere with the animal life in any other way;

(j) break, damage, hurt, destroy, disfigure or remove any flora, fauna or nest of fauna or objects of historical or scientific interest or any property in the nature reserve;

(k) introduce any flora, fauna, weapon, trap, net, explosive or poison into the nature reserve, or be in possession thereof in the nature reserve;

(l) fire a fire-arm or an air-gun, discharge any firework, catapult or sling or throw a stone or other missile;

(m) in any other way cause a nuisance, obstruction, disturbance or annoyance to the public, to brawl, fight, swear or use obscene, indecent or improper language, gamble, beg, behave in an indecent or offensive manner or drink intoxicating liquor;

(n) sell or offer for sale or hire, or hawk or exhibit any article or distribute any pamphlet, book, handbill, or other matter; present any public entertainment; play a musical instrument, and deliver or say any speech, public address or prayer of whatever nature or sing any song or hold or participate in any public meeting or function unless he has previously obtained the written permission of the Council to do so;

(o) enter upon any ablution or sanitary conveniences indicated as having been provided for persons of the opposite sex;

(p) enter or leave other than by an entrance or exist provided for that purpose, orrefuse to leave when requested to do so by an authorised officer of the Council or a member of the South African Police;

(q) wash any article or animal under a tap, in a pond, fountain or in an ornamental pond or otherwise pollute water, or swim in a dam or wash any clothes or other things or pollute the water therein in any other manner, and

(r) perform any act whatsoever which may injure persons, damage or destroy any property.

7.1.6 Human Resources/Administration Legislation

Furthermore, human resources and administration legislation include the following:

- Occupational Health and Safety Act, 1993
- Basic Conditions of Employment Act 3 of 1997
- Labour Relations Amendment Act, 66 of 1995
- Local Government Municipal Systems Act 32 of 2000
- Promotion of Equality/Prevention of Unfair Discrimination Act 4 of 2000
- Criminals Procedures Act
- Fire-Arm Act
- Fencing Act 31 of 1963
- Hazardous Substances Act 15 of 1973
- Land Survey Act 8 of 1997
- Promotion of Access to Information Act 2 of 2000
- Promotion of Administrative Justice Act 3 of 2000
- Regional Services Council Act 109 of 1985
- Skills Development Act 97 of 1998
- State Land Disposal Act 48 of 1961
- Subdivision of Agricultural Land Act 70 of 1970
- Tourism Act 72 of 1993
- Municipal Ordinance 20 of 1974

7.2 BIODIVERSITY CONSERVATION

The MRNR EMP recognises that biodiversity is an imperative for environmental sustainability. Ecological functions of the natural systems are directly related to biodiversity. Biodiversity is the primary element in the maintenance of the resilience of ecological systems to external shocks and, thus, the ability of these systems to sustain the dependent communities. Accordingly, the key objective in the management of the nature reserve is to ensure that biodiversity is protected and enhanced.

7.3 MONT ROCHELLE NATURE RESERVE AS PART OF A SYSTEM OF PROTECTED NATURE AREAS

The EMP recognises that the functions of protected nature areas go far beyond the usual perception of the term 'protection'. Such areas are immensely valuable, beyond their boundaries, in providing for the rehabilitation of environments, as nutrient sinks, for landscape stability, and for the replenishment of species, populations and communities. The primary objective of any system of protected nature areas would be as much to restore and manage ecosystems and their functions as to protect them. This emphasises that sustainability requires planning and management for biodiversity conservation across human dominated landscapes. *To achieve this, protected areas should no longer be considered as islands of conservation within a sea of development but as an integral part of each region as a whole in terms of biodiversity conservation* (Institute of Bioregional Resource Management).

As mentioned above, MRNR forms part of a system of *de jure* and *de facto* protected nature areas that collectively form the core and buffer areas of the CWBR. This system is based upon the principle that a system of protected areas is a key element of any strategy to maintain biodiversity and ecosystem functions on a larger regional scale. It is imperative that such a system be designed and managed to represent and protect the diversity of ecological processes, communities, species and gene pools (Global Biodiversity Strategy, 1992).

7.4 MONT ROCHELLE NATURE RESERVE AS A PUBLIC RESOURCE

MRNR forms part of the public open space system of Stellenbosch. As such, it is a public resource that is of value to the entire Stellenbosch community. Accordingly the nature reserve should be available and accessible to the entire community to exercise their legitimate right to utilise such public resource in a sustainable manner. In this regard it is important that *government* (including the Municipality), *the community, corporate and other private interests, etc. share responsibility for co-ordinating land-use planning, for both public and private land and for defining and implementing development options that would ensure that human needs are met in a sustainable way* (WRI, 1992).

7.5 ADMINISTRATIVE FRAMEWORK

As stated previously the Municipality is acting in the capacity as Management Authority for MRNR. The current and future arrangement pertaining to the Management Authority is based upon Sections 38, 42 and 44 of the NEM:PAA.

Stellenbosch Municipality's function, as it pertains to the management of MRNR are:

- To manage the reserve in accordance with the approved management plan (EMP).
- To manage the reserve for the purpose for which it was declared and in accordance with applicable legislation and municipal by-laws.
- Audit / monitor management actions and associated environmental impact.
- Reports to Council on the implementation of the EMP.
- Source funding.

The Municipality in turn relies on the Friends of the MRNR group for specific management activities as required. The management of the nature reserve is an ongoing inclusive process that gives

meaningful consideration to the changing and dynamic interests, needs and values of the people of Stellenbosch Munipality and those that have an interest in ensuring a prosperous future for the area. In this regard, it is important that the following be achieved:

a) Continued participation, representation and involvement of all stakeholders promoting broad-based policy learning and capacity development.
b) Creating adequate and appropriate opportunities for community participation in decisions that may affect the area.
c) Developing and utilising the skills and capacities of the people living in the area in the management of the nature reserve.
d) Encouraging on-going involvement of local people in the programs identified for the management of the nature reserve.

The Municipality and representatives of the Friends of the MRNR in turn serve on the Stellenbosch Protected Areas Forum, attended by the Department of Environment and Development Planning, Cape Nature, Stellenbosch University and representatives from other protected areas throughout the municipal area. The Stellenbosch Protected Areas Forum is technical / scientific in nature and meets on matters concerning the management and conservation of protected areas in Stellenbosch Municipality.

7.6 PROCEDURES FOR PUBLIC PARTICIPATION

News regarding MRNR will be communicated to the public by way of Municipal newsletters, publications and in the local newspapers.

7.7 PRIMARY ENVIRONMENTAL THREATS

The primary threats to the ecology, aesthetic quality and catchment functions of MRNR include the following:

Inappropriate Fire Regime: The Fynbos vegetation in MRNR requires a fire regime that provides for high intensity fires at intervals that range from 8 to 20 years, occurring in late-summer (i.e. February-March). As stated above, MRNR is managed as part of the Hottentots Holland Mountain Catchment Area, the fire management of which is undertaken in accordance with a '*minimum interference*' policy. The latter policy essentially implies that controlled burning, as a management practice, is largely excluded and that the emphasis falls on controlling 'unnatural' wildfires.

Due to the topography, climatic conditions, and factors such as land-uses on adjoining properties that are conducive to the starting of wildfires, and financial constraints that inhibit fire control activities, MRNR is particularly prone to wildfires that do not conform with its natural fire regime requirements. The latter could, in the long-term, have an adverse effect on the structure of the local plant communities, biodiversity in general, and the natural functioning of the reserve as a catchment area. In addition, an inappropriate fire regime could have immensely negative cost-implications in that it generally upsets management programs such as alien plant eradication.

Over-utilisation by visitors: MRNR is a particularly attractive natural area and provides for a broad spectrum of recreation opportunities. It is, subsequently, a popular attraction for eco-tourists and sports persons practicing specific nature-related activities. The main potential problems in this

regard include pollution, trampling of plants, disturbing of animals, soil compaction leading to unnatural erosion, and degradation of the social environment. It is imperative that the carrying capacity (both social and ecological) of the reserve is not exceeded by visitors.

Alien Plan Infestation: The infestation of Fynbos areas by alien plants is known to be a primary threat to biodiversity in general (mainly due to habitat fragmentation), and catchment dynamics. In the latter regard, it is important to note that Fynbos has unique intrinsic water conservation capabilities and subsequently plays a critical role in the maintenance of the natural *water cycle*. In order to sustain the fundamentally important catchment function of MRNR it is, therefore, imperative to implement integrated eradication programs for alien plants.

Security and vandalism: MRNR is relatively secluded. Infrastructure, especially those located at the entrance complex is damaged and vandalised regularly.

Inappropriate development: The existence of the homesteads or private erven within the NR have been noted above. Development of these erven must fit with the scale, landscape and use of the area.

7.8 OBJECTIVES

The following objectives are intended to provide the basis for the achievement of the vision set out above:

	Objective	Key Deliverable
Biodiversity Management		
Fire management	To ensure conservation of species and processes by maintaining and improving ecosystem functioning. To allow for natural fire processes to occur without impacting on safety and infrastructure. To implement effective integrated catchment management.	Reduce/prevent the spread of fires. Maintain partnerships to improve fire management. Reduce wildfires due to human negligence.
Invasive veg. management	To enhance biodiversity protection and conservation. To ensure conservation of species and processes by maintaining and improving ecosystem functioning.	Eradicate alien and invasive species. Prevent further introduction of aliens.
Wildlife management	To ensure effective conservation of species and processes by maintaining and improving ecosystem functioning. To enhance biodiversity protection and conservation.	Prevent the introduction of alien fauna species. Control invasive alien fauna. Manage the introduction of fauna on the reserve. Evaluate and monitor impact of fauna on the reserve.

Erosion prevention/control	To ensure implementation of effective conservation management interventions. To enhance biodiversity protection and conservation.	Prevent and mitigate soil erosion.
Monitoring / Baseline data collection	To manage biodiversity knowledge to ensure effective conservation management. To implement measures to ensure resilience and persistence of biodiversity in light of climate change. To ensure the implementation of effective conservation management interventions. To ensure conservation of species and processes by maintaining and improving ecosystem functioning.	Create a biodiversity resource inventory. Implement monitoring programme. Implement research programme. Manage consumptive utilisation of biological resources.
Biodiversity security	To enhance biodiversity protection and conservation. To ensure conservation of species and processes by maintaining and improving ecosystem functioning.	Improved security and safety of the biodiversity assets on the reserve.
Development		
Development of tourism opportunities	To evaluate potential tourism opportunities. To implement effective management systems. To ensure legal compliance and implementation of authorised development plans.	Development of tourism opportunities that generate revenue for the reserve.
Operational Management		
Legal compliance	To ensure legal compliance to all relevant legislation and policies.	Ensure that all legal requirements are met.
Management effectiveness	To implement effective management systems.	Conduct audits
Infrastructure	To ensure the implementation of effective conservation management interventions. To enhance biodiversity protection and conservation. To ensure conservation of species and processes by maintaining and improving ecosystem functioning.	All infrastructure on the reserve is adequately maintained.

The achievement of these objectives are addressed in the management directives dealt with below.

8. MANAGEMENT DIRECTIVES

This section comprises the management strategies and guidelines in terms of which MRNR is to be managed in order to achieve the objectives (water conservation, nature conservation, outdoor recreation and research) documented above. The management strategies and guidelines are addressed under the following themes:

- Administration
- Environmental Protection
- Land Use Management
- Environmental Auditing

Stellenbosch Municipality is the responsible party for all conservation and management actions to be implementation unless stated otherwise. Although a MRNR does not have an approved budget at this stage a costing plan is included under Section 9.

8.1 ADMINISTRATION

The long-term sustainability of the area largely depends on its effective administration. Of key importance in this regard is that the principle of economic efficiency be given effect through the general administration of the area and that its positive role and functions in respect of the promotion of environmental integrity and human well-being be understood and supported at all levels. Institutional commitment to achieving effective administration of MRNR through, *inter alia*, the allocation of adequate budgets is of paramount importance.

Stellenbosch Municipality, through the Department: Community Services and its Nature Conservation section, is responsible for the management of MRNR. In terms of the principle of *inclusivity* the management of MRNR is an ongoing inclusive process that gives meaningful consideration to the changing and dynamic interests, needs and values of the people of Stellenbosch and those that have an interest in ensuring a sustainable future for the area. In this regard, it is important that the following be achieved:

a) Continued participation, representation and involvement of all stakeholders promoting broad-based policy learning and capacity development.
c) Developing and utilising the skills and capacities of the people living in the area in the management of MRNR.
d) Encouraging on-going involvement of local people in the programs identified for the management of MRNR.

Accordingly, the Municipality is to facilitate the establishment of a Friends of MRNR group that complies with and has the capacity to give effect to the above requirements. Whilst Stellenbosch Municipality is responsible for the general maintenance of the area and the implementation of this EMP it will rely on the Friends of MRNR for specific management activities as required or where the Municipal is limited through capacity constraints. The Municipality and representatives of the Friends of MRNR in turn will serve on the Stellenbosch Protected Areas Forum, attended by the Department of Environment and Development Planning, Cape Nature, Stellenbosch University and representatives from other protected areas throughout the municipal area. The Stellenbosch Protected Areas Forum is technical / scientific in nature and meets on matters concerning the management and conservation of protected areas in the Municipality.

Table 2: Guidelines for inception phase management

REF -NR	ACTIONS/IMPLEMENTATION	TIME FRAME
1	Compile an annual budget for MRNR.	Annual, when required before the start of the new financial year.
2	Facilitate the establishment of a Friends of MRNR or similar group.	On the approval of the EMP.
3	Solicit funds from potential donors.	Ongoing
4	Maximise financial income by determining and imposing appropriate tariffs for outdoor recreation and other uses.	On the approval of the EMP.
5	Plan and manage outdoor recreation by: • Identifying the most appropriate sites for various uses. • Formulating appropriate safety rules and emergency measures. • Formulating appropriate rules and regulations for controlling human behaviour. • Determining appropriate social and ecological carrying capacity. • Ensuring sustainable visitor management in accordance with an effective permit system.	During the first year after the approval of the EMP.
6	Institute and maintain effective law enforcement by appointing and training competent field rangers.	During the first year after the approval of the EMP.

8.2 ENVIRONMENTAL PROTECTION

Natural resources are defined *as any materials, services and conditions that are necessary for the survival of living organisms, and have the potential to enhance quality of life. They are, in a sense, inherited by people, and are therefore part of the earth's (the natural) and people's (the cultural) heritage. Living resource conservation is specifically concerned with plants, animals and micro-organisms, and with those non-living elements of the environment on which they depend. Living resources have two important properties, the combination of which distinguishes them from non-living resources - they are renewable if conserved, and they are destructible if not* (Perry, 1954).

The intention and focus of environmental protection in MRNR is to facilitate the removal or mitigation of threats to the ecology of the reserve, to restore the biodiversity and ecological integrity of the area to the extent that it can function as a self-sustaining system.

8.2.1 Alien Clearing

Invasive alien plants are plant species that have been introduced, either intentionally or unintentionally, to South Africa. They can reproduce rapidly in their new environments and, as mentioned above, tend to out-compete indigenous plants. The result usually includes a variety of negative ecological, social, and economic impacts. Invasive alien species pose the biggest threat to biodiversity after direct habitat destruction.

All efforts must be made to control or, if possible, eradicate all invasive plants. Invasive species that occur in the public road reserve must also be controlled. The following invasive species occur in the reserve:

- *Acacia mearnsii*

- *longifolia*
- *A melanoxylon*
- *Hakea sericea*
- *H. suaveolens*
- *Pinus pinaster*
- *P. radiata*
- *Eucalyptus* spp.

The Municipality has prepared and adopted the Stellenbosch Municipality Invasive Alien Management Plan (April 2017). In terms of this plan initial clearing methods must be follow-up and monitored to ensure successful clearing of invasive alien plants. Accordingly:

- Clearing efforts should initiate at the top of the infested areas, in terms of slope, and continue downwards. This will reduce erosion effect as well as minimize the re-establishment process of invasive alien plants within the cleared areas from overhead populations.
- Strategic placement of large tree trunks should reduce soil erosion on slopes after invasive alien clearing.
- Removal strategies for clearing invasive alien species in the area should be a combination of mechanical and chemical methods. All species should be removed mechanically by uprooting young plants and tree felling of larger trees (via axe or chainsaw), followed by the application of chemical herbicides to the cut surface to prevent resprouting. Each species has its own corresponding herbicide requirements to prevent resprouting activities and should be applied soon after tree felling. The use of herbicides may have negative effects on the health of soil composition and the natural ecosystem and should thus be used with caution and in reasonable / prescribed amounts.
- Continuous follow-up and removal of new seedlings after the initial clearing efforts are essential in order to clear the property of invasive alien plants. Follow ups and monitoring should occur annually and remaining or re-established invasive species should be removed when located.

Table 3: Guidelines for alien clearing

REF -NR	ACTIONS/IMPLEMENTATION	TIME FRAME
7	Conduct an assessment of the reserve to determine the degree of alien plant infestation.	Within a year of the approval of the EMP.
8	Map the areas that have been infested by alien plants as well as the degree of the infestation.	On the approval of the EMP. After an assessment has been conducted.
9	Map the areas that have been cleared of alien plants, indicating the date of operations, species removed and the current status of the portion of the site.	Annual as clearing is undertaken.
10	Implement the Stellenbosch Alien Invasive Plan (IAP) Management Plan (2017).	Annual between the months of September and May

8.2.2 Flora

'Natural vegetation is the visual expression of the environment, it is a product of the action of environmental factors over time and hence can be a valuable indicator of potential productivity of ecosystems' (Bayer, 1970).

The introduction of non-endemic species in MRNR is forbidden.

As stated above, the mountain catchment areas that feed the Berg River fall within the Fynbos Biome. Fynbos has unique intrinsic water conservation capabilities and, subsequently, plays a critical role in the maintenance of the natural *water cycle*. The overriding objective of water conservation is the management of catchment areas so as to maintain an optimal sustainable yield of high quality water. Maintenance of water yield entails ensuring the capacity of the catchment area to yield water at historical flow rates. In the case of MRNR, the latter objective essentially implies that the Fynbos vegetation in the reserve must be kept in a healthy state.

Table 4: Guidelines for flora conservation

REF -NR	ACTIONS/IMPLEMENTATION	TIME FRAME
11	Institute research to identify sensitive habitats in the reserve and immediate surroundings.	Once the vegetation has recovered to the extent that a reliable information can be gathered and conclusions can be drawn.
12	Institute scheduled research and monitoring to determine the recurrence of species.	Annually
13	Prevent the non-sustainable harvesting of plants used as traditional medicines by dedicated training and education of local people, law enforcement and monitoring.	Annually. Efficiency of strategies to be audited.
14	Simulate natural disturbance regimes to maintain historical vegetation composition.	Annually

8.2.3 Fauna

Biodiversity conservation essentially means conserving all the elements ('parts') of the natural environment. The mix of species in an ecosystem enables that system both to *provide* a flow of ecosystem services under given environmental conditions, and to *maintain* that flow if environmental conditions change.

The loss of biodiversity, therefore, limits the resilience of the affected ecosystem, which in turn, may have direct negative economic implications. Therefore, in order to promote biodiversity conservation in the reserve it is imperative that the conservation of the faunal component receives appropriate attention.

Table 5: Guidelines for fauna conservation

REF -NR	ACTIONS/IMPLEMENTATION	TIME FRAME
15	Monitor and record occurrence of wildlife.	Continually
16	Prevent all forms of unnatural predation through on-going education and law enforcement.	On-going
17	Consolidate the natural habitats of endangered animal species. Promote the functions of the Theewaterskloof Conservancy as an extended home range for specific animal species.	On-going
18	Promote artificial distribution of endemic species. Consider the stocking of rivers endemic fish species and the re-introduction of animal species.	On-going
19	Control all alien animal species.	On-going

8.2.4 Soil

Appropriate measures must be taken to protect areas susceptible to erosion by installing all the necessary temporary and permanent drainage works as soon as possible. Steep slopes and other areas prone to erosion must be maintained or restored according to the following guidelines:

a) Warning signage displaying NO ENTRY, must be installed on all roads, trails or walkways that are permanently or temporarily closed. Physical barriers, using local natural material, may be constructed were NO ENTRY signs are not respected to prevent users from accessing such roads, trails or walkways.

b) Existing erosion areas must be back-filled (using on-site material), compacted and restored to a proper condition.

c) Roads, trails or walkways, permanently closed for use, must be:
   i) ploughed,
   ii) the top soil scarified (to make sure that no downhill trenches or drainage lines are created),
   iii) water diversion walls created by hand at a distance of 10 metres apart (depending on the slope) leading 5 metres into the natural vegetation,
   iv) and revegetated by either soughing or transplanting appropriate material.

d) Areas, where the above measures are not sufficient, must be logged, parallel to the contour in order to prevent further soil erosion. Logs must be laid in lines 15 metres apart, depending on the slope (the steeper the slope the closer the barriers must be laid to each other). Logs must be secured by means of steel pegs hammered through a drilled hole on each end of the log (logs longer than 2 metre must be secured by an additional steel peg through the middle of the log). Where logs are laid across a road, the log must be laid up to a minimum of 1 meter past the edge of the road.

e) Roads (to stay in use) must be graded to have a slight gradient to the inside (up-hill) (refer to Figure 9). A drainage ditch must be created on the inside of the road. Gravel humps must be created at an angle across roads to drain water from the road surface into to the drainage ditch. At selected locations (depending on the slope) furrows must be created across the roads surface to discharge the water collected in the drainage ditch. The guiding principle behind the creation of a drainage ditch and discharge furrows is to not allow water to reach a speed at which it will create erosion. After a rain event all roads must be inspected to determine if any maintenance is required.

f) Erosion sites on bicycle tracks and walking trails must be logged following the contours and spaced vertically 0.8-1.2 meter apart, depending on the steepness of the slope.

g) Logs must be untreated pine (or gum) poles of not less than 150 mm with a taper of not more than 75 mm over its length.

h) Cut and fill slopes will be shaped and trimmed to approximate the natural condition and contours as closely as possible and be undulating. Levels, incongruous to the surrounding landscape, will be reshaped using a grader and other earthmoving equipment.

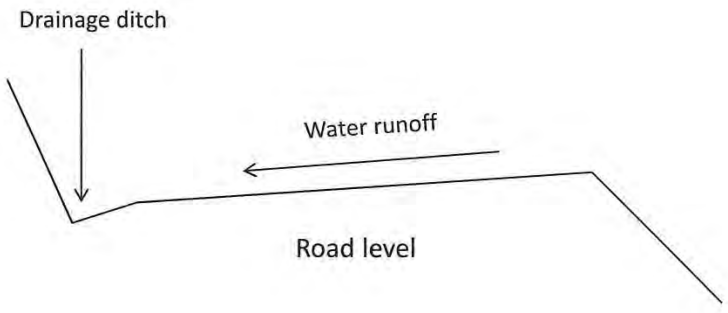


Figure 9: Road surface slope with a drainage ditch

Table 6: Guidelines for the conservation of soils

REF -NR	ACTIONS/IMPLEMENTATION	TIME FRAME
20	Restore erosion sites in accordance with the guidelines above.	On-going Quarterly photographic monitoring at fixed points. Annual auditing.
21	Inspect drainage ditches on all roads after exceptional rain event to determine whether maintenance is required.	On-going
22	Implement preventative measures on potential erosion sites. All roads and tracks, used or closed, are considered potential erosion sites.	On-going Quarterly photographic monitoring at fixed points. Annual auditing.
23	Prevent overuse of routes and sites susceptible to erosion through appropriate signage.	Monthly site inspection

8.2.5 Water

Water is a most critical natural resource in the region. All the sectors and communities in the Franschhoek area are dependent on a sustainable supply of water from the integrated Berg River catchment, together with its quarternary catchments and subterranean aquifers.

Land-use patterns largely influence the maintenance of water yield. Interference with the natural conditions in mountain catchment areas, e.g. draining, canalising or cultivating areas such as vleis, seepage areas, riparian areas and streambed alluvium, is detrimental to the proper functioning of a catchment. It is, therefore, of paramount importance for catchment areas to be managed appropriately.

Table 7: Guidelines for managing MRNR as part of the Dwars River catchment

REF -NR	ACTIONS/IMPLEMENTATION	TIME FRAME
24	Remove all forms of pollution.	On-going
25	Manage invasive alien plants in terms of the Stellenbosch IAP Management Plan (2017).	On-going

8.2.6 Fire

MRNR is susceptible to fire due to activities on in the reserve as well as land uses on adjoining properties. Any fire management regime must therefore provide innovative measures to combat the occurrence and spread of wild fires. The overarching fire management goals as it pertains to the MRNR are to:

a) Protect people and property.
b) Protect natural and cultural resources from undesirable effects of fire.
c) Suppress unwanted fire.
d) Allow fire to assume its natural role in the ecosystem.
e) Manage fire cooperatively with neighbouring land owners and other stakeholders.

The fire management regime of MRNR is premised upon the following risk management strategies:

Table 8: Fire management strategies

Management Strategies	Guidelines
a) Avoiding the risk	Prohibiting high-risk human activities in close proximity to the reserve.
b) Reducing the hazard	Prescribed burning, preparation of firebreaks or manual clearing of fire hazards as well as regular inspections.
c) Reducing ignitions	Education and awareness programs, fire bans, reduction in activities during high-risk season or periods, efficient ignition investigation.
d) Reducing consequences	Contingency plans, community education programs for self-protection (lives and property), and building restrictions and standards for areas prone to veld fires.
e) Implementing an innovative artificial burning regime	Such regime and associated practices are to reduce the risk of wild fires spreading and causing extensive ecological and financial damage. Such artificial regime implies the creation of a mosaic of veld ages that will enhance the capacity of the area to and maintain its ecological functioning.

This EMP builds on the recognition that the threat of fires to MRNR and the relevant reasons for such threat are unique. Due to surrounding land uses and human behaviour wild fires will probably not be prevented through any measures taken. The solution lies in a combination of options (a), (b) and (c) above.

It is important to understand the basics of fire before preparation can be made for efficient control thereof. It is essential to note that three environmental components are required for a fire to occur. These are oxygen, heat and fuel (refer to Figure 10). Whilst the atmosphere contains 21% oxygen, only 16% oxygen needs to be in the air for a fire to start. Fuel is any living or dead material that will burn. If ignition occurs in the situation or environment where all three elements are present combustion will result and a fire will continue to burn until one of the three elements are removed. It is difficult to exclude oxygen from fires. Heat is considered a constant. However, a reduction in fuel will reduce the total energy output (refer to Figure 11). Fuel or more specifically the amount of

fuel is the aspect that can be influenced most. It therefore becomes the most critical factor in the prevention and control of fire.

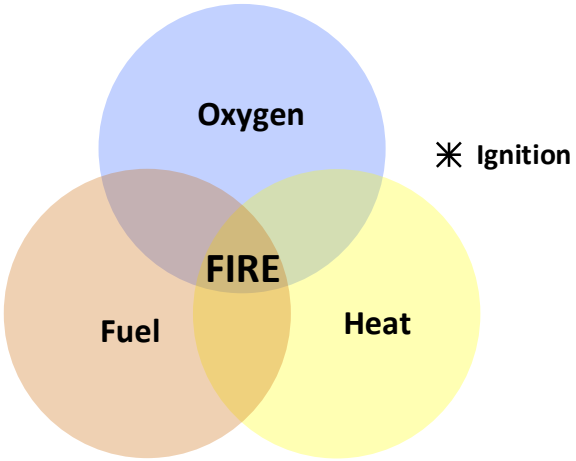


Figure 10: Basic elements of fire

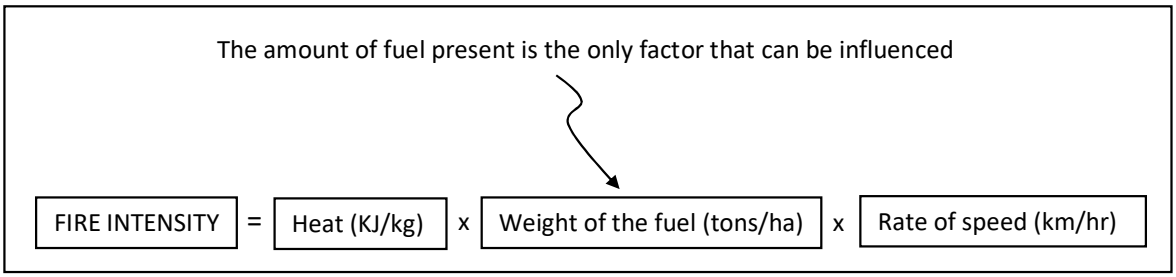


Figure 11: The factors determining the intensity of fire

Two ways of reducing the fuel load are alien vegetation clearing or control and the establishment and maintenance of firebreaks.

8.2.6.1 Alien Clearing

Invasive alien plants are characterised by being able to reproduce rapidly in their new environments, and this is usually due to a combination of factors, including:

- A lack of natural enemies in the new environment
- Resistance to local diseases and other plant pathogens
- Highly competitive growth and colonising strategies that provide them with a competitive edge, and an ability to out-grow local indigenous plants

Invasive alien plants can significantly alter the composition, structure and functionality of ecosystems and increase the fuel load for fires. They degrade the productive potential of the land, intensify the damage caused by veld fires and flooding, increase soil erosion, and impact on the health of rivers and estuaries.

8.2.6.2 Firebreaks

Fire breaks are cleared paths which will prevent the spread of fire by removing the fuel from the fire path. Section 12 of the National Veld and Forest Fire Act *stipulates that every owner on whose land a veldfire may start or burn or from whose land it may spread must prepare and maintain a firebreak*

on his or her boundary between his or her land and any adjoining land. In terms of Section 13 of the Act above *a landowner is obliged to prepare and maintain a firebreak, with due regard to the weather, climate, terrain and vegetation*. The firebreak must:

- be *wide enough and long enough to have a reasonable chance of preventing a veldfire from spreading to or from the neighbouring land*,
- *not cause soil erosion*, and must
- *be reasonably free of inflammable material capable of carrying a veldfire across it*.

In terms of Section 16 of the National Veld and Forest Fire Act the right or duty to prepare and maintain a firebreak prevails over any other prohibition in any other law on the cutting, disturbance, damage, destruction or removal of any plant or tree, except the owner must where possible, transplant any plant which is protected in terms of any law or where it is safe and feasible, position the firebreak so as to avoid such plant or tree.

A fire break is a means of access for personnel and equipment, to serve as a control line and to serve as a line from where a fire can be attacked from, for example by setting a backburn. The firebreaks are to be linked to access roads, thereby reducing the areas requiring preparation and increasing accessibility to the various sites. Locations where firebreaks are required vary. Individual circumstances will determine what type, width and length will be applicable. When constructing firebreaks it is important that all vegetation cover is removed and that only rocks and soil (minerals) are exposed. A fire can travel very slowly through the grass roots or decayed vegetation and great care must be taken to ensure that minimal earth is exposed throughout the length and width of the break. The following factors must be taken into account with the construction of firebreaks.

- Access: The placement of firebreaks on a slope must be determined by access to the break.
- Slope: Slope is the steepness of the land and has the greatest influence on fire behaviour. The steepness of the slope affects both the rate and direction of the fire spread. Fires usually move faster uphill than downhill and the steeper the slope, the faster the fire will move. This is because:
    - on the uphill side, the flames are closer to the fuel;
    - the fuels become drier and ignite more quickly than if on the level ground;
    - wind currents are normally uphill and this tends to push heat flames into new fuels;
    - convected heat rises along the slope causes a draft which further increases the rate of spread; and
    - burning embers and chunks of fuel may roll downhill into unburned fuels, increasing spread and starting new fires.
- Aspect: Aspect is the direction the land faces - north, south, east or west. The aspect of a slope influences a fire's behaviour in several ways:
    - southern aspects receive more direct heat from the sun, drying both the soil and the vegetation;
    - fuels are usually drier and less dense on southern slopes than fuels on northern slopes;
    - heating by the sun also causes earlier and stronger slope winds; and
    - on south-facing slopes, there will normally be higher temperatures, stronger winds, lower humidities, and lower fuel moistures.
- Terrain: *Terrain* or special land features may control wind flow in a relatively large area. Wind flows like water in a stream and will try to follow the path of least resistance. Ridges, trees, and rocks may alter wind flow and cause turbulence or eddies to form on the windward side of obstructions. Also, when wind flows through a restriction, such as a

narrow canyon, it increases in strength. Wind movement can be critical in chutes or steep v-drainages. These terrain features create a chimney effect, causing a forced draft, as in a stove chimney. Fires in these chutes or drainages spread quickly and are dangerous.

- Elevation
- Vegetation type
- Moisture content
- Size and shape of material.
- Volume and area covered.
- Fuel content (breaks alignment should avoid heavy fuel concentrations and be situated in areas with the lightest fuels possible).
- Wind direction (internal belts should as far a possible run parallel with the prevailing winds).
- Spotting distance.
- Firebreaks should be anchored, either to a natural barrier, road or another firebreak.
- Natural or existing barriers like roads, paths, streams, lakes, vleis, rivers, rock outcrops, or any other break in fuel should be utilise as far as possible.

There are four methods of preparing a firebreak and proper consideration should be given to each before commencing the preparation of a firebreak.

- Manual: Preparing a firebreak manually involves the utilisation of a team of workers working in a planned manner using manual tools.
- Burning: After deciding where the belt is to go, an adequate tracer is cut around the entire belt, and then the belt itself is burnt. This is the most common form of preparing a firebreak.
- Ploughing/brush-cutting: Ploughing/brush-cutting with a tractor is a common method of constructing breaks where the vegetation is low or has been previously removed. The positive thing with brush-cutting is that the roots are not destroyed and this will assist in reducing erosion on these breaks. Brush-cut material should be removed two months after cutting.
- Application of herbicide: With this method herbicide is used to kill off all the plant growth in the firebreak.

There is currently one firebreak maintained for MRNR and that is the break below the Franschhoek Pass between MRNR and the urban area of Franschhoek town (Figure 12).

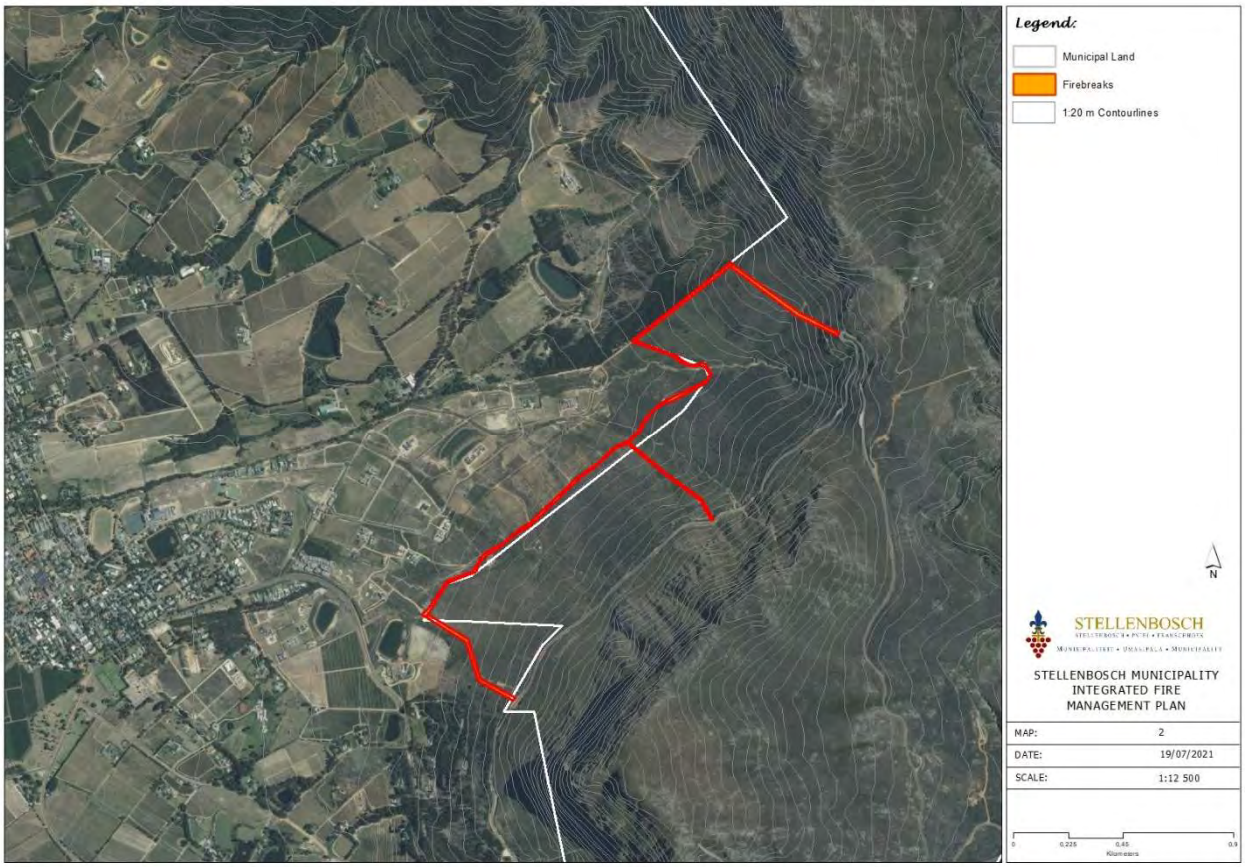


Figure 12: Firebreak below the Franschhoek Pass

Table 9: Guidelines for management of fire within MRNR

REF -NR	ACTIONS/IMPLEMENTATION	TIME FRAME
26	Maintain the existing firebreaks.	Annually Completed by end October
27	Conduct inspection of the area along with a representative of the local fire protection association to identify the need for additional firebreaks.	Immediately
28	Prepare firebreaks as required.	Completed by end October
29	Prepare and maintain a register of veld fires including the extent and date.	Compliance audited annually

8.2.7 Human-Made (Cultural) Environs

Development inevitably modifies the environment. In order to accommodate all of the functions of MRNR, it is important that a certain level of change or modification be accepted. However, such an acceptance requires responsible land ownership based on the following fundamental principles:

- **Owning is belonging:** In order to conceive land ownership it is necessary to realise that land parcels are inherently connected and that each parcel, and hence each owner, belongs to a larger community. A person is unlikely to use land responsibly without an awareness of the seen and unseen links, the inevitable spill-overs and externalities.
- **Embracing our ignorance:** In environmental management a prominent place is needed for human ignorance. Land ownership should include the obligation to use the land humbly,

within the limits set by the land - limits that are often badly understood. The correlative rule is an acceptance of liability for land degradation and a pledge to do what is possible to restore it and of finding ways to avoid problems before they arise.

- **Sensitivity to place:** Given the complexity of nature and the paramount need to promote community well-being, land use norms must stimulate an attention to place and foster a willingness to tailor land uses to the characteristics and possibilities of each tract. Land uses must be set, not just by what is economically and physically possible in a place, but by the role of the tract of land in the surrounding ecosystem.
- **Promoting local knowledge:** Good land use is best understood as an art, tailored to the uniqueness of each place and sensitive to the possibilities and limits set by nature. Local knowledge is often tied to the terrain, soils, climate, hydrology, biodiversity, and economy of a place, arising by cautious, trail-and-error methods that environmentalists have come to call *adaptive management*.
- **Landscape-level planning:** Good ownership will include the owner's (or custodian's) participation in landscape-level planning. Land health cannot revive without plans that cover large areas, such as watersheds, ecosystems or bioregions.

Table 10: Guidelines for management the man-made environs

REF -NR	ACTIONS/IMPLEMENTATION	TIME FRAME
30	Ensure that development within MRNR fits with the scale, landscape and use of the area.	Ongoing
31	Record all significant archaeological manifestations. Institute research programmes to obtain reliable data of archaeological manifestations.	Annually
32	Control human impact on archaeological sites by instituting an effective permit system to control access.	Annually
33	Erect barriers and pathways/ board walks to regulate movement at sensitive sites.	Ongoing
34	Develop appropriate facilities and infrastructure.	Ongoing
35	Ensure appropriate management of the facilities and infrastructure.	Ongoing
36	Regulate the construction of roads, trails, and other facilities.	Ongoing

8.2.8 Tourism and Outdoor Recreation

It is imperative for the management of MRNR to be as professional and cost-effective as possible, and to optimise the direct financial income that can be derived from its use. MRNR has an important function in terms of providing recreational opportunities for Franschhoek and the region as a whole in that it provides for a number of nature-related opportunities that enhance regional tourism significantly. It is, therefore, important that the principle of economic efficiency be incorporated into the general management of MRNR and that it's positive role and function in respect of the economic sectors (specifically tourism) be understood and promoted. Tourism is the fastest growing industry in the world. It is believed that tourism based upon protected areas could become South Africa's biggest industry in the 21st century. With imaginative marketing and appropriate pricing structures there is substantial financial income to be realised from tourism (Turpie & Siegfried, 1996). Wesgro (1992) confirms the above statements and describes tourism as the most important growth stimulus in the economic development of the Western Cape. Tourism influences a variety of

economic sub-sectors such as trade, accommodation and catering, manufacturing, agriculture, angling, hunting, personal services and transport. Tourism thus contributes substantially to regional production and job creation.

Tourism has huge potential for stimulating sustainable growth and development in the Franschhoek. The region has a wealth of unique tourism resources, the primary intrinsic attributes being the exceptional aesthetic quality and uniqueness of its landscapes, a range of natural and cultural resources, a diversity of communities with unique cultures, and unique agricultural enterprises and land use forms. In addition, tourism is a cost-effective provider of employment, with strong linkages to the local economy, and it represents a substantial multiplier effect. Ecotourism[11], in particular, can provide economic justification for the conservation of areas that may otherwise not receive protection, and generate revenue for the management of these areas, and the upliftment of local communities.

However, tourism also has the potential for having a huge impact on the environment. Being one of the least regulated industries, tourism has the potential to induce devastating environmental and cultural changes. It is therefore important to develop tourism in a sustainable manner. To ensure sustainable growth and profitability in the tourism industry, the following challenges need to be faced:

a) A substantial portion of the tourism benefits must find its way into the local communities.
b) *'Practice what we preach'* in tourism developments and operations (e.g. ensure that all new developments in the natural environment qualify as 'unobtrusive' and 'environment-friendly').
c) Integrate the cultural and natural heritage when putting together tourism packages.
d) Re-invest a substantial portion of tourism profits in the maintenance of the cultural and natural resources.
e) Create a strong element of ecological and cultural awareness with tourists in order to ensure environmental sustainability.

Table 11: Guidelines for management of tourism and outdoor recreational opportunities

REF -NR	ACTIONS/IMPLEMENTATION	TIME FRAME
37	Involve entire community in tourism by developing and instituting educational programmes in local communities.	Annually
38	Ensure direct or indirect benefit to the total community by creating opportunities for the small business sector (e.g. sale of products, crafts, etc.). Promote the 'multiplier effect' or 'fringe benefits' of tourism (refer to additional jobs for local communities, improved local markets for products).	Ongoing

[11] Eco-tourism is defined as '*purposeful travel to natural areas and resources to utilise these areas and resources, to increase the understanding of the cultural and natural history of the environment, taking care not to alter the environment, producing economic benefits that make conservation of natural resources beneficial to the local people*'.

8.3 LAND USE MANAGEMENT

8.3.1 Management / Use Areas

Because the area has a spectrum of uses and comprises an area with variable degrees of degradation, ecological importance and topographical characteristics, a uniform set of management principles and rules for utilisation of the area is not feasible. The area must be retained as a public resource, used for recreational purposes on a daily basis whilst the environmental integrity of the area is protect at the same time. The management and use of the MRNR is therefore predribed by way of defining the areas within which the various activities or use is allowed within. Applying CapeNature's zoning classification of protected areas MRNR is mainly zoned Primative with some infrastructure and Development, associated with the erven within the reserve (see Figure 13).

The purpose of the zonation of MRNR is to control the intensity and type of use within the reserve in an effort to ensure the main goal of biodiversity conservation is met. Table 13 describes the various areas depicted by Figure 10 below.

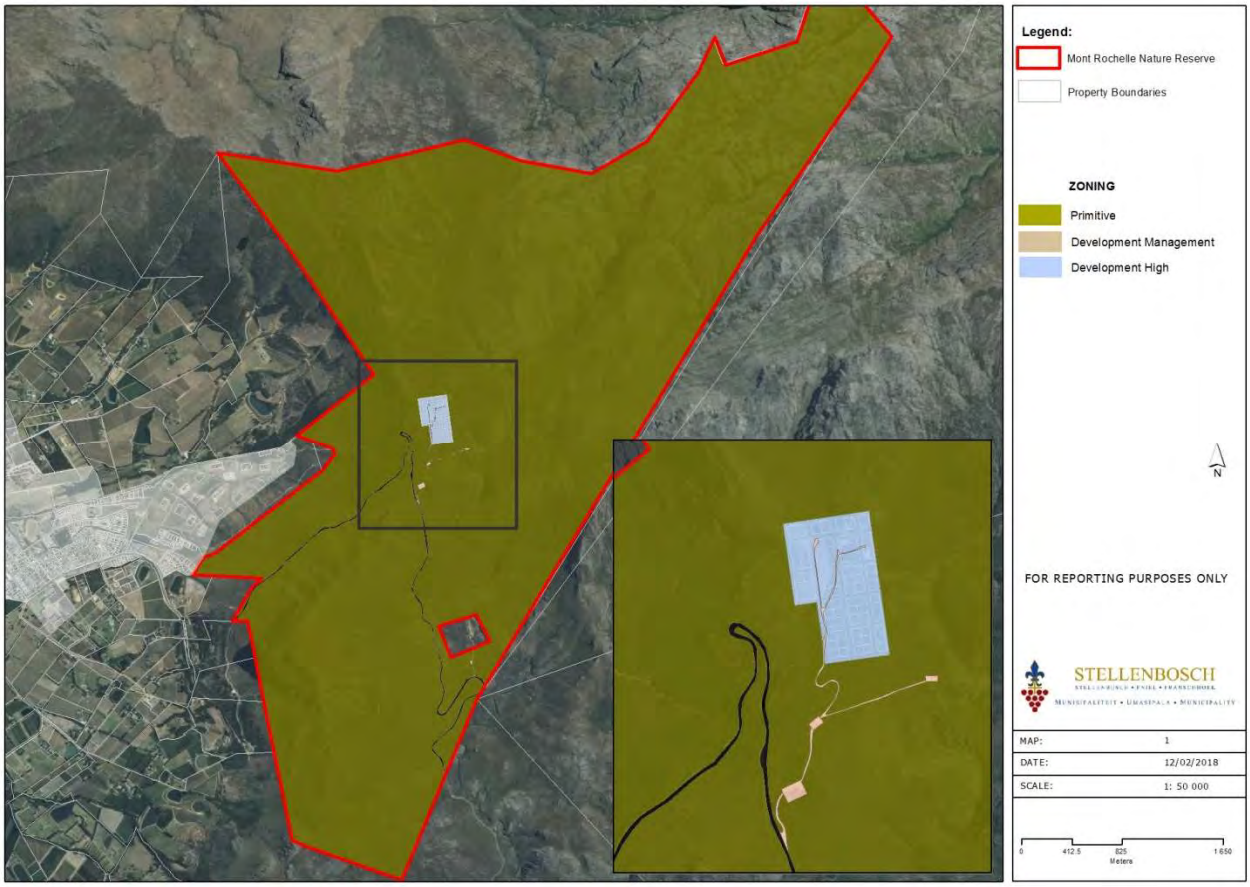


Figure 13: MRNR Zonation.

Table 13: MRNR Management / Use Areas

Area		DEFINITION / DESCRIPTION
	Primitive	• Intrinsically wild appearance and character. • Areas where users will seldom encounter other human groups or presence. • Any visible human impact or infrastructure inside the zone is unobtrusive. • Human activities outside zone may be audible or visible in places. • Areas remote from management centres, or otherwise difficult or expensive to access for management. • Areas that might not meet the criteria for Wilderness but can serve as undeveloped visual buffers for wilderness. • Areas that may have natural burning regimes, with no active fire management and road/firebreak infrastructure OR areas that require active fire management to stay within thresholds of concern. • No access without permit.
	Use	• Research • Hiking • Trail-running • Appropriate events
	Development (Management)	• Existing infrastructure and utilities. • To allow for access and recreational activities. • To actively manage users and visitor impacts on adjacent sensitive areas. • To provide access to adjacent natural landscapes with no expectation of solitude. • Can provide for Environmental Education accommodation and access into surrounding landscapes.
	Development (High)	• Private property. • Homes constructed based on approved building plans that suite the character of the landscape.

Table 14: Guidelines for management of MRNR Management / Use Areas

REF -NR	ACTIONS/IMPLEMENTATION	TIME FRAME
39	Communicate the applicable use areas and associated appropriate activities through signage at the entrance and on-site.	Immediately after EMP approval.
40	Conserve and protect Primitive area.	Audited
41	Inspect recreation areas within the Primitive area to assess the impact of use and degradation.	Annually
42	Implement necessary rehabilitation works where required.	Ongoing

8.3.2 Recreational Use

A primary function of MRNR is to enhance the well-being of the people of Franschhoek, Stellenbosch Municipality and those visiting the area. Accordingly, MRNR has an important role, namely to provide the foundation for recreational and tourism opportunities which are environmentally compatible.

Rules applicable to the recreational use of the area are:

a) Entry and use is at a person's own risk. Stellenbosch Municipality and/or its employees shall not be liable for any damage, loss, theft, injury, accident or death suffered by any person, howsoever caused.
b) No lighting of fires.
c) No smoking.
d) Only approved / designated roads, trails or tracks may be used. The construction or clearing of new roads, trails or tracks are prohibited.
e) Public vehicle / motorised access to the area is prohibited unless authorised.
f) Visitors to comply to all signage including access signage and route markers.
g) Any user of the area utilising the area for hiking, cycling or any other permitted activity must be equiped with the necessary safety gear and equipment.
h) All users must utilize the area in a manner that considers the enjoyment and safety of other users.
i) Various routes (roads, tracks or trails) may exclude particular activities such as cycling. In such cases where a route is temporarily closed for rehabilitation or maintenance, or permanently excludes a particular use, appropriate signage will be installed to communicate such information which must be adhered to as in (f) above.

Table 15: Guidelines for management of recreational use of MRNR

REF -NR	ACTIONS/IMPLEMENTATION	TIME FRAME
43	Audit all roads, trails and tracks and update maps accordingly. Decide on the appropriate use (or decommissioning / rehabilitation) thereof and install appropriate signage.	Immediately after EMP approval.
44	Maintain existing roads, trails and tracks to be fit for recreational use.	Ongoing
45	Inspect roads, trails and tracks to be fit for recreational use.	Monthly during summer or after heavy rain events. Weekly during summer.
46	Repair damaged roads, trails and tracks.	Ongoing
47	Close routes that require maintenance or rehabilitation and are not deemed to be safe for recreational use by installing appropriate signage and access barriers.	Ongoing
48	Inspect and maintain signage and route markers throughout the area.	Monthly

8.3.3 Access Control

Access control, or the lack thereof, is a threat to the management of the area influencing secondary threats such as the security of the area, vandalism and fire. Existing access control is inadequate and must be addressed. Access control requires that the perimeter of the area is secure and access regulated.

Table 16: Guidelines for management access control

REF -NR	ACTIONS/IMPLEMENTATION	TIME FRAME
49	Audit existing access-points to the reserve.	Immediately and ongoing
50	Audit existing access control infrastructure.	Immediately
51	Audit existing locks and ownership of keys.	Ongoing
52	Keep a register of key-holders.	Ongoing
53	Maintain fulltime manned access control at the MRNR main gate.	Immediately
54	Deploy additional staff with direct communication with law enforcement to monitor the area.	Immediately and ongoing

8.3.4 Municipal Infrastructure

MRNR houses municipal infrastructure. It is important that the Municipality are able to access, maintain and effect required improvements to these infrustructure. Although the importance of these works can not be underestimated it must be planned and excecuted in a manner that has te least possible impact on the area.

Table 17: Guidelines for management of municipal infrastructure

REF -NR	ACTIONS/IMPLEMENTATION	TIME FRAME
55	Maintain all infrastructure in good working order.	Ongoing
56	Development proposals or plans for maintenance work within MRNR to be circulated to the Department: Community Services for input.	Ongoing

8.3.5 Events

MRNR is an important resource used for spiritual, scientific, educational, recreational and tourism opportunities. Stellenbosch Municipality receives various applications for events in MRNR for consideration. It is the Municipality's responsibility to ensure that such events are compatible with the area, that such an event does not present an threat or impact to the area that cannot be avoided or mitigated and that the area ultimately benefit from such an event. In order to give effect to the potential of MRNR in this regard events must be used as a way to create a strong element of ecological and cultural awareness with event organisers and participants in order to ensure environmental sustainability. The following applies to events in MRNR:

(i) Events are to be held in a manner that has the least possible negative environmental impact.
(ii) Event applications must be submitted timeously for consideration, preferably 90 day prior to such an event.
(iii) Potential impacts of an event must be considered by the municipality and an approval granted only if such impact is considered to be acceptable or is of such a nature that the likely impacts can be avoided and/or mitigated.
(iv) The applicant applying for an event license is to provide a scope of the proposed event activities, an assessment of the likely environmental impacts of such activities, recommended mitigation measures to be implemented and the degree to which the

proposed mitigation measures are expected to address the identified environmental impacts.

(v) An application for an event in a nature area is to be circulated to the relevant municipal department tasked with the management of such an area for consideration, comment and the provision of conditions before a decision for the granting/refusal of an event license is made.

(vi) An applicant may be liable for an application fee, the criteria of which have been approved by the Council of Stellenbosch Municipality.

(vii) An event license granted is only valid upon acceptance of the set conditions for the hosting of the particular event and payment made of the application fee by the event organizer.

(viii) Unless specified otherwise, the event organizer assumes responsibility for the event's compliance to conditions imposed during the granting of an event permit.

(ix) The event organizer is responsible for any rehabilitation to a nature area damaged or degraded during an event. The scope of such rehabilitation work will be the restoration of an area to the state prior the hosting of the relevant event.

(x) In the event that rehabilitation work is required the municipality may direct an event organizer to investigate, evaluate and assess the impact of specific activities and report thereon and to complete rehabilitation measures before a specified reasonable date.

Table 18: Guidelines for events in MRNR

REF -NR	ACTIONS/IMPLEMENTATION	TIME FRAME
57	Consider all events in the area in terms of the above criteria.	Ongoing
58	Development a set of application fees for submission to Council.	Immediately after EMP approval.

8.3.6 Development

It is imperative that the integrity of MRNR be protected through appropriate planning and management intervention. Accordingly any physical development in MRNR is to be planned and implemented to have the least possible impact and to have any such impact mitigated. Development within MRNR must refelct the principles decribed in Section 8.2.7 above.

Table 19: Guidelines for development

REF -NR	ACTIONS/IMPLEMENTATION	TIME FRAME
59	Development proposals within MRNR to be circulated to the Department: Community Services for comment.	Ongoing

8.4 ENVIRONMENTAL AUDITING

This EMP builds upon the notion that uncertainty (or lack of knowledge) about the status and function of ecosystems can be addressed in an *adaptive management strategy* - an approach that relies on continual assessment and adjustment. Although repeated revision of management decisions is at the core of adaptive management, this does not threaten resource security, rather it provides for sustainability of resource use. Threats to resource security can be minimised if management objectives are set clearly. In addition, adaptive management will reduce the sort of pressure that stymies action because initial choices are not viewed as final. The dimension of continual improvement is embodied in adaptive management. Continual improvement is defined as

the process of enhancing management actions to achieve improvements in overall performance (i.e. remaining dynamic). It is achieved by continually evaluating environmental performance against set environmental policies, objectives and targets with the purpose of identifying opportunities for improvement. Accordingly, the MRNR EMP is a dynamic document which is subject to updating and amendment in accordance with the results of monitoring and auditing and the outcomes of on-going scientific research.

8.4.1 Auditing Strategies

Table 20: Auditing actions

REF -NR	ACTIONS/IMPLEMENTATION	TIME FRAME
60	Audit all documented impacts of management actions on the environment.	Annually in October.
61	Implement procedures for handling incidents of non-conformance with the EMP.	Annually in October.
62	Manage environmental records, including the results of audits and reviews.	Immediately after EMP approval.
63	Submit audit report to the Council.	Annually in October.

8.4.2 Auditing Procedures

The environment audit to be undertaken is a methodical examination of the site's environmental information to verify whether, and to what extent, the management actions have complied with set performance criteria. The review of the EMP on a five-year basis is based upon the results of the environmental audits the objective being to ensure its continuing appropriateness and effectiveness.

The environmental audit consists of three stages, namely *pre-audit*, *on-site audit* and *post-audit*. Pre-audit includes the administrative issues associated with planning the audit, selecting the institution to conduct the audit, and preparing the audit protocol. The main purpose of the pre-audit stage will be to develop an audit plan, based on the most recent information and the results of the previous year's audit. The audit plan must also address where the audit is to be conducted, what the scope and objectives of the audit are, how the audit will be conducted (keeping in mind that the results of the audit must be comparable to previous year's audit results), and when the audit is to be conducted.

The on-site audit involves the recording of required information. The audit team gathers information by observation, conducting photographic studies, taking measurements, and conducting tests as was determined during the pre-audit stage. During the on-site audit stage the strength and weaknesses of the methods of information gathering must be evaluated in order to determine whether the process of auditing is effective in achieving its goal. In keeping with the adaptive management approach, the auditing process must also be looking for continual improvement. All the information obtained is recorded and a comprehensive record of the audit and the state of affairs produced.

The audit report is completed during the post-audit stage. Such report will reflect previous results, current results, and recommended improvement goals. The audit report will also indicate failures or deficiencies and recommendations for corrective actions.

8.4.3 Environmental Indicators

Table 21: Environmental Indicators for the auditing process (*Environmental Indicators for National State of the Environment Reporting* [DEAT, 2002]).

ENVIRONMENTAL MANAGEMENT	
Environmental Management	EM01 – Multilateral environmental agreements EM02 – Budgetary allocation to natural resource management EM03 – Budgetary allocation to environmental education EM04 – Budgetary allocation to environmental research EM08 – Voluntary use of environmental accounting and reporting EM10 – Environmental reporting by the Municipality
BIODIVERSITY & NATURAL HERITAGE	
Species Diversity	BD01 – Threatened and extinct species per taxonomic group BD02 – Endemic species per taxonomic group BD03 – Alien (non-indigenous) species per taxonomic group BD04 – Population trends of selected species BD05 – Distribution and abundance of selected alien species
Habitat Change	BD06 – Extent of conserved area BD08 – Disturbance regimes: fire frequency
Resource Value	BD11 – Contribution to job creation: eradication of alien species
LAND USE	
Land Use	LU01 – Land cover LU02 – Land productivity vs potential
Land Condition	LU03 – Soil loss LU04 – Land degradation

9 COSTING PLAN

The following represents an in principle costing plan to guide the preperation of annual budgets for the management of MRNR:

Management Action	**Estimated cost 2020**	**Estimated cost 2021**	**Estimated cost 2022**	**Estimated cost 2023**	**Estimated cost 2024**
Appoint a reserve manager.	From appointed staff.	-	-	-	-
Provide adequate logistical and administrative support for the reserve manager.	R100 000	R25 000	R25 000	R25 000	R25 000
Provide-trained and competent staff for the reserve manager.	R60 000 (+5% pa)	R63 000	R66 150	R69 450	R72 920
Institute research to verify existing botany reports and assessments pertaining to the vegetation types.	R30 000	-	-	-	-
Institute research and monitoring to determine the recurrence of species.	R15 000	R15 000	R15 000	R15 000	R15 000
Remove and control alien plants.	R150 000	R100 000	R100 000	R100 000	R100 000
Restore defined erosion sites.	R15 000	R15 000	R15 000	R15 000	R15 000
Implement preventative measures on potential erosion sites.	R15 000	R15 000	R15 000	R15 000	R15 000
Prepare a 15 meter firebreak along the boundaries of the nature reserve.	R150 000	R100 000	R80 000	R60 000	R60 000
Maintain firebreaks.	R60 000	R60 000	R60 000	R60 000	R60 000
Institute research on archaeological manifestations.	R20 000	-	-	-	-
Erect notice boards and signs to ensure that: a) Recreational hikers only use the dedicated hiking routes. b) Mountain bikers only use the dedicated mountain bike trails. c) Mountain bikers and recreational hikers apply standard safety precautions when using the mixed use trails.	R25 000	R15 000	R10 000	-	-
Subtotal	R640 000	R408 000	R386 150	R359 450	R362 920
Total					R2 156 520

10 VALIDITY

The MRNR EMP is based upon and aims to give effect to a long-term vision for the area which is not subject to *ad hoc* or short-term amendment. However, in terms of the principle of continual improvement the EMP is subject to revision in accordance with the results of on-going monitoring and auditing to be undertaken as described in Chapter 8.4. It will be valid, in its current form, for a period of 5 years from the date approved by Council of Stellenbosch Municipality after which revision has to be considered.

Within this period addition or amendments to the EMP can be considered by the Management Authority. These additions or amendments will be added to the document as addendums before being included in the document on revision. Examples of such addendums may include documents such as:

a) Updated maps,
b) Founding documentation on the proposed "Friends of the MRNR",
c) Updated rules on recreation, access, etc.

11 CONCLUSION

The MRNR EMP is a mechanism intended to facilitate the achievement of the vision set for the area. The EMP and its associated processes of community participation, education and performance auditing presents an opportunity for all concerned to participate in the long-term management of the area for the benefit of the current and future generations. The implementation of the EMP presents the first step in such process. This document should therefore not be seen as a final product, but rather as a step towards the implementation of integrated bioregional planning as '*an organised process that enables people to work together, think carefully about the potential and problems of their region, set goals and objectives, define activities, implement projects, take actions agreed upon by the communities, evaluate progress and refine their approach*'.

ANNEXURE B

COMMENT on the Stellenbosch Municipal DRAFT MANAGEMENT PLAN of the Mont Rochelle Nature Reserve

The following are the comments on the Municipal Draft Management Plan of the Mont Rochelle Nature Reserve as circulated by the Stellenbosch Municipality by the Management Board of the Mont Rochelle Nature Reserve operating as 'The Friends of Mont Rochelle":

1. **From the outset we observe the following: The Reserve was proclaimed under the Nature Conservation Ordinance 19 of 1974, which, as amended, is still in force. Section 8 (1) obliges the local authority to appoint an advisory board. "8. Advisory boards for local nature reserves – (1) As soon as a local nature reserve has been established, the local authority concerned shall appoint an advisory board for the purpose of advising and making recommendations to it in connection with the management, control and development of such reserve"**
2. **P33: "The current and future arrangement pertaining to the Management Authority is based upon Sections 38, 42 and 44 of the NEM:PAA". We submit that these sections should be read in conjunction with Section 8(1) of the ordinance (see 1 above).**
3. **Introduction P7, pp2: We accept that the Municipality will (and does) act as the "Management Authority" and that this does not need to be established, but we are of the opinion that the status quo as it stands should be highlighted, namely that the "Mont Rochelle Advisory Board" as proclaimed by the Municipality has for years and still does manage the Nature Reserve conscientiously and efficiently on behalf of the Management Authority, namely the Stellenbosch Municipality**
4. **Conclusion P10: It is stated that this Management Plan "presents an opportunity for all concerned to participate in the long-term management of the area". This we do not dispute; however, it has been the status quo for decades. As the Advisory Board is a voluntary body with no remuneration paid to the individuals, it has been exceedingly difficult to encourage a broad representation of the people of the area to offer their services.**

5. **P22. "Dialogue amongst all stakeholders, participatory planning and institutional flexibility are, therefore, essential to plan and manage effectively". The Advisory Board is pleased to note this!**
6. **P36. "Whilst Stellenbosch Municipality is responsible for the general maintenance of the area and the implementation of the EM, it will rely on the Friends of MRNR for specific management activities as required or where the Municipality is limited through capacity constraints". The present Advisory Board notes this; and clearly states that this is exactly what the present Advisory Board is fulfilling.**
7. **P52. "Guidelines for management access control". Possibly the best proposals in the report. But we note that substantial infrastructural investment will have to be budgeted for.**
8. **Overall requirements: To achieve all that has been proposed will require highly paid professionals or a down scaling of the objectives. And the voluntary Advisory Board, as it stands, goes a long way to providing this to enable the Municipality to achieve its objectives**

Further to the above, the following points are noted too:

a. **P14. No mention of swapping privately-owned erven in visible positions for ones in less visible definitions is made**
b. **P14, pp1: It is not true to say an "Undetermined number of tourists" visit the reserve. The Advisory Board has figures which show that annually, in excess of, 13000 people visit**
c. **P14, pp3: This needs to be revisited as it gives the impression that the 'Uitkyk' trail has been confused with the 'Perdekop' trail and as a result one of these has been left out**
d. **P15. Cat's Path monument is located where the Holloway Pass & Cat's Path intersect. It includes the tracks of the post wagon that travelled throughout the country as part of the 1952 van Riebeeck Festival**
e. **P17. Most of Franschhoek's water now comes from Wemmershoek Dam and NOT Mont Rochelle**
f. **Define what the "Stellenbosch Protected Areas Forum" is and who serves on it**
g. **P37. Table2 Actions/Implementation: All of these are already being carried out by the present Advisory Board, except for the budgetary item, which it is well qualified to do**

h. **P38. Table 3: The Advisory Board fulfills most of these items**
i. **P50. High Development zone on the map encompasses all erven, whereas the report earlier states that most will be de-proclaimed.**

A final observation: It seems that the person(s) drawing up this Management Plan has very little 'on the ground' knowledge of the Mont Rochelle Nature Reserve, and did not consult with the existing Advisory Board nor its individual members.

Obo Mont Rochelle Nature Reserve Advisory Board

ANNEXURE C

CULLINAN & ASSOCIATES
Environmental and green business attorneys

TRANSMITTED BY EMAIL

TO:	**Stellenbosch Municipality**	Date:	25 June 2021
		Your ref:	
ATT:	**Mr. Schalk van der Merwe** Environmental Planner		Schalk.VanderMerwe@stellenbosch.gov.za
FROM:	Kate Handley		kate@greencounsel.co.za
Total pages:	15	Our ref:	S111-002/K Handley

The information contained in this document is confidential and intended for the exclusive attention of the addressee. Unauthorised disclosure or distribution of the information is prohibited. Please advise us immediately should you have received this document in error.

Dear Mr. Van der Merwe

COMMENTS ON THE DRAFT MANAGEMENT PLAN FOR THE MONT ROCHELLE NATURE RESERVE, LOCATED WITHIN THE STELLENBOSCH MUNICIPALITY

a) Introduction

1. We refer to the above Draft Management Plan ("the Draft MP") for Mont Rochelle Nature Reserve ("MRNR") and our correspondence of 3 June 2021, and confirm that we act for Reside Properties (Pty) Ltd, the owner of Erf 318, Franschhoek, located within the MRNR.
2. This letter comprises our client's comments on the Draft MP, submitted today, 25 June 2021, as agreed.

3. As correctly identified in the Draft MP, MRNR was proclaimed in 1982 as a local nature reserve in terms of the Nature and Environmental Conservation Ordinance, 1974.[1] It forms part of the Boland Biosphere Reserve, portions of which fall within the Cape Floristic Region World Heritage Site ("CFWHS"), inscribed on the list of UNESCO World Heritage Sites in 2004 and formally declared as such by the then Minister of Environmental Affairs on 30 January 2009.[2]

4. Our client supports the preparation of the Draft MP. However, it is concerned that the Draft MP opens the door for further development within MRNR in respect of the 14 privately-owned erven that is not only contrary to the management objectives detailed in the Draft MP but is contrary to the legislated purpose for which the MRNR has been declared and various policies applicable to MRNR.

5. Our comments on the Draft MP are structured as follows:

   5.1. Firstly, we address certain procedural issues relating to preparation and notification of the Draft MP;

   5.2. Secondly, we highlight the importance of MRNR, and particularly the 14 privately-owned erven from an ecological, and particularly a hydrological perspective;

   5.3. Thirdly, we provide our comment on why the Draft MP should adopt a robust approach with regards to preventing further development of the 14 erven; and

   5.4. Fourthly, we provide our comment on sections of the Draft MP we deem most relevant. We have not commented on each and every section.

b) Procedural issues relating to preparation and notification of the Draft MP

Assignment of authority to Stellenbosch Municipality

6. The MRNR existed as a nature reserve prior to the commencement of the National Environmental Management: Protected Areas Act, 2003 ("NEM:PAA"). Accordingly, the deeming provisions of section 23(5) apply, namely that if an area was a nature reserve immediately before section 23 (declaration of nature reserves) took effect, it must be regarded as having been declared as such in terms of section 23.

7. Section 38(2) of NEM:PAA provides that an MEC must assign the management of a nature reserve to a suitable person, organisation or organ of state. However, section 92(2) provides that an organ of state managing a protected area prior to the commencement of NEM:PAA must continue to do so until management of the protected area is assigned to it or another management authority.

8. There is no explanation in the Draft MP regarding whether Stellenbosch Municipality has been assigned as the management authority of MRNR, with the power to develop the Draft MP in accordance with section 39(2), and whether it holds this power in terms of the deeming provisions above.

[1] PN 671 of 1982.

[2] GN 72 in *Government Gazette* 31832 of 30 January 2009.

9. Paragraph 7.5 of the Draft MP states that: "*the Municipality is acting in the capacity as Management Authority for MRNR. The current and future arrangement pertaining to the Management Authority is based upon Sections 38, 42 and 44 of the NEM:PAA…The Municipality in turn relies on the Friends of the MRNR group for specific management activities as required*."

10. Further detail is required in the Draft MP regarding the nature of the assignment of authority to Stellenbosch Municipality, and consequently the co-management agreement which must be concluded in terms of section 42 of NEM:PAA with "Friends of the MRNR" if the latter is to be delegated management powers for MRNR.

Notification of invitation to comment on the Draft MP

11. In email correspondence of 31 May 2021, we were advised that notice of the Draft MP being available for comment was published in the Eikestad Nuus on 20 May 2021, and that notice was further placed on the Municipality's website.

12. Given that one of the aims of the Draft MP is "*Striving for recognition by all the people of Franschhoek that Mont Rochelle Nature Reserve is 'their' property to enjoy in a spirit of community*,"[3] and the emphasis on the management of MRNR for the benefit of people who use it,[4] we are of the view that wider publication of the Draft MP was necessary.

13. At the very least, notice of the availability of the Draft MP for comment ought to have been appended to the reserve gate, so that those visiting the MRNR would be aware of its publication. To the best of our knowledge, this was not done.

14. Section 39(3) of NEM:PAA also requires that when preparing a management plan for a protected area, the management authority concerned must consult municipalities, other organs of state, local communities and other affected parties which have an interest in the area. There is no evidence in the Draft MP that this has been done, and we request that this detail be included in the final management plan.

c) Ecological importance of MRNR and important hydrological factors

Ecological importance of MRNR

15. There is no doubt that MRNR is an area of unique biodiversity and ecological sensitivity. The Draft MP records that, "*MRNR is located in the Cape Floral Kingdom, an area of global biodiversity significance. The reserve conserves a unique combination of habitats, ecosystems and species*."[5] The ecological importance and sensitivity of MRNR is well-documented in the Draft MP.

16. Various policies also document the ecological importance of MRNR and the conservation status it is afforded:

    16.1. At page 30 of the Draft MP, the MRNR is correctly identified as an A.a area in terms of the *Stellenbosch Environmental Management Framework, 2018* ("SEMF"), which defines A.a

[3] Page 2, Draft MP.
[4] Page 49, Draft MP.
[5] Page 7, Draft MP.

areas as: "*Areas designated in terms of legislation for biodiversity conservation, defined categories of outdoor recreation and non-consumptive resource use. Conservation purposes are purposes normally or reasonably associated with the use of land for the protection of the natural and/or built environment, including the protection of the physical, ecological, cultural and historical characteristics of land against undesirable change.*"

16.2. The *Cape Winelands Biosphere Reserve Spatial Development Framework Plan* ("SDFP") approved by the Cape Winelands District Municipality on 29 March 2011, records[6] that MRNR forms part of the core of the Biosphere Reserve.[7]

16.3. The *Stellenbosch Municipality Spatial Development Framework, 2019* ("SDF") identifies MRNR as a Core 1a area.[8]

17. The restoration, protection, and conservation of MRNR from the perspective of preserving natural heritage, biodiversity, and creating shared responsibility for present and future generations is also amplified through the aims of the Draft MP,[9] as well as the vision of the Draft MP.[10]

Hydrological factors

18. The Draft MP acknowledges that: "*the Table Mountain sandstone formation* [which comprises MRNR] *is one of the most important underground water carriers in South Africa, this also applies to MRNR. Its fountains are in general perennial in times of drought and the water quality is excellent. Franschhoek's domestic water source has for more than a decade been the mountain stream and fountains of the Perde gorge, all of which is directly derived from the MRNR*."[11]

19. The Draft MP notes further that the MRNR falls within a Strategic Water Source Area ("SWSA"). The Draft MP acknowledges that: "*Investing in Strategic Water Source Areas is also an important mechanism for long-term adaptation to the effects on climate change on water provision growth and development. The importance of managing this small fraction of land that contributes so vitally to our water security should be acknowledged at the highest level across all sectors*."[12]

20. The importance of the freshwater hydrology of MRNR as a whole is therefore common cause.

21. On 12 May 2021, a site visit was conducted by Dr. Liz Day, a specialist river and wetland consultant, with a view to establishing the presence of any watercourses on or in the vicinity of the 14 private erven in particular, and specifically Erf 325, Franschhoek, which we are advised the owner wishes to develop, and the nature and extent of those watercourses (if any). A copy of Dr. Day's report is included under cover hereof.

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[6] Page 15, SDFP.
[7] This is also recorded at page 22 of the Draft MP.
[8] Page 66, Figure 26, SDF.
[9] Page 1, Draft MP.
[10] Para 2.5, Draft MP.
[11] Page 16, Draft MP.
[12] Page 16, Draft MP.

22. Dr. Day notes that the MRNR is located in the Hottentots-Holland Mountain Catchment Area, and she finds as follows:

"*A large wetland seep extends down the mountain slopes north of Erf 24…the wetland is a perennial seep.*

The wetland is currently used to supply water for the two developed erven on Mont Rochelle (Erf 318 and 320), as well as potentially for municipal use, on the basis of the piped abstraction system evident further upstream.

At the base of the slope, just west of Erf 318 and 325, the wetland flattens out and widens, forming a broad wetland, characterized by dense indigenous Wachendorfia thyrsiflora, Restio paniculatus (previously known as Calopsis paniculata), bracken fern and other plants typical of mountain fynbos wetland conditions.

The wetland is fragmented by the access road to Erf 318, which crosses over the wetland. Prior to construction of the road, it is assumed that the wetland would have spread out over parts of Erf 318 and 325, both of which have however been at least partially infilled;

Today the wetland narrows downslope of the road crossing, and is then impounded, forming a small open-water pool, edged by indigenous wetland plants, including the dominant Restio paniculatus. A small channel conveys flows out of the pool, and back into the seep, which passes down the slope towards the Du Toits River in the valley below;

The wetland seep described above is in relatively good condition, despite fragmentation, abstraction and localized disturbance. It would be assessed as in a Present Ecological State (PES) Category B overall condition, although in its reaches in the direct vicinity of Erf 318 and Erf 325 it could be categorised as a more impaired PES Category B/C;

It is considered sensitive to changes in water quality (e.g. increased nutrients or changes in pH) and would also be sensitive to activities that caused concentration of flows down steep vegetated slopes and /or diverted flows out of the seep."[13] (our emphasis)

[13] Pages 3 and 4, Dr Day's Report.

23. The extent of the wetland is mapped in Figure 4 to Dr. Day's report, and included below:

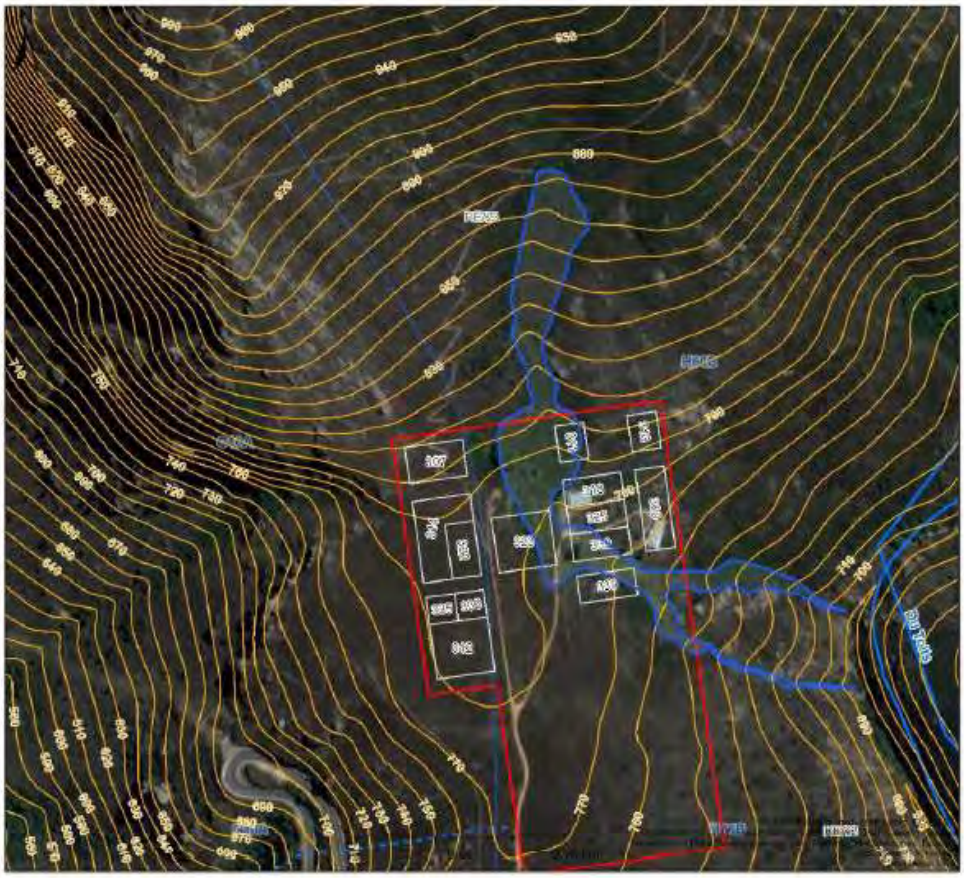


Figure 4

24. It is therefore evident that at a finer scale, and specifically in relation to the 14 privately-owned erven, there exist watercourses of importance which contribute to the overall integrity of MRNR as a SWSA.

d) Approach to development of the 14 private erven

Development of the private erven is inconsistent with applicable legislation, applicable policy, and the aims of the Draft MP itself

25. Paragraph 2.2. of the Draft MP notes that: "*The manner in which human settlements are developed, therefore, has an immense impact on the quality and integrity of the environment as a totality… From a natural environmental perspective, ecological integrity is a key factor in the sustainable development equation…Fragmentation generally leads to a cycle of environmental degradation, which subsequently influences the well-being of the dependent communities.*"

26. Despite this acknowledgement, the Draft MP seeks to pave the way for the development of certain of the 14 privately-owned erven which have not yet been developed:

26.1. Under "zonation", the area in which the 14 private erven are located has been zoned "development high" in terms of CapeNature's zoning classification for protected areas.

26.2. The Draft MP records that: "*Development inevitably modifies the environment. In order to accommodate all of the functions of MRNR, it is important that a certain level of change or modification be accepted*"[14]

27. The existing houses developed on Erf 318 and Erf 320 were constructed more than 100 years ago. The approach to environmental management has changed drastically since this time. MRNR has since been formally declared, and the Constitution has ushered in a high standard of environmental protection that requires the environment to be protected, for the benefit of present and future generations, through reasonable legislative and other measures that *inter alia* prevent pollution and ecological degradation and promote conservation. The presence of existing structures within the MRNR therefore cannot and should not be used as precedent for permitting further development, notwithstanding private ownership rights.

28. We are also of the view that permitting further development would be inconsistent with NEM:PAA, various policies, and the management aims of the Draft MP itself. We say this for the reasons set out in the following sections.

NEM:PAA

29. The purpose of protected areas is set out in section 17 of NEM:PAA, and included in the Draft MP.[15] The purposes include, *inter alia*:

29.1. Protecting ecologically viable areas representative of South Africa's biological diversity and its natural landscapes and seascapes in a system of protected areas;

29.2. Preserving the ecological integrity of those areas;

29.3. Preserving the biodiversity of those areas;

29.4. Protecting areas representative of all ecosystems, habitats and species naturally occurring in South Africa;

29.5. Protecting South Africa's threatened or rare species; and

29.6. Protecting an area which is vulnerable or ecologically sensitive

30. Development within MRNR is entirely inconsistent with the above purposes.

31. NEM:PAA provides that no development, construction or farming may be permitted in a nature reserve or world heritage site without the prior written approval of the management authority.[16] This is given further content by the *Regulations for the Proper Administration of Nature Reserves* published under NEM:PAA ("the NEM:PAA Regulations").[17] This means that whether or not development may occur

[14] Paragraph 8.2.7, Draft MP.
[15] Page 7, Draft MP.
[16] Section 50(5), NEM:PAA.
[17] GN R99 in *Government Gazette* 35021 of 8 February 2012.

within MRNR is entirely at the management authority's discretion, notwithstanding private ownership rights. The management authority is fully empowered to refuse development if it will compromise the purpose for which MRNR was declared.

32. We submit that given the critical ecological importance of MRNR at both a national and international level (it's being part of the UNESCO Cape Winelands Biosphere Reserve), as well as its hydrological importance as a SWSA, no further development of the private erven should be permitted by the Draft MP.

33. In this regard, we note that NEM:PAA contains mechanisms to facilitate the incorporation of privately-owned land into MRNR. Section 80 of NEM:PAA provides that the Minister, or the MEC (acting with approval of the relevant cabinet minister or Executive Council) may acquire private land, or any right in or to private land, which has been included in a provincial protected area, by (a) purchasing the land or right; (b) exchanging the land or right for other land or rights; or (c) expropriating the land or right in accordance with the Expropriation Act, 1975, and subject to section 25 of the Constitution, if no agreement is reached with the owner of the land or the holder of the right in or to the land.

34. Entering into a stewardship agreement, or invoking one of the mechanisms provided for in section 80 of NEM:PAA is preferable to permitting further development. This should be reflected in the Draft MP.

The National Water Act, 1998

35. Section 40(1)(b) of NEM:PAA requires MRNR to be managed in accordance with "other applicable national legislation". In this regard, the National Water Act, 1998 ("NWA") is relevant.

36. A person in control of land or who uses the land on which (a) any activity or process is or was performed or undertaken; or (b) any other situation exists, which causes, has caused or is likely to cause pollution of a water resource, must take all reasonable measures to prevent any such pollution from occurring, continuing or recurring.

37. The management authority of MRNR (which we have been advised is Stellenbosch Municipality), as the entity in control of MRNR, has a duty of care towards water resources within MRNR, particularly given its status as a SWSA, as well as the presence of sensitive, good condition wetland systems on the 14 privately-owned erven. Development, particularly on the 14 privately-owned erven, stands to impact and cause pollution to sensitive watercourses. Further detail in this regard is provided in Dr. Day's Report.

38. Permitting development within MRNR would be inimical to the duty of care owed by the management authority. This is further reason why no development should be permitted by the Draft MP within MRNR.

Applicable policies

39. The Draft MP correctly identifies that it must be developed within a policy framework, as required by section 41 of NEM:PAA.

40. However, while Section 7 of the Draft MP purports to outline this framework, the relevant policies are only briefly mentioned, and no detail is provided regarding how the management measures and objectives proposed align with the relevant policies.

41. We note however that there are in fact several policies with which development in MRNR, as provided for in the Draft MP, is not consistent. These include:

The *Integrated Development Plan, 2020*:

41.1. The IDP notes that the concept for spatial development and management of the Municipality comprises seven key tenets, including to "*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*."[18]

41.2. The maintenance and growth of the assets of the natural environment is recognised as a strategy policy. This requires: *"[A]s far as is possible, protect[ing] and expand[ing] priority conservation areas, establish[ing] ecological linkages, and preserv[ing] high-potential agricultural land within the municipality*."[19]

41.3. A Strategic focus area identified by the IDP is a "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 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*."[20]

41.4. It is clear from the above that preservation and retention of Stellenbosch Municipality's natural assets, and particularly conservation areas such as MRNR, are key focus areas of the IDP. Development is therefore contrary to what is envisaged by the IDP for areas including MRNR.

Stellenbosch Environmental Management Framework

41.5. The SEMF identifies MRNR as an A.a area. As such, the SEMF requires that the management plans for a protected area system must make provision for the following:

(i) Effective integration of reserves with their surrounding environments, which could be achieved through the establishment of SMAs (Special Management Areas) and/or Stewardship agreements.

[18] Page 64, IDP.
[19] Page 68, IDP.
[20] Pages 85 and 86, IDP.

(ii) Appropriate management of ecological corridors that link the statutory conservation areas.

(iii) Appropriate management of private land that forms part of the ecological corridors and sustainable use of resources, to be achieved through inter alia the establishment of SMAs and/or Stewardship agreements.

41.6. The SEMF clearly contemplates stewardship agreements for private land forming ecological corridors. This supports our comment that alternative mechanisms for incorporating the privately-owned erven into MRNR should be considered rather than permitting development thereon. The policy objectives of the SEMF have not been taken into account in the Draft MP.

Cape Winelands Biosphere Reserve Spatial Development Framework Plan, 2011

41.7. As recorded in the Draft MP, MRNR is located within the core of the Cape Winelands Biosphere Reserve. Regarding the core, the SDFP notes that "*The primary conservation objectives of the designated core area determine the uses and activities allowed within its boundary. The dominant land use pattern and associated activities in the relevant nature reserves mainly focus on the [inter alia] a) Maintenance of natural processes by ensuring that natural, physical and ecological processes operate without interference to the extent possible.*"[21]

41.8. Further, "*SPC A.a and A.b indicate the core areas of the Biosphere Reserve. In terms of the classification and management criteria of SPC A.a, no development whatsoever would be allowed… Whilst legislation may be in place to protect sensitive landscapes, vigilance is required to ensure that inappropriate decisions are not taken pertaining to their use*."[22]

41.9. Finally, "*Integral to the conservancy strategy, is the Stewardship Program initiated by CapeNature. This program makes provision for the conservation of specific areas in terms of various options and formal agreements*."[23]

41.10. It is clear that in terms of the SDFP, development in core areas, and areas designated as SPC A.a areas (including MRNR), is entirely undesirable. The SDFP also emphasises stewardship agreements as a mechanism to promote conservation in such areas.

41.11. Development as provided for by the Draft MP is therefore inconsistent with the policy objectives of the SDFP, and this has not been taken into account in the Draft MP.

The Spatial Development Framework for Stellenbosch Municipality

41.12. The SDF identifies MRNR as a Core 1a area. In this regard, the protective action stipulated in the SDF is to *"maintain Core (and to an extent Buffer) areas largely as "no-go" areas from a development perspective, only permitting non-consumptive activities (for example, passive outdoor recreation and tourism, traditional ceremonies, research and*

[21] Page 75, SDFP.
[22] Page 95, SDFP.
[23] Page 104, SDFP.

environmental education)… Provide active support for Stewardship Programmes…which protect and expand biodiversity and nature areas."[24]

41.13. Development in MRNR is therefore contrary to the strategic objectives of the SDF, which also promotes the use of stewardship agreements. This has not been taken into account in the Draft MP.

Development in terms of the Draft MP cannot be considered in the absence of a detailed infrastructure development plan and accompanying design guidelines

42. Our view, informed by the ecological sensitivity of MRNR and the legislative and policy context detailed above, is that no further development of the 14 privately-owned erven in MRNR should be permitted by the Draft MP. However, if development is contemplated (as it currently stands), the Draft MP has not provided detailed development guidelines in terms of which the management authority can evaluate whether proposed development may occur.

43. In terms of the *guidelines for management of the man-made environs*, the Draft MP requires that development within MRNR "fits with the scale, landscape and use of the area."[25] However, no finer-scale infrastructure development plan or design guidelines are provided which will guide the management authority as to what 'fits the scale, landscape and use' of the area.

44. In this regard, we draw your attention to the *Norms and standards for the management of protected areas in South Africa*[26] which haven't been mentioned or taken into account at all in the Draft MP. Norm 11.1 requires that the protected area has an approved management plan in place that is consistent with the objectives of the Act for the purpose it was declared. The applicable standard requires that an infrastructure development plan (concept development plan), subject to the zoning plan, is included in the management plan where development is to be considered. No such plan has been included in the Draft MP.

45. We point out further that in terms of section 41(4) of NEM:PAA, a management plan may contain subsidiary plans. A plan relating to infrastructure development, which includes detailed design guidelines for any structure developed on the 14 privately-owned erven, should have been included in the Draft MP. It is therefore not possible to comment on the appropriateness of the criteria that will inform the management authority's decision in terms of section 50 of NEM:PAA (and other applicable legislation).

46. If development is to be catered for in the Draft MP, then a detailed infrastructure development plan, including design guidelines developed by an appropriately qualified landscape architect, must be developed, and our client must be afforded an opportunity to comment, prior to finalisation of the Draft MP.

[24] Page 64, SDF.
[25] Page 46, Draft MP.
[26] GN 382 in *Government Gazette* 39878 of 31 March 2016.

47. We now proceed to briefly comment on the most relevant aspects of the Draft MP that have not been specifically commented on above.

e) Specific comments on relevant paragraphs of the Draft MP

48. Paragraph 1

48.1. We note the aims of the Draft MP.

48.2. We do not think that facilitating further development of the 14 privately-owned erven within MRNR is consistent with these aims.

49. Paragraph 2.2.2

49.1. We note the contents of the Draft MP regarding environmental integrity.

49.2. We agree that the primary threat to environmental health is fragmentation of community-supporting ecosystems. Further development of the 14 privately-owned erven within MRNR constitutes such a threat given the ecological and particularly hydrological importance of these erven.

49.3. Critically, fragmentation and associated impacts as a result of inappropriate development are not listed or dealt with as an "Environmental Threat" under section 7.7 of the Draft MP.

50. Paragraph 2.4

50.1. We note the management objectives of the Draft MP.

50.2. Further development of the 14 privately-owned erven within MRNR is inconsistent with the objectives of both "water conservation" and "nature conservation" given the ecological sensitivity of the MRNR and wetland ecosystems on the erven in question.

51. Paragraph 4.1

51.1. We have been advised that the 14 erven are zoned "conventional residential."

51.2. All undeveloped erven should be incorporated into MRNR, not just those that are 'unsold'.

52. Paragraph 5.3

52.1. We note the contents of the Draft MP insofar as they relate to the importance of MRNR as a SWSA.

52.2. Further development of the 14 privately-owned erven within MRNR may compromise the integrity of the wetland ecosystem present on these erven,[27] and ultimately the Du Toit's River catchment.

[27] See page 4, Dr Day's Report.

53. Paragraph 7.1.2.2

53.1. The Draft MP fails to make mention of the principles contained in section 2 of the National Environmental Management Act, 1998 ("NEMA"). These principles guide all decision-making relating to the environment and must be included in the Draft MP.

53.2. The following principles are of particular relevance:

- That the disturbance of ecosystems and loss of biological diversity are avoided, or, where they cannot be altogether avoided, are minimised and remedied;
- That a risk-averse and cautious approach is applied, which takes into account the limits of current knowledge about the consequences of decisions and actions;
- Decisions must take into account the interests, needs and values of all interested and affected parties, and this includes recognising all forms of knowledge, including traditional and ordinary knowledge;
- Decisions must be taken in an open and transparent manner, and access to information must be provided in accordance with the law; and
- Sensitive, vulnerable, highly dynamic or stressed ecosystems, such as coastal shores, estuaries, wetlands, and similar systems require specific attention in management and planning procedures, especially where they are subject to significant human resource usage and development pressure.

54. Paragraph 7.1.2.9

54.1. Section 59(4) of SPLUMA mentioned in this section does not exist. We are unsure about the origins of this legislative provision. It must be corrected in the final plan.

55. Paragraph 7.1.4 and 7.1.5

55.1. We have already stated above that while relevant policy documents are listed in this section of the Draft MP with brief summaries as to what they deal with, there is no explanation or consideration of how the policy objectives will be fulfilled by the Draft MP or how the policies have been taken into account in the preparation thereof.

55.2. Section 39(4) of NEM:PAA specifically requires any applicable aspects of the IDP (which includes the SDF) to be taken into account by the Draft MP, and section 41(2)(b) requires the Draft MP to contain a co-ordinated policy framework. The Draft MP, as it currently stands, does not fulfil either of these two legislative requirements. Further detail regarding how the management objectives and action items align with applicable policies is required.

55.3. As we've already stated above, further development of the 14 privately-owned erven within MRNR is inconsistent with at least the IDP, SDF, SEMF, and SDFP.

56. Paragraph 7.3

56.1. We note the importance of MRNR as part of a system of protected areas.

56.2. This importance is undermined by provision in the Draft MP of further development of the 14 privately-owned erven within MRNR.

57. Paragraph 7.5

57.1. We have already noted the deficiency of information in the Draft MP regarding the assignment of the Municipality as management authority of MRNR, as well as the relationship between the Municipality and 'Friends of MRNR' in relation to "specific management activities".

57.2. More detail regarding the lawfulness of the assignment and the management relationship with 'Friends of MRNR' (presumably in terms of a co-management agreement in terms of section 42 of NEM:PAA) is required in the final management plan.

57.3. We are not in a position to comment meaningfully thereon based on the current information.

58. Paragraph 7.7

58.1. Critically, undesirable development within MRNR is not listed as an environmental threat under this section. For the reasons set out already in this comment, it must be included in this section.

59. Paragraph 8

59.1. This section notes that a costing plan will be included in Section 9 of the Draft MP. No costing plan has however been included. Section 41(2)(d) of NEM:PAA requires that a costing plan be included. This must be rectified, and we reserve our client's rights to comment thereon in due course.

60. Paragraph 8.2.5

60.1. We note the contents of this section, particularly the following:

"*Land-use patterns largely influence the maintenance of water yield. Interference with the natural conditions in mountain catchment areas, e.g. draining, canalising or cultivating areas such as vleis, seepage areas, riparian areas and streambed alluvium, is detrimental to the proper functioning of a catchment*."

60.2. For the reasons set out above, and particularly in light of MRNR's status as a SWSA, and Dr. Day's findings in relation to the wetland ecosystem present on the 14 privately-owned erven and its contribution to the greater catchment, any further development of the 14 erven is undesirable. In fact, provision in the Draft MP for development is entirely at odds with the Draft MP's recognition of the importance of maintaining the water yield and interfering with the natural condition of the mountain catchment.

60.3. No further development of the 14 erven should be provided for. "Prevent further development within watercourses" ought to be included under "Actions / Implementations."

61. Paragraph 8.2.7

    61.1. We have already set out the reasons why any further development of the 14 privately-owned erven should not be permitted nor provided for in the Draft MP.

    61.2. However, to the extent that it is, Action Item 30, "[E]*nsure that development within MRNR fits with the scale, landscape and use of the area*," provides insufficient guidance as to the criteria which the management authority will consider when deciding whether to permit development in terms of section 50 of NEM:PAA (and other applicable legislation). In this regard, a detailed infrastructure development plan and design guidelines to guide decisions regarding development must be prepared as part of the management plan.

    61.3. Our client must be provided an opportunity to comment on a development plan and guidelines.

62. Paragraph 8.1.3

    62.1. Only the two erven currently developed (Erf 318 and Erf 320) should be zoned "Development (Management)". The remaining erven should be zoned "Primitive" in line with other undeveloped land in MRNR.

63. Paragraph 8.3.6

    63.1. For the reasons set out in these comments, no development should be permitted in MRNR.

    63.2. If the management authority elects to proceed with inclusion of development in the Draft MP, then a comprehensive infrastructure development plan and design guidelines must be prepared as part of the management plan, and our client must be granted an opportunity to comment on its contents.

f) Conclusion

64. The above comprise our client's comments on the Draft MP.

65. We look forward to receiving a copy of the management plan, once finalised, and trust that these comments will be taken into account.

66. To the extent that we believe further information is required (specifically an infrastructure development plan and design guidelines) we look forward to hearing from you regarding whether you intend to prepare the necessary plan, and if so, for our client to be provided with an opportunity to comment thereon.

Yours sincerely

CULLINAN & ASSOCIATES INC.



per: Kate Handley

ANNEXURE D

MONT ROCHELLE NATURE RESERVE AREA ENVIRONMENTAL MANAGEMENT PLAN (FEBRUARY 2021)

Comment on Draft Document

Comment	Response
7 June 2021 - **Mont Rochelle Nature Reserve Advisory Board**	
The Reserve was proclaimed under the Nature Conservation Ordinance 19 of 1974, which, as amended, is still in force. Section 8 (1) obliges the local authority to appoint an advisory board. Advisory boards for local nature reserves – (1) As soon as a local nature reserve has been established, the local authority concerned shall appoint an advisory board for the purpose of advising and making recommendations to it in connection with the management, control and development of such reserve"	Noted and agreed. The Mont Rochelle NR Advisory Board current and future role in the management of the NR is acknowledged. Stellenbosch Municipality is investigating the possibility of the establishment of Friends Groups for the various reserves / nature areas. It might just be that the existing Advisory Board conforms to the latter should it be adopted and introduced.
P33: "The current and future arrangement pertaining to the Management Authority is based upon Sections 38, 42 and 44 of the NEM:PAA". We submit that these sections should be read in conjunction with Section 8(1) of the ordinance.	Agreed.
Introduction P7, pp2: We accept that the Municipality will (and does) act as the "Management Authority" and that this does not need to be established, but we are of the opinion that the status quo as it stands should be highlighted, namely that the "Mont Rochelle Advisory Board" as proclaimed by the Municipality has for years and still does manage the Nature Reserve conscientiously and efficiently on behalf of the Management Authority, namely the Stellenbosch Municipality.	See above response.
Conclusion P10: It is stated that this Management Plan "presents an opportunity for all concerned to participate in the long-term management of the area". This we do not dispute; however, it has been the status quo for decades. As the Advisory Board is a voluntary body with no remuneration paid to the individuals, it has been exceedingly difficult to encourage a broad representation of the people of the area to offer their services.	Noted.
P22. "Dialogue amongst all stakeholders, participatory planning and institutional flexibility are, therefore, essential to plan and manage effectively". The Advisory Board is pleased to note this!	Noted.
P36. "Whilst Stellenbosch Municipality is responsible for the general maintenance of the area and the implementation of the EM, it will rely on	Noted and agreed. There is no intention to do away with the

the Friends of MRNR for specific management activities as required or where the Municipality is limited through capacity constraints". The present Advisory Board notes this; and clearly states that this is exactly what the present Advisory Board is fulfilling.	Advisory board, but to make sure it conforms to all applicable legislation (environmental and financial) and possibly continue as the Friends of Mont Rochelle NR.
P52. "Guidelines for management access control". Possibly the best proposals in the report. But we note that substantial infrastructural investment will have to be budgeted for.	Noted and agreed. Stellenbosch Municipality is in the process of upgrading the NR entrance off Franschhoek Pass.
Overall requirements: To achieve all that has been proposed will require highly paid professionals or a down scaling of the objectives. And the voluntary Advisory Board, as it stands, goes a long way to providing this to enable the Municipality to achieve its objectives	Noted.
P14. No mention of swapping privately-owned erven in visible positions for ones in less visible definitions is made.	It is not the intention / purpose of the EMP to guide this (private erven) process. The EMP designate the relevant area as per the inherent development rights, no more.
P14, pp1: It is not true to say an "Undetermined number of tourists" visit the reserve. The Advisory Board has figures which show that annually, in excess of, 13000 people visit the NR.	Noted. Correction made in the document.
P14, pp3: This needs to be revisited as it gives the impression that the 'Uitkyk' trail has been confused with the 'Perdekop' trail and as a result one of these has been left out.	Noted.
P15. Cat's Path monument is located where the Holloway Pass & Cat's Path intersect. It includes the tracks of the post wagon that travelled throughout the country as part of the 1952 van Riebeeck Festival.	Noted.
P17. Most of Franschhoek's water now comes from Wemmershoek Dam and NOT Mont Rochelle.	Noted and agreed.
Define what the "Stellenbosch Protected Areas Forum" is and who serves on it.	The Stellenbosch Protected Areas Forum is a forum lead by the Stellenbosch Municipality, Community Services, Environmental Management Section. It's intended purpose is to bring together the different role-players in environmental management (organs of state, organizations and

	landowners) to share knowledge on the realities related to- and best practice environmental management.
P37. Table2 Actions/Implementation: All of these are already being carried out by the present Advisory Board, except for the budgetary item, which it is well qualified to do.	Noted.
P38. Table 3: The Advisory Board fulfills most of these items.	Noted.
P50. High Development zone on the map encompasses all erven, whereas the report earlier states that most will be de-proclaimed.	Yes. The investigation as to the way forward dealing with the potential development of private erven has not been concluded. Once this project has been concluded the remainder of the undeveloped erven will be deproclaimed and the zoning map amended accordingly.
4 August 2021 - **Mont Rochelle Nature Reserve Advisory Board**	
Staffing: The EMP is silent on the future role of the staff currently employed at the reserve and only refers to the need for rangers.	The role of current staff will remain or adjusted as per the roles defined in the EMP.
Law Enforcement: Current staff cannot act against persons insisting on entry without a permit. When reported to law enforcement there are no consequences for culprits.	Noted. Stellenbosch Municipality is in the process of upgrading the NR entrance off Franschhoek Pass. This will allow for 24h security at the main gate entrance.
Traffic Enforcement: On weekends there are often cars parked along the pass as there is limited parking at the reserve entrance. This dangerous situation needs to be managed by the Traffic or Law Enforcement Departments.	Noted.
Alien Clearing: The advisory board spends large sums on alien clearing but cannot properly report this with reference to the municipality's Alien Clearing Plan as it doesn't have access to the shape files corresponding to the blocks identified in the plan.	Noted. The Advisory Board is urged to make direct contact with the Environmental Planning Section under Community Services to include all alien clearing information in the relevant GIS database.

Erf Swaps: The Advisory Board has not been informed of the progress of this process which makes it difficult to respond to frequent questions regarding development rights in the reserve.	Noted.
New Gate House: The Draft EMP is silent on this development and managing its impact on the reserve.	Noted. Stellenbosch Municipality is in the process of upgrading the NR entrance off Franschhoek Pass. This development will improve the image of the NR as well as access control and overall security.
Vandalism and Security: Security of the gate house and vandalism of associated infrastructure are constant problems. Few viable solutions seem to present themselves without a 24hr presence in the reserve. In the interim it remains critical that immediate remedial action is undertaken after incidents.	Noted and agreed. Stellenbosch Municipality is in the process of upgrading the NR entrance off Franschhoek Pass. This will allow for 24h security at the main gate entrance.
7 June 2021 - **Professor Chris Brink** (Co-owner)	
I am writing in response to your advertisement in the Eikestadnuus in May, calling for comment on the Draft Environmental Management Plan (EMP) for the Mont Rochelle Nature Reserve. I write on behalf of myself and my sister, Mrs CJ Swiegers, as co-owners of Erf 324, located on the western side of Mont Rochelle and overlooking the Franschhoek valley.	Noted.
By way of background, we mention the following: For the past 10 years we have been trying to negotiate with successive political and administrative leaders at Stellenbosch Municipality an equitable agreement to return Erf 324 to the ownership of the Municipality, in exchange for suitable corresponding land holding either in Mont Rochelle or elsewhere on other land at the disposal of the Municipality. During late 2016 matters progressed to the point where the Municipality offered, via their legal representatives at that time, VGV Mohohlo Inc Attorneys, to exchange Erf 324 (of size 2,380m2) with 4 other erven on the eastern side of Mont Rochelle, these 4 other erven collectively also measuring 2,380 m2.We wrote back (5 January 2017) to say that the principle of exchange was welcomed, and agreeable, but that the details of the proposed exchange were not optimal, not for us as private owners in Mont Rochelle and not for the Municipality either, for ecological reasons. We proposed that the Municipality should consider a small eco-development as was comprehensively detailed in a 2013 report by Dennis Moss Partnership. Failing that, however, we expressed our willingness to exchange Erf 324 with Erven 382, 383, 384 and 385 (collectively equal in size to Erf 324 at 2,380m2). We place it on record that we never received a response from the Municipality to this proposal. We now see in the Draft EMP for Mont Rochelle that the matter of resolving the issue of private ownership of erven in Mont Rochelle has not progressed, and is still not addressed. We	Noted.

draw attention again to the fact that, as acknowledged in the Draft EMP paragraph 4.1 (page 13): *There are no limiting conditions that exempt the Council from providing services and prevents the owners from constructing any buildings.* We wish like to repeat our offer as set out in our letter of 5 January 2017 to exchange Erf 324 for Erven 382, 383, 384 and 385 (or, failing that, for an equitable exchange of Municipal land elsewhere).	
We hope that this time we may expect favourable consideration of this proposal, and the courtesy of a response. We note from the Draft EMP that the Municipality proposes to deproclaim the unsold private erven. We submit that such deproclamation cannot and should not be done until such time as the current private owners, including ourselves, have received a response from the Municipality regarding the 2016/17 proposals for equitable land exchange, and the matter of private ownership has finally been resolved.	Noted. Agree. The Draft Mont Rochelle EMP acknowledges the existence of the private erven by way of including / depicting them in the zoning map (Cape Nature zoning classification). The EMP does not give or take away the rights vested in these properties, nor does it make a recommendation on how the process you've referred to should be concluded. It does envisage, though, that once such a process is concluded all remaining erven should be consolidated into the remainder of the nature reserve. The latter is what the relevant section (item 4.1, page 13) refers to.
25 June 2021 - **Cullinan & Associates** (comment received after closing date, extension granted following a request for extension).	
1. We refer to the above Draft Management Plan ("the Draft MP") for Mont Rochelle Nature Reserve ("MRNR") and our correspondence of 3 June 2021, and confirm that we act for Reside Properties (Pty) Ltd, the owner of Erf 318, Franschhoek, located within the MRNR.	Noted.
2. This letter comprises our client's comments on the Draft MP, submitted today, 25 June 2021, as agreed.	Noted.
3. As correctly identified in the Draft MP, MRNR was proclaimed in 1982 as a local nature reserve in terms of the Nature and Environmental Conservation Ordinance, 1974. It forms part of the Boland Biosphere Reserve, portions of which fall within the Cape Floristic Region World Heritage Site ("CFWHS"), inscribed on the list of UNESCO World Heritage Sites in 2004 and formally declared as such by the then Minister of Environmental Affairs on 30 January 2009.	Agreed.

4. Our client supports the preparation of the Draft MP. However, it is concerned that the Draft MP opens the door for further development within MRNR in respect of the 14 privately-owned erven that is not only contrary to the management objectives detailed in the Draft MP but is contrary to the legislated purpose for which the MRNR has been declared and various policies applicable to MRNR.	Noted. Disagree. The EMP does not give, add or provide any further rights to develop the private erven that have not existed prior to the drafting thereof.
5. Our comments on the Draft MP are structured as follows: 5.1. Firstly, we address certain procedural issues relating to preparation and notification of the Draft MP; 5.2. Secondly, we highlight the importance of MRNR, and particularly the 14 privately-owned erven from an ecological, and particularly a hydrological perspective; 5.3. Thirdly, we provide our comment on why the Draft MP should adopt a robust approach with regards to preventing further development of the 14 erven; and 5.4. Fourthly, we provide our comment on sections of the Draft MP we deem most relevant. We have not commented on each and every section.	Noted.
6. The MRNR existed as a nature reserve prior to the commencement of the National Environmental Management: Protected Areas Act, 2003 (NEM:PAA). Accordingly, the deeming provisions of section 23(5) apply, namely that if an area was a nature reserve immediately before section 23 took effect, it must be regarded as having been declared as such in terms of section 23.	Section 92(2) of NEM:PAA provides that an organ of state managing a protected area prior to the commencement of NEM:PAA must continue to do so until management of the protected area is assigned to it. In this case Stellenbosch Municipality is also the landowner.
7. Section 38(2) of NEM:PAA provides that an MEC must assign the management of a nature reserve to a suitable person, organisation or organ of state. However, section 92(2) provides that an organ of state managing a protected area prior to the commencement of NEM:PAA must continue to do so until management of the protected area is assigned to it or another management authority.	Section 92(2) of NEM:PAA provides that an organ of state managing a protected area prior to the commencement of NEM:PAA must continue to do so until management of the protected area is assigned to it. In this case Stellenbosch Municipality is also the landowner.
8. There is no explanation in the Draft MP regarding whether Stellenbosch Municipality has been assigned as the management authority of MRNR, with the power to develop the Draft MP in accordance with section 39(2), and whether it holds this power in terms of the deeming provisions above.	The draft EMP clearly states that Stellenbosch Municipality is responsible for the management of Mont Rochelle NR.

9. Paragraph 7.5 of the Draft MP states that: "*the Municipality is acting in the capacity as Management Authority for MRNR. The current and future arrangement pertaining to the Management Authority is based upon Sections 38, 42 and 44 of the NEM:PAA…The Municipality in turn relies on the Friends of the MRNR group for specific management activities as required*."	Noted.
10. Further detail is required in the Draft MP regarding the nature of the assignment of authority to Stellenbosch Municipality, and consequently the co-management agreement which must be concluded in terms of section 42 of NEM:PAA with "Friends of the MRNR" if the latter is to be delegated management powers for MRNR.	Disagree. This information is not available until such time as the investigation into the structure of the proposed Friends Group is concluded.
11. In email correspondence of 31 May 2021, we were advised that notice of the Draft MP being available for comment was published in the Eikestad Nuus on 20 May 2021, and that notice was further placed on the Municipality's website.	Noted.
12. Given that one of the aims of the Draft MP is "*Striving for recognition by all the people of Franschhoek that Mont Rochelle Nature Reserve is 'their' property to enjoy in a spirit of community*," and the emphasis on the management of MRNR for the benefit of people who use it, we are of the view that wider publication of the Draft MP was necessary.	Noted.
13. At the very least, notice of the availability of the Draft MP for comment ought to have been appended to the reserve gate, so that those visiting the MRNR would be aware of its publication. To the best of our knowledge, this was not done.	Noted.
14. Section 39(3) of NEM:PAA also requires that when preparing a management plan for a protected area, the management authority concerned must consult municipalities, other organs of state, local communities and other affected parties which have an interest in the area. There is no evidence in the Draft MP that this has been done, and we request that this detail be included in the final management plan.	Noted and agreed. The relevant organs of state will be contacted directly for comment prior to the EMP being finalized.
15. There is no doubt that MRNR is an area of unique biodiversity and ecological sensitivity. The Draft MP records that, "*MRNR is located in the Cape Floral Kingdom, an area of global biodiversity significance. The reserve conserves a unique combination of habitats, ecosystems and species*." The ecological importance and sensitivity of MRNR is well-documented in the Draft MP.	Noted.
16. Various policies also document the ecological importance of MRNR and the conservation status it is afforded: 16.1. At page 30 of the Draft MP, the MRNR is correctly identified as an A.a area in terms of the *Stellenbosch Environmental Management Framework, 2018* ("SEMF"), which defines A.a areas as: "*Areas designated in terms of legislation for biodiversity conservation, defined categories of outdoor recreation and non-consumptive resource use. Conservation purposes are purposes normally or reasonably associated with the use of land*	Correct, any development in the reserve or private erven, should therefor be done with the utmost care.

for the protection of the natural and/or built environment, including the protection of the physical, ecological, cultural and historical characteristics of land against undesirable change." 16.2. The *Cape Winelands Biosphere Reserve Spatial Development Framework Plan* ("SDFP") approved by the Cape Winelands District Municipality on 29 March 2011, records6 that MRNR forms part of the core of the Biosphere Reserve. 16.3. The *Stellenbosch Municipality Spatial Development Framework, 2019* ("SDF") identifies MRNR as a Core 1a area.	
17. The restoration, protection, and conservation of MRNR from the perspective of preserving natural heritage, biodiversity, and creating shared responsibility for present and future generations is also amplified through the aims of the Draft MP as well as the vision of the Draft MP.	Correct.
18. The Draft MP acknowledges that: "*the Table Mountain sandstone formation* [which comprises MRNR] *is one of the most important underground water carriers in South Africa, this also applies to MRNR. Its fountains are in general perennial in times of drought and the water quality is excellent. Franschhoek's domestic water source has for more than a decade been the mountain stream and fountains of the Perde gorge, all of which is directly derived from the MRNR*."	Correct.
19. The Draft MP notes further that the MRNR falls within a Strategic Water Source Area ("SWSA"). The Draft MP acknowledges that: "*Investing in Strategic Water Source Areas is also an important mechanism for long-term adaptation to the effects on climate change on water provision growth and development. The importance of managing this small fraction of land that contributes so vitally to our water security should be acknowledged at the highest level across all sectors*."	Correct.
20. The importance of the freshwater hydrology of MRNR as a whole is therefore common cause.	Agreed.
21. On 12 May 2021, a site visit was conducted by Dr. Liz Day, a specialist river and wetland consultant, with a view to establishing the presence of any watercourses on or in the vicinity of the 14 private erven in particular, and specifically Erf 325, Franschhoek, which we are advised the owner wishes to develop, and the nature and extent of those watercourses (if any). A copy of Dr. Day's report is included under cover hereof.	Noted.
22. Dr. Day notes that the MRNR is located in the Hottentots-Holland Mountain Catchment Area, and she finds as follows: "*A large wetland seep extends down the mountain slopes north of Erf 24…the wetland is a perennial seep. The wetland is currently used to supply water for the two developed erven on Mont Rochelle (Erf 318 and 320), as well as potentially for municipal use, on the basis of the piped abstraction system evident further upstream. At the base of the slope, just west of*	Noted. An applicant for building-plan approval will have to acquire the necessary approvals in terms of the National Water Act and/or National Environmental

Erf 318 and 325, the wetland flattens out and widens, forming a broad wetland, characterized by dense indigenous Wachendorfia thyrsiflora, Restio paniculatus (previously known as Calopsis paniculata), bracken fern and other plants typical of mountain fynbos wetland conditions. The wetland is fragmented by the access road to Erf 318, which crosses over the wetland. Prior to construction of the road, it is assumed that the wetland would have spread out over parts of Erf 318 and 325, both of which have however been at least partially infilled; Today the wetland narrows downslope of the road crossing, and is then impounded, forming a small open-water pool, edged by indigenous wetland plants, including the dominant Restio paniculatus. A small channel conveys flows out of the pool, and back into the seep, which passes down the slope towards the Du Toits River in the valley below; The wetland seep described above is in relatively good condition, despite fragmentation, abstraction and localized disturbance. It would be assessed as in a Present Ecological State (PES) Category B overall condition, although in its reaches in the direct vicinity of Erf 318 and Erf 325 it could be categorised as a more impaired PES Category B/C; It is considered sensitive to changes in water quality (e.g. increased nutrients or changes in pH) and would also be sensitive to activities that caused concentration of flows down steep vegetated slopes and /or diverted flows out of the seep."	Management Act or any other legislation which may apply.
24. It is therefore evident that at a finer scale, and specifically in relation to the 14 privately-owned erven, there exist watercourses of importance which contribute to the overall integrity of MRNR as a SWSA.	Agreed.
25. Paragraph 2.2. of the Draft MP notes that: "*The manner in which human settlements are developed, therefore, has an immense impact on the quality and integrity of the environment as a totality… From a natural environmental perspective, ecological integrity is a key factor in the sustainable development equation…Fragmentation generally leads to a cycle of environmental degradation, which subsequently influences the well-being of the dependent communities.*"	Correct. Any development in the reserve, whether it is to upgrade the gatehouse or development on private erven, should therefore be done with the utmost care.
26. Despite this acknowledgement, the Draft MP seeks to pave the way for the development of certain of the 14 privately-owned erven which have not yet been developed: 26.1. Under "zonation", the area in which the 14 private erven are located has been zoned "development high" in terms of CapeNature's zoning classification for protected areas. 26.2. The Draft MP records that: "*Development inevitably modifies the environment. In order to accommodate all of the functions of MRNR, it is important that a certain level of change or modification be accepted"*	Not an accurate statement. The Draft Mont Rochelle NR EMP does not "seek to pave the way for the development of certain of the 14 private-owned erven which have not been developed". It simply recognizes the rights for development vested therein. The Draft EMP cannot remove these rights.
27. The existing houses developed on Erf 318 and Erf 320 were constructed more than 100 years ago. The approach to environmental management has changed drastically since this time. MRNR has since	The declaration of the NR and other is recognised. It must, however be acknowledged,

been formally declared, and the Constitution has ushered in a high standard of environmental protection that requires the environment to be protected, for the benefit of present and future generations, through reasonable legislative and other measures that *inter alia* prevent pollution and ecological degradation and promote conservation. The presence of existing structures within the MRNR therefore cannot and should not be used as precedent for permitting further development, notwithstanding private ownership rights.	that the private owned erven are located on their own cadastral units with separate vested rights which cannot be ignored.
28. We are also of the view that permitting further development would be inconsistent with NEM:PAA, various policies, and the management aims of the Draft MP itself. We say this for the reasons set out in the following sections…	Noted. Disagree. This particular case is unique in that the erven consist of their own cadastral units with established rights.
31. NEM:PAA provides that no development, construction or farming may be permitted in a nature reserve or world heritage site without the prior written approval of the management authority. This is given further content by the *Regulations for the Proper Administration of Nature Reserves* published under NEM:PAA (NEM:PAA Regulations). This means that whether or not development may occur within MRNR is entirely at the management authority's discretion, notwithstanding private ownership rights. The management authority is fully empowered to refuse development if it will compromise the purpose for which MRNR was declared.	The private owned erven are located on their own / individual cadastral units. Agreed, any application for development on private erven will be evaluated accordingly.
32. We submit that given the critical ecological importance of MRNR at both a national and international level (it's being part of the UNESCO Cape Winelands Biosphere Reserve), as well as its hydrological importance as a SWSA, no further development of the private erven should be permitted by the Draft MP.	If done responsibly, development could be done with limited / acceptable impact on the surrounding environment. The Draft EMP cannot remove these rights vested in the private erven.
41. We note however that there are in fact several policies with which development in MRNR, as provided for in the Draft MP, is not consistent. These include The *Integrated Development Plan, 2020*: 41.1. The IDP notes that the concept for spatial development and management of the Municipality comprises seven key tenets, including to "*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*. 41.2. The maintenance and growth of the assets of the natural environment is recognised as a strategy policy. This requires: *"[A]s far as is possible, protect[ing] and expand[ing] priority conservation areas, establish[ing] ecological linkages, and preserv[ing] high-potential agricultural land within the municipality*." 41.3. A Strategic focus area identified by the IDP is a "green and sustainable valley" – "*There are*	Noted. In general, yes. The existence of the private erven, with vested rights, located within Mont Rochelle NR is, however, unique from the remainder of the WC024 area.

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 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." 1.4. It is clear from the above that preservation and retention of Stellenbosch Municipality's natural assets, and particularly conservation areas such as MRNR, are key focus areas of the IDP. Development is therefore contrary to what is envisaged by the IDP for areas including MRNR. Stellenbosch Environmental Management Framework 41.5. The SEMF identifies MRNR as an A.a area. As such, the SEMF requires that the management plans for a protected area system must make provision for the following: (i) Effective integration of reserves with their surrounding environments, which could be achieved through the establishment of SMAs (Special Management Areas) and/or Stewardship agreements. (ii) Appropriate management of ecological corridors that link the statutory conservation areas. (iii) Appropriate management of private land that forms part of the ecological corridors and sustainable use of resources, to be achieved through inter alia the establishment of SMAs and/or Stewardship agreements. 41.6. The SEMF clearly contemplates stewardship agreements for private land forming ecological corridors. This supports our comment that alternative mechanisms for incorporating the privately-owned erven into MRNR should be considered rather than permitting development thereon. The policy objectives of the SEMF have not been taken into account in the Draft MP. Cape Winelands Biosphere Reserve Spatial Development Framework Plan, 2011 41.7. As recorded in the Draft MP, MRNR is located within the core of the Cape Winelands Biosphere Reserve. Regarding the core, the SDFP notes that "*The primary conservation objectives of the designated core area determine the uses and activities allowed within its boundary. The dominant land use pattern and associated activities in the relevant nature reserves mainly focus on the [inter alia] a) Maintenance of natural processes by ensuring that natural, physical and ecological processes operate without interference to the extent possible.*" 41.8. Further, "*SPC A.a and A.b indicate the core areas of the Biosphere Reserve. In terms of the classification and management criteria of SPC A.a, no development whatsoever would be allowed… Whilst legislation may be in place to protect sensitive landscapes, vigilance is required to ensure that inappropriate decisions are not taken pertaining to their use*." 41.9. Finally, "*Integral to the conservancy strategy, is the Stewardship Program initiated by CapeNature. This program makes provision for the conservation of specific areas in terms of various options and formal agreements*." 41.10. It is clear that in terms of the SDFP, development in core areas, and areas designated as SPC A.a areas (including MRNR), is entirely undesirable. The SDFP also emphasises stewardship agreements as a mechanism to promote conservation in such areas. 41.11. Development as	In general, yes. The existence of the private erven, with vested rights, located within Mont Rochelle NR is, however, unique from the remainder of the WC024 area. Owners of the private erven located within Mont Rochelle NR may very well opt to enter into a Stewardship Agreement as per the SEMF.

provided for by the Draft MP is therefore inconsistent with the policy objectives of the SDFP, and this has not been taken into account in the Draft MP. The Spatial Development Framework for Stellenbosch Municipality 41.12. The SDF identifies MRNR as a Core 1a area. In this regard, the protective action stipulated in the SDF is to *"maintain Core (and to an extent Buffer) areas largely as "no-go" areas from a development perspective, only permitting non-consumptive activities (for example, passive outdoor recreation and tourism, traditional ceremonies, research and environmental education)… Provide active support for Stewardship Programmes…which protect and expand biodiversity and nature areas."* 41.13. Development in MRNR is therefore contrary to the strategic objectives of the SDF, which also promotes the use of stewardship agreements. This has not been taken into account in the Draft MP.	In general, yes. The existence of the private erven, with vested rights, located within Mont Rochelle NR is, however, unique from the remainder of the WC024 area.
42. Our view, informed by the ecological sensitivity of MRNR and the legislative and policy context detailed above, is that no further development of the 14 privately-owned erven in MRNR should be permitted by the Draft MP. However, if development is contemplated (as it currently stands), the Draft MP has not provided detailed development guidelines in terms of which the management authority can evaluate whether proposed development may occur.	Noted.
43. In terms of the *guidelines for management of the man-made environs*, the Draft MP requires that development within MRNR "fits with the scale, landscape and use of the area." However, no finer-scale infrastructure development plan or design guidelines are provided which will guide the management authority as to what 'fits the scale, landscape and use' of the area.	Yes, it is not the purpose of the EMP to provide a finer-scale infrastructure development plan. The development of architectural guidelines is a proposal / project considered by Stellenbosch Municipality separate to the EMP.
44. In this regard, we draw your attention to the *Norms and standards for the management of protected areas in South Africa* which haven't been mentioned or taken into account at all in the Draft MP. Norm 11.1 requires that the protected area has an approved management plan in place that is consistent with the objectives of the Act for the purpose it was declared. The applicable standard requires that an infrastructure development plan (concept development plan), subject to the zoning plan, is included in the management plan where development is to be considered. No such plan has been included in the Draft MP.	Noted, see comment above. The private erven located within Mont Rochelle NR are located on their own cadastral unit. The EMP is limited to the degree in which it can prescribe conditions of development of these properties. The development of architectural guidelines is a proposal / project considered by Stellenbosch Municipality separate to the EMP. This, if the proposal is accepted by Council, will be done with the input of the various property owners.

45. We point out further that in terms of section 41(4) of NEM:PAA, a management plan may contain subsidiary plans. A plan relating to infrastructure development, which includes detailed design guidelines for any structure developed on the 14 privately-owned erven, should have been included in the Draft MP. It is therefore not possible to comment on the appropriateness of the criteria that will inform the management authority's decision in terms of section 50 of NEM:PAA (and other applicable legislation).	Noted, see comment above. We must take into consideration that the erven located within the Mont Rochelle NR is private land.
46. If development is to be catered for in the Draft MP, then a detailed infrastructure development plan, including design guidelines developed by an appropriately qualified landscape architect, must be developed, and our client must be afforded an opportunity to comment, prior to finalisation of the Draft MP.	See comment above.
48. Paragraph 1 48.1. We note the aims of the Draft MP. 48.2. We do not think that facilitating further development of the 14 privately-owned erven within MRNR is consistent with these aims.	Noted.
49. Paragraph 2.2.2 49.1. We note the contents of the Draft MP regarding environmental integrity. 49.2. We agree that the primary threat to environmental health is fragmentation of community supporting ecosystems. Further development of the 14 privately-owned erven within MRNR constitutes such a threat given the ecological and particularly hydrological importance of these erven. 49.3. Critically, fragmentation and associated impacts as a result of inappropriate development are not listed or dealt with as an "Environmental Threat" under section 7.7 of the Draft MP.	Noted. The Municipality will have to ensure that appropriate development only is allowed to commence within the NR.
50. Paragraph 2.4 50.1. We note the management objectives of the Draft MP. 50.2. Further development of the 14 privately-owned erven within MRNR is inconsistent with the objectives of both "water conservation" and "nature conservation" given the ecological sensitivity of the MRNR and wetland ecosystems on the erven in question.	Noted. Disagree.
51. Paragraph 4.1 51.1. We have been advised that the 14 erven are zoned "conventional residential." 51.2. All undeveloped erven should be incorporated into MRNR, not just those that are 'unsold'.	Noted.
52. Paragraph 5.3 52.1. We note the contents of the Draft MP insofar as they relate to the importance of MRNR as a SWSA. 52.2. Further development of the 14 privately-owned erven within MRNR may compromise the integrity of the wetland ecosystem present on these erven, and ultimately the Du Toit's River catchment.	Noted.
53. Paragraph 7.1.2.2 53.1. The Draft MP fails to make mention of the principles contained in section 2 of the National Environmental Management Act, 1998 ("NEMA"). These principles guide all decision-making relating to the environment and must be included in the Draft	Noted.

MP. 53.2. The following principles are of particular relevance: - That the disturbance of ecosystems and loss of biological diversity are avoided, or, where they cannot be altogether avoided, are minimised and remedied; - That a risk-averse and cautious approach is applied, which takes into account the limits of current knowledge about the consequences of decisions and actions; - Decisions must take into account the interests, needs and values of all interested and affected parties, and this includes recognising all forms of knowledge, including traditional and ordinary knowledge; - Decisions must be taken in an open and transparent manner, and access to information must be provided in accordance with the law; and - Sensitive, vulnerable, highly dynamic or stressed ecosystems, such as coastal shores, estuaries, wetlands, and similar systems require specific attention in management and planning procedures, especially where they are subject to significant human resource usage and development pressure.	
54. Paragraph 7.1.2.9 54.1. Section 59(4) of SPLUMA mentioned in this section does not exist. We are unsure about the origins of this legislative provision. It must be corrected in the final plan.	Noted. Correction made in the document.
55. Paragraph 7.1.4 and 7.1.5 55.1. We have already stated above that while relevant policy documents are listed in this section of the Draft MP with brief summaries as to what they deal with, there is no explanation or consideration of how the policy objectives will be fulfilled by the Draft MP or how the policies have been taken into account in the preparation thereof. 55.2. Section 39(4) of NEM:PAA specifically requires any applicable aspects of the IDP (which includes the SDF) to be taken into account by the Draft MP, and section 41(2)(b) requires the Draft MP to contain a co-ordinated policy framework. The Draft MP, as it currently stands, does not fulfil either of these two legislative requirements. Further detail regarding how the management objectives and action items align with applicable policies is required. 55.3. As we've already stated above, further development of the 14 privately-owned erven within MRNR is inconsistent with at least the IDP, SDF, SEMF, and SDFP.	The EMP effect to the requirement that the planning and management of land units such as Mot Rochelle NR should be undertaken within the context of distinct planning / administrative levels (international level, national level, provincial level, regional level and the local level) and applicable policies and legislation.
56. Paragraph 7.3 56.1. We note the importance of MRNR as part of a system of protected areas. 56.2. This importance is undermined by provision in the Draft MP of further development of the 14 privately-owned erven within MRNR.	Noted. Disagree. If done correctly development on these properties should not affect the surrounding environment in a manner that is not acceptable.
57. Paragraph 7.5 57.1. We have already noted the deficiency of information in the Draft MP regarding the assignment of the Municipality as management authority of MRNR, as well as the relationship between the Municipality and 'Friends of MRNR' in relation to "specific management activities". 57.2. More detail regarding the lawfulness of the assignment and the management relationship with 'Friends of MRNR' (presumably in terms of a co-management agreement in terms of section 42 of NEM:PAA) is	Noted. See comment above.

required in the final management plan. 57.3. We are not in a position to comment meaningfully thereon based on the current information.	
58. Paragraph 7.7 58.1. Critically, undesirable development within MRNR is not listed as an environmental threat under this section. For the reasons set out already in this comment, it must be included in this section.	Noted. Agree. Inappropriate development has been included as a risk.
59. Paragraph 8 59.1. This section notes that a costing plan will be included in Section 9 of the Draft MP. No costing plan has however been included. Section 41(2)(d) of NEM:PAA requires that a costing plan be included. This must be rectified, and we reserve our client's rights to comment thereon in due course.	Noted. Agree. A costing plan has been included.
60. Paragraph 8.2.5 60.1. We note the contents of this section, particularly the following: "*Land-use patterns largely influence the maintenance of water yield. Interference with the natural conditions in mountain catchment areas, e.g. draining, canalising or cultivating areas such as vleis, seepage areas, riparian areas and streambed alluvium, is detrimental to the proper functioning of a catchment*." 60.2. For the reasons set out above, and particularly in light of MRNR's status as a SWSA, and Dr. Day's findings in relation to the wetland ecosystem present on the 14 privately-owned erven and its contribution to the greater catchment, any further development of the 14 erven is undesirable. In fact, provision in the Draft MP for development is entirely at odds with the Draft MP's recognition of the importance of maintaining the water yield and interfering with the natural condition of the mountain catchment. 60.3. No further development of the 14 erven should be provided for. "Prevent further development within watercourses" ought to be included under "Actions / Implementations."	Noted. Any development within the proximity of a watercourse / wetland is subject to the applicable legislation whether it is the National Environmental Management Act, the National Water Act or other.
61. Paragraph 8.2.7 61.1. We have already set out the reasons why any further development of the 14 privately owned erven should not be permitted nor provided for in the Draft MP. 61.2. However, to the extent that it is, Action Item 30, "[E]*nsure that development within MRNR fits with the scale, landscape and use of the area*," provides insufficient guidance as to the criteria which the management authority will consider when deciding whether to permit development in terms of section 50 of NEM:PAA (and other applicable legislation). In this regard, a detailed infrastructure development plan and design guidelines to guide decisions regarding development must be prepared as part of the management plan. 61.3. Our client must be provided an opportunity to comment on a development plan and guidelines.	Noted. See comment above. The development of architectural guidelines is a proposal / project considered by Stellenbosch Municipality separate to the EMP. This, if the proposal is accepted by Council, will be done with the input of the various property owners.
62. Paragraph 8.1.3 62.1. Only the two erven currently developed (Erf 318 and Erf 320) should be zoned "Development (Management)". The remaining erven should be zoned "Primitive" in line with other undeveloped land in MRNR.	Noted. Not possible.

63. Paragraph 8.3.6 63.1. For the reasons set out in these comments, no development should be permitted in MRNR. 63.2. If the management authority elects to proceed with inclusion of development in the Draft MP, then a comprehensive infrastructure development plan and design guidelines must be prepared as part of the management plan, and our client must be granted an opportunity to comment on its contents.	Noted. See comment above.

11.7	PLANNING :(PC: CLLR C VAN WYK (MS)

NONE

11.8	LOCAL ECONOMIC DEVELOPMENT AND TOURISM:(PC: CLLR R DE TOIT (MS)

NONE

11.9	RURAL MANAGEMENT: (PC: CLLR J WILLIAMS)

NONE

11.10	YOUTH, SPORT AND CULTURE: (PC: CLLR R ADAMS)

NONE

11.11	MUNICIPAL MANAGER

11.11.1	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) TERMS OF REFERENCE

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **23 March 2022 and 30 March 2022**

1. SUBJECT: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) TERMS OF REFERENCE

2. PURPOSE OF REPORT

For Council to approve the Municipal Public Accounts Committee (MPAC) Terms of Reference

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

In terms of Section 79 of the Structures Act, a municipal council may establish one or more Committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers and appoint the members of such Committee(s) from among its members.

Council at its meeting dated the 10 December 2022 established a new Municipal Public Accounts Committee (MPAC). Attached as **APPENDIX 1** find Council resolution of the establishment.

Section 79A of the Structures Act was amended (attached as **APPENDIX 2**) and became effective on the 1st of November 2021. This amendment added to the roles and responsibilities of the MPAC. This necessitated that a new terms of reference be drafted to comply with the amendment. This new terms of reference outlines the structure, roles, responsibilities, and functions of the MPAC. This will provide clear guidance for the MPAC in the execution of their duties. Attached as **APPENDIX 3** find the draft MPAC terms of reference for Council's approval.

5. RECOMMENDATIONS

(a) that Council approves the Municipal Public Accounts Committee (MPAC) Terms of Reference; and

(b) that Council notes the MPAC Annual Report Checklist.

6. DISCUSSION AND BACKGROUND

6.1 Background

Section 79A of the Structures Act was amended on the 1st of June 2021 and became effective on Municipalities on the 1st of November 2021. This amendment added to the roles and responsibilities of MPAC. This necessitated that a new terms of reference be drafted to comply with the amendment

6.2 The Local Government: Municipal Structures Amendment Act

Section 79A of the act was amended as follows:

Insertion of section 79A in Act 117 of 1998

29. The following section is hereby inserted in the principal Act after section 79:

''Establishment of municipal public accounts committee

79A. (1) A municipal council must establish a committee called the municipal public accounts committee.

(2) The mayor or executive mayor, deputy mayor or executive deputy mayor, any member of the executive committee, any member of the mayoral committee, speaker, whip and municipal officials are not allowed to be members of the municipal public accounts committee.

(3) The municipal council must determine the functions of the municipal public accounts committee, which must include the following:

(a) review the Auditor-General's reports and comments of the management committee and the audit committee and make recommendations to the municipal council;

(b) review internal audit reports together with comments from the management committee and the audit committee and make recommendations to the municipal council;

(c) initiate and develop the oversight report on annual reports contemplated in section 129 of the Local Government: Municipal Finance Management Act;

(d) attend to and make recommendations to the municipal council on any matter referred to it by the municipal council, executive committee, a committee of the council, a member of this committee, a councillor and the municipal manager; and

(e) on its own initiative, subject to the direction of the municipal council, investigate and report to the municipal council on any matter affecting the municipality.

(4) Reports of the municipal public accounts committee must be submitted to the speaker who must table such reports in the next meeting of the municipal council.

(5) (a) For the purposes of this section 'audit committee' means the audit committee envisaged in section 166 of the Local Government Municipal: Finance Management Act.

(b) Each municipality and each municipal entity must establish an audit committee in accordance with that section.''.

6.3 Financial Implications

As per the approved budget.

6.4 Legal Implications

The recommendations are in line with the legislation

6.5 Staff Implications

N/A

6.6 Previous / Relevant Council Resolutions

None

6.7 Risk Implications

None

6.8 Comments from Senior Management

6.8.1 Director: Infrastructure Services

The recommendations are supported

6.8.2 Director: Planning and Economic Development

The recommendations are supported.

6.8.3 Director: Community and Protection Services

The recommendations are supported.

6.8.4 Director: Corporate Services

The recommendations are supported

6.8.6 Chief Financial Officer

Supports the recommendations

6.8.7 Municipal Manager

Supports the recommendations

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-03-23: ITEM 7.11.1

(a) that Council approves the Municipal Public Accounts Committee (MPAC) Terms of Reference; and

(b) that Council notes the MPAC Annual Report Checklist.

FOR FURTHER DETAILS CONTACT:

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POSITION	*Municipal Manager*
DIRECTORATE	*Municipal Manager*
CONTACT NUMBERS	*021 808 8025*
E-MAIL ADDRESS	*municipal.manager@stellenbosch.gov.za*
REPORT DATE	*30 March 2022*

APPENDIX 1

8.	STRUCTURING OF COUNCIL: ESTABLISHMENT OF SECTION 79 COMMITTEES / STATUTORY COMMITTEES

8.1	ESTABLISHMENT OF A MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) AND OVERSIGHT COMMITTEE

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **Council: 15 November 2021**

1. SUBJECT: ESTABLISHMENT OF A MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) AND OVERSIGHT COMMITTEE

2. PURPOSE OF REPORT

For Council to establish a Municipal Public Accounts Committee (MPAC) and Oversight Committee.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The former Council had established an 8-member Municipal Public Accounts Committee (MPAC), which was fully functional.

By virtue of the termination of the 2016-2021 Council's term of office, the former MPAC has also dissolved. Council is obliged to establish a MPAC that also acts as an oversight committee to exercise oversight over the executive obligations of council.

In terms of Section 79 of the Structures Act, a municipal council may establish one or more Committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers, and appoint the members of such Committee(s) from among its members.

SPECIAL COUNCIL MEETING: 2021-12-10: ITEM 8.1

Nominations were called for the Chairperson of the MPAC. The ANC nominated Cllr N Mananga-Gugushe (Ms) and the DA nominated Cllr WF Pietersen. **(duly nominated forms attached)**. The Speaker RULED that voting be done by the raising of hands, resulting in 8 in favour of Cllr N Mananga-Gugushe (Ms) and 28 voting in favour of Cllr WF Pietersen.

RESOLVED (nem con)

(a) that Council establishes a Municipal Public Accounts Committee (MPAC) in accordance with Section 79 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), and as per the "Guideline for Establishment of Municipal Public Accounts Committees" issued by the Department of Cooperative Governance (CoGTA) and National Treasury;

(b) that the function of an oversight committee in relation to the Annual Report be incorporated into the roles and responsibilities of MPAC;

(c) that Council determines the amount of Councillors and their secundi to serve on the Municipal Public Accounts Committee (MPAC), based on the following principles:

(i) that the composition of the Municipal Public Accounts Committee (MPAC) be a total of 7 members of which the DA has 4 members and the Opposition has 2 members, namely:

DA:	Cllr Crombie (Ms) Cllr Ferns (Ms) Cllr Kalipa Cllr N Olayi
ANC:	Cllr N Mananga-Gugushe (Ms)
PDM:	Cllr WF Pietersen
ACDP:	Cllr O Jooste

(ii) MPAC must be represented by a wide range of experience and expertise available in Council and should reflect the various political parties represented in Council;

(iii) The Executive Mayor, Deputy Executive Mayor, Speaker, Whip or a member of the Mayoral Committee be excluded from membership of MPAC;

(d) that Council elects Councillor WF Pietersen as Chairperson for the Municipal Public Accounts Committee (MPAC); and

(e) that the Chairperson of this Committee be designated as a full-time Councillor.

FOR FURTHER DETAILS CONTACT:

NAME	*Geraldine Mettler*
POSITION	*Municipal Manager*
DIRECTORATE	*Municipal Manager*
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E-MAIL ADDRESS	*municipal.manager@stellenbosch.gov.za*
REPORT DATE	*10 November 2021*

APPENDIX 2

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Government Gazette

REPUBLIC OF SOUTH AFRICA

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THE PRESIDENCY

No. 320 **1 June 2021**

It is hereby notified that the President has assented to the following Act, which is hereby published for general information:—

Act No. 3 of 2021: Local Government: Municipal Structures Amendment Act, 2021



AIDS HELPLINE: 0800-0123-22 Prevention is the cure

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GENERAL EXPLANATORY NOTE:

[ ]	Words in bold type in square brackets indicate omissions from existing enactments.
_____	Words underlined with a solid line indicate insertions in existing enactments.

(English text signed by the President)
(Assented to 26 May 2021)

ACT

To amend the Local Government: Municipal Structures Act, 1998, so as to insert, delete and amend certain definitions; to remove all references to district management areas; to remove all references to plenary executive system as a type of municipality; to provide for a minimum of 10 councillors per municipality; to amend the deviation threshold; to provide for the prohibition of a councillor who was found guilty of a breach of the Code of Conduct for Councillors for a period of two years; to clarify the date of assumption of office by a councillor; to allow for extension on the declaration of the result of an election; to require the municipal manager to inform the MEC for local government in the province in addition to the Electoral Commission of ward vacancies; to provide that the MEC call and set the date for by-elections; to clarify who can inform the municipal manager of a specific vacancy; to allow the MEC to designate a person to call and chair a meeting of the municipal council when the speaker, acting speaker or municipal manager refuses to call the meeting; to provide for additional functions of the speaker; to provide for a whip of municipal council; to clarify the formula for the composition of an executive committee; to provide for the establishment of a municipal public accounts committee; to provide for the resolution of a situation where excessive seats may arise from the seat calculation in local municipalities; to amend the timeframe for the municipal manager to inform the chief electoral officer of vacancies; to allow for the MEC to inform the chief electoral officer of vacancies if the municipal manager fails to do so; to clarify the supplementation of party lists for local municipalities; to provide for the resolution of multiple seats which may arise where a candidate qualifies to be elected to more than one seat; to clarify the supplementation of party lists for district municipalities; to provide for a Code of Conduct for Councillors; to provide for transitional arrangements in respect of municipalities with a plenary executive system; and to provide for matters connected therewith.

BE IT ENACTED by the Parliament of the Republic of South Africa, as follows:—

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Amendment of section 1 of Act 117 of 1998, as amended by section 93 of Act 27 of 2000 and section 3 of Act 19 of 2008

1. Section 1 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) (hereinafter referred to as the principal Act), is hereby amended—

(a) by the insertion before the definition of ''by-election'' of the following definition:

'' '**authorised representative**', in relation to a party, means a natural person duly authorised by the party in accordance with its constitution to act on the party's behalf for purposes of performing the duties contemplated in sections 27(2) and 43(2)*(d)* and *(e)*;'';

(b) by the insertion after the definition of ''category'' of the following definition:

'' '**Code of Conduct**' means the Code of Conduct for councillors set out in Schedule 7;'';

(c) by the insertion after the definition of ''councillor'' of the following definition:

'' **'declared elected'** means the publication of a notice in the *Government Gazette* reflecting the names of the councillors elected, which councillors are deemed to have been elected to the office on the date of the declaration of the results of an election by the Electoral Commission;'';

(d) by the deletion of the definition of ''district management area'';

(e) by the substitution for the definition of ''election'' of the following definition:

'' **'election'**, in relation to a district council, means the election of the councillors referred to in section 23(1)*(a)* **[and *(c)*]**;'';

(f) by the insertion after the definition of ''local council'' of the following definition:

'' **'Local Government: Municipal Finance Management Act'** means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);'';

(g) by the insertion after the definition of ''municipality'' of the following definition:

'' **'municipal public accounts committee'** means the committee established in terms of section 79A;''; and

(h) by the insertion after the definition of ''ward committee'' of the following definition:

'' **'whip'** means a councillor elected in terms of section 41A to be the whip of a municipal council;''.

Repeal of section 6 of Act 117 of 1998, as amended by section 3 of Act 58 of 1999

2. Section 6 of the principal Act is hereby repealed.

Amendment of section 7 of Act 117 of 1998

3. Section 7 of the principal Act is hereby amended by the deletion of paragraph *(c)*.

Substitution of section 9 of Act 117 of 1998

4. The following section is hereby substituted for section 9 of the principal Act:

''**Types of category B municipalities**

9. There are the following types of category B municipalities:

(a) a municipality with a collective executive system;

(b) a municipality with a collective executive system combined with a ward participatory system;

(c) a municipality with a mayoral executive system; and

(d) a municipality with a mayoral executive system combined with a ward participatory system**[;**

(e) **a municipality with a plenary executive system; and**

(f) **a municipality with a plenary executive system combined with a ward participatory system]**.''.

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Substitution of section 10 of Act 117 of 1998

5. The following section is hereby substituted for section 10 of the principal Act:

"**Types of category C municipalities**

10. There are the following types of category C municipalities:
(a) a municipality with a collective executive system; and
(b) a municipality with a mayoral executive system**[; and**
(c) **a municipality with a plenary executive system]**.".

Amendment of section 12 of Act 117 of 1998, as amended by section 93 of Act 27 of 2000 and section 1 of Act 33 of 2000

6. Section 12 of the principal Act is hereby amended by the substitution in subsection (3) for paragraph *(e*A*)* of the following paragraph:

"*(e*A*)* in the case of a district municipality, the number of councillors, determined in terms of section 23, to—
(i) proportionally represent parties; and
(ii) be appointed by each of the local councils within the district municipality to directly represent each local municipality; **[and**
(iii) proportionally represent parties from each district management area within that district municipality;]".

Amendment of section 20 of Act 117 of 1998, as amended by section 4 of Act 33 of 2000

7. Section 20 of the principal Act is hereby amended—
(a) by the substitution in subsection (1) for paragraph *(b)* of the following paragraph:
"*(b)* may not be fewer than **[three]** 10 or more than 90 councillors, if it is a local or district municipality; and";
(b) by the substitution in subsection (4) for paragraph *(a)* of the following paragraph:
"*(a)* three of the number determined for the municipality in accordance with the subsection (1) *(a)* formula, if 30 or fewer councillors have been determined for the municipality in terms of the formula, provided that a council of fewer than **[seven]** 10 may not be decreased; **[or]**";
(c) by the substitution in subsection (4) for paragraph *(b)* of the following paragraph:
"*(b)* 10 per cent of the number determined for the municipality in accordance with the subsection (1)*(a)* formula, if more than 30 councillors have been determined for the municipality in terms of the formula**[.]** or;"; and
(d) by the insertion in subsection (4) after paragraph *(b)* of the following paragraph:
"*(c)* 20 per cent if the geographical area of the local municipality is greater than 20 000 square kilometres and if less than 35 councillors have been determined for the municipality in terms of the formula,
and any deviation in terms of paragraph *(a)*, *(b)* or *(c)* must be done with the concurrence of the Minister.".

Amendment of section 21 of Act 117 of 1998, as amended by section 12 of Act 51 of 2002

8. Section 21 of the principal Act is hereby amended by the insertion after subsection (1) of the following subsection:

"(1A) A councillor who is removed from office by the MEC for local government in a province in terms of item 16(7)*(b)* of the Code of Conduct may not stand as a candidate in an election for any municipal council for a period of two years from the date on which such person was removed from office.".

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Insertion of section 21A in Act 117 of 1998

9. The following section is hereby inserted in the principal Act after section 21:

"**Code of Conduct**

21A. The Code of Conduct applies to every member of a municipal council.".

Amendment of section 22 of Act 117 of 1998

10. Section 22 of the principal Act is hereby amended—

(a) by the deletion of subsection (4); and

(b) by the addition of the following subsection:

"(5) An elected councillor is deemed to assume office on the date of the declaration of the results of an election by the Electoral Commission.".

Amendment of section 23 of Act 117 of 1998

11. Section 23 of the principal Act is hereby amended—

(a) by the deletion in subsection (1) of paragraph *(c)*;

(b) by the substitution for subsection (2) of the following subsection:

"(2) The number of councillors representing local municipalities **[and district management areas]** in a district council referred to in subsection (1)*(b)* **[and *(c)*]** must be—

(a) equal to 60 per cent (fractions to be disregarded) of the number of councillors determined for the municipality in terms of section 20 before any increase in terms of section 20(5), plus the increase; and

(b) allocated to the respective local councils **[and district management areas]** in accordance with Part 2 of Schedule 2."; and

(c) by the addition of the following subsection:

"(5) An elected councillor is deemed to assume office on the date of the declaration of the results of an election by the Electoral Commission.".

Amendment of section 25 of Act 117 of 1998, as amended by section 93 of Act 27 of 2000

12. Section 25 of the principal Act is hereby amended—

(a) by the substitution in subsection (1) for paragraphs *(a)* and *(b)* of the following paragraphs, respectively:

"*(a)* the Electoral Commission does not declare the result of the election **[of a municipal council, or in a district management area, or in a ward,]** within the period specified in terms of the Electoral Commission Act, 1996 (Act No. 51 of 1996), unless the period is extended in terms of section 64(2) of the Local Government: Municipal Electoral Act, 2000 (Act No. 27 of 2000);

(b) a court sets aside the election of a council, **[or in a district management area,]** or in a ward;";

(b) by the insertion after subsection (2) of the following subsection:

"(2A) The municipal manager must inform the MEC for local government in the province and the Electoral Commission of a vacancy in a ward within 14 days from the date on which the vacancy occurred.";

(c) by the substitution in subsection (3) for the words preceding paragraph *(a)* of the following words:

"The **[municipal manager of the municipality concerned]** MEC for local government in the province, after consulting the Electoral Commission, must, by notice in **[a local newspaper]** the *Provincial*

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Gazette, call and set a date for the by-election, which must be held within 90 days of the date—'';

(d) by the deletion of subsection (4); and

(e) by the substitution for subsection (6) of the following subsection:

''(6) The MEC for local government in the province may not call a by-election in terms of subsection (1) if—

(a) the next election of all municipal councils must be held within nine calendar months of the applicable dates mentioned in subsection (3); or

(b) the MEC for local government in the province in consultation with the Minister decides that the by-election must stand over until the next election of all municipal councils.''.

Amendment of section 27 of Act 117 of 1998, as amended by section 93 of Act 27 of 2000, section 121 of Act 32 of 2000, section 2 of Act 20 of 2002 and section 10 of Act 55 of 2008

13. Section 27 of the principal Act is hereby amended—

(a) by the insertion of the number (1) preceding the following words:

''(1) A councillor vacates office during a term of office if that councillor—'';

(b) by the substitution for paragraph *(d)* of the following paragraph:

''*(d)* contravenes a provision of the Code of Conduct **[for Councillors set out in Schedule 1 of the Local Government: Municipal Systems Act, 2000,]** and is removed from office in terms of the Code;'';

(c) by the substitution for paragraph *(e)* of the following paragraph:

''*(e)* is a representative of a local council in a district council and ceases to be a member of the local council which appointed that councillor to the district council or is replaced in terms of Item 23 of Schedule 2 to this Act by the local council as its representative in the district council; or''; and

(d) by the addition of the following subsection:

''(2) For purposes of this section, only an authorised representative may inform a municipal manager that a vacancy has arisen as contemplated in subsection (1)*(c)* and *(f)*.''.

Amendment of section 29 of Act 117 of 1998, as amended by section 3 of Act 20 of 2002, section 9 of Act 2 of 2003 and section 11 of Act 55 of 2008

14. Section 29 of the principal Act is hereby amended by the insertion of the following subsection after subsection (1):

''(1A) If the speaker or acting speaker refuses to call a meeting of the council as requested in terms of subsection (1), the municipal manager, or in the absence or refusal by the municipal manager, a person designated by the MEC for local government in the province, may call and chair the meeting.''.

Insertion of section 29A in Act 117 of 1998

15. The following section is hereby inserted in the principal Act after section 29:

''**Public notice of meetings of municipal councils**

29A. The municipal manager of a municipality must give notice to the public, in a manner determined by the municipal council, of the time, date and venue of every—

(a) ordinary and special meeting of the council or a meeting of a committee of a council;

(b) ordinary or special meeting of the council or a meeting of a committee of a council that was postponed; and

(c) urgent meeting of the council or meeting of a committee of a council, except when time constraints make this impossible.''.

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Amendment of section 30 of Act 117 of 1998

16. Section 30 of the principal Act is hereby amended—

(a) by the substitution for subsection (1) of the following subsection:

"(1) A majority of the number of councillors determined in terms of section 20 must be present at a meeting of the council when a vote is taken on any matter."; and

(b) by the substitution for subsection (4) of the following subsection:

"(4) If on any question, other than a matter mentioned in section 160(2) of the Constitution, there is an equality of votes, the councillor presiding must exercise a casting vote in addition to that councillor's vote as a councillor.".

Amendment of section 36 of Act 117 of 1998

17. Section 36 of the principal Act is hereby amended by the substitution for subsection (5) of the following subsection:

"(5) A councillor may not hold office as whip, speaker, mayor or executive mayor at the same time**[, but in a municipality of a type mentioned in section 9*(e)* or *(f)* or 10*(c)* the speaker must be called the mayor]**.".

Amendment of section 37 of Act 117 of 1998, as amended by section 14 of Act 51 of 2002

18. Section 37 of the principal Act is hereby amended—

(a) by the substitution for paragraphs *(e)* and *(f)* of the following paragraphs, respectively:

"*(e)* must ensure compliance in the council and council committees with the Code of Conduct **[set out in Schedule 1 to the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)]**; **[and]**

(f) must ensure that council meetings are conducted in accordance with the rules and orders of the council**[.]**;"; and

(b) by the addition of the following paragraphs:

"*(g)* must ensure that the legislative authority of the municipality functions effectively;

(h) is responsible for the effective oversight over the executive authority of the municipality;

(i) must ensure the effectiveness of the committees of the municipal council established in terms of section 79;

(j) is responsible for the ethics and accountability of the municipal council; and

(k) must ensure the effectiveness and functionality of ward committees and the public participation processes.".

Insertion of sections 41A, 41B, 41C, 41D, 41E and 41F in Act 117 of 1998

19. The following sections are hereby inserted in the principal Act after section 41:

"***Part 3***

Whips of municipal councils

Election of whip

41A. (1) Each municipal council may elect a whip for the council who is also a municipal office bearer as set out in Schedule 3.

(2) At its first sitting after its election, or when necessary to fill a vacancy, a municipal council may elect its whip from among the councillors.

(3) The speaker of the municipality presides over the election of the whip.

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(4) The procedure set out in Schedule 3 applies to the election of the whip.

(5) A councillor may not hold office as whip, speaker, mayor or executive mayor at the same time.

Functions of whip

41B. The whip of a municipal council—

(a) liaises with the different political parties to ensure representation in council and council committees;

(b) maintains sound relations between the various political parties;

(c) informs the whips of all parties on important matters on the council agenda;

(d) assists the speaker to count votes in the council meeting;

(e) facilitates the interaction between the executive and legislative oversight structures in the municipality; and

(f) resolves disputes between the speaker, mayor or executive mayor, or members of the mayoral committee.

Term of office of whip

41C. The whip of a municipal council is elected for a term ending, subject to section 41D, when the next council is declared elected.

Vacation of office

41D. The whip of a municipal council vacates office during a term if that person—

(a) resigns as whip;

(b) is removed from office; or

(c) ceases to be a councillor.

Removal from office

41E. (1) A municipal council may remove, by resolution, the whip from office.

(2) Prior written notice of an intention to move a motion for the removal of the whip must be given.

Acting whips

41F. If the whip of a municipal council is absent or not available to perform the functions of whip, or during a vacancy, the council must elect another councillor to act as whip.''.

Amendment of section 43 of Act 117 of 1998

20. Section 43 of the principal Act is hereby amended—

(a) by the substitution for subsections (1) and (2) of the following subsections, respectively:

''(1) *(a)* If the council of a municipality establishes an executive committee, it must **[elect]** determine a number of councillors necessary for effective and efficient government, provided that no more than 20 per cent of the councillors (fractions to be disregarded) or 10 councillors, whichever is the least, are determined.

(b) An executive committee may not have less than three members.

(2) The award of seats on the executive committee to political parties or political interests must be determined in the following manner—

(a) the number of seats won by a political party or political interest divided by the total number of councillors determined for that municipality in terms of section 20 and multiplied by the number of seats on the executive committee;

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(b) if the calculation in paragraph *(a)* gives a surplus, that surplus must compete with the other similar surpluses, and be awarded to the highest surplus;

(c) if there is an equality of the surpluses, the result must be determined by lot;

(d) the political party or political interest to which seats are allocated to on the executive committee must, through an authorised representative, appoint their representatives to occupy such seats;

(e) in the event of a vacancy arising on the executive committee, the political party or political interest to which the seat was allocated to will, through an authorised representative, appoint a councillor to fill that vacancy; and

(f) nothing precludes a political party or political interest from nominating a councillor from another political party or political interest to one or more of its allocated seats.''; and

(b) by the deletion of subsection (3).

Amendment of section 44 of Act 117 of 1998

21. Section 44 of the principal Act is hereby amended by the substitution in subsection (1) for paragraph *(b)* of the following paragraph:

''*(b)* the committee of a municipal council which receives reports from the **[other]** committees of the council referred to in section 80, and which must forward these reports together with its recommendations to the council when it cannot dispose of the matter in terms of its delegated powers.''.

Amendment of section 45 of Act 117 of 1998 as substituted by section 1 of Act 1 of 2003

22. Section 45 of the principal Act is hereby amended—

(a) by the substitution for the heading of the following heading:

''**[Election] Determination of members of executive committees**''; and

(b) by the substitution for the words preceding paragraph *(a)* of the following words:

''A municipal council must **[elect]** determine the members of its executive committee from among its members at a meeting that must be held—''.

Amendment of section 46 of Act 117 of 1998 as substituted by section 1 of Act 1 of 2003

23. Section 46 of the principal Act is hereby amended by the substitution in section 46 for the words preceding paragraph *(a)* of the following words:

''The members of an executive committee are **[elected]** determined for a term ending, subject to section 47, when—''.

Amendment of section 48 of Act 117 of 1998 as amended by Act 1 of 2003

24. Section 48 of the principal Act is hereby amended by the substitution for subsection (2) of the following subsection:

''(2) The election of a mayor and deputy mayor takes place when the executive committee is **[elected]** determined or when it is necessary to fill a vacancy.''.

Amendment of section 53 of Act 117 of 1998

25. Section 53 of the principal Act is hereby amended by the substitution for subsection (2) of the following subsection:

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"(2) If all the members of an executive committee are removed, a new **[election]** determination of members must take place, and a new election of **[and]** the mayor and, if the municipality has a deputy mayor, the deputy mayor, must be held in terms of sections 45 and 48, respectively.".

Amendment of section 56 of Act 117 of 1998, as amended by section 16 of Act 51 of 2002

26. Section 56 of the principal Act is hereby amended by the substitution for subsection (1) of the following subsection:

"(1) An executive mayor is entitled to receive reports from committees of the **[municipal]** council referred to in section 80, and to forward these reports together with a recommendation to the council when the matter cannot be disposed of by the executive mayor in terms of the executive mayor's delegated powers.".

Amendment of section 63 of Act 117 of 1998

27. Section 63 of the principal Act is hereby amended by the substitution for subsection (3) of the following subsection:

"(3) Item 3 of the Code of Conduct **[for Councillors set out in Schedule 1 to the Local Government Municipal Systems Act, 2000,]** does not apply to the speaker, executive mayor, a member of the mayoral committee or a member of the executive committee, as the case may be, in respect of meetings of a metropolitan subcouncil of which such an office bearer is a member.".

Amendment of section 73 of Act 117 of 1998, as amended by section 6 of Act 19 of 2008

28. Section 73 of the principal Act is hereby amended—

(a) by the substitution for subsection (1) of the following subsection:

"(1) A metropolitan or local council must establish a ward committee for each ward in the municipality within 120 days after the election of the municipal council, in accordance with section 22."; and

(b) by the insertion after subsection (1) of the following subsection:

"(1A) *(a)* If a metropolitan or local council is unable to establish a ward committee or ward committees in accordance with subsection (1), the speaker must, prior to the expiry of the 120 days after the elections, in writing and on good cause shown, request the MEC, responsible for local government in the province concerned, for an extension.

(b) The MEC must respond to the request referred to in subsection (1)*(a)* within 14 days of receipt detailing the reasons for granting or refusing the extension.".

Insertion of section 79A in Act 117 of 1998

29. The following section is hereby inserted in the principal Act after section 79:

"**Establishment of municipal public accounts committee**

79A. (1) A municipal council must establish a committee called the municipal public accounts committee.

(2) The mayor or executive mayor, deputy mayor or executive deputy mayor, any member of the executive committee, any member of the mayoral committee, speaker, whip and municipal officials are not allowed to be members of the municipal public accounts committee.

(3) The municipal council must determine the functions of the municipal public accounts committee, which must include the following:

(a) review the Auditor-General's reports and comments of the management committee and the audit committee and make recommendations to the municipal council;

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(b) review internal audit reports together with comments from the management committee and the audit committee and make recommendations to the municipal council;

(c) initiate and develop the oversight report on annual reports contemplated in section 129 of the Local Government: Municipal Finance Management Act;

(d) attend to and make recommendations to the municipal council on any matter referred to it by the municipal council, executive committee, a committee of the council, a member of this committee, a councillor and the municipal manager; and

(e) on its own initiative, subject to the direction of the municipal council, investigate and report to the municipal council on any matter affecting the municipality.

(4) Reports of the municipal public accounts committee must be submitted to the speaker who must table such reports in the next meeting of the municipal council.

(5) *(a)* For the purposes of this section 'audit committee' means the audit committee envisaged in section 166 of the Local Government Municipal: Finance Management Act.

(b) Each municipality and each municipal entity must establish an audit committee in accordance with that section.".

Amendment of section 81 of Act 117 of 1998, as amended by section 121 of Act 32 of 2000, section 5 of Act 33 of 2000 and section 18 of Act 51 of 2002

30. Section 81 of the principal Act is hereby amended by the substitution in subsection (5) for paragraph *(a)* of the following paragraph:

"*(a)* When participating in the proceedings of a municipal council, a traditional leader is subject to the appropriate provisions of the Code of Conduct set out in Schedule **[1 of the Local Government: Municipal Systems Act, 2000]** 7.".

Repeal of section 89 of Act 117 of 1998

31. Section 89 of the principal Act is hereby repealed.

General amendment

32. Reference to sections "9*(e)* and *(f)* and 10*(c)*" in sections 45*(c)*, 46*(a)*, 48(5)*(c)*(ii), 55(1)*(c)*, 57(1)*(a)*, 57(2)*(c)*(ii) and 72(1) of the principal Act is hereby deleted.

Amendment of Schedule 1 to Act 117 of 1998, as amended by section 93 of Act 27 of 2000, sections 22, 23, 24, 25 and 26 of Act 51 of 2002 and section 9 of Act 2 of 2003

33. Schedule 1 to the principal Act is hereby amended—

(a) by the addition in item 16 of the following subitems:

"(3) A new quota of votes for a seat must be determined in accordance with the following formula (fractions to be disregarded):

$$\frac{A - B}{C - (D + E)} + 1$$

Where—

A represents the total number of valid votes cast for all parties, consisting of those cast on the party vote and those cast for ward candidates representing parties;

B represents the total number of votes cast for the party with excessive seats, both on the party vote and for ward candidates representing parties;

C represents the number of seats in the council;

D represents the number of seats awarded to the party with excessive seats; and

E represents the number of independent ward councillors elected.

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(4) *(a)* The total number of valid votes cast for each party, both on the party vote and for ward candidates representing the party, excluding the party that has excessive number of seats, must be divided by the quota of votes for a seat. The result is the total number of seats to which each party is entitled.

(b) If the calculation in paragraph *(a)* yields a surplus not absorbed by the seats awarded to a party, that surplus must compete with similar surpluses accruing to any other party or parties and any undistributed seat or seats must be awarded to the party or parties concerned in sequence of the highest surplus.

(c) If the surplus for two or more parties is equal, the seat must be awarded to the party that received the highest number of valid votes.

(5) If a ward candidate representing a party is elected unopposed, a vote cast by a voter registered in that ward for the party of which that candidate is a representative must, for the purpose of factors A and B and subitem (4), be counted as two votes.

(6) In an election for a council that has wards, the Electoral Commission must deduct from the total number of seats to which each party is entitled in terms of subitem (4), the number of ward candidates representing the party who were declared elected.

(7) If no party is awarded a seat in terms of subitem (4)*(a)*, the votes for each party must be treated in accordance with subitem (4)*(b)* as if they are surpluses.

(8) The Electoral Commission must determine in the manner provided in item 13(5), which party candidates are elected.

(9) If a party is entitled to an additional number of seats in terms of subitem (4) and its list of candidates does not contain a sufficient number of candidates after having applied item 17(1), the party concerned forfeits, subject to subitem (1), the unfilled seats and the process provided in this item must be repeated until all seats have been filled or until all listed candidates have been allocated to a vacant seat.'';

(b) by the substitution in item 17 for subitem (1) of the following subitem:

''(1) If a party list contains fewer candidates than the party is entitled to, the Electoral Commission must in writing immediately notify the party of the exact shortfall and request the party to deliver within two days of the notice a list supplemented by the name or names of one or more eligible candidates.'';

(c) by the insertion of the following item after item 17:

''**Multiple seats**

17A. (1) If a candidate is assigned to more than one seat, the parties or independent ward candidates must, within two days after being informed by the chief electoral officer, indicate to the Electoral Commission which seat such candidate should be designated to.

(2) If a party or independent ward candidate fails to indicate to the chief electoral officer which seat such candidate should be designated, such candidate's name must be deleted from the lists.

(3) If a ward seat allocation is deleted it shall lead to the holding of a by-election.'';

(d) by the substitution in item 18(1) for paragraph *(b)* of the following paragraph:

''*(b)* Whenever a councillor referred to in paragraph *(a)* ceases to hold office, the municipal manager concerned must within **[seven]** 14 days after the councillor has ceased to hold office, inform the chief electoral officer accordingly.'' ;

(e) by the addition of the following paragraph in item 18(1):

''*(c)* If the municipal manager of the municipality concerned does not inform the chief electoral officer of the vacancy referred to in paragraph *(a)*, the MEC for local government in the province, must inform the chief

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electoral officer of the vacancy within 14 days where the municipal manager does not.''; and

(f) by the substitution in item 20 for subitem (1) of the following subitem:

''(1) *(a)* A party may not supplement or change its list from the date of the closure of nomination of candidates for an election until a day after the date of the first council meeting.

(b) (i) Subject to paragraph *(a)*, a party may supplement or change its list, provided that if a councillor elected according to a party list ceases to hold office, the party concerned may supplement or change its list by not later than 21 days after the councillor has ceased to hold office.

(ii) The vacancy must be filled as soon as the party in question has supplemented, changed or increased its list, but not later than 14 days after the expiry of the 21-day period.''.

Amendment of Schedule 2 of Act 117 of 1998, as amended by section 93 of Act 27 of 2000, section 9 of Act 20 of 2002, section 27 of Act 51 of 2002, section 29 of Act 51 of 2002, section 30 of Act 51 of 2002, section 31 of Act 51 of 2002, section 9 of Act 2 of 2003 and section 17 of Act 55 of 2008

34. (1) Schedule 2 to the principal Act is hereby amended—

(a) by the substitution for item 2 of the following item:

''**Electoral system for party representatives**

2. The councillors of a district council that in terms of section 23 must be elected in accordance with this Part, must be elected **[as follows:**

(a) **a number of councillors determined for the municipality in terms of section 23(3) must be elected from party lists to proportionally represent parties in the council; and**

(b) **a number of councillors allocated in terms of section 23(2)*(b)* to any district management areas in the municipality must be elected from party lists to proportionally represent parties in those areas]** from party lists to proportionally represent parties in the council.'';

(b) by the substitution for item 3 of the following item:

''**Number of votes**

3. In an election for a district council,**[—**

(a)**]** each voter registered in the area of a local municipality within the district municipality has one vote, and may vote for one party only**[; and**

(b) **each voter registered in a district management area within the district municipality has two votes, and may vote for—**

(i) not more than one party that submitted a list for the district council; and

(ii) not more than one party that submitted a list for the district management area].'';

(c) by the substitution in item 5 for subitem (1) of the following subitem::

''(1) The number of candidates on a party list submitted by a party may not exceed double the number of seats in the district council allocated, as the case may be, for the election of councillors**[—**

(a)**]** referred to in section 23(1)*(a)***[; or**

(b) **to represent a district management area in the district council]**.'';

(d) by the substitution for item 6 of the following item:

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"**Quota**

6. The quota of votes for a seat in a district council **[or for a seat in a district council as a representative of a district management area,]** must be determined in accordance with the following formula (fractions to be disregarded):

$$\frac{A}{B} + 1$$

Where—

A represents the total number of valid votes cast for all parties; and

B represents **[, as the case may be, either—**

(a)*]** the number of seats in the district council allocated in terms of section 23(1)*(a)[; or**

(b) **the number of seats allocated to a district management area in the district council]**.";

(e) by the substitution in item 8 for subitem (1) of the following subitem:

"(1) If only one party submitted a list, an election must not be held for the district council **[or in the district management area]** concerned.";

(f) by the substitution in item (10) for subitem (1) of the following subitem:

"(1) If a party list contains fewer candidates than the party is entitled to, the chief electoral officer must in writing immediately notify the party of the exact shortfall and request the party to deliver within two days of the notice a list supplemented by the name or names of one or more eligible candidates.";

(g) by the insertion of the following item after item 10:

"**Multiple seats**

10A. If a candidate is assigned to more than one seat, item 17A of Schedule 1, adjusted as may be contextually necessary, applies.";

(h) by the substitution in item 13 for subitem (1) of the following subitem:

"(1) *(a)* A party may not supplement or change its list from the date of the closure of the nomination of candidates for an election until a day after the date of the first council meeting.

(b) (i) Subject to the provisions of paragraph *(a)*, a party may supplement or increase its list, provided that if a councillor elected according to a party list, ceases to hold office, the party concerned may supplement or increase its list by not later than 21 days after the councillor has ceased to hold office.

(ii) The vacancy must be filled as soon as the party in question has supplemented, changed or increased its list, but not later than 14 days after the expiry of the 21-day period.";

(i) by the substitution for the heading of Part 2 of the following heading:

"***Part 2***
Allocation and election of representatives of local councils [and district management areas] to district councils";

(j) by the substitution for item 14 of the following item:

"**Manner of election**

14. The section 23(2) members of a district council must be **[—**

***(a)*]** appointed by the councils of the local municipalities in the area of the district council from among their members **[; and**

(b) **if there is a district management area in the district municipality, elected in accordance with Part 1 of this Schedule to represent that area on the district council]**.";

(k) by the substitution for item 15 of the following item:

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"**Award of seats on district councils**

15. (1) The quota of registered voters that a local council **[or a district management area]** must have in order to be entitled to a seat on a district council must be determined in accordance with the following formula (fractions to be disregarded)—

$$\frac{A}{B} + 1$$

Where—

A represents the total number of voters registered on the district council's segment of the national common **[voters roll]** voters' roll; and

B represents the number of seats on the district council determined in terms of section 23(2)*(a)* for representatives of the local councils **[and district management areas]** but disregarding any increase in terms of section 20(5).

(2) Each local municipality **[and each district management area]** in the area of a district municipality is entitled to a number of seats on the district council determined by dividing the total number of voters registered on the segment of the national common voters' roll for that local municipality **[or district management area]** by the quota of votes for a seat on the district council determined in accordance with subitem (1).

(3) If the calculation in subitem (2) gives a figure that is a fraction of the figure 1, the council **[or district management area,]** must be awarded one seat and must not participate in any further calculation or award.

(4) If the calculation in subitem (2) yields a surplus, that surplus must compete with similar surpluses of any other council **[or district management area]**, and any seat or seats not awarded in terms of subitems (2) and (3) must be awarded in sequence of the highest surplus.";

(l) by the substitution for the heading of item 23 of the following heading:
"**Filling of vacancies of district councils**"; and

(m) by the repeal of item 24.

Amendment of Schedule 3 to Act 117 of 1998, as amended by section 34 of Act 51 of 2002

35. Schedule 3 to the principal Act is hereby amended by the substitution for item (1) of the following item:

"**Application**

1. The procedure set out in this Schedule applies whenever a municipal council meets to elect a speaker, an executive mayor, a deputy executive mayor, a whip, a mayor or a deputy mayor.".

Addition of Schedule 7 to Act 117 of 1998

36. The following Schedule is hereby added to the principal Act:

"**SCHEDULE 7**

CODE OF CONDUCT FOR COUNCILLORS

PREAMBLE

Councillors are elected to represent local communities on municipal councils, to ensure that municipalities have structured mechanisms of accountability to local communities, and to meet the priority needs of communities by providing services equitably, effectively and sustainably within the means of the municipality. In fulfilling this role, councillors must

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be accountable to local communities and report back at least quarterly to constituencies on council matters, including the performance of the municipality in terms of established indicators. In order to ensure that councillors fulfil their obligations to their communities, and support the achievement by the municipality of its objectives set out in section 19, the following Code of Conduct is established.

Definitions

1. In this Schedule 'partner' means a person who permanently lives with another person in a manner as if married.

General conduct of councillors

2. A councillor must—

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

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

Voting at meetings

3. A councillor may not vote in favour of or agree to a resolution which is before the council or a committee of the council, which conflicts with any legislation applicable to local government.

Attendance at meetings

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

(a) leave of absence is granted in terms of an applicable law or as determined by the rules and orders of the council; or

(b) that councillor is required in terms of this Code to withdraw from the meeting.

Sanctions for non-attendance of meetings

5. (1) A municipal council may impose a fine as determined by the standing rules and orders of the municipal council on a councillor for—

(a) not attending a meeting which that councillor is required to attend in terms of item 4; or

(b) failing to remain in attendance at such a meeting.

(2) A councillor who is absent from three or more consecutive meetings of a municipal council, or from three or more consecutive meetings of a committee, which that councillor is required to attend in terms of item 4, must be removed from office as a councillor.

(3) *(a)* Proceedings for the imposition of a fine or the removal of a councillor must be conducted in accordance with a uniform standing procedure which each municipal council must adopt for the purposes of this item.

(b) The uniform standing procedure must comply with the rules of natural justice.

Disclosure of interests

6. (1) A councillor must—

(a) disclose to the municipal council, or to any committee of which that councillor is a member, any direct or indirect personal or private business interest that that councillor, or any spouse, partner or business associate of that councillor may have in any matter before the council or the committee; and

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(b) withdraw from the proceedings of the council or committee when that matter is considered by the council or committee, unless the council or committee decides that the councillor's direct or indirect interest in the matter is trivial or irrelevant.

(2) A councillor who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose full particulars of the benefit of which the councillor is aware at the first meeting of the municipal council.

(3) This section does not apply to an interest or benefit which a councillor, or a spouse, partner, business associate or close family member, has or acquires in common with other residents of the municipality.

Personal gain

7. (1) A councillor may not use the position or privileges of a councillor, or confidential information obtained as a councillor, for private gain or to improperly benefit another person.

(2) No councillor may be a party to or beneficiary under a contract for the provision of goods or services to any municipality or any municipal entity established by a municipality.

Declaration of interests

8. (1) When elected or appointed, a councillor must within 60 days declare in writing to the municipal manager the following financial interests held by that councillor:

(a) Shares and securities in any company;
(b) membership of any close corporation;
(c) interest in any trust;
(d) directorships;
(e) partnerships;
(f) other financial interests in any business undertaking;
(g) employment and remuneration;
(h) interest in property;
(i) pension; and
(j) subsidies, grants and sponsorships by any organisation.

(2) Any change in the nature or detail of the financial interests of a councillor must be declared in writing to the municipal manager annually.

(3) Gifts received by a councillor above a prescribed amount must also be declared in accordance with subitem (1).

(4) The municipal council must determine which of the financial interests referred in subitem (1) must be made public having regard to the need for confidentiality and the public interest for disclosure.

Full-time councillors

9. A councillor who is a full-time councillor may not undertake any other paid work except with the consent of a municipal council which consent shall not unreasonably be withheld.

Rewards, gifts and favours

10. A councillor may not request, solicit or accept any reward, gift or favour for—

(a) voting or not voting in a particular manner on any matter before the municipal council or before a committee of which that councillor is a member;
(b) persuading the council or any committee in regard to the exercise of any power, function or duty;
(c) making a representation to the council or any committee of the council; or

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(d) disclosing privileged or confidential information.

Unauthorised disclosure of information

11. (1) A councillor may not, without the permission of the municipal council or a committee, disclose any privileged or confidential information of the council or committee to any unauthorised person.

(2) For the purpose of this item 'privileged or confidential information' includes any information—

(a) determined by the municipal council or committee to be privileged or confidential;

(b) discussed in closed session by the council or committee;

(c) disclosure of which would violate a person's right to privacy; or

(d) declared to be privileged, confidential or secret in terms of law.

(3) This item does not derogate from the right of any person to access to information in terms of national legislation.

Interference in administration

12. A councillor may not, except as provided by law—

(a) interfere in the management or administration of any department of the municipal council, unless mandated by the council;

(b) give or purport to give any instruction to any employee of the council, except when authorised to do so;

(c) obstruct or attempt to obstruct the implementation of any decision of the council or a committee by an employee of the council; or

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

Municipal property

13. A councillor may not use, take, acquire or benefit from any property or asset owned, controlled or managed by the municipality to which that councillor has no right.

Councillor in arrears

14. A councillor may not be in arrears to the municipality for rates and service charges for a period longer than three months.

Breaches of Code

15. (1) If the speaker of a municipal council, on reasonable suspicion, is of the opinion that a provision of this Code has been breached, the speaker must—

(a) authorise an investigation of the facts and circumstances of the alleged breach;

(b) give the councillor a reasonable opportunity to reply in writing regarding the alleged breach; and

(c) report the matter to a meeting of the municipal council after paragraphs *(a)* and *(b)* have been complied with.

(2) A report in terms of subitem (1)*(c)* is open to the public.

(3) The speaker must report the outcome of the investigation to the MEC for local government in the province concerned.

(4) The speaker 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.

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(5) If the speaker of council is the alleged perpetrator, or the speaker refuses to authorise an investigation, the council must establish a special committee, as contemplated in Item 16(1)*(b)*, to investigate and make a finding on any alleged breach of this Code.

Investigation of breach

16. (1) A municipal council may—

(a) investigate and make a finding on any alleged breach of a provision of this Code; or

(b) establish a special committee—

(i) to investigate and make a finding on any alleged breach of this Code; and

(ii) to make appropriate recommendations to the council.

(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 certain period;

(d) fine the councillor; or

(e) request the MEC to remove the councillor from office.

(3) The speaker must inform the MEC for local government in the province concerned within 14 days of the finding and sanction decided on by the council.

(4) *(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 by the MEC.

(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.

(5) 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 as to the appropriate sanction in terms of subitem (2) if a municipal council does not conduct an investigation contemplated in subitem (1) and the MEC for local government considers it necessary.

(6) The Commissions Act, 1947 (Act No. 8 of 1947), or, where appropriate, applicable provincial legislation, may be applied to an investigation in terms of subitem (4).

(7) 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.

(8) Any investigation in terms of this item and any action by the MEC in terms of subitem (7) must be in accordance with section 3 of the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000).

Application of Code to traditional leaders

17. (1) Items 1, 2, 6, 7, 10 *(b)* to *(d)*, 11, 12, 13, 15 and 16 (1) apply to a traditional leader who participates or has participated in the proceedings of a municipal council in terms of section 81.

(2) These items must be applied to the traditional leader in the same way they apply to councillors.

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(3) If a municipal council or a special committee in terms of item 16(1) finds that a traditional leader has breached a provision of this Code, the council may—

(a) issue a formal warning to the traditional leader; or

(b) request the MEC for local government in the province to suspend or cancel the traditional leader's right to participate in the proceedings of the council.

(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 right of the traditional leader to participate in the proceedings of the municipal council should be suspended or cancelled.

(5) The Commissions Act, 1947 (Act No. 8 of 1947), may be applied to an investigation in terms of subitem (4).

(6) If the MEC is of the opinion that the traditional leader has breached a provision of this Code, and that such breach warrants a suspension or cancellation of the traditional leader's right to participate in the council's proceedings, the MEC may—

(a) suspend that right for a period and on conditions determined by the MEC; or

(b) cancel that right.

(7) Any investigation in terms of this item and any action by the MEC in terms of subitem (6) must be in accordance with the rules of natural justice.

(8) The suspension or cancellation of a traditional leader's right to participate in the proceedings of a council does not affect that traditional leader's right to address the council in terms of section 81(3).".

Repeal of laws

37. Section 19, section 54 and Schedule 1 to the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), are hereby repealed.

Transitional arrangements

38. A municipality with a plenary executive system immediately before the commencement of this Act, will continue to exist as a municipality with a plenary executive system until the date of the first local government election after commencement of this Act.

Short title and commencement

39. This Act is called the Local Government: Municipal Structures Amendment Act, 2021, and comes into operation on a date to be determined by the President by proclamation in the *Gazette*.

APPENDIX 3

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TERMS OF REFERENCE

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

March 2022

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1. Introduction

1.1 In accordance with the provisions of section 79A (1) of the Municipal Structures Amendment Act 2021, a municipal council must establish a committee called the Municipal Public Accounts Committee (MPAC).

1.2 Furthermore, Section 79A (3) and 79A (4) of the Municipal Structures Amendment Act 2021, provides the framework and guidelines within which such committees of council shall operate.

1.3 The Municipal Finance Management Act (MFMA) assigns specific oversight responsibilities to Council in regard to the Annual Report and the preparation of an Oversight Report (MFMA Section 129). The establishment of a Municipal Public Accounts Committee (MPAC) for Council, would provide the appropriate mechanism in which Council will fulfil its oversight responsibilities in terms of Section 129.

2. Authority and powers of MPAC

2.1 MPAC will assist council to effectively and efficiently exercise its functions and powers.

2.2 MPAC will function as a sub-committee of council.

2.3 MPAC will not perform any management functions or assume any management responsibilities.

2.4 MPAC will make recommendations to Council, resulting from activities carried out by the committee in terms of its Terms of Reference.

3. Composition and Term

3.1 The Chairperson of the MPAC must be appointed by council in terms of Section 79(2)(c).

3.2 The MPAC will comprise solely of councillors appointed by a council resolution.

3.3 The MPAC shall comprise of seven (7) councillors excluding any councillor who is serving as Executive Mayor, Deputy Executive Mayor, Speaker, Whip or any other member of the Executive Committee, or municipal officials.

3.4 Councillors and members serving on MPAC will be appointed for a term which corresponds to the term of the sitting Council.

3.5 In accordance with section 79(2)(e) council may remove/replace a member of MPAC at any time.

4. Functions of MPAC

The primary functions of the Municipal Public Accounts Committee, as set out in section 79A(1) of the Municipal Structures Amendment Act 2021, are as follows:

- Review the Auditor-General’s reports and comments of the management committee and the audit committee and make recommendations to the municipal council;
- Review internal audit reports together with comments from the management committee and the audit committee and make recommendations to the municipal council;
- Initiate and develop the oversight report on annual reports contemplated in section 129 of the Municipal Finance Management Act (MFMA)

- Attend to and make recommendations to the municipal council on any matter referred to it by the municipal council, executive committee, a committee of council, a member of this committee, a councillor and the municipal manager; and
- On its own initiative, subject to the direction of the municipal council, investigate and report to the municipal council on any matter affecting the municipality.

4.1 Auditor-General's reports

The final Auditor-General's report will be submitted to the MPAC for revision after it was submitted to the Management Committee as well as the Performance- and Audit Committee.

The MPAC should consider the report and make recommendations to the council and if such report was not submitted, MPAC should report this to the council.

4.2 Internal Audit reports

All internal audits reports, in terms of the approved Risk Based Internal Audit plan, will be submitted to MPAC after Management and the Performance- and Audit Committee fulfilled their responsibilities with it.

The reports submitted to the MPAC for revision will thus include the Management Committee and Performance- and Audit Committee's comments.

4.3 Oversight Report

Once the annual report is tabled, MPAC has effectively less than two months in which to finalise its oversight report. Given there are a number of steps and many stakeholders, the review can be made more manageable if a committee process is established breaking it down into more easily managed parts as set out in the Annual Report Checklist attached herewith as Annexure 1 to the terms of reference. .

MPAC is responsible for the detailed analysis and review of the annual report and then drafting an oversight report that must be taken to council for consideration. MPAC must invite, receive and review representations made by the public and also seek inputs from other role-players where needed.

MPAC is authorised to co-opt members of the public with expertise in specific fields to assist and advise the Committee when deliberating before it, as and when necessary, taking note of the fact that such non-elected members shall enjoy no status in Council and will have no voting rights in any political structure of Council.

All meetings of MPAC, where the annual report is considered, must be open to the public and a reasonable time must be allowed for discussion of any written submissions received and for members of the community and organs of state to address the meetings. Representatives of the Performance- and Audit Committee and Auditor-General are invited to attend and to speak at any meetings held to discuss the annual report if requested. Timely notice of meetings should be given to enable representations to be made. Making representations to MPAC should not necessarily preclude representations by the same individuals to the full council as this promotes transparency in the process.

All MPAC meetings must be minuted and forwarded to the Speaker for inclusion in the next Councils meeting for discussion or notification.

5. MPAC Work programme

5.1 MPAC must develop its work programme annually before the start of a financial year.

5.2 Such programmes must be linked to the cycle of council and conclude with the evaluation of the annual report and the recommendations to Council when adopting the Oversight Report on the Annual Report.

6. Attendance of meetings

6.1 The meetings of MPAC will be included in the annual calendar of Council and the notice requirements should be similar to those of other committees of Council taking into consideration the timeframes in the Municipal Financial Management Act for preparation and adoption of the Oversight Report on the Annual Report.

6.2 The notice of meetings shall be given electronically within reasonable time prior to the meeting.

6.3 Agendas and relevant documents shall be received within reasonable time prior to meeting for preparation purposes

6.4 Only meetings of MPAC, at which an annual report is considered, will be open to the public.

6.5 50% + 1 member will form a quorum

7. Reporting responsibility

7.1 In accordance with the provisions of section 79A(4) of the Municipal Structures Amendment Act 2021, reports of the MPAC must be submitted to the Speaker who must table such reports in the next meeting of Municipal Council.

7.2 In accordance with the provisions of section 129(1) of the Municipal Finance Management Act 2003, the Council of a municipality must consider the annual report of the municipality and by no later than two months from the date on which the annual report was tabled in the council, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council:

- Has approved the annual report with or without reservations;
- Has rejected the annual report; or
- Has referred the annual report back for revision of those components that can be revised.

8. Annual Review

The MPAC Terms of reference must be annually reviewed.

ANNEXURE 1

ANNUAL REPORT CHECKLIST

INFORMATION REQUIRED TO BE INCLUDED IN THE ANNUAL REPORTS	COUNCIL CONSIDERATIONS AND QUESTIONS	RESPONSES/COMMENTS
1. Financial Matters – Annual Financial Statements - Section 121 (3) MFMA	**Financial reporting matters to be considered**	**Responses/Comments**
121 (3)(a) The annual financial statements (AFS) for the municipality and, if applicable, consolidated statements (with all entities) as submitted to the Auditor-General	Where the municipality has sole or effective control of a municipal entity, Consolidated financial statements are required. The AFS are to be in the form as required by the applicable accounting standards. MFMA Circular 18 with annexures, 23 June 2005, provides guidelines on the new accounting standards for municipalities. Have the required standards been met – refer audit report and report of performance- and audit committee for views on this?	
121 (3)(b) The Auditor-General's reports on the financial statements of the municipality.	Is the audit report included in the annual report as tabled? If not, when will the audit report be tabled? What are causes of the delays? What actions are being taken to expedite the report?	
121 (3)(h) Any explanations that may be necessary to clarify issues in connection with the financial statements	The accounting standards require that notes accompany the statements to provide explanations of issues and matters reported. Refer also points below on information in notes to AFS. Taking into consideration the audit report and the Performance- and audit committee comments, is sufficient explanation of financial issues contained in the notes to the statements?	
121 (3)(e) An assessment by the accounting officer on any arrears on municipal taxes and service charges, including municipal entities	Has an adequate assessment been included? Is there sufficient explanation of the causes of the arrears and of actions to be taken to remedy the situation? Is any other action required to be taken?	
121 (3)(g) Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports	The conclusions of the annual audit may be either – □ an unqualified audit opinion with or without management issues, which means that the financial statements are acceptable; □ a qualified audit opinion setting out reasons for qualification, which means that certain issues need to be addressed before an unqualified opinion can be achieved; or	

	□ the auditor will disclaim the statements and not offer an opinion. In this case there may be serious financial issues to be addressed. The objective of the municipality should be to achieve an unqualified audit opinion. Taking into account the audit report, audit opinion and the views of the Performance- and audit committee, council should consider: □ To what extent does the report indicate serious or minor financial issues? □ To what extent are the same issues repeated from previous audits? □ Is the action proposed considered to be adequate to effectively address the issues raised in the audit report? □ Has a schedule of action to be taken been included in the annual report, with appropriate due dates? Note that actions taken on audit issues are to be reported to the provincial legislature, the MECs for local government and finance to report on any omissions by municipalities in addressing issues. Council should confirm that the audit report has been forwarded to the MECs.	
121 (3)(f) An assessment by the municipality's accounting officer of the municipality's performance against measurable performance objectives for revenue collection from each revenue source and for each vote in the approved budget	The budget of the municipality must contain measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the IDP (MFMA s17(3)(b)). The accounting officer must include these objectives in the annual report and report on performance accordingly. Has the performance met the expectations of council and the community? Have the objectives been met? What explanations have been provided for any non-achievement? What was the impact on the service delivery and expenditure objectives in the budget? Council should comment and draw conclusions on performance and explanations provided.	
121 (3)(i)(k) Any information as determined by the municipality, the entity or its parent municipality	Review any other information that has been included in regard to the AFS.	
121 (4)(d) An assessment by the municipal entity's accounting officer of the entity's performance against any measurable performance objectives set in terms of the service delivery agreement or other agreement between the entity and the	Agreements between the municipality and its entities for service delivery are to include measurable performance objectives. This will include measures of services delivered to the community, financial targets, expenditure targets etc. The entity's annual report must include an assessment by the accounting officer, of performance against these objectives. In order to show the	

municipality	linkage between the entity and the municipality, the report of the municipality should also include the performance of entities. Has the performance met the expectations of council and the community? Have the performance objectives been met? What explanations have been provided for any non-achievement? What was the impact on the service delivery and expenditure objectives in the budget? Council should comment and draw conclusions on performance and explanations provided.	
121 (3)(i)(k) Any information as determined by the municipality, the entity or its parent municipality	Review any other information that has been included in regard to the AFS.	
121 (3)(j) and 121 (4)(g) Recommendations of the audit committee in relation to the AFS and audit reports of the municipality and its entities	Have the recommendations of the Performance- and audit committee in regard to the AFS been adequately addressed by the municipality and/or the entity? What actions need to be taken in terms of these recommendations? Conclusions on these recommendations and the actions required should be incorporated in the oversight report.	
2. Disclosures - Allocations received and made - Section 123-125 MFMA	**Considerations**	**Responses/Comments**
123 (1)(a) Allocations received by and made to the municipality	The report should disclose: • Details of allocations received from another organ of state in the national or provincial sphere. • Details of allocations received from a municipal, entity or another municipality. • Details of allocations made to any other organ of state, another municipality or a municipal entity. • Any other allocation made to the municipality under Section 214(1)(c) of the Constitution. Have these allocations been received and made? Does the audit report confirm the correctness of the allocations received in terms of DORA and provincial budgets? Does the audit report or the Performance- and audit committee recommend any action? Council should comment and draw conclusions on information and explanations provided.	
121 (1)(b) Allocations received by and made to the	The report should disclose: • Details of allocations received from any municipality or other organ of state.	

municipal entity	• Details of any allocations made to a municipality or other organ of state. • Other information as may be prescribed. Have these allocations been received and made? Does the audit report confirm the correctness of the allocations received in terms of DORA and provincial budgets? Does the audit report or the Performance- and audit committee recommend any action? Council should comment and draw conclusions on information and explanations provided.	
121 (1) Information in relation to outstanding debtors and creditors of the municipality and entities	Municipalities and entities are reminded of the requirement to include, in their annual financial statements, amounts owed to them and persistently delayed beyond 30 days, by national or provincial departments and public entities. It is also a requirement to report on whether the municipality or entity has met its statutory commitments, including the payment of taxes, audit fees, and contributions for pension and medical aid funds. Council should be satisfied that – • the information has been properly disclosed; • conditions of allocations have been met; and • also that any explanations provided are acceptable. The comments of the Auditor-General and the views of the Performance- and audit committee should be used to determine the accuracy and appropriateness of this information.	
121 (1)(c) Information in relation to the use of allocations received	Section 123 of the MFMA and MFMA guidance circular 11, require that the municipality provide information per allocation received per vote and include: • The current year and details of spending on all previous conditional grants, for the previous two financial years. Information is to be provided per vote. (For example, municipalities must report on all transfers received from provincial housing departments for housing subsidy grants for three financial years, and indicate how such funds were spent, and for what projects. • Information stating whether the municipality has complied with the conditions of the grants, allocations in terms of section 214(1)(c) of the Constitution and allocations received from other than another organ of state. Where there is non-compliance, details of the reasons for non-compliance are to be provided. □ Information on whether allocations under the DORA were delayed or withheld and the reasons advanced for this. This information is required on all allocations excluding the municipality's	

	portion of the equitable share and where prescribed otherwise by the nature of the allocation. The Auditor-General will ensure that the audit process includes a proper assessment (and reconciliation) on all national grants received by a municipality. Council should consider this aspect of the audit report and comments by the Performance- and audit committee on the use of allocations received. Council should be satisfied that – □ the information has been properly disclosed; □ conditions of allocations have been met; and □ that any explanations provided are acceptable. The comments of the Auditor-General and the views of the Performance- and audit committee should be used to determine the accuracy and appropriateness of this information.	
3. Disclosures in notes to AFS	**Considerations relating to section 124**	**Responses/Comments**
Information relating to benefits paid by municipality and entity to councillors, directors and officials	Information on the following items is to be included in the notes to the annual report and AFS: • salaries, allowances and benefits of political office bearers, councillors and boards of directors, whether financial or in kind; • any arrears owed by individual councillors to the municipality or entity for rates and services, which at any time were outstanding for more than 90 days, including the names of councillors; • salaries allowances and benefits of the municipal manager, CEO of a municipal entity, CFO and every senior manager; • contributions for pensions and medical aid; • travel, motor car, accommodation, subsistence and other allowances; • housing benefits and allowances; • overtime payments; • loans and advances, and; • any other type of benefit or allowance related to staff. Council should be satisfied that – • the information has been properly disclosed; • conditions of allocations have been met; and • that any explanations provided are acceptable. The comments of the Auditor-General and the views of the Performance- and audit committee should be used to determine the accuracy and appropriateness of this information.	
4. Municipal Performance	**Considerations**	**Responses/Comments**

The annual performance reports of the municipality and entities	Section 46, MSA requires municipalities to submit a performance report reflecting the performance of the municipality and each service provider, a comparison of the performance with targets set for the previous year and measures taken to improve performance. The report must form part of the annual report. Questions that may be considered are – Has the performance report been included in the annual report? Have all the performance targets set in the budgets, SDBIP, service agreements etc, been included in the report? Does the performance evaluation in the annual report compare actual performance with targets expressed in the budgets and SDBIP approved for the financial year? In terms of key functions or services, how has each performed? Eg. have backlogs for water, sanitation and electricity been reduced? What are the refuse collection volumes, library usage statistics etc? To what extent has performance achieved targets set by council? Is the council satisfied with the performance levels achieved? Is the community satisfied with performance? Has a customer satisfaction survey been undertaken and, if so, how do the results align with the annual report contents? What were the outcomes of public consultation and public hearings? What actions have been taken and planned to improve performance? Is the council satisfied with actions to improve performance? Did the targets set in the budgets, SDBIP agree with the targets set in the performance contracts of the municipal manager and each senior manager? Does the report evaluate the efficiency of mechanisms applied to deliver the performance outcomes? Taking into account the audit report and opinion and the views of the Performance- and audit committee, is performance considered to be efficient and effective? To what extent have actions planned for the previous year been carried over to the financial year reported upon? Have any actions planned in the reported year been carried over to the current or future years? If so are any explanations been provided by the municipal manager and are these satisfactory? Council should comment and draw conclusions on information and explanations provided.	
Audit reports on performance	Section 45, MSA requires that the Auditor-General must audit the results of performance measurements, as part of the internal auditing processes and annually. Have the recommendations of internal audit been acted on during the financial year? Have recommendations by internal audit and/or the	

	auditor-general been included in action plans to improve performance in the following year?	
Performance of municipal entities and municipal service providers	The annual report of the municipality should provide an assessment of the performance of the municipal entities and all contracted service providers. This is in addition to the separate annual reports of the entities. The report should evaluate the effectiveness of these services and whether alternative mechanisms should be considered. Is the council satisfied with the evaluation and conclusions of the municipality? What other actions are considered necessary to be taken by the accounting officers?	
For municipal entities – an assessment of the entity's performance against any measurable performance objectives set in terms of the service delivery agreement or other agreement between the entity and municipality	This is the separate report of the municipal entity and should contain details of service delivery agreements with the municipality and the performance measures therein. Council should consider similar issues to that outlined above for municipal performance to determine a view on the performance of municipal entities. To what extent were the objectives and performance measures of the entity aligned to the overall strategic objectives of the municipality and its IDP? Is the report of the municipal entity consistent with the conclusions on performance evaluation by the municipality? What specific actions should be taken by the entity and the municipality to improve performance?	
5. General information	The following general information is required to be disclosed in the annual report.	**Responses/Comments**
Relevant information on municipal entities	The municipality should disclose all information relating to the municipal entities under the sole or effective control of the municipality. Information to be disclosed includes names and types of entities, members of the board, addresses and contact details for entities, the purpose of the entity, the functions and services provided, the type and term of service level agreements with the entities.	
The use of any donor funding support	What donor funding has the municipality received? Have the purposes and the management agreements for the funding been properly agreed upon? Have the funds been used in accordance with agreements? Have the objectives been achieved? Has the use of funds been effective in improving services to the community? What actions need to be taken to improve utilisation of the funds?	
Agreements, contracts and projects under Private-Public-Partnerships	Information similar to the details of municipal entities should be provided. Council should ensure that all details have been supplied.	

Service delivery performance on key services provided	This may be a high level summary, in addition to detailed information on performance, which sets out overall performance under the strategic objectives of the municipality. Overall results on the strategic functions and services should be summarised. This should cover all services whether provided by the municipality, entities or external mechanisms. Council may draw conclusions on the overall performance of the municipality. This information may be found in an executive summary section of the annual report and or in statistical tables.	
Information on long-term contracts	Details of all long-term contracts including levels of liability to the municipality should be included. Council should ensure all information is correctly supplied	
Information technology and systems purchases and the effectiveness of these systems in the delivery of services and for ensuring compliance with statutory obligations	Details of significant IT activities should be outlined indicating the effectiveness of the IT projects and the quality of IT services. Council should consider how effectively the IT services support and facilitate performance of the municipality and whether value for money has been obtained. Details of any future IT proposals should be summarised. Council should comment and draw conclusions on the information provided.	
Three year capital plan for addressing infrastructure backlogs in terms of the Municipal Infrastructure Grant (MIG) framework	A summary of the long-term capital plans and how these address the backlogs of services in the municipality should be provided. This should include details of types and scale of backlogs, projected cost implications, strategies to address the backlogs and plans proposed and/or approved. The summary here should cross reference to the performance reports in the annual report and also will be highlighted in the coming budgets. Council should consider whether the plans appropriately address the backlogs and are consistent with the strategic policy directions of council and needs of the community.	
6. Other considerations recommended		**Responses/Comments**
Timing of MPAC reports	Was the report tabled in the time prescribed? Has a schedule for consideration of the report been adopted?	
	What mechanisms have been put in place to prepare the oversight report? Has a schedule for its completion and tabling been adopted?	
Payment of performance bonuses to municipal officials	Refer to Section 57 MSA as amended. Bonuses based on performance may be awarded to a municipal manager or a manager directly accountable to the municipal manager after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the municipal council. Preferably such evaluation should be considered along with the annual report.	

	The basis upon which performance is evaluated for payment of bonuses should be reconciled with the municipal performance reported in the annual report. **Have bonuses been paid based on achievements of agreed outputs and after consideration of the annual report by council?** **If so has a proper evaluation of performance been undertaken?** **Was the evaluation approved by council?** **Does the performance evaluation align and reconcile with the performance reported in the annual report? If not, what reasons have been given for non-reporting of the basis of evaluation in the annual report?** **Are the payments justified in terms of performance reported in the annual report?** Conclusions and comments on the evaluation and payment of performance bonuses of council should be included in the oversight report.	

11.11.2	AMENDMENT OF MEMBERSHIP OF HUMAN SETTLEMENT AND RURAL MANAGEMENT SECTION 80 COMMITTEES

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **23 March 2022 and 30 March 2022**

1. SUBJECT: AMENDMENT OF MEMBERSHIP OF HUMAN SETTLEMENT AND RURAL MANAGEMENT SECTION 80 COMMITTEES

2. PURPOSE

To request Council to amend the decision taken on 23 February in relation to the membership of the Rural Management and Human Settlement section 80 committees.

3. DELEGATED AUTHORITY

Council establishes the section 80 committees and appoints the members, whilst the Executive Mayor appoints the Chairpersons.

4. EXECUTIVE SUMMARY

In terms of Section 80 of the Structures Act, if a municipality has an Executive Mayor, it may appoint Committees of Councillors to assist the Executive Mayor. Such Committees may not in number exceed the number of members of the Executive Committee (10, including the Deputy Executive Mayor).

The Executive Mayor, *inter alia:-*

- appoints a Chairperson for each Committee; and
- may delegate any powers and duties of the Executive Mayor to the Committee.

Such Committee(s) must assist the Executive Mayor in accordance with the directions of the Executive Mayor and in line with the provisions as indicated in section 80.

The members are appointed by council in accordance with the principle of representation amongst the amount of members allocated to each committee. Council at the meeting on 23 February established the committees and appointed the members of the different Committees. Councillor Mdemka was appointed to the Rural Development Committee and Councillor Serdyn to the Human Settlements Committee. They have subsequently requested that they swap.

5. RECOMMENDATIONS

(a) that the council resolution to appoint councillor Mdemka to serve on the Rural Management Committee be amended and to appoint Councillor Mdemka to the Human Settlements Committee;

(b) that the council resolution to appoint councillor Serdyn to serve on the Human Settlements Committee be amended and to appoint Councillor Serdyn to the Rural Management Committee;

(c) that council notes that due to the changes the membership of the Human Settlements Committee and Rural Development Committee is now as follows:

Human Settlements, total 5 members:
DA – 3
Opposition – 2

J Fasser (DA) – Deputy Executive Mayor – Chairperson
E Vermeulen (DA)
X Mdemka (DA)
N Ntsunguzi (ANC)
M van Stade (GOOD)

Rural Management, total 4 members:
DA - 3
Opposition - 1

J Williams (DA) – Chairperson
J Serdyn (DA)
C Manuel (DA)
E Masimini (ANC)

6. DISCUSSION / CONTENTS

6.1 Background

Composition of Committees

In terms of Section 160(8) of the Constitution of the Republic of South Africa, members of a municipal Council are entitled to participate in its proceedings and those of its Committees in a manner that, *inter alia:-*

(a) allows parties and interests reflected within the Council to be fairly represented; and

(b) is consistent with democracy.

The chairpersons of the section 80 Committees are appointed by the Executive Mayor and makes up the Mayoral Committee.

6.2 Discussion

In terms of Section 80 of the Structures Act, if a municipality has an Executive Mayor, it may appoint Committees of Councillors to assist the Executive Mayor.

Such Committees may not in number exceed the number of members of the Executive Committee (10, including the Deputy Executive Mayor).

The Executive Mayor, *inter alia:-*

- appoints a Chairperson for each Committee; and
- may delegate any powers and duties of the Executive Mayor to the Committee.

Such Committee(s) must assist the Executive Mayor in accordance with the directions of the Executive Mayor and in line with the provisions as indicated in section 80. Council approved the following committees on 23 November 2021.

- Corporate Services;
- Planning
- Financial Services;
- Human Settlements;
- Infrastructure Services;
- Protection Services
- Local Economic Development and Tourism
- Rural Management
- Youth, Sport and Culture
- Parks. Open Spaces and Environment

The members must be appointed by council in accordance with the principle of representation amongst the amount of members allocated to each committee.

The previous council accepted terms of references for each committee which are now outdated and needs to be revised.

Councillor Mdemka was appointed to the Rural Management Committee and Councillor Serdyn to the Human Settlements Committee. They have subsequently requested that they swap.

6.5 Financial Implications

Councillors are not remunerated additionally for attending the section 80 committee meetings. The intention is that the meetings mostly be on the electronic Teams platform. Councillors will only be allowed to claim for out of pocket expenses not already covered in their all-inclusive remuneration package.

6.4 Legal Implications

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

6.5 Staff Implications

3 support staff will be appointed to support the Mayco Councillors and Chief Whip

6.6 Previous / Relevant Council Resolutions:

SPECIAL COUNCIL: 2022-02-16: ITEM 8.11.1

RESOLVED (nem con)

(a) that it be noted that Council approved the following Section 80 portfolio committees on 23 November 2021:

- Corporate Services;
- Planning
- Financial Services;
- Human Settlements;
- Infrastructure Services;
- Protection Services
- Local Economic Development and Tourism
- Rural Management
- Youth, Sport and Culture
- Parks, Open Spaces and Environment

(b) that the following members be appointed to the section 80 Committees

Corporate Services, total 4 members:
DA – 3
Opposition – 1

L Nkamisa (DA) - Chairperson
J C Anthony (DA)
J Serdyn (DA)
M Rataza (ANC)

Planning total 5 members:

DA – 3
Opposition – 2

C van Wyk (DA) – Chairperson
A Hanekom (DA)
J C Anthony (DA)
M Danana (ANC)
R Hendrickse (GOOD)

Financial Services, total 5 members:

DA – 3
Opposition – 2

P Johnson (DA) – Chairperson
W Petersen (DA)
E Groenewald (DA)
A Tomose (ANC)
R Hendrickse (GOOD)

Human Settlements, total 5 members:

DA – 3
Opposition – 2

J Fasser (DA) – Deputy Executive Mayor – Chairperson
E Vermeulen (DA)
J Serdyn (DA)
N Ntsunguzi (ANC)
M van Stade (GOOD)

Infrastructure Services, total 5 members:

DA – 3
Opposition – 2

Z Dalling (DA) – Chairperson
R van Rooyen (DA)
N Mcombring (DA)
R Nalumangu (ANC)
Z Ndalasi (EFF)

Protection Services, total 5 members:

DA – 3
Opposition – 2

R Badenhorst (DA) – chairperson
C Manuel (DA)
A Hanekom (DA)
M Nkopane (ANC)
N Mkhontwana (EFF)

Local Economic Development and Tourism, total 4 members:
DA - 3 members
Opposition – 1 member

R Du Toit (DA) – Chairperson
N Mcombring (DA)
R Pheiffer (DA)
I De Taillerfer (VF)

Rural Management, total 4 members:
DA - 3
Opposition - 1

J Williams (DA) – Chairperson
X Mdemka (DA)
C Manuel (DA)
E Masimini (ANC)

Youth, Sport and Culture, total 5 members of which:

DA – 3
Opposition – 2

R Adams (DA) – Chairperson

R Pheiffer (DA)
R van Rooyen (DA)
C Noble (Good)
J Andrews (PA)

Parks, Open Spaces and Environment total 4 members –
DA –3
Opposition –1

J Joon (DA) – Chairperson
E Vermeueln (DA)
A Hanekom (DA)
M Nkopane (ANC)

(c) that it be noted that the Executive Mayor have appointed the chairpersons to the committees on 23 November 2021;

(d) that the current terms of reference for all section 80 committees be adopted; and

(e) that the various terms of references be referred to the relevant section 80 committees for revision after which said items must be re-submitted to Mayco and subsequent to Council for final adoption.

6.7 Risk Implications

Risks has been addressed through the item**.**

6.8 Comments from Senior Management:

The Senior managers takes note of the changes.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-03-23: ITEM 7.11.2

(a) that the council resolution to appoint councillor Mdemka to serve on the Rural Management Committee be amended and to appoint Councillor Mdemka to the Human Settlements Committee;

(b) that the council resolution to appoint councillor Serdyn to serve on the Human Settlements Committee be amended and to appoint Councillor Serdyn to the Rural Management Committee;

(c) that council notes that due to the changes the membership of the Human Settlements Committee and Rural Development Committee is now as follows:

Human Settlements, total 5 members:
DA – 3
Opposition – 2

J Fasser (DA) – Deputy Executive Mayor – Chairperson
E Vermeulen (DA)
X Mdemka (DA)
N Ntsunguzi (ANC)
M van Stade (GOOD)

11.11.3	**CONSIDERATION ON APPLICATIONS RECEIVED: FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION AS PROVIDED BY THE POLICY FUNDING OF BODIES PERFORMING A MUNICIPAL FUNCTION, READ WITH SECTION 80(2) OF THE LOCAL GOVERNMENT SYSTEMS ACT, 32 OF 2000, FINANCIAL YEAR 2021 / 2022: (Provision of training to Small Micro Medium Enterprises ("SMME")**

Collaborator No: **724100**
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **23 March 2022 and 30 March 2022**

1. SUBJECT: CONSIDERATION ON APPLICATIONS RECEIVED: FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION AS PROVIDED BY THE POLICY FUNDING OF BODIES PERFORMING A MUNICIPAL FUNCTION, READ WITH SECTION 80(2) OF THE LOCAL GOVERNMENT SYSTEMS ACT, 32 OF 2000, FINANCIAL YEAR 2021 / 2022: (Provision of training to Small Micro Medium Enterprises ("SMME")

2. PURPOSE OF MEETING

To discuss and consider the funding applications for the 3rd and 4th Quarter of the 2021 / 2022 financial year received from external bodies performing a Municipal function as provided by the Policy for the Funding of External Bodies Performing a Municipal Function, read with Section 80(2) of the Municipal Systems Act No. 32 of 2000.

3. DELEGATED AUTHORITY

In terms of Section 7(2) of said policy the Grants Committee is delegated to allocate funds to External Bodies Performing a Municipal Function.

4. EXECUTIVE SUMMARY

In terms of Section 7(2) of the Policy relating to External Bodies Performing a Municipal Function of which budget allocation are delegated to the Grants Committee to make recommendations to Council, as approved by Council.

The notices of the applications for the funding of bodies performing a municipal function was advertised in the Eikestadnuus and the PaarlPost dated 09 December 2021, attached as **APPENDIX 1** of which the closing date to submit such applications was at 12:00 midday on 17 December 2021.

The following bodies submitted applications by the closing date for funding to perform the SMME Training function for Council for the 3rd and 4th quarter of the 2021 / 2022 financial year:

Applicant	**2021 / 2022** **Funding Requested in Rand Value**
Stellenbosch Network	253 000.00
Re-Ignite Business Afrika	319 200.00
Ranyaka	228 600.00
Total Funding Requested	**800 800.00**

5. RECOMMENDATIONS

With due regard for the importance of the Development and Training of Small Micro and Medium Enterprises ("SMME's) to the South African economy it is necessary to give thought to Municipal funding against the desired outcomes, the capabilities and capacity of the funded entities to deliver quantifiable outcomes and practice safe stewardship of the funds granted.

In the light of the above and the reasons submitted in this report the following is recommended to the Grants Committee for endorsement to Council for decision:

(a) that the amount of 235 000.00 be allocated to Stellenbosch Network for the 3rd and 4th quarter of the 2021 / 2022 financial year; and

(b) that the amount of R228 600.00.00 be allocated to Ranyaka Community Transformation NPC for the 3rd and 4th quarter of the 2021 / 2022 financial year.

6. DISCUSSION /CONTENTS

The following applications for the funding to provide SMME Training were received.

6.1 Stellenbosch Network (APPENDIX 2)

Stellenbosch Network		**% of Funding**
Training Programmes for SMME	185 000.00	79%
Database for SMME	50 000.00	21%
TOTAL	**235 000.00**	

Compliance checks

Stellenbosch Network		Amount requested: R235 000.00
The following MUST accompany this application:		
1. A copy of the latest, audited financial statements.	✓	31 December 2020
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: •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. • Existing SMME Database		
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.	n/a	
6. If the Organisation received funding from other bodies, please identify and list the amounts received.	✓	
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.	n/a	
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.	n/a	
10. Valid Tax Clearance Certificate issued by SARS.	✓	

The following performance indicators was submitted by Stellenbosch Network programmes description of the programmes; objective to be achieved; the deliverables; the potential outcomes; and the budget sought for the 3rd and 4th quarter of the 2021 / 2022 financial year in the below table:

AIM / OBJECTIVES	DESCRIPTION	AMOUNT in Rand	Other Funding & Source	DEPARTMENTAL COMMENT	Recommended Funding
Improved Business Knowledge & Skills	Business Training at the USB Small Business Academy	0.00	400 000.00 (Distell & US)	The Department **support and recommend the funding.**	Funding amount supported.
	Mentorship Training including in SBA	20 000.00	20 000.00 (Distell & US)		
	Stellenbosch Network Mentorship (2022 Programme)	20 000.00	20 000.00 (Department of Science & Innovation)		
	Marketing CANVA Digital Design	7 500.00			

Sub-total		**47 500.00**			***47 500.00***
Improved Operational Management & Efficiency	Legal Support (IP Registration)	15 000.00	No co-funding.	**It is recommended that this programme be funded.**	
	Digital Marketing	7 500.00			
	Google App Training (Technology)	50 000.00			
Sub-Total		**72 500.00**			***72 500.00***
Increased Customer Profile	Access to Market through Business Network Subscription	15 000.00	No co-funding	**It is recommended that this programme be funded**.	
	Business Training (Website/App Design and / or Update	7 500.00			
	Google my Business Profile (Marketing)	7 500.00			
	Google my Business Profile (Marketing)	35 000.00			
Sub-Total		**65 000.00**			***65 000.00***
SMME Database	Co-Funding of the platform that serve as a database of Stellenbosch Businesses	50 000.00	100 000.00 (Department of Science and Innovation)	Funding recommended.	
Sub-Total		**50 000.00**			***50 000.00***
TOTAL FUNDING		235 000.00			**235 000.00**

Stellenbosch Network included all the required documentation and information to be considered and therefore it is thus proposed that the programmes as noted in the above table be funded in terms of the said policy for the 3rd and 4th Quarter of the 2021 / 2022 financial year which amount to **R235 000.00.**

6.2 Reignite Business Afrika (APPENDIX 3)

Reignite Business Afrika		**% of Funding**
SMME Training Budget	319 200.00	100%
TOTAL		**319 200.00**

Compliance checks

Reignite Business Afrika		Amount Requested **R319 000.00**
The following MUST accompany this application:		
1. A copy of the latest, audited financial statements.	X	Indicated new Ventrue and therefore does not have audited financial statements
2.		

3. A copy of the Organisation's Constitution or Memorandum of Incorporation as well as the resolutions/minutes adopting the Constitution or Memorandum of Incorporation.	X	No documentation submitted other than Directors' Meeting Minutes.
4. A copy of a project/programme description and/or a business plan for the ensuing financial year. Including the following: • 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.	✓	
5. An original copy of a correctly completed creditors control form of Stellenbosch Municipality.	✓	
6. 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.	n/a	
7. If the Organisation received funding from other bodies, please identify and list the amounts received;	n/a	
8. 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;	✓	
9. 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;	n/a	
10. 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;	n/a	
11. Valid Tax Clearance Certificate issued by SARS.	X	

The following performance indicators was submitted by Reignite Business Afrika programmes description of the programmes; objective to be achieved; the deliverables; the potential outcomes; and the budget sought for the 2021 / 2022 financial year in the below table:

PROJECT	PERFORMANCE TARGETS	BUDGET	DEPARTMENTAL COMMENT	RECOMMENDED BUDGET
Facilitation and Training for Business Stokvels.	Develop Business Stokvels (Module 1)	36 200.00	The Department does not support this proposal, as other than business stokvels, the programme does not present any credible programmes.	0.00
	Module 2	36 200.00		
	Module 3	27 200.00		
	Module 4	27 200.00		
	Module 5	27 200.00		
	Module 6	5 600.00		
Sub-Total		**159 600.00 319 200.00 (twice a month)**		***0.00***

Reignite Business Afrika excluded a number of the required documentation and information and was also not clear regarding their programmes and the funding, therefore it is recommended that the programmes as noted in the above table in terms of the said policy for the 3rd and 4th Quarter of the 2021 / 2022 financial year **not be funded**.

6.3 Ranyaka Community Transformation (APPENDIX 4)

Ranyaka		**% of Funding**
Training Programmes for SMME	185 000.00	79%
Database for SMME	50 000.00	21%
TOTAL		**235 000.00**

Compliance checks

Stellenbosch Network		Amount requested: R235 000.00
The following MUST accompany this application:		
11. A copy of the latest, audited financial statements.	✓	31 December 2020
12. A copy of the Organisation's Constitution or Memorandum of Incorporation as well as the resolutions/minutes adopting the Constitution or Memorandum of Incorporation.	✓	
13. A copy of a project/programme description and/or a business plan for the ensuing financial year. Including the following: •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. • Existing SMME Database	✓	
14. An original copy of a correctly completed creditors control form of Stellenbosch Municipality.	✓	
15. 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.	n/a	
16. If the Organisation received funding from other bodies, please identify and list the amounts received.	✓	
17. 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.	✓	
18. 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.	n/a	
19. If the Organisation has been registered as a "Public Benefit Organisation" in terms of the Income Tax Act, 1962, a	n/a	

certificate/letter issued by SARS confirming the Organisation's tax exemption status must be attached.		
20. Valid Tax Clearance Certificate issued by SARS.	✓	

The following performance indicators was submitted by Ranyaka Community Transformation NPC programmes description of the programmes; objective to be achieved; the deliverables; the potential outcomes; and the budget sought for the 3rd and 4th quarter of the 2021 / 2022 financial year in the below table:

AIM / OBJECTIVES	DESCRIPTION	AMOUNT in Rand	Other Funding & Source (Nedbank)	DEPARTMENTAL COMMENT	Recommended Funding
Improved Pricing & Costing Models	Business Training: Costing, Pricing & Breakeven	15 000.00	None	The Department **support and recommend the funding.**	Funding amount supported.
	Business Support Services	0.00	16 000.00		
Sub-total		**15 000.00**	*16 000.00*		***15 000.00***
Improved Business Knowledge and Skills	Business Plan Development	15 000.00	No Co-funding	**It is recommended that this programme be funded.**	Funding amount support.
	Marketing Plan Development	20 000.00			
	Compliance Support	15 000.00			
	USB Formal Business Training	No municipal funding required.	25 000.00		
	Business Plan Review		12 000.00		
	Management Controls		10 000.00		
	Marketing Plan Review		24 000.00		
	Business Training by Nedbank		5 000.00		
	Mentorship Programme	Stellenbosch Network			
	Marketing	CANVA Design by Stellenbosch Network			
Sub-Total		**50 000.00**	*76 000.00*		***50 000.00***
Improved Finances	Financial Management: Banking Advice by Nedbank	0.00	0.00	**Programmes at no cost to the Municipality**	
	Financial Management: Access to Credit	0.00	30 000.00		
Sub-Total		**0.00**	*30 000.00*		***0.00***
Improved Operations	Financial Management: Record-keeping Support	24 000.00	0.00	**It is recommended that this programme be funded.**	It is recommended that funding be supported.
	Retail Management Training: Wholesaling and Retailing	15 000.00	0.00		
	Financial Templates	0.00	0.00		

	(Quoting, Invoicing, Record-Keeping Tools)				
	Employment Contracts	0.00	0.00		
	Employment Contract Support		9 000.00		
	Code of Conduct Templates	0.00	0.00		
	Insurance Workshop by Nedbank	0.00	0.00		
	Legal Support: Client Terms of Engagement, agreements, IP Registrations, Asset Evaluation	0.00	18 000.00		
	Marketing: Promotional Material & Signage	0.00	75 000.00		
	Photo Shoot	0.00	10 000.00		
	Digital Marketing: Agency Retainer for 6 months	0.00	60 000.00		
	Google App Training	Stellenbosch Network			
Sub-Total		**39 000.00**	*172 000.00*		***39 000.00***
Improved Quality Offering	Customer relationship Management	0.00	7 500.00	***Programmes at no cost to the Municipality***	
	Marketing: Packaging	0.00	22 500.00		
Sub-Total		**0.00**	*30 000.00*		***0.00***
Increased Customer Profile	Access to Market: Market Research	0.00	8 000.00	***Programmes at no cost to the Municipality.***	
	Access to Market: Business Network Subscription	Stellenbosch Network			
	Social Media Training	Stellenbosch Network			
	Marketing: Google my Business Profile Training	Stellenbosch Network			
	Business Premises Access: hot-desking	0.00	80 000.00		
Sub-Total		**0.00**	*88 000.00*		***0.00***
Improved Business Compliance	CIPC / Business Registration	45 000.00	45 000.00	**It is recommended that this programme be funded.**	It is recommended that funding be supported.
	PAYE Registration				
	UIF & Ufiling				
	SARS Company Income TAX Registration				
	CIPC Annual Returns				
	B-BEEE affidavit / certificate				
	Workers Compensation				

	SARS Annual Returns				
	TAX Clearance Certificate				
	Industry Compliance				
	Financial Clean-Up: Annual Financial Statements historic				
	Annual Financial Statements				
Sub-Total		**45 000.00**	*45 000.00*		***45 000.00***
Increased Supply-Chain Inclusion	Assistance to register on CSD, Local Supply Chains	15 000.00	0.00	**It is recommended that this programme be funded.**	It is recommended that funding be supported.
Sub-Total		***15 000.00***	*0.00*		***15 000.00***
Monitoring and Evaluation Officer		40 000.00	150 000.00	It recommended that funding be supported.	
Ranyaka Management Fee		24 600.00	68 550.00		
Sub-Total		**64 600.00**	*218 550.00*		***64 600.00***
TOTAL FUNDING		228 600.00	675 550.00		**228 600.00**

Ranyaka included all the required documentation and information to be considered for funding. The organisation also noted that it has generated additional funding of R675 550.00 from Nedbank and also co-host free training sessions with Stellenbosch Network.

6.4 Evaluation of funding requests

Based on the factors mentioned in point 5 & 6 of this report, it is clear that only two (2) organisations have submitted applications and also qualified to be considered for funding, which is Stellenbosch Network and Ranyaka Community Transformation NPC.

6.5 Financial Implications

A current available budget approved for the allocation of external bodies performing a function of Council is R661 393.00 as per ukey 20210705087386. The proposed budget to be allocated to Stellenbosch Network and Ranyaka Community Transformation is R463 600.00. The Department therefore has sufficient budget for the 3rd and 4th quarter of the 2021 / 2022 financial year to fund the proposals.

6.6 Legal Implications

The recommendations in this report comply with Council's policies and applicable legislation and the approved Policy for the Financing of External Bodies Performing a Municipal function.

The successful applicants are required to submit quarterly reports reflecting accurately the application of the funds allocated and using the reporting template which will be provided by Council to them as specified in the Memorandum of Agreement ("MOA") which they are required to enter into with the Municipality.

6.7 Staff Implications

None

6.8 Previous Council resolutions:

GRANTS-IN-AID COMMITTEE MEETING: 2022-02-18: ITEM 3.1

RECOMMENDATIONS

(a) that the amount of 235 000.00 be allocated to Stellenbosch Network for the 4th quarter of the 2021 / 2022 financial year; and

(b) that the amount of R228 600.00.00 be allocated to Ranyaka Community Transformation NPC for the 3rd and 4th quarter of the 2021 / 2022 financial year.

6.5.1 Risk Implications

Stellenbosch Network and Ranyaka Community Transformation NPC are entities funded to undertake a function of Council and is therefore also subject to reporting to the Auditor-General in terms of their Annual Financial Statements ("AFS") in terms of the Municipal Finance Management Act, Act 56 of 2000. Therefore, the Department will draft a reporting template to ensure that the financial reporting will be in accordance with the required financial reporting in terms of the relevant Generally Recognised Accounting Practices ("GRAP") and the MOA as signed with Council.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-03-23: ITEM 7.11.3

(a) that the amount of 235 000.00 be allocated to Stellenbosch Network for the 4th quarter of the 2021 / 2022 financial year; and

(b) that the amount of R228 600.00.00 be allocated to Ranyaka Community Transformation NPC for the 3rd and 4th quarter of the 2021 / 2022 financial year

APPENDICES

Appendix 1: Advertisement
Appendix 2: Stellenbosch Network Submission
Appendix 3: Reignite Business Afrika Submission
Appendix 4: Ranyaka Community Transformation NPC Submission

FOR FURTHER DETAILS, CONTACT:

NAME	Craig Alexander Pr Pln
POSITION	Senior Manager: Development Planning
DIRECTORATE	PLANNING AND ECONOMIC DEVELOPMENT
CONTACT NUMBERS	021 808 8196
E-MAIL ADDRESS	Craig.Alexander@stellenbosch.gov.za
REPORT DATE	08 February 2022

APPENDIX 1

STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Munisipale Kennisgewing 117 / 2021

KENNISGWING: AANSOEK OM SKENKINGS VIR DIE BEFONDSING VAN ENTITEITE WAT 'N MUNISIPALE FUNKSIE VERRIG SOOS VERVAT IN DIE BELEID VIR DIE BEFONDSING VAN EKSTERNE ENTITEITE WAT 'N MUNISIPAL FUNKIE VERRIG, SAAMGELEES MET ARTIKEL 80(2) VAN DIE WET OP PLAASLIKE REGERING: MUNISIPALE STELSELSWET, WET 32 VAN 2000 VIR DIE 2021 / 2022 FINANSIELE JAAR: Opleiding van Kleiner, Medium en Mikro Ondermenings ("SMME"), en die Opstel en Opdatering van die SMME Databasis vir die Stellenbosch (WC024) Munisipale Area.

Kennisname geskied Hiermee vir Eksterne Entiteite wat 'n munisipale funksie verrig soos vervat in die Beleid vir die Befondsing van Entiteite wat 'Munisipale Funksie Verrig, saamgelees met Artikel 80(2) van die Wet op Plaaslike Regering: Munisipale Stelselswet, Wet 32 van 2000 en wat kwalifiseer vir finansiele hulp, om aansoek te doen ingevolge die bepalings vervat in die bostaande beleid van Stellenbosch Munisipaliteit.

Slegs organisasies binne die Stellenbosch (WC024) Munisipale administratiewe grense wat die volgende funksies verrig:

- Verskaffing van ten minste vyf (5) opleidingsprogramme vir Kleiner, Medium en Mikro Ondernemings ("SMME")
- Opstel en Opdatering van 'n SMME Databasis vir die Stellenbosch (WC024) Munisipale Area.

Slegs aansoeke wat op die voorgeskrewe aansoekvorm ingedien word en vergesel word van al die gevraagde inligting, dokumentasie, finansiele state, dekkingsbrief, en stawende dokumentasie wat ontvang word by die Kantoor van die Bestuurder: Ekonomiese Ontwikkeling & Toerisme teen **12:00 middag** op **17 Desember 2021** sal oorweeg word. Aansoekers mag ook verlang word 'n voorlegging te doen, soos aangetoon op die aansoekvorm, aan die Evalueringspaneel.

Neem kennis: Slegs aansoekers wat die Raad kan voorsien van 'n bestaande databasis van SMME's en hul kontak besonderhede sal oorweeg word vir befondsing.

Afskrifte van die betrokke beleid en aansoekvorm is beskikbaar gedurende kantoorure by die Kantore van die Afdeling: Ekonomiese Ontwikkeling & Toerisme gelee te:

- Dorpstraat 127, Stellenbosch, 7600

Of per e-pos by:

- Sharon Pedro (Sharon.Pedro@stellenbosch.gov.za) (021) 808 8974

Aflaaibare kopie is ook beskikbaar op die Stellenbosch Munisipale webwerf: www.stellenbosch.gov.za

GARALDINE METTLER
MUNISIPALE BESTUURDER
DESEMBER 2021
Kennisgewing Nr: 117 / 2021

Municipal Notice 117 / 2021

NOTICE: APPLICATIONS FOR THE FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION PROVIDED BY THE POLICY FOR THE FUNDING OF BODIES PERFORMING A MUNICIPAL FUNCTION READ WITH SECTION 80(2) OF THE LOCAL GOVERNMENT: SYSTEMS ACT, 32 OF 2000, FINANCIAL YEAR 2021 / 2022: Training of Small Medium and Micro Enterprises, and the Establishment and Updating of the SMME Database for the Stellenbosch (WC024) Municipal Area.

Notice is hereby given to external bodies performing a Municipal Function as provided by the Policy for the Funding of Bodies Performing a Municipal Function read with Section 80(2) of the Local Government: Municipal Systems Act, Act 32 of 2000, and who qualify for financial assistance, to apply in line with the aforementioned policy of the Stellenbosch Municipality.

Only organisations within the Stellenbosch (WC024) Municipality's administrative boundaries that provide a Municipal Function(s) for:

- Training for Small, Medium and Micro Enterprises ("SMME") with a minimum of five (5) training programmes
- Establishing and maintaining a Database of all SMME within the Stellenbosch (WC024) Municipal Area.

Only applications received on the prescribed application form and accompanied by the required information, documentation, financial statements, covering letter, and supporting documentation received by the Office of the Manager: Economic Development & Tourism by no later than **12:00 midday** on **17 December 2021** will be considered.

Applicants may also be required to conduct a presentation, as noted in the application form, to the Evaluation Panel.

Please note: Only applicants who can provide Council with an existing database and their contact details of SMME's.

Copies of the said policy and application from is available during office hours from the Offices of the Section: Economic Development & Tourism located at:

- 127 Dorp Street, Stellenbosch, 7600

Or by email from:

- Sharon Pedro (Sharon.Pedro@stellenbosch.gov.za) (021) 808 8974

Downloadable copies of the documents are available on the Stellenbosch Municipal official website at: www.stellenbosch.gov.za

GARALDINE METTLER
MUNICIPAL MANAGER
DECEMBER 2021
Notice No: 117 / 2021

APPENDIX 2

STELLENBOSCH **APPENDIX A**

ST EL LEN BOSCH • P NIEL • FRA NSCH HOEK

Municipality • Umasipala • Munisipaliteit

APPLICATION: FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION 2021/2022

NOTE: ONLY APPLICATIONS ON THIS PRESCRIBED FORM SHALL BE CONSIDERED

PLEASE COMPLETE THE FOLLOWING:

A	**REGISTERED NAME OF ORGANISATION:** **...Stellenbosch Network NPC.....**
B	**DATE AND YEAR IN WHICH THE ORGANISATION WAS FOUNDED OR INCORPORATED (INCLUDE BRIEF DESCRIPTION OF BUSINESS OR ACTIVITIES OF ORGANISATION):** Stellenbosch Network NPC was registered as an entity in December 2019. **The Stellenbosch Network** is a cross sector and inter-disciplinary membership organisation that brings people together – from industry, government, society and academia. Our aim is to share ideas, meet each other, encourage collaboration and partnership in support of inclusive economic growth for the greater Stellenbosch area. The role-players in the Stellenbosch Network include innovators, entrepreneurs, SMMEs, investors, locally-based corporations, social entrepreneurship enterprises, knowledge institutions and government.
C	**ADDRESS:** (i) Street: ...15 De Beer St..... / .....Stellenbosch..... / .....7600..... (ii) Postal: .....15 De Beer St..... / .....Stellenbosch..... / .....7600..... Contact details: Name and Surname: .....Hanli Brink..... Title/Position held: .....Operations Director..... Tel: ...082 536 5847... E-mail: ...hanli@stellenboschnetwork.co.z.....
D	**LIST ALL THE BOARD / COMMITTEE MEMBERS OF THE ORGANIZATION:** Name and Surname: ...Hanli Brink..... Position: ...Operations Director..... Contact Address and tel. no: 082 536 5847 / 5 Drommedaris St, Stellenbosch, 7600

	Name and Surname: ...Dr Leslie van Rooi..... Position: .....Director..... Contact Address and tel. no: ...071 194 2324 Simonberg Residence, 79 Merriman Avenue, Stellenbosch, 7600 Name and Surname: ...Roux de Villiers..... Position: .....Director..... Contact Address and tel. no: ...082 302 4942...Wildepaardejacht Farm, Paarl Name and Surname: ..... Position: ..... Contact Address and tel. no: ..... Name and Surname: ..... Position: ..... Contact Address and tel. no: .....
D	INDICATE IN WHICH WARD THE ORGANISATION IS ACTIVE: Ward: All Stellenbosch wards Is the organisation a non-profit company? Yes X No If yes, provide company registration number: 2019/609161/08 - Is the organisation a non-profit organisation as contemplated in section 13 of the Non-Profit Organisation Act, 1997? Yes No X If yes, provide registration number: _____ - Is the organisation a public benefit organisation as contemplated in terms of the Income Tax Act, 1962? Yes No X If yes, provide registration number: _____ - Is funding required for a specific project / progarmme? Yes X No If yes, attach details separately. Budget amount of projects / programmes: ...R185 000 + R50 000 = R235 000.00 Duration of project / programme: ...1 year..... Is funding required for general support? Yes No X If yes, attach a copy of the organisation's overall budget and business plan.

E	CATEGORY Please categorise your application (mark with x): Training Programmes for SMME ination Marketing n ☒ Database for SMME's ☒ ☐ Note: For more detail, see attached Funding of External Bodies Performing a Municipal Function Policy. (general guidelines and categories) Please indicate the specific type of project / programme, as per the Funding of External Bodies Performing a Municipal Function Policy. ....See supporting documents attached..... ....
F	**THE FOLLOWING MUST ACCOMPANY THIS APPLICATION:** 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: • Full details of the proposal or project / programme 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 / programme. • Information on the total cost of the project / programme 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.

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.
10. A valid Tax Clearance Certificate issued by SARS.
11. **List and contact details of existing SMME's within the database.**
12. **Proof of hosting or facilitating SMME training sessions (e.g. Photographs, attendance register, etc.)**

G THE FOLLOWING SHALL APPLY:

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 where and for which purpose the funding will be allocated.
2. The funding must be exclusively used for the purpose defined and motivated, 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 must 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 *inter alia* stipulates that the organisation 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 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.

	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 / programme applied for. For this purpose, organisations must submit financial statements and budget for the ensuing financial year. 15. Organisations who received funding from Stellenbosch Municipality during the previous financial year, are required to attach such proof to the 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). 16. SMME Training' funding applicants must be able to demonstrate that the following may be achieved within their 2021 / 2022: • Minimum of five (5) training opportunities must be held • The applicants must possess an existing database of SMME's within the Stellenbosch Municipal Area (The Funding of External Bodies Performing a Municipal Function Policy must be consulted for the sake of completeness)
H	**UNDERTAKING:** 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. 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. This completed and signed at Stellenbosch on this 16th day of December 2021 _____ **Chairperson / Authorised Representative** _____ **Secretary / Duly Authorised Signatory**

I	**PLEASE TAKE NOTE:** • (i) That completed application forms together with all the required documentation must be delivered to: **Director: Planning and Economic Development (Attention: Ms L van Gensen)** **P O Box 17** **Stellenbosch** **7599** Or delivered to: **127 Dorp 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 NETWORK

Director: Planning and Economic Development
Ms Lesley van Gensen
PO Box 17
Stellenbosch, 7588

16 December 2021

Dear Ms van Gensen,

RE: Municipal Notice 117/2021
Stellenbosch Network funding application for external bodies performing a municipal function
Training programmes for SMME's
Database management of SMME's

The Stellenbosch Network is a cross-sector interdisciplinary networking organisation that brings together people from local industry, academia and government to scope and implement innovative programmes, platforms, and events in order to encourage, support and further develop the levels of local innovation and entrepreneurship while also encouraging collaboration and partnership between local innovation actors. Key stakeholders in the network include Stellenbosch University, Wesgro, local industry and Stellenbosch Municipality.

Year 1 and 2 of the Network has allowed for the successful establishment of the Stellenbosch Network, which to date has in excess of 170 members. Since establishment the network, through its various events, the mentorship programme, innovation competitions, social media, newsletters and day-to-day introductions and recommendations, has helped a large number of SME's based in Stellenbosch and surrounds, including innovators from under-served areas in Stellenbosch.

Stellenbosch Network would like to apply for funding as follow:

Training programmes for SME's = R185 000.00 (see budget with application)

Database for SME's = R50 000.00 (see budget with application)

Total = R235 000.00

15 De Beer Street, Stellenbosch, 7600
Private Bag X1, Matieland, 7602
NPC no 2019/609161/08
Tel: +27 21 808 9067 | www.stellenboschnetwork.co.za

STELLENBOSCH NETWORK

Training Programmes for SMME's:

Mentorship Programme:

Based on the current success of the 2020 and 2021 Mentorship programme, SN will repeat the programme for 2022. The programme could accommodate up to 20 small entrepreneurs. The outcomes of the mentorship programme include business growth (through revenue growth or number of employees) or else survival during poor economic climates. The funding is used for facilitation sessions that will be held, marketing of the programme and specific training courses for mentees on the programme, tailored to the needs of the mentees. The key facilitator for the programme will be JP Cronje, who has extensive experience in ensuring successful and sustainable mentorship matchmaking and facilitation. JP Cronje is also the lead mentorship facilitation for the University of Stellenbosch Business School and manages the mentorship programme for Allan Gray Orbis Foundation. This is a 8 month programme. R20 000.00 budget.

USB Mentorship during SBA Programme:

With the assistance of Distell and Stellenbosch University the Small Business Academy programme will again be hosted in Stellenbosch in 2022. We ask for funding of the mentorship programme that forms part of the SBA programme during 2002. Budget R20 000.00

CANVA design Digital workshop:

This will be presented online during a morning session = R7 500.00 budget

Intellectual Property (IP) Registrations:

This will be presented in person during a morning session and the presenter will be a patent lawyer. Budget R15 000.00

Digital Marketing Training:

An online workshop focussing on website, social media marketing and digital design. Budget R7 500.00

Google Training: 5 x morning sessions workshops:

This will consist of 5 separate morning sessions hosted by Mido Technolologies covering Google Level training: Chrome books, Gmail, Sheets, Calendar, Drive, Docs, Slides and forms. Budget R50 000.00

Business Network Subscription Stellenbosch Network:

Training to list your business on the Stellenbosch Network procurement platform. This will consists of 2 sessions to train you to list and to manage your profile. R15 000.00 Budget

Website/App design:

A morning online session to teach you how to build your own basic website and/or App. Budget R7 500.00

Google my Business Profile training:

An online session showing you how to ensure your business is optimised in Google Searches. Presented by Adbot. Budget R7 500.00

Google my Business Ads sponsored:

Sponsoring advertisements on Google for a few SME's and teaching them how to optimise their marketing via Google. This will be done through Adbot. Budget R35 000.00

SME's Database / Procurement Platform:

Stellenbosch Network with funding assistance from Dept of Science and Innovation has established a Procurement Platform build via blockchain technology.

The scoped platform features of phase 1 of the platform, which is currently under development, are listed as follows:

1. Map local suppliers and their capabilities and match these suppliers to the needs of larger local medium-large procurers (such as locally-based multinationals, Stellenbosch University,

STELLENBOSCH NETWORK

Stellenbosch Municipality etc.). The solution under development incorporates blockchain and automated technology allows for automated verification and compliance, competitive bidding. It is noted that the database required for successful LED supplier matchmaking needs to be of a critical and substantial size and various stakeholders are being engaged continually to determine the variables and selection criteria for appropriate matchmaking and for future updates to the platform such that it meets useability requirements.

2. Directory of local events related to innovation and entrepreneurship.
3. Continued listing of current local upskilling and capacity building programmes for supplier development. SN will as a value-added service as part of its matchmaking programme, match non-compliant suppliers to a suitable supplier development programme to ensure future capacity building to enable future compliance.

Further funding will go towards expansion of the platform (Phase 2) and continued updating of the platform features rolled-out in phase 1. Key additional items included under this funding are listed as follows:

1. Showcase current funding calls, grants, and competitions related to technology development
2. Showcase and map local makerspaces, co-working spaces, incubator, scientific services, technology development product trial and registration services

Stellenbosch Network is asking for funding for R50 000.00 as co-funding of the platform that will serve as a database of Stellenbosch businesses. The businesses will all be vetted by the platform and Stellenbosch Network would allocate a portion of this funding towards the vetting and management fees.

Do not hesitate to contact me should you need any further information.

Yours sincerely

Hanli Brink

Operations Director, Stellenbosch Network
hanli@stellenboschnetwork.co.za

Stellenbosch Network Training Sessions

OUTCOME	Category	Intervention / Programme		Service Provider	Stellenbosch Municipality Budget	Other Funding	Co-Funder
IMPROVED BUSINESS KNOWLEDGE & SKILLS	Business training	USB Small Business Academy (SBA) Stellenbosch	One-year Part-time programme	Stellenbosch Network		R400 000	Distell, Stellenbosch University
IMPROVED BUSINESS KNOWLEDGE & SKILLS	Mentorship	USB Mentorship during SBA programme	Mentorship included in training	Stellenbosch Network	R20 000	R20 000	
IMPROVED BUSINESS KNOWLEDGE & SKILLS	Mentorship	Stellenbosch Network Mentorship	2022 Mentorship Programme	Stellenbosch Network	R20 000	R20 000	Department of Science & Innovation
IMPROVED BUSINESS KNOWLEDGE & SKILLS	Marketing	CANVA design Digital design	Morning session, online event	Stellenbosch Network	R7 500		
IMPROVED OPERATIONAL MANAGEMENT & EFFICIENCY	Legal support	IP Registrations	Morning session, event	Stellenbosch Network	R15 000		
IMPROVED OPERATIONAL MANAGEMENT & EFFICIENCY	Marketing	Digital Marketing	Website | Social Media marketing | Digital design, online event	Stellenbosch Network	R7 500		
IMPROVED OPERATIONAL MANAGEMENT & EFFICIENCY	Technology	Google training: 5 morning Sessions	Google App Training (Gmail, Docs, Sheets, Slides) over 5 sessions	Stellenbosch Network	R50 000		
INCREASED CUSTOMER PROFILE	Access to Market	Business Network subscription: Stellenbosch Network	Training to register/manage profile	Stellenbosch Network	R15 000		
INCREASED CUSTOMER PROFILE	Business training	Website /App design and/or update	Website designing and/or App design training	Stellenbosch Network	R7 500		
INCREASED CUSTOMER PROFILE	Marketing	Google my Business Profile	Presented by Adbot and monthly marketing sponsored	Stellenbosch Network	R7 500		
INCREASED CUSTOMER PROFILE	Marketing	Google my Business Profile	Sponsoring 5 SME's Google profile for 10 months	Stellenbosch Network	R35 000		
Total Budget required by Stellenbosch Network for training Sessions					**R185 000**		

Stellenbosch Network SME's Database management

OUTCOME	Category	Intervention / Programme		Service Provider	Stellenbosch	Other Fundin	Co-Funder
INCREASED CUSTOMER PROFILE	Access to Market	Business Network subscription: Stellenbosch Network	Registration with local network & vetting fee sponsored	Stellenbosch Network	R50 000	R100 000	Dept of Science & Innovation
Total Budget for Database management					**R50 000**		

STELLENBOSCH NETWORK

History of events and training workshops hosted:

The following events were hosted by Stellenbosch Network during the past months:
Entrepreneurial Mentorship Programme

April 2021 – November 2021
The SN Entrepreneurial Mentorship Programme is an eight-month mentorship programme providing a matchmaking framework for prospective entrepreneurship mentors and mentees. Through the Year 2 programme, nine micro-enterprise innovators from under-served areas around Stellenbosch (***See Table 1*** below for a detailed breakdown of the mentees on the Year 2 programme) are currently being mentored by mentors sourced by the mentorship programme facilitator of the University of Stellenbosch Business School's Small Business Academy. The programme provides black-owned microenterprise and entrepreneurs with extensive and in-depth mentorship on how to manage and grow their businesses, how to apply new innovations and/or survive difficult times, which is needed now more than ever. The SN has received very positive feedback from the innovators currently enrolled in this programme on the value of the programme for their businesses.

Table 1 Stellenbosch Network Mentorship Programme Mentees

Mentee	Business Type	Gender	Stellenbosch area
Rinai Musekene	Maintenance software	Male	Kayamandi
Ibrahim Sururu	Maintenance software	Male	Kayamandi
Marvelous Matlou	Digital & data service	Male	Kayamandi
Putsue Mdluli	Wine technology	Female	Stellenbosch
Lynne Rippenaar-Moses	Digital Communications & marketing	Female	Idas Valley
Michelle Maluqua	Hospitality & catering	Female	Klapmuts
Ruth Pieterse	Beauty industry	Female	Idas Valley
Denver Okkers	Security Industry	Male	Jamestown
Niklaas Willemse	Driving School	Male	Cloetesville

STELLENBOSCH NETWORK

Technology Training Workshop 1: Value Proposition Masterclass with Anton Pretorius from Sologix, 22nd October 2020
Topic: A business and Innovative thinking coaching session for the top 10 #Ideasforchange entries. Focussing on the GrowthWheel online toolkit to evaluate your idea and how to develop this into a business model. Presenter: Anton Pretorius, CEO Sologix. Attendees: 5 Ideasforchange challenge participants

Technology Training Workshop 2: Individual 30 – 60 minute Value Proposition Masterclass Feedback sessions for the Top 10 Ideasforchange Challenge, November 2020
Topic: Based on the Value Proposition Masterclass session hosted by Sologix on the 22nd October, they offered a further individual session with each participant to discuss the potential of turning their ideas into a business. Presenter: Anton Pretorius, CEO Sologix. Attendees: 5 Ideasforchange Challenge participants.

Technology Training Workshop 3: Webinar, 4th February 2021
Presenter: John Foster, Partner at Spoor & Fisher
Topic: Protecting your intellectual property. Outlining the importance of intellectual property and providing an overview on how to identify, protect and enforce it; John also gave advice on how to distinguish between different types of intellectual property, including trademarks, copyright, domain names, patents and designs. Attendees: 66 Registrations

Technology Training Workshop 4: Webinar, 30 March 2021
Presenter: Lorinda van Niekerk, Director at Cluver Markotter
Topic: Protection of Personal Information (POPI) Act Discussion including the following topics: An overview of the requirements of and definitions in the Act. The conditions for the lawful processing of personal information. The role of the information officer. How to conduct a POPIA audit and implement the required policies and procedures
Attendees: 39 Registrations

Technology Training Workshop 5, Webinar, 9th June 2021
Presenters: Werner Coetzee & John Malan, co-founders SupplyBlock
Topic: Fourth Industrial Revolution Solutions for Service Provider and Opportunity management. Blockchain-powered technology solutions are uniquely designed to improve operational resilience and compliance. Its cross-sector applications significantly reduce the risk of fraud and error, along with enhanced auditability and reporting. During this webinar

the presenters will share their expertise and demonstrate how their blockchain technology can enhance procurement systems.
Attendees: 38 Registrations

Technology Training Workshop 6, Webinar, 15th June 2021
Presenter: Andrew White & Robin Richardson, Mathys & Squire
Topic: How to manage your Intellectual Property. Looking at proactive strategies for managing and protecting your intellectual property and the value these can add to your business. We will explore relevant case studies that highlight the risks and opportunities involved, along with discussion points covering issues such as: What are the benefits of considering an IP strategy early on. And how do I implement an effective IP strategy
Attendees: 30 Registrations

Smart City Lecture Series 1
Topic: Innovative Business Models presented by Naudé Rademan (CEO Linebooker) & Megan Bruwer (Stellenbosch Smart Mobility Lab):
A discussion on innovative business models in the transport industry. Linebooker is South Africa's largest online transport network, and their robust 'Freight' and 'Services' technology platform delivers reliability, efficiency and a seamless experience for customers and truckers. This was then followed by a presentation from Stellenbosch Smart Mobiity Lab (SSML) who shared how the SSML is at the forefront of transportation innovation.
Attendees: 74 Entrepreneurs

Smart City Lecture Series 2 Webinar: 10th February 2021
Presenter: Prof Resia Pretorius, Co-Founder BioCODE Technologies
Topic: Biomarker and biosignal monitoring for disease risk screening. BioCODE develops biosignal and biomarker screening solutions for inflammatory disease risk identification. They shared their story with us including how they managed to secure funding from the University Technology Fund.
Attendees: 32 Registrations

Smart City Lecture Series 3, Webinar, 5th May 2021
Presenter: René Botha, area manager Business Partners
Topic: Lessons learned by SME's in 2020 and preparing for the future. Unpacking some of the familiar and unknown nuances of how the COVID-19 pandemic impacted small businesses, as well as some tips and tricks on how to protect your business from similar events in the future.

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Attendees: 54 Registrations

Smart City Lecture Series 4, Event @ Johannesdal 1207, 20th May 2021
Presenter: Sebekedi Koloi (Wesgro), Hanli Brink & Rob Hersov (Keynote speaker)
Topic: Stellenbosch Technology Ecosystem Connection and Activation with Wesgro & Stellenbosch Network
With Cape Town proclaimed the Tech Capital of Africa, Wesgro and Stellenbosch Network have formally partnered to extend this to the Cape Winelands with the development of a new digital economy strategy for Stellenbosch and its surrounds. The new partnership was formally launched at a private networking event held at Johannesdal 1207 on the outskirts of Pniel, which connected technology businesses operating in Cape Town and Stellenbosch. In attendance were a broad array of technology and innovation-related startups, corporates, investors, entrepreneurs, and academic institutions, including representatives from Remgro, Southern African Venture Capital and Private Equity Association (SAVCA), Stellenbosch University, Silicon Cape, Linebooker, Future Females, Wyzetalk, Green X Engineering and Workshop 17, among others

Smart City Lecture Series 5, Webinar Workshop: 26th May 2021
Presenters/attendees: Connected Places Catapult representatives, Stellenbosch Network, Stellenbosch Bridge, African Data Technologies, Stellenbosch Municipality, Smart Mobility Lab, Launchlab
Topic: To introduce Connected Places Catapult (CPC) experience and capabilities spanning smart cities, the built environment, mobility and transport systems and exchange on Smart city and Open Data initiatives led by the Stellenbosch Municipality and its ecosystem. The workshop was designed to be an informal knowledge exchange and stimulate a conversation on potential areas of collaboration between the UK and Stellenbosch innovation community.
Attendees: 20 representatives from companies/organisations mentioned above

STELLENBOSCH NETWORK

Database of SMME's that are members of Stellenbosch Network.

Please note that due to the POPI Act restrictions we are not allowed to share any contact details of our members. Attached is the list with Business name followed by owner/manager's name and surname.

15 De Beer Street, Stellenbosch, 7600
Private Bag X1, Matieland, 7602
NPC no 2019/609161/08
Tel: +27 21 808 9067 | www.stellenboschnetwork.co.za

Stellenbosch Network Members		
Business Name	**Name**	**Surname**
Herbal View Nursery	Basil	Williams
Wrap it up PR & Communications	Lynne	Rippenaar-Moses
Grandeur Giftery	Maambela	Khosa
Eagle Towers SA	Avril	van Rheede
Amazink	Odwa	Nomavuka
Pretti Sweet Treats	Faeeza	Arnolds
Kaymandi Recycling	Lwando	Bottomane
Letz	Thabo	Dube
Davene Pool Beauty Studio	Davene	Pool
Zenobia Thys Couture	Zenobia	Thys
NBW Consulting	Natasha	Boks
Ateljee Will Hammers	Will	Hammers
iTorho	Njabulo	Khulu
Mido Technologies	Dale	Simons
Lierolac	Raymond	Brinkhuis
Eco Africa Digital	Lizanne	du Plessis
Teambix	Remmone	
EJC Consulting	Enrico	Cupido
Ubungcweti Technologies	Sabelwesihle	Ngcobo
training4changeS	Daniel	Thomae
Acu-Temp	Garnet	Christian
Meraki Cleaning & Training	Tenisee	Henkeman
Rinaibra	Rinae	Musekene
Pathways outa Poverty	Guy	Harris
Plumb Line Organisation Development	Wickus	Guelpa
Polymorph Systems	Richard	Barry
Silverstone Financial Solutions	Cecil	Jordaan
Van der Merwe Robertson	Roelf	van der Merwe
Cliffe Dekker	Christoff	Pienaar
Xuviate	Matthias	Tölken
Ergopak	Nico	Treumicht
Blue Equity Holdings	Hans	de Nysschen
Action Coach	Harry	Welby-Cooke
African Data Technologies	Wihan	Bekker
Atter	Mike	Atter
African Sun Media	Walter	Barnes
Innovation 4 Life	Pieter	
RLActive	Richard	
HB Interiors	Jean-Marie	Smith
Eikestad Mall	Andre	
HeniZ	Heni	
JD Creations	Joyce	
Premium Solar Energy	Pieter	Fourie
Upstyle Events	Luciano	
Bright Future Consulting	Jannie	
Oneiroi Investments	Theo	Pistorius

Saltare Wines	Carla	Pauw
Daisy Business Solutions	Angelo	Lamberts
Dunsandle Trading (Pty) Ltd	Mike	Daly
Michelangelo wine awards	Mynard	Slabbert
Global Engagement Institute	Cailin	Human
Infinity Web	Charl	Cillie
Helderberg Architects	Dirk	du Preez
ZwideAzi Engineering Solutions	Yolanda	Nxumalo
Torch	Lindsy	Marais
MOHARA Ventures SA	Maarten	Mantel
stelliesAPP	Arno	Hattingh
Aandklas	Marcus	Oosthuizen
training4changeS	Daniel	Thomae
Eclipde Hub	Phillip	Masango
Teclab SP	Marius	Snyman
Mindwalk	Wardah	Petersen
Hybritek	Theo	Calitz
Techfin Solutions	Wayne	Olivier
Stellenbosch Travel Agency	Robyn	Daneel-Spicer
The Wink Movement	Adri	Dombrack
DueDash Cape Town	Enrico	Cupido
PODit	Marius	du Plessis
Dunsandle Trading	Mike	Daly
In2Food	Andre	Haasbroek
Oakleaf Shuttles	Gerado	Williams
Black silver Capital	Amber	Beckett
Food supply network	Stuart	hazell
Innativ Studio	Leigh	Desai
Corvus	VDS	Brink
Kinsmen	Mico	Botha
Immobazyme	Ethan	Hunter
Powerful Virtual PA Training & Network	Carmen	Cara
Atharii	Phillip	Masango
Research Beeline		
Enterprise Dynamics	Kosie	de Villiers
FSG Event Logistics	Samantha	Diedericks
Frederick van Zyl Attorneys	Rikus	Scheepers
Mintor	Marguerite	Heyl
Project One Engineering	Katlego	Malatji
Eendracht hotel & apartments	Daniel	Lutz
Citrogold		
MTalks	Marvelous	Matlou
Style Addict	Janine	Wilson
Centre for Science and Technology Innovations (CSTI)	Cecilia	Wandiga
Hello Work - Coworking Stellenbosch	Hilda	Joubert
DPK	Megan	Gannon
Uys Accounting & Consulting	Uys	
Teliospace	Fairchance	Ncube

Green X Engineering	Mario	Roos
Osmond Lange Architects And Planners	Francois	Nortje
RSG Service	Ronald	
GiGTECH GLOBAL SOLUTIONS	Zee	Gwebu
New Door Property Group	Hannes	Basson
Jwalang Development	Lucky	Nkhoma
Workshop 17	Antonette	Benting
Supply Block	Werner	Coetzee
The Kindbrush	Chrismare	Barnardt
LakayMedya	Carol	Lakay
Elo House	Shari	
EJC Consulting	Enrico	Cupido
FAB Consulting	Chrizelda	Walters
Tendai ICT	Andrew	Maringa
Biocode Technologies	Resia	Pretorius
Immobazyme	Ethan	Hunter
SWART	Derick	Swart
Agrigistics	Cilliers	Geldenhuys
Amplifind Service Technologies	Andries	Bekker

Cabernet House East
Brandwacht Office Park
Trumali Street
Stellenbosch
7600
Email: admin@ranyaka.co.za

Ranyaka
Activating
Communities

ATTENTION
Director: Planning and Economic Development
Ms Lesley van Gensen
PO Box 17
Stellenbosch
7588

10 December 2021

Dear Ms van Gensen

RE: Reference letter for Stellenbosch Network

It is with great pleasure that I write this reference letter for Stellenbosch Network.

From Ranyaka Community Transformation's perspective, we are incredibly grateful for the work done by the Network during the last two years, investing in growing a much-needed business network in Stellenbosch. We believe it is the most inclusive business network in town, representing businesses from all Stellenbosch communities.

Their effort to bring the Stellenbosch University Small Business Academy programme to Stellenbosch has resulted in several local businesses receiving much needed formal business training.

Their mentorship programme has also supported many of the Ranyaka entrepreneurs over the last two years, therefore there was no need for us to run our own mentorship programme.

Ranyaka and Stellenbosch Network's funding proposals complement each other, and our collaborative approach means there are no duplication of services.

We have enjoyed collaborating with Stellenbosch Network and will continue this collaboration into 2022.

Warm regards

Marli Goussard
Enterprise Development Manager
Ranyaka Community Transformation

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jou kennisvennoot • your knowledge partner

Letter of Support to the Stellenbosch Network
Stellenbosch Municipality
Stellenbosch
14 December 2021

To whom it may concern.

Herewith my letter of support as part of the application of the Stellenbosch Network (SN). I write this letter on behalf of Stellenbosch University (SU), one of the founding partners and members of the steering committee of SN.

SN brings together a number of businesses and business platforms with the aim to invest in, support, mentor and grow the number of local (Stellenbosch based) entrepreneurs. This is done in an attempt to support local SME's, amongst others, by enhancing sustainability and the social impact of these enteprises.

The SN leverages the support and resources of its members to, amongst others, run mentorship programmes. It further actively supports the activities of the SU Small Business Academy with a focus on supporting local entrepreneurs in the training programmes of the Academy. All of this is done in an attempt to sustain, enhance and grow local entrepreneurs and entrepreneurship.

The key partners of the SN includes most of the major employers in Stellenbosch, the Stellenbosch Municipality, SU, Ranyaka, etc.

Given the expertise, partner-base, and the platform that SN provides, SU fully supports SN. As such SU also supports this application.

Please contact me should you have any questions.

Yours sincerely

Dr. Leslie B van Rooi
Senior Direkteur: Sosiale Impak en Transformasie • Senior Director: Social Impact and Transformation
Privaatsak/Private Bag X1 • Matieland, 7602 • Suid-Afrika/South Africa,
Tel +27 (0) 21 808 3697
lbvr@sun.ac.za • www.sun.ac.za

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jou kennisvennoot • your knowledge partner

Dr Leslie van Rooi

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Companies and Intellectual Property Commission

COMPANIES AND INTELLECTUAL PROPERTY COMMISSION
REPUBLIC OF SOUTH AFRICA

FORM COR 14.3 - REGISTRATION CERTIFICATE

Issue date:	04/12/2019
Print date:	04/12/2019
Customer code:	SPOTAS
Tracking number:	9216018912

Concerning

STELLENBOSCH NETWORK NPC 2019/609161/08

The above company has been registered in terms of section 14 of the Companies Act, 2008.

In accordance with the Notice of Incorporation, the registration of the company takes effect on 04/12/2019.

In conjunction with this certificate, the Commission has not issued another notice contemplated in section 12 (3).

Commissioner: CIPC

About this Notice

This Notice is issued in terms of section 14 of the Companies Act, 2008, and Regulation 14 of the Companies Regulations, 2011.
If the Commission has altered the name of the company, in terms of section 14 (2) (b), the company may file an amended Notice of Incorporation to change the name.
If the Commission has issued a Notice of a Potentially Contested Name in conjunction with the Certificate, the company must serve that Notice on each person identified in the Notice, and any such person has the right to challenge the use of the name, by the company.

The Companies and Intellectual Property Commission of South Africa
P.O. Box 429, Pretoria, 0001, Republic of South Africa
Docex 256, Pretoria
Contact centre 086 100 2472
www.cipc.co.za

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Certificate issued by the Companies and Intellectual Property Commission on Wednesday, December 04, 2019 04:02
Registration Certificate

Companies and Intellectual Property Commission

Registration number	2019 / 609161 / 08
Enterprise name	STELLENBOSCH NETWORK NPC
Enterprise shortened name	NOT APPLICABLE
Enterprise translated name	NOT APPLICABLE
Registration date	04/12/2019
Business start date	04/12/2019
Enterprise type	NON PROFIT COMPANY
Enterprise status	IN BUSINESS
Financial year end	DECEMBER
Type of MOI	NON-STANDARD (COR15.1C)
Main business/main object	BUSINESS ACTIVITIES NOT RESTRICTED.
Postal address	PO BOX 3135 MATIELAND MATIELAND WESTERN CAPE 7600
Address of registered office	15 DE BEER STREET STELLENBOSCH STELLENBOSCH WESTERN CAPE 7600

The Companies and Intellectual Property Commission of South Africa
P.O. Box 429, Pretoria, 0001, Republic of South Africa
Docex 256, Pretoria
Contact centre 086 100 2472
www.cipc.co.za

K 2 0 1 9 6 0 9 1 6 1

9 2 1 6 0 1 8 9 1 2

Certificate issued by the Companies and Intellectual Property Commission on Wednesday, December 04, 2019

Registration Certificate

Companies and Intellectual Property Commission
a member of the dti group

Registration number 2019/609161/08

Enterprise name STELLENBOSCH NETWORK NPC

Auditors

Directors

Surname and first names	Status	ID number or date of birth	Director type	Appointment date	Addresses
VAN ROOI, LESLIE BERNARD	ACTIVE	8210105137084	DIRECTOR	04/12/2019	**Postal** ADMIN A STELLENBOSCH UNIVERSITY, RYNEVELD STREET, STELLENBOSCH, WESTERN CAPE, 7600 **Residential** SIMONSBERG RESIDENCE, 79 MERRIMAN AVENUE, STELLENBOSCH, WESTERN CAPE, 7600
DE VILLIERS, ROUX	ACTIVE	6803095115086	DIRECTOR	04/12/2019	**Postal** PO BOX 1423, SOUTHERN PAARL, SOUTHERN PAARL, WESTERN CAPE, 7624 **Residential** WILDEPAARDEJACHT FARM, PAARL, PAARL, WESTERN CAPE, 7630
BRINK, HANLI	ACTIVE	7505150125087	DIRECTOR	04/12/2019	**Postal** 5 DROMMEDARIS AVENUE, SIMONSWYK, STELLENBOSCH, WESTERN CAPE, 7600 **Residential** 5 DROMMEDARIS AVENUE, SIMONSWYK, STELLENBOSCH, WESTERN CAPE, 7600

The Companies and Intellectual Property Commission of South Africa
P.O. Box 429, Pretoria, 0001, Republic of South Africa
Docex 256, Pretoria
Contact centre 086 100 2472
www.cipc.co.za

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9 2 1 6 0 1 8 9 1 2

SARS

TAX COMPLIANCE STATUS
PIN Issued

STELLENBOSCH NETWORK NPC
PO BOX 7417
STELLENBOSCH
7599

Enquiries should be addressed to SARS:

Contact Detail

SARS
Alberton
1528

Contact Centre Tel: 0800 00 SARS (7277)
SARS online: www.sars.gov.za

Details

Taxpayer Reference Number: 9855328176

Always quote this reference number when contacting SARS

Issue Date: 2021/12/17

Dear Taxpayer

TAX COMPLIANCE STATUS PIN ISSUED

The South African Revenue Service (SARS) has issued your tax compliance status (TCS) PIN as indicated below:

TCS Details:	
Taxpayer Name	Stellenbosch Network Npc
Trading Name	STELLENBOSCH NETWORK NPC
Tax Reference Number(s)	IT - 9855328176 PAYE - 7590809879
Purpose of Request	Good Standing
Request Reference Number	0045606938GS1712211030445
PIN	BGDD78C23K
PIN Expiry Date	17/12/2022

You may authorise a third party to view your TCS by providing them the PIN. The PIN only allows the third party access to your TCS. All other tax information remains secure.

Your TCS displayed is based on your compliance as at the date and time the PIN is used.

You may cancel this PIN at any time before the expiry date reflected above. Once cancelled, a third party will not be able to verify your TCS.

SARS reserves the right to cancel this PIN in the event that it was fraudulently issued or obtained.

Should you have any other queries please call the SARS Contact Centre on 0800 00 SARS (7277). Remember to have your taxpayer reference number at hand when you call to enable us to assist you promptly.

Sincerely
ISSUED ON BEHALF OF THE SOUTH AFRICAN REVENUE SERVICE

Stellenbosch Network NPC
(Registration number 2019/609161/08)
Financial statements
for the year ended 31 December 2020

Stellenbosch Network NPC

(Registration number: 2019/609161/08)
Financial Statements for the year ended 31 December 2020

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Cross sector and inter-disciplinary membership organisation that brings people together – from industry, government, society and academia
Directors	H Brink R De Villiers LB Van Rooi
Registered office	15 De Beer Street Stellenbosch Western Cape 7600
Postal address	PO Box 3135 Matieland Western Cape 7600
Bankers	Nedbank Limited
Reviewers	Finleys Outsourced Business Services (Pty) Ltd - HC Truter CA(S.A.) Chartered Accountants (S.A.)
Company registration number	2019/609161/08
Tax reference number	9855328176
Level of assurance	These financial statements have been independently reviewed in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The financial statements were independently compiled by: Finleys Outsourced Business Services (Pty)

Stellenbosch Network NPC

(Registration number: 2019/609161/08)
Financial Statements for the year ended 31 December 2020

Index

The reports and statements set out below comprise the financial statements presented to the directors:

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Stellenbosch Network NPC

(Registration number: 2019/609161/08)
Financial Statements for the year ended 31 December 2020

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2021 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The independent reviewer is responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by the company's independent reviewer and their report is presented on page 4.

The financial statements set out on pages 6 to 11, which have been prepared on the going concern basis, were approved by the directors on 15 December 2021 and were signed on its behalf by:

Approval of financial statements



H Brink

R De Villiers

LB Van Rooi

FINLEYS
OUTSOURCED BUSINESS SERVICES

Independent Reviewer's Report

To the directors of Stellenbosch Network NPC

We have reviewed the financial statements of Stellenbosch Network NPC, set out on pages 6 to 11, which comprise the statement of financial position as at 31 December 2020 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements (ISRE 2400 (Revised)). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Unqualified Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects the financial position of Stellenbosch Network NPC as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Other reports required by the Companies Act

The financial statements include the Directors' Report as required by the Companies Act 71 of 2008. The directors are responsible for the Directors' Report. Our conclusion on the financial statements does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our independent review of the financial statements, we have read the Directors' Report and, in doing so, considered whether the Directors' Report is materially inconsistent with the financial statements or our knowledge obtained in the independent review, or otherwise appears to be materially misstated. if, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we will report that fact. we have nothing to report in this regard.



HC Truter CA(S.A.)
Finleys Outsourced Business Services (Pty) Ltd

15 December 2021

Stellenbosch Network NPC

(Registration number: 2019/609161/08)
Financial Statements for the year ended 31 December 2020

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Stellenbosch Network NPC for the year ended 31 December 2020.

1. Nature of business

Stellenbosch Network NPC was incorporated in South Africa with interests in the Stellenbosch Network NPC is a cross sector and inter-disciplinary membership organisation that brings people together - from industry, government, society and academia.

The companies aim is to share ideas, meet each other, encourage collaboration and partnership in support of inclusive economic growth for the greater Stellenbosch area. The company operates in South Africa.

2. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

3. Directors

The directors in office at the date of this report are as follows:

Directors
H Brink
R De Villiers
LB Van Rooi

There have been no changes to the directorate for the period under review.

4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

6. Review

The financial statements are subject to an independent review and have been reviewed by Finleys Outsourced Business Services (Pty) Ltd.

Stellenbosch Network NPC

(Registration number: 2019/609161/08)
Financial Statements for the year ended 31 December 2020

Statement of Financial Position as at 31 December 2020

	Notes	2020 R
Assets		
Current Assets		
Trade and other receivables	2	27 600
Cash and cash equivalents	3	110 438
		138 038
Total Assets		**138 038**
Equity and Liabilities		
Equity		
Accumulated Surplus		57 270
Liabilities		
Current Liabilities		
Trade and other payables	4	74 455
Current tax payable		6 313
		80 768
Total Equity and Liabilities		**138 038**

Stellenbosch Network NPC

(Registration number: 2019/609161/08)
Financial Statements for the year ended 31 December 2020

Statement of Comprehensive Income

		2020 R
Revenue		
Sponsorships received		905 134
Operating expenses		
Accounting fees		(24 480)
Bank charges		(654)
Consulting fees		(27 125)
Employee costs		(310 892)
Event costs		(250 648)
Marketing		(179 020)
Rent		(2 280)
Subscriptions		(5 334)
Telephone and fax		(319)
Training		(16 375)
Website costs		(8 465)
		(825 592)
Profit before taxation		**79 542**
Taxation	5	(22 272)
Profit for the year		**57 270**
Other comprehensive income		-
Total comprehensive income for the year		**57 270**

Stellenbosch Network NPC

(Registration number: 2019/609161/08)
Financial Statements for the year ended 31 December 2020

Statement of Changes in Equity

	Accumulated Surplus R	Total equity R
Profit for the year	57 270	57 270
Other comprehensive income	-	-
Total comprehensive income for the year	**57 270**	**57 270**
Balance at 31 December 2020	**57 270**	**57 270**

Stellenbosch Network NPC

(Registration number: 2019/609161/08)
Financial Statements for the year ended 31 December 2020

Statement of Cash Flows

	Notes	2020 R
Cash flows from operating activities		
Cash generated from operations	6	126 397
Tax paid		(15 959)
Net cash from operating activities		**110 438**
Total cash movement for the year		**110 438**
Total cash at end of the year	3	**110 438**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.4 Revenue

Revenue from sponsorships and fundraising is recorded when received.

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Stellenbosch Network NPC

(Registration number: 2019/609161/08)
Financial Statements for the year ended 31 December 2020

Notes to the Financial Statements

	2020 R
2. Trade and other receivables	
Prepayments	27 600
3. Cash and cash equivalents	
Cash and cash equivalents consist of:	
Bank balances	110 438
4. Trade and other payables	
Trade payables	20 001
Salary Control Account	54 454
	74 455
5. Taxation	
Major components of the tax expense	
Current taxation	
South African normal tax - year	22 272
Reconciliation of the tax expense	
Reconciliation between accounting profit and tax expense.	
Accounting profit	79 542
Tax at the applicable tax rate of 28%	22 272
6. Cash generated from operations	
Profit before taxation	79 542
Changes in working capital:	
Trade and other receivables	(27 600)
Trade and other payables	74 455
	126 397

7. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

Stellenbosch Network NPC

(Taxpayer reference number 9855328176)
(Registration number 2019/609161/08)
Financial Statements for the year ended 31 December 2020

Tax Computation

	2020 R
Net profit per income statement	79 542
Taxable income for 2020	**79 542**
Tax thereon @ 28% in the Rand	**22 272**
Reconciliation of tax balance	
Tax owing/(prepaid) for the current year:	
Normal tax	
Per calculation	22 272
1st provisional payment	-
2nd provisional payment	(15 959)
Other payments	-
	6 313
Amount owing/(prepaid) at the end of year	**6 313**

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Audit trail

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08/05/2020

MEMORANDUM OF INCORPORATION

of

STELLENBOSCH NETWORK (NPC)

A NON-PROFIT COMPANY

(Registration Number: 2019/609161/08)

The Company is a Non-Profit Company with Members and, in support of entrepreneurs and innovators in Stellenbosch and surrounding communities, the main objectives of the Company are to:

(1) catalyse purposeful local partnerships;

(2) create opportunities for interdisciplinary interaction;

(3) enable knowledge sharing; and

(4) promote inclusive economic growth.

Adoption of Memorandum of Incorporation

This Memorandum of Incorporation was adopted by the incorporators of the Company, in accordance with section 13 (1) of the Act, as evidenced by the following signatures made by each of them, or on their behalf.

Name of Incorporator	Identity Number	Signature	Date
Hanli Brink	7505150125087		10/05/2020
Leslie van Rooi	8210105137084		10/05/2020
Roux de Villiers	6903095115086		10/05/2020

1 INTERPRETATION

1.1 In this Memorandum of Incorporation unless the context indicates otherwise –

1.1.1 "**Act**" means the Companies Act, No. 71 of 2008, as amended;

1.1.2 "**Board**" means the board of Directors from time to time of the Company;

1.1.3 "**Company**" means Stellenbosch Network (NPC);

1.1.4 **"Income Tax Act"** means the Income Tax Act, No. 58 of 1962, as amended from time to time;

1.1.5 "**Member**" means a person who has attained membership in the Company in accordance with clause 8.2 of this Memorandum of Incorporation and who is entered as such in the Register and includes Voting and Non-Voting Members;

1.1.6 **"Memorandum of Incorporation"** means this Memorandum of Incorporation as amended from time to time, including all Schedules thereto;

1.1.7 "**Non-Voting Member**" means a Member without voting rights as further described in item 2 of Schedule A;

1.1.8 "**Republic**" means the Republic of South Africa;

1.1.9 "**Register**" means the membership register kept by the Company as required by item 1 (9) of Schedule 1 to the Act, in accordance with

section 24(4) and section 50(1) of the Act and referred to in item 4 of Schedule A of this Memorandum of Incorporation;

1.1.10 **"Voting Member"** means a Member with voting rights as further described in item 1 of Schedule A.

1.2 Words and expressions defined in the Act and which are not defined herein shall have the meanings given to them in the Act.

1.3 A reference to a section by number refers to the corresponding section of the Act notwithstanding the renumbering of such section after the date on which the Memorandum of Incorporation is adopted.

2 ADOPTION OF MEMORANDUM OF INCORPORATION

2.1 This Memorandum of Incorporation is adopted by the Company as its founding document.

2.2 The Company is incorporated in accordance with and governed by –

2.2.1 the unalterable provisions of the Act that are applicable to Non-Profit Companies; and

2.2.2 the alterable provisions of the Act that are applicable to Non-Profit Companies, subject to the limitations, extensions, variations or substitutions set out in this Memorandum of Incorporation.

3 INCORPORATION AND NATURE OF THE COMPANY

3.1 The Company is a Non-Profit Company as defined in the Act, and accordingly –

3.1.1 it has been incorporated for a public benefit, or an object relating to one or more cultural or social activities, or communal or group interests as required by item 1 (1) of Schedule 1 to the Act; and,

3.1.2 its income and property are not distributable to its incorporators, Members, Directors, officers or persons related to any of them, except to the extent permitted by item 1(3) of Schedule 1 to the Act.

4 OBJECTS OF THE COMPANY

4.1 The Company's main objectives are:

4.1.1 to support entrepreneurs and innovators in Stellenbosch and surrounding communities and to catalyse purposeful local partnerships, create opportunities for interdisciplinary interaction, enable knowledge sharing and promote inclusive economic growth.

4.2 The main objectives are to be accomplished by, and will include, the following actions:

4.2.1 Disseminating knowledge (sharing news and capacity building materials) through seminars, workshops, events etc.;

4.2.2 Making connections;

4.2.3 SME support through matchmaking which may involve mentorship matchmaking;

4.2.4 Capacity building programs in innovation and entrepreneurship.

5 POWERS OF THE COMPANY

5.1 The legal powers and capacity of the Company as contemplated in the Act are subject to certain restrictions, limitations and qualifications as allowed for in section 19(1)(b)(ii) of the Act.

5.2 The Company is not subject to any restrictive provisions relating to the amendment of this Memorandum of Incorporation, contemplated in section 15(2)(b) or (c) of the Act.

5.3 The legal powers and capacity of the Company are restricted, limited and qualified to the extent required to be classified as a Non-Profit Company in terms of the Act, with the result that:

5.3.1 all activities of the Company are to be carried on in a non-profit manner and with an altruistic or philanthropic intent;

5.3.2 no activity of the Company may be intended to directly or indirectly promote the economic self-interest of any fiduciary or employee of the Company, other than by way of reasonable remuneration to that fiduciary or employee;

5.3.3 the income and assets of the Company, obtained from whichever source, shall be applied solely in furtherance of its main objectives as stated in clause 4 above;

5.3.4 the Company shall not, in accordance with item 2(1) of Schedule 1 of the Act, amalgamate or merge with, or convert to a profit company, or dispose any part of its assets, undertaking or business to a profit company, other than for fair value, except to the extent that such disposition of an asset occurs in the ordinary course of the activities of the Company; and

5.3.5 the Company may not provide a loan to, secure a debt or obligations of, or otherwise provide direct or indirect financial assistance to, a Director of the Company or of a related or inter-related company, or to any person related to such Director unless such action is in accordance with item 5 of Schedule 1 of the Act .

5.4 However, nothing contained in clause 5.3 shall prevent:

5.4.1 The Company paying any portion of its income, or transfer any of its assets, directly or indirectly, regardless of how the income or asset was derived, to any person who is, or was an incorporator of the Company, or who is a Member or Director, or any person appointing a Director of the Company, for the following reasons:

5.4.1.1 the payment of reasonable remuneration to any employee, office bearer or other person for goods delivered or services delivered to, or at the direction of the Company;

5.4.1.2 the reasonable payment of, or reimbursement for expenses incurred to advance the stated object of the Company;

5.4.1.3 the payment of an amount due and payable by the Company in terms of a *bona fide* agreement between the Company and that person or another;

5.4.1.4 the payment in respect of any rights of that person, to the extent that such rights are administered by the Company in order to advance a stated object of the Company; and

5.4.1.5 payment in respect of any legal obligation that is binding on the Company;

5.4.2 the Company from acquiring and holding securities issued by a profit company;

5.4.3 the Company from directly or indirectly, alone or with any other person, carrying on any business, trade or undertaking consistent with or ancillary to its stated objects.

6 WINDING-UP OR DISSOLUTION

6.1 Upon winding up or dissolution of the Company:

6.1.1 no past or present Member or Director of the Company, or person appointing a Director of the Company, is entitled to any part of the net value of the Company after its obligations and liabilities have been satisfied; and

6.1.2 its net assets are to be distributed to one or more non-profit companies, voluntary associations or non-profit trusts having objects similar to its main objectives as set out in clause 4, and as determined by the Directors at, or immediately before the time of winding-up, or dissolution of the Company, or by the Court if the Directors fail to make such determination.

7 APPLICATION OF OPTIONAL PROVISIONS OF THE ACT

7.1.1 The Company does not elect, in terms of section 34 (2), to comply voluntarily with the provisions of Chapter 3 of the Act.

7.1.2 The Company does not elect, in terms of section 118 (1)(c)(ii), to submit voluntarily to the provisions concerning takeovers and affected transactions and offers of Parts B and C of Chapter 5 of the Act, and to the Takeover Regulations provided for in the Act.

8 MEMBERS OF THE COMPANY

8.1 The Company will have Members as allowed for in item 4(1) of Schedule 1 to the Act, and will have 2 (two) classes of Members, namely Voting Members and Non- Voting Members.

8.2 The terms and conditions of membership in the Company are as set out in Schedule A to this Memorandum of Incorporation.

9 VOTING MEMBERS' MEETINGS

9.1 **Requisition of a Members' meeting:**

9.1.1 The Board, or any prescribed officer of the Company authorised by the Board, is entitled to call a Voting Members' meeting at any time.

9.1.2 The Board shall not be required to call any meeting of Voting Members other than those specifically required by the Act and

9.1.2.1 whenever required in terms of the Act to fill a vacancy on the Board; or

9.1.2.2 if 1 (one), or more written and signed demands calling for such a meeting are delivered to the Company and:

9.1.2.2.1 each such demand describes the specific purpose for which the meeting is proposed; and,

9.1.2.2.2 such demand is made and signed by Voting Members holding at least 10% (ten percent) of the voting power all the Voting Members of the Company.

9.2 **Location of members meetings**

The Board may determine the location of any Voting Members' meeting, and the Company may hold any such meeting in the Republic, or in any foreign country, and the authority of the Board and the Company in this regard is not limited or restricted by this Memorandum of Incorporation.

9.3 **Notice of members meetings**

9.3.1 The minimum number of days for the Company to deliver a notice in writing of a Voting Members' meeting is 15 (fifteen) business days before the meeting is to begin, as provided for in section 62 (1) of the Act.

9.3.2 The notice must set out the date, time and place for the meeting, the general purpose of the meeting, as well as, any specific purpose for which the meeting has been called if requisitioned by the Voting Members; a copy of the proposed resolution which is to be considered at the meeting and the percentage of voting rights that would be required for that resolution to be adopted.

9.3.3 Where there is a material defect in giving notice of any meeting to any particular Voting Member, the meeting may proceed only if every person entitled to exercise voting rights in respect of any item at the meeting is present at the meeting and approves the ratification of the defective notice.

9.3.4 An immaterial defect in the form or manner of giving notice, or an accidental omission to give notice of any meeting to any particular Voting Member(s) shall not invalidate any action taken at any such meeting.

9.4 **Electronic participation in Voting Members' meetings**

The Company may conduct a Voting Members' meeting entirely by electronic communication, or provide for participation in a meeting by electronic communication, and the power of the Company to do so is not limited or restricted by this Memorandum of Incorporation.

9.5 **Quorum for members meetings**

9.5.1 The quorum requirement for a Voting Members' meeting is that a meeting may only commence and a matter may only be considered at such meeting if there are sufficient Voting Members present in person, or by proxy at the meeting to exercise, in aggregate, at least 25% (twenty five percent) of the voting rights entitled to be exercised in respect of at least 1 (one) matter to be decided at the meeting; and

9.5.2 The time periods allowed in section 64 of Act relating to adjournment of meetings apply to the Company without variation.

9.6 **Members' resolutions**

9.6.1 Every Voting Member present in person or by proxy at a Voting Members' meeting that is entitled to exercise voting rights shall be entitled to 1 (one) vote each.

9.6.2 In the case of a tied vote, the chairperson may cast a deciding vote if he or she did not initially vote, and in the case of a tied vote where the chairperson did initially vote, the chairperson may cast a second vote.

9.6.3 For an ordinary resolution to be adopted at a Voting Members' meeting it must be supported by more than 50% (fifty percent) of the Voting Members who voted on the resolution.

9.6.4 For a special resolution to be adopted at a Voting Members' meeting, in respect of the matters set out in section 65(11) of the Act, it must be supported by at least 75% (seventy five percent) of the Voting Members who voted on the resolution.

10 MEMBERS ACTING OTHER THAN AT A MEETING

Any resolution which could be voted on at a Voting Members' meeting may instead be submitted for consideration by the Voting Members and be voted on in writing in terms of section 60 of the Act.

11 REPRESENTATION BY PROXY

11.1 Any Voting Member may at any time appoint any natural person, including a natural person who is not a Voting Member, as a proxy to:

11.1.1 participate in, and speak at a Voting Members' meeting on behalf of that Voting Member, and vote on behalf of a Voting Member; or

11.1.2 give or withhold written consent on behalf of that Voting Member to a decision contemplated in clause 9.

11.2 A proxy appointment must be in writing, dated and signed by the Voting Member and remains valid for 1 (one) year after the date on which it was signed, or any longer, or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in the Act or expires earlier as contemplated in the Act.

11.3 The remaining provisions of the Act relating to the appointment and revocation of proxies and the rights of proxies shall apply, subject to the limitations, restrictions and/or variations set out below:

11.3.1 a Voting Member shall only be entitled to appoint 1 (one) person as proxy at any given time to act on his, or her behalf;

11.3.2 a Voting Member's proxy may not delegate his, or her authority to act on behalf of a Voting Member to another person;

11.3.3 a proxy is only entitled to exercise, or abstain from exercising any voting rights of a Voting Member, or give or withhold written consent on behalf of that Voting Member to a decision contemplated in clause 9, in accordance with the instruction of that Voting Member and is not entitled to make such decision of his or her own volition.

11.4 A Voting Member, or his proxy, must deliver to the Company a copy of the instrument appointing a proxy before the commencement of the meeting at which the proxy intends to exercise that Voting Member's rights.

12 DIRECTORS AND OFFICERS

12.1 **Composition of the Board of Directors**

12.2 The Board of Directors of the Company comprises of a minimum of 3 (three) Directors and a maximum of 7 (seven), to be appointed/elected in the manner set out in Schedule B of this Memorandum of Incorporation.

12.3 In addition to satisfying the qualifications and eligibility requirements set out in Section 69, to become or remain a Director or a Prescribed Officer of the Company, a person need not satisfy any further eligibility requirements or qualifications.

12.4 Each Director of the Company serves for a term determined in accordance Schedule B attached hereto.

12.5 The Board has the power to fill any vacancy on the Board on a temporary basis, as set out in section 68(3) of the Act and read with section 70 of the Act.

12.6 The Company shall only have elected Directors and there shall be no *ex officio* Directors.

12.7 **Authority of the Board**

12.7.1 The business and affairs of the Company shall be managed by or under the direction of its Board and the authority of the Board to manage and direct the business and affairs of the Company is not limited or restricted by this Memorandum of Incorporation.

12.7.2 The Board shall on an annual basis [**at least 3 (three) months**] prior to the commencement of the financial year of the Company prepare and present an annual budget to the Steering Committee for approval and shall prepare within 6 (six) months after the end of each financial year the annual financial statements of the Company.

12.8 **Director's Meetings**

12.8.1 Save as otherwise provided herein, the directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit.

12.8.2 The Board may elect a chairperson and determine the period for which he/she is to hold office. The chairperson shall be entitled to preside over all meetings of the Board. If no chairperson is elected, or if at any meeting

the chairperson is not present or willing to act as chairperson thereof within 15 (fifteen) minutes of the time appointed for holding the meeting, the Board present shall choose one of their number to be chairperson of such meeting.

12.9 The Board has the power to:

12.9.1 consider any matter and/or adopt any resolution other than at a meeting as set out in section 74 of the Act and, accordingly, any decision that could be voted on at a meeting of the Board may instead be adopted by the written consent of a majority of the Directors, given in person or by Electronic Communication, provided that each Director has received notice of the matter to be decided;

12.9.2 conduct a meeting entirely by Electronic Communication, or to provide for participation in a meeting by Electronic Communication, as set out in section 73 (3) of the Act; and

12.9.3 determine the manner and form of providing notice of its meetings as set out in section 73(4) of the Act, provided that:

12.9.3.1 the notice period for the convening of any meeting of the Board will be at least 7 (seven) business days;

12.9.3.2 an agenda of the matters to be discussed at the meeting shall be given to each Director;

12.9.3.3 the Board has the power to proceed with a meeting despite a failure or defect in giving notice of the meeting, as provided in section 73(5) of the Act and allowed for below,

and the powers of the Board in respect of the above matters are not limited or restricted by this Memorandum of Incorporation.

12.10 At a Directors' meeting: the quorum requirement for the meeting to begin (including an adjourned meeting), the voting rights to be exercised at such meeting, and the requirements for approval of a resolution at such meeting are in accordance with section 73(5) of the Act and so accordingly:

12.10.1 if all of the Directors of the Company acknowledge actual receipt of the notice convening a meeting, are present at a meeting, or waive notice of a meeting, the meeting may proceed even if the Company failed to give

the required notice of that meeting, or there was a defect in the giving of the notice;

12.10.2 a majority of the Directors must be present at a meeting before a vote may be called at any meeting of the Directors;

12.10.3 each Director has 1 (one) vote on a matter before the Board;

12.10.4 a majority of the votes cast in favour of a resolution is sufficient to approve that resolution.

12.11 In the case of a tied vote, the chairperson may cast a deciding vote if he did not initially vote, and in the case of a tied vote where the chairperson did initially vote, the chairperson may cast a second vote.

12.12 Resolutions adopted by the Board must be dated and sequentially numbered, and are effective as of the date of the resolution, unless any resolution states otherwise.

12.13 All Directors' meetings should be properly recorded by the secretary of the company or in the absence of the secretary, by a person appointed by the Chairperson.

12.14 Any minutes of a meeting, or a resolution, signed by the chairperson of the meeting, or by the chairperson of the next meeting of the Board, are evidence of the proceedings of that meeting, or the adoption of that resolution, as the case may be.

13 DIRECTORS' COMPENSATION AND FINANCIAL ASSISTANCE

13.1 The Directors are not entitled to remuneration, but Directors may be paid all their travelling and other expenses necessarily incurred by them in connection with the business of the Company and attending meetings of the Directors or of committees of the Directors of the Company.

13.2 The Company may pay any Director who serves on any committee or who devotes special attention to the business of the Company, or otherwise performs services which are outside the scope of the ordinary duties of a Director, remuneration determined in accordance with clause 5.4.1 above.

14 COMMITTEES OF THE BOARD

14.1 The Board may appoint any number of committees of Directors and delegate to any such committee any of the authority of the Board and may include in

any such committee persons who are not Directors and the power of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

14.2 The committee appointed by the Board may consult with or receive advice from any person and have the full authority of the Board in respect of a matter referred to it.

14.3 The committee appointed by the Board must report to the Board on a bi-annual basis and whenever requested by the Board.

15 AMENDMENT OF MEMORANDUM OF INCORPORATION

This Memorandum of Incorporation may only be altered or amended accordance with the Act and the Company will submit a copy of any amendment(s) to this Memorandum of Incorporation to the Commissioner for the South African Revenue Service (if applicable).

16 COMPANY RULES

The Board is authorised to make, amend or repeal any necessary or incidental rules relating to the governance of the Company in respect of matters that are not addressed in the Act or in this Memorandum of Incorporation.

17 NOTICES

17.1 All notices intended or required to be given by the Company to any Member of the Company shall be given in writing in any manner authorised by the Regulations and particularly Table CR 3 annexed to the Regulations.

17.2 Each Member of the Company:

17.2.1 shall notify in writing to the Company an address, which address shall be his registered address for the purposes of receiving written notices from the Company by post and if he has not named such an address he shall be deemed to have waived his right to be so served with notices; and

17.2.2 may notify in writing to the Company an email address and/or facsimile number, which address shall be his address for the purposes of receiving notices by way of electronic communication.

17.3 Any Members whose address in the Register is an address not within the Republic of South Africa, and who shall from time to time furnish the Company with an address within the Republic of South Africa at which notices can be

served upon him, shall be entitled to have notices served upon him at such address.

17.4 Save as determined in this Memorandum of Incorporation or in the Act, no Member other than a registered Member whose address appears in the Register as being in South Africa, shall be entitled to receive any notice from the Company.

17.5 Save to the extent that any of the following provisions of this clause 17.5 may be in conflict with any provision contained in the Act or the Regulations, any notice sent by:

17.5.1 registered post to the last-known address of a Member shall be deemed to have been delivered on the 4th (fourth) day following the day on which the notice or document was posted as recorded by a post office, unless there is conclusive evidence that it was delivered on a different day;

17.5.2 faxing the notice to a Member, if the Member has a fax number, shall be deemed to have been delivered on the date and at the time recorded by the fax receiver, unless there is conclusive evidence that it was delivered on a different date or at a different time; and

17.5.3 sending the notice to a Member by electronic mail, if the Member has an address for the receiving of electronic mail, shall be deemed to have been delivered on the date and at the time recorded by the computer used by the sender, unless there is conclusive evidence that it was delivered on a different date or at a different time,

any other means permitted in the said Table CR 3 to the Act shall be deemed to have been delivered as provided for that method of delivery in such Table.

18 RESOLUTION OF DISPUTES

18.1 In the event of there being any dispute or difference between any persons bound by this Memorandum of Incorporation, such dispute or difference shall, except to the extent that provision is made elsewhere in this Memorandum of Incorporation for the final resolution of the dispute or difference in question, on written demand by any such person be submitted to arbitration in Cape Town before a single arbitrator appointed by agreement between the parties to the dispute or difference or failing agreement within 10 (ten) business days of the demand for arbitration, in accordance with the rules of the Arbitration Foundation of South Africa.

18.2 By the chairperson of the Bar Council provided that the person so nominated shall be an advocate or attorney of not less than 15 (fifteen) years standing as such.

18.3 The decision by the arbitrator at conclusion of the arbitration proceedings shall be final and binding without appeal.

18.4 Nothing herein contained shall be deemed to prevent or prohibit a party to the arbitration from applying to the appropriate court for urgent relief or for judgment in relation to a liquidated claim.

18.5 Any party to arbitration in terms of this clause 18 shall treat the details of the dispute or difference submitted to arbitration, the conduct of the arbitration proceedings and the outcome of the arbitration as confidential.

18.6 This clause 18 will continue to be binding notwithstanding any liquidation of the Company, the commencement of any business rescue proceedings in respect of the Company to the extent that the implementation of the provisions of this clause will not give rise to any contravention of any provision of the Act or of any other applicable legislation.

18.7 The written demand by a party to the dispute in terms of this clause 18 that the dispute or difference be submitted to arbitration shall be deemed to be a legal process for the purpose of interrupting extinctive prescription in terms of the Prescription Act, 1969.

SCHEDULE A
TERMS AND CONDITIONS OF MEMBERSHIP

The membership of the Company consists of two classes:

Members with voting rights ("Voting Members") and members without voting rights ("Non-Voting Members").

1. VOTING MEMBERS

1.1 The provisions of clauses 9, 10 and 11 in the Memorandum of Incorporation are only applicable to Voting Members.

1.2 A list of the first Voting Members of the Company shall be recorded in the Membership Register referred to in paragraph 4 below, and shall, upon payment of the voting membership fees per annum be regarded as Voting Members

1.3 These Voting Members shall form the steering committee of the Company and shall be responsible for determining the strategic direction of the Company in consultation with the Board; and shall be responsible for approval of the annual budget and financial statements of the Company prepared and presented by the Board; election of directors and appointment of auditors and shall further be entitled to attend and vote at meetings of Voting Members as described in the Memorandum of Incorporation.

1.4 Voting Membership fees shall be determined by the Board from time to time and as at the signature date hereof is R100 000.00 (one hundred thousand Rand) excluding VAT per annum. The Board may in its sole discretion from time to time invite key partners/strategic partners to become Voting Members at a discounted/nominal membership fee.

2. NON-VOTING MEMBERS

2.1 Application Process

2.1.1 Application forms are available on the Company's website: www.stellenboschnetwork.co.za.

2.1.2 Completed application forms must be submitted electronically on the Company's website referred to above.

2.1.3 Only complete and signed applications with proof of payment of membership fees will be considered by the Board.

2.1.4 The Board in its sole discretion will grant membership of the Company, and the Board is not obliged to provide reasons for refusing admission as Member.

2.2 Qualifications for membership:

2.2.1 Natural persons or legal entities can qualify for membership.

2.2.2 The Board may from time to time set additional criteria for membership.

2.3 Membership Fees:

2.4 Membership fees for Non-Voting Members as at the Signature Date are set out below. These fees may be adjusted by the Board from time to time.

2.4.1

Entrepreneurs / Organisations with 1 – 5 Employees / Natural Persons	R500 / yr
Organisations with 6 – 20 Employees	R1000 / yr
Organisations with 21 – 30 Employees	R3000 / yr
Organisations with 31 – 50 Employees	R5000 / yr
Organisations with >50 Staff	R10000 / yr

2.5 Rights and obligations

2.5.1 Non-Voting Members shall be entitled to receive notice of and attend and participate in functions held by the Company free of charge or else at a discounted charge; request advertisement of their own events on the Stellenbosch Network website provided such events are aligned with the company's objectives.

2.5.2 Non-Voting Members shall not be entitled to attend meetings of the Company where any matters including but not limited to the appointment of directors are to be voted on.

2.5.3 Non-Voting Members may from time to time be invited by the Board to become a Voting Member provided payment of the voting membership contribution per annum is paid and any other criteria required by the Board is met.

3. TERMINATION OF MEMBERSHIP

Membership of the Company shall be terminated if:

3.1 a Member submits written notice of his/her resignation to the Board. In the case of a Non-Voting Member immediately upon resignation and in case of a Voting Member on 3 (three) months written notice;

3.2 a Member fails to pay his/her/its membership fee due in any given year;

3.3 the Member is removed by the Board by majority vote;

3.4 a Member ceases to comply with any criteria for membership in the sole discretion of the Board;

STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK
MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

BANK DETAILS /BANKBESONDERHEDE/INKCUKACA ZE-BANKI

VOORLETTERS & VAN NAME & SURNAME IGAMA NE FANI	
NAAM VAN BANK NAME OF BANK IGAMA LE BANK	NEDBANK
WERKNEMERS KODE EMPLOYEE NUMBER INUMBOLO YOMSEBENZI	
TAKKODE BRANCH CODE INOMBOLO YESEBE LEBANKI	198765
ADRES VAN TAK ADDRESS OF BRANCH IDILESI YESEBE LEBANKI	38 BIRD STREET STELLENBOSCH
REKENINGNOMMER ACCOUNT NUMBER INOMBOLO YEACCOUNT	1201705703
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TIPE REKENING TYPE OF ACCOUNT UHLOBO LWE ACCOUNT	☐ Spaar Savings ☒ Tjek Cheque ☐ Transmissie Transmission ☐ Bond ☐ Utlshare
BANK STAMP BANKSTEMPEL ISITAMPU SE-BANKI	Nedbank Limited Reg No 1951/009000/06 STELLENBOSCH 1 DEC 2021 W2 (071) 10-71-10

Hierdie vorm is slegs geldig indien voorsien van 'n bankstempel
this form is only valid for processing if confirmed by a bank stamp
Le form kusentsenziwa kuphela xa ithe yabekwa istamp se-banki esemthethweni

Office use

Captured by ..... Date.....

Checked by ..... Date .....

Salary Dep. Confirmation ..... Date .....

APPENDIX 3

Reignite Business Afrika
10 St Georges Street
Somerset West
7130

Office of the Manager
Dept of Tourism and Development
Stellenbosch Municipality
127 Dorp Street
Stellenbosch
7160

17 December 2021

Dear Sir / Madam .

Application for Funding For SMME Training in Kayamandi Stellenbosch

Reignite Business Afrika (RiBA) would like to apply for the above mentioned funding in order to facilitate training in Kayamandi for 50 small business owners in the 2022. Whilst RiBA is a new organisation and therefore cannot provide audited financials as of yet, two of the members of the organisation, Paul Khambule and Karen Ross, have for the last six years been contracted by Love to Give, (an NGO operating in Kayamandi) to train, mentor and support small businesses. The project was terminated by the NGO as funding was no longer available.

As there is significant demand for small business training and it has proved to be successful, we are seeking funding to be able to again offer this support to prospective small businesses in the community. Both Paul and Karen have extensive knowledge of the community as well as the needs of small businesses and the challenges that they face.

We would like to be able to start the training in the first couple of months of 2022 and run two full courses of six modules each. Each full course will accommodate 25 students and a total of 50 students will be trained over the course of the year.

We hope that you will be able to provide the support that we need and have attached a proposal, budget and the required supporting documentation.
Please let us know if there is any further information that is required.

With best wishes

Karen Ross.

Karen Ross
Director
Reignite Business Afrika

STELLENBOSCH **APPENDIX A**

STELLEN BOSCH • PNIEL • FRANSCHHOEK

Municipality • Umasipala • Munisipaliteit

APPLICATION: FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION 2021/2022

NOTE: ONLY APPLICATIONS ON THIS PRESCRIBED FORM SHALL BE CONSIDERED

PLEASE COMPLETE THE FOLLOWING:

A	**REGISTERED NAME OF ORGANISATION:** Reignite Business Afrika
B	**DATE AND YEAR IN WHICH THE ORGANISATION WAS FOUNDED OR INCORPORATED (INCLUDE BRIEF DESCRIPTION OF BUSINESS OR ACTIVITIES OF ORGANISATION):** 11 February 2021. NPC set up to further community economic empowerment. Specialising in small & micro business training and mentoring
C	**ADDRESS:** (i) Street: 10 St Georges St, Somerset West, 7130 (ii) Postal: same Contact details: Name and Surname: Karen Ross Title/Position held: Director Tel: 083 460 3783. E-mail: karenimrierossa@gmail.com
D	**LIST ALL THE BOARD / COMMITTEE MEMBERS OF THE ORGANIZATION:** Name and Surname: Karen Imrie Ross Position: Director Contact Address and tel. no: 10 St Georges St, Somerset West 083 460 3783 Name and Surname: Paul Roviss Khambula Position: Director

Contact Address and tel. no: 1849 Snake Valley, Kayamandi 0726108441.
Name and Surname: Mawethu Justice Nyakatya
Position: Director
Contact Address and tel. no: 1 Oswald St, Silver Oaks, Kuilsriver. 082 2622116

Name and Surname: .....
Position: .....
Contact Address and tel. no: .....

Name and Surname: .....
Position: .....
Contact Address and tel. no: .....

Name and Surname: .....
Position: .....
Contact Address and tel. no: .....

D INDICATE IN WHICH WARD THE ORGANISATION IS ACTIVE:
Ward: 12, 13, 14 & 15

Is the organisation a non-profit company? [Yes] [No]
If yes, provide company registration number: K2021378441

Is the organisation a non-profit organisation as contemplated in section 13 of the Non-Profit Organisation Act, 1997? [Yes] [No]
If yes, provide registration number: _____

Is the organisation a public benefit organisation as contemplated in terms of the Income Tax Act, 1962? [Yes] [No] not yet but we will be
If yes, provide registration number: applying in the new year.

Is funding required for a specific project / progarmme? [Yes] [No]
If yes, attach details separately.
Budget amount of projects / programmes: R319,200.00

Duration of project / programme: One year

Is funding required for general support? [Yes] [No]
If yes, attach a copy of the organisation's overall budget and business plan.

E	CATEGORY Please categorise your application (mark with x): Training Programmes for SMME [X] Update Database for SMME's [X] [ ] Note: For more detail, see attached Funding of External Bodies Performing a Municipal Function Policy. (general guidelines and categories) Please indicate the specific type of project / programme, as per the Funding of External Bodies Performing a Municipal Function Policy. Training SMMEs in Kayamandi Stellenbosch. (50 new small business owners)
F	**THE FOLLOWING MUST ACCOMPANY THIS APPLICATION:** 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: • Full details of the proposal or project / programme 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 / programme. • Information on the total cost of the project / programme 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.

	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. 10. A valid Tax Clearance Certificate issued by SARS. **11. List and contact details of existing SMME's within the database.** 12. **Proof of hosting or facilitating SMME training sessions (e.g. Photographs, attendance register, etc.)**
G	**THE FOLLOWING SHALL APPLY:** 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 where and for which purpose the funding will be allocated. 2. The funding must be exclusively used for the purpose defined and motivated, 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 must 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 always comply with the provisions of Section 67(1) of the Municipal Finance Management Act No. 56 of 2003 which *inter alia* stipulates that the organisation or body must: - • 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.

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 / programme applied for. For this purpose, organisations must submit financial statements and budget for the ensuing financial year.

15. Organisations who received funding from Stellenbosch Municipality during the previous financial year, are required to attach such proof to the 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).

16. SMME Training' funding applicants must be able to demonstrate that the following may be achieved within their 2021 / 2022:
    - Minimum of five (5) training opportunities must be held
    - The applicants must possess an existing database of SMME's within the Stellenbosch Municipal Area

(The Funding of External Bodies Performing a Municipal Function Policy must be consulted for the sake of completeness)

H **UNDERTAKING:**

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.

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.

This completed and signed at Stellenbosch on this 17 day of December 20.21

Chairperson / Authorised Representative

Secretary / Duly Authorised Signatory

I	**PLEASE TAKE NOTE:** • (i) That completed application forms together with all the required documentation must be delivered to: **Director: Planning and Economic Development (Attention: Ms L van Gensen)** **P O Box 17** **Stellenbosch** **7599** Or delivered to: **127 Dorp Street** **Stellenbosch** **7600** (ii) That the closing date for the submission of applications is 17 December 2021. (iii) That **neither late nor incomplete applications** shall be considered.

SMME Training Programme
Kayamandi, Stellenbosch

Submitted by:
Re-Ignite Business Afrika

10 St Georges St, Somerset West, 7130

Telephone: 083 460 3783
Email: karenimrieross@gmail.com
Contact person: Karen Ross

Project Title:
SMME Training Programme

Objective:
A proposal to train 50 young entrepreneurs over the course of a year to start and run a small business and to build resilience and foster growth in existing small businesses in Kayamandi, Stellenbosch

Introduction

For the past 10 years small business training, support and micro-financing has been available in Kayamandi to new and existing small businesses through a local NGO. Due to funding constraints, however the NGO has terminated the project. This has left a gap in the community, which Re-Ignite Business Afrika proposes to fill with comprehensive and effective business training and support. With the levels of unemployment rising due to the ongoing pandemic, there is a pressing need for this type of training and support in the Kayamandi community. Paul Khambule and Karen Ross were contracted by Love to Give to provide this training and support from 2016 – 2021 and have an intimate knowledge of the community, and the needs of small businesses as well as having the skills and expertise to present the business courses and support small businesses with further growth. The proposed courses have already been presented in Kayamandi and have proved to be effective and accessible.

The Courses

The material and experiential approach is based predominantly on the Business for Life course which has a proven track record in effectiveness. In Kayamandi 38 individuals have already received this training over the last two years and 90% of the graduates have either started small businesses or have grown their businesses.

Internationally the Business for Life course has an over 80% success rate and has been presented in the following countries to date:

- In Africa: Kenya, Uganda, Rwanda, Tanzania, South Sudan, Ethiopia, Nigeria, South Africa
- In the Middle East: Egypt, Lebanon
- In the Americas and Caribbean: Honduras, Haiti

The training has been effective in a number of different contexts: in both rural and urban areas, with uneducated people as well as university graduates, and with men and women, young and old.

The course has been broken down into 6 modules which can be attended either individually or as a whole. The modules are:

Getting Started in Business: Module 1 (4 day course)

- Changing Your Thinking Changing Your Life
- What is a Business Opportunity
- Finding your purpose in Business
- Types of Businesses
- Business Model Canvas
- Design Thinking for Problem Solving
- Reasons for New Business Failure and Product Failure
- Business Assumption Testing

Financial Management and Record Keeping: Module 2 (4 day course)

- Basics of Profit Making/Different Kinds of Costs
- Essential Records Part 1
- Factors in Setting Your Selling Price
- When Does a Business Start Making a Profit (Breakeven point)
- Essential Records Part 2
- Financial Planning and Accounting

Market Research and Marketing: Module 3 (3 day course)

- What is Marketing
- The Four Ps of Marketing
- Digital Marketing
- SWOT Analysis and Market Research
- Devising a Marketing Plan

Business Management and Leadership: Module 4 (3 day course)

- Entrepreneurial Skills
- Team Growth, Business Management, Leadership
- Legal Aspects of Business
- Business Environment Assessment
- Golden Rules for Business Success

The Business Plan and Business Pitch: Module 5 (3 day course)

- The Business Plan
- Creating a Pitch Deck
- Presenting A Business Pitch
- Presentation of Pitches with Feedback from Facilitator and Group

Practical Application of Financial Record Keeping and Management Module 6 (1 day course)

- Financial Board Game

Business concepts learned in the classroom are applied directly in the community in which the student will run his/her business thereby reinforcing the acquisition of practical business skills. Fieldwork includes researching business opportunities and choosing the opportunity which best suits the student's skills, interest and abilities. The profitability and sustainability of the new business is analysed, the most suitable marketing and management strategy is selected and the new business is started. Ways to grow the new venture are explored and a business plan and record keeping systems are compiled and implemented. The course culminates with each student preparing and presenting a pitch of their business to the rest of the class based on their completed business plan.

Each module would be presented twice in the year, with an intake of 25 young entrepreneurs who would go through a selection process to assess their suitability. The modules would be presented in order, once a month over six months and then would be repeated with a second intake in the second six months of the year.

The Team

Paul Khambule and Karen Ross have been working with small businesses in Kayamandi for the past ten years and for the past six years have been working together as a team. They have both also had experience of running their own businesses and have experience in facilitation and training. Over the last six years they have assisted many small businesses both to start up and grow and have tested various models of training and support in the community. The most effective model has been found to be an intensive business training course that is experiential as opposed to just theoretical. The initial training was followed up by monthly mentoring sessions. This mentoring along with revolving credit co-ops (business stokvels) being formed, consisting of five small businesses in each, has ensured that 93% of the small businesses that they were currently mentoring, were able to survive level 5 and 4 lockdowns and have been able to continue generating an income and restart or grow their businesses. In the 45 small businesses that were being supported over the last two years, an additional 32 full time and part time jobs were created in the community.

Paul and Karen are currently facilitating six self-help groups (30 small businesses) to formalise their co-operatives and take over the management of their revolving credit/business stokvel funds.

Budget

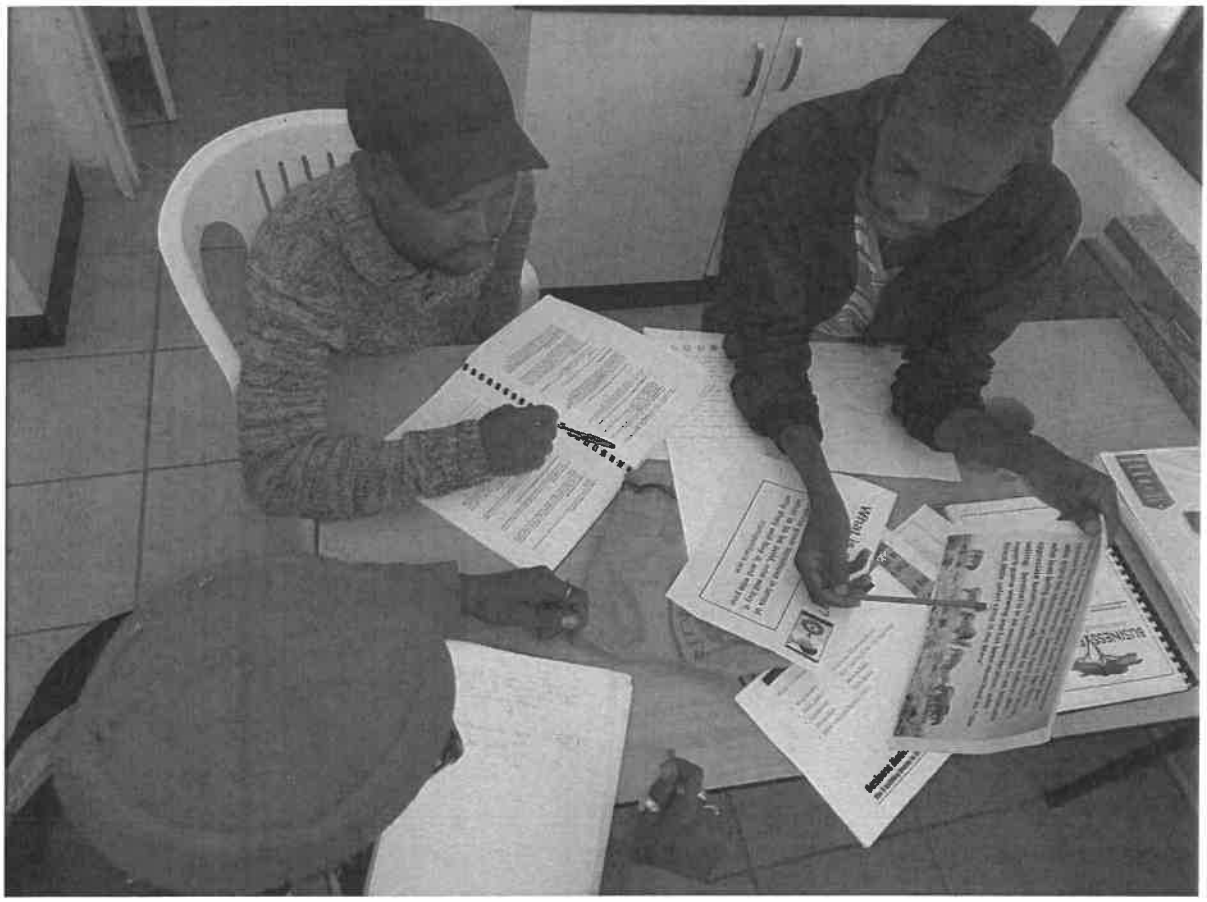
SMME Training Programme Budget		
Module 1		
Training (includes student workbook)	4 full days, 25 students	R30,000.00
Catering	26 x tea, coffee and lunch	R4,200.00
Venue Hire	4 days	R2,000.00
Sub Total		**R36,200.00**
Module 2		
Training (includes student workbook)	4 full days, 25 students	R30,000.00
Catering	26 x tea, coffee and lunch	R4,200.00
Venue Hire	4 days	R2,000.00
Sub Total		**R36,200.00**
Module 3		
Training (includes student workbook)	3 full days, 25 students	R22,500.00
Catering	26 x tea, coffee and lunch	R3,200.00

Venue Hire	3 days	R1,500.00
Sub Total		**R27,200.00**
Module 4		
Training (includes student workbook)	3 full days, 25 students	R22,500.00
Catering	26 x tea, coffee and lunch	R3,200.00
Venue Hire	3 days	R1,500.00
Sub Total		**R27,200.00**
Module 5		
Training (includes student workbook)	3 full days, 25 students	R22,500.00
Catering	26 x tea, coffee and lunch	R3,200.00
Venue Hire	3 days	R1,500.00
Sub Total		**R27,200.00**
Module 6		
Training (includes record keeping templates)	0.5 days, 25 students	R5,000.00
Catering	26 x tea, coffee	R300.00
Venue Hire	0.5 day	R300.00
Sub Total		**R5,600.00**
Total for all modules		**R159,600.00**
Total to run all modules twice in a year	**50 students**	**R319,200.00**

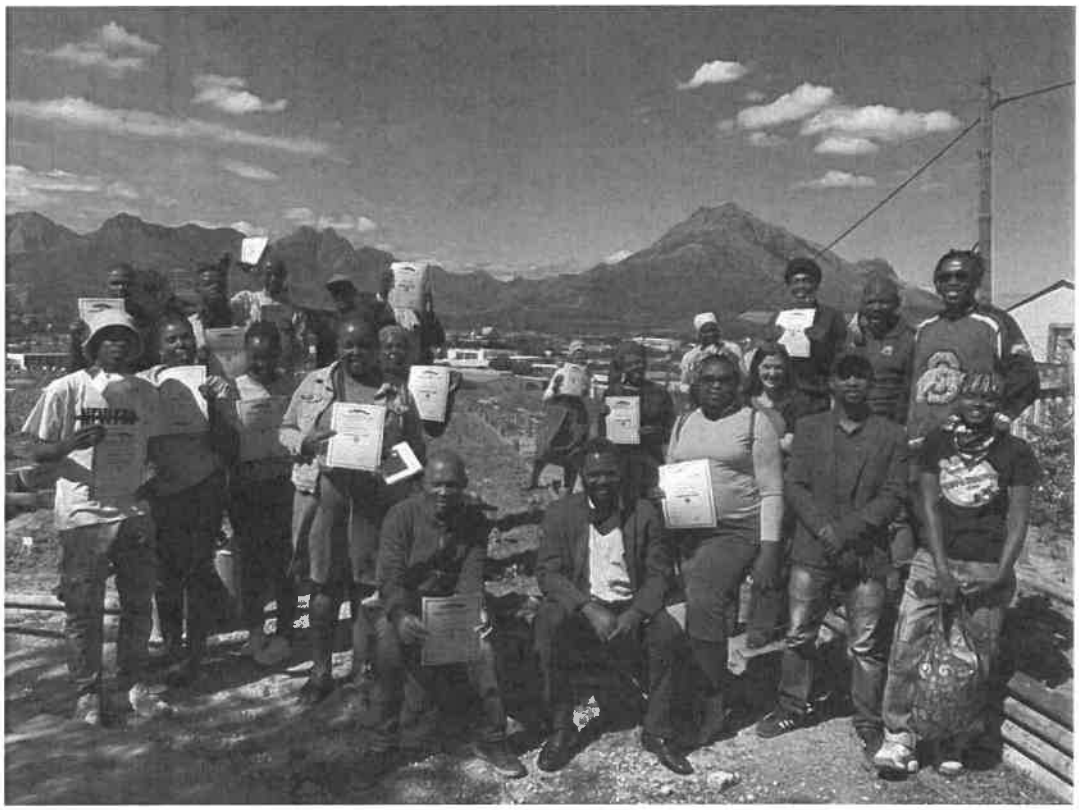
We would ideally like to begin the training in February 2022. Modules would be run monthly with the first round starting in February and being completed in July 2022. Should funding be available we would start the second round of modules in July and complete the final module in December. Each round of modules would accommodate 25 students.

Conclusion

In Kayamandi where there has been growing unemployment over the last two years, it is essential to stimulate economic activity within the community. SMME training ensures that those that have the drive and inclination to start a small business are provided with the tools to do this and have a better understanding of business and financial management and therefore have a better chance of success. As these small businesses grow they will start providing jobs for others in the community as well as ensuring an income for the business owner and their family. Assistance and training for small and micro businesses is a worthwhile investment in fight against poverty and stimulating economic development.



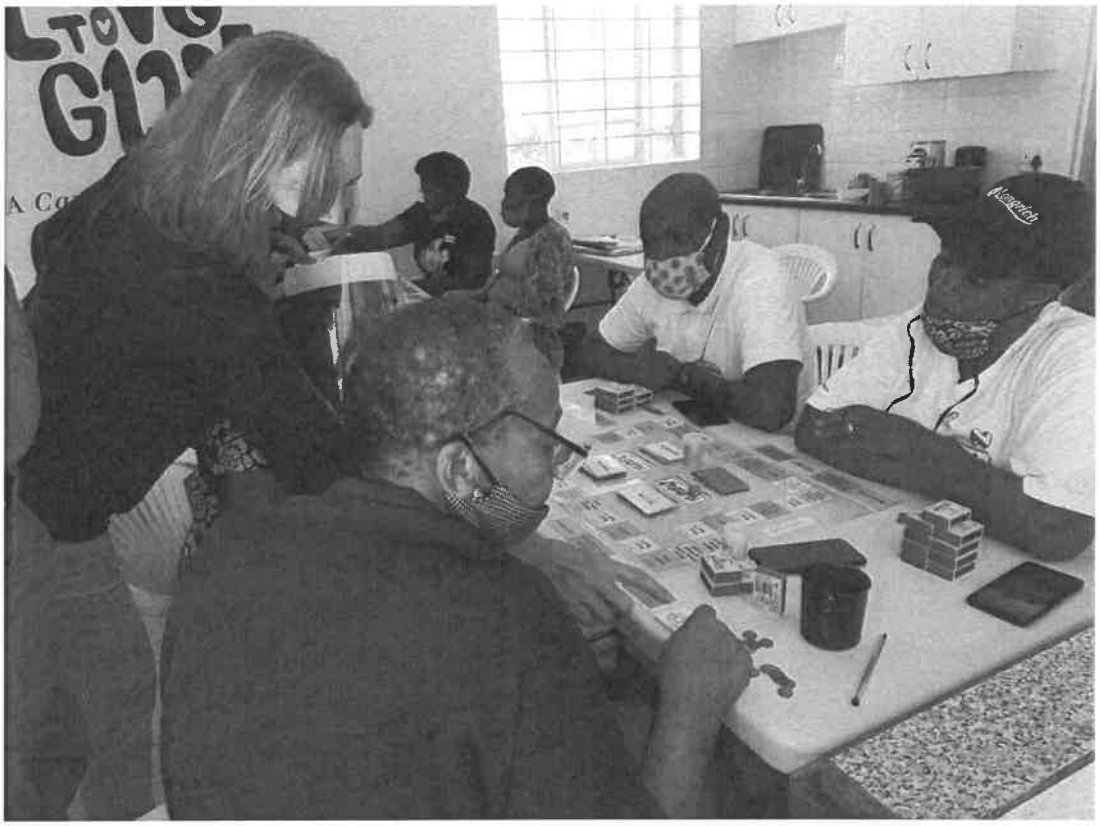
Students working on their Marketing Plan



Graduates of the Business for Life Course 2021



Graduates of the 2019/2020 Business for Life course



Playing the Financial Understanding Board Game

Re-Ignite Business Afrika
Directors meeting minutes

Location: 1 Noordwal-Wes, Stellenbosch

Date: 26 February 2021

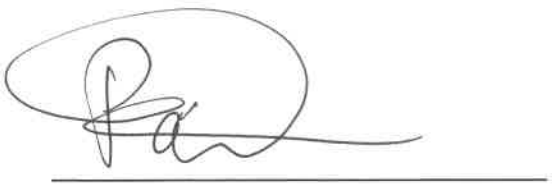
Time: 11.00 am

Attendees: Paul Roviss Khambule, Mawethu Justice Nyakatya, Karen Imrie Ross

Agenda items

1. Memorandum of Incorporation: The directors resolved to adopt the memorandum of incorporation of the company Re-Ignite Business Afrika as set out in document Cor 15.1C
2. Bank Account: A bank account will be opened later in the year.
3. Funding: PRK and KIR to investigate funding opportunities for SMME Training and mentoring.

Signed as a true and correct record by the chairperson:



Paul Roviss Khambule

26 February 2021

Certificate issued by the Commissioner of Companies & Intellectual Property Commission on Tuesday, February 16, 2021 at 12:00

Companies and Intellectual Property Commission
a member of the dti group

Notice of Incorporation

COR 14.1A

Registration Number: K2021378441
Enterprise Name: REIGNITE BUSINESS AFRIKA

Tracking Number: 9340717069

Customer Code: ROVISS

INITIAL DIRECTOR DETAILS

Full Name	Occupation	ID Number / Date of Birth & Country	Appoint. Date	Cellphone Number	Address
NYAKATYA, MAWETHU JUSTICE		7306066023080 South Africa	11/02/2021	0822622116	Postal: 01 OSWALD STREET, SILVER OAKS, KUILSRIVER, WESTERN CAPE, 7580 Residential: 01 OSWALD STREET, SILVER OAKS, KUILSRIVER, WESTERN CAPE, 7580
KHAMBULE, PAUL ROVISS		7810066006086 South Africa	11/02/2021	0726108441	Postal: 1849 SNAKE VALLEY, KAYAMANDI, STELLENBOSCH, WESTERN CAPE, 7600 Residential: 1849 SNAKE VALLEY, KAYAMANDI, STELLENBOSCH, WESTERN CAPE, 7600
ROSS, KAREN IMRIE		6509050102080 South Africa	11/02/2021	0834603783	Postal: 10 ST GEORGES STREET, SOMERSET WEST, SOMERSET WEST, WESTERN CAPE, 1713 Residential: 10 ST GEORGES STREET, SOMERSET WEST, SOMERSET WEST, WESTERN CAPE, 1713

The incorporators confirm that each person named above has consented to being appointed in terms of section 66(7)(b) as a director of the company, whose Memorandum of Incorporation is attached.

This form is prescribed by the Minister of Trade and Industry in terms of section 223 of the Companies Act, 2008 (Act No. 71 of 2008).

Certificate issued by the Commissioner of Companies & Intellectual Property Commission on Tuesday, February 16, 2021 at 12:00

Companies and Intellectual Property Commission
a member of the dti group

Notice of Incorporation

COR 14.1

Registration Number: K2021378441
Enterprise Name: REIGNITE BUSINESS AFRIKA

Tracking Number: 9340717069

Customer Code: ROVISS

INCORPORATOR DETAILS

Full Name: **NYAKATYA MAWETHU JUSTICE**
Identity / Registration No: **7306066023080**
Postal Address: **01 OSWALD STREET, SILVER OAKS, KUILSRIVER, WESTERN CAPE, 7580**

1. The incorporators have incorporated a juristic person to be registered as a:

   Non Profit Company

2. The incorporation of the company is to take effect on:

   11 February 2021

3. The company's first financial year will end on:

   June

4. The company's registered office address is:

Postal Address	Physical Address
10 ST GEORGES STREET, SOMERSET WEST, SOMERSET WEST, WESTERN CAPE, 7130	**10 ST GEORGES STREET, SOMERSET WEST, SOMERSET WEST, WESTERN CAPE, 7130**

5. Number of initial director(s) of the company as listed in Annexure A

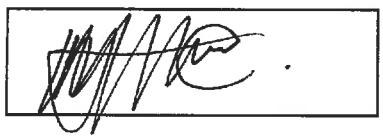
   3

6. The company name is:

   REIGNITE BUSINESS AFRIKA

7. The company's Memorandum of Incorporation, attached in form CoR 14.1 **has no provisions of the type contemplated in section 15(2)(b) or (c).**

I declare that the information in this application is true. If I am not the Applicant , I declare that the Applicant has authorised me to make this application.

Signature	Date
	26/02/21

This form is prescribed by the Minister of Trade and Industry in terms of section 223 of the Companies Act, 2008 (Act No. 71 of 2008).

Certificate issued by the Commissioner of Companies & Intellectual Property Commission on Tuesday, February 16, 2021 at 12:00

Companies and Intellectual Property Commission
a member of the dti group

Notice of Incorporation

COR 14.1

Registration Number: K2021378441
Enterprise Name: REIGNITE BUSINESS AFRIKA

Tracking Number: 9340717069 **Customer Code:** ROVISS

INCORPORATOR DETAILS

Full Name: **KHAMBULE PAUL ROVISS**
Identity / Registration No: **7810066006086**
Postal Address: **1849 SNAKE VALLEY, KAYAMANDI, STELLENBOSCH, WESTERN CAPE, 7600**

1. The incorporators have incorporated a juristic person to be registered as a:

   Non Profit Company

2. The incorporation of the company is to take effect on:

   11 February 2021

3. The company's first financial year will end on:

   June

4. The company's registered office address is:

Postal Address	Physical Address
10 ST GEORGES STREET, SOMERSET WEST, SOMERSET WEST, WESTERN CAPE, 7130	**10 ST GEORGES STREET, SOMERSET WEST, SOMERSET WEST, WESTERN CAPE, 7130**

5. Number of initial director(s) of the company as listed in Annexure A

   3

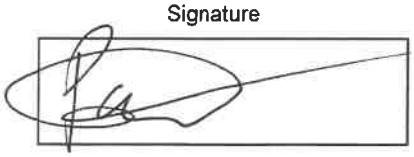
6. The company name is:

   REIGNITE BUSINESS AFRIKA

7. The company's Memorandum of Incorporation, attached in form CoR 14.1 **has no provisions of the type contemplated in section 15(2)(b) or (c).**

I declare that the information in this application is true. If I am not the Applicant , I declare that the Applicant has authorised me to make this application.

Signature



Date

26/02/21

This form is prescribed by the Minister of Trade and Industry in terms of section 223 of the Companies Act, 2008 (Act No. 71 of 2008).

Certificate issued by the Commissioner of Companies & Intellectual Property Commission on Tuesday, February 16, 2021 at 12:00

Companies and Intellectual Property Commission
a member of the dti group

Notice of Incorporation

COR 14.1

Registration Number: K2021378441
Enterprise Name: REIGNITE BUSINESS AFRIKA

Tracking Number: 9340717069

Customer Code: ROVISS

INCORPORATOR DETAILS

Full Name: **ROSS KAREN IMRIE**
Identity / Registration No: **6509050102080**
Postal Address: **10 ST GEORGES STREET, SOMERSET WEST, SOMERSET WEST, WESTERN CAPE, 1713**

1. The incorporators have incorporated a juristic person to be registered as a:

   Non Profit Company

2. The incorporation of the company is to take effect on:

   11 February 2021

3. The company's first financial year will end on:

   June

4. The company's registered office address is:

Postal Address	Physical Address
10 ST GEORGES STREET, SOMERSET WEST, SOMERSET WEST, WESTERN CAPE, 7130	**10 ST GEORGES STREET, SOMERSET WEST, SOMERSET WEST, WESTERN CAPE, 7130**

5. Number of initial director(s) of the company as listed in Annexure A

   3

6. The company name is:

   REIGNITE BUSINESS AFRIKA

7. The company's Memorandum of Incorporation, attached in form CoR 14.1 **has no provisions of the type contemplated in section 15(2)(b) or (c).**

I declare that the information in this application is true. If I am not the Applicant , I declare that the Applicant has authorised me to make this application.

Signature



Date

26/02/21

This form is prescribed by the Minister of Trade and Industry in terms of section 223 of the Companies Act, 2008 (Act No. 71 of 2008).

Certificate issued by the Commissioner of Companies & Intellectual Property Commission on Tuesday, February 16, 2021 at 12:00

Memorandum of Incorporation - Short Standard Form for Non Profit Companies Without Members

Companies and Intellectual Property Commission
a member of the dti group

COR 15.1C

Registration Number: K2021378441
Enterprise Name: REIGNITE BUSINESS AFRIKA

Tracking Number: 9340717069 **Customer Code:** ROVISS

MEMORANDUM OF INCORPORATION
OF
REIGNITE BUSINESS AFRIKA NPC

which is referred to in the rest of this Memorandum of Incorporation as "the Company".

The Company is a Non Profit company without members, with the following objective:

COMMUNITY ECONOMIC EMPOWERMENT AND FOUNDATION

The Company has 3 directors(s), 3 incorporator(s) and 0 alternate director(s), to be appointed in the following manner:

GENERAL DIRECTORS MEETING HELD OR ROUND ROBIN APPROVAL BY DIRECTORS, WITHIN 10 WORKING DAYS AFTER RESIGNATION OR DEATH OF ANY DIRECTOR

Adoption of Memorandum of Incorporation

This Memorandum of Incorporation was adopted by the incorporators of the Company, in accordance with section 13 (1), as evidenced by the following signatures made by each of them, or on their behalf.

Full Name of Incorporator	ID or Passport Number	Cellphone Number	Email Address	Address
ROSS, KAREN IMRIE	6509050102080	0834603783	KARENIMRIEROSS@GMAIL.COM	Postal: 10 ST GEORGES STREET, SOMERSET WEST, SOMERSET WEST, WESTERN CAPE, 1713 Residential: 10 ST GEORGES STREET, SOMERSET WEST, SOMERSET WEST, WESTERN CAPE, 1713
Signature		Date		
NYAKATYA, MAWETHU JUSTICE	7306066023080	0822622116	MAWETHU@HOTMAIL.COM	Postal: 01 OSWALD STREET, SILVER OAKS, KUILSRIVER, WESTERN CAPE, 7580 Residential: 01 OSWALD STREET, SILVER OAKS, KUILSRIVER, WESTERN CAPE, 7580
Signature		Date		
KHAMBULE, PAUL ROVISS	7810066006086	0726108441	PAULROVISS@GMAIL.COM	Postal: 1849 SNAKE VALLEY, KAYAMANDI, STELLENBOSCH, WESTERN CAPE, 7600 Residential: 1849 SNAKE VALLEY, KAYAMANDI, STELLENBOSCH, WESTERN CAPE, 7600
Signature		Date		

This form is prescribed by the Minister of Trade and Industry in terms of section 223 of the Companies Act, 2008 (Act No. 71 of 2008).

Certificate issued by the Commissioner of Companies & Intellectual Property Commission on Tuesday, February 16, 2021 at 12:00

Companies and Intellectual Property Commission
a member of the dti group

Memorandum of Incorporation - Short Standard Form for Non Profit Companies Without Members

COR 15.1C

Registration Number: K2021378441
Enterprise Name: REIGNITE BUSINESS AFRIKA

Tracking Number: 9340717069 **Customer Code:** ROVISS

In this Memorandum of Incorporation -

(a) a reference to a section by number refers to the corresponding section of the Companies Act, 2008;
(b) words that are defined in the Companies Act, 2008, bear the same meaning in this Memorandum as in that Act.

Article 1 - Incorporation and Nature of the Company

1.1 Incorporation

(1) The Company is incorporated as a Non Profit company, as defined in the Companies Act, 2008
(2) The Company is incorporated in accordance with, and governed by -
  (a) the provisions of the Companies Act, 2008 without any limitations, extension, variation or substitution; and
  (b) the provisions of this Memorandum of Incorporation.

1.2 Objects and Powers of the Company

(1) The Objects of the Company are as set out on the cover sheet and, except to the extent necessarily implied by the stated objects, the purposes and powers of the Company are not subject to any restriction, limitation or qualification, as contemplated in section 19 (1)(b)(ii).
(2) The Company is not subject to any provision contemplated in section 15 (2)(b) or (c).
(3) upon dissolution of the Company, it net assets must be distributed in the manner determined in accordance with Item 1(4)(b) of Schedule 1 of the Companies Act, 2008.

1.3 Memorandum of Incorporation and Company Rules

(1) This Memorandum of Incorporation of the Company may be altered or amended only in the manner set out in section 16, 17 or 152 (6) (b).
(2) The authority of the Company's Board of Directors to make rules for the Company, as contemplated in section 15 (3) to (5), is not limited or restricted in any manner by this Memorandum of Incorporation.
(3) The Board must publish any rules made in terms of section 15 (3) to (5) by delivering a copy of those rules to each director by ordinary mail.
(4) The Company must publish a notice of any alteration of the Memorandum of Incorporation or the Rules, made in terms of section 17 (1), by delivering a copy of the notice to each director by ordinary mail.

1.4 Optional provisions of Companies Act, 2008 do not apply

The Company does not elect, in terms of section 34 (2), to comply voluntarily with the provisions of Chapter 3 of the Companies Act, 2008.

1.5 Company not to have members

As contemplated in Item 4 (1) of Schedule 1 of the Act, the Company has no members.

This form is prescribed by the Minister of Trade and Industry in terms of section 223 of the Companies Act, 2008 (Act No. 71 of 2008).

Certificate issued by the Commissioner of Companies & Intellectual Property Commission on Tuesday, February 16, 2021 at 12:00

Memorandum of Incorporation - Short Standard Form for Non Profit Companies Without Members

Companies and Intellectual Property Commission
a member of the dti group

COR 15.1C

Registration Number: K2021378441
Enterprise Name: REIGNITE BUSINESS AFRIKA

Tracking Number: 9340717069 **Customer Code:** ROVISS

Article 2 - Directors and Officers

2.1 Composition of the Board of Directors

The Board of Directors of the Company comprises at least the number of directors, and alternate directors shown on the cover sheet, each of whom -

(a) is to be appointed in the manner set out on the cover sheet; and
(b) serves for an indefinite term until substituted by the person or entity that appointed the director.

2.2 Authority of the Board of Directors

(1) This memorandum of Incorporation does not limit or restrict the authority of the Company's Board of Directors to -
   (a) manage and direct the business and affairs of the Company, as set out in section 66 (1);
   (b) consider a matter other than at a meeting, as set out in section 74;
   (c) conduct a meeting entirely by electronic communication, or to provide for participation in a meeting by electronic communication, as set out in section 73 (3);
   (d) determine the manner and form of providing notice of its meetings, as set out in section 73 (4);
   (e) proceed with a meeting despite a failure or defect in giving notice of the meeting, as set out in section 73 (5);
   (f) appoint committees of directors, and to delegate to any such committee any of the authority of the Board as set out in section 72 (1), or to include in any such committee persons who are not directors, as set out in section 73 (2)(a).

(2) The right of the Company's directors to requisition a meeting of the Board, as set out in section 73 (1), may be exercised by at least 25% of the directors, if the board has 12 or more members, or by 2 (two) directors, in any other case, as provided in that section.

(3) The quorum requirement for a directors meeting to begin, the voting rights at such a meeting, and the requirements for approval of a resolution at such a meeting, are as set out in section 73 (5).

(4) This Memorandum of Incorporation does not limit or restrict the authority of any committee appointed by the Company's Board of Directors, as set out in section 72 (2).

2.3 Indemnification of Directors

This Memorandum of Incorporation does not limit, restrict or extend the authority of the Company's Board of Directors to-

(a) advance expenses to a director, or indemnify a director, in respect of the defense of legal proceedings, as set out in section 78 (4);
(b) indemnify a director in respect of liability, as set out in section 78 (5); or
(c) purchase insurance to protect the Company, or a director, as set out in section 78 (7).

2.4 Officers

The Board of Directors may appoint any officers it considers necessary to better achieve the objects of the Company.

This form is prescribed by the Minister of Trade and Industry in terms of section 223 of the Companies Act, 2008 (Act No. 71 of 2008).

A *Caring* COMMUNITY

25 November 2021

To Whom It May Concern

Business for Life Course Facilitation and Small Business Mentoring

This serves to confirm that Paul Khambule and Karen Ross were contracted by Love to Give to present the Business for Life course to beneficiaries of the organisation in Kayamandi, Stellenbosch.

This one month long business course was presented twice and had 38 graduates. Additionally, they both provided mentoring support to small businesses in the community and those that started during the Business for Life course on an ongoing basis from 2016. In total, 56 small businesses were assisted to start up and grow.

They both have a very good understanding of the needs and challenges that small businesses face in under resourced communities and have effectively assisted 40 small businesses to weather the hard lockdown and recommence trading once this was allowed. They did this by implementing a revolving credit/self-help group system amongst the businesses on the programme, which was very successful.

Unfortunately due to budgetary constraints, Love to Give had to regretfully terminate this project. We wish them both well in their endeavour to continue offering this small business training and mentoring in Kayamandi and other communities through their new non-profit company, Re Ignite Business Afrika. Should any further information be required, please contact me on the number below.

Yours sincerely

Jacques Treadway
Centre Manager
074 207 7165

ST Integrated Solutions (PTY) LTD
C: 0635372898 or 0835109410
E: stintegratedsolutions@gmail.com
W: www.stintegratedsolutions.co.za
A: 2931 Thubelitsha, Kayamandi, Stellenbosch, 7600

ST Integrated Solutions (PTY) LTD Testimony on Love To Give Training

Before

I am writing up to attest the training we received from Love To Give, representing our newly registered company (ST Integrated Solutions (PTY) LTD)), with its main focus on internet café services in Kayamandi and surrounding areas. We are a small and young company with very little knowledge and experience on how to run a business, identify and utilize business opportunities. This is why we had to attend and participate in the Love to Give business training that took place early this year (2021).

During

The training was very informative and presented in different modules and days, following a well organised manual. Facilitators gave us a platform to express our key business challenges and identifying business opportunities; interacting with one another and networking with some of the experts in business. We also enjoyed the practical sessions or activities including the method of recording keeping and using small monies to run or start business.

After

The training sessions have helped us become better in leadership, improve our communication with customers, build customer base and relationship not only with customers but with the public (including school, university, church). We have improved our ability to become conscious of our attitude, capacity, and behavioural style and have better discussions and decision making especially around business finance planning and operation. In different modules, we have learnt about how to identify business opportunities, use business model (canvas), price setting, marketing, profit making, record keeping and pitching business ideas for funding.

I recommend this training to all emerging or new and existing business owners as it covers broad topics and one of the things I liked the most was that facilitator encouraged active participation and engagement by all.

Director and Founder: Mr Siviwe Elvis Babane Cell 0635372898

SARS

TAX COMPLIANCE STATUS

PIN Issued

REIGNITE BUSINESS AFRIKA
10 ST GEORGES STREET
SOMERSET WEST
SOMERSET WEST
WESTERN CAPE
7130

Enquiries should be addressed to SARS:

Contact Detail

SARS
Alberton
1528

Contact Centre Tel: 0800 00 SARS (7277)
SARS online: www.sars.gov.za

Details

Taxpayer Reference Number: 9018090309

Always quote this reference number when contacting SARS

Issue Date: 2021/12/16

Dear Taxpayer

TAX COMPLIANCE STATUS PIN ISSUED

The South African Revenue Service (SARS) has issued your tax compliance status (TCS) PIN as indicated below:

TCS Details:	
Taxpayer Name	Reignite Business Afrika
Trading Name	Not applicable
Tax Reference Number(s)	IT - 9018090309
Purpose of Request	Good Standing
Request Reference Number	0047446082GS1612210200335
PIN	9199AE8465
PIN Expiry Date	16/12/2022

You may authorise a third party to view your TCS by providing them the PIN. The PIN only allows the third party access to your TCS. All other tax information remains secure.

Your TCS displayed is based on your compliance as at the date and time the PIN is used.

You may cancel this PIN at any time before the expiry date reflected above. Once cancelled, a third party will not be able to verify your TCS.

SARS reserves the right to cancel this PIN in the event that it was fraudulently issued or obtained.

Should you have any other queries please call the SARS Contact Centre on 0800 00 SARS (7277). Remember to have your taxpayer reference number at hand when you call to enable us to assist you promptly.

Sincerely
ISSUED ON BEHALF OF THE SOUTH AFRICAN REVENUE SERVICE

Name	REIGNITE BUSINESS AFRIKA	Timestamp:	30276076
Tax reference No:	9018090309	Year:	2021
Form ID:	RFDTCS	Page of Page:	01/01
Content Version:	v2013.01.01	Template version:	v2013.01.01

STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK
MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

CREDITOR CONTROL FORM / KREDITEUR KONTROLE VORM

COMPANY DETAILS

CREDITOR CONTACT DETAIL / KREDITEUR KONTAK BESONDERHEDE (Supplier / Verskaffer, Organization / Organisasie)

REGISTERED NAME / GEREGISTREERDE NAAM	Reignite Business Afrika.

PHYSICAL STREET ADDRESS / FISIESE STRAAT ADRES:	POSTAL ADDRESS / POS ADRES: (If different to physical address)
STREET NAME: 10 St Georges St. SUBURB: TOWN: Somerset West POSTAL CODE: 7130	PO BOX TOWN POSTAL CODE:
TEL:	FAX / FAKS:

PERSON

CREDITOR CONTACT PERSON DETAIL / KREDITEURE KONTAK PERSOON BESONDERHEDE

NAME AND SURNAME / NAAM EN VAN	Karen Ross	
TEL: 0834603783	FAX / FAKS:	CELL / SEL:
EMAIL / EPOS: karenimrieross@gmail.com.		

BANK DETAILS

CREDITOR BANKING DETAIL / KREDITEURE BANK BESONDERHEDE:

NAME OF BANK / NAAM VAN BANK	First National Bank		
BANK ACCOUNT NAME / BANK REKENING NAAM	Reignite Business Afrika		
BANK ACCOUNT NUMBER / BANK REKENING NOMMER	62928031880		BANK STAMP BANK STEMPEL
BRANCH NUMBER / TAKKODE:	200610		
ACCOUNT TYPE / TIPE REKENING	CHEQUE / TJEK	X	please see attached bank account confirmation letter
	SAVING / SPAAR		
	TRANSM		
VAT REGISTERED / BTW GEREGISTREER	YES / JA		VAT / BTW NO:
	NO / NEE	X	

SIGNATURE / HANDTEKENING: _____

OFFICE USE / KANTOOR GEBRUIK

CREDITOR NO / KREDITEUR NO:	
Create a new creditor / Skep van nuwe Krediteur	
Changing of creditors details / Verandering op Krediteur inligting	
Deleting of creditor / Uitwis van Krediteur	

REQUESTED BY: AANGEVRA DEUR:	DATE: DATUM:	DEPARTMENT: DEPARTEMENT
MOTIVATION: MOTIVERING:		
ENTERED BY: INGEVOER DEUR:		DATE: DATUM:



FIRST NATIONAL BANK – A DIVISION OF FIRSTRAND BANK LIMITED REG. NO. 1929/001225/06
An Authorised Financial Services and Credit Provider (NCRCP20)
6th Floor, 1 First Place, Simmonds Street, Johannesburg, 2001, South Africa
For general banking enquiries – Tel: 0860 11 22 44 International +27(0)11 369 1111
Card Cancellations – Tel: 0800 110 132 International +27(0)11 369 1189
Website: www.fnb.co.za

Dear Valued Client,

We would like to introduce to you our new FNB Letter Generation functionality.

The physical stamp was replaced by an electronic stamp with a unique number which offers a more secure validation/authentication process of the letter by third parties. The electronic stamp deems the letter to be an original letter.

This is a 'First-to-Market' fraud prevention method offered by FNB.

To validate/authenticate the received letter, the 3rd party should follow the steps below on FNB Digital Channels;

Online banking

1. Log onto the FNB website www.fnb.co.za
2. Click on 'Contact Us + Tools'
3. Click on 'Verify Account Confirmation/Visa Application Letters'
4. Enter in the requested information which includes the unique number found on the electronic stamp
5. Click on 'Verify'

FNB Application

1. Launch the FNB App
2. Select the information icon
3. And then select 'Letter verification'

The letter handed to the third party must match the image of the letter which appears on the above channels exactly. Should there be any discrepancies, the letter should be deemed to be fraudulent and cannot be relied upon by the third party.

The letter will appear on the above website or FNB App for validation/authentication for a period of 3 (three) months from the date of issue, and can be validated multiple times during this period.

The validation/authentication process has been presented to third parties, including SARS, and they subscribe to the enhanced process, to combat fraud.

Yours truly,
FNB Team

FNB
First National Bank

FNB
First National Bank

FNB Electronic Stamp
2021-12-13
Reference Number:VODS17PNZN1H
To verify this letter, please keep the above reference number and customer account number on hand. Visit FNB.co.za or FNB App, select Contact us/Tools on the Menu, followed by Verify Account Confirmation/Visa Application Letter and follow the screen instructions. The Reference Number is valid for 3 months.

Date: 2021-12-13

To whom it may concern

ACCOUNT CONFIRMATION LETTER

We confirm that ***REIGNITE BUSINESS AFRIKA (PTY) LTD** with identification/registration number **2021/378441/08 ("the account holder")** holds the following account with First National Bank, a division of FirstRand Bank Limited (**"FNB"**):

Account Type	BUSINESS ACCOUNT	**Account Number**	62928031880
Account Status	New Account - The account is currently open but has not yet been activated with a deposit.		
Branch Code	200610	**Branch Name**	STELLENBOSCH, C.P. 375
Swift Code	FIRNZAJJ	**Date Opened**	2021-12-13

FNB issues this letter at the specific request of the account holder and for informational purposes only. This letter serves only to confirm that the above information is, according to the records available to FNB, factually correct as at the date of this letter.

Accordingly, FNB provides no warranties, guarantees, assurances or undertakings of any nature in connection with the above information, the account and/or the account holder, cannot be held responsible for any reliance which may be placed on this letter.

Without limiting the above in any way:

(i) This letter does not constitute a letter of guarantee or a letter of credit.

(ii) This letter does not imply or infer in any way that FNB has reserved the funds held in the account in favour of any person, nor that FNB has placed a hold on or limited the amount available in the account. The amount available in the account may change at any time without prior notice to you; and

(iii) FNB will not be held responsible for any change in the information contained in this letter.

This letter is issued to you without any liability for FNB or its employees. You are to treat this letter as confidential.

Should you have any queries, please visit our website www.fnb.co.za or feel free to contact us on087 736 2247.

SMALL BUSINESS DATABASE - KAYAMANDI, STELLENBOSCH

NO	Names	Surname	Type of business	Email Address	Cell Numbers
1	Norah	Tobo	Catering business	norahtobo@gmail.com	0844050107
2	Anga	Bononga	Supplier to restaurants and NGOs	bonsolotrading@gmail.com	0736981873
3	Malwande	Ntsondo	Printing and Photocopy CV writing	m.ntsondo@gmail.com	0844621572
4	Nomphumelelo	Hani	Wants to start a business	mpumihani@gmail.com	0823364651
5	Phuthuma	Mgu	Hair Salon/agriculture	phutumamgu@gmail.com	0720211130
6	Siyabonga	Mini	Performing Arts and Dance School	Smartmission38@gmail.com	0710349048
7	Bulelwa	Tito	Dressmaking and designing	basbujans@gmail.com	0735112033
8	Hazel	Nchakha	Wants to start a business	hazelnchakha@gmail.com	0794787517
9	Lwando	Botommane	Recycling	lbhobhoyi@gmail.com	0604079676
10	Esethu	Bangaza	Printing of clothes and household items	ebangaza@gmail.com	0785731780
11	Nthabiseng	Manentsa	Wants to start a business		0790901645
12	Ronald	Muzanenhamo	Wants to start a business in IT	rmuzanenhamo109@gmail.com	0631748240
13	Oyena	May	Wants to start in music industry	oyiseseko@gmail.com	0652500689
14	Vuyolwethu	Zicina	Wants to start a business in agriculture	andyabele@gmail.com	0781585785
15	Thandiwe	Mtyingizani	Wants to start a business in agriculture	thandisikade0@gmail.com	0653436922
16	Phatiswa	Tsoni	Crèche	phathiswaprincess@gmail.com	0733415217
17	Noluthando	Krish	Vendor and sewing		0732169990
18	Ntombekaya	Sotondoshe	Wants to start a business	ssotondoshe@gmail.com	078452217
19	Luthando	Mxesibe	Wants to start a business	mxesibesm@gmail.com	0604849196
20					
21	Nothandekile	Ngalo	Vendor		0839228031
22	Tsepo	Setona	Construction business	tsetona@gmail.com	0782254198
23	Zimasa	Faku	Wants to start business in HR for wine industry	lializimasafaku@gmail.com	083 962 4873
24	Nonkosi Agnes	Matomane	Creche		0638708585
25	Nobulali	Gxagxisa	Wants to start a business in	nobulaligxagxisa@gmail.com	0745159559
26	Zoleka	Selela	Crèche	Yelhu.educare@gmail.com	064 141 2285
27	Yoliswa	Mntunyedwa	Tshisanyama and restaurant		078 3373536
28	Thulani	Memela	Street Wear Clothing: Printed T-shirts and caps		0685471381
29	Babalwa	Ngxito	Reselling of traditional cloth, with a modern touch	ngxitbabalwa@gmail.com	0640578460
30	Ester	Nkumbi	Baking and Laundrament		0766854967
31	Nomthandoza	Zisiwe	Dress Maker		0835515958
32	Zamani	Yoti	Garden Service	zamaniyoti@gmail.com	0739716616
33	Rethabile	Laphenan	Vendor and Stylist: Selling stylish clothes, vintage clothes		0623495634
34	Prisca	Sibanda	Vendor	priscasibanda10111@gmail.com	0628275929
35	Nandipha	Siyo	Selling Sheep Heads		0781478325
36	Aqhama	Faku	Vendor and Stylist: Selling stylish clothes, vintage clothes		0623495634
37	Amanda	Bongoza	Hair Salon	amandabongoza59@gmail.com	0838587280
38	Lunga	Gomba	Catering: Food, fish & chips		0723278063
39	Siviwe	Babane	Internet Café and Transport	siviweelvis@yahoo.com	0635372898
40	Lerato	Mtiya	Fashion Designer	lerato.mtiya@yahoo.com	
41	Nomncediso	Baleni	Selling Pig heads (Smily)		0733029966
42	Zoliswa	Dodwana	Tenders and selling unprerishable goods	Zdodwana@gmail.com	0834103501
43	Nowetse Thembi	Tshaka	Catering: Food and private events catering	thembietshaka75@gmail.com	0736609918
44	Luleka	Nkqayi	Creche	l.nkqai08@gmail.com	0727769868
45	Brian	Ndalama	Selling Fresh and dry Fish		0659919543
46	Bongeka	Mbambalala	Dress Maker	bmbambalala@yahoo.com	081100866
47	Celiwe	Fokoza	Retailer Shop: Spaza Shop		0846117455
48	Lebohang	Masokanye	Fashion Designer	lebomasokanye@gmail.com	0676442096

APPENDIX 4

Cabernet House East
Brandwacht Office Park
Trumali Street
Stellenbosch
7600
Email: admin@ranyaka.co.za

Ranyaka
Activating Communities

ATTENTION
Director: Planning and Economic Development
Ms Lesley van Gensen
PO Box 17
Stellenbosch
7588

10 December 2021

Dear Ms van Gensen

RE: Application: funding: FY 21/22 Training of SMMEs

Herewith please find an application from Ranyaka Community Transformation as an external body performing a municipal function provided by the policy for the funding of bodies performing a municipal function section 80(2) of the local government: Systems Act, 32 of 2000, Financial year 2021/2022: Training of SMMEs.

Below please find an Executive Summary of our application and project proposal (project proposal attached).

Relevant Municipal Function applied for:	Training of SMMEs. *Note: We are not applying to Establish and Update the SMME Database for the Stellenbosch Municipal Area.*
Timeframe	January – December 2022
Beneficiaries benefiting	20 in person 50 plus for online
Amount requested	R228 600
Funding request for: training Workshops	1. Costing, Pricing, Breakeven 2. Business Plan Development 3. Marketing Plan Development 4. SARS Compliance 5. Retailing & Wholesaling
Business Support Services	1. Financial Recordkeeping support 2. Business Compliance support 3. CSD Registration support
Co-funder requests:	Nedbank: R675 550 (2022 application under review) Nedbank: R1,4m (2020/ 2021 programme) Stellenbosch Network: Budget presented separately to Stellenbosch Municipality
Supporting documents included in the application	1. Project Proposal 2. FY19 & FY20 Audited Financial Statements 3. References from Stellenbosch Network and Stellenbosch Township & Village 4. Copy of creditors control form 5. CIPC Registration form 6. NPO Registration form 7. Copy of Memorandum of Incorporation 8. Tax Clearance Certificate 9. List of SMME's Ranyaka on Ranyaka's database. (see project proposal) 10. Attendance Registers of 2021 Training Sessions

Cabernet House East
Brandwacht Office Park
Trumali Street
Stellenbosch
7600
Email: admin@ranyaka.co.za

Ranyaka
Activating Communities

Kindly note: Contact details of businesses can only be shared once an agreement has been reached with the Stellenbosch Municipality in line with the POPIA Act. However a full list of the business names has been included in this application.

We trust you find this application sufficient and acceptable.

Warm regards

Marli Goussard
Enterprise Development Manager
Ranyaka Community Transformation

STELLENBOSCH **APPENDIX A**

ST EL LEN BOSCH • P NIEL • FRA NSCH HOEK

Municipality • Umasipala • Munisipaliteit

APPLICATION: FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION 2021/2022

NOTE: ONLY APPLICATIONS ON THIS PRESCRIBED FORM SHALL BE CONSIDERED

PLEASE COMPLETE THE FOLLOWING:

A	**REGISTERED NAME OF ORGANISATION:** Ranyaka Community Transformation
B	**DATE AND YEAR IN WHICH THE ORGANISATION WAS FOUNDED OR INCORPORATED (INCLUDE BRIEF DESCRIPTION OF BUSINESS OR ACTIVITIES OF ORGANISATION):** 2013 Townplanning Social Enterprise implementing a Collaborative Community Development model in communities across S.A, including Stellenbosch.
C	**ADDRESS:** (i) Street: Brandwacht Office Park, Trumali Street, Stellenbosch, 7600 (ii) Postal: 21 Rokewood Avenue, Stellenbosch, 7600 Contact details: Name and Surname: Marli Gaussard Title/Position held: Enterprise Development Manager Tel: 0843122000 E-mail: marli@ranyaka.co.za
D	**LIST ALL THE BOARD / COMMITTEE MEMBERS OF THE ORGANIZATION:** Name and Surname: Johannes Lodewijk Wijnand Olivier Position: Executive Director Contact Address and tel. no: 21 Rokewood Avenue, Die Boord, Stellenbosch, 7600. 082 787 7713 Name and Surname: William Babalala Bila Position: Non-executive Director

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Contact Address and tel. no: .....

Name and Surname: .....

Position: .....

Contact Address and tel. no: .....

Name and Surname: .....

Position: .....

Contact Address and tel. no: .....

Menlo Park

~~Name and Surname~~: 0081

~~Position~~: 072 721 9845

~~Contact Address and tel. no~~: .....

~~Name and Surname~~: .....

~~Position~~: .....

~~Contact Address and tel. no~~: .....

D INDICATE IN WHICH WARD THE ORGANISATION IS ACTIVE:

Ward: All Wards

Is the organisation a non-profit company? [Yes] [No]

If yes, provide company registration number: 2013/029973/08

Is the organisation a non-profit organisation as contemplated in section 13 of the Non-Profit Organisation Act, 1997? [Yes] [No]

If yes, provide registration number: 133-233 NPO

Is the organisation a public benefit organisation as contemplated in terms of the Income Tax Act, 1962? [Yes] [No]

If yes, provide registration number: 930064087 - PBO Ref No.
9293065182 Incom Tax No.

Is funding required for a specific project / progarmme? [Yes] [No]

If yes, attach details separately.

Budget amount of projects / programmes: R309 100

Duration of project / programme: 12 Months

Is funding required for general support? [Yes] [No]

If yes, attach a copy of the organisation's overall budget and business plan.

E	CATEGORY Please categorise your application (mark with x): Training Programmes for SMME ination Marketing n [X] Database for SMME's [ ] [ ] Note: For more detail, see attached Funding of External Bodies Performing a Municipal Function Policy. (general guidelines and categories) Please indicate the specific type of project / programme, as per the Funding of External Bodies Performing a Municipal Function Policy. ..... Training of SMME's .....
F	**THE FOLLOWING MUST ACCOMPANY THIS APPLICATION:** 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: • Full details of the proposal or project / programme 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 / programme. • Information on the total cost of the project / programme 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.

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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.
10. A valid Tax Clearance Certificate issued by SARS.
11. **List and contact details of existing SMME's within the database.**
12. **Proof of hosting or facilitating SMME training sessions (e.g. Photographs, attendance register, etc.)**

G THE FOLLOWING SHALL APPLY:

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 where and for which purpose the funding will be allocated.
2. The funding must be exclusively used for the purpose defined and motivated, 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 must 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 *inter alia* stipulates that the organisation 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 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.

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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 / programme applied for. For this purpose, organisations must submit financial statements and budget for the ensuing financial year.

15. Organisations who received funding from Stellenbosch Municipality during the previous financial year, are required to attach such proof to the 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).

16. SMME Training' funding applicants must be able to demonstrate that the following may be achieved within their 2021 / 2022:
    - Minimum of five (5) training opportunities must be held
    - The applicants must possess an existing database of SMME's within the Stellenbosch Municipal Area

(The Funding of External Bodies Performing a Municipal Function Policy must be consulted for the sake of completeness)

H **UNDERTAKING:**

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.

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.

This completed and signed at Stellenbosch on this 9th day of December 20 21.

Chairperson / Authorised Representative

Secretary / Duly Authorised Signatory

I **PLEASE TAKE NOTE:**

- (i) That completed application forms together with all the required documentation must be delivered to:

Director: Planning and Economic Development (Attention: Ms L van Gensen)
P O Box 17
Stellenbosch
7599

Or delivered to:

127 Dorp 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 NETWORK

Director: Planning and Economic Development
Ms Lesley van Gensen
PO Box 17
Stellenbosch, 7588

10 December 2021

Dear Ms van Gensen,

RE: Reference letter for Ranyaka

Ranyaka is one of Stellenbosch Network's founding members and has been part of the growth of Stellenbosch Network from the start. Ranyaka is also part of our Steering Committee.

Stellenbosch Network collaborates with Ranyaka as much as possible and we value their input and contribution the Network.

Ranyaka assists Stellenbosch Network to identify Small Businesses in the greater Stellenbosch area, these businesses then form part of our Entrepreneurial Mentorship Programme. Ranyaka also assisted in marketing the University of Stellenbosch Business School's Small Business Academy that was hosted in Stellenbosch for the first time in 2021 (and will be hosted again in 2022).

Ranyaka organises and hosts many training workshops for Small Businesses that is of great value to the Stellenbosch community. The Building business programmes that Ranyaka offers are extremely valuable to SME's and these have resulted in the growth of many businesses. Through the Cocreate Hub they have given many entrepreneurs the opportunity to sell their products and offer their services in the centre of Stellenbosch to a much wider clientele.

Stellenbosch Network and Ranyaka's funding proposals complement each other, and our collaborative approach means there are no duplication of services.

Stellenbosch Network and Ranyaka will continue to work together in 2022 and the future and we look forward to working together and growing SME's and entrepreneurs in the greater Stellenbosch area.

Do not hesitate to contact me should you need any further information.

Yours sincerely

Hanli Brink
Operations Director, Stellenbosch Network
hanli@stellenboschnetwork.co.za

STELLENBOSCH

LETTER OF REFFERENCE

TO: STELLENBOSCH MUNICIPALITY

RE: RANYAKA: ENTERPRISE DEVELOPMENT TRAINING

FROM: JEANNERET MOMBERG

10 December 2021

To whom it may concern

This letter serves to state that Visit Stellenbosch is working cooperatively with Ranyaka in the development of SMME's in Stellenbosch. We recognise and value Ranyaka's contribution and impact in this field and have partnered with them in various ways. We are particularly excited about our development collaboration at the Co-Create Hub, as this project holds great potential for tourism entrepreneurs.

We work collaboratively with Ranyaka, as our services to beneficiaries are complimentary and we share the same goal of a unified solution for enterprise development in Stellenbosch. We therefore support Ranyaka's application to Stellenbosch Municipality for funding, for the training of entrepreneurs.

Ranyaka's proposed training programme will also benefit entrepreneurs in the various Visit Stellenbosch projects, based on their needs. This is a more dynamic way of working and allows entrepreneurs a wider variety of support services and the freedom to participate across programmes.

We value the opportunity to work with Ranyaka and support their application for training funding attached herewith.

Regards

Jeanneret Momberg

CEO Visit Stellenbosch

Ranyaka
Activating
Communities

Economic inclusivity for all Stellenbosch Communities

2022 Ranyaka Building Business Programme

Funding Proposal to Stellenbosch Municipality





#PROUD OF MY TOWN

NEDBANK | Ranyaka Activating Communities

Ranyaka
Activating
Communities

INTRODUCING • PROUD OF MY TOWN

Proud of my Town (PoMT) is a holistic community transformation initiative, created by Nedbank, in partnership with urban planning social enterprise, Ranyaka Community Transformation. The initiative was launched in 2016 and forms part of Nedbank's ongoing commitment to the well-being and positive socio-economic development of all South Africans.

Proud of My Town is currently active in 13 communities in 9 towns across 8 provinces in South Africa. These towns and townships are:

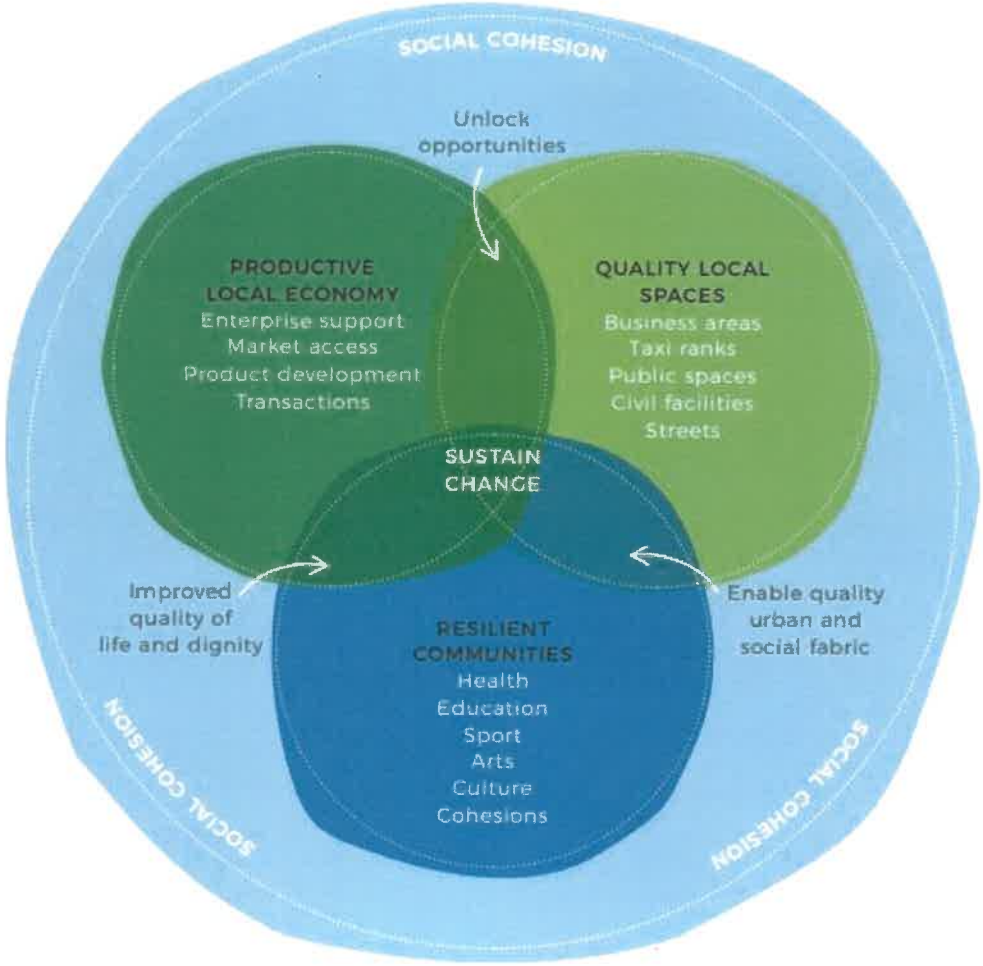
- Mamelodi-East, Tshwane (Gauteng)
- Boitekong, Rustenburg (North-West)
- Mankweng, Polokwane (Limpopo)
- Kanyamazane, Nelspruit (Mpumalanga)
- Magaliesburg (Gauteng)
- Stellenbosch (Western Cape)
- Paarl (Western Cape)
- Zwide, Gqeberha (Eastern Cape)
- Umlazi, Durban (Kwa-Zulu Natal)



Thriving Communities

Ranyaka follows an urban planning and whole-systems development approach. The approach is firstly built on relationships, and secondly combines the power of three fundamental elements that have been found to form the foundation of successful and thriving communities and towns. The three fundamental elements include:

Productive local economies
Quality local spaces
Resilient communities



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Ranyaka Building Business (RBB) Programme

The Ranyaka Building Business Programme aims to enable localized economic inclusion for small and growing businesses (SGBs) from under-resourced areas by increasing accessibility to affordable market-centered trading spaces, needs-based training and business support services, local mentors, local supply chain inclusion support and local investors.

A good example of such economic inclusion is the 10-year lease that was secured through the Stellenbosch Municipality to turn one of its vacant and dilapidated centrally located properties into an entrepreneurial development trading and training hub in 2021. See more about the CoCREATE Hub here.

Through this venture and Ranyaka's Building Business Programme, approximately 40 SGBs from the area received access to previously untapped markets through trading spaces, improved their client profile, received training and practical business and digital support, matched with local mentors and most importantly received support with business compliance and local supply-chain registration.

Ranyaka follows a specific *economic inclusion* process illustrated here.

Our Building Business Programme facilitates collaboration amongst multi sector stakeholder groups during this process, taking a needs-based approach to the development of local enterprises, using local resources.



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Enterprise Development Beneficiaries

TRADES PER INDUSTRY EXAMPLES

LIFESTYLE
- Barber
- Beauty
- Hair styling
- Fashion design
- Furniture design
- Pet shop
- CMT

PROFESSIONAL SERVICES
- Graphic design
- Cleaning services
- Gardening and tree felling
- Film-making
- Photography
- Events Management

AGRICULTURE
- Small scale farming
- Agro processing

TOURISM
- Shuttle services
- Accommodation
- Crafts
- Artists
- Performing Arts

HOSPITALITY
- Catering
- Fast foods
- Baking and confectionary
- Hiring and decor
- Restaurants

CONSTRUCTION
- Building
- Carpentry
- Plumbing



Ranyaka
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Enterprise Development Beneficiaries

Information based on a jointly Nedbank funded programme in Stellenbosch 2020

CUSTOMER SEGMENT SUMMARY

Local Black micro entrepreneurs with limited opportunities to grow their businesses

DEMOGRAPHICS

- Black
- 18-60 years
- Stellenbosch vulnerable communities

PSYCHOGRAPHICS

- Aspires to succeed
- Demands respect
- Survival first
- Social
- Resilient
- Determined
- Spiritual
- Entrepreneurs out of necessity

BEHAVIOURS

- Survival before compliance
- Due to limited access to finance, forced to make unhealthy debt
- Support their own

NEGATIVE OUTCOMES THAT THEY FEAR

- Business failing
- Not being able to provide for their families
- Excluded from local economic opportunities

FRUSTRATIONS, ANNOYANCES AND HEADACHES

- Not having access to local supply chains
- Not being able to afford trading spaces in the central market
- Limited access to finance for working capital or start-up capital

GOALS

- Grow successful businesses and pass on a legacy to their children and grandchildren
- Provide for their families
- Make a difference in their communities by creating employment and passing on skills
- Enter the formal market

TASKS THE ENTREPRENEURS ARE TRYING TO COMPLETE

- Financial compliance and administrative processes for supply chain inclusion
- Marketing their businesses
- Putting business processes into place
- Gaining access to new markets

PROBLEMS THE ENTREPRENEURS ARE WORKING TOWARDS SOLVING

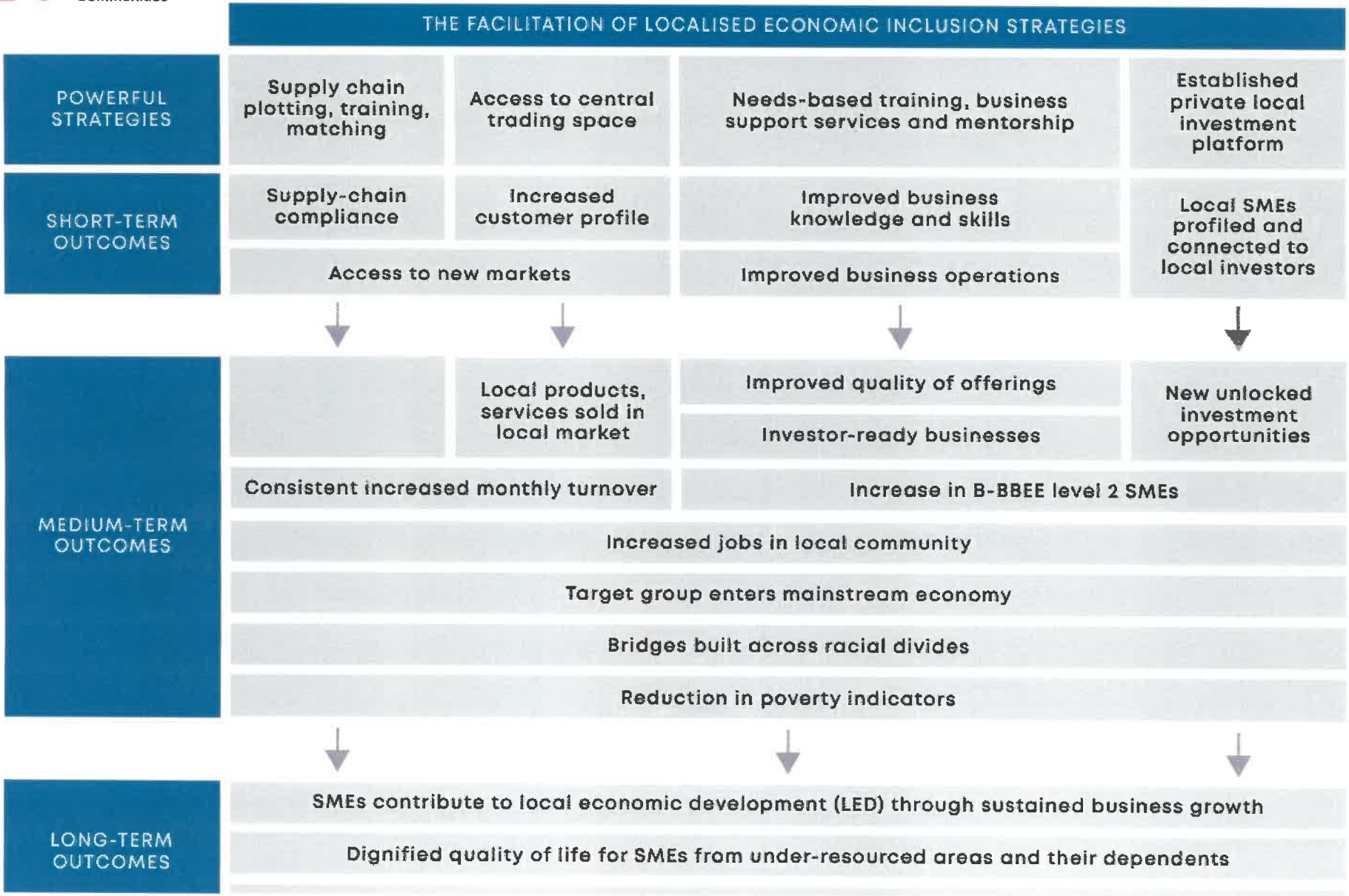
- Unemployment in their communities
- Access to business premises
- Access to new mrkets
- Learning more about business management

BARRIERS THAT PREVENT THE ENTREPRENEURS FROM USING A BENEFIT ALREADY AVAILABLE TO THEM

- Feeling intimidated
- Feeling like a 'charity case'
- Thinking they cannot do it or are not good enough
- No access to data
- Not able to commit to the extent required by the solution due to practical life challenges

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Activating Communities

RBB Programme Theory of Change



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Communities

2021 RBB Programme Participants

	Business name	Vendor name	Business type
1	Acu-Temp	Garnet Christians	Temperature Calibration
2	Arnolds Pool Services	Cassiem Arnolds	Pool cleaning services
3	Ateljee Will Hammers	Will Hammers	Architectural Technologist
4	Blackbyrd Security Services pty LTD	Denver Okkers	Security services
5	CoffeeMM	Mhlengi Ngcobo	Coffee Roastery
6	CREAMY CREATIONS	Nabeelah Cassiem	Baking & Confectionary
7	Fransman Barber shop	Zane Fransman	Barber shop
8	Have Mercy Cakes	Mercia Jacobs	Baking & Confectionary
9	Herbal View Hydroponics (Pty)ltd	Basil Williams	Agro processing | Herbs & Spices
10	iTorho	Njabulo Khulu	Technology
11	Just Sip Mo Plumbing & Projects	Asiphe Cosa	Plumbing
12	Kayamandi upgrading pty ltd	Lwando Bottomane	Recycling
13	Legends Barber and Academy	Andre Segals	Barber shop
14	LETZ	Thabo Dube	Leather accessories
15	MJ Events And Hiring	Michelle Maluqua	Catering / Hiring supplies
16	Niklaas & Nita Drivingschool	Niklaas Willemse	Driving Schools
17	Kikis by Lin (kikisbylin)	Lindsay Petersen	Photography
18	Pretti Sweet Treats	Faeeza Arnolds	Baking & Confectionary
19	S & M Eco-farming (Pty) Ltd	Mlondolozi Mnxeba	Vegatable supplier
20	Simie MG Craft	Nosiphiwo Ndeleni	Furniture
21	Stonehouse Security	Emelin Pietersen	Security equipment & installation
22	Yava Trading	Otniel Jooste	Printing | Promotional material | Clothing
23	Yeyethu Designer Studio	Lerato Mtiya	Fashion Design | Clothing | Accessories
24	Zenobia Thys Couture	Zenobia Thomas	Fashion Design | Clothing
25	Mtalks	Marvelous Matlou	Digital market access platform
26	Tsokasile Wines & Spirits	Putsue Mdluli	Wine & Spirits
27	Valley Cultural Tours	Kyle Heyneke	Tourism

Ranyaka
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RBB Programme: 2021 Impact Achieved

of Participants at the start
25

# of Participants at the end
23

% Participants whose monthly turn-over increased
75%

% of Businesses assets increased since inception
95%

Total full time jobs created
3

Total part-time jobs created
5

Total jobs created
10

% Participants with increased customer profile
100%

% Participants with improved business skills
100%

% Participants with improved financial recordkeeping
92%

% Participants with tax clearance at the end of programme
63%

Costing models improved
87%

Improved access to credit
50%

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2022 RBB Programme Overview

20 Stellenbosch-based businesses

January - December 2022

VENDOR CRITERIA

- Micro Enterprises or Small Enterprises with a B-BBEE status level 1 or 2 (majority black ownership)
- Business or residential address within the Municipal boundary of Stellenbosch.
- Minimum 1 year trade experience
- Registered businesses or sole proprietors
- 0-5 employees
- Active business
- Existing product / service with existing customer base, regardless of its size

BUSINESS SUPPORT Interventions

- Business training
- Legal support
- Financial Management
- Human Resources
- Digital training
- Equipment funding
- Soft skills training
- Access to business premesis
- Networking channels
- Mentorship channels
- Marketing support
- Life coaching / counselling

IMPACT MANAGEMENT Outcomes

- Improved access to market
- Improved business skills & operations
- Increased monthly turnover
- Increased job creation
- Business compliance
- Supply-chain inclusion

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2022 RBB Programme Participants

On-boarding starts once funding approved

	Business name	Vendor name	Business type	CoCREATE Hub Space	Community
1	Beker en Bord	Siena Charles	Street food	Food court	Kylemore
2	Dee's Accessories	Moepane Dieketseng	Beaded & material accessories	Gift shop	Kayamandi
3	Elate Beauty	Sanelisiwe Kanqu	Beauty therapist	Spa	Kayamandi
4	Gaga Bout Koffie	Tsitsi Magaya	Barista | Beverages	Deli	Pniel
5	Have Mercy Cakes	Mercia Jacobs	Baking & confectionary	Deli	Kylemore
6	Ikhethiwe Curated	Lindsay Petersen	Art gallery	Gallery	Pniel
7	Indalo Catering	Thabo Bekwa	Street food	Food court	Kayamandi
8	Kasilam Wear	Samkela Mhlakaza	Screen printing	Gift shop	Kayamandi
9	LC Style	Luxolo Cakata	Fashion Designer	Gift shop	Kayamandi
10	Mavusana Rooibos	Vusi Mokoena	Premium rooibos tea	Deli	Kayamandi
11	Mr White Barber	Reazah White	Barber	Beauty bar	Central Stellenbosch
12	Phel's Hair & Beauty	Phelisa Bekwa	Hair salon	Beauty bar	Kayamandi
13	Posh Curio Collective	Portia Nzanzana	Beaded & material jewelry	Gift shop	Kayamandi
14	Waga Fries	Wanga Ncise	Street food	Food court	Kayamandi
15	Vodi's Flavour	Evodia Dempers	Street food	Food court	Cloetesville
16	19 Digital	Jacques Olivier	Digital media	Hot desk	Durbanville
17	Savoia	Mickey Sticks	Leather accessories	Gift shop	Pniel
18	Heavenly Handmade	Allison Gordon	Crochet work	Gift shop	Jamestown
19	Asah	Jomane Bitso	Jewellery design	Gift shop	Central Stellenbosch
20	Prime-Built Gym	Rudi van Breda	Private gym	Hot desk	Central Stellenbosch

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RBB Programme: 2022 Interventions and Budget

Category	Intervention		Funding partner	Stellenbosch Municipality Funder budget	Nedbank Funder budget
Outcome 1: Improved Pricing & Costing Models					
Business training Business support services	1-day workshop: Costing, Pricing & Breakeven 1-hour consulting session per SGB	Templates provided Needs-based support	Stellenbosch Municipality Nedbank	R15 000	R16 000
Outcome 2: Improved Business knowledge and Skills					
Business plan development	1-day workshop	Template provided	Stellenbosch Municipality	R15 000	
Marketing plan development	2-day Workshop	Templates provided	Stellenbosch Municipality	R20 000	
Compliance support	SARS Workshop	SARS Workshop	Stellenbosch Municipality	R15 000	
Business training	USB Formal business training	One-year Part-time programme: Registration fees. Programme sponsored by other sponsors	Stellenbosch Network | Nedbank		R25 000
Business plan review	1-hour consulting session	Needs-based support	Nedbank		R12 000
Management controls	1-day workshop: Time Management Planning & Control	Templates provided	Nedbank		R10 000
Marketing plan review	2-hour Consulting session	Needs-based support	Nedbank		R24 000
Business training	Business Literacy Training by Nedbank	Banking | Budgeting | Saving | Business Finance education training	Free training by Nedbank		R5 000
Mentorship	Mentorship Programme	10-month programme	Stellenbosch Network		
Marketing	CANVA design	Morning session	Stellenbosch Network		

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RBB Programme: 2022 Interventions and Budget

Category	Intervention		Funding partner	Stellenbosch Municipality	Nedbank
Outcome 3: Improved Finances					
Financial Management	Banking advice by Nedbank	Needs-based support	Free		R0
Financial Management	Access to credit	Bridging finance	Nedbank		R30 000
Outcome 4: Improved Operations					
Financial Management	Record-keeping support: 2-hour consulting session	Needs-based support	Stellenbosch Municipality	R24 000	
Retail Management Training	Wholesaling and Retailing	1 Day training workshop & template	Stellenbosch Municipality	R15 000	
Financial Management	Financial templates (Quoting, Invoicing, Record Keeping)	Nedbank Companion | Xero free templates	Free tool		
Human Resources	Employment contracts	Templates provided	Free tool		
Human Resources	Employment contracts support: 2-hour consulting session	Needs-based support	Nedbank		R9 000
Human Resources	Code of conduct	Templates provided	Free tool		
Insurance	Insurance workshop by Nedbank	Online workshop	Nedbank		
Legal support	Client Terms of Engagement, Agreements, Asset Evaluations, IP Registrations	Custom needs-based support	Nedbank		R18 000
Marketing	Promotional Material & Signage	Business cards | Branding |Stickers | Fliers| Banners | Sign	Nedbank		R75 000
Marketing	Photo shoot	Product shoot	Nedbank		R10 000
Marketing	Digital Marketing: Agency retainer for 6 months	Website | Social Media marketing | Digital design	Nedbank		R60 000
Google training	Google App Training (Gmail, Docs, Sheets, Slides) over 5 sessions		Stellenbosch Network		
Outcome 5: Improved Quality Offering					
Marketing	Customer Relationship Management	Customer survey tool	Nedbank		R7 500
Marketing	Packaging	Custom needs-based support	Nedbank		R22 500

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RBB Programme: 2022 Interventions and Budget

Category	Intervention		Funding partner	Stellenbosch Municipality	Nedbank
Outcome 6: Increased Customer profile					
Access to Market	Market research	Workshop / Tool	Nedbank		R8 000
Access to Market	Business Network subscription: Stellenbosch Network	Registration with local network	Stellenbosch Network		
Business training	Social Media training	Online training	Stellenbosch Network		
Marketing	Google my Business Profile training	Registration via Africa 118	Stellenbosch Network		
Access to Market	Business Premesis access: Hot-desking	Rental subsidy	Nedbank		R80 000
Outcome 7: Improved Business Compliance					
Compliance support	**Compliance Support - as listed below**				
Compliance support	CIPC / Business Registration				
Compliance support	PAYE Registration				
Compliance support	UIF & Ufiling				
Compliance support	SARS Company Income TAX Registration				
Compliance support	CIPC annual returns				
Compliance support	B-BEEE affidavit/certificate	Compliance Officer retainer	Stellenbosch Municipality	R45 000	R45 000
Compliance support	Workers compensation				
Compliance support	SARS annual returns				
Compliance support	Tax Clearance certificate				
Compliance support	Industry compliance				
Financial Management	Financial clean-up: Annual Financial Statements historic				
Financial Management	Annual Financial Statements				
Outcome 8: Increased Supply-chain Inclusion					
Access to Market	Assistance to register on CSD, Local supply-chains	Compliance Officer retainer	Stellenbosch Municipality	R15 000	
Sub-total				**R164 000**	**R457 000**
Monitoring & Evaluation Officer				R40 000	R150 000
Ranyaka Management fee				R24 600	R68 550
Grand total				**R228 600**	**R675 550**

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Monitoring & Evaluation

FINANCIAL PERFORMANCE OUTCOMES	QUALITY KEY PERFORMANCE INDICATORS
Increased customer profile	a. Customer conversion – RFQ's/tenders/potential sales vs. new customers gained b. % customer increase per month c. Representation on online platforms d. Networking events attended and outcomes thereof
More local products and services sold to local market	a. Number of products / services now sold via the hub (new channel) b. Number of products / services now sold online c. Number of products / services with new other off-set points
Supply chain compliance and inclusion	a. Increase in number of local businesses registered on vendor databases b. Increase in number of local businesses included in local supply-chains per year
Consistent increased monthly turnover	a. % increase in turnover from month-to-month
Target group enters mainstream economy	a. % of informal businesses register their businesses b. Number of businesses become tax compliant per year
Increased jobs in local community	a. Average number of FTE increase per business b. Average number of PTE increase per business c. Number of increase in jobs for youth and women
Improved finances	a. Number of businesses with access to banking b. Number of businesses with access to credit c. Increase in personal savings d. Reduction in personal debt e. Pay self a consistent salary f. Number of businesses that implemented new financial management systems i.e quoting, budgeting, record keeping, debt, savings, income measurement, profit margins per activity, ROI per activity
Improved pricing and costing	a. Price lists b. Ability to calculate break-even

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BUSINESS OPERATIONS OUTCOMES	QUALITY KEY PERFORMANCE INDICATORS
Improved business knowledge and skills	a. Number of businesses received business skills training b. Number of businesses received business support services c. Number of businesses received digital literacy training d. Number of businesses mentored
Improved business operations	a. Number of businesses with improved access to technology i. smartphones, computers/laptops, tablets, email) b. Numberof businesses that received legal support i. Contracts with clients c. Number of businesses that implemented HR procedures and policies d. Number of businesses that implemented operational systems i. Job scheduling, CRM systems d. Number of businesses with new marketing material
Improved quality of offerings	a. Customer satisfaction surveys/complaints b. Industry affiliation and alignment i. Industry affiliation and alignment

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CoCREATE HUB
STELLENBOSCH



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CoCREATE HUB
STELLENBOSCH







Ranyaka
Activating
Communities

FOR MORE INFORMATION

Please contact
Marli Goussard

084 212 2000
marli@ranyaka.co.za

Ranyaka Community Transformation
NPC registration 2013/029973/08
NPO registration 133-233 NPO
Section 18A / PBO status

SARS

TAX COMPLIANCE STATUS

PIN Issued

RANYAKA COMMUNITY INVESTMENT
MANAGERS NPC
PO BOX 920
STELLENBOSCH
7599

Enquiries should be addressed to SARS:

Contact Detail

SARS
Alberton
1528

Contact Centre Tel: 0800 00 SARS (7277)
SARS online: www.sars.gov.za

Details

Taxpayer Reference Number: 9293065182

Always quote this reference number when contacting SARS

Issue Date: 2021/02/10

Dear Taxpayer

TAX COMPLIANCE STATUS PIN ISSUED

The South African Revenue Service (SARS) has issued your tax compliance status (TCS) PIN as indicated below:

TCS Details:	
Taxpayer Name	Ranyaka Community Transformation
Trading Name	RANYAKA COMMUNITY INVESTMENT MANAGERS NPC
Tax Reference Number(s)	IT - 9293065182 PAYE - 7680802164
Purpose of Request	Good Standing
Request Reference Number	0030632496GS1002210735523
PIN	93D78F62EP
PIN Expiry Date	10/02/2022

You may authorise a third party to view your TCS by providing them the PIN. The PIN only allows the third party access to your TCS. All other tax information remains secure.

Your TCS displayed is based on your compliance as at the date and time the PIN is used.

You may cancel this PIN at any time before the expiry date reflected above. Once cancelled, a third party will not be able to verify your TCS.

SARS reserves the right to cancel this PIN in the event that it was fraudulently issued or obtained.

Should you have any other queries please call the SARS Contact Centre on 0800 00 SARS (7277). Remember to have your taxpayer reference number at hand when you call to enable us to assist you promptly.

Sincerely
ISSUED ON BEHALF OF THE SOUTH AFRICAN REVENUE SERVICE

RANYAKA COMMUNITY TRANSFORMATION NPC
NPO: 133-223
PBO: 930064087
Registration number: 2013/029973/08

FINANCIAL STATEMENTS
for the year ended 29 February 2020

RANYAKA COMMUNITY TRANSFORMATION NPC
FINANCIAL STATEMENTS
on 29 February 2020

CONTENTS	Pages
Declaration of responsibilities by the directors	1
Audit report	2 - 3
Balance sheet	4
Income statement	5 - 6
Notes to the financial statements	7 - 9

RANYAKA COMMUNITY TRANSFORMATION NPC
DECLARATION OF RESPONSIBILITIES BY THE DIRECTORS
for the year ended 29 February 2020

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The financial statements are compiled in accordance with generally accepted accounting practice.

The directors are also responsible for the organisation's system of internal financial control. These controls are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and to ensure effective functioning of these controls, procedures and systems has occurred during the year under review. No matter came to the attention of the directors that indicated any material shortcoming in the functioning of these controls, procedures and systems during the year under review.

The financial statements have been prepared on the going concern basis, since the directors of Ranyaka Community Transformation NPC have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

APPROVAL OF FINANCIAL STATEMENTS

We approve the financial statements on pages 4 - 9 and confirm that we have provided all records and information for the purpose of the preparation of the financial statements.

JLW Olivier

BW Bila

CG Ndlovu

Date: 30/7/2021

Emma Pardoe
CHARTERED ACCOUNTANT (SA)
REGISTERED AUDITOR

Independent Auditor's Report

To the stakeholders of Ranyaka Community Transformation NPC

Unqualified Opinion

We have audited the annual financial statements of Ranyaka Community Transformation NPC set out on pages 4 - 9, which comprise the statement of financial position as at 29 February 2020, and the statement of comprehensive income for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Ranyaka Community Transformation NPC as at 29 February 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Ranyaka Community Transformation NPC annual financial statements for the year ended 29 February 2020", which includes the Directors' Report as required by the Companies Act 71 of 2008 and the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

E.S. Pardoe CA(SA)
Emma Pardoe
Chartered Accountant (SA)
Registered Auditor

21 July 2021
Date

RANYAKA COMMUNITY TRANSFORMATION NPC
BALANCE SHEET
on 29 February 2020

	Notes	2020 R	2019 R
ASSETS			
Non-current assets			
Plant and equipment	2.	64,032	56,602
Current assets			
Cash and cash equivalents	3.	1,034,720	1,225,217
Total assets		1,098,752	1,281,819
EQUITY AND LIABILITIES			
Equity			
Capital fund	4.1	618,514	1,079,862
Paarl Community fund	4.3	86,475	161,794
Nelspruit Community fund	4.4	41,943	-
Polokwane Community fund	4.5	98,606	-
Rustenburg Community fund	4.6	98,464	-
Mamelodi Community fund	4.7	7,312	-
Port Elizabeth Community fund	4.8	(10)	-
Stellenbosch Community fund	4.9	4,864	-
Magaliesburg Community fund	4.10	87,734	-
		1,043,902	1,241,656
Current liabilities			
Trade and other payables	5.	54,850	40,163
Total equity and liabilities		1,098,752	1,281,819

RANYAKA COMMUNITY TRANSFORMATION NPC
INCOME STATEMENT
for the year ended 29 February 2020

	Notes	2020 R	2019 R
INCOME			
Donations received: Nedbank		5,318,075	3,352,765
Donations received: Distell		707,000	150,000
Donations received: Mergon Foundation Trust		50,000	100,000
Donations received: General		149,458	158,660
Consulting income		30,000	68,513
Rental income		-	7,500
		6,254,533	3,837,438
EXPENSES		(6,452,063)	(3,350,783)
Accounting fees		12,765	13,850
Bank charges		31,848	12,860
Books and magazines		1,884	3,306
Catering expenses		69,324	33,148
Cleaning		8,382	-
Community development and hub expenses			
General		325,760	-
Magaliesburg		7,640	75,275
Paarl		52,752	233,505
Stellenbosch		81,132	107,117
Community mapping		18,438	22,275
Computer expenses		70,588	31,538
Consulting fees		2,062,882	1,153,719
Courier and postage		-	370
Depreciation		11,347	-
Donations paid		150,462	495,542
Electricity and water		2,563	-
Entertainment expenses - office		24,420	58,385
Entertainment expenses - meetings		57,324	27,659
Insurance		4,430	170
Interest paid		142	-
Interest and penalties : SARS		11,986	1,174
Legal fees		4,576	-
Marketing and exposure expenses		283,457	136,235
Motor vehicle expenses		71,444	50,547
Other expenses		55,350	-
Printing and stationary		80,086	27,469
Ranyaka programmes			
Early childhood development		126,238	71,766
Strong Schools		23,441	-
People Development		307,606	-
Community Safety		27,151	-
Sport & Recreation		4,400	-

RANYAKA COMMUNITY TRANSFORMATION NPC
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 2020

		2020 R	2019 R
Land and property		-	125,052
Collaboration Initiatives		5,000	-
Building business		412,427	597
Registration fees		11,190	7,256
Rent paid			
Premises		134,765	91,290
Other rentals		41,633	16,943
Repairs and maintenance		7,218	5,099
Salaries and wages		1,578,587	374,447
Security		12,140	-
Staff welfare		171	1,400
Telephone and internet expenses		24,069	5,137
Training and development		19,750	-
Travel and accommodation		215,295	167,652
Surplus / (loss) on activities		(197,530)	486,655
Fund transfers	4.	(325,534)	(61,939)
Tax	6.	-	-
Net surplus / (loss) to capital fund		(523,064)	424,716

RANYAKA COMMUNITY TRANSFORMATION NPC
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 2020

1. ACCOUNTING POLICIES

1.1. Basis of preparation

The financial statements are prepared under the historical cost convention. The policies are unchanged from the previous year.

1.2. Revenue recognition

Subsidies and donations received are recognised when the money is received.
Interest income - as it accrues.
Other income - as and when it is received.

	2020 R	2019 R
2. PLANT AND EQUIPMENT		
Furniture		
Cost price	56,602	56,602
Accummulated depreciation	(7,769)	-
	48,833	56,602
Computer equipment		
Cost price	18,999	-
Accummulated depreciation	(3,800)	-
	15,199	-
	64,032	56,602
3. CASH AND CASH EQUIVALENTS		
Standard Bank Bizlaunch 30-330-355-7	609,332	1,063,423
Nedbank 1148130055 - Paarl Community Fund	86,475	161,794
Nedbank 1188485490 - Nelspruit Community Fund	41,943	-
Nedbank 1188485180 - Polokwane Community Fund	98,606	-
Nedbank 1188484621 - Rustenburg Community Fund	98,464	-
Nedbank 1188483870 - Mamelodi Community Fund	7,312	-
Nedbank 1188485717 - Port Elizabeth Community Fund	(10)	-
Nedbank 1194883370 - Stellenbosch Community Fund	4,864	-
Nedbank 1194884512 - Magaliesburg Community Fund	87,734	-
	1,034,720	1,225,217
Less: Allocated to funds	(425,388)	(161,794)
Total available cash and cash equivalents	609,332	1,063,423

RANYAKA COMMUNITY TRANSFORMATION NPC
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 2020

		2020 R	2019 R
4.	**CAPITAL AND RESERVES**		
4.1	**Capital fund**		
	Balance at the beginning of the year	1,079,862	655,146
	Net surplus / (loss) for the year	(523,064)	424,716
	Previous year adjustment	61,716	-
	Balance at the end of the year	618,514	1,079,862
4.2	**Nedbank fund**		
	Balance at the beginning of the year	-	-
	Fund transfers	-	-
	Balance at the end of the year	-	-
4.3	**Paarl Community fund**		
	Balance at the beginning of the year	161,794	99,855
	Fund transfers	(75,319)	61,939
	Balance at the end of the year	86,475	161,794
4.4	**Nelspruit Community fund**		
	Balance at the beginning of the year	-	-
	Fund transfers	41,943	-
	Balance at the end of the year	41,943	-
4.5	**Polokwane Community fund**		
	Balance at the beginning of the year	-	-
	Fund transfers	98,606	-
	Balance at the end of the year	98,606	-
4.6	**Rustenburg Community fund**		
	Balance at the beginning of the year	-	-
	Fund transfers	98,464	-
	Balance at the end of the year	98,464	-

RANYAKA COMMUNITY TRANSFORMATION NPC
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 2020

		2020 R	2019 R
4.	**CAPITAL AND RESERVES (continued)**		
4.7	**Mamelodi Community fund**		
	Balance at the beginning of the year	-	-
	Fund transfers	7,312	-
	Balance at the end of the year	7,312	-
4.8	**Port Elizabeth Community fund**		
	Balance at the beginning of the year	-	-
	Fund transfers	(10)	-
	Balance at the end of the year	(10)	-
4.9	**Stellenbosch Community fund**		
	Balance at the beginning of the year	-	-
	Fund transfers	4,864	-
	Balance at the end of the year	4,864	-
4.10	**Magaliesburg Community fund**		
	Balance at the beginning of the year	-	-
	Fund transfers	87,734	-
	Balance at the end of the year	87,734	-
	Total capital and reserves	1,043,902	1,241,656
5.	**TRADE AND OTHER PAYABLES**		
	Other payables	13,040	31,046
	SARS: PAYE payable	41,810	9,117
		54,850	40,163

6. TAX

The organisation is registered as an approved welfare organisation in terms of article 30 of the Income Tax Act, PBO number 930064087. All income will be exempt of income tax in terms of article 10(1)(cN) of the Income Tax Act.

RANYAKA COMMUNITY TRANSFORMATION NPC
NPO: 133-223
PBO: 930064087
Registration number: 2013/029973/08

FINANCIAL STATEMENTS
for the year ended 28 February 2019

RANYAKA COMMUNITY TRANSFORMATION NPC
FINANCIAL STATEMENTS
on 28 February 2019

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RANYAKA COMMUNITY TRANSFORMATION NPC
DECLARATION OF RESPONSIBILITIES BY THE DIRECTORS
for the year ended 28 February 2019

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The financial statements are compiled in accordance with generally accepted accounting practice.

The directors are also responsible for the organisation's system of internal financial control. These controls are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and to ensure effective functioning of these controls, procedures and systems has occurred during the year under review. No matter came to the attention of the directors that indicated any material shortcoming in the functioning of these controls, procedures and systems during the year under review.

The financial statements have been prepared on the going concern basis, since the directors of Ranyaka Community Transformation NPC have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

APPROVAL OF FINANCIAL STATEMENTS

We approve the financial statements on pages 3 - 7 and confirm that we have provided all records and information for the purpose of the preparation of the financial statements.

.....

JLW Olivier

.....

BW Bila

.....

CG Ndlovu

Date:

25-11-2020

Emma Pardoe
CHARTERED ACCOUNTANT (SA)
REGISTERED AUDITOR

Independent Auditor's Report

To the stakeholders of Ranyaka Community Transformation NPC

Unqualified Opinion

We have audited the annual financial statements of Ranyaka Community Transformation NPC set out on pages 4 - 7, which comprise the statement of financial position as at 28 February 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Ranyaka Community Transformation NPC as at 28 February 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

E.S. Pardoe CA(SA)
Emma Pardoe
Chartered Accountants (SA)
Registered Auditors

13 November 2020
Date

RANYAKA COMMUNITY TRANSFORMATION NPC
BALANCE SHEET
on 28 February 2019

	Notes	2019 R	2018 R
ASSETS			
Niebedryfsbates			
Plant and equipment	2.	56 602	-
Current assets			
Cash and cash equivalents	3.	1 225 217	757 751
Total assets		1 281 819	757 751
EQUITY AND LIABILITIES			
Equity			
Capital fund	4.1	1 079 862	655 146
Nedbank fund	4.2	-	-
Paarl Community fund	4.3	161 794	99 855
		1 241 656	755 001
Current liabilities			
Trade and other payables	5.	40 163	2 750
Total equity and liabilities		1 281 819	757 751

RANYAKA COMMUNITY TRANSFORMATION NPC
INCOME STATEMENT
for the year ended 28 February 2019

	Notes	2019 R	2018 R
INCOME			
Donations received: Nedbank		3 352 765	1 357 940
Donations received: General		408 660	124 280
Consulting income		68 513	201 360
Rental income		7 500	-
		3 837 438	1 683 580
EXPENSES		(3 350 783)	(2 662 023)
Accounting fees		13 850	7 344
Bank charges		12 860	6 406
Books and magazines		3 306	1 621
Catering expenses		33 148	100 285
Community development and hub expenses			
General		-	306 080
Magaliesburg		75 275	271 889
Paarl		233 505	47 912
Stellenbosch		107 117	-
Community mapping		22 275	33 345
Computer expenses		31 538	16 110
Consulting fees		1 153 719	1 270 012
Courier and postage		370	185
Donations paid		495 542	152 851
Entertainment expenses - office		58 385	15 822
Entertainment expenses - meetings		27 659	-
Interest paid		-	6
Interest and penalties : SARS		1 174	-
Marketing and exposure expenses		136 235	115 135
Motor vehicle expenses		50 547	41 263
Other expenses		170	6 906
Printing and stationary		27 469	16 953
Ranyaka programmes			
Early childhood development		71 766	-
Land and property		125 052	-
Building business		597	-
Registration fees		7 256	-
Rent paid			
Premises		91 290	66 778
Other rentals		16 943	3 613
Repairs and maintenance		5 099	1 199
Salaries and wages		374 447	-
Staff welfare		1 400	2 529
Telephone and internet expenses		5 137	5 031
Training and development		-	89 859
Travel and accommodation		167 652	82 889
Surplus / (loss) on activities		486 655	(978 443)
Fund transfers	4.	(61 939)	1 500 145
Net surplus to capital fund		424 716	521 702

RANYAKA COMMUNITY TRANSFORMATION NPC
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2019

1. ACCOUNTING POLICIES

1.1. Basis of preparation

The financial statements are prepared under the historical cost convention. The policies are unchanged from the previous year.

1.2. Revenue recognition

Subsidies and donations received are recognised when the money is received.
Interest income - as it accrues.
Other income - as and when it is received.

	2019 R	2018 R
2. PLANT AND EQUIPMENT		
Furniture		
Cost price	56 602	-
Accummulated depreciation	-	-
	56 602	-
3. CASH AND CASH EQUIVALENTS		
Standard Bank Bizlaunch 30-330-355-7	1 063 423	657 896
Nedbank 1148130055 - Paarl Community Fund	161 794	99 855
	1 225 217	757 751
Less: Allocated to funds	(161 794)	(99 855)
Total available cash and cash equivalents	1 063 423	657 896

RÁNYAKA COMMUNITY TRANSFORMATION NPC
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2019

		2019 R	2018 R
4.	**CAPITAL AND RESERVES**		
4.1	**Capital fund**		
	Balance at the beginning of the year	655 146	133 444
	Net surplus for the year	424 716	521 702
	Balance at the end of the year	1 079 862	655 146
4.2	**Nedbank fund**		
	Balance at the beginning of the year	-	1 600 000
	Fund transfers	-	(1 600 000)
	Balance at the end of the year	-	-
4.3	**Paarl Community fund**		
	Balance at the beginning of the year	99 855	-
	Fund transfers	61 939	99 855
	Balance at the end of the year	161 794	99 855
	Total capital and reserves	1 241 656	755 001
5.	**TRADE AND OTHER PAYABLES**		
	Other payables	31 046	2 750
	SARS: PAYE payable	9 117	-
		40 163	2 750

6. TAX

The organisation is registered as an approved welfare organisation in terms of article 30 of the Income Tax Act, PBO number 930064087. All income will be exempt of income tax in terms of article 10(1)(cN) of the Income Tax Act.

Companies and Intellectual Property Commission
a member of the dti group

Date: 31/07/2017

Our Reference: 111574700
Box: **198144**
Sequence: **20**

NICOLE COPLEY
2A PALMIET DRIVE
WESTVILLE
DURBAN
3629

RE: Amendment to Company Information
Company Number: 2013/029973/08
Company Name: RANYAKA COMMUNITY TRANSFORMATION NPC

We have received a COR15.2 (Amendment of Memorandum of Incorporation) from you dated 21/07/2017.

The Amendment of Memorandum of Incorporation (2) was accepted and placed on file.

The Change of Name (1) was accepted and placed on file.

The name was changed from
RANYAKA COMMUNITY INVESTMENT MANAGERS
to RANYAKA COMMUNITY TRANSFORMATION.

Yours truly

Commissioner: CIPC

OME OME

Please Note:

The attached certificate can be validated on the CIPC web site at www.cipc.co.za.
The contents of the attached certificate was electronically transmitted to the South African Revenue Services.

Companies and Intellectual Property Commission

a member of the dti group

COMPANIES AND INTELLECTUAL PROPERTY COMMISSION
REPUBLIC OF SOUTH AFRICA

Form COR14.3 - Amended Registration Certificate

Effective date: 31/07/2017
Print date: 31/07/2017
Customer code: NGOLAW
Tracking number: 111574700

Concerning:

RANYAKA COMMUNITY TRANSFORMATION NPC 2013/029973/08

The above company has filed an amendment of its Memorandum of Incorporation in terms of section 16 of the Companies Act, 2008, changing the company name from
RANYAKA COMMUNITY INVESTMENT MANAGERS
to RANYAKA COMMUNITY TRANSFORMATION NPC.
In accordance with the Notice of Amendment of the Memorandum of Incorporation, the change of the company name takes effect on 31/07/2017.
In conjunction with this certificate, the Commission has not issued another notice contemplated in section 12 (3).

Commissioner: CIPC

OME OME

Certificate issued by the Companies and Intellectual Property Commission on Monday, July 31, 2017 10:38
Certificate of Confirmation

Companies and Intellectual Property Commission
a member of the dti group

Registration number	2013 / 029973 / 08
Enterprise Name	RANYAKA COMMUNITY TRANSFORMATION NPC
Enterprise Shortened Name	None provided.
Enterprise Translated Name	None provided.
Registration Date	21/02/2013
Business Start Date	21/02/2013
Enterprise Type	Non Profit Company
Enterprise Status	In Business
Financial year end	February
Main Business/Main Object	
Postal address	BONDEV OFFICE PARK CNR WILLEM BOTHA AND WIERDA PARK ELDORAIGNE CENTURION 0157
Address of registered office	BONDEV OFFICE PARK CNR WILLEM BOTHA AND WIERDA PARK ELDORAIGNE CENTURION 0157

Certificate issued by the Companies and Intellectual Property Commission on Monday, July 31, 2017 10:38
Certificate of Confirmation

Companies and Intellectual Property Commission
a member of the dti group

Registration number **2013/029973/08**

Enterprise Name **RANYAKA COMMUNITY TRANSFORMATION NPC**

Name

Postal Address

Active Directors / Officers

Surname and first names	ID number or date of birth	Director type	Appoint-ment date	Addresses
NDLOVU, CLARAH GLADYS	7701150751085	Non Executive Director	24/03/2015	Postal: 1087 TIHLAHLA STREET, EXT 37 OLIEVENHOUTBOSCH, CENTURION, GAUTENG, 0187 Residential: 1087 TIHLAHLA STREET, EXT 37 OLIEVENHOUTBOSCH, CENTURION, GAUTENG, 0187
OLIVIER, JOHANNES LODEWIJK WIJNAND	6803145125085	Director	21/02/2013	Postal: 21 ROKEWOOD ROAD, DIE BOORD, STELLENBOSCH, WESTERN CAPE, 7600 Residential: 21 ROKEWOOD ROAD, DIE BOORD, STELLENBOSCH, WESTERN CAPE, 7600
BILA, BABALALA WILLIAM	7006205409089	Non Executive Director	21/02/2013	Postal: 40 TANJA STREET, THE REEDS, CENTURION, GAUTENG, 0158 Residential: 40 TANJA STREET, THE REEDS, CENTURION, GAUTENG, 0158

CERTIFICATE OF REGISTRATION OF NONPROFIT ORGANIZATION

In terms of the Nonprofit Organisation Act, 1997, I am satisfied that

Ranyaka Community Investment Managers

(name of the organisation)

meets the requirements for registration.

The organisation's name was entered into the register on **06 February 2014**
(date)

Registration number **133-223 NPO**

Director's signature

Department of Social Development

Tax Exemption Unit

South African Revenue Service

Office
Head Office

Enquiries
Emmanuel Gumbi

Telephone
012 483 1733

Facsimile
010 208 3301

PBO Reference No.
930064087

Income Tax Reference No.
9293065182

Date
14 March 2019

THE PUBLIC REPRESENTATIVE
RANYAKA COMMUNITY TRANSFORMATION
PO BOX 920
STELLENBOSCH
7599

271 Veale Street
Brooklyn, Pretoria
PO Box 11955, Hatfield, 0028
Tel: +27 (12) 483-1700
www.sars.gov.za
teu@sars.gov.za

Dear Sir / Madam

INCOME TAX EXEMPTION APPROVED: RANYAKA COMMUNITY TRANSFORMATION

The South African Revenue Service (SARS) would like to confirm that your application for exemption from income tax has been approved as it meets the requirements of a Public Benefit Organisation (PBO) set out in section 30(3) of the Income Tax Act No 58 of 1962 (the Act). Your Income Tax Exemption has been granted in terms of section 10(1)(cN) of the Act with effect from 01 March 2014. Annual receipts and accruals will therefore be subject to the provisions of section 10(1)(cN) of the Act and accruals and receipts from trading or business activities which fall outside the parameters of section 10(1)(cN) will be subject to tax.

The following exemptions also apply and are limited to:

1. The public benefit organisation has been approved for purposes of section 18A(1)(a) of the Act and donations to the organisation will be tax deductible in the hands of the donors in terms of and subject to the limitations prescribed in section 18A of the Act with effect from 14 March 2019.
2. Donations made to or by the PBO are exempt from Donations Tax in terms of section 56(1)(h) of the Income Tax Act.
3. Exemption from the payment of Estate Duty in terms of section 4(h) of the Estate Duty Act No.45 of 1955.

In order to maintain your exempt status, the following conditions must be complied with:

1. When issuing a tax deductible receipt it must include the following information:
   a) The reference number (the PBO number quoted on this letter).
   b) The date of the receipt of the donation.
   c) The name and address of the organisation issuing the receipt to which enquiries may be directed.
   d) The name and address of the donor.
   e) The amount or nature of the donation if not in cash.

f) Certification that the receipt is issued for the purpose of section 18A and that the donation will be used exclusively for the activities which are approved for section 18A purposes.

g) The receipt must be issued in the year when the donation is received by the organisation approved for purposes of section 18A.

2. Furthermore, given the S18A approval granted, you must submit with your annual tax return, audit certificate stating that 18A funds for which 18A certificate were issued are utilised for 18A activities and supporting documentation which include the full particulars of all the receipts issued in respect of deductible donations and how these funds were spent.

3. Submit an annual Income Tax Return (IT12EI) by the due date via SARS eFiling or manually. Your IT12EI can be obtained by
   - Registering online at www.sarsefiling.co.za to access, request and submit the IT12EI electronically
   - Calling the SARS Contact Centre on 0800 00 SARS (7277)
   - Requesting an IT12EI by contacting the TEU on teu@sars.gov.za or calling (012) 483 1700
   - Requesting an IT12EI by visiting your local SARS branch.

4. Tax deductible receipts may only be issued for *bona fide* donations. Refer to Annexure A for more information in this regard.

5. The exemption approval as contained in this letter is subject to review on an annual basis by the TEU upon receipt of annual income tax return and S18A supporting documentation.

6. SARS must be informed in writing within 21 working days of any change in registered particulars (e.g. representative, change of name, address, trustee details, office bearers, etc.).

For further information or assistance, email your query to teu@sars.gov.za, visit the SARS website www.sars.gov.za, call the TEU on 012 483 1700 or visit the TEU offices. Kindly ensure that you have your ID and tax reference number on hand to enable SARS to assist you.

Sincerely

Gumbi

Emmanuel Gumbi
Tax Exemption Unit
ISSUED ON BEHALF OF THE COMMISSIONER FOR THE SOUTH AFRICAN REVENUE SERVICE

Annexure A: Information pertaining to S18A donations

What is considered a *bona fide* donation for S18A purposes?

A *bona fide* donation is a voluntary, gratuitous gift disposed of by the donor out of liberality or generosity, where the donee is enriched and the donor impoverished. There may be no *quid pro quo*, no reciprocal obligations and no personal benefit for the donor. If the donee gives any consideration at all it is not a donation. The donor may not impose conditions which could enable him or any connected person in relation to himself to derive some direct or indirect benefit from the application of the donation.

Examples of what does **NOT** constitute a *bona fide* donation for purposes of section 18A?

1. Donation of services rendered such as a professional person renders a skill free of charge.
2. An amount paid for attending a fundraising dinner, dance or charity golf day.
3. The amount paid for the successful bid of goods auctioned to raise funds by an organisation and Memorabilia, paintings, etc, donated to be auctioned to raise funds
4. Amounts paid for raffle or lottery tickets.
5. Amounts paid for school fees, entrance fees for school admittance or compulsory school levies.
6. Value of free rent, water and electricity provided by a lessor to the lessee which is an approved PBO.
7. Payments in respect of debt due

COMPANIES AND INTELLECTUAL PROPERTIES COMMISSION

REPUBLIC OF SOUTH AFRICA

In accordance with s 16(1)(c)

MEMORANDUM OF INCORPORATION

OF

RANYAKA COMMUNITY TRANSFORMATION NPC
Registration Number: 2013/029973/08
('the Company')

The Company is a non-profit company without members, and with the following object:

To tackle poverty and unemployment in local areas effectively and coherently, by creating, facilitating, implementing and supporting collaborative, sustainable community-transformation plans and processes which propel communities to assume responsibility for their own development.

The participants are defined as the community members who participate in and/or benefit from the work of the Company and they shall be made up of at least 85% persons who are 'black' as defined in the Code/s of Good Practice and Verification Manual issued in terms of the Broad-based Black Economic Empowerment Act, No. 53 of 2003, as amended from time to time ('the Codes'). The Participants shall benefit from 100% of the work of the Company.

Adoption of Memorandum of Incorporation

This Memorandum of Incorporation was adopted by the Company, in accordance with section 16(1)(c) of the Companies Act, 2008 ('the Act'), as evidenced by the special resolution to which this Memorandum of Incorporation is annexed.

In this Memorandum of Incorporation:

a) *A reference to a section by number refers to the corresponding section of the Act; and*

b) *Words that are defined in the Act bear the same meaning in this Memorandum as in the Act.*

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1. INCORPORATION

1.1 The Company is a non-profit company, as defined in the Act.

1.2 The Company is governed by:

1.2.1 the unalterable provisions of the Act that are applicable to non-profit companies;

1.2.2 the alterable provisions of the Act that are applicable to non-profit companies, subject to any limitation, extension, variation or substitution set out in this Memorandum; and

1.2.3 the provisions of this Memorandum of Incorporation.

2. OBJECTS AND POWERS OF THE COMPANY

2.1 The objects of the Company are as set out on the first page of this Memorandum of Incorporation.

2.2 The Company shall have all the legal powers and capacity of an individual:

2.2.1 except to the extent necessarily implied by its stated objects;

2.2.2 except to the extent that a juristic person is incapable of exercising such a power or having such a capacity; and

2.2.3 subject to such restrictive conditions (as contemplated in section 15(2)(b)) and other limitations or qualifications contained in this Memorandum of Incorporation.

2.3 The powers of the Company may only be executed in accordance with the main object of the Company.

2.4 The Company may not:

2.4.1 amalgamate or merge with, or convert to, a profit company; or

2.4.2 dispose of any part of its assets, undertaking or business to a profit company, other than for fair value, except to the extent that such a disposal of an asset occurs in the ordinary course of the activities of the Company.

2.5 All of the activities of the Company shall be carried out in a non-profit manner and with an altruistic or philanthropic intent and no such activity shall be intended to directly or indirectly promote the economic self-interest of any director, officer or employee of the Company, otherwise than by way of reasonable remuneration payable to that director, officer or employee.

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3. MEMORANDUM OF INCORPORATION AND COMPANY RULES

3.1 This Memorandum of Incorporation of the Company may be altered or amended in the manner set out in section 16, 17, 60 or 152(6)(b), subject to the following:

3.1.1 if the Company is exempted from payment of normal tax a copy of any such amendment shall be sent to the Commissioner for the South African Revenue Service or his/ her authorised representative;

3.1.2 if the Company is registered as a nonprofit organisation then a copy of any amendments shall be sent to the Directorate of NonProfit Organisations.

3.2 This Memorandum of Incorporation shall be made available, on request, to any current Participant in an official language with which that Participant is familiar.

3.3 The authority of the Company's Board of directors to make rules for the Company, is limited or restricted to the extent that the powers of the Company are limited by this Memorandum.

3.4 The Board shall publish any rules made by delivering a copy of those rules to each director by ordinary mail, or by electronic communication, if the directors concerned have consented to the delivery of such communication by electronic mail.

3.5 The Company shall publish a notice of any alteration of the Memorandum of Incorporation or the Rules by delivering a copy of these to each director by ordinary mail or electronic mail if the directors concerned have consented to the delivery of such communication by electronic mail.

4. OPTIONAL PROVISIONS OF THE ACT

4.1 The Company elects, in terms of section 34(2), to comply voluntarily with some of the provisions of Chapter 3 of the Act, in that the Company:

4.1.1 may determine, from time to time, to appoint a company secretary, to carry out those of the duties set out in sections 86 to 89 which are appropriate; and

4.1.2 may, by vote of directors from year to year, elect to be audited.

5. COMPANY NOT TO HAVE MEMBERS

5.1 As contemplated in Item 4(1) of Schedule 1 of the Act, the Company has no members.

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6. COMPOSITION OF THE BOARD OF DIRECTORS

6.1 The number of directors shall be a minimum of three;

6.1.1 three of whom are not 'connected persons' [as defined in the Income Tax Act 58 of 1962, as amended ("the Income Tax Act")] in relation to one another;

6.1.2 at least 50% of whom are independent persons having no employment with or direct interest in the Company;

6.1.3 at least 50% of whom shall be 'black' as defined in the Codes; and

6.1.4 at least 25% of whom shall be 'black women' as defined in the Codes.

6.2 No single person shall, directly or indirectly, control the decision-making powers of the Company.

6.3 The Executive Director, Financial Director and Operations Director shall serve as directors of the Company, *ex officio*.

6.4 Directors, except for *ex officio* directors, shall serve terms of three years each beginning from the date of their appointment, and shall retire at the meeting of directors following the expiry of their term of office.

6.5 Directors retiring in terms of clause 6.4 shall be eligible for re-election.

6.6 At the meeting at or following which a member of the Board has vacated office because his/her term of office has expired, the remaining directors may fill the vacated office by electing an eligible person. If the Board does not do so, the retiring member of the Board shall, if offering himself for re-election, be deemed to have been re-elected, unless such meeting resolves not to fill the vacated office or resolves that the retiring member should not be re-elected.

6.7 The directors shall have the power at any time to appoint any other person as a director either to fill a casual vacancy or as an addition to the Board.

6.8 The office of a director shall *ipso facto* be vacated:

6.8.1 if by one month's written notice to the Company, the director resigns from office;

6.8.2 if the director ceases to be a director by virtue of the Act;

6.8.3 if he/she is a director *ex officio* and ceases to occupy the relevant position or office, unless the remaining directors decide otherwise;

6.8.4 if the director is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare her/his interest and the nature thereof in the manner required by the Act;

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6.8.5 if the director is removed from office by resolution signed by not less than two thirds of the directors; or

6.8.6 if the director fails to attend three consecutive meetings of directors, without being excused therefrom by the remaining directors, and the remaining directors resolve to exclude him/her from office.

7. AUTHORITY OF THE BOARD OF DIRECTORS

7.1 The authority of the Company's Board of directors to manage and direct the business and affairs of the Company, as set out in section 66 (1) is limited or restricted to the extent that the powers of the Company are limited in this Memorandum.

8. BOARD OF DIRECTORS MEETINGS

8.1 No less than 50% of the directors (or at least two directors, whichever is greater) may requisition a meeting of the Board.

8.2 The Company's Board of directors may determine the manner and form of providing notice of its meetings.

8.3 The Company's Board of directors may conduct a meeting entirely by electronic communication, or to provide for participation in a meeting by electronic communication so long as the electronic communication facility employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting.

8.4 The Board of Directors may proceed with a meeting despite a failure or defect in giving notice of the meeting, if all of the directors of the Company:

8.4.1 acknowledge actual receipt of the notice;

8.4.2 are present at a meeting; or

8.4.3 waive notice of the meeting.

8.5 The directors shall appoint a Chairperson, from their number, who shall be an independent director and who shall preside over all meetings of the Board and perform the tasks set out in this Memorandum and all the other normal functions of a chairperson of the Company. If no chairperson is elected, or if the Chairperson is not present at a meeting within fifteen minutes after the time appointed for holding it, the directors present may choose one of their number to preside at that meeting.

8.6 The rules for directors' meetings are as follows:

8.6.1 The directors shall meet not less often than 3 times *per annum* for the dispatch of business, but shall otherwise regulate their meetings as they think fit.

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8.6.2 The quorum necessary for the transacting of business of the Board shall be half plus one of the directors when the number of directors exceeds three and, when the number does not exceed three, shall be two directors.

8.6.3 Each director shall have one vote on a matter before the Board, except as provided in 8.9;

8.6.4 The directors shall aim to reach consensus through discussion when making decisions, but, if this is not possible then, except as otherwise provided in this document, a majority of the votes cast on a resolution will be sufficient to approve that resolution and in the case of a tied vote, the matter being voted on shall fail; and

8.6.5 For a special resolution to be adopted at a meeting of directors, it must be supported by at least 75 % of the directors who voted on the resolution.

8.7 The Company's Board of directors may consider a matter other than at a meeting, and the directors may, instead of voting to make a decision at a meeting, adopt a decision by written consent of the directors, given in person or by electronic communication, provided that each director has received notice of the matter to be decided upon. For a resolution to be adopted by written vote of directors it must be supported by:

8.7.1 More than 50% of the total number of directors, in the case of an ordinary resolution; or

8.7.2 at least 75% of the total number of directors, in the case of a special resolution.

A decision so made shall have the same effect as if it had been approved at a meeting. Each decision so made shall be recorded in writing and tabled for ratification at the next ensuing meeting of directors.

8.8 A special resolution is only required for those matters set out in section 65 (11), being the amending of the Memorandum of Incorporation, ratifying actions by the Company or directors in excess of their authority, approving an application to transfer the registration of the Company to a foreign jurisdiction, amalgamating or merging with another non-profit company, approving the voluntary winding up of the Company, or disposing of all or a greater part of the assets of the Company.

8.9 If a matter in which any director (or any person in relation to whom a director is a 'connected person' (as defined in the Income Tax Act)), has a personal financial interest is placed upon the agenda of a meeting or arises during the course of meetings or correspondence of directors, the relevant director shall:

8.9.1 immediately and in advance of the matter being dealt with, disclose the fact and nature of such personal financial interest;

8.9.2 inform the relevant meeting of material information and answer questions concerning the personal financial interest;

8.9.3 not take part in any consideration of any matter involving, and leave the relevant meeting after disclosure concerning, the personal financial interest; and

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8.9.4 not be entitled to vote on or sign any document in relation to the matter in which the personal financial interest arises.

8.10 The Company shall keep minutes of the meetings of the Board, and any of its committees, and include in the minutes:

8.10.1 any declaration given by notice or made by a director as required by section 75 with reference to the personal financial interests of the director, whether it be an advance declaration of interests, or a specific declaration with reference to a specific matter; and

8.10.2 every resolution adopted by the Board, which resolutions shall be dated, sequentially numbered, and will be effective from the date of the resolution, unless the resolution states otherwise.

8.11 Copies of the minutes of every meeting shall be dispatched by the person appointed by the Board from time to time, to all directors within 30 days of the holding of the meeting.

9. OFFICERS, COMMITTEES AND STAKEHOLDERS

9.1 The Board of directors may appoint any officers it considers necessary to better achieve the objects of the Company.

9.2 The Board of Directors shall appoint an Executive Director and other executives and managers to manage the day to day affairs and business of the Company, and such persons shall have delegated to him/her such powers as may be necessary to fulfil his/her duties, subject to such limits as may be laid down by the Board from time to time.

9.3 The Board of directors may appoint committees of directors, and delegate to any such committee any of the authority of the Board, and/or include in any such committee persons who are not directors.

9.4 The authority of a committee appointed by the Company's Board, as set out in section 72 (2)(b) and (c) is limited and restricted to the extent that the powers of the Company are limited by this Memorandum of Incorporation.

9.5 The Board of directors may invite such stakeholders as it sees fit to form an advisory council of the Company. The Board may consult with such advisory council on matters of vision, policy and other matters which concern the stakeholders represented by such council from time to time.

10. ACCOUNTING RECORDS, BANKING AND RECEIPT OF DONATIONS

10.1 The directors shall cause such accounting records as are prescribed by section 28 to be kept.

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10.2 The accounting records shall be kept in the registered office of the Company or at such other place or places as the directors think fit and shall always be open to inspection by the directors.

10.3 The financial transactions of the Company shall be administered via one or more bank accounts which shall be opened in the name of the Company.

10.4 The Company shall be prohibited from accepting any donation which is revocable at the instance of the donor for reasons other than a material failure to conform to the designated purposes and conditions of such donation, including any representation with regard to the tax deductibility thereof in terms of section 18A of the Income Tax Act: Provided that a donor (other than a donor which is an approved public benefit organisation or an institution or body which is exempt from tax in terms of section 10(1)(cA)(i) of the Income Tax Act, which has as its sole or principal object the carrying on of any public benefit activity) may not impose conditions which could enable such donor or any connected person in relation to such donor to derive some direct or indirect benefit from the application of such donation.

11. EXPENDITURE AND USE OF RESOURCES

11.1 The income and property of the Company, whencesoever derived, shall be applied solely towards the promotion of its main object or invested and no funds will be distributed to any person other than in the course of undertaking any 'public benefit activity' (as defined in the Income Tax Act) and no portion of the income or assets of the Company may be paid or transferred, directly or indirectly, to the directors or persons appointing directors of the Company: provided that this shall not prevent:

11.1.1 the payment in good faith of reasonable remuneration to any officer or servant of the Company, for any services rendered to the Company;

11.1.2 payment of an amount due and payable by the Company in terms of a *bona fide* agreement between the Company and that person;

11.1.3 payment in respect of any rights of that person, to the extent that such rights are administered by the Company to advance a stated object of the Company; or

11.1.4 payment in respect of any legal obligation binding on the Company.

11.2 The Company shall be required to perform all of its work for the benefit of the Participants, as defined, and to allocate at least 85% of the value of benefits granted or care given in terms of its objects, to persons who are 'black' as defined in the Codes, and the directors shall have no discretion in this regard.

11.3 No remuneration (as defined in the Fourth Schedule to the Income Tax Act) shall be paid to any employee, office bearer, director or other person which is excessive, having regard to what is generally considered reasonable in the appropriate sector and in relation to the service rendered, and no person shall be economically benefitted in any way which is not consistent with the objects of the Company.

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11.4 The Company shall not provide a loan to, secure a debt or obligation of, or otherwise provide direct or indirect financial assistance to a director of the Company or of a related or inter-related company, or to a person related to any such director, unless it

11.4.1 is in the ordinary course of the Company's business and for fair value;

11.4.2 constitutes an accountable advance to meet

11.4.2.1 legal expenses in relation to a matter concerning the Company; or

11.4.2.2 anticipated expenses to be incurred by the person on behalf of the Company;

11.4.3 is to defray the person's expenses for removal at the Company's request; or

11.4.4 is in terms of an employee benefit scheme generally available to all employees or a specific class of employees.

11.5 The Company shall not use its resources, directly or indirectly, to support, advance or oppose any political party.

11.6 No expenditure shall be incurred by or on behalf of the Company except on authority of the Board or of the person or persons to whom the Board has generally or specifically delegated the power to authorise expenditure. The Board shall establish and maintain a delegation framework which shall record such delegation of its powers.

12. ANNUAL FINANCIAL STATEMENTS AND RETURNS

12.1 The directors shall, in accordance with sections 29 and 30, cause to be prepared and laid before the Board such annual financial statements as are referred to in those sections which annual financial statements shall:

12.1.1 be prepared within 6 months of the end of each financial year;

12.1.2 if the directors so determine, be audited voluntarily, as provided in this Memorandum;

12.1.3 if audited, include an auditor's report;

12.1.4 include a report by the directors as to the activities and financial state of the Company;

12.1.5 be presented annually to those who were Participants for the relevant period at a meeting to be called for this purpose; and

12.1.6 be approved by the Board and signed by an authorised director.

12.2 A copy of the annual financial statements shall, at least 21 days prior to the relevant board meeting, be sent to every director of the Company.

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12.3 The Company shall file annual returns with the Companies and Intellectual Property Commission within 30 business days of each anniversary of its date of incorporation, along with such payment, documents and information as may be required from time to time.

13. REMUNERATION OF AND CONTRACTS WITH DIRECTORS

13.1 The directors shall not be remunerated for their services as such but may be paid a stipend or seating allowance in line with the financial policy of the Company. The stipend may be paid to a director who attended a meeting as per the roll call or attendance register.

13.2 Executive Board directors will receive no additional fees by virtue of their membership of the Board, but will be paid as employees of the Company in accordance with their contracts of employment.

13.3 Directors may be paid such reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as directors, including those of attending and travelling to and from meetings of the directors or of any committee of the directors, as are expressly approved by the directors and recorded in the minutes.

13.4 The Company may pay any director who serves on any committee or who devotes special attention to the business of the Company, or otherwise performs services which in the opinion of the directors are outside the scope of the ordinary duties of a director, such extra remuneration as they may determine, subject to the provisions clause 11.3 and provided that such remuneration is expressly approved by the directors and recorded in the minutes.

13.5 Directors shall be entitled to contract with the Company and with any entity in which the Company may be interested provided that they may not vote on such contract or on any other matter in which they are interested, directly or indirectly.

13.6 Directors shall be entitled to act in their professional capacity on behalf of the Company and perform professional services for the Company and to charge a reasonable fee therefor.

14. NONPROFIT ORGANISATIONS ACT

14.1 The directors may apply for the Company to be registered as a nonprofit organisation and shall, if so registered, ensure that the Company complies with all the requirements of the Nonprofit Organisations Act No.71 of 1997.

15. INDEMNIFICATION OF DIRECTORS

15.1 Every director and officer of the Company, and every member of any committee of the Company shall be indemnified by the Company against all liability incurred by him/ her as such director or officer in defending any proceedings, whether civil or criminal, in which judgment is given in his/ her favour, or in which s/he is acquitted, or in respect of any proceedings which are abandoned or in connection with any application under Section 77(9) in which relief is granted to him/ her by the Court.

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STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK
MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

BANK DETAILS /BANKBESONDERHEDE/INKCUKACA ZE-BANKI

VOORLETTERS & VAN NAME & SURNAME IGAMA NE FANI	JLW OLIVIER
NAAM VAN BANK NAME OF BANK IGAMA LE BANK	NEDBANK
WERKNEMERS KODE EMPLOYEE NUMBER INUMBOLO YOMSEBENZI	
TAKKODE BRANCH CODE INOMBOLO YESEBE LEBANKI	198765
ADRES VAN TAK ADDRESS OF BRANCH IDILESI YESEBE LEBANKI	MUTUAL BUILDING, 38 BIRD STR EIKESTAD MALL, STELLENBOSCH, 7600
REKENINGNOMMER ACCOUNT NUMBER INOMBOLO YEACCOUNT	1205275673
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TIPE REKENING TYPE OF ACCOUNT UHLOBO LWE ACCOUNT	☐ Spaar Savings ☒ Tjek Cheque ☐ Transmissie Transmission ☐ Bond ☐ stUbshare
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Salary Dep. Confirmation ..... **Date** .....

ATTENDANCE REGISTER

Ranyaka
Activating Communities

NEDBANK

Event Name:	Google training		
Date:	16/03/21		
Node & Venue:	Die Khaya, Stellenbosch		
Name + Surname	E-mail	Number	Business name
Jody Karg	jody@mido.co.za	076 595 8878	MIDO
Nadine Farao	nadine@mido.co.za	084 628 3861	MIDO
MARIUS VERGOTINE	MVERGOTINEM@GMAIL.COM	074 743 2704	WINE BARREL FURN
BRIAN NDALAMA	b.b.ndalama@gmail.com	065 99 195 43	
DENVER @KILLERS.	DENVER@KILLERS@GMAIL.COM	0747565594	BLACKS
WILL Hammers	willhammers@gmail.com	0668022222	WILL Hammers PTY Ltd
ESTHER akumo		0766856967	Phumy's bakery
Prisca Sibanda	priscasibanda10111@gmail.com	0618926580	PS fashions

Temp.
36.0
33.5
32.2

ATTENDANCE REGISTER

Ranyaka Activating Communities

NEDBANK

Event Name:	Google Training
Date:	13 May 2021
Node & Venue:	Die Khaya, Stellenbosch

Name & Surname	Organisation	Email	Contact Number	Signature	Temperature
MELAY VAN KERWEL	Boss ALUM & GLASS		0835360850		36.1
LERATO MTIYA	Yeyethu Design	Yeyethudesigner@gmail.com	0730023471		32.9
BASIL WILLIAMS	HERBAL VIEW	herbalviewnursery@hotmail.co.za	0767296463		35.4°
Zane Fransman	Fransman Barber	zanef360@gmail.com	0843359110		35.5°
Ritsue Gembe	TWS	ppgembe@gmail.com	0622812088		34.2
Otniel Jooste	Tana Trading	otniel.jooste@gmail.com	0767275674		32.2
DENVER OKKERS	BLACKBYRD	DENVEROKKERS72@GMAIL.COM	0747565594		34,4
Gamed Christians	Accu-Temp	gamel@accutemp.co.za	0724693169		35,9
Lindsay Peterson	Kikisbylin	hello@kikisbylin.co.za	0713555946		36.00
Zondaa Thanos	Zondaa Thysclothes		083897 4803		36.00
Nawaal Hendricks	Arnolds Pool	oinhendricks@gmail.com	072 192 4043		
Cassiem Arnolds	Arnolds Pool	arnoldspool1@gmail.com	076 336 8945		34,5
Niklaas Willemse	Niklaas & Nita	NWillemse01@gmail.com	072 872 4573		34.5
BRIAN NDALAMA	FISH SALES	fbndalama77@gmail.com	0659919543		
Asiphe Coso	JSM	sipsconsultings@gmail.com	0671071927		
Mpeni Tani	Tuyole		0823236451		
Vuyiswa Mani	"	Vuyiswamani@gmail.com	074 7739110		

#PROUD OF MY TOWN

Duidelik digital

ATTENDANCE REGISTER

STELLENBOSCH

NEDBANK PROUD PARTNERS

Ranyaka Activating Communities

Event Name:	Social Media Workshop
Date:	28 May 2021 - Friday
Node & Venue:	Die Khaya - Stellenbosch

	Name	Surname	Contact Nr	Email	Company Name & Social Media handles (FB & Instagram page tags)	Temperature	Signature
1	Mhlengi						
2	Michelle	Maluqua					
3	Pelisa						
4	Putsue						
5	Sanelisiwe	Kanu		0737510080 saneli siwe19@gmail.com	Elate_Beauty	35.5	
6	Silindokuhle	Yantolo					

ATTENDANCE REGISTER

Event Name:	Social Media Workshop
Date:	28 May 2021 - Friday
Node & Venue:	Die Khaya - Stellenbosch

	Name	Surname	Contact Nr	Email	Company Name & Social Media handles (FB & Instagram page tags)	Temperature	Signature
1	Elana	Pekeur	0724693169				
2	Emlin	Petersen	0799199778				
3	Garnet	Christians					
4	George	Noble	0799199778		G. M. NOBLE LEGACY	33.7	
5	Gerado	Williams					
6	Gina	Saaymans					

ATTENDANCE REGISTER

Event Name:	Social Media Workshop
Date:	28 May 2021 - Friday
Node & Venue:	Die Khaya - Stellenbosch

	Name	Surname	Contact Nr	Email	Company Name & Social Media handles (FB & Instagram page tags)	Temperature	Signature
1	Lynn	Smith					
2	Mandile	Madlulela					
3	Mario	Rouseaux					
4	Marius	Vergotine					
5	Melay	DANIELS VAN KERWEL	0835360850	office@boskay.co.za	Bosh Aluminium & Glass.	33.4	Kerwel
6	Melony	Layman					

ATTENDANCE REGISTER

Event Name: Social Media Workshop
Date: 28 May 2021 - Friday
Node & Venue: Die Khaya - Stellenbosch

	Name	Surname	Contact Nr	Email	Company Name & Social Media handles (FB & Instagram page tags)	Temperature	Signature
1	Elana	Pekeur	0724693169				
2	Emlin	Petersen	0799199778				
3	Garnet	Christians					
4	George	Noble					
5	Gerado	Williams				34.8	1. Arends
6	Gina	Saaymans					

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ATTENDANCE REGISTER

STELLENBOSCH

NEDBANK PROUD PARTNERS

Ranyaka Activating Communities

Event Name:	Social Media Workshop
Date:	28 May 2021 - Friday
Node & Venue:	Die Khaya - Stellenbosch

	Name	Surname	Contact Nr	Email	Company Name & Social Media handles (FB & Instagram page tags)	Temperature	Signature
1	MIRANDI ALRIE	NEL VELLEMAN	0723253177	hello@mirandinel.com	@Duidelikdigital	35.3	
2	DENVER OKKERS	OKKERS	0747965594	DENVEROKKERS.72@Gmail.Com	BLACKBYRD SECURITY SERVICES	34.3	
3	Brett Dane	Mitchell	~~0[illegible]~~ 0817956041	djbrett10@gmail.com	Khatelelana	33.6	
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5							
6							

ATTENDANCE REGISTER

Event Name: Social Media Workshop
Date: 28 May 2021 - Friday
Node & Venue: Die Khaya - Stellenbosch

	Name	Surname	Contact Nr	Email	Company Name & Social Media handles (FB & Instagram page tags)	Temperature	Signature
1	Markese	Jameson	0745464557	markesejameson5@gmail.com	Khathalelana FB, Website Insta	34.3	Jameson
2							
3							
4							
5							
6							

ATTENDANCE REGISTER

Event Name:	Social Media Workshop
Date:	28 May 2021 - Friday
Node & Venue:	Die Khaya - Stellenbosch

	Name	Surname	Contact Nr	Email	Company Name & Social Media handles (FB & Instagram page tags)	Temperature	Signature
1	Lynn	Smith					
2	Mandile	Madlulela					
3	Mario	Rouseaux					
4	Marius	Vergotine					
5	Melay						
6	Melony	Layman	083 563 5108	olivelanedecor@gmail.com	olive lane Event Decor FB: Olive Lane Event Decor Insta: olive_lane_event_decor	32.5	M.

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Event Name:	Social Media Workshop
Date:	28 May 2021 - Friday
Node & Venue:	Die Khaya - Stellenbosch

	Name	Surname	Contact Nr	Email	Company Name & Social Media handles (FB & Instagram page tags)	Temperature	Signature
1	Simone	Thomas		simonethomas173@gmail.com 0832365503	kraesrocks	34.1	Thomas.
2	Simone	Thomas		0832365503			
3	Siviwe	Babane					
4	Stephanie	Maritz		0844605603			
5	Taryn	Mentor		0747044801			
6	Tertia	Rouseaux					

ATTENDANCE REGISTER

Event Name:	Social Media Workshop
Date:	28 May 2021 - Friday
Node & Venue:	Die Khaya - Stellenbosch

	Name	Surname	Contact Nr	Email	Company Name & Social Media handles (FB & Instagram page tags)	Temperature	Signature
1	Jan-Louw	Winterbach	0718591220				
2	Khaylen	Jacobs					
3	Kim	Isaacs					
4	Laetitia	Arend					
5	Lerato	Mtiya	0730022247	Ukyethudesigner@gmail.com	Ukyethu Designer Studio	34.1	
6	Liezel	Langeveldt	0745534067				

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STELLENBOSCH

NEDBANK PROUD PARTNERS

Ranyaka Activating Communities

Event Name:	Social Media Workshop
Date:	28 May 2021 - Friday
Node & Venue:	Die Khaya - Stellenbosch

	Name	Surname	Contact Nr	Email	Company Name & Social Media handles (FB & Instagram page tags)	Temperature	Signature
1	Simone	Thomas		0832365503			
2	Simone	Thomas		0832365503			
3	Siviwe	Babane					
4	Stephanie	Maritz		info@creatit.co.za 0844605603	Create with Steph	33.6.	
5	Taryn	Mentor		0747044801			
6	Tertia	Rouseaux		082 669 39 53	Blueprint	34.8	

ATTENDANCE REGISTER

Event Name:	Social Media Workshop
Date:	28 May 2021 - Friday
Node & Venue:	Die Khaya - Stellenbosch

	Name	Surname	Contact Nr	Email	Company Name & Social Media handles (FB & Instagram page tags)	Temperature	Signature
1	Lynn	Smith					
2	Mandile	Madlulela					
3	Mario	Rouseaux	064 508 2951	mario.rousseau10@gmail.com	Blueprint Trust.	35.0	
4	Marius	Vergotine					
5	Melay						
6	Melony	Layman					

ATTENDANCE REGISTER

Ranyaka
Activating Communities

NEDBANK

Event Name:	7 APRIL			
Date:				
Node & Venue:	Die Khaya, Stellenbosch			
Name + Surname	E-mail	Number	Business name	Temp.
ZAMANI YOTI	Zamaniyot@gmail.com	0739716616	Garden Maintenance	
CHANEKE VAN AS	& chanekevanas@gmail.com	08289 08616	GREEN KAAP PROTECT.	
Garnet Christians	garnet@acu-temp.co.za	072 469 3169	Acu-Temp.	35,7
SIVIWE BABANE	STINTEGRATEDSOLUTIONS@gmail.	0635372898	ST Integrated Solutions	32.3
Nowaal Hendricks	Ohnhendricks@gmail.com	072 192 4043	Arnolds Pest Services	36.1
MPumi Hani	mpumihani@gmail.com	0833694591	Vuyoli Enterprise	36.1
Vuyi Hani	Vuyiwehani@gmail.com	076 523 5389	Vuyoli Enterprise	36.1

Nedbank Consumer Education: Attendance Register

Company Name:		**Address:**		
Facilitator:		**Date:**		
	Name & Surname	**Stakeholder/ Community/ Event**		**Contact Number**
1	Nandipha Ngonya	Nimrod Trading International		0749051124
2	Mabel Ledwaba	Hamilton Beauty		0846666400
3	Vuyu Ndzhinka.	Hamilton II		076 994 6058
4	CHRISTINE JOHANNESEN	NEOLIFE		0833209332
5	GCOBISA SIQHOLO	CLEANING PRODUCTS & PRESSES		0783617000
6	ZUKILE FONONO	Presses, Neolife		0846035736
7	NOMVULA FUMBA	MVULA'S ACCESSORIES		0733109352
8	Mpuleng Mothae	TLC		0736221865
9	Nyakallo Mlandu	TLC		073 919 0163
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#PROUD OF MY TOWN

ATTENDANCE REGISTER

NEDBANK | Ranyaka

PROUD PARTNERS

Event Name: Marketing Workshop

Date: 21/04/2021

Node & Venue: Stellenbosch

	Name	Surname	Contact Number	Email	Organisation / Title	Signature
1	Asiphe	Coseo	0681965014	sipsconsulting	JSM Plumbing & Projects	
2	Emelin	Pietersen	0845929173	stonehousesec@gmail.com	Stonehouse Security	
3	Denver	Bikkers	0747565596	DENVERBIKKERS716@GMAIL	Blackburg Security	
4	Kyms	Scott	0620913372	Segalsandre@gmail.com	Cecands Braai Area	
5	Will	Hammers	0548022222	wahammers@vodamail.net	Ranyaka	
6	Nicholas	Williams	0728726573	NWilliamsZ01@Gmail.com	Nicholas & Nita Jewellery	
7	Nadine	Fourie	084 628 3861	faraonadine@gmail.com	Mido	
8	Michelle	Valuquez	0724284547	michmalvaquez@gmail.com	MJ Events & Hiring	
9	Cassiem	Arnolds	0763368942	arnoldspoolservice@gmail	Arnolds pool	
10	Nanaal	Hendricks	0721924042	anhendricks@gmail	Arnolds Pool	
11	Lindsay	Petersen	0713555946	hello@kikis bylin.co.za	Photographer / owner	
12	Basil	Williams	0767296463	halbalmcwnurse@hotmail.co.za	Heiberg View	
13	Mlondozi	Mnxeba	0730445879	mlondoloyi.mnxeba44@gmail.c	SPM Eco farming	
14	Lerato	Mbiya	0730022247	Mayethudesigner@gmail.com	Yayethu Design Studio	
15	Simlindile	Patetile	0832434967	Simlindilepatetile@gmail.com	SPM Eco-farming	
16	Zenobia	Thomas	083 5974803	Zenobiathys@gmail.com	Zenobia Thys Couture	
17	Lynne	Rippenaar-Moser	0735345506	Lynne@wrapstrat.co.za	Wrap it Up Comms	
18						
19						
20						

15.2 No director, officer or employee of the Company shall be liable for:

15.2.1 loss or expense incurred by the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company are invested;

15.2.2 any loss or damage arising from the bankruptcy, insolvency or delictual acts of any persons with whom monies, securities or effects shall be deposited;

15.2.3 any loss or damage occasioned by any error of judgment or oversight on his/her part; or

15.2.4 any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his/her office, or in relation thereto,

unless the same happened through his/her own gross negligence, gross default, gross breach of duty or wilful misconduct or wilful breach of trust.

15.3 The authority of the Company's Board of directors to advance expenses to a director, or indemnify a director, in respect of the defence of legal proceedings, to indemnify a director in respect of liability and to purchase insurance to protect the Company or a director, as set out in sections 78 (3), 78 (5) and 78 (6), is not limited or restricted by this Memorandum of Incorporation.

16. WINDING UP, DEREGISTRATION OR DISSOLUTION

16.1 Upon its winding up, deregistration or dissolution no past or present director of the Company, or person appointing a director of the Company, is entitled to any part of the net value of the Company, but the assets of the Company and all accumulated interest remaining after the satisfaction of all its liabilities shall be given or transferred to some other organisation or organisations to be determined by the directors of the Company at or before the time of its dissolution, or failing such determination, by the court and which:

16.1.1 are non-profit,

16.1.2 have objects similar to its main object;

16.1.3 have more than 85% black beneficiaries as defined in the Codes, on the same basis as set out in 11.2; and

16.1.4 if the Company is exempt from income tax, donations tax and estate duty, under the relevant laws of the country is/are a similar public benefit organisation, which has been approved in terms of section 30 of the Income Tax Act and which shall be required to use such assets solely for the purpose of carrying on such public benefit activities as are similar to the objects of the Company.

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11.11.4	ADOPTION OF THE REVISED RISK MANAGEMENT POLICY FOR THE 2022/23 FINANCIAL YEAR

Collaborator No:
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: 23 March 2022 and 30 March 2022

1. SUBJECT: ADOPTION OF THE REVISED RISK MANAGEMENT POLICY FOR THE 2022/23 FINANCIAL YEAR

2. PURPOSE

To submit the Risk Management Policy for the 2022/23 financial year to Council for 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 Risk Management Policy which identifies, explains and gives structure to risk management in the Municipality.

Due to the changing dynamics in the external environment which impacts municipal services, amendments and revisions had to be done to the Risk Management Policy as necessitated to ensure that the municipalities remain appropriately responsive to the risk environment. The Stellenbosch Municipality is committed to effective risk management to achieve the municipality's vision, service delivery, and strategic objectives and to ensure appropriate outcomes for the community.

5. RECOMMENDATION

that Council Adopts the Revised Risk Management Policy for the 2022/23 financial year.

6. DISCUSSION

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.

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.

Effective risk management requires a cultural shift in favour of continuous risk identification and mitigation. This requires risk management to be culturally mainstreamed into the general practice of local government at all levels. This Risk Management Policy aims to provide a framework of risk management that enables this.

6.1 Background

In terms of Section 60 of the MFMA the Municipal Manager must take reasonable steps to ensure that the municipality maintain effective financial and risk management as well as internal controls.

The principal aim of the risk assessments process is to:

- Identify the risks threatening the achievement of the IDP's objectives of each directorate;
- Assess the key risks facing each directorate; and
- Identify the processes / functions / directorates / persons the municipality and top management relies upon to manage the identified risks.
- Align the mentioned risk management process with processes as established by provincial and national government (as communicated to the municipality).

6.2 Financial Implications

The financial impact will be quantified as part of the 2022/23 approved budget and adjustment budget.

6.3 Legal Implications

Section 62 of the MFMA

General Financial Management Functions

(1) The accounting officer of a municipality is responsible for the managing of 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 effectively, efficient and economically;
(b) That full and proper records of the financial affairs of the municipality 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.

6.4 Staff Implications

None.

6.5 Risk Implications

As indicated in the annexed Risk Management Policy.

6.6 Comments from Senior Management:

Supported.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-03-23: ITEM 7.11.4

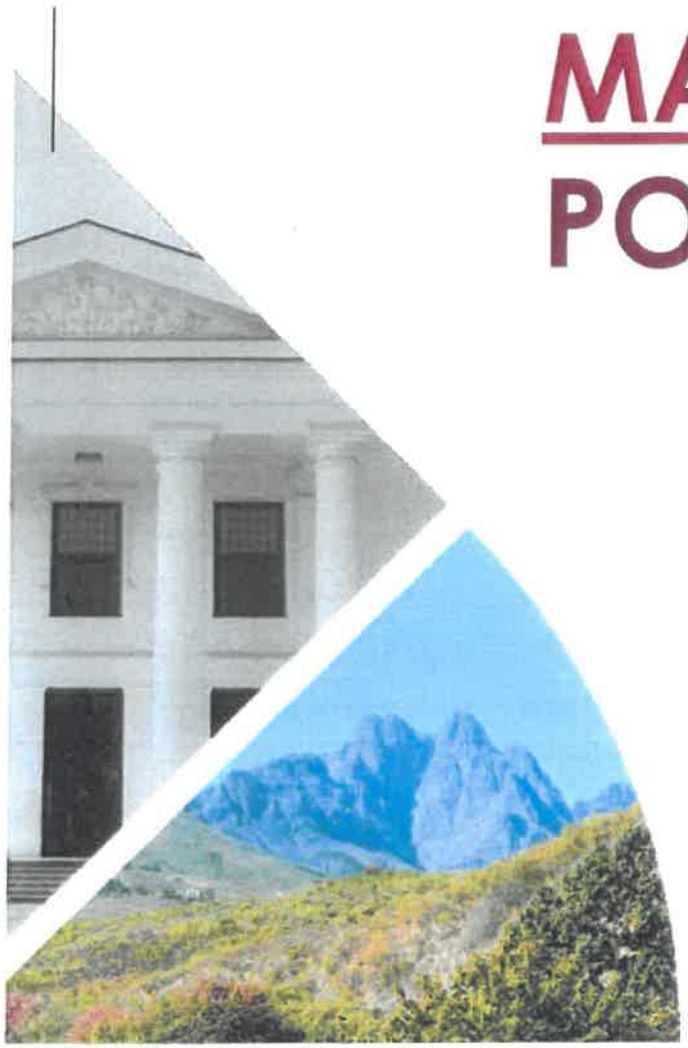
that Council Adopts the Revised Risk Management Policy for the 2022/23 financial year.

ANNEXURES

Annexure A: Revised Risk Management Policy for the 2022/23 financial year.

ANNEXURE A

RISK MANAGEMENT POLICY





STELLENBOSCH MUNICIPALITY

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DOCUMENT REVIEW AND APPROVAL

Previous Updates

	Reviewer	Date of Review	Council Adoption Date
1.	Nigel Abrahams	June 2012	
2.	Nigel Abrahams	December 2013	December 2013
3.	Helena Priem	June 2015	
4.	Helena Priem	March 2017	
5.	Helena Priem	September 2017	
6.	Helena Priem & Shireen de Visser	October 2018	28 November 2018
7.	Shireen de Visser & Helena Priem	November 2020	
8.	Helena Priem	October and November 2021	

Contents - Revisions

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2.1. PREAMBLE / POLICY STATEMENT

The overall objective of *reducing risk* and *optimizing opportunities*, as far as reasonably practical, is to ensure that the municipality successfully realises the strategic objective set to the benefit of the broader community.

The concept of risk in the municipal environment is complex and diverse. The success of a risk management strategy is therefore dependent on all departments working together in a consistent and integrated manner to optimally tackle risk and optimise opportunities for success.

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. The municipality is committed to a process of risk management that is aligned to the principles of Leading Practice and recognised Governance Frameworks applicable to local government.

The Risk Management Policy of Stellenbosch Municipality outlines the following:

- mandatory environment for risk management;
- an integrated approach to the management of risk;
- mechanisms to bring the management discipline together;
- management of risks consistent with the approved risk acceptance level; and
- annual risk management framework to identify, report and review prevailing risks.

As part of the risk management framework different risk related or assurance provider functions will align their various goals and reporting processes into one cohesive and structured framework. The municipality's key business risks exposures, whether they are insurable or not, will be identified, assessed, and appropriately managed. The framework considers various risk functions as it determines concepts such as risk tolerance and appetite limits.

Effective risk management is imperative to the municipality, with its diverse key processes and an intrinsic risk profile. The realisation of the municipality's Integrated Development Plan (IDP), strategic goals and objectives depends on all role-players being able to take calculated risks in a way that does not jeopardise service delivery. Sound management of risk will enable all role-players to anticipate and respond to changes in our environment, as well as make informed decisions under conditions of uncertainty and inherent risk.

Management is responsible for the execution of risk management in the achievement of the municipality's strategy. Every employee, partner, contractor and specialist has a part to play in this important endeavour.

MUNICIPAL MANAGER

Geraldine Mettler

3.2. INTRODUCTION

Risks are uncertain future events which could influence the achievement of the Municipality's objectives. **Risk** is the chance of an event occurring which will have an impact (usually a threat rather than an opportunity) upon the achievement of the municipality's business objectives. No municipality has the luxury of functioning in a risk-free environment and municipalities are especially vulnerable to risks associated with fulfilling their mandates.

Risk management is the process whereby the Municipal Manager, the Risk Management team and other key members of the senior management proactively, purposefully and regularly identify and define current as well as emerging *business, financial* and *operational* risks. This allows them to either simultaneously or with due expedition, identify appropriate and cost effective methods of mitigating and the exposure to such risk. Stated differently risk management is the identification and evaluation of actual and potential risk areas as they pertain to the Municipality as an entity, followed by a process of either termination, transfer, acceptance (tolerance) or mitigation of those risks through a system of appropriate internal controls and other measures. The risk management process entails the planning, arranging and controlling of activities and resources to minimise the impacts of all risks to levels that can be tolerated by stakeholders whom the Council has identified as relevant to the Municipality.

Risk management cuts across all levels, functions and process in a municipality, incorporating human health and safety, security, legal and regulatory compliance, public acceptance, environmental protection, product quality, project management, efficiency in operations, governance and reputation. Risk management is part of the responsibilities of, not only management, but of all municipal personnel and an integral part of all municipal processes, including strategic planning and all project and change management processes.

The process and practice of risk management should aim to optimise the cost benefits and aim to go beyond compliance for the sake of compliance to a greater focus on value creation. Risk management addresses strategic risks that will prevent the achievement of the objectives of the municipality.

Effective risk management requires a cultural shift in favour of continuous risk identification and mitigation. This requires risk management to be culturally mainstreamed into the general practice of local government at all levels.

Through this revised policy Stellenbosch Municipality puts into practice its commitment to implement risk management and institutionalise a culture of IRM within the municipality. This policy forms the basis for the accompanying IRM Framework and Implementation Plan which is designed to help achieve the objective of implementing an effective IRM process and to ensure compliance with the legislative framework.

4.3. STRATEGIC INTENT

This Policy seeks to assist Stellenbosch Municipality in ensuring that Good Governance principles with regards to risk management are applied throughout the municipality, thereby establishing an efficient and productive administration that can focus on service delivery. The fundamental principles underpinning this Risk Management Policy will assist the municipality to achieve, among other things:

- more sustainable and reliable delivery of services;
- informed decisions underpinned by appropriate rigour and analysis;
- innovation;
- reduced waste;
- prevention of fraud and corruption;
- better value for money through more efficient use of resources; and

5.4. OBJECTIVES OF RISK MANAGEMENT

The objectives of risk management are to assist management in making more informed decisions which:

- provide a level of assurance that significant risks are effectively managed;
- enhanced decision making, by promoting a more innovative, less risk averse culture in which calculated risks are taken in pursuit of opportunities to the benefit of the municipality;
- minimisation of fraud and corruption;
- promote a risk awareness ethic in all Departments/Directorates and improve risk transparency to stakeholders;
- transparency to stakeholders;
- improved performance, outputs and outcomes;
- improving the early detection of risks thereby placing management in a better position to effectively deal with new and emerging risks;
- assist management in ensuring more effective reporting, compliance with applicable laws, regulations and other corporate governance requirements; and
- provide a sound basis for integrated risk management and internal control as components of good corporate governance.

6.5. REGULATORY CONTEXT

In terms of Section 62 (1) (c) (i) of the Local Government: Municipal Finance Management Act (Act 56 of 2003) (MFMA):-

(1) 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:

(c) That the municipality has and maintains effective, efficient and transparent systems;

(i) Of financial and risk management and internal control;

The above risk management responsibilities can be delegated to municipal officials in terms of Section 79 (1) (b) of the MFMA.

The above is furthered by MFMA Section 165 regarding internal audit. Section 165:-

(a) requires internal audit to follow a risk based audit plan and Section 165 (2)(b)

(iv) requires internal audit to advise the Accounting Officer and report to the Audit Committee on risk and risk management.

The risk management practices of Stellenbosch Municipality is furthermore guided by the following frameworks:

- Committee of Sponsoring Organizations of the Treadway Commission: Enterprise Risk Management – Integrated Framework (COSO ERM Framework)
- Public Sector Risk Management Framework (PSRMF)
- King Codes of Governance Principles
- International Organization for Standardization – Standard 31000 (ISO 31000)

The Municipality is continuously implementing new initiatives and redesigning systems and processes to align with the best practices espoused by the risk management frameworks and improve risk management maturity.

The enterprise risk management process comprises eight components:



Enterprise Risk Management Process (COSO ERM Framework)

6. Objective Setting

Objectives are set at the strategic level, establishing a basis for operations, reporting, and compliance objectives. Objectives are to be aligned with the Municipality's risk appetite.

6.1 Strategic Objectives

Objectives are first set at the strategic level, establishing a basis for operational objectives. Once the strategic objectives are identified and approved, the Risk Management Unit facilitates a strategic risk assessment to identify and assess the risk environment associated with each strategic objective.

6.2 Operational Objectives

The operational objectives are identified during the development of the Service Delivery and Budget Implementation Plan (SDBIP) and reflected as a Key Performance Indicator (KPI). The full list of KPIs for 2018-2019 can be found in the Municipality's SDBIP for 2018-2019.

Risk actions for operational risks should manage the risks in a manner that will ensure the KPIs impacted by risk are achieved.

6.3 Event identification

Event identification is the process of identifying potential events affecting Stellenbosch Municipality's ability to successfully implement strategy and achieve objectives.

6.3.1 Opportunity Identification

Events can have positive outcomes too. These events are commonly known as opportunities.

Including opportunities in the risk management of the Municipality will prevent a culture of only focusing on risk events and missing the opportunities among the risks, and assist with the creation of a culture of designing risk responses in such a way that it not only focusses on reducing or eliminating the risk, but goes beyond and improve or innovate the whole strategic/operational process that is affected by the risk.

6.3.2 Risk Identification

Three processes are followed to identify risks:

1. Structured interviews

Municipal officials are interviewed about the risks they are aware of and the emerging risks they can think of.

2. Benchmarking – Top 10 risks in the annual IRMSA Risk Report: South Africa Risks and risk registers of the Cape Winelands District Municipalities

The risks in the IRMSA Risk Report and risk registers of the other district municipalities are used as a guideline. It is then established whether the risks are applicable to Stellenbosch Municipality.

3. Annual Risk Assessment Focus Areas

Focus areas are determined by the Risk Management Unit, based on historical events, future predictions and engagements at various internal and external platforms.

6.3.3 Risk Description

A short, to the point description of the risk must be articulated. For ease, the cause of risk should be established first and secondly the background information related to the risk. The risk description can then be articulated using the cause and background information.

6.3.4 Cause of Risk

Current and/or potential causes of the risk must be established and included in the risk register.

6.3.5 Risk Background

Supplementary and/or explanatory information is required to enable users of the risk reports, some of whom has no knowledge about the risk, to understand the risk.

6.3.6 Consequences

The potential consequences should the risk materialise must be identified and included in the risk register.

6.3.7 Risk Classification

After the risk has been identified, it can be classified according to its nature.

Stellenbosch Municipality classifies risks in accordance with the regulations and frameworks applicable to government institutions.

6.4 Risk Type

The Municipality can be exposed to different types of risks which may be internal or external to the Municipality.

Internal risks are risks emanating from within the Municipality and over which the Municipality to a large extent has control over its occurrence.

External risks are risks emanating from outside the Municipality and the Municipality has little or no control over its occurrence.

6.5 Risk Level

Risks have been arranged into five main levels:

- Strategic Risks: Risks that affect the Municipality's ability to achieve its strategic goals, based on strategic planning, corporate or operating structure or business models.
- Operational Risks: Risks associated with the functioning of operational processes, people, information systems and management involved in the daily operations of the Municipality.
- Project Risks: Specific risks associated with the implementation and completion of projects that have or could have a substantial impact on the objectives and/or finances of the Municipality.
- Incident Risks: Risks that come to light / incidentally occur during the financial year, but were not captured in the risk register at the time of occurrence.
- Emerging Risks: Newly developing or changing risks which are difficult to quantify and which could have a significant impact on the Municipality. In some cases, the risk cannot be identified and measured with reasonable accuracy due to a lack of information and/or understanding.

7. MUNICIPALITY'S RISK MANAGEMENT APPROACH

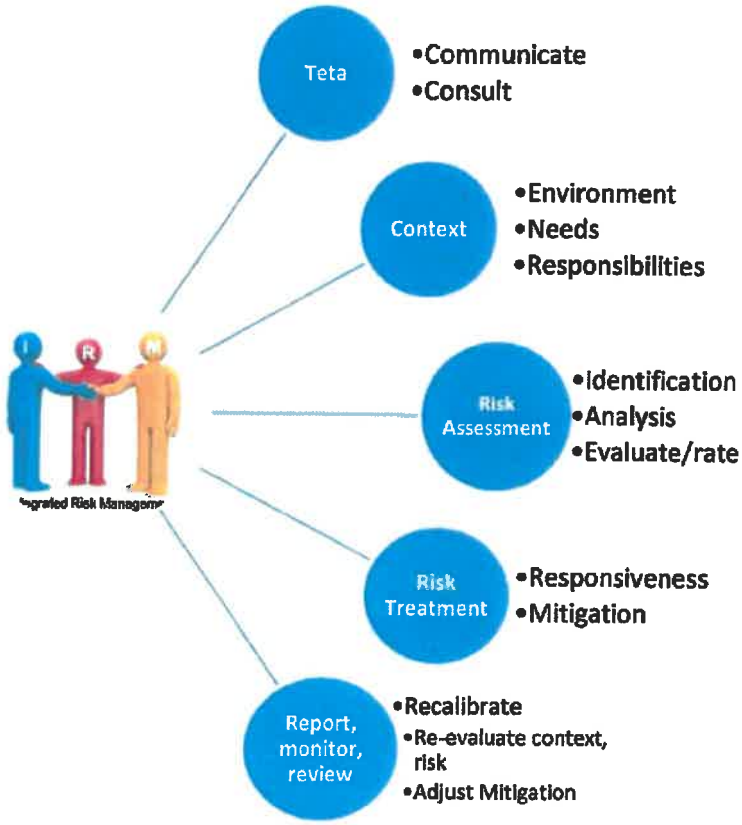
The risk management principles contained in this policy will be applied at both strategic and operational levels within the Municipality.

Our positive approach to risk management means that we will not only look at the risk of activities that could go wrong, but also the impact of not taking opportunities or not capitalising on corporate strengths. All risk management activities will be aligned to the Municipality's aims, objectives and priorities, and aims to protect and enhance the reputation and standing of the Municipality.

The Integrated Risk Management (IRM) Approach consist of 5 key steps, including:

i. Communication and consultation;
ii. Context establishment;
iii. Risk assessment;
iv. Risk Treatment; and
v. Report, monitor and review.

Illustration 1: Integrated Risk Management Approach



76.1 Communication and Consultation

Communication and consultation with external and internal stakeholders should take place during all stages of the risk management process.

76.2 Establishing Context

The environment in which Stellenbosch Municipality functions sets the foundation for the other components of risk management. By understanding the needs, responsibilities and environment in which the municipality operates, objectives are set. Management then sets goals and objectives to assist in achieving the overall strategic objectives.

76.3 Risk Assessment

The risk assessment stage include ~~three~~ four steps, including, *risk identification, risk analysis, ~~and~~ risk evaluation and revision of risks where changes to the risk universe occured*.

76.3.1 Risk Identification

Risk identification aims to identify future uncertain events from internal or external sources that could affect implementation of the municipality's strategy or achievement of the objectives. These events may have positive or negative impacts, or both. Events do not occur in isolation. One event can trigger another and events can occur concurrently.

Management should understand how events interrelate. By assessing the interrelationships, one can determine where risk management efforts are best directed.

76.3.2 Risk Analysis

Risk analysis assesses management's confidence in the effectiveness of the control mechanisms driving the various systems (including the IT environment) and processes practiced within the municipality. Internal Controls can be preventative, detective or corrective by nature.

Note: Management evaluates controls to ensure they are still appropriate, relevant, economical (cost effective) and efficient.

76.3.3 Risk Evaluation (Ratings)

Uncertainty around potential future events relevant to Stellenbosch Municipality and its activities are evaluated from two perspectives, namely likelihood and impact which helps to determine the **risk exposure (risk rating)** to the municipality. By calculating the risk exposure (risk rating), management gets to understand the extent to which potential events

might impact on their objectives. Stellenbosch uses a 10 ~~5~~ by 10 ~~5~~ rating scale for impact and likelihood. ~~and~~ The inherent risk rating is calculated by multiplying the impact and likelihood ratings of the risk.

Table 1: Impact Rating

When determining the impact rating, the worst case scenario that could materialise when there is no control intervention considered.

IMPACT RATING		
Rating	Assessment	Description
10	Catastrophic	- Critical event resulting in the long-term cessation of the majority or all core organisational activities. - Inability to achieve the Municipality's strategy and objectives. - Requires external support.
9	Critical	- Critical event resulting in the long-term cessation of several core organisational activities. - Drastically reduced ability to achieve the Municipality's strategy and inability to achieve the majority of objectives. - Requires intervention from Council.
8	Major	- Major event resulting in the long-term cessation of a core organisational activity. - Severely reduced ability to achieve the Municipality's strategy and inability to achieve certain objectives. - Material at organisation level. - Requires intervention from the Municipal Manager and Audit Committee involvement.
7	Significant	- Significant long-term disruption of services. - Significantly reduced ability to achieve the Municipality's strategy and objectives. - Requires intervention from the Director.
6	Moderate	- Short/medium term disruption of services. - Reduced ability to achieve the Municipality's strategy and objectives. - Requires intervention from the Head of Department.
5	Marginal	- Disruption of normal operations/services. - Limited effect on the achievement of the Municipality's strategy and objectives. - Requires intervention from the Line Manager.
4	Immaterial	- Imitation in rendering or receiving services. - No material impact on achievement of the Municipality's strategy and objectives. - Can be dealt with by senior staff.
3	Minor	- Impact will be coped with in short term through normal operational processes performed by staff.
2	Insignificant	- Impact of adverse event is minimal.
1	Negligible	- Impact of adverse event has little (if any) impact on services.

Table 2: Likelihood Rating

When determining the likelihood rating, the likelihood that the risk and its worst impact will materialise when there are no controls in place, is considered.

LIKELIHOOD RATING		
Rating	Assessment	Description
10	Certain	91%-100% chance of occurring
9	Almost Certain	81%-90% chance of occurring
8	Expected	71%-80% chance of occurring
7	Probable	61%-70% chance of occurring
6	Possible	51%-60% chance of occurring
5	Potential	41%-50% chance of occurring
4	Occasional	31%-40% chance of occurring
3	Remote	21%-30% chance of occurring
2	Improbable	11-20% chance of occurring
1	Rare	0%-10% chance of occurring

Table 1: Impact and Likelihood Rating

The score is based on a heat map illustrating the inherent risk exposure.

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

The rating determines the risk exposure. Through this management gets to understand the extent to which potential events might impact on their objectives on a scale from 1 as a minimum and ~~25~~ 100 as a maximum.

In a number of instances departments has indicated a preference for a risk score out of ten. For this purpose we have decided to allow both options, i.e. the 5 point score, and a 10 point score out of 5 as well. Please see illustration below:

Table 2: Scoring option for Likelihood and Impact Ratings

1	0.5
	1
2	1.5
	2
3	2.5
	3
4	3.5
	4
5	4.5
	5

~~Going forward, department would have the option to use either of the above to rate risks exposure.~~

Table 3: Inherent Risk Exposure

Inherent Risk Exposure: The inherent risk exposure is determined by comparing the inherent risk rating agains the risk appetite.

INHERENT RISK EXPOSURE		
Inherent Risk	Magnitude	**Definition**
0 – 25	Low Risk	Level of inherent risk is **within the risk appetite** – Low level of control intervention required, if any.
26 – 50	**Moderate Risk**	Unacceptable level of risk – **Moderate level** of control intervention required to achieve an acceptable level of residual risk.
51 - 75	High Risk	Unacceptable level of risk – **High level** of control intervention required to achieve an acceptable level of residual risk.
76 – 100	Extreme Risk	Extreme level of risk – Immediate level of control intervention required to achieve an acceptable level of residual risk.

~~Table 32: Inherent Risk Exposure Score~~

~~Critical 20-25~~	~~act immediately s~~
~~High 16-19~~	~~action plan needed~~
~~Moderate 9-15~~	~~monitor/transfer~~
~~Low 1-8~~	~~no action required~~

Table 4: Current Control Effectiveness

Current controls' effectiveness in mitigating risks is assessed on a 0-1 reduction scale. The more effective the control, the more it mitigates the inherent risk and the less is the residual risk.

The residual risk rating is calculated by multiplying the inherent risk rating with the current controls effectiveness rating.

Current Control Effectiveness Ratings: Effectiveness of mitigating risks is assessed on a 0-1 reduction scale. The more effective the control, the more it mitigates the inherent risk and the less the inherent risks.		
Effectiveness	**Quallification Criteria**	**Rating**
Very Effective	Controls are **pro-actively managing the risk** causes and impacts, preventing the risk from materialising and or rare occassions when the risk does materialise. The **impact is minor.**	0.2
Effective	Controls are managing the risk causes and impacts as planned and **result in effective risk mitigation.**	0.4
Moderately Effective	Controls are managing the risk causes and impacts to some extent, but its risk **mitigation effect is inadequate.**	0.75
Only Inherent Controls in place	Common, non-designed controls that exist in the normal course of operations, resulting in **inherent risks remaining unchanged.**	1

Table 5: Residual Risk Exposure

The residual risk exposure is determined by comparing the residual risk rating to the risk appetite of the Municipality.

Current Control Effectiveness: The more effective the control, the more it mitigates the inherent risk which effectively result in decreased residual risk.		
CONTROL EFFECTIVENESS		
Effectiveness	Qualification Criteria	Rating
Very Good	Risk exposure is effectively controlled and managed	0 - 25
Satisfactory	Majority of risk exposure is effectively controlled and managed	26 - 50
Weak	There is room for some improvement	51 - 75
Unsatisfactory	Some of the risk exposure appears to be controlled, but there are major deficiencies	76 - 100

~~Impact and Likelihood Matrix~~

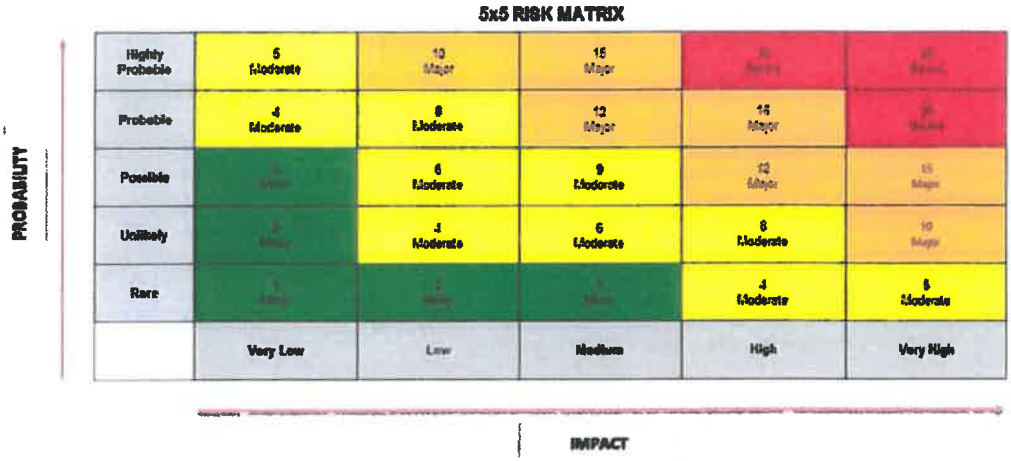
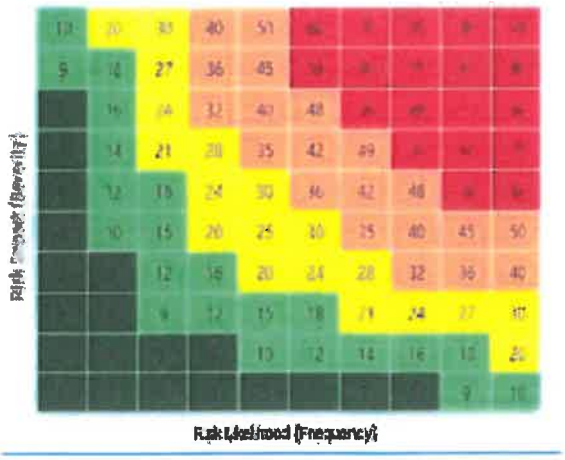


Table 6: Risk Matrix (10X10)



A risk matrix is a matrix that is used during risk assessment to define the level of risk by considering the category of probability or likelihood against the category of consequence severity. This is a simple mechanism to increase visibility of risks and assist management decision making.

It is very important for a management to understand the risk exposure to the municipality in order to base decisions on calculated risks. This assists the municipality to continuously deliver services in spite of risks. However, a management must also decide how much risks the municipality is able to absorb when deciding an appropriate mitigations strategy.

7.3.4 Cost of Controls

The cost of controls includes all costs associated with maintaining the current controls for the financial year. Costs associated with replacing the controls when it reaches the end of its

useful life are apportioned across financial years according to the expected useful life of the control components.

Implementation costs are not included in the cost of controls. The current controls are already in place and the implementation costs have been incurred in the past.

7.3.4.1 Cost of Risk vs Cost of Controls

The cost of controls are adjusted for its effectiveness and compared to the financial exposure of the risk as indicated by the following formula:

financial exposure - [cost of controls x [1 + current controls effectiveness rating]]

A positive value indicates that the cost of controls is less than the financial consequences of the risk (value creation). A negative value indicates the cost of controls is more than the financial consequences of the risk (value destruction) and a review of controls is required to align the cost of controls with the cost of risk.

7.3.4.2 Controls Cost Effectiveness

The controls cost effectiveness is calculated by comparing the value of the cost of controls vs cost of risk against the financial exposure and expressing it as a percentage.

This figure can be seen as the Municipality's return on investment in the control environment, since the Municipality is investing money to maintain the control environment and expecting a return in the form of prevented financial losses.

The controls cost effectiveness figure allows the Municipality to compare the costs of controls of risks of different magnitude to determine whether the controls are cost effective in relation to the cost of the risk. This can be used to allocate funds to improve the control environment where it will reap the most financial benefits.

7.6.4 Risk Treatment

This component aims to identify and evaluate possible responses to the risk exposures or risk incidents that are rated equal or above the municipality's risk acceptance level. The risk acceptance level (RAF) helps determine the most appropriate response to bring risks back to an acceptable level.

7.5 Risk Response

Having assessed relevant risks, management determines how it will respond to align the risks with the Municipality's risk appetite and risk tolerance, in other words how to bring the residual risk rating within acceptable levels.

7.5.1 Type of Response

Risk responses fall in one or more of the following categories:

- Avoidance – avoiding the risk, e.g. by choosing a different strategy or terminating the activity that produces the risk;
- Treatment – treating the risk, e.g. by implementing or improving the internal control system;
- Transfer – transferring the risk to another party more competent to manage it, e.g. contracting out services, establishing strategic partnerships and buying insurance;
- Acceptance – accepting the risk where cost and strategy considerations rule out alternative strategies;
- Exploit – exploiting the risk factors by implementing strategies to take advantage of the opportunities presented by such risk factors.

7.5.2 Risk Action Plans

The action plans to reduce the risk (referred to as risk actions) are developed according to the following criteria:

Residual Risk Level	Risk Actions
Unsatisfactory	The current controls are not effective at mitigating the risk. Comprehensive action is required, which can include new controls, enforcing current controls more strictly and redesigning the systems and processes to eliminate the cause(s) of the risk.
Weak	The current mitigation of the risk is adequate, but the control environment should be improved. The current controls should be enforced more strictly and/or new controls should be implemented.
Satisfactory	Current controls should be continuously monitored and evaluated for effectiveness. Any deficiencies identified should be addressed immediately or result in the creation of an additional risk action.

Very Good	All current controls are in place although continuous monitoring and discussion will assist in the risk assessment process.

The proposed risk actions must be practical. The person responsible for the implementation of the risk action, referred to as the risk action owner, must have or be able to obtain the funds, personnel, assets, skills and time required to implement the risk action.

Additionally, the future cost of controls when the risk action has been implemented must be calculated to determine the effect on the cost of controls vs cost of risk. Risk actions that will result in a negative value should not be implemented, unless it mitigates material risks of a non-financial nature.

7.5.3 Implementation of Risk Actions

Along with the development of the risk action, the estimated timeframe to implement the risk action must be determined. The implementation of risk actions for risks with high likelihoods or high impacts should be fast-tracked.

The risk action owner is responsible for the implementation of the risk action and can delegate responsibilities to other staff and engage with internal and external role players to successfully complete the risk action on time.

7.6 Control Activities

Policies and procedures are established and implemented by the Municipal Manager, Senior Management, Management and the Risk Management Unit to help ensure the risk responses are effectively carried out. Control activities occur throughout the Municipality, at all levels and in all functions. They include a range of activities as diverse as approvals, authorisations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties.

6.57.7 Reporting, Monitoring and Review

Risk management changes over time. Risk responses that were once effective may become irrelevant; control activities may become less effective, or no longer be performed; or the municipality's objectives may change. This can for example be due to the arrival of a new Council or new officials, changes in the municipality's organisational structure or direction, or the introduction of new processes and even external changes. In the face of such changes,

management needs to determine whether the functioning of each risk management component continues to be effective.

The system of enterprise risk management is monitored and modifications made if necessary. This is accomplished through ongoing monitoring activities, separate evaluations or a combination of the two.

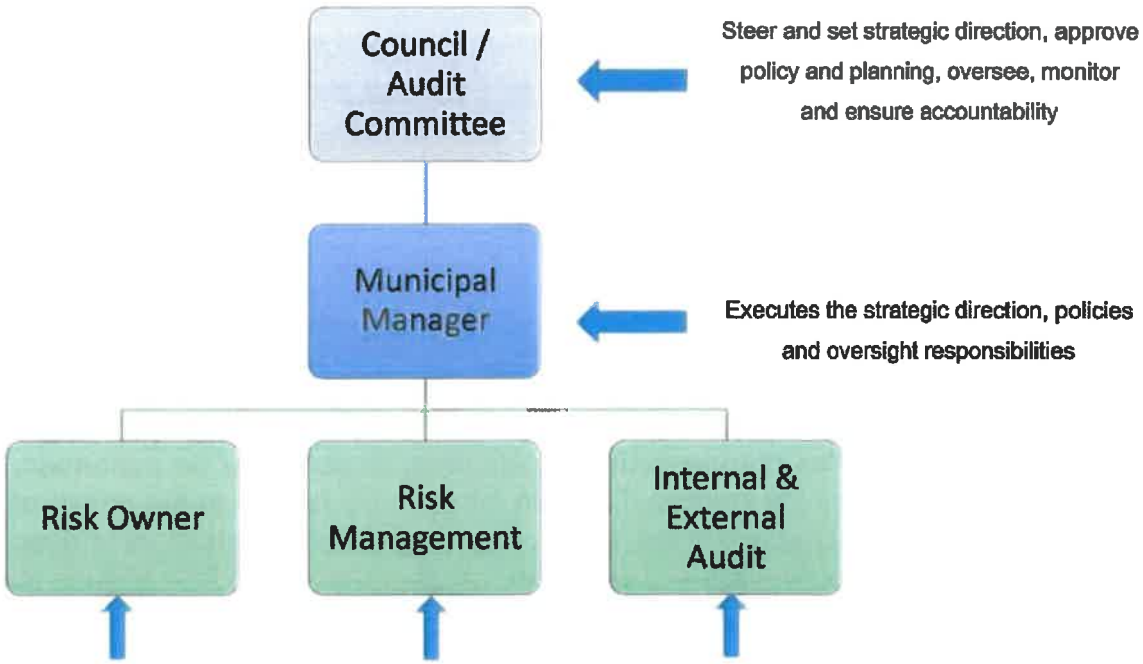
Monthly monitoring occurs in the normal course of management activities. The Risk Management Unit monitors the enterprise risk management of the Municipality on an ongoing basis.

The scope and frequency of separate evaluations will depend primarily on an assessment of risks and the effectiveness of ongoing monitoring procedures. The Risk Management Unit and Internal Audit can perform separate evaluations.

~~8.~~ 8. LINES OF ASSURANCE

In principle there are 5 lines of assurance applicable in a municipal risk management context. Each of the five lines plays a distinct role within the municipality's wider governance framework. When each performs its assigned role effectively, it is more likely the municipality will be successful in achieving its overall objectives. Everyone in a municipality has some responsibility for internal control, but to help assure that essential duties regarding risk management are performed as intended. Effective assurance mechanisms ultimately places Council in a position to increasingly receive unbiased information about the municipality's most significant risks and about how management is responding to those risks.

Illustration 1: The five lines of assurance:



Manage risk and control (front line operating	Monitors risk and control in support of management	Through its Audit Committee and senior management

~~9.8.~~ 9.ETHICS IN RISK MANAGEMENT

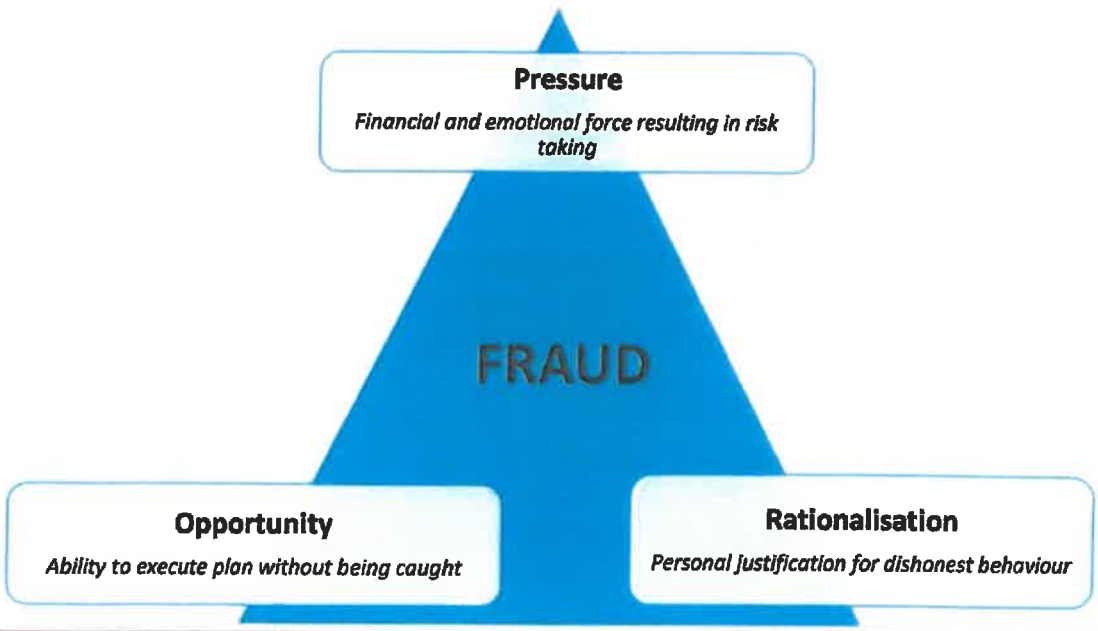
Risk management, even when software is used, is performed by humans. The effectiveness of risk management activities is directly influenced by the ethical behaviour of the people responsible for risk management, which includes their professionalism and commitment in executing their risk management responsibilities.

A lack of ethics is a contributing factor to a variety of risks, either being the cause of the risk itself or the cause of ineffective control measures.

Therefore, risk management initiatives can only be successful in an environment of ethical behaviour with adequate ethics risk management processes. It is found in many organisation that in spite of people being aware of relevant procedures, poor ethics will continue to result in fraudulent conduct.

THE FRAUD TRIANGLE

A framework for spotting high risk fraud situations



There multiple reasons for people to take the risk of conducting fraud, which can include, amongst other things:

- Poor internal controls
- Poor training

- Poor supervision
- Lack of action against perpetrators
- Ineffective programs and policies
- Weak Ethical culture

~~10.~~ 10. ROLE PLAYERS IN RISK MANAGEMENT PROCESS

Every person within Stellenbosch Municipality has a role to play in the risk management process. The primary responsibility for identifying and managing risks lies with management.

~~9.~~10.1 Municipal Council

The Municipal Council takes an interest in risk management to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place to protect Stellenbosch Municipality against significant risks.

~~9.~~10.2 Audit & Performance Audit Committee

The committee is independent and responsible for oversight of the municipality's control, governance and risk management. The committee's primary responsibility is providing an independent and objective view of the effectiveness of the Municipality's risk management process.

The chairperson of the Risk & Fraud Management Committee takes responsibility for reporting risks management within Stellenbosch Municipality to the Audit & Performance Audit Committee on a quarterly basis.

~~9.~~10.3 Risk & Fraud Management Committee (RFMC)

The Risk & Fraud Management Committee is headed up by the Accounting Officer of the Municipality. The members of the RFMC is appointed by the Accounting Officer (chairperson) and consists of the Directors (members), ~~Senior Manager Governance~~, Chief Risk Officer and the Chief Audit Executive (invitee). A member of the Audit and Performance Committee as appointed by the committee will now be part of and a member of the Risk and Fraud Committee.

The role of the Risk & Fraud Management Committee (RFMC) is to review the risk management progress and risk management maturity, the effectiveness of risk management activities, the key risks facing the municipality and the responses to address these key risks.

The role of the RFMC is to:

- adopt a strategic risk register annually outlining the key risks the municipality is exposed to and collectively determine the risk exposure prevalent and recommend acceptable levels of risk;
- consider the operational risks of each department;
- consider risks identified on a quarterly basis and advise the committee on necessary changes to the identified risk, mitigation strategy to the strategic risks;
- recommend financial consideration to Finance in the identification of critical investment needs when managing identified risks;
- advise Council on the strategic and operational risks prevalent.

~~9.~~10.4 Risk Management Implementers

The risk implementers occupy key positions at all levels throughout the organisation, owning various processes in the realisation of the strategic goals of the municipality and providing different roles of assurance.

~~9.~~10.4.1 Accounting Officer (Municipal Manager)

The Accounting Officer is ultimately responsible for risk management within the Municipality. By setting the tone at the top, the Accounting Officer promotes accountability, integrity and other factors that will create a positive control environment.

~~9.~~10.4.2 Directors / Risk Owners

Directors support the Municipality's risk management philosophy, integrating it into operational routines of their directorates and manage and monitor risk within their areas of responsibility.

The play a critical role as risk owners as well as risk champions. They are ultimately accountable for the risk management at a strategic (corporate) level and of the risks in their directorates.

~~9.~~10.4.3 Senior Management / Risk Champions

Senior Management has the responsibility to integrate the risk management strategy and policy into their department's operational routines. To do this they must champion risk management in their respective departments.

The risk champion's primary responsibilities are to intervene when risk management efforts are being hampered and to provide guidance and support on the management of problematic risks and risks of a transversal nature that require the involvement of multiple people to address.

~~9.~~10.4.4 Middle Management / Senior Officials / Action Owners

Middle management and senior officials have the responsibility to implement the plans to mitigate the risks, known as risk action plans. They are therefore the action owners.

Action Owners implement the responses to the risks identified in the risk assessment.

~~9.~~10.5 Integrated Risk Management Unit

The Risk Management Unit resides within the office of the Municipal Manager, who is also the chairperson of the Risk & Fraud Management Committee. The ~~Senior Manager Governance and~~ the Chief Risk Officer has delegated authority for ensuring that risk management functions at all levels of the municipality, on behalf of the Municipal Manager.

The Risk Management Unit is therefore responsible for:

- Implementing a framework of risk management within the municipality;
- Supporting the Risk & Fraud Management Committee to implement, review and provide effective oversight into the implementation of the risk management framework at all levels of the municipality;
- Providing coordination and facilitation support to all departments in the development and implementation of the risk management framework;
- Reporting on the implementation of the strategic and operational risk registers to the RFMC on a quarterly basis.

~~9.~~10.5.1 Chief Risk Officer

The Chief Risk Officer is the custodian of the risk management strategy and coordinator of risk management activities throughout Stellenbosch Municipality. The Chief Risk Officer supports the municipality to structure and embed risk management and leverage its benefits to enhance performance.

The primary responsibilities of the Chief Risk Officer is to bring to bear his/her specialist expertise to assist Stellenbosch Municipality to embed risk management and leverage its benefits to enhance performance. With reference to the risk governance, this will more specifically include:

a. Working with senior management to develop the vision for risk management and risk management philosophy;

b. Developing, in consultation with management, the municipality's risk management framework incorporating:
    i. Risk management strategy;
    ii. Risk management policy;
    iii. Risk identification and assessment methodology;
    iv. Risk appetite and tolerance; and
    v. Risk classification

~~9.~~10.6 Risk Management Assurance Providers

~~9.~~10.6.1 Internal Audit Services

The core role of Internal Audit Services in risk management is to provide an independent, objective assurance to the Accounting Officer, Municipal Council, Risk & Fraud Management Committee and the Audit & Performance Audit Committee on the effectiveness of risk management. Internal Audit Services also assists in bringing about a systematic, disciplined approach to evaluate and improve the effectiveness of the entire system of risk management and provide recommendations for improvement where necessary. Internal Audit Services must determine whether the risk management process is efficient and effective.

~~9.6.2~~ 10.6.2 External Auditor / Auditor-General of South Africa (AGSA)

The Auditor-General provides an independent opinion on the effectiveness of risk management. In providing an opinion the Auditor-General focuses on:

- Determining whether the risk management strategy, policy and implementation plan are in place and appropriate;
- Assessing the implementation of the risk management strategy, policy and implementation plan;
- Reviewing the risk assessment process to determine if it is sufficiently robust to facilitate tim ely and accurate risk rating and prioritisation;
- Determining whether management action plans to mitigate the key risks are appropriate and being implemented effectively.

~~11.~~ 11. RISK UNIVERSE

Many risks are universal, affecting other institutions as well. The universal nature of these risks can enable the Municipality to compare its risk register with the risk registers of other

institutions to identify risks that may have been missed in the initial risk assessment and learn more about the mitigation strategies of others, to incorporate it into the risk management of the Municipality.

The Municipality's risk register is compared with the annual IRMSA Risk Report: South Africa Risks and the risk registers of the other municipalities that are part of the Cape Winelands District Municipality.

~~12.~~ 12. INTEGRATION OF RISK MANAGEMENT PLANS/POLICIES

There are many separate plans and policies available that individually deal with fraud, IT, occupational health and safety, disaster management and compliance. These plans and policies contain risk information and risk mitigation plans.

All the different risk information and mitigation plans should be integrated into a single risk register, to provide a detailed and complete profile of the Municipality's risks.

~~13.~~ 13~~COMBINED~~. COMBINED ASSURANCE

Combined assurance will optimise and maximise the level of risk, governance and control oversight over the Municipality's risk landscape, by integrating, coordinating and aligning the risk management and assurance processes within the Municipality.

A Combined Assurance Model for the top 10 strategic and operational risks will be created and updated quarterly to ensure the Municipality's most significant risks receive adequate assurance.

The combined assurance activities of the Municipality will be conducted in accordance with the Combined Assurance Framework.

~~14.~~ 15. BUSINESS CONTINUITY

Business continuity is an integral part of risk management.

In the event of extended service outages caused by factors beyond the Municipality's control, the Municipality must be able to restore services to the widest extent possible in a minimum time frame.

A Business Continuity Framework is in place to direct business continuity activities, including impact analysis, plans, governance structures and quality assurance

~~15.~~ 16. REPORTING, MONITORING & REVIEW

The IRM Department is responsible for the monitoring and revision of this policy. The policy shall be revised and approved by Council when operational needs require this, but at least once during every term of Council.

Any queries or requests for amendments relating to this policy should be directed to the Chief Risk Officer, Tel No. 021 – 808 8157 or e-mail helena.priem@stellenbosch.gov.za-.

~~16.~~9. DEFINITIONS AND ABBREVIATIONS

Definition	Explanation
Accounting Officer	Municipal Manager
AGSA	Auditor General of South Africa
Audit and Performance Committee	An independent committee constituted to review the control, governance and risk management within the Institution, established in terms of section 77 of the PFMA, or section 166 of the MFMA
Chief Risk Officer	Senior official who is the head of the risk management unit
Combined Assurance	Integrating and optimising all assurance services and functions, so that taken as a whole, these enable an effective control environment, support the integrity of the information used for decision-making by management, the municipal council and it's committees to maximise risk and governance oversight and control efficiencies, and optimise overall assurance to the audit and risk committee, within the municipality's risk appetite.
Control	Control activities are the policies and procedures that help ensure that management's risk responses are carried out. Control activities occur throughout the municipality, at all levels and in all functions. They include a range of activities as diverse as approvals, authorisations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties.
Enterprise Risk Management	A process, effected by the municipality's accounting officer, management and other personnel, applied in strategy setting and across the enterprise. It is designed to identify potential events that may affect the municipality and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of municipal objectives.
Ethics	Ethics has to do with defining what is meant by right and wrong or good and bad, and with justifying according to some rational system.
Event	*means* an incident or occurrence from internal or external sources that affects the achievement of the municipality's objectives.

Definition	Explanation
Good Governance	The process whereby public institutions conduct public affairs, manage public resources, facilitate development and guarantee the realization of human rights in a manner essentially free of abuse and corruption, and with due regard for the rule of law and principles of ethics.
Impact	*means* a result or effect of an event. The impact of an event can be positive or negative. A negative event is termed a "risk".
Inherent	*refers* to the impact that the risk will have on the achievement of objectives if the current controls in place are **not** considered.
Internal Auditing	An independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
Integrated Risk Management	A continuous, pro-active and systematic process to understand, manage and communicate risk from a municipal-wide perspective in a cohesive and consistent manner. It requires an ongoing assessment at every level and in every sector of the municipality, aggregating these results at the executive level, communicating them and ensuring adequate monitoring and review.
King IV Report	King 4 report on corporate governance in South Africa, 2016, and specifically part 6.2: Supplement for municipalities.
Likelihood/probability	*means* the probability of the event occurring.
Mitigation/Treatment	- After comparing the inherent risk score with the risk appetite and tolerance, risks with unacceptable levels of risk will require treatment plans (additional action to be taken by management)
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
Operational Risks	Operational risks could include the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. This would typically include risks associated with business continuity; fraud; people; processes and systems.

Definition	Explanation
Risk	Risk is about the uncertainty of events, including the likelihood of such events occurring and its effects, both positive and negative, on the achievement of the municipality's objectives. Risks include uncertain events with a potential positive effect on the municipality (i.e. value creation opportunity) not being captured or not materialising.
Risk Acceptance Level (RAF)	Risk appetite can be defined as the amount and type of risk that a municipality is willing to accept in order to meet their strategic objectives. Municipalities will have different risk appetites depending on their maturity, location, culture and objectives. A range of appetites exist for different risks and these may change over time.
Risk Appetite	*means* the amount (level) of risk the municipality is willing to accept.
Risk Champion	A person who by virtue of his/her expertise or authority champions a particular aspect of the risk management process, but who is not the risk owner.
Risk Management	Risk management is a systematic process to identify, evaluate and address risks pro-actively and continuously before such risks can impact negatively on the municipality's service delivery.
Risk Management Unit	A business unit responsible for coordinating and supporting the overall Institutional risk management process, but which does not assume the responsibilities of Management for identifying, assessing and managing risk.
Risk & Fraud Management Committee	A committee appointed by the Accounting Officer / Authority to review the Institution's system of risk and fraud management.
Risk Owner	The person accountable for managing a particular risk.
Residual Risk	The remaining exposure after the mitigating effects of deliberate management intervention(s) to control such exposure (the remaining risk after Management has put in place measures to control the inherent risk).
Risk Policy	The statement of the overall intentions and direction of a municipality related to risk management.

Definition	Explanation
Risk Tolerance	The amount of risk the Institution is capable of bearing (as opposed to the amount of risk it is willing to take).
Risk Universe	*means* the municipality's risks per risk classification compared and assessed against district, provincial, national and international related industries.
Strategic Risks	Strategic risks are those internal and external events and scenarios that can inhibit a municipality's ability to achieve its strategic objectives. This would typically include risks associated with governance, the business model and the industry/ economic environment.

11.11.5	ADOPTION OF THE REVISED RISK MANAGEMENT FRAMEWORK FOR THE 2022/23 FINANCIAL YEAR

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **23 March 2022 and 30 March 2022**

1. SUBJECT: ADOPTION OF THE REVISED RISK MANAGEMENT FRAMEWORK FOR THE 2022/23 FINANCIAL YEAR

2. PURPOSE

To submit the Local Government Risk Management Framework for the 2022/23 financial year to Council for approval.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

In terms of section 62(c)(ii) of the MFMA," 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 - (c) that the Municipality has and maintains effective, efficient and transparent systems of risk management.

National Treasury issued the Local Government Risk Management Framework that has been developed in response to the requirements of the MFMA for municipalities and municipal entities to implement and maintain effective, efficient, and transparent systems of risk management and control.

The Provincial Treasury continually focuses on systematically achieving higher levels of governance maturity through the capacitation of risk officials for an effective system of risk management within municipalities

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.

5. RECOMMENDATION

that Council adopts the Risk Management Framework for the 2022/23 financial year.

6. DISCUSSION

The adoption of the framework is to raise awareness w.r.t municipal risk management in the workplace and proper implementation of the revised National Treasury Local Government Risk Management Framework and to provide practical examples of its implementation. Focus is on the following:

- Supporting municipalities to leverage effective risk management practices to protect against adverse outcomes and optimise opportunities, thereby improving institutional performance and enhancing value for citizens.

- Capacitate risk officers and champions with practical tools to incorporate risk and opportunity in the daily functioning of the Municipality.

- The development of the risk appetite and tolerance levels/statement aligned to best practice.

6.1 Background

In terms of Section 60 of the MFMA the Municipal Manager must take reasonable steps to ensure that the municipality maintain effective financial and risk management as well as internal controls.

The principal aim of the risk assessments process is to:

- Identify the risks threatening the achievement of the IDP's objectives of each directorate;
- Assess the key risks facing each directorate; and
- Identify the processes / functions / directorates / persons the municipality and top management relies upon to manage the identified risks.
- Align the mentioned risk management process with processes as established by provincial and national government (as communicated to the municipality).

6.2 Financial Implications

The financial impact will be quantified as part of the 2022/23 approved budget and adjustment budget.

6.3 Legal Implications

Section 62 of the MFMA

General Financial Management Functions

(2) The accounting officer of a municipality is responsible for the managing of financial administration of the municipality, and must for this purpose take all reasonable steps to ensure –
(c) That the resources of the municipality are used effectively, efficient and economically;
(d) That full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;
(d) that the municipality has and maintains effective, efficient and transparent systems–
(ii) of financial and **risk management** and internal control.

6.4 Staff Implications

None.

6.5 Risk Implications

As indicated in the annexed Risk Management Framework.

6.6 Comments from Senior Management:

Supported.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-03-23: ITEM 7.11.5

that Council adopts the Risk Management Framework for the 2022/23 financial year.

ANNEXURES

Annexure A: Revised Risk Management Framework for the 2022/23 financial year.

FOR FURTHER DETAILS CONTACT:

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POSITION	***Chief Risk Officer***
DIRECTORATE	***Office of the Municipal Manager***
CONTACT NUMBERS	***X8035***
E-MAIL ADDRESS	***Helena.priem@stellenbosch.gov.za***
REPORT DATE	***8 March 2022***

ANNEXURE A

RISK MANAGEMENT FRAMEWORK - STELLENBOSCH MUNICIPALITY 2022/23

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PREFACE

This Local Government Risk Management Framework has been developed in response to the requirements of the Municipal Finance Management Act for municipalities and municipal entities to implement and maintain effective, efficient and transparent systems of risk management and control.

The Framework devolves from the Public Sector Risk Management Framework. It has been customised to be local government centric with inputs drawn from applicable legislation, the Public Sector Risk Management Framework itself, as well as various local and international risk standards, guidelines and governance codes. A Toolkit consisting of a number of templates and other implementation tools accompanies the Framework to facilitate and enhance its implementation.

The Framework and toolkit will be reviewed and updated periodically to keep pace with new developments and the needs of users. Users of the Framework are encouraged to assist in improving the relevance and overall quality of the Framework by providing comments, critique and recommendations through the comments section.

SECTION 1: INTERPRETATION AND BACKGROUND
CHAPTER 1 - DEFINITIONS

1. Definitions

In this Framework, unless the context indicates otherwise -

"Accounting Officer" means:

a) In relation to a municipality, the Municipal Manager (as referred to in section 60 of the MFMA), and

b) in relation to a municipal entity, the Chief Executive Officer (as referred to in section 93 of the MFMA).

"Auditor-General" means:

The designated public auditor of the municipality or municipal entity, being the person appointed as Auditor-General in terms of section 193 of the Constitution, and includes a person -

(a) acting as Auditor-General

(b) acting in terms of a delegation by the Auditor-General; or

(c) designated by the Auditor-General to exercise a power or perform a duty of the Auditor-General

"Audit Committee" means:

An independent committee constituted to review the control, governance and risk management within the Institution, established in terms of section 166 of the MFMA.

"Categories of Municipalities" means:

Category A, B or C municipality referred to in Section 155 (1) of the Constitution.

"Capacity" means:

The capability of the Institution to execute its mandate and includes the sufficiency and competency of administrative, financial management and technical human resources, as well as infrastructure that enables the Institution to perform.

"Chief Risk Officer" means:

A senior official who is the head of the risk management unit.

"Combined assurance" means:

A process that seeks to optimise the scope of assurance to the Institution by harmonising the work of various providers of assurance through eliminating fragmentation and duplication of efforts.

"The Constitution" means:

The Constitution of the Republic of South Africa, the supreme law of the Republic

"Council" means:

a) In relation to a municipality, the Municipal Council as referred to in section 18 of the Municipal Structures Act, and as defined in section 1 of the MFMA; and

b) in relation to a municipal entity, the Municipal Council of its parent municipality.

"Enterprise-wide Risk Management (ERM)" means:

A systematic, co-ordinated and inclusive process which uses the Institution's strategy and objectives as the focal point to manage the range of risks and optimisation of opportunities to enhance the achievement of the strategy and objectives.

"Framework" means:

The Local Government Risk Management Framework.

"Incident" means:

A risk that has actualised.

"Inherent Risk" means:
The exposure arising from risk factors in the absence of deliberate management intervention(s) to exercise control over such factors.
"Institution" means:
A municipality or a municipal entity.
"Integrated Development Plan (IDP)" means:
A single, inclusive and strategic plan aimed at the integrated development and management of a municipality, as envisaged in Chapter 5 of the Municipal Systems Act.
"Internal Auditing" means:
An independent, objective assurance and consulting activity designed to add value and improve the institution's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

"**King IV**" means:
The King Code of Corporate Governance for South Africa, 2016 for corporate governance best practice (Specifically "Part 6.2: Supplement for municipalities").
"Management" means:
Collectively, all levels of management personnel and officials of the Institution responsible for planning, organising, leading and controlling institutional activities. In other words, everyone except the Chief Risk Officer, Chief Audit Executive and staff reporting to them, who are deemed to be independent of management in the exercise of their responsibilities for risk management.
"MFMA" means:
Municipal Finance Management Act (Act No. 56 of 2003), whose aim is to secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government; to establish treasury norms and standards for the local sphere of government; and to provide for matters connected therewith.
"Municipal Entity" means:

a) A company, co-operative, trust, fund or any other corporate entity established in terms of any applicable national or provincial legislation and which operates under the ownership control of one or more municipalities, and includes, in the case of a company under such ownership control, any subsidiary of that company, or

b) a service utility.

"Municipal Manager" means:
A person appointed in terms of section 82 (a) or (b) of the Municipal Structures Act, who is the head of administration and also the accounting officer for the municipality.
"Municipality" means:
When referred to as —

a) an institution, means as a municipality as described in section 2 of the Municipal Systems Act 32 of 2000; and

b) a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

"Municipal Services" means:
Any local government matters listed in Part B of Schedules 4 and Part B in Schedules 5 to the Constitution, and any function assignment to a municipality in Section 9 or 10 of the Municipal Systems Act (Act 32 of 2000).
"**Operational Risk**" means:
Risks that affect the achievement of the SDBIP, mainly resulting from inadequate or failed internal processes, actions of staff, loss of key personnel, failure of IT systems, failure of equipment, the actions of regulatory authorities, customers, suppliers and the public, as well as other external events that impact on the objectives.
"Other Official" means:
An official other than the Accounting Officer, Management, Chief Risk Officer and his/her staff.

"Residual Risk" means:
The exposure remaining after the mitigating effects of management intervention(s) to control such exposure, i.e. the remaining risk after management has put in place measures to control the inherent risk.
"Risk" means:
a) The effect of uncertainty on the achievement of the Institution's IDP and SDBIP caused by the presence of risk factors; and/or
b) The failure to optimise opportunities to enhance the achievement of the IDP and SDBIP.
"Risk Appetite" means:
The level of risk which is established through a rigorous analytical process (including consideration of cost versus benefit) that the Institution is prepared and able to accept in furtherance of its objectives.
"Risk Factor" means:
Any threat or event which creates, or has the potential to create risk.
"Risk Intelligence" means:
Information that is purposively identified, collected, analysed, presented and communicated for use in risk management decisions.
"Risk Management" means:
A systematic, coordinated set of activities and methods used to direct an organization and to control risks, including a set of principles, a framework and a process.
"Risk Management Committee" means:
A committee appointed by the Accounting Officer to apply specialist skills, knowledge and experience and assist him/her to dispose of his/her responsibilities for all matters concerned with the establishment, maintenance and functioning of Institution's system of risk management, especially the management of priority risks.
"Risk Management Unit" means:
A business unit which reports to and supports the Chief Risk Officer to fulfil his/her functions.
"Risk Maturity" means:
The sophistication and capability of the Institution to manage risks. Maturity is exhibited by the level of: risk culture, risk governance, risk management processes and Institutional competence [skills, knowledge, experience].
"Risk Owner" means:
The person accountable for managing a particular risk linked to the objective(s) he/she is responsible for.

"Service Delivery and Budget Implementation Plan (SDBIP)" means:
A detailed plan approved by the 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. **"Senior Manager"** means:
(a) in relation to a municipality, a manager referred to in section 56 of the Municipal Systems Act; or
(b) in relation to a municipal entity, a manager directly accountable to the Chief Executive Officer of the entity
"Strategic Risk" means:
Risks connected with strategy selection, implementation or revision which affects the achievement of the IDP. Strategic risks occur both from poor business decisions as well as the failure to effectively implement good decisions.

CHAPTER 2 - PURPOSE, APPLICABILITY AND BACKGROUND

2. Purpose

(1) This Framework has been developed in terms of the following provisions of the MFMA:
a) sections 62(1)(c)(i) and 95(c)(i) of the MFMA, which require the Accounting Officers to ensure that their municipalities and municipal entities have and maintain effective, efficient and transparent systems of risk management;
b) section 20(1)(iv), (v) and (vi) of the MFMA, which empowers the Minister of Finance to prescribe uniform norms and standards in terms of this Act.

(2) The Framework aims to support Institutions (municipalities and municipal entities) to leverage effective risk management practices to protect against adverse outcomes and optimise opportunities, thereby improving institutional performance and enhancing value for citizens.
(3) The application of the Framework will enable the Executive, Management and officials to better understand risk and opportunities in the everyday functioning of the Institution and as a critical part of their normal duties, and to manage them more effectively.
(4) The Framework is perceived from the aforementioned MFMA perspective that seeks to enhance the effective, efficient and economical use of public resources. Its principles, tactics and documentation can however be utilised for risk management in the delivery of the municipal objectives set out in section 152 of The Constitution, read with Schedule 4 (Part 4B) thereto, as well as other legislative prescripts applicable to local government.

3. Applicability

(1) The Framework applies to municipalities and municipal entities, collectively referred to as "Institutions".

(2) The Framework recognises that Institutions are not homogenous hence it is not possible to produce a blueprint that can be generically replicated across all Institutions.

(3) The Framework is thus principles-based rather than being prescriptive. It aims to provide a high-level frame of good principles, standards, models and practices to

help Institutions to address the management of risks in a comprehensive and structured manner.

(4) Appreciating the diverse constitutional authority of Institutions, as well as other dynamics of local government, Institutions are expected to adapt the Framework according to their specific requirements.

4. Background

(1) Institutions are bound by their Constitutional mandates to provide services or products in an efficient, cost effective and economical way.
(2) No institution functions in a risk-free environment and in fulfilling their mandates public institutions are especially vulnerable to risks while being ripe for opportunities at the same time.
(3) Many of the functions within the scope of the local government mandate pose substantial risk exposures but which cannot be avoided in the interest of the public good. Local government institutions therefore characterise elevated risk profiles. This places an extra duty of care on decision makers and managers to ensure that risks are properly managed and the Institution is able to fulfil its mandate notwithstanding the inherent riskiness.
(4) Risk management is a valuable management tool which increases an Institution's prospects of success through minimising negative outcomes and optimising opportunities.
(5) Local and international trends confirm that risk management is a strategic imperative rather than an option within high performing institutions.
(6) A hallmark of high performing institutions is that they set clear and realistic strategies, develop achievable objectives aligned to the strategies, understand the intrinsic risks associated therewith and direct resources towards managing such risks on the basis of cost-benefit principles.
(7) Recognising the foregoing, sections 62(1)(c)(i) and 95(c)(i) of the MFMA enjoins Institutions to implement and maintain effective, efficient and transparent systems of risk management and internal control.
(8) The intention of 4(7) is that Institutions should leverage the system of risk management to achieve, among other things, the following outcomes to underpin and enhance overall performance:
a) more sustainable and reliable delivery of services;
b) informed decisions through appropriate rigour and analysis;
c) innovation;
d) reduced waste;
e) prevention of fraud and corruption;
f) better value for money through more efficient use of resources; and
g) better outputs and outcomes through improved project and programme management.

SECTION 2: PROCESS FRAMEWORK

CHAPTER 3 - CREATING AN ENABLING ENVIRONMENT

5. Creating an enabling environment for the management of risks

(1) In terms of section 62(1)(c)(1) of the MFMA, the Accounting Officer is responsible for ensuring that the Institution has an effective, efficient and transparent system of risk management.

(2) An appropriate Institutional environment must exist to support such a system, therefore establishing and maintaining a conducive environment becomes a critical responsibility for the Accounting Officer.
(3) The Institution's environment is the foundation of risk management, providing the underpinning culture, discipline, structure and processes that influence how strategy and objectives are established, how Institutional activities are planned and executed and how risks are identified, assessed and mitigated.

(4) To create a conducive environment, the Accounting Officer should ensure that the Institution:
a) operates within its Constitutional mandate;
b) adopts a value system founded on a public service ethos;
c) embraces a positive institutional culture characterised, inter alia by: respect for the Constitution and legal mandate(s) under which the Institution functions, respect for citizens and their needs, responsible stewardship of public resources and a commitment to exceptional performance;
d) has the required capacity to execute its mandate;
e) adopts management practices that embrace the concepts of delegation of authority, personal responsibility, accountability and performance management;
f) has an appropriate organisational structure supported by basic financial and management systems underpinned by risk management and internal controls; and
g) incorporates the elements of this Framework within job descriptions, operational policies and reporting procedures throughout Institution, to enable risk management as an embedded and routine part of operations and responsibilities.

(5) A compliance culture is critical for the effective management of risks in the local government environment. The typical preponderance of legislation and regulations are intended to drive good behaviour by restricting undesirable risk taking and encouraging positive actions. Good compliance would normally correlate to good performance (read: good risk management) without the need for extravagant risk management practices.

(6) The capabilities of the entire Institution must be harnessed in the risk management effort through a process of combined assurance. Every employee, working group and committee should become an integral part of the collective system of risk management. Their roles and expected contribution must be formally established and communicated and they need to be capacitated to perform accordingly.

6. Setting institutional objectives
(1) The Accounting Officer should establish objectives that are consistent with the Institution's Constitutional mandate and follows the prescribed consultative process to solicit public inputs.

(2) The Accounting Officer must ensure that:
a) objectives are finalised through a rigorous analysis of the costs and citizenry value associated with incurring such costs;

b) services are appropriate, economical, efficient and equitable;

c) the Institution has and maintains an effective process to identify the risks inherent in the chosen objectives; and

d) the Institution is able to manage such risks effectively, economically and efficiently, or

e) the decision to assume relatively high risk is done in terms of an approved risk appetite framework.

7. Risk management policy

(1) The Institution should operate within the terms of a risk management policy approved by the Accounting Officer, or the governing body in the case of municipal entities.

2) The risk management policy should:

a) communicate the Institution's risk management philosophy particularly how risk management is expected to support the Institution in achieving its objectives;

b) incorporate a statement committing the Institution to implementing and maintaining an effective, efficient and transparent system of risk management;

c) define risk and risk management as they apply within the Institution's particular context;

d) spell out the objectives of risk management;

e) outline the risk management approach; and

f) identify the key role players and their responsibilities.

(3) The risk management policy should be communicated to all incumbent officials as well as new recruits within a reasonable time after they join the Institution.

(8. Risk management strategy

(1) The implementation of the Institution's risk management policy should be guided by a strategy approved by the Accounting Officer, or the governing body in the case of municipal entities.

(2) The strategy should include:

a) a description of the risk management modality;

b) the Institution's risk management architecture, responsibilities for various activities and reporting protocols;

c) the current state of risk management and a plan of action to improve the Institution's risk management capabilities; and

d) details of review and assurance of the risk management process.

(3) The Institution must apply measures for combating fraud, corruption, favouritism and unfair and irregular practices in municipal supply chain management in terms of paragraph (112)(1)(m) of the MFMA. Thus, the risk management strategy must specifically address this requirement.

9. Organisational structure

(1) The Accounting Officer should delegate the functions set out in chapter 14 to the Institution's Chief Risk Officer.

(2) The Accounting Officer should further delegate functions to support the institutional system of risk management being mindful of the need for optimal co-ordination and synergy of risk management activities.

(3) To give effect to the above, the work of business units, working groups and committees should be structured and co-ordinated through a process of combined assurance to provide a complete perspective of the Institution's risk exposures as well as opportunities, and how they are being managed.

(4) The job profiles and performance management criteria of all staff, as well as the terms of reference for working groups and committees must incorporate their responsibilities for risk management.

10. Human resource capacity

(1) Adequate human resources capacity, represented by the requisite staff complement and bearing the appropriate skills and experience is fundamental to implement and maintain the system of risk management.
(2) All employees should be sensitised to the importance of risk management to the achievement of their individual performance objectives as well as the overall institutional objectives.
(3) Training and development opportunities should be provided to equip employees to optimally execute their responsibilities as described in Section 3.
(5) The Chief Risk Officer and staff reporting to him/her should possess the necessary skills, competencies and attitudes to execute the functions set out in Chapter 14.

(6) The job profiles and performance management criteria of all management and staff must incorporate their responsibilities for risk management.

11. Tools and technology

(1) Tools and technology can produce considerable efficiencies by simplifying complex processes, providing business intelligence and accelerating otherwise time-consuming tasks in the risk management process.
(2) The Institution should embrace the use of automated tools for acquiring, capturing, organising, storing and interrogating data, as well as for communicating and tracking information in order to reach higher levels of risk maturity.

(3) The above can be achieved by use of existing line of business applications as well as other support tools and technology already in use in the Institution, with adaptation as may be necessary. This should be considered first before investment in specialised systems is considered.

(4) This Framework provides a number of tools which could be of benefit.

12. Funding the risk management activities

(1) Financial commitments are needed to cover the cost of implementing, maintaining and continuously improving the state of risk management and control.
(2) The Chief Risk Officer should control the operating and capital costs of running the Risk Management Unit.
(3) The cost of implementing and improving controls should be the responsibility of the respective Risk Owners, who should provide for such costs in their capital or operational budgets.
(4) Financial commitments to risk management be considered on the basis of cost versus the value that citizens derive.

CHAPTER 4 - INTEGRATION OF RISK MANAGEMENT ACTIVITIES

13. Enterprise-wide risk management (ERM)

(1) ERM is a systematic, co-ordinated and inclusive process which uses the Institution's strategy (IDP) and objectives (SDBIP) as the focal points to manage the range of risks and optimise opportunities to enhance the achievement of the strategy and objectives.

(2) ERM represents a response to the dilemma that risks (including opportunities) are dynamic and often highly interdependent and need to be managed through a portfolio approach rather than as separate and static events, to achieve comprehensive and integrated attention.

(3) ERM also calls for the Institution to look beyond itself, requiring the consideration of risks on performance regardless of whether events originate internally or externally. In other words, the Institution should also be concerned about risks created by other parties which could impact its performance.

(4) To give effect to 13(3), the Institution should:

a) consider the entire value chain for producing and delivering services or goods, to understand and act on the threats and opportunities posed by the value chain participants on the Institution's performance;

b) communicate timeously with other organs of state and external parties in instances where the identification, evaluation and management of risk to the Institution require the participation of these organs; and

c) identify and communicate to other organs of state and other parties risks posed to them by the Institution's own actions or inaction.

(5) The Institution must be aware of and comply with various legislations that prescribe specialised risk management, for example, Occupational Health and Safety Act, Disaster Management Act, Prevention of Fraud and Corruption Act and others, and integrate these within the ERM process.

(6) True to the concept of ERM and the principles of combined assurance, synergy should be established between the Risk Management Unit, Risk Management Committee and internal functions concerned with specialised risk management activities, including but not limited to those for:

a) strategy planning and management;
b) occupational health and safety;
c) environmental risk management;
d) disaster management
e) business continuity management;
f) prevention of fraud and corruption;
g) contracts management;
h) internal audit;
i) performance monitoring and evaluation; and
j) oversight of municipal entities.

CHAPTER 5 - RISK IDENTIFICATION

14. Risk Identification

(1) Risk identification is a deliberate and systematic effort to find, recognise, describe and document the Institution's risks, with the main focus being on the risks that have a significant impact the Institution's objective.
(2) The purpose of risk identification is to understand what is at risk within the context of the Institution's explicit and implicit objectives and to generate a comprehensive inventory of such risks based on the threats and events that might prevent, degrade, delay or enhance the achievement of the objectives.
(3) The risk identification process should expose what is uncertain, as well as the source(s), cause(s) and the consequence(s) of uncertainties.
(4) The risk identification process must be able respond to the typically dynamic nature of the risk environment by being able to timeously detect new and emerging risks, as well as risks that no longer relevant.
(5) The risk identification process should cover all risks, regardless of whether or not the sources of such risks are within the direct control of the Institution. A risk must not be ignored because the Institution does not have control over it.
(6) Risk identification should be inclusive, not overly rely on the inputs of a few senior officials and should also draw as much as possible on unbiased independent sources, including the perspectives of important stakeholders.
(7) Risk workshops and interviews are useful for identifying, filtering and screening risks but it is important that these judgement-based techniques be supplemented by more robust and sophisticated methods where possible, including quantitative techniques.
(8) Risk identification should be strengthened by supplementing management's perceptions of risks with independent information and quantitative analysis. Depending on the risk being considered the following could provide useful information:

a) review of external and internal audit reports;
b) financial analyses;
c) historic data analyses;
d) actual loss data;
e) incident reports;
f) insurance survey reports;
g) health and safety surveys;
h) fraud risk assessment reports;
i) operational research;
j) scenario analyses;
k) forecasting and stress testing;
l) interrogation of trends in key performance indicators;
m) benchmarking against peer group or quasi peer group;
n) market and sector information;
o) specialist and expert judgements;

p) oversight reports issued by relevant authorities such as National Treasury, Provincial Treasury and others, and
q) national and global risk reports such as those issued by the World Economic Forum and the Institute of Risk Management South Africa.

(9) Identification of risk should extend across the institution's entire value chain for producing and delivering services or goods, to identify the threats and opportunities posed by the value chain participants to the Institution's performance.
(10) Contingent risks such as those inherent in guarantees provided to entities and public private partnership arrangements must not be neglected.
(11) The Institution must be aware of specific prescriptions and/or guidance by regulatory and other relevant authorities concerning risk identification and reporting protocols.

15. Focus points of risk identification
(1) To ensure a comprehensive process of risk identification, the Institution should identify risks by considering both internal and external risk factors, through:

a) Strategic risk identification to identify risks ensuing from the strategic choices made in the Integrated Development Plan (IDP), as well as execution risk associated therewith:
i) the Institution's strategic risks should be identified and documented as part of the Institution's strategy setting process, which is assumed to include the consideration of threats and opportunities, and uses the Institutional risk register as one source of information;
ii) strategic risk identification as part of the process to finalise the IDP ensures that strategic targets are risk-adjusted to ensure that they are realistic and achievable within existing and acquirable capacity;
iii) it also helps focus the risk plan to take account of the identified strategic risks that need to be managed through the normal functioning of the system of risk management, and
iv) strategic risks should be formally reviewed concurrently with changes in strategy, or at least once a year to consider new and emerging risks.

b) Operational risk identification based on the SDBIP to identify risks concerned with the Institution's operations:
i) operational risk identification should concern itself with identifying events that retard or advance the achievement of the SDBIP;
ii) the process should examine vulnerabilities and opportunities presented by employees, Institutional processes and systems, contractors, regulatory authorities and external events using a variety of relevant sources and techniques, such as those mentioned in 14(7);
iii) operational risk identification should be an embedded continuous process to identify new and emerging risks and consider changes in known risks using mechanisms such as management and committee meetings, environmental scanning, process reviews and the like, and
iv) operational risk identification should be repeated when significant environmental or Institutional changes occur, or at least once a year, to identify new and emerging risks.

c) Project risk identification to identify risks inherent to particular projects:

i) project risks should be identified for all major projects, covering the whole lifecycle, and
ii) for long term projects, the project risk register should be reviewed at least once a year to identify new and emerging risks.

CHAPTER 6 - RISK ASSESSMENT

16. Risk assessment

(1) Risk assessment is a systematic process to assign values to risks based on likelihood and probability criteria. The Institution must adopt a credible risk rating matrix and related criterion for this purpose.
(2) The purpose of risk assessment is to help the Institution to prioritise the risks in order of importance so that they can be addressed accordingly.
(3) Risk assessment should be performed through a three-stage process:

(i) the inherent risk should be assessed to establish the level of exposure in the absence of deliberate management actions to influence the risk;
(ii) a residual risk assessment should follow to determine the remaining level of risk after the mitigating effects of management actions to influence the risk are factored in; and
(iii) the residual risk should be evaluated against the Institution's risk appetite to determine if additional management intervention is needed to reduce the risk further.

(4) Risk assessment should be strengthened by supplementing Management's perceptions with the methods referred to in 14(7).
(5) Assessments should be re-performed for the priority risks when significant environmental and/or organisational events occur, but at least once a year, to determine the changes in the level of risks and whether these demands further management action.

CHAPTER 7 - RISK RESPONSE

17. Responding to risks

(1) Risk response is concerned with developing appropriate strategies, tactics and internal controls to address risks.
(2) Risk response should also make provision for the exploitation of opportunities to improve the performance of the Institution.
(3) Management should develop response strategies for all priority risks, whether or not the management thereof is within the direct control of the Institution, prioritising the risks exceeding or nearing the risk appetite level.
(4) Where the management of the risk is within the control of the Institution, the response strategies should consider:

a) to the extent that avoiding the risk is not in violation of its constitutional mandate, avoiding the risk by, for example, choosing a different strategy or terminating the activity that produces the risk;
b) treating the risk by, for example, implementing or improving the internal control system to deal with the risk events;
c) transferring the risk (but not the accountability for achieving the related objective) to another party more competent to manage it by, for example, contracting out services, establishing strategic partnerships and buying insurance;

d) accepting the risk where cost and strategy considerations rule out alternative strategies; and

e) exploiting the risk factors by implementing strategies to take advantage of the opportunities presented by such risk factors.

(5) In instances where risk is unavoidable but also not within the control of management, the response strategies should consider measures such as forward planning and lobbing. The assistance of Council as well as provincial and national government is vital in such instances and should be called upon as necessary.

(6) Risk responses must produce net positive outcomes, that is to say, it must reduce net negative outcomes or maximise positive outcomes. It is important therefore to ensure through careful thought before implementation, and monitoring thereafter, that responding to risks does not inadvertently produce adverse results. A typical example would be where actions taken in one area stifles the performance of another, with an end result placing the Institution in a worse position.

(7) Response strategies should be documented and the responsibilities and implementation timelines should be communicated to the relevant persons.

(8) Incidents (risks that have eventualised) must be addressed in terms of the Institution's Incident Management and/or Business Continuity & Disaster Recovery processes. However, the possibility of new risks triggered should be considered when this happens.

18. Designing control activities to mitigate risks

(1) Management is responsible for designing, implementing and monitoring the effective functioning of system internal controls.

(2) Without derogating from the above, everyone in the Institution should also have responsibilities for maintaining effective systems of internal controls, in line with their delegated authority.

(3) Management should develop the internal control architecture through:

a) preventative controls to prevent errors or irregularities from occurring e.g. physical security of assets to prevent theft;

b) detective controls to find errors or irregularities after they have occurred e.g. performance of reconciliation procedures to identify errors; and

c) corrective controls that operate together with detective controls to correct errors or irregularities.

(4) The internal control architecture should include:

a) management controls to ensure that the Institution's structure and systems support its policies, plans and objectives, and that it operates within laws and regulations;

b) administrative controls to ensure that policies and objectives are implemented in an efficient and effective manner;

c) accounting controls to ensure that resources are accounted for fully and transparently and are properly documented; and

d) information technology controls to ensure security, integrity and availability of information.

CHAPTER 8 - COMMUNICATION AND REPORTING

19. Communication and reporting

(1) Relevant information, properly and timeously communicated is essential to equip the relevant officials to identify, assess and respond to risks.
(2) The Institution's risk communication and reporting process should support enhanced decision making and accountability through:

a) disseminating relevant, timely, accurate and complete information;
b) providing information of appropriate content, granularity and style to the respective audience that empowers: officials to take proper risk actions, managers to manage risk within their portfolios, oversight functions and regulatory authorities to oversee risk management efficacy and citizens to be kept informed; and
c) communicating responsibilities and actions.

(3) Risk reports are valuable when they report on the status of the Institution's risk profile, elaborating on:

(a) what has actually happened vs expectations, why and any remedial actions;
(b) what is new, changed or has gone away since the previous report, and why this is so;
(c) future expectations; and
(d) the state of the Institution's risk maturity

(4) The Institution must ensure compliance with all mandatory reporting on risk and risk management, for example:

a) disclosures required in the annual financial statements and annual report;
b) reporting instructions of provincial and national government; and
c) reporting instructions of oversight and regulatory authorities.

CHAPTER 9 - MONITORING

20. Risk monitoring

(1) Monitoring concerns checking on a regular basis to confirm the proper functioning of the entire risk management system.
(2) Monitoring should be effected through ongoing activities or separate evaluations to ascertain whether risk management is effectively practised at all levels and across the Institution in accordance with the risk management policy, strategy and plan.
(3) Monitoring activities should focus on evaluating whether:

a) assigned responsibilities are being executed effectively;
b) risk response strategies are producing the desired result of mitigating risks or exploiting opportunities; and
c) improvements in the system of risk management are producing positive changes in Institutional performance.

(4) Section 71 of the MFMA which requires the Accounting Officer to assess and report on the half year performance of the Institution presents an ideal opportunity for a critical re-evaluation of the state of risk and risk management for the year under review.

SECTION 3: ROLES AND RESPONSIBILITIES

CHAPTER 10 - RISK MANAGEMENT FUNCTIONS OF THE COUNCIL

21. Functions of the Council with respect to risk management

(1) The Council should take an interest in risk management to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place to protect the Institution against significant risks.

(2) Responsibilities of the Council in risk management should include:

a) ensuring that the Institutional strategy and objectives are aligned to the government mandate and community's priorities;

b) insisting on the achievement of objectives, effective performance management and value for money.

c) understand the Institution's risk profile;

d) being aware of and concurring with the Institution's risk appetite;

e) understanding the priority risks, especially those where Council can play a role in risk mitigation without interfering with the mandate of the Accounting Officer;

f) obtaining assurance from management that the Institution's strategic choices were based on a rigorous assessment of risk;

g) obtaining assurance that priority risks inherent in the Institution's strategies were identified and assessed, and are being properly managed;

h) assisting the Accounting Officer with fiscal, intergovernmental, political and other risks beyond his/her control and influence; and

(3) When other agencies deliver services, Council must retain power and ensure that delegated functions are performed properly within a clear policy framework and legal contracts.

CHAPTER 11 - RISK MANAGEMENT FUNCTONS OF ACCOUNTING OFFICERS

22. Functions of Accounting Officer with respect to risk management

(1) The Accounting Officer is the ultimate Chief Risk Officer of the Institution, assumes ownership of risk management and is accountable for the Institution's overall governance of risk;

(2) The Accounting Officer may delegate the responsibilities for developing and maintaining an effective and efficient system of risk management as set out in paragraph 25 to a competent Chief Risk Officer but maintains accountability.

(3) The Accounting Officer sets the tone for integrity, ethics and other factors of the control environment in the Institution.

(4) High level responsibilities of the Accounting Officer should include:

a) setting an appropriate tone by supporting and being seen to be support the Institution's aspirations for effective risk management;

b) delegating responsibilities for risk management to Management and internal functions such as the Risk Management Committee, Fraud Prevention Committee, Finance Committee, Information and Communication Technology Committee, and holding them accountable;

c) holding Management accountable for designing, implementing, monitoring and integrating risk management into their day-to-day activities;

d) providing leadership and guidance to enable Management and internal structures responsible for various aspects of risk management to properly perform their functions;
e) ensuring that the control environment supports the effective functioning of risk management as discussed in Chapter 3;
f) considering the inputs and recommendations of the Audit Committee and Risk Management Committee, approve: i. the risk management policy, strategy, and implementation plan;
ii. the fraud prevention policy, strategy and implementation plan
iii. risk appetite framework
g) devoting personal attention to overseeing management of the priority risks;
h) leveraging the Audit Committee, Internal Audit, Auditor-General and Risk Management Committee for assurance on the effectiveness of risk management;
i) ensuring appropriate action in respect of the recommendations of the Audit Committee, Internal Audit, Auditor-General and Risk Management Committee to improve risk management; and
j) providing assurance to relevant stakeholders that priority risks are properly identified, assessed and mitigated.

CHAPTER 12 - RISK MANAGEMENT FUNCTIONS OF AUDIT COMMITTEES

23. Functions of the Audit Committee with respect to risk management

(1) The Audit Committee is an independent committee responsible for oversight of the Institution's control, governance and risk management.
(2) The responsibilities of the Audit Committee with respect to risk management should be formally defined in its charter.
(3) The Audit Committee should provide an independent and objective view of the Institution's risk management effectiveness.
(4) The Audit Committee should be active and posses appropriate management, technical and other expertise, coupled with the mind-set to perform its oversight responsibility.
(5) The Audit Committee must be prepared to scrutinise and question management activities, present alternative views and act in the face of wrongdoing.

(6) Responsibilities of the Audit Committee, where there is a separate Risk Management Committee, should include:
a) reviewing and recommending disclosures on matters of risk in the annual financial statements and annual report;
b) reviewing and providing regular feedback to the Accounting Officer on the adequacy and effectiveness of risk management in the Institution, including recommendations for improvement;
c) ensuring that the Internal Audit and Auditor-General plans are aligned to the risk profile of the Institution;
d) providing oversight over the combined assurance process
e) reviewing and concurring with the Institution's risk appetite
f) receiving and considering reports from the Risk Management Committee
g) satisfying itself that it has appropriately addressed the following areas:

(i) financial reporting risks, including the risk of fraud;
(ii) internal financial controls; and

(iii) IT risks as they relate to financial reporting.
g) evaluate the effectiveness of Internal Audit in its responsibilities for risk management.

(7) Where there is no separate Risk Management Committee, the risk management responsibilities of the Audit Committee should be identical to those listed in 24(4).

CHAPTER 13 - FUNCTIONS OF RISK MANAGEMENT COMMITTEES

24. Functions of the Risk Management Committee

(1) The Risk Management Committee is appointed by the Accounting Officer to assist in the discharge of their responsibilities for risk management.
(2) The membership of the Risk Management Committee should comprise both management and external members with the necessary blend of skills, competencies and attributes, including the following critical aspects:

a) an intimate understanding of the Institution's mandate and operations;
b) the ability to act independently and objectively in the interest of the Institution; and
c) a deep understanding of risk management principles and their application.

(3) The chairperson of the Risk Management Committee should be an independent external person, appointed by the Accounting Officer.
(4) The responsibilities of the Risk Management Committee should be formally defined in a charter approved by the Accounting Officer.
(5) In discharging its governance responsibilities relating to risk management, the Risk Management Committee should:

a) review and recommend for the Approval of the Accounting Officer, the:
(i) risk management policy;
(ii) risk management strategy and implementation plan;
(iii) risk appetite framework;

b) evaluate the extent and effectiveness of integration of the risk management framework within the Institution;
c) evaluate the effectiveness of the mitigating strategies implemented to address the priority risks of the Institution;
d) review the material findings and recommendations by assurance providers on the system of risk management and monitor the implementation of such recommendations;
e) develop key performance indicators for its own performance for approval by the Accounting Officer;
f) collaborate with the Audit Committee on all matters concerning risks and risk management; and
g) provide timely and useful reports to the Accounting Officer and Audit Committee on the state of risk management, together with recommendations to address any deficiencies identified.

(6) In instances where the scale, complexity and geographical dispersion of the Institution's activities dictate the need for the Risk Management Committee to work through sub-committees, the Risk Management Committee should ensure that:

a) approval is obtained from the Council for the establishment of the sub-committees;
b) the terms of reference of the sub-committees are aligned to that of the Risk Management Committee; and
c) the Risk Management Committee exercises control over the functioning of the sub-committees.

CHAPTER 14 - FUNCTIONS OF CHIEF RISK OFFICERS

25. Functions of the Chief Risk Officer

(1) The primary responsibility of the Chief Risk Officer is to bring to bear his / her specialist expertise to assist the Institution to embed risk management and leverage its benefits to enhance performance.

(2) The high-level responsibilities of the Chief Risk Officer should include:

a) being responsible for the Risk Management Unit and other delegations by the Accounting Officer;
b) working with senior management to develop the Institution's vision for risk management;
c) developing, in consultation with management, the Institution's risk management framework incorporating, inter alia, the:

(i) risk management policy;
(ii) risk management strategy and implementation plan;
(iv) risk identification and assessment methodology;
(v) risk appetite; and
(vi) risk classification.

d) determining, implementing and maintaining effective risk management infrastructure, policies, procedures and processes;
e) communicating the Institution's risk management framework to all stakeholders in the Institution and monitoring its implementation;
f) ensuring that the Audit Committee, Risk Management Committee and senior management are adequately appraised and trained on current and emerging risk management concepts and principles;
g) establishing, communicating and facilitating the use of appropriate risk management methodologies, tools and techniques;
h) facilitate training for all stakeholders in their risk management functions;
i) assisting Management with risk identification, assessment and development of response strategies, and monitoring implementation thereof;
j) working with management and staff to establish and maintain effective risk management in their areas of responsibility, including the reform of internal processes and policies to incorporate elements and practice of risk management at the operational/functional level;
k) collating, aggregating, interpreting and analysing the results of risk assessments to extract risk intelligence;
l) reporting risk intelligence to the Accounting Officer, Management and the Risk Management Committee;
m) monitoring the Institution's risk profile, ensuring that major risks are identified and reported upwards;

n) facilitating Institution-wide risk evaluation and monitoring the capabilities around the management of the major risks;
o) participating with Internal Audit, Management and Auditor-General in developing the combined assurance plan for the Institution;
p) overseeing the Risk management Unit's participation in the combined assurance process;
q) drafting the risk management disclosures for the annual financial statements and annual report for approval by the Accounting Officer;
r) and
s) continuously driving risk management to higher levels of maturity;

CHAPTER 15 - RISK MANAGEMENT FUNCTIONS OF MANAGEMENT

26. Functions of Management with respect to risk management

(1) Management is ultimately accountable for managing risks within their areas of responsibilities, for executing their responsibilities outlined in the risk management strategy and integrating risk management into the operational routines by modifying policies, procedures as well as performance and reward criteria to align to the risk management imperative.
(2) High level responsibilities of Management should include:
a) executing their responsibilities as set out in the risk management strategy;
b) empowering officials to perform effectively in their risk management responsibilities through proper communication of responsibilities, comprehensive orientation and ongoing opportunities for skills development;
c) aligning the functional risk management methodologies and processes with the Institutional process;
d) devoting personal attention to overseeing the management of priority risks within their area of responsibility;
e) maintaining a co-operative relationship with the Risk Management Unit;
f) providing risk management reports;
g) reporting to the Risk Management and Audit Committees as may be requested;
h) maintaining the proper functioning of the control environment within their area of responsibility;
i) monitoring risk management within their area of responsibility; and
j) holding officials accountable for their specific risk management responsibilities.

CHAPTER 16 - RISK MANAGEMENT FUNCTIONS OF OTHER OFFICIALS

27. Functions of other officials with respect to risk management

(1) Other officials are responsible for integrating risk management into their day-to-day activities.
(2) High level responsibilities of other officials should include:
a) applying the risk management processes in their respective functions;
b) implementing the delegated action plans to address the identified risks;

c) informing their supervisors and/or the Risk Management Unit of new risks and significant changes in risks;
d) escalating instances where management of risk is beyond their control; and
e) co-operating with other role players in the risk management process and providing information as required.

CHAPTER 17 - FUNCTIONS OF RISK CHAMPIONS

28. Functions of the Risk Champion (revisit)

(1) The Risk Champion is a person with the skills, knowledge, leadership qualities and power of office required to champion a particular aspect of risk management.
(2) A key part of the Risk Champion's responsibility should involve intervening in instances where the risk management efforts are being hampered, for example, by the lack of co-operation by Management and other officials and the lack of institutional skills and expertise.
(3) The Risk Champion should also add value to the risk management process by providing guidance and support to manage "problematic" risks and risks of a transversal nature that require a multiple participant approach.
(4) In order to fulfil his/her function, the Risk Champion should possess:
a) a good understanding of risk management concepts, principles and processes;
b) good analytical skills;
c) expert power;
d) leadership and motivational qualities; and
e) good communication skills.

(5) The Risk Champion should not assume the role of the Risk Owner but should assist the Risk Owner to resolve problems.
(6) Some of the roles and responsibilities of the Risk Champion may also include:
a) Advocating the culture of change and adopting risk management as a professional discipline to be adopted in every day management of activities and to strategically influence the current way of doing things which is compliance driven;
b) Educating the stakeholders of the importance of managing risk in dealing with public funds, the responsibility that goes beyond meeting the requirements of meeting the requirements of financial management prescripts but most importantly impacting positively service delivery;
c) Communicating the right message and driving this message to influence behaviour and discipline in getting the basics right. This extends further to ensuring the use of a common risk management language and consistent messages in all communications, and
d) Informing the users and stakeholders of current demands, need to improve, what to improve and how to improve to leave the legacy that goes beyond compliance but continuous improvement of accountability and service delivery.

(7) A key part of the Risk Champion's responsibility should involve intervening in and escalating instances where the risk management efforts are being hampered, for

example, by the lack of co-operation by Management and other officials and the lack of institutional skills and expertise.

CHAPTER 18 - RISK MANAGEMENT FUNCTIONS OF INTERNAL AUDITING

29. Functions of Internal Auditing with respect to risk management

(1) The role of the Internal Auditing in risk management is to provide an independent, objective assurance on the effectiveness of the Institution's system of risk management.
(2) Internal Auditing must evaluate the effectiveness of the entire system of risk management and provide recommendations for improvement where necessary.
(3) Internal Auditing must develop its internal audit plan on the basis of the key risk areas.
(4) In terms of the International Standards for the Professional Practice of Internal Audit, determining whether risk management processes are effective is a judgment resulting from the Internal Auditor's assessment that:
Institutional objectives support and align with the Institution's mission;
b) significant risks are identified and assessed;
c) risk responses are appropriate to limit risk to an acceptable level; and
d) relevant risk information is captured and communicated in a timely manner to enable the Accounting Officer, Management, the Risk Management Committee and other officials to carry out their responsibilities.

(5) In cases where Internal Auditing and Chief Risk Officer roles are combined, the risk management responsibilities include:
a) assisting Management to develop the risk management policy, strategy and implementation plan;
b) co-ordinating risk management activities;
c) facilitating identification and assessment of risks;
d) recommending risk responses to Management; and
e) developing and disseminating risk reports.

(6) When assisting Management in establishing or improving risk management processes, Internal Auditing must refrain from assuming management responsibilities for risk management, as well as auditing the risk management function.

CHAPTER 19 - RISK MANAGEMENT FUNCTIONS OF THE AUDITOR-GENERAL

30. Functions of the Auditor-General with respect to risk management

(1) The Auditor-General provides an independent opinion on the effectiveness of risk management as part of the regularity audit.
(2) In providing the audit opinion, the Auditor- General usually focuses on:
a) determining whether the risk management policy, strategy and implementation plan are in place and are appropriate;
b) assessing the implementation of the risk management policy, strategy and implementation plan;
c) reviewing the risk identification process to determine if it is sufficiently robust to facilitate the timely, correct and complete identification of significant risks, including new and emerging risks;

d) reviewing the risk assessment process to determine if it is sufficiently robust to facilitate timely and accurate risk rating and prioritisation; and
e) determining whether the management action plans to mitigate the priority risks are appropriate, and are being effectively implemented.

(3) The Auditor-General will also probe the root causes of audit findings and flag the related risks.

CHAPTER 20 - RISK MANAGEMENT FUNCTIONS OF THE NATIONAL TREASURY

31. Functions of the National Treasury with respect to risk management

(1) The National Treasury's functions in terms of sections 5(2) and section 34 of the MFMA enjoins it to:
a) prescribe uniform norms and standards;
b) monitor and assess the implementation of the MFMA;
c) assist Institutions in building their capacity for efficient, effective and transparent financial management; and
d) enforce the MFMA.
(2) The National Treasury should therefore monitor and assess the implementation of risk management in municipalities, and share with them the results of its monitoring to the extent that those results may assist the municipality in improving its risk management.
(3) With respect to capacity building, the National Treasury should assist municipalities and municipal entities in building their capacity for efficient, effective and transparent risk management.
(4) The National Treasury should also enforce the requirement for effective risk management when a municipality fails to address deficiencies in its system of risk management that have been communicated by the Auditor-General, National or Provincial Treasury, Audit Committee, or other competent authority.
(5) In addition, the National Treasury may do anything further that is necessary to fulfil its responsibilities effectively.

CHAPTER 21 - RISK MANAGEMENT FUNCTIONS OF THE PROVINCIAL TREASURIES

32. Functions of the Provincial Treasury with respect to risk management

(1) The Provincial Treasury has specific functions in terms of sections 5(4) and 34 of the MFMA to:
a) prescribe uniform norms and standards;
b) monitor and assess the implementation of the MFMA;
c) assist Institutions in building their capacity for efficient, effective and transparent financial management; and
d) assist the National Treasury to enforce compliance.

(2) The Provincial Treasury should therefore monitor and assess the implementation of risk management in municipalities, and share with them the results of its monitoring to the extent that those results may assist the municipality in improving its risk management.

(3) With respect to capacity building, the Provincial Treasury should assist municipalities and municipal entities in building their capacity for efficient, effective and transparent risk management.
(4) The Provincial Treasury should also enforce the requirement for effective risk management when a municipality fails to address deficiencies in its system of risk management that have been communicated by the Auditor-General, National or Provincial Treasury, Audit Committee, or other competent authority.

(5) In addition, the Provincial Treasury may do anything further that is necessary to fulfil its responsibilities effectively.

CHAPTER 22 - RISK MANAGEMENT FUNCTIONS OF THE BOARD OF DIRECTORS

33. Functions of the Board of Directors with respect to risk management

(1) The Board of Directors of a municipal entity is responsible for the overall governance of risk by, inter alia:
a) setting direction for how risks should be approached and addressed;
b) approving risk management policy, strategy and plan;
c) ensuring that risk consideration is integral to decision making;
d) providing oversight on risk management;
e) providing direction on setting risk appetite and agreeing on the risks to be taken in pursuit of strategic objectives;
f) ensuring that strategic risks are appropriately and adequately managed; and
g) ensuring that an independent assurance on the effectiveness of risk management is provided.

CHAPTER 23 - RISK MANAGEMENT FUNCTIONS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

35. Functions of the Municipal Public Accounts Committee with respect to risk management

(1) The Municipal Public Accounts Committee is established through section 79 of the Municipal Structures Act in order to promote transparency, accountability, good governance, effective financial management, and quality service delivery at municipalities.
(2) Its primary function in relation to risk management is:

a) To consider and evaluate the risk management content contained in the annual report and to make recommendations to Council when adopting an oversight report on the annual report;
b) Review information relating to past recommendations made on the Annual Report on risk management including the quarterly and mid-year reports;
c) Examine audit reports of the municipality, taking into consideration improvements from previous reports and must evaluate the extent to which the Audit Committee's and the Auditor General's recommendations relating to risk management have been implemented; and
d) To perform any other functions assigned to it through a resolution of Council within its area of responsibility.

CHAPTER 24 - RISK MANAGEMENT FUNCTIONS OF THE MAYORAL COMMITTEE

36. Functions of the Mayoral Committee with respect to risk management

(1) The mayoral committee provides oversight to the municipal manager and is accountable to the council.
(2) The mayoral committee is responsible for carrying out any risk management related responsibilities that may have been delegated to it by the Executive Mayor

CHAPTER 25 - RISK MANAGEMENT FUNCTIONS OF THE DEPARTMENT OF COOPERATIVE GOVERNANCE

37. Functions of the Cooperative Governance with respect to risk management

(1) Supporting the risk management policies, strategies and activities that enhance the delivery of municipal services to the right quality and standard.
(2) Promote good governance, transparency and accountability, ensures sound financial management and accounting.

CHAPTER 26 - RISK MANAGEMENT FUNCTIONS OF SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION

38. Functions of the South African Local Government Association with respect to risk management

(1) Providing ideas, advice, political insight, and support on risk management related issues, including risk management training for councillors.

CHAPTER 27 - RISK MANAGEMENT FUNCTIONS OF EXECUTIVE COMMITTEE

39. Functions of the Executive Committee with respect to risk management

(1) The Executive Committee (EXCO) has a duty to monitor financial and performance management against the Municipality's objectives and/or mandate.

(2) EXCO is responsible for overseeing the day-to-day implementation of the Municipality's policies and making sure that the Municipality's oversight structures are establishing and maintaining good governance practices.
(3) Furthermore, the EXCO also has risk management duties to:

a) Endorse risk management strategies and plans for approval, especially areas identified as high risks;
b) Make inputs to the strategic direction of the Municipality when risk management is concerned; and
c) Identify and communicate to the Accounting Officer opportunities and emerging risks affecting the Municipality.

CHAPTER 28 - RISK MANAGEMENT FUNCTIONS OF CHIEF FINANCIAL OFFICER _ BUDGET\TREASURY OFFICE

40. Functions of the Chief Financial Officer with respect to risk management

(1) The Chief Financial Officer (CFO) has a duty to that the financial resources needed to manage the institutional risks are available, by:

a) Driving a risk-based budgeting system and ensuring that the budget process is aligned to risk management.

b) Ensuring risk reporting in the budget reports.

(2) The CFO also needs to ensure that the critical risks within the financial environment are identified, assesses and managed; and should also champion risk management within the financial environment to deal with the institution's financial risks.

SECTION 4: PERFORMANCE AND EVALUATION OF RISK MANAGEMENT

CHAPTER 29 - EVALUATION OF RISK MANAGEMENT EFFECTIVENESS

41. Evaluation of value add

(1) Evaluation of risk management effectiveness is vital to maximise the value proposition of risk management.
(2) Institutions should strive to incrementally and sustainably achieve a mature risk management regime in order to optimise the benefits of risk management.
(3) Institutions should periodically evaluate the value add of risk management by measuring outcomes against pre-set key performance indicators aligned to the overall goals and objectives of the Institution.
(4) Institutions should utilise the Financial Management Maturity Capability Model developed by the National Treasury to evaluate their current and progressive risk management maturity.

42. Performance Indicators

(1) Everyone in the Institution has a part to play in achieving and sustaining a vibrant system of risk management and to that extent must function within a framework of responsibilities and performance indicators.
(2) The Accounting Officer should evaluate his/her own performance in leading the risk management process in the Institution through the following and other relevant indicators:

a) the risk management maturity trend as measured in terms of an appropriate index such as the Financial Capability Maturity Model;

b) the Institution's performance against key performance indicators and targets, including comparison of year-on-year performance;

c) percentage change in unauthorised expenditure, fruitless and wasteful expenditure and irregular expenditure based on year-on-year comparisons;

d) percentage change in fraud and corruption based on year-on-year comparisons

e) percentage change in incidents based on year-on-year comparisons; and

f) comparison of year-on-year outcomes of regularity and performance audits.

(3) Insofar as it concerns the responsibilities of the Audit Committee for risk management, the Accounting Officer should evaluate the performance of the Committee through the following and other relevant indicators:
a) the Auditor-General's report on the effectiveness of the Audit Committee;
b) the results of the Audit Committee's own 360-degree assessment;
c) the Committee's co-ordination of combined assurance; and
d) the quality and timeliness of the Audit Committee's counsel and recommendations on matters concerning the system of risk management.

(4) The Accounting Officer should evaluate the performance of the Risk Management Committee through the following and other relevant indicators:
a) the results of the Risk Management Committee's own 360-degree assessment;
b) the pace and quality of the implementation of the risk management framework;
c) the Internal Audit report on the state of risk management;
d) the Auditor-General's report on the effectiveness of the Risk Management Committee; and
e) the quality and timeliness of the Risk Management Committee's counsel and recommendations.

(5) The Accounting Officer, in consultation with the Risk Management Committee, should evaluate the performance of the Chief Risk Officer through the following and other relevant indicators:
a) development and implementation of the risk management policy, strategy and implementation plan;
b) the Institution's collective awareness, skill and participation in risk management;
c) risk management maturity;
d) quality and timeliness of support to Management, other officials and the Risk Management Committee; and
e) quality and timeliness of risk intelligence.

(6) The Accounting Officer should evaluate the performance of Management through the following and other relevant indicators:
a) business unit performance against key indicators, including comparison of year-on year performance;
b) implementation of risk management action plans;
c) co-operation with the Risk Management Unit, Risk Management Committee, Risk Champion and relevant stakeholders involved in risk management;
d) quality and timeliness of risk identification, assessment and reporting;
e) proactive identification of new and emerging risks;
f) year-on-year reduction in adverse incidents and losses;
g) elimination of unauthorised expenditure, fruitless and wasteful expenditure and irregular expenditure;
h) reduction in fraud; and
i) progress in securing improved Internal Audit and Auditor-General outcomes in regularity and performance audits.

(7) Insofar as it concerns the responsibilities of Internal Auditing for risk management, the Accounting Officer should evaluate the performance of Internal Auditing through the following and other relevant indicators:
a) timeliness and quality of assurance on risk management;
b) timeliness and quality of recommendations to improve risk management; and
c) adoption of risk-based auditing.

(8) Management should evaluate the performance of their staff through the following and other relevant indicators:
a) implementation of risk management action plans.

REFERENCES

1. Companies Act No. 71 of 2008.
2. COSO Enterprise Risk Management – Integrated Framework 2004.
3. COSO – Strengthening Enterprise Risk Management for Strategic Advantage, 2009.
4. Draft International Standards ISO/DIS 31000, 2008.
5. Framework for Managing Programme Performance Information 2007.
6. International Standards for the Professional Practice of Internal Audit.
7. Hilson, D (2018). *100 Risk Questions.*
7. King Code of Governance for South Africa 2009.
8. Municipal Finance Management Act no. 56 of 2003.
9. SALGA – Best Practice for Municipalities on Enterprise Risk Management Roles and Responsibilities.
11. The Orange Book, Management of Risk – Principles and Concepts, October 2004.

11.11.6	ADOPTION OF THE REVISED STRATEGIC AND OPERATIONAL RISK REGISTER FOR THE 2021/22 FINANCIAL YEAR WITH RISK APPETITE

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **23 March 2022 and 30 March 2022**

1. SUBJECT: ADOPTION OF THE REVISED STRATEGIC AND OPERATIONAL RISK REGISTER FOR THE 2021/22 FINANCIAL YEAR WITH RISK APPETITE

2. PURPOSE

To submit the Strategic and Operational Risk Register for the 2021/22 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 was 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.

5. RECOMMENDATION

that Council Adopts the Strategic and Operational Risk Register for the 2021/22 financial year.

6. DISCUSSION

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 was 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.

6. 1 Background

In terms of Section 60 of the MFMA the Municipal Manager must take reasonable steps to ensure that the municipality maintain effective financial and risk management as well as internal controls.

The principal aim of the risk assessments process is to:

- Identify the risks threatening the achievement of the IDP's objectives of each directorate;
- Assess the key risks facing each directorate; and
- Identify the processes / functions / directorates / persons the municipality and top management relies upon to manage the identified risks.
- Align the mentioned risk management process with processes as established by provincial and national government (as communicated to the municipality).

6.1 <u>Discussion</u>

During the first and second quarters ot the current financial year and during November 2021 extensive risk assessments were completed due to the pandemic as well as management and the accounting officer agreeing to adopt a new format and methodology for the risk register.

Changes were example the risk ratings changes from 1 – 5 now reflects 1- 10. In changing the said directorates have more ratings to consider and evaluate which in the end results in a better and more accurate rating.

A better picture how actual and identified risks are managed as measurements and calculations were adopted to reflect this and bringing the picture to the identified risks after controls were put in place. These include:

- Perceived control effectiveness
- Current Controls
- Control Ratings
- Residual Risk
- Residual Risk Exposure

Certain risks has also been revised to ensure that the municipality can appropriately respond to the impact of these risks to municipal service delivery taking into account he changing external and internal factors. Provision was also made for ineffective service delivery due to geopolitical Instability and impact of the Ukriane and Russian war on global commodities in particular fuel.

These risks include (see annexed Risk Register for detail):

<u>Strategic Risks:</u>

- Availability and cost of electricity – moved up to number one;
- Corona-19 Pandemic – moved up to 2nd highest strategic risk;

- Increased risk of land invasion – moved up to 3rd highest strategic risk;
- Scarcity of landfill space.

Operational Risks:

- Insufficient burial space in the greater Stellenbosch – amended to take into account increased COVID-19 burials; remain the highest operational risk.

6.2 Financial Implications

The financial impact will be quantified as part of the 2021/22 approved budget and adjustment budget.

6.3 Legal Implications

Section 62 of the MFMA

General Financial Management Functions

(3) The accounting officer of a municipality is responsible for the managing of financial administration of the municipality, and must for this purpose take all reasonable steps to ensure –
(e) That the resources of the municipality are used effectively, efficient and economically;
(f) That full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;
(e) that the municipality has and maintains effective, efficient and transparent systems–
(iii) of financial and **risk management** and internal control.

6.5 Staff Implications

None.

6.6 Risk Implications

As indicated in the annexed Strategic and Operational Risk Register.

6.7 Comments from Senior Management:

Supported by All directors

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-03-23: ITEM 7.11.6

that Council Adopts the Strategic and Operational Risk Register for the 2021/22 financial year.

ANNEXURES

Annexure A: Strategic and Operational Risk Register for the 2020/21 financial year.

ANNEXURE A

STELLENBOSCH MUNICIPALITY (WC 024)

Strategic and Operational Risk Register 2021/22

Revised Strategic Risks

Risk Item	Risk Description	Risk Background	Directorate	Strategic Objectives	Impact Rating (1-10)	Likelihood Ratings (1-10)	Inherent Risk Exposure/Risk Appetite (1-100)	Action Plans/Mitigation in place	Comments	Perceived Control Effectiveness	Current Controls	Control Rating	Residual Risk	Residual Risk Exposure	Risk Champion	2021/22
1	Availability and cost of electricity.	Continuous and persistant loadshedding; sustainability of the national power supplier	Infrastructure Services	Green and Sustainable Valley, Dignified Living	10	10	**100**	Self generation, back-up generatotrs for essential services.	Self generation, back-up generatotrs for essential services.	Moderately Effective	Please se action plans	0,75	75	Weak	Deon Louw	2021/22
2	Increased risk of land invasion.	Legal precedents set under disaster management declaration limiting municipal scope to evict. Illegal invasions and land grabs. Compromising housing development and housing opportunities	Transversal	Dignified Living, Safe Valley, Financial Sustainability, Good Governance and Compliance	10	10	**100**	Legal panel in place to respond to legal matters; Security tender in place; Arms tender currently advertised; housing development continuing in response to housing demand; close relationships with SAPS and other law enforcement agencies, combined control room; utilisation of municipal drones to monitor areas of potential land invasion.	Legal panel in place to respond to legal matters; Security tender in place; Arms tender currently advertised; housing development continuing in response to housing demand; close relationships with SAPS and other law enforcement agencies, combined control room; utilisation of municipal drones to monitor areas of potential land invasion.	Effective	Please se action plans	0,4	40	Satisfactory	Geraldine Mettler All Directors	2021/22
3	COVID - 19 Pandemic	Manage the Covid-19 pandemic within the context of the prescribed regulations, taking the possible 4th wave and intensity of new infections into account.	Transversal	Safe Valley, Dignified Living	10	8	**80**	Response and preventative plan on COVID-19 i.t.o. of the Disaster Management Regulations; PPE in place; screened installed; information distribution; daily screening and sanitising.	Response and preventative plan on COVID-19 i.t.o. of the Disaster Management Regulations; PPE in place; screened installed; information distribution; daily screening and sanitising.	Effective	Please se action plans	0,4	32	Satisfactory	Geraldine Mettler All Directors	2021/22
4	Scarcity of landfill space	Unavailability of suitable land; costs of SLA's and alternative waste disposal; legislative requirements i.e EIA applications and approvals etc.	Infrastructure Services	Green and Sustainable Valley	10	8	**80**	Waste management strategy, final agreement reached and approval to move the electricity poles for opening space.	Waste management strategy, final agreement reached and approval to move the electricity poles for opening space.	Moderately Effective	Please se action plans	0,75	60	Weak	Deon Louw	2021/22
5	Economic downturn due to civil unrest and crime	Increase in criminal activities, civil unrest, reputational risk due to perceived increase in the said activities.	Community and Protection Services	Safe Valley, Dignified Living	10	8	**80**	Combined SSI, close relationships with SAPS and other law enforcement agencies, combined control room, strategic camera placings,etc.	Combined SSI, close relationships with SAPS and other law enforcement agencies, combined control room, strategic camera placings,etc.	Effective	Please se action plans	0,4	32	Satisfactory	Gary Boshoff	2021/22
6	Increase in community unrest due to the fact that growth in demand for housing exceeds the resources available for development.	Lack of bulk infrastructure; lack of identified and suitable land, unrealistic eviction judgements, housing backlogs, migration.	Planning and Economic Development	Dignified Living, Safe Valley	8	8	**64**	Housing pipeline,emergency policy, TRA identification, increased monitoring for illegal occupants.	Housing pipeline,emergency policy, TRA identification, increased monitoring for illegal occupants.	Moderately Effective	Please se action plans	0,75	48	Satisfactory	Geraldine Mettler, Director Planning and Economic Development, Gary Boshoff	2021/22
7	Ineffective service delivery due to geopolitical Instability	Global risk to commodities especially possible fuel rationing by government, energy related products, engineering services, certain food products. Possible communication infrastructure threats; possible deepening of world-wide recession.	All	All	9	7	**63**	Energy plan, Fuel reserves, Business continuity, SCM Plan addressing affected commodities, Communication Plan, Effect on income, working from home policy	Given Eskom challenge and high reliance on diesel, there is pressure on optimal functioning of the municipality.	Moderately Effective	Please se action plans	0,75	47,25	Satisfactory	Geraldine Mettler All Directors	2021/22
8	Financial Sustainability.	Debt management; cashflow; changes patterns in revenue (more off the grid connections w.r.t water and electricity).	Financial Services	Good governance and Compliance, Green and Sustainable Valley	10	5	**50**	Legal framework to lock in customer regarding off grid connections and fix cost charges. Revenue enhancement strategy.	Legal framework to lock in customer regarding off grid connections and fix cost charges. Revenue enhancement strategy.	Effective	Please se action plans	0,4	20	Very Good	CFO	2021/22
9	Cyber attacks	Cyber attacks and cyber safety /security has become essential in municipalities. Investigate security gaps. Users opening unsafe/infected attachments	Corporate Services	Good Governance and Compiance	6	6	**36**	IT to do a gap analysis on security requirements/ gaps to prevent cyber attacks. Staff awareness to not open susipsious email attachments. New electronic system monitoring potential cyber threats.	IT to do a gap analysis on security requirements/ gaps to prevent cyber attacks. Staff awareness to not open susipsious email attachments. New electronic system monitoring potential cyber threats.	Moderately Effective	Please se action plans	0,75	27	Satisfactory	A De Beer (supported by all Directors)	2021/22
10	Urbanisation and growth.	Comprehensive understanding of the developmental needs in the greater Stellenbosch area; rapid and continued urbanisation; changes in the needs of the community; masterplans; housing pipeline; IDP and SDF alignment.	Infrastructure Services	Valley of Possibility	6	6	**36**	Approved SDF, approved housing pipeline, DBSA funding will be utilised for updating new CEF with spatial demand quantification.	Approved SDF, approved housing pipeline, DBSA funding will be utilised for updating new CEF with spatial demand quantification.	Moderately Effective	Please se action plans	0,75	27	Satisfactory	Deon Louw & Director Planning and Economic Development.	2021/22
11	Water Security	Limited sustainable water sources; Growing population with increase in demand; pollution of sources.	Infrastructure services	Dignified Living; Valley of possibility; Green & Sustainable Valley	6	4	**24**	Drought management plan in place; water warriors; water demand meters; boreholes.	Discussion with farmers to exchange water quotas from Theewaters Dam supply. Constant monitoring and planning; average and above rainfall during 2019 and 2020.	Very Effective	Please se action plans	0,2	4,8	Very Good	Deon Louw	2021/22
	TOTAL STRATEGIC RISK						**677**						385,8			

										TOTAL RESIDUAL RISK EXPOSURE	35,00					
	TOTAL STRATEGIC INHERENT RISK EXPOSURE				61,00	Inherent Risks Assessment Comments: At total of 11 risks has been identified as a risks on strategic level. The Inherent Risk Assessment is 61 which pushes the ratings in to a high risk category for the municipality.				**Perceived Control Effectiveness Assessment Comments:** The rating is 35 and reflects the control effectiveness as satisfactory. The majority of the risks are managed effectively.						
	Revised Operational Risks															
Risk Item	Risk Description	Risk Background	Directorate	Strategic Objectives	Impact Rating (1-10)	Likelihood Ratings (1-10)	Inherent Risk Exposure/Risk Appetite (1-25)	Action Plans/Mitigation in place	Comments	Perceived Control Effectiveness	Current Controls	Control Rating	Residual Risk	Residual Risk Exposure	Risk Champion	Financial Year
1	Insufficient burial space in the greater Stellenbosch	Planning and funding; land availability. Insufficient funding. Compliance and impact of COVID-19 burials after experiencing a 2nd and 3rd wave.	Community and Protection Services	Dignified Living	8	8	**64**	Land use application has been approved. Project plan approved for implementation.Part of approved SDF.	EIA approved and draft designs in place, final design needs to be finalised to dtermine cost etsiamate and procurement.	Effective	Please see action plans	0,2	12,8	Very Good	Gary Boshoff	2021/22
2	Business Continuity	Disasters, electricity outages; hacking of systems.	Corporate Services	Good Governance and Compliance	8	4	**32**	Disaster Management Plan for overall service delivery, operational disaster recovery site, JOC, Integrated ERP; off site data center; ICT employee usage tools implemented.	Will require more thought processes and continiuty in future, NT and PT already starting with implementation of more formal structures as well as guidelines ito the relevant legislation.	Effective	Please se action plans	0,4	12,8	Very Good	Annelene de Beer	2021/22
3	Material misstatements in the AFS that constitutes non-compliance with Section 122 of the MFMA.	System errors, transactions and events not recognised as they occur and accordingly nor recorded in the financial period it occurred.	Financial Services	Good Governance and Compiance	6	4	**24**	8 month AFS, systems upgrade and alignment. Audit readiness is essential with a need for an external audit prior to the formal audit from AGSA. Actions to be reflected in detail in Audit Action Plan.	8 month AFS, systems upgrade and alignment. Audit readiness is essential with a need for an external audit prior to the formal audit from AGSA. Actions to be reflected in detail in Audit Action Plan.	Effective	Please se action plans	0,4	9,6	Very Good	Kevin Carolus	2021/22
4	Climate Change	Changing weather paterns, unpredictable rainfall/flash floods, drought natural disasters, fires (seasonal and other).	Office of the Municipal Manager	Green and Sustainable Valley; Safe Valley	8	4	**32**	Drought management plan in place; water warriors; water demand meters; boreholes completed to mitigate drought.	Succesful drought management plan during the 2017/18 financial year; renewable energy sources that is currently under discussion; conversation with public and private sector to partner in managing this risk going forward, drought no longer of concern at this point; etc.	Moderately Effective	Please se action plans	0,75	24	Very Good	Geraldine Mettler	2021/22
5	Timeous Capital Spending	Steady increase in budget allocation; growing population and demand for services; demand management.	Transversal	Good Governance and Compliance	10	4	**40**	Demand Management Plan and Committee; Capex SDBIP indicators developed and monitored.	Implementation and monthly management of the capital monitoring tool; process review iro SCM to streamline appointment of service providers; constant monitoring and planning by senior managers, MM and Council.	Moderately Effective	Please se action plans	0,75	30	Satisfactory	MM, CFO and All Directors	2021/22
6	High Vacancy Rate	A skilled and capable workforce is necessary to support growth objectives, quality and timeous service delivery needs to be provided by all departments.	Corporate Services	Good Governance and Compliance	8	4	**32**	Filling of posts in the recruitment and selection department to create capacity, communication between the user departments and human resources more stream lined and effective, organsational and operational structure aligned and approved; Fully staffed Recruitment and Selection unit.	All departments need to perform optimally to ensure service delivery in terms of growth and IDP opbjectives, recruitment drive for funded posts; Revision of employment costs; discussion regarding the revisions to organisation micro structure, management of the critical vacancy list.	Effective	Please se action plans	0,4	12,8	Very Good	A De Beer and All Directors	2021/22
7	Lack of integrated Information and Communication Technology	Disparite systems	All Directorates	Good Governance and Compliance	6	4	**24**	Position paper on integration; role of ICT SteerCom in managing acquisition of new system and integration, New server room completed.	A separate risk register in draft with regards to ICT management. Final meeting regarding the integration to complete position paper for submission to Council beginning of 2021.	Moderately Effective	Please se action plans	0,75	18	Very Good	All Directors	2021/22
8	Losing the historic status of Stellenbosch w.r.t environment (trees, biodiversity, buildings, rivers, etc.)	Keeping the balance - development and the historic status; occurance of natural disasters.	All Directorates	Dignified Living; Valley of possibility; Green & Sustainable Valley	6	4	**24**	Heritage asset register completed; adherence to heritage planning legislation for developmental applications, declared heritage zones; maintenance heritage assets; A tree management policy has been approved and implemented..	Approval and implementation of the ATC; completion and approval of the SDF.	Effective	Please se action plans	0,4	9,6	Very Good	Director Planning and Economic Development(Primary) Deon Louw, Gary Boshoff (Secondary)	2021/22
9	Loss off credibility and reputation due to perceived fraud and corruption.	Abuse of legislation; reputational risk and credibility; media statements and role of social media in reports etc.	All Directorates	Good Governance and Compliance	6	4	**24**	Hotline, fraud prevention policy, SALGA to address unintended consequence of regulations .	Hotline, fraud prevention policy, SALGA to address unintended consequence of regulations .	Effective	Please se action plans	0,4	9,6	Very Good	All Directors	2021/22
	TOTAL OPERATIONAL INHERENT RISK						296						139,20			
	TOTAL OPERATIONAL INHERENT RISK EXPOSURE						32	**The inherent risk exposure** reflects as an average as a moderate risk and is still at a unacceptable and more controls and action plans should be implemented.		**Total Residual Risk Exposure** reflects as 19,3 which relates to very good controls etc in place and risks are well managed..			19,3			
								Inherent Operational Risks Assessment Comments: Eight risks was identified and the average of the ratings is 45,3 which is then placed in the moderate category.		**Perceived Operational Risks Control Effectiveness Assessment Comments:**						
	Revised Emerging Risks															

Risk Item	Risk Description	Risk Background	Directorate	Strategic Objectives	Impact Rating (1-10)	Likelihood Ratings (1-10)	Inherent Risk Exposure/Risk Appetite (1-25)	Action Plans/Mitigation in place *(Issue Management)*	Comments	Perceived Control Effectiveness	Current Controls	Control Rating	Residual Risk	Residual Risk Exposure	Risk Champion	Financial Year
1							0									
2							0									
3							0									
4							0									
													0,00			
	TOTAL INHERENT EMERGING RISK						0,0			TOTAL RESIDUAL RISK EXPOSURE			0,00			
	TOTAL INHERENT EMERGING RISK EXPOSURE						0,0	Inherent Emerging Risks Assessment Comments:		Perceived Emerging Risks Control Effectiveness Assessment Comments:						

11.11.7	MUNICIPAL PARTNERSHIP FOR HUMAN RIGHTS: 2022

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **23 March 2022**

1. SUBJECT: MUNICIPAL PARTNERSHIP FOR HUMAN RIGHTS: 2022

2. PURPOSE

To report back to Council in terms of Council Item 11.10.1 of the 39th Council meeting of November 2021 see attached **ANNEXURE 1**, in particular reference to Resolution (d), as quoted hereunder:

"(d) that the Municipal Manager submits a report to Council subsequent to the conclusion of the Inception Phase. i.e after (1) one year or as soon as practically possible thereafter."

3. DELEGATED AUTHORITY

Council

2. EXECUTIVE SUMMARY

Stellenbosch Municipality entered into a partnership agreement with Jönköping

Municipality on the topic of Human Rights on 17 December 2020. The feedback to

Council will deal with the following:

4.1 The revision of the composition of the project group

4.2. The application to ICLD for a multi-year project

4.3 The visit by a delegation from Jönköping Municipality

4.4 The International Training Programme (ITP) of ICLD

4.5 The Compilation of a Steering committee

4.6 Proposals for a multi-year programme

4.7 Visit to Jönköping Municipality

3. RECOMMENDATIONS

(a) that Council takes note of the Municipal Manager's progress report / feedback;

(b) that Council take note of the visit to Stellenbosch Municipality by a delegation of from Jönköping Municipality;

(c) that the Municipal Manager submits an updated report to Council as soon as the final application to ICLD is approved by the latter; and

(d) that Council considers retaining the existing office bearers or that Council appoint new "office bearers".

6. DISCUSSION / CONTENTS

6.1 Background

The Swedish International Centre for Local Democracy (ICLD) approached Stellenbosch Municipality on 4 November 2020 to inform the latter about their Programme for Human Rights Partnership and enquire about Stellenbosch Municipality's interest and possible involvement in the programme.

The ICLD programme involves selected municipalities from across Southern Africa and Sweden to cooperate and collaborate on projects and programmes that leads to addressing Human Rights issues in their respective countries and importantly their respective municipalities.

Council approves that Stellenbosch Municipality entered into a partnership agreement with Jönköping Municipality on the topic of Human Rights dated 25 November 2020 (see attached **ANNEXURE 2**).

6.1.1 Composition of Project Committee

On January 2021 Council considered and approved a committee to deal with the finalisation of the inception phase of the partnership. This committee comprises of 2 politicians and 2 officials. The politicians on the committee must come from the ruling party and official opposition party in Council. This was not done during the Inception Phase and will have to be rectified during the application process for the multi-year project.

Furthermore, the "term of office" of the current committee comes to an and Council must consider retaining the current "office bearers or approving new "office bearers".

6.1.2 Visit by representatives of Jönköping Municipality

A delegation from Jönköping Municipality visited Stellenbosch Municipality from 1 March to 4 March 2022. They were welcomed by the Mayor and the Municipal Manager. Their visit included site visits to Langrug an Khayamandi respectively and included meetings with the principals and / or representatives of the Groendal High School, Rhenish High School and Paul Roos High School. They also had discussions with Stellenbosch University and a Khayamandi based NGO, i.e. the Gentleman's Club.

The purpose of their visit was to strengthen the partnership between Jönköping Municipality and Stellenbosch Municipality as well as to do research for the application to ICLD for a multi-year project for the partnership.

The collaboration of with Jönköping Municipality is premised on gender equality and gender based violence. The purpose of this collaboration on these topics is not to attempt to pretend that a solution or quick fix can be found for these difficult problems but rather to look at awareness campaigns which involves the youth and working on the "changing the tide principle" through presenting different ways and means addressing these issues. The details of the exact project will be developed between now and the final submission of the application to ICLD in October 2022.

Lastly, primary and secondary education in Sweden falls within municipal ambit and to this effect they have developed a nationwide programme called NORMSTORM, which is aimed at young boys and girls. The programme aims to change the norm of gratuitous family violence by trying to address uncomfortable

social issues as perceived through the eyes of the youth. This strongly resonates with Stellenbosch Municipality's position on LGBTQI.

6.1.3 The application to ICLD for a multi-year project

As mentioned above, Jönköping Municipality and Stellenbosch Municipality is desirous to extend this partnership beyond the Inception Phase of the ICLD programme. From the paragraph above it is clear that the municipalities has found synergy and common ground and it is therefore a logical outflow that the municipalities would apply for the multi-year programme which is the implementation of the ideas and designs that stem from the Inception Phase.

6.1.4 The International Training Programme (ITP) of ICLD

ICLD has several training programmes as part of the Municipal Partnership of Human Rights programme. Stellenbosch Municipality and the Community Organisation Resource Centre (CORC – a Cape Town based NGO) has been invited to enrol in the programme Inclusive Local Government. The programme's main aim is " to train *participants and develop new or improved practices and/or policies for inclusive public participation in their local governments*. Furthermore, the programme aims to strengthen ties amongst the Southern African municipalities in South Africa, Botswana and Zambia.

A training session was held in Johannesburg from 8 March to 11 March 2022. This session coincided with general training on the expectations of ICLD with respect to partnerships and the application process for a multi-year application.

6.1.5 Visit to Jönköping Municipality

It is a requirement from ICLD that the municipalities in partnership visit their respective counterpart municipality. Jönköping Municipality has visited Stellenbosch Municipality and Stellenbosch Municipality must therefore visit Jönköping Municipality. It is proposed that this visit occur in September/October 2022 after the municipal elections in Sweden. This proposed timeframe also coincides with the second leg of the ITP. All accommodation and transport from Cape Town International Airport is covered by ICLD and Council would only have to fund the daily allowance and visa application of the participants.

6.1.6 The Compilation of a Steering committee

In terms of the ICLD rules, a Project Steering Committee must be established if the application for a multi-year project is successful. This is at this stage for information only and will be confirmed in a separate Item to Council when and if the application has been approved.

6.1.7 Proposals for a multi-year programme

The partnership project is based on gender equality with an emphasis on gender based violence (GBV). Further detail on the project(s) will be developed in the application process.

6.2 Financial Implications

ICLD covers all costs directly associated to the project(s), as well as the cost of accommodation and travelling as and when this is required.

6.3 Legal Implications

The recommendations comply with Council policies and legislation.

6.4 Staff Implications

Two officials must be identified to represent the Municipality.

6.5 Previous / Relevant Council Resolutions

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 not of the requirements 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 secondi- to represent the Municipality in this partnership, whose particular 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 Swartbooi, as the two (2) suitable Officials to represent the Municipality in this partnership.

39th COUNCIL MEETING: 2020-11-25: ITEM 11.10.1

During deliberation on the matter, Cllr P Sitshoti (Ms) requested that the topic of Human Right be discussed with Council, before the partnership is undertaken. The Speaker replied that her request is NOTED.

RESOLVED (majority vote with 1 abstention)

a) that Council notes the invitation by ICLD annexed hereto as "**APPENDIX 1**"

b) that Council approves that Stellenbosch Municipality enters into a partnership with a Swedish Municipality on the topic of Human Rights;

c) that the Municipal Manager be authorized to negotiate the terms of the partnership agreement with the identified Swedish Municipality as per the requirements of the Inception Phase of the partnership; and

d) that the Municipal Manager submits a report to Council subsequent to the conclusion of the Inception Phase, i.e. after one (1) year or as soon as practically possible thereafter.

6.6 Risk Implications

The risks are addressed in the item.

6.7 Comments from Senior Management

No comments required.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2022-03-23: ITEM 7.11.7

(a) that Council takes note of the Municipal Manager's progress report / feedback;

(b) that Council take note of the visit to Stellenbosch Municipality by a delegation of from Jönköping Municipality;

(c) that the Municipal Manager submits an updated report to Council as soon as the final application to ICLD is approved by the latter; and

(d) that Council considers retaining the existing office bearers or that Council appoint new "office bearers".

ANNEXURES

ANNEXURE 1 - 40th meeting of the Council of Stellenbosch Municipality dated 2021-01-27
ANNEXURE 2 - 39th meeting of the Council of Stellenbosch Municipality dated 2020-11-25

FOR FURTHER DETAILS CONTACT:

NAME	**Geraldine Mettler**
POSITION	***Municipal Manager***
DIRECTORATE	***Municipal Manager***
CONTACT NUMBERS	***021- 808 8025***
E-MAIL ADDRESS	***Geraldene.mettler@stellenbosch.gov.za***
REPORT DATE	***18.03.2022***

ANNEXURE 1

11.10.2	MUNICIPAL PARTNERSHIP FOR HUMAN RIGHTS

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **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.

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 secondi- 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

11.10.2	MUNICIPAL PARTNERSHIP FOR HUMAN RIGHTS

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **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

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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.

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.

5. RECOMMENDATIONS

(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 two (2) suitable Councillors to represent the Municipality in this partnership, whose particulars will be recorded in the Inception Application; and

(f) that Council confirms the appointment of two (2) suitable Officials to represent the Municipality in this partnership, whose particulars will be recorded in the Inception Application.

6. DISCUSSION / CONTENTS

6.1 Background

Stellenbosch Municipality 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. 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.

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

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 social sustainability and in particular issues such as amongst other gender inequality. The framework for this partnership is concentrated around ICLD's core areas of collaboration, i.e. equity and inclusion, citizen participation, transparency and the possibility of accountability.

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.

a) Participants

The requirements for participants are extracted from an e-mail from the Jönköping Municipal representative (See extract 1, hereunder). The full e-mail is attached as **APPENDIX 3**.

Extract 1: Participants

> *"... The inceptive application will need to be finalised in January as Rikard pointed out. The application is done in Swedish, but I will need your inputs on a number of questions which I include below.*

Participants:
2 politicians elected from the council.

2 public officers, one who preferably may be the one main contact for the project..."

Therefore in order to give effect to Resolution (c) as well as the requirements in terms of the Inception Application the suitable participants must be identified and confirmed prior to the close of the period for submission of Inception Applications.

b) SM's initial understanding of the partnership for Human Rights

SM was also required to give its input on the following questions

Extract 2:

Questions: (brief)

6. *a) Describe the problems and challenges (potential areas of cooperation for the partnership Human rights, accessibility, gender equality, inclusion) within the partners' organisations that could be solved within the partnership. (We do have an interest from the perspective of accessibility as it is very broad, however, we are also open to your suggestions as well as we are interested in all areas of social sustainability).*

7. *d) Describe how the proposed problems and challenges could relate to one (or if relevant, some) of the initially explained core areas:*
   - *Equity/inclusion*
   - *Citizen participation*
   - *Transparency*
   - *Possibility to demand accountability*

The response to the questions is attached as **APPENDIX 4**.

6.2 Discussion

Council must identify and confirm the suitable Councillors and the Municipal Manager in terms Resolution (c) of the Council resolution must identify and confirm the suitable officials to represent Stellenbosch Municipality in this partnership.

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.

6.3 Financial Implications

ICLD is funding the project.

6.4 **Legal Implications**

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

6.5 **Staff Implications**

No staff implications to the Municipality.

6.6 **Previous / Relevant Council Resolutions:**

Item 11.10.1 of the 39th Council meeting of 25 November 2020.

6.7 **Risk Implications**

None.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2021-01-20: ITEM 7.10.2

(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 two (2) suitable Councillors 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.

ANNEXURES

Appendix 1: Minutes of Item 11.10.1 of the 39th Council meeting of 25 November 2020

Appendix 2: E-mail by Jönköping Municipality

Appendix 3: SM's Response to e-mail by Jönköping Municipality

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

APPENDIX 1

MINUTES **39TH MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY** **2020-11-25**

11.10.1 MUNICIPAL PARTNERSHIP FOR HUMAN RIGHTS

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **17 November 2020**

1. SUBJECT: MUNICIPAL PARTNERSHIP FOR HUMAN RIGHTS

2. PURPOSE

To obtain Council's approval for entering into a partnership with a Swedish Municipality on the topic of Human Rights. The detail of this project will be discussed and negotiated during the inception phase. This partnership will be undertaken in accordance with the 2030 Agenda for Sustainable Development and its Global Goals.

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. The Human Rights topic that the Municipality wants to work on with SM will be finalised during the Inception Phase.

SM has over the years developed various programmes premised on enhancing and protecting the Human Rights of its citizens. These programmes allow explicitly for the inclusion of minorities, such as the disabled, the frail and infirm and provide this traditionally marginalised group full access to its attempts at local government. Governmentality refers to the relationship in this case between the local government and its local community. It also refers to inclusivity and an attempt by mostly the local government at moving away from top-down relations and the community having its voice heard on many issues. A good example of governmentality is the Integrated Development Plan's public participation processes. The recent iteration of the IDP saw new innovations being introduced to secure an inclusive process and therewith ensuring that local government meets the community.

In essence, SM has an exportable product which has attracted the attention of in this instance international institutions. It is therefore, incumbent upon us to strengthen our understanding of governmentality by sharing our learnt experiences and learning from an ages old democracy.

The programme consists of various phases and under normal circumstances runs over a four (4) year period. The first phase is the Inception Phase which runs for one (1) year. During this phase the exact collaboration project is finalised for implementation in the 3 outer years.

The project is funded by ICLD and will according to their programme commence in January 2021.

39TH COUNCIL MEETING: 2020-11-25: ITEM 11.10.1

RESOLVED (majority vote with abstentions)

(a) that Council notes the invitation by ICLD annexed hereto as **"APPENDIX 1"**;

(b) that Council approves that Stellenbosch Municipality enters into a partnership with a Swedish Municipality on the topic of Human Rights;

(c) that the Municipal Manager be authorized to negotiate the terms of the partnership agreement with the identified Swedish Municipality as per the requirements of the Inception Phase of the partnership; and

(d) that the Municipal Manager submits a report to Council subsequent to the conclusion of the Inception Phase, i.e. after one (1) year or as soon as practically possible thereafter.

Councillors DA Hendrickse and LK Horsband (Ms) requested that their votes 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 November 2020

APPENDIX 2

Appendix 2

JÖNKÖPINGS KOMMUN

STELLENBOSCH

LETTER OF INTENT

BETWEEN

MUNICIPALITY OF JÖNKÖPING, SWEDEN

AND

MUNICIPALITY OF STELLENBOSCH, SOUTH AFRICA

The municipality of Jönköping in Sweden and the municipality of Stellenbosch in South Africa have the intent to develop a cooperation agreement within the municipality partnership program which is sponsored by Swedish International Center for Local Democracy (ICLD) and supported by the Town Councils of both municipalities.

The municipality partnership programme consists of several phases and the first phase or the inception phase is an exploratory phase undertaken by both municipalities in order to culminate in a cooperation agreement between the municipalities which would outline the projects and programmes that the municipalities would undertake during the subsequent phases.

During the inception phase the partners will be conducting a site visit in each of the countries respectively, in order to learn more about the partner's organisation, discuss the grounds for the cooperation and develop the basis for a three-year (3) project. A cooperation agreement should be signed during the inception Phase by both parties. All expenses related to the inception phase such as travel, accommodation and meetings will be covered by ICLD.

With this "Letter of Intent" I/We give my/our consent to proceed with the compiling and submitting of an application for a one-year (1) inception Phase (preparatory project) in terms of the municipal partnership programme by sponsored by ICLD, as a first step to establish the basis for the cooperation within the area of human rights.

For Jönköping Municipality	For Stellenbosch Municipality
Johan Fritz	Geraldine Mettler
Executive Director	Municipal Manager
Signed at: Jönköping, Sweden	Signed at: Stellenbosch, South Africa
Date: 12/12/16	Date: 17/12/2020

APPENDIX 3

Appendix 3

Johru Robyn

From: Chantal Coté <chantal.cote@jonkoping.se>
Sent: Friday, 11 December 2020 17:05
To: Johru Robyn
Cc: Rikard Eduards; Ellen Broqvist
Subject: [EX] Inceptive application - Stellenbosch-Jönköping
Attachments: Presentation-kortversion - Stellenbosch 201209.pptx; Letter of intent-JKPG-Stellenbosch-draft.docx

Dear Johru,

It was a pleasure to be introduced to you earlier this week. This is only the first step towards the development of our future cooperation which we really look forward to. I am including as an attachment a brief presentation of JÃ¶nkÃ¶ping with some facts so you can understand our organisation a bit better. I also include a draft for the letter of intent for the inception application (preparatory project). You are most welcome to give me your feedbacks as well as send me your logotype and the name of the signatory so I can include it in the letter head. Once it is approved, we can go ahead and have it signed.

The inceptive application will need to be finalised in January as Rikard pointed out. The application is done in Swedish, but I will need your inputs on a number of questions which I include below.

Participants:
2 politicians elected from the council.
2 public officers, one who preferably may be the one main contact for the project.
Changes may occur in the future and if necessary due to elections, change of responsibilities etc.)

The funding within the project will cover for 4 participants on each side (2 politicians 2 public officers) who will participate in the study visits (one in South Africa and one in Sweden). Nevertheless, municipalities may see the value to involve more participants at the time of the visits. The expenses for travels of extra participants will have to be covered by each municipality in that case.

Questions: (brief)

6. A) Describe the problems and challenges (potential areas of cooperation for the partnership Human rights, accessibility, gender equality, inclusion) within the partners' organisations that could be solved within the partnership.
   (We do have an interest from the perspective of accessibility as it is very broad, however, we are also open to your suggestions as well as we are interested in all areas of social sustainability).

6. d) Describe how the proposed problems and challenges could relate to one (or if relevant, some) of the initially explained core areas:
   - Equity/inclusion
   - Citizen participation
   - Transparency
   - Possibility to demand accountability

The inception application is broad and it will be the base for the discussions that will take place in order to develop the long term area of interest.

It would be great if you could get back to me in the end of next week or before the holidays with some of the details so I can continue to work on it until the new year.

Sincerely Yours,

Chantal CotÃ©
International strategist

JÃ¶nkÃ¶ping Municipality
City Hall, RÃ¥dhusparken 1
551 89 JÃ¶nkÃ¶ping, Sweden

APPENDIX 4

Appendix 4

Johru Robyn

From: Geraldine Mettler <Geraldine.Mettler@stellenbosch.gov.za>
Sent: Monday, 21 December 2020 11:30
To: chantal.cote@jonkoping.se; Raydine Wenn; Nomie Tshefu; Johru Robyn
Subject: Municipal Partnership on Human Rights

Good morning Chantal,

Pursuant to your email, please find below brief synopsis to your questions raised.

Participants

2 politicians elected from the council –

Council resolved that for the purposes of the Inception Application that the details of the politicians would be confirmed at the next Council meeting which is in the last week in January 2021. Should the Inception application be submitted before the Council data, then the Mayor and her assignee will be representing SM until such time that the approved names and details of the politicians can be provided.

2 public officers, one who preferably may be the one main contact for the project.

The Municipal Manager resolved that for the purposes of the Inception Application that the details of the officials would be confirmed at the next Council meeting which is in the last week in January 2021. Should the Inception application be submitted before the Council meeting, then the Municipal Manager and her assignee will be representing SM until such time that the approved names and details of the officials can be provided.

Questions

6. *A) Describe the problems and challenges (potential areas of cooperation for the partnership Human rights, accessibility, gender equality, inclusion) within the partners' organisations that could be solved within the partnership.*

   (We do have an interest from the perspective of accessibility as it is very broad, however, we are also open to your suggestions as well as we are interested in all areas of social sustainability).

6. *d) Describe how the proposed problems and challenges could relate to one (or if relevant, some) of the initially explained core areas:*

- *Equity/inclusion*
- *Citizen participation*
- *Transparency*
- *Possibility to demand accountability*

Problem Statement 1

Stellenbosch Municipality (SM) has for long been an ardent supporter and implementer of the "Triple Bottom Line (3BL)" principles, i.e. Environmental sustainability (e.g. protection of environmentally sensitive areas), economic integrity/sustainability (e.g. Audited income statements) and social sustainability. To this effect SM has implemented strong policies in accordance with international, national and provincial legislation for most notably environmental sustainability and economic sustainability. However, social sustainability is a much harder metric to measure and therefore to date only aspects of social sustainability has been succinctly addressed by our current policies and this is therefore the area that we would like to explore with our Swedish partner municipality, Jonkoping Municipality (JM).

In recognising this SM acknowledges that it has done significant work with respect to hard physical accessibility with respect to the disabled, however the softer, unseen, not-so transparent accessibility in a human rights context extends beyond the disabled and physically infirm, but includes other marginalised groups such as the persistent gender inequality access to municipal services. It is therefore our intention to explore these human rights issues

The Bill of Rights (Chapter 2 of the South African Constitution, Act 108 of 1996) provides the canvas against which the human rights agenda for this partnership must be painted.

Table 1 -

Challenge	**SM Response**	
Equity/inclusion	Disempowerment creates a disingenuous environment which is contradictory to equity and inclusion. SM therefore wants to create policies that empowers.	
Citizen participation	Citizen participation is of utmost importance to SM and SM is always looking at ways and means to include the marginalised and disenfranchised. The COVID 19 pandemic has seen SM develop innovative ways of providing inclusivity to its inhabitants.	
Transparency	SM (as every other municipality in SA) is audited every year and the results of same	

	are available, unobscured for public scrutiny.	
- Possibility to demand accountability	Accountability and Responsibility is important to SM to the effect that most of our policies requires that these to functions are adhered to at all times.	

Kind regards,

Geraldine Mettler
Municipal Manager
Stellenbosch Municipality
Office of the Municipal Manager

T: +27 21 808 8025 | C: +27 82 312 3063
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

Sent from Mail for Windows 10

ANNEXURE 2

11.10	MUNICIPAL MANAGER

11.10.1	MUNICIPAL PARTNERSHIP FOR HUMAN RIGHTS

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **17 November 2020**

1. SUBJECT: MUNICIPAL PARTNERSHIP FOR HUMAN RIGHTS

2. PURPOSE

To obtain Council's approval for entering into a partnership with a Swedish Municipality on the topic of Human Rights. The detail of this project will be discussed and negotiated during the inception phase. This partnership will be undertaken in accordance with the 2030 Agenda for Sustainable Development and its Global Goals.

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. The Human Rights topic that the Municipality wants to work on with SM will be finalised during the Inception Phase.

SM has over the years developed various programmes premised on enhancing and protecting the Human Rights of its citizens. These programmes allow explicitly for the inclusion of minorities, such as the disabled, the frail and infirm and provide this traditionally marginalised group full access to its attempts at local government. Governmentality refers to the relationship in this case between the local government and its local community. It also refers to inclusivity and an attempt by mostly the local government at moving away from top-down relations and the community having its voice heard on many issues. A good example of governmentality is the Integrated Development Plan's public participation processes. The recent iteration of the IDP saw new innovations being introduced to secure an inclusive process and therewith ensuring that local government meets the community.

In essence, SM has an exportable product which has attracted the attention of in this instance international institutions. It is therefore, incumbent upon us to strengthen our understanding of governmentality by sharing our learnt experiences and learning from an ages old democracy.

The programme consists of various phases and under normal circumstances runs over a four (4) year period. The first phase is the Inception Phase which runs for one (1) year. During this phase the exact collaboration project is finalised for implementation in the 3 outer years.

The project is funded by ICLD and will according to their programme commence in January 2021.

39TH COUNCIL MEETING: 2020-11-25: ITEM 11.10.1

During deliberations on the matter, Cllr P Sitshoti (Ms) requested that the topic of Human Rights be discussed with Council, before the partnership is undertaken. The Speaker replied that her request is NOTED.

RESOLVED (majority vote with 1 abstention)

(a) that Council notes the invitation by ICLD annexed hereto as **"APPENDIX 1"**;

(b) that Council approves that Stellenbosch Municipality enters into a partnership with a Swedish Municipality on the topic of Human Rights;

(c) that the Municipal Manager be authorized to negotiate the terms of the partnership agreement with the identified Swedish Municipality as per the requirements of the Inception Phase of the partnership; and

(d) that the Municipal Manager submits a report to Council subsequent to the conclusion of the Inception Phase, i.e. after one (1) year or as soon as practically possible thereafter.

Councillors DA Hendrickse and LK Horsband (Ms) requested that their votes 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 November 2020

11.10	MUNICIPAL MANAGER

11.10.1	MUNICIPAL PARTNERSHIP FOR HUMAN RIGHTS

Collaborator No:
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: 17 November 2020

1. SUBJECT: MUNICIPAL PARTNERSHIP FOR HUMAN RIGHTS

2. PURPOSE

To obtain Council's approval for entering into a partnership with a Swedish Municipality on the topic of Human Rights. The detail of this project will be discussed and negotiated during the inception phase. This partnership will be undertaken in accordance with the 2030 Agenda for Sustainable Development and its Global Goals.

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. The Human Rights topic that the Municipality wants to work on with SM will be finalised during the Inception Phase.

SM has over the years developed various programmes premised on enhancing and protecting the Human Rights of its citizens. These programmes allow explicitly for the inclusion of minorities, such as the disabled, the frail and infirm and provide this traditionally marginalised group full access to its attempts at local government. Governmentality refers to the relationship in this case between the local government and its local community. It also refers to inclusivity and an attempt by mostly the local government at moving away from top-down relations and the community having its voice heard on many issues. A good example of governmentality is the Integrated Development Plan's public participation processes. The recent iteration of the IDP saw new innovations being introduced to secure an inclusive process and therewith ensuring that local government meets the community.

In essence, SM has an exportable product which has attracted the attention of in this instance international institutions. It is therefore, incumbent upon us to strengthen our understanding of governmentality by sharing our learnt experiences and learning from an ages old democracy.

The programme consists of various phases and under normal circumstances runs over a four (4) year period. The first phase is the Inception Phase which runs for one (1) year. During this phase the exact collaboration project is finalised for implementation in the 3 outer years.

The project is funded by ICLD and will according to their programme commence in January 2021.

5. RECOMMENDATIONS

(a) that Council notes the invitation by ICLD annexed hereto as **"APPENDIX 1"**;

(b) that Council approves that Stellenbosch Municipality enters into a partnership with a Swedish Municipality on the topic of Human Rights;

(c) that the Municipal Manager be authorized to negotiate the terms of the partnership agreement with the identified Swedish Municipality as per the requirements of the Inception Phase of the partnership; and

(d) that the Municipal Manager submits a report to Council subsequent to the conclusion of the Inception Phase, i.e. after one (1) year or as soon as practically possible thereafter.

6. DISCUSSION / CONTENTS

6.1 Background

Stellenbosch Municipality 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. One of the Human Rights topics that the Swedish municipalities want to work on with SM, is the notion of *disability rights and access.*

ICLD was directed to Stellenbosch Municipality by the Community Organisation Resource Centre (CORC). SM and CORC has a long standing relationship which started in the informal settlements of Langrug and Enkanini. This relationship was initially cemented through a Memorandum of Understanding (MOU) and in recent years CORC was appointed by the Provincial Department of Human Settlements (PDoHS) as the preferred NGO to work with SM. The work that CORC and SM did together concentrated on amongst others security of tenure, access to basic services and increased access to municipal services.

On the referral by CORC, ICLD initiated contact with SM in order to establish if there are indeed grounds to establish a partnership. Parallel to this process ICLD also commenced with looking for a Swedish partner for SM – the latter has now been established.

"Since we have found Stellenbosch to be a highly suitable partner, we hope that you see the benefits of joining the programme. If so, we already have an interested Swedish partner municipality to present to you."

The project consists of several phases which commences with the project Initiation Phase which is the platform for finding common grounds where the ground work for the partnership will be done. According to ICLD, the next step would be to complete an application for an Inception Phase, to be carried out in 2021. The final detail of the partnership will be thrashed out through the Inception Phase of the partnership.

6.2 Discussion

Stellenbosch Municipality has entered into partnership agreements with European municipalities before, such as municipalities in Belgium. According to the participants in these partnerships, the learning experience has been immense and many of the lessons learnt by both parties are to this day being implemented by the respective municipalities.

It is commonly known that the Swedish local government system is one of the most advanced and matured systems and the lessons learnt can be immeasurable to SM. On the other hand, SM has developed a system of governmentality through amongst others its Integrated Human Settlements section which seriously supports the notion developmental government. To this extent there are hopefully many lessons that can be exchanged by SM and be imparted on a broader audience.

It is therefore imperative that SM enters into the partnership agreement and commence with the preparatory work of the Inception Phase.

6.3 Financial Implications

a) ICLD is funding the project.

"*... conduct a three-year project on a topic of their choice related to Human Rights, with funding from the ICLD*"

6.4 Legal Implications

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

6.5 Staff Implications

No staff implications to the Municipality.

6.6 Previous / Relevant Council Resolutions

None.

6.7 Risk Implications

None.

6.8 Comments from Senior Management

No comments are required from Senior Management.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2020-11-17: ITEM 7.10.1

(a) that Council notes the invitation by ICLD annexed hereto as **"APPENDIX 1"**;

(b) that Council approves that Stellenbosch Municipality enters into a partnership with a Swedish Municipality on the topic of Human Rights;

(c) that the Municipal Manager be authorized to negotiate the terms of the partnership agreement with the identified Swedish Municipality as per the requirements of the Inception Phase of the partnership; and

(d) that the Municipal Manager submits a report to Council subsequent to the conclusion of the Inception Phase, i.e. after one (1) year or as soon as practically possible thereafter.

ANNEXURES

Appendix 1: Invitation

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 November 2020

APPENDIX 1

From: Rikard Eduards [mailto:rikard.eduards@icld.se]
Sent: Wednesday, 04 November 2020 15:51
To: Nomie Tshefu <Nomie.Tshefu@stellenbosch.gov.za>
Cc: Johru Robyn <Johru.Robyn@stellenbosch.gov.za>; Myriam Chilvers <myriam.chilvers@icld.se>
Subject: [EX] Municipal Partnership for Human Rights

Dear Nomie Tshefu,

My name is Rikard Eduards, I work for the Swedish International Center for Local Democracy (www.icld.se). I received your contact details from a researcher in our network, Andrew Siddle, PhD in Business Administration, University of Cape Town.

Andrew suggested we contact you, as the Chief Administrative Officer in the office of the Municipal Manager, Geraldine Mettler, and present the below explained opportunity to apply for a "Municipal Partnerships for Human Rights" to her. Our concrete question is if Stellenbosch is interested in initiating such a partnership together with a Swedish municipality. In order to sync all activities involved we need a swift response preferably within one week – an urgency I apologize for! Naturally such a confirmation of interest would not involve formal obligations.

Municipal Partnerships for Human Rights involves a few selected municipalities in Sweden and the Southern Africa region that will be matched by ICLD and conduct a three year project on a topic of their choice related to Human Rights, with funding from the ICLD. The municipalities will receive support by ICLD and be able to network and exchange experiences with each other to reach both individual and joint goals.

Our partnerships are usually 3 years in length and involve two international study visits between municipalities a year. In between time the partnerships continue working on human rights projects of their choice. The partnerships start with a 1-year Inception Phase through which the partners get to know each other and investigate potential project cooperation areas.
This is our website if you want to find out more: https://icld.se/en/municipal-partnership/
This is a link to our Human Rights initiative: https://icld.se/en/article/humanrights/

My colleague Myriam Chilvers has recently been in touch with Johru Robyn in Stellenbosch, Manager Informal Settlements (both in Cc), and have had fruitful discussions on collaboration themes within Human Rights. However we need a confirmation that Stellenbosch as a municipality is interested in initiating a Municipal Partnership for Human Rights, which must then come from the appropriate level. This is why we kindly ask you to urgently discuss this with the municipal manager. I apologize again for the urgency, the reason being that we would like to launch this initiative in early 2021 when a network of local governments will be forged.

Since we have found Stellenbosch to be a highly suitable partner, we hope that you see the benefits of joining the programme. If so, we already have an interested Swedish partner municipality to present to you. The next step would be to fill in an application for an Inception Phase, to be carried out in 2021. We will assist you in the application process and our aim is that all applications be filed, assessed and approved this year. See overall timeline below.



I hope I have supplied sufficient information about the initiative that we propose, please do not hesitate to contact me with any questions or comments that you may have.

Kind regards,

Rikard Eduards
Programme Officer Municipal Partnerships
+46 72 941 89 53
rikard.eduards@icld.se
skype: rikarde.icld
www.icld.se
ICLD on Facebook
ICLD on Twitter

ICLD Swedish International Centre for Local Democracy

THE GLOBAL GOALS For Sustainable Development

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	**QUARTERLY REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE OF STELLENBOSCH MUNICIPALITY FOR THE PERIOD 01 JULY 2021 TILL 30 SEPTEMBER 2021**

Collaborator No:
File No:
IDP KPA Ref No: **Good Governance**
Meeting Date: **30 March 2022**

1. SUBJECT: QUARTERLY REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE OF STELLENBOSCH MUNICIPALITY FOR THE PERIOD 01 JULY 2021 TILL 30 SEPTEMBER 2021

2. PURPOSE

To inform Council of the activities of the Audit Committee for the period 01 July 2021 till 30 September 2021 (1st Quarter). The Minutes of the meeting held for this period mentioned is herewith attached as **APPENDIX 1** which outlines the activities of the Audit and Performance Audit Committee.

3. DELEGATED AUTHORITY

Audit and Performance Audit Committee reports to Council periodically.

4. EXECUTIVE SUMMARY

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

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

5. RECOMMENDATION

that Council takes note of the concerns and the report of the Audit Committee for the period 01 July 2021 till 30 September 2021.

6. DISCUSSION / CONTENTS

6.1 Background

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

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

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

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

6.2 Discussion

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

In respect of the external auditors and the external audit:

11. Monitored the progress made with AG action plan and noted the detailed feedback of the CFO in relation to the overview of audit findings follow-up.

In respect of financial statements:

7. Reviewed the Draft Unaudited AFS prior to the final submission to the AG.
8. Raised certain concerns that were addressed by the CFO and that all the necessary updates be done to the AFS and that the updated AFS be forwarded to the members on Monday, 30 August 2021.
9. Requested that the report of the service provider appointed by the municipality to do a review of the AFS be provided to the members.

In respect of the Annual Performance report:

- Reviewed the Draft APR and noted the overview provided by the Manager IDP who highlighted certain indicators.
- Notes that certain indicator outcomes would change with the updating of the AFS.
- Requested that more detail be provided when reporting on targets that have not been met.

In respect of internal control and internal audit:

- Reviewed critical and significant issues raised by the internal audit processes and the adequacy of corrective action in response to such findings as detailed in the reports and follow-up reports;

- Reviewed the progress made by Internal Audit in the execution of its operational plan.
- Reviewed the report from Internal Audit relating to performance (PDO's) for Quarter 4 for the year ending 30 June 2021.
- Review the report by Internal Audit on the progress made with the implementation of its Quality Assurance and Improvement Plan.
- Noted the communication by the CAE who informed the committee that he was able to secure funding from Provincial Treasury for the acquisition of Audit/Risk Management Software.

In respect of Pre-determined Objectives:

18. Noted the reports in relation to Quarter 4 PDO's as reviewed by Internal Audit.

19. Noted that there were no critical or significant issues raised by Internal Audit in the reporting the achievement of KPI's for the quarter under review to Council

In respect of risk management:

13.1.1.1 Noted the verbal feedback by the Chief Risk Officer and the MM on Risk Management and ICT.

In respect of Fraud, Investigations and Consequence management:

- Noted the verbal feedback by the Chief Risk Officer relating to Fraud cases currently being investigated.
- Noted the fraud hotline is operational and that a new service provider has been appointed to independently manage the hotline.

6.3 Financial Implications

As per the approved budget.

6.4 Legal Implications

The recommendations comply with legislation.

6.5 Staff Implications

N/A.

6.6 Previous / Relevant Council Resolutions

N/A

6.7 Risk Implications

N/A

6.8 Comments from Senior Management

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

APPENDICES

Appendix 1: Minutes of the Audit and Performance Audit Committee Meeting dated 27 August 2021

FOR FURTHER DETAILS CONTACT:

NAME	*Faiz Hoosain*
POSITION	*Chief Audit Executive*
DIRECTORATE	*Municipal Manager's Office*
CONTACT NUMBERS	*021-808 8555*
E-MAIL ADDRESS	*Faiz.Hoosain@stellenbosch.gov.za*
REPORT DATE	*30 March 2022*

APPENDIX 1

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2021-08-27

MINUTES

AUDIT AND PERFORMANCE AUDIT COMMITTEE MEETING [IN-COMMITTEE]

2021-08-27

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

Office of the A-G: Ms L Klue-Knipe
Mr I Fourie

Officials: Municipal Manager
Chief Financial Officer
Director: Infrastructure Services
Director: Planning and Economic Development
Director: Community & Protection Services
Acting Director: Corporate Services (B Mkiza)
Chief Audit Executive
Senior Internal Auditor
Chief Risk Officer
Senior Administration Officer (Ms T Samuels)

****

1.	**OPENING AND WELCOME**

The Chairperson, Dr NL Mortimer, extended a warm welcome to everyone present. He expressed his condolences to those who have been affected by covid and have lost family and friends during this pandemic. He requested that a moment of silent reflection be observed.

1.1	**COMMUNICATION BY THE CHAIRPERSON**

The Chairperson afforded Ms L Klue-Knipe an opportunity to introduce Mr Ignatius Fourie, the Senior Manager who will be responsible for the 2020/21 upcoming Financial Audit at Stellenbosch Municipality. Ms L Klue-Knipe explained that she will be the Acting Deputy Business Executive on this Audit. The Chairperson extended a warm welcome to Mr Fourie for his role he will be filling in this Audit and he responded that he is looking forward to work with everyone on the 2020/21Audit.

1.2	**COMMUNICATION BY THE MUNICIPAL MANAGER**

NONE

1.3	DISCLOSURE OF INTERESTS

NONE

In was noted that the necessary documentation in respect of Declaration of Interest and Confidentiality will be completed and signed by all Audit Committee members present.

2.	APPLICATIONS FOR LEAVE OF ABSENCE

The following apologies were tendered:

Executive Mayor, Ald G van Deventer (Ms)

Director: Corporate Services, A de Beer (Ms)

3.	CONFIRMATION OF MINUTES AND MATTERS ARISING

3.1	**Confirmation of minutes** The minutes of the Audit & Audit Performance Committee held on 2021-06-29. (**APPENDIX 1)**

The minutes of the Audit and Performance Audit Committee held on 2021-06-29 were **confirmed as correct, subject to the following amendment:**

On page 11 of the minutes, under item 6.5 Internal Audit Report-Follow-Ups

that the wording unsolicited bids be replaced with the wording request for services.

3.2	MATTERS ARISING FROM PREVIOUS MINUTES / ACTION POINTS

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-08-27: ITEM 3.2

NOTED

that all the previous action points have been actioned.

4.	**AUDITOR-GENERAL**

4.1	AG Audit Action Plan for the period ending 30 June 2020 **(APPENDIX 2)** **FOR CONSIDERATION**

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-08-27: ITEM 4.1

The Chairperson requested the CFO to provide feedback on the methodology used regarding the AG Action Plan.

The CFO subsequently provided detailed feedback in respect of the AG Audit Action Plan and mentioned that much effort went in to providing a quality product (and that further updating will be done as required).

RESOLVED

that the AG Audit Action Plan (AGAAP) be accepted, subject to the required progress updates being affected against the relevant findings as highlighted in the AGAAP.

RESOLVED

that the Audit Report for the period ending 30 June 2020, be noted.

5.	**FINANCIAL STATEMENTS**

5.1	Draft Unaudited Annual Financial Statements for year ending 30 June 2021 **(APP 3)** **FOR CONSIDERATION**

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-08-27: ITEM 5.1

The CFO indicated that the AFS needs to be submitted by the 31 August 2021 and indicated that the submission deadline will be adhered to. He however, made mention of the challenges that administration faced and had to manage as a result of Covid-19.

Mrs Williams indicated that there are certain items that are incomplete which requires the CFO's attention prior to submission to the AG.

As a result of Mrs Williams' concerns, it was

RESOLVED

a) that the report of the service provider (Altimax) be forwarded to all members of the committee,

b) that all the necessary updates be done to the AFS and that the updated AFS be forwarded to the members on Monday, 30 August 2021,

c) that the Administration allows the members the opportunity to peruse the report from the service provider and updated AFS and inform the CFO *(copy to CAE)* of matters of concern in respect of the AFS, and

d) that the CFO accordingly respond to these matters before Tuesday, 31 August 2021.

5.2	Draft Annual Performance Report for year ending 30 June 2021 **FOR CONSIDERATION**	**(APPENDIX 4)**

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-08-27: ITEM 5.2

The Manager IDP gave an overview on the Draft Annual Performance Report and the contents thereof, highlighting that some of the indicators' performance rating might change as the AFS is being updated. He further mentioned that, 10 indicators not achieved; 2 almost achieved; 21 achieved; 9 well met and 3 extremely well met.

Messrs Williams and Botto highlighted that more detail reporting is required specifically where targets are not met.

RESOLVED

that the Manager IDP, provide the committee members with an updated draft annual performance report after synchronising the input of AFS that might have an impact on the DAPR considering that the members need to provide comments on the DAPR and that those comments are addressed prior to the submission of the report to the Auditor-General.

6.	**INTERNAL AUDIT AND INTERNAL CONTROL**

6.1	Internal Audit Progress Report **(APPENDIX 5)** **FOR CONSIDERATION**

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-08-27: ITEM 6.1

The CAE provided an overview on the Internal Audit report and the contents thereof.

RESOLVED

that the contents of the Internal Audit Progress Report, be noted.

6.2	Internal Audit Report PDO's Quarter 4 **(APPENDIX 6)** **FOR CONSIDERATION**

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-08-27: ITEM 6.2

The CAE provide an overview on the Internal Audit report and the contents thereof.

RESOLVED

that the contents of the Internal Audit Report PDO's Quarter 4, be noted.

7.	**QUALITY ASSURANCE AND IMPROVEMENT**

7.1	Progress Report on Quality Assurance and Improvement Plan **(APPENDIX 7)**

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-08-27: ITEM 7.1

The CAE provided an overview on the Progress Report on Quality Assurance and Improvement Plan (QAIP) which needs to be done annually, and other matters of compliance which the administration is working on.

Chairperson indicated that the MM has committed that the administration is addressing the recommendations as made in the report.

RESOLVED

that the Progress Report on Quality Assurance and Improvement Plan, be noted.

8.	RISK MANAGEMENT AND ICT

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-08-27: ITEM 8

RESOLVED

that the verbal feedback on Risk Management and ICT, be noted.

9.	FRAUD RESPONSE COMMITTEE: INVESTIGATIONS AND FRAUD

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-08-27: ITEM 9

The Chief Risk Officer mentioned that the administration is working on a few possible fraud cases in consultation with the Labour Relations Section. She also informed the committee that the Service Provider for the "Fraud Hotline" has been appointed as from 1 July 2021.

The CAE informed the committee that the Provincial Treasury has made funding available for the acquisition of Audit/Risk Software and that he will report to the committee on the next meeting regarding any progress in this regard.

RESOLVED

that the verbal feedback on Fraud Response Committee: Investigations and Fraud, be noted.

10.	DATE OF NEXT MEETING

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-08-27: ITEM 10

NOTED

that the date of the next meeting is 26 November 2021 at 15:00.

The meeting adjourned at 17:00.

CHAIRPERSON: ……

DATE: ……

Confirmed on …… **with/without amendments**

13.2	QUARTERLY REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE OF STELLENBOSCH MUNICIPALITY FOR THE PERIOD 01 OCTOBER 2021 TILL 31 DECEMBER 2021

Collaborator No:
File No:
IDP KPA Ref No: **Good Governance**
Meeting Date: **30 March 2022**

1. SUBJECT: QUARTERLY REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE OF STELLENBOSCH MUNICIPALITY FOR THE PERIOD 01 OCTOBER 2021 TILL 31 DECEMBER 2021

2. PURPOSE

To inform Council of the activities of the Audit Committee for the period 01 October 2021 till 31 December 2021 (2nd Quarter). The Minutes of the meeting held for this period mentioned is herewith attached as **APPENDIX 1** which outlines the activities of the Audit and Performance Audit Committee.

3. DELEGATED AUTHORITY

Audit and Performance Audit Committee reports to Council periodically.

4. EXECUTIVE SUMMARY

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

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

Council established its Disciplinary Board in line with the Financial Misconduct Regulations on the 23 November 2021 and inter alia resolved that a member of the Audit and Performance Audit Committee be elected by the Audit Committee to serve on the board.

5. RECOMMENDATIONS

(a) that Council takes note of the concerns and the reports of the Audit Committee for the period 01 October 2021 till 31 December 2021

(b) that Council note that Ms June Williams has been nominated by the Audit and Performance Audit Committee to serve on the Disciplinary Board of Council.

6. DISCUSSION / CONTENTS

6.1 Background

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

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

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

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

6.2 Discussion

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

In respect of the external auditors and the external audit:

12. Reviewed the progress made with AG action plan and the feedback of the CFO which outlined the progress made with eliminating repeat findings.

13. Reviewed the Draft Management Report and noted the concerns raised by the AG relating to matters that could impact the municipality in future.

14. Noted the reasons communicated by the Acting Business Executive of the AG for the delay in concluding the audit process.

15. Noted that a meeting would be required early in January 2022 to finalise the AG's reports.

In respect of financial statements:

10. Considered the quarterly budget monitoring report

11. Requested that the CFO submit realistic cash flows to the next meeting for the capital budget.

12. Highlighted the importance of improved processes to bolster capital spending.

In respect of internal control and internal audit:

(c) Reviewed critical and significant issues raised by the internal audit processes and the adequacy of corrective action in response to such findings as detailed in the reports and follow-up reports.

(d) Reviewed the progress made by Internal Audit in the execution of its operational plan.

(e) Reviewed the reports from Internal Audit relating to Development Contributions and Performance (PDO's).

In respect of Pre-determined Objectives

20. Noted the reports in relation to Quarter 1 PDO's as reviewed by Internal Audit.

21. Noted that there were no critical or significant issues raised by Internal Audit in the reporting the achievement of KPI's to Council

In respect of risk management:

13.1.1.2 Reviewed progress reports on Risk Management.
13.1.1.3 Reviewed minutes of the Risk management Committee.
13.1.1.4 Reviewed the updated and revised strategic and operation risk registers.
13.1.1.5 Reviewed and approved the Revised Risk management Policy.
13.1.1.6 Reviewed and approved the draft Enterprise Risk Management Framework.
13.1.1.7 Reviewed the Covid-19 Risk adjusted strategy and noted the control implemented by management.
13.1.1.8 Noted the feedback from the independent member of the APAC Mr. Lesihla who sits on the Risk Management Committee as an advisor.

In respect of Fraud, Investigations and Consequence management:

- Noted the risk and fraud management project plan and progress report.
- Reviewed and approved the Revised Anti-Fraud and Corruption prevention Policy.
- Noted the updated fraud allegations register and closure of resolved matters.
- Noted the comparative analysis year on year but requested only a summary of this for 1 year.

6.3 Financial Implications

As per the approved budget.

6.4 Legal Implications

The recommendations comply with legislation.

6.5 Staff Implications

N/A.

6.6 Previous / Relevant Council Resolutions

N/A

6.7 Risk Implications

N/A

6.8 Comments from Senior Management

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

APPENDICES

Appendix 1: Minutes of the Audit and Performance Audit Committee Meeting dated 14 December 2021

FOR FURTHER DETAILS CONTACT:

NAME	*Faiz Hoosain*
POSITION	*Chief Audit Executive*
DIRECTORATE	*Municipal Manager's Office*
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E-MAIL ADDRESS	*Faiz.Hoosain@stellenbosch.gov.za*
REPORT DATE	*30 March 2022*

APPENDIX 1

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2021-12-14

MINUTES

AUDIT AND PERFORMANCE AUDIT COMMITTEE MEETING [IN-COMMITTEE]

2021-12-14

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

Office of the A-G: Ms L Klue-Knipe
Mr M Velem

Also Present: Cllr J Fasser

Officials: Municipal Manager
Chief Financial Officer
Director: Infrastructure Services
Director: Planning and Economic Development
Director: Community & Protection Services
Director: Corporate Services
Chief Audit Executive
Senior Internal Auditor
Chief Risk Officer
Senior Administration Officer (Ms T Samuels)

****

1.	**OPENING AND WELCOME**

The Chairperson, Dr NL Mortimer, extended a warm welcome to everyone present.

1.1	**COMMUNICATION BY THE CHAIRPERSON**

The Chairperson afforded Ms L Klue-Knipe an opportunity to introduced Mr Masixole Velem who is replacing Mr Ignatius Fourie on the Audit and Performance Audit Committee.

1.2	**COMMUNICATION BY THE MUNICIPAL MANAGER**

NONE

1.3	**DISCLOSURE OF INTERESTS**

The Chairperson, Dr NL Mortimer declared a gift he received and there were no objections to the gift received.

It was noted that the necessary documentation in respect of Declaration of Interest and Confidentiality will be completed and signed by all Audit Committee members present.

2.	APPLICATIONS FOR LEAVE OF ABSENCE

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-12-14: ITEM 2

The following apologies were tendered:

Executive Mayor, Ald G van Deventer (Ms)

3.	CONFIRMATION OF MINUTES AND MATTERS ARISING

3.1	**Confirmation of minutes** The minutes of the Audit & Performance Audit Committee held on 2021-08-27. (**APPENDIX 1)** **FOR CONFIRMATION**

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-12-14: ITEM 3.1

The minutes of the Audit and Performance Audit Committee held on 2021-08-27 were **confirmed as correct, subject to the following amendments:**

On page 10 of the minutes, under paragraph 5.1

that the word “Mrs” be corrected and replaced with the word “Ms”.

On page 11 of the minutes, under paragraph 5.2

that the word “met” be added at the end of the sentence.

3.2	**MATTERS ARISING FROM PREVIOUS MINUTES / ACTION POINTS** **FOR CONSIDERATION**

NOTED

that all the previous action points have been actioned.

4.	AUDITOR-GENERAL

4.1	Progress report on AG Action Plan for the year ending 30 June 2020 **(APPENDIX 2)** **FOR CONSIDERATION**

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-12-14: ITEM 4.1

The Chief Audit Executive, Mr Faiz Hoosain informed the meeting that progress for the quarters have been updated. The CFO, Mr Kevin Carolus gave feedback that he is satisfied with the 2019/2020 AG Action Plan and progress.

RESOLVED

that the Audit Report for the period ending 30 June 2020, be noted.

4.2	Draft Management Report for the period ending 30 June 2021 **(APPENDIX 3 will be distributed under separate cover)** **FOR CONSIDERATION**

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-12-14: ITEM 4.2

The Municipal Manager informed the meeting that there is a delay in the sign off of the audit and alluded to an updated letter received from the A-G on 10 December 2021, wherein the A-G indicated that they would finalize the audit by 24 January 2022. Ms L Klue-Knipe explained the reason for the delay in the sign-off of the Draft Management Report as set out in the letter.

RESOLVED

that the input on the Draft Management Report by Ms L Klue-Knipe of the AG, be noted.

5.	**FINANCIAL STATEMENTS**

5.1	Quarterly Budget Monitoring Report: 1st Quarter, 2021/22 **(APPENDIX 4)** **FOR CONSIDERATION**

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-12-14: ITEM 5.1

During deliberations on this matter, various questions were posed by Mr V Botto and Mr T Lesihla. Responses were given by the Chief Financial Officer and Municipal Manager. It was agreed on realistic cashflows for the capital budget to be presented by the Chief Financial Officer at the next APAC meeting.

RESOLVED

that the Quarterly Budget Monitoring Report: 1st Quarter, 2021/22, be noted.

6.	**INTERNAL AUDIT AND INTERNAL CONTROL**

6.1	Internal Audit Progress Report **(APPENDIX 5)** **FOR CONSIDERATION**

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-12-14: ITEM 6.1

The Chief Audit Executive alluded to the following and reported that he is happy with the Report:

- Completed some of the projects.

- MGROW & MGAP for National Treasury is done.
- A-G Follow-up Review: Is monitored on a regular basis, and will be submitted at the next meeting, however the follow-up on the A-G Report for the 2019/2020 financial year will not be done, because awaiting the outcome from the A-G.
- Quarters 3 and 4: The follow-up on the new Management Report will be done as soon as it becomes available.

RESOLVED

that the Internal Audit Progress Report, be noted;

6.2	Internal Audit Report: PDO's Quarter 1 **FOR CONSIDERATION**	**(APPENDIX 6)**

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-12-14: ITEM 6.2

The Chief Audit Executive reported that everything is on track.

RESOLVED

that the Internal Audit Report: PDO's for Quarter 1, be noted.

6.3	Internal Audit Report: Development Contributions **will be submitted under separate cover)** **FOR CONSIDERATION**	**(APPENDIX 7**

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-12-14: ITEM 6.3

The Chief Audit Executive reported that the report was circulated and will be dealt with at the next meeting.

RESOLVED

that the Internal Audit Report: Development Contributions be dealt with at the next meeting.

6.4	Establishment of a Disciplinary Board **FOR CONSIDERATION**	**(APPENDIX 8)**

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-12-14: ITEM 6.4

RESOLVED

that Ms J Williams will be representing the Audit Committee on the Disciplinary Board for the next term.

7.	QUALITY ASSURANCE AND IMPROVEMENT

NONE

8.	RISK MANAGEMENT AND ICT

8.1	Risk Assessment and Progress Report --- Q1: July – Sept 2021 **(APPENDIX 9)** **FOR CONSIDERATION**

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-12-14: ITEM 8.1

The following were completed and submitted to the Risk and Fraud Committee on 2021-11-30:

Assessments of the Directorates Risk Registers;
Review of the Risk Policy;
Risk Strategy; and
Fraud Policy

Mr T Lesihla attended the Risk Committee Meeting, and his input was appreciated. He commended the municipality, and in particular the Chairperson of the Risk Committee for the way the Committee ran and for ensuring that there are actions that Management is putting in place.

RESOLVED

that the Risk Assessment and Progress Report: Q1: July – Sept 2021, be noted.

8.2	Revised Strategic and Operational Risk Register 2021/22 --- November 2021 **(APPENDIX 10)** **FOR CONSIDERATION**

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-12-14: ITEM 8.2

The register was assessed and updated as the assessments of the directorates were concluded and is now a reflection of the said assessments.

RESOLVED

that the APAC approves the attached Register for submission to Council for final approval.

8.3	Revised COVID-19 Risk Register & Action Plan 2021/22 --- November 2021 **(APPENDIX 11)** **FOR CONSIDERATION**

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-12-14: ITEM 8.3

The COVID register and action plan was updated to a reflection of the current status of covid in the country and will be updated again and changes will be made in accordance with the lead from National and Provincial Government.

RESOLVED

that the Revised Strategic and Operational Risk Register 2021/22 --- November 2021, be noted.

8.4	Minutes of Risk & Fraud Management Committee - June 2021 **(APPENDIX 12)** **FOR CONSIDERATION**

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-12-14: ITEM 8.4

RESOLVED

that the Minutes of Risk & Fraud Management Committee - June 2021, be noted.

8.5	Revised Risk Register Management Policy 2021/22 --- November 2021 **(APP 13)** **FOR CONSIDERATION**

This is the Draft Risk Management Policy that was submitted to the risk management committee for consideration and was approved by the said committee on 30 November 2021. The Draft Policy was then submitted to the APAC for approval.

RESOLVED

that the Revised Risk Register Management Policy 2021/22 --- November 2021, **be approved**.

8.6	Draft Enterprise Risk Management Framework 2021/22 --- November 2021 **(APP 14)** **FOR CONSIDERATION**

This Draft Enterprise Risk Management Framework was submitted to the Risk Management Committee for consideration and was approved by the said committee on 30 November 2021. The Draft Enterprise Policy was then submitted to the APAC for approval.

RESOLVED

that the Draft Enterprise Risk Management Framework 2021/22 --- November 2021, **be approved**.

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

9.1	Fraud Management Report -- Q1: July – Sept 2021 **(APPENDIX 15)** **FOR CONSIDERATION**

The Report is a summary of work done for the 1st quarter and a bit beyond regarding fraud management within the municipality. Requests for information has been issued by the Auditor-General regarding Fraud and related matters in the municipality. No COMAF has been issued yet.

RESOLVED

that the Fraud Management Report -- Q1: July – Sept 2021, be noted.

9.2	Fraud Register Status Report -- as at 31 October 2021 **(APPENDIX 16)** **FOR CONSIDERATION**

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-12-14: ITEM 9.2

The register is a reflection of the fraud cases that are still open and which is part of the samples that were identified by the A-G. At the next APAC there will be clear indication of which cases will be finalised and closed.

RESOLVED

that the Fraud Register Status Report: as at 31 October 2021, be noted.

9.3	Risk & Fraud Management Project Plan–1 July-31 December 2021 **(APPENDIX 17)** **FOR CONSIDERATION**

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-12-14: ITEM 9.3

The plan is a summary of work done in the first few months of the new financial year and also what is planned for the next 6 months.

RESOLVED

that the Risk & Fraud Management Project Plan for the period 1 July - 31 December 2021, be noted.

9.4	Revised Anti-Fraud & Corruption Prevention Policy – November 2021/22 **FOR CONSIDERATION** **(APPENDIX 18)**

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-12-14: ITEM 9.4

This is the Draft Revised Anti-fraud and Corruption Prevention Policy that was submitted to the Risk Management Committee for consideration and was approved by the said committee on 30 November 2021. The Draft Enterprise Policy was then submitted to the APAC for approval.

RESOLVED

that the Revised Anti-Fraud & Corruption Prevention Policy – November 2021/22, **be approved.**

10.	**DATE OF NEXT MEETING**

AUDIT & PERFORMANCE AUDIT COMMITTEE MEETING: 2021-12-14: ITEM 10

NOTED

that the date of the next APAC meeting is 18 February 2022 at 15:00.

The meeting adjourned at 16:50.

CHAIRPERSON: ……

DATE: ……

Confirmed on …… **with/without amendments**

13.3	**RENEWAL OF 1 MEMBER OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE OF STELLENBOSCH MUNICIPALITY'S TERM OF OFFICE AND NOTING THE END OF THE CHAIRPERSON'S TERM**

Collaborator No:
File No:
IDP KPA Ref No: **Good Governance**
Meeting Date: **30 March 2022**

1. SUBJECT: RENEWAL OF 1 MEMBER OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE OF STELLENBOSCH MUNICIPALITY'S TERM OF OFFICE

2. PURPOSE

To obtain Council's approval for the re-appointment of one (1) member to the Audit and Performance Audit Committee.

That Council take note of the end of the current Chairperson Dr Len Mortimer's 2nd term serving on the Audit and Performance Audit Committee of Stellenbosch Municipality.

3. DELEGATED AUTHORITY

The delegated authority for the appointment of Audit and Performance audit Committee members is Council.

4. EXECUTIVE SUMMARY

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

Audit And Performance Audit Committee members are recommended to serve only two (2) terms each of which is three (3) years in terms of the Institute of Director's: Public Sector Audit Committee Forum's Competency Framework attached as **APPENDIX 1**.

Ms. June Williams appointment concludes on 31 March 2022. Attached as **APPENDIX 2** see her appointment letter.

The Current Chairperson Dr Len Mortimer's second and final term also ends on the 31 March 2022. Attached as **APPENDIX 3** find his original appointment letter. The vacancy has been advertised and the closing date for this vacancy is 15 April 2022.

5. RECOMMENDATION

(a) that Council renew the term of Ms. June Williams for a second and final term of three years concluding on the 31 March 2025;

(b) that Council take note of the end of the current Chairperson Dr Len Mortimer's 2nd term serving on the Audit and Performance Audit Committee of Stellenbosch Municipality; and

(c) that Council note that the Audit and Performance Audit Committee will after this vacancy has been filled elect a new Chairperson from among themselves at its first meeting hereafter and report back to Council.

6. DISCUSSION / CONTENTS

6.1 Background

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

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

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

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

Stellenbosch Municipality's approved Audit and Performance Audit Committee Charter requires that there be a minimum of three (3) and a maximum of five (5) members. The Audit and Performance Audit Committee must meet as often as may be needed but not less than four times a year. No Councillor may be a member of the Audit and Performance Audit Committee. The Audit and Performance Audit Committee is a politically neutral body.

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

6.2 Discussion

Ms. June Williams has served on the Stellenbosch Municipality Audit and Performance Audit Committee for three years and have contributed substantially to the operation and functioning of this Committee. It is advisable to appoint them for a second term to ensure continuity and skills transfer to new and incoming members of the Committee.

Furthermore, the existing Chairperson Dr Len Mortimer's second and final term also ends on the 31 March 2022. The vacancy has been advertised and the closing date for this vacancy is 15 April 2022.

The Audit and Performance Audit Committee will after this vacancy has been filled elect a new Chairperson from among themselves at its first meeting hereafter and report back to Council.

6.3 Financial Implications

As per the approved budget.

6.4 Legal Implications

The recommendations comply with legislation.

6.5 Staff Implications

6.6 Previous / Relevant Council Resolutions

N/A

6.7 Risk Implications

N/A

6.8 Comments from Senior Management

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

APPENDICES

Appendix 1- Institute of Director's: Public Sector Audit Committee Forum's Competency Framework

Appendix 2- Appointment letters of Ms June Williams

Appendix 3- Appointment letter of Dr Len Mortimer

FOR FURTHER DETAILS CONTACT:

NAME	*Faiz Hoosain*
POSITION	*Chief Audit Executive*
DIRECTORATE	*Municipal Manager's Office*
CONTACT NUMBERS	*021-808 8555*
E-MAIL ADDRESS	*Faiz.Hoosain@stellenbosch.gov.za*
REPORT DATE	*30 March 2022*

APPENDIX 1

PUBLIC SECTOR
AUDIT COMMITTEE FORUM

Audit Committee Member Competency Framework

The information contained in this guidance paper is provided for discussion purposes. As such, it is intended to provide the reader and the entity with general information of interest and not to address the circumstances of any particular individual or entity.

The information should not be regarded as professional or legal advice or the official opinion of any of the individual organisations represented on the steering committee of the Public Sector Audit Committee Forum (PSACF).

Although the PSACF takes all reasonable steps to ensure the quality and accuracy of the information, no action should be taken on the strength of the information without obtaining professional advice. The PSACF and the sponsors shall not be liable for any damage, loss or liability of any nature incurred directly or indirectly by whomever and resulting from any cause in connection with the information contained herein.

1. Introduction

One of the main factors contributing to an effective audit committee is having the right composition and competencies. It is therefore important that the applicable Accounting Authority, Accounting Officer or Council appoints members with the appropriate balance of formal qualifications, relevant experience and desired personal attributes. The aim is to have an appropriate balance of skills and experience on the audit committee to enable it to effectively and efficiently discharge its duties/functions as set out in the applicable legislation as well as the audit committee charter/terms of reference (referred to hereafter as the "AC Charter").

The purpose of this guide is to provide a summary of the key competencies recommended for audit committee members.

2. Composition

2.1. Size

In terms of section 94(2) of the Companies Act, section 77 of the Public Finance Management Act ("PFMA") and section 166 of the Municipal Finance Management Act ("MFMA"), the audit committee should consist of a minimum of three (3) members.

The optimum size of an audit committee will vary depending on the size, nature, complexity and needs of the organisation, the industry or sector in which it operates, and the extent of responsibilities delegated to the audit committee as covered in its AC Charter.

2.2. Composition requirements

Both the PFMA and MFMA require that the majority of members of an audit committee must not to be in the employ of the department or public entity or municipality/municipal entity. Treasury Regulation 27.1.4 similarly provides that "the majority of the members of an audit committee may not be employed by the public entity or be members of the controlling body". In other words, this would be interpreted to mean that the majority of audit committee members must be "non-executive".

Whereas, the Companies Act (section 94(4)) requires and King IV™ (Practice 56) recommends that all members of the audit committee must be non-executive members.

Non-executive means - an audit committee member must not be:

a. *a member involved in the day-to-day management of the organisation's business either presently or during the previous financial year; or*
b. *a prescribed officer or full-time employee of the organisation or another related/inter-related organisation either presently or at any time during the previous three financial years; or*
c. *a material supplier or customer of the organisation (i.e. there must be no conflict of interest that could be perceived by a third party); or*
d. *any individual related to any person who falls within the above categories.*

It is recommended that all public organisations and municipalities consider, as an enhancement in terms of best governance practices, having an audit committee consisting only of non-executive members.

In addition, the audit committee should also, as recommended by King IV™ for the governing body, "promote diversity in its membership across a variety of attributes relevant for promoting better decision-making and effective governance, including filed of knowledge, skills and experience as well as age, culture, race and gender".

2.3. Independence

Principle 8 and recommended practice 56 of King IV™ recommends that "all members of the audit committee should be independent, non-executive members of the governing body". Similarly, both the Treasury Regulations (No. 3.1.5) and National Treasury's Internal Audit Framework (No. 2.5.4) recommend that the audit committee should operate independently in order for it to be effective.

King IV™ defines Independence as follows:

"Independence generally means the exercise of objective, unfettered judgement. When used as the measure by which to judge the appearance of independence, or to categorise a non-executive member of the governing body or its committees as independent, it means the absence of an interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making."

Independent non-executive members should be independent in fact and in the perception of a reasonably informed third party.

The following is recommended in order to enhance the audit committee's independence:

- The majority of members should be independent of the organisation and should preferably not be in the public service.
- Ensuring the appointment of members who exhibit an independence of mind in their deliberations: The integrity and independence of appointees should be carefully considered and the independence of members should be assessed annually by the audit committee (with a more rigorous independence assessment performed for longer-standing members).
- Members should not serve for more than two consecutive terms and no more than six (6) years.
- Members should declare all private and business interests at every audit committee meeting. Specifically, members should not conduct any business with the department, public entity or municipality/municipal entity. Conflicts of interest should be a standing agenda item to ensure that all potential, actual or perceived conflicts of interest are identified and dealt with accordingly, and a conflict of interest register should be kept to record any such disclosed conflicts. The benefit of keeping a conflict of interest register will ensure transparency and safeguard the integrity of the decisions made by the audit committee by providing evidence of the independence of the audit committee should this ever be questioned.

As such, a Councillor/Council member is not allowed to be a member of the audit committee or attend audit committee meetings. While there is nothing prohibiting the chair of the Accounting Authority being a member of the audit committee, in practice and in line with best governance principles the chair is generally not appointed as a member.

2.4. Selecting members

When selecting new or considering the reappointment of audit committee members, consideration should be given to (among others) the following:

- the need to balance the benefits of having experienced members and bringing in new members for fresh insights and perceptions;
- the organisation's culture, values, business and industry in which it operates, as well as its size and complexity (i.e. what skills are required to address the key risks of the organisation?);
- the number of other governing bodies / councils and audit committees on which the member sits on;
- the audit committee Chair's recommendations on the skills, knowledge, experience and personal attributes required within the existing audit committee; and
- evaluations and assessment results, especially when such results highlight the need for additional skills or experience within the audit committee.

The PSACF round table discussions held across the regions have highlighted the challenge of audit committees in the public sector to recruit/access competent potential members. In order to address this need, the PSACF has provided an avenue for audit committees to advertise vacancies on the PSACF member database (which consists of varying levels of members with audit committee experience).

2.5. Rotation

Rotation enhances independence and helps to keep the audit committee effective and fresh with new perspectives on processes. It is recommended that an audit committee member should serve a minimum of three (3) years with the option of re-appointment for another three (3) years, based on his/her performance (i.e. not more than two terms of three years each).

In terms of National Treasury's Internal Audit Framework section 2.5.6 and MFMA Circular 65, "Members should not be contracted continuously for a period exceeding six years. After serving continuously for six years, a cooling off period of two years should be allowed before appointing the same member to the same audit committee."

Collectively based on the above, it is recommended that an individual should serve a maximum of four (4) terms in total (i.e. two periods of six (6) years in total) with a cooling off period of two years between terms 2 and 3.

It is recommended that audit committee members be rotated on a staggered basis to ensure that institutional knowledge from experienced members is retained and passed on to new members, and so that new members can receive guidance from experienced members regarding business processes, issues and relationships with key stakeholders. The number of members to be rotated will depend on the total number of members, but it is recommended that at least the majority of members should remain (i.e. one third should rotate).

3. Competencies of an effective Chair

The audit committee should be chaired by an independent "non-executive" member (i.e. an individual not in the employ of the public/municipal entity nor a political office bearer), as recommended in section 166 of the MFMA, section 77 of PFMA, Treasury Regulations 3.1.4 and 27.1.3, and King IV™.

The Chair should be able to lead the audit committee in an effective and ethical manner. The Chair should also consider undergoing development courses to develop his/her skills and effectiveness.[1]

One of the responsibilities of the Chair is to provide an effective line of communication from the audit committee to the relevant oversight authority. The Chair should thus provide regular feedback to the Accounting Authority/Accounting Officer or other relevant authority charged with oversight of the performance, findings and related issues of the audit committee. The Chair is also best placed to provide input to the relevant authority responsible for the appointment of the members on the competencies/skills required within the audit committee in order for it to effectively perform its functions.

3.1. Core skills

An effective Chair should be a respected and experienced member with the following core skills and/or characteristics:

- good leadership skills/qualities;
- financial literacy skills;
- strategy skills;
- requisite business acumen;
- business, governance and/or finance management experience in the public sector (i.e. public sector experience);
- excellent working knowledge of the audit committee's function and risk management framework;
- ability to understand and identify major financial reporting issues;
- ability to understand the requirements for determining performance objectives, monitoring achievement and reporting thereon;
- understanding of the requirements for, and monitoring of, compliance with legislation;
- ability to lead constructive open and frank discussion with and/or between audit committee members, management, internal and external auditors, other external assurance providers and the applicable Accounting Authority/AccountingOfficer/Council/Executive Authority/Portfolio Committee/MEC or Minister;
- interpersonal skills to build, maintain and promote effective working relationships; and
- ability to set/develop, manage and monitor the audit committee agenda as well as the effectiveness of committee meetings.

1 The Audit Committee Forum Position Paper: Guidelines for the audit committee chairperson contains additional information to assist the chair with preparation for audit committee meetings.

3.2. Other personal attributes and skills

Essential characterises of a strong Chair often also include personal attributes, such as:

- having time and energy for the role (i.e. dedication);
- having strong leadership and facilitation skills;
- being a good listener and communicator;
- having confidence and integrity;
- being firm and prepared to ask tough questions;
- the ability to encourage openness and transparency; and
- courage to raise and deal with tough issues/questions, and encourage and support other members to do the same.

4. Member Competency

The skills and experience required from audit committee members, as previously mentioned, will depend on the nature, size and complexity of the organisation. However, as a minimum the audit committee collectively should consist of members with the following skills, knowledge, experience and attributes/characteristics in order to execute its duties effectively.

4.1. Core skills

Collectively the audit committee should have members with the following core skills, knowledge or experience (depending on the required skill needed for the organisation):

- financial or accounting knowledge/literacy;
- financial, performance and integrated reporting experience and ability to analyse complex financial reports;
- understanding of public sector reporting;
- understanding of service delivery priorities;
- understanding of internal financial controls;
- understanding of the external and internal audit roles and processes (i.e. robust knowledge of the audit function);
- understanding of the role of the Accounting Authority/Accounting Officer/Council and other governance role players;
- risk management experience/knowledge;
- knowledge of or competence in sustainability issues;
- information technology governance experience including cyber security, knowledge of IT systems and emerging technologies;
- governance knowledge and experience;
- strong business acumen;
- management skills (i.e. ability to work constructively and communicate effectively with management);
- understanding of the performance management system;
- understanding of the treatment of allegations and investigations;
- understanding of the relevant legislative requirements relating to the organisation/industry and sector;
- a robust knowledge of the organisation, its operations and its industry to assess financial reports effectively;
- previous experience in the same sector/industry as that of the business (at least majority of the members); and
- other relevant technical or specialist experience pertinent to the issues of the organisation's business.

4.2. Personal attributes and skills

In addition to the above, audit committee members should possess the following personal attributes:

- general business acumen (i.e. the ability to understand the impact of decisions or actions on the organisation)
- high level of integrity;
- strong ethical standards/values in line with those of the organisation;
- necessary available time and personal commitment to the role (i.e. dedication);
- healthy and professional scepticism;
- inquisitiveness and independent judgement (i.e. ability to think independently, objectivity and have an inquiring mind);
- ability, willingness and courage to ask relevant questions, challenge answers and probe for information until completely satisfied with the answers provided;
- ability to offer new perspectives and constructive suggestions;
- strong interpersonal skills ;
- openness and transparency;
- ability to be open to, accept and foster change;
- ability and desire to learn; and
- commitment and adherence to continuous professional development (CPD) requirements in terms of his/her specific profession/designation.

4.3. Additional skills, knowledge and experience

The audit committee and the Accounting Authority/Accounting Officer/Council should identify and agree on other skill sets required for the effectiveness of the audit committee. These additional skills may be in relation to the core business of the organisation, key strategies and/or business plans, or key developments in the industry affecting the business operations.

The required skills set for an audit committee should be reviewed periodically, taking into account the current maturity/stage of the organisation to ensure that as the company matures, the skills and knowledge of the audit committee members also develop to enable the audit committee to focus on key issues facing the organisation.

5. Ongoing Assessment and Evaluation

Evaluations serve as a method to assess the performance of the audit committee and individual members and to identify gaps or weaknesses and what the audit committee/members need (such as further training, skills and knowledge etc.) to improve effectiveness.[2]

The duties/functions of the audit committee are continuously developing and/or increasing due to changes in the risk landscape, and as such new skills may be needed within the audit committee to address these new duties/functions. Thus the need for regular assessments and updating of the AC Charter becomes more necessary.

It is recommended that the applicable authority within the public sector landscape that is responsible for the appointment of audit committee members ensures (with the assistance of the Chair and/or Company Secretary) that the audit committee undergoes annual evaluation assessments on its collective as well as individual members' performance and effectiveness. In terms of King IV™ it is recommended that an independent evaluation be performed every two (2) years. An informal internal self-assessment can be performed during the interim periods to determine what progress has been made with action plans created since the previous formal evaluation.

In general, the results of the assessment should be received and considered by the relevant authority when determining the selection criteria for new members or the engagement with external specialists/consultants (as and when needed) to ensure that the audit committee has all the required skills, knowledge and experience to effectively fulfil its duties. With regards to municipalities, MFMA Circular 65 provides specific recommendations around results of assessments.

2 The Audit Committee Forum Position Paper: Guidelines for assessing the performance of an audit committee contains additional guidance on this matter as well as basic templates for internal assessments.

Annexure 1 - Public Sector Audit Committee Competency Framework Checklist Guideline

*This checklist has been provided as a high-level guide to enable the audit committee to evaluate its overall competency. This evaluation can be included as part of the annual audit committee assessment (which covers a broader performance spectrum). It is recommended that this checklist be used by the authority responsible for the appointment of the audit committee members either on an annual basis or when appointing/reappointing members.

Assessment Area/Question	Yes / No
Composition	
Are all the members' independent non-executive members?	
Is there a minimum of three members?	
Does the audit committee have the appropriate number of members relative to the size, nature and complexity of the organisation to effectively and efficiently carry out its functions?	
Is the independence of members assessed annually?	
Does the audit committee have protocols to deal with actual and perceived conflicts of interest? Are conflicts of interest identified and dealt with appropriately?	
Are conflicts of interest recorded in a conflict of interest register?	
Are there clear criteria as well as a list of requirements regarding the qualifications, attributes and experience needed for recruitment/selection of members?	
Does the Chair of the audit committee provide feedback/input in the selection of new members through his/her recommendations on the additional skills/competencies required within the audit committee?	
Are skills gap analyses undertaken to identify the skills required within the audit committee?	
Are audit committee members rotated on a staggered basis?	
Do audit committee members serve longer than a total of six (6) years on the committee? If so, are such members subjected to rigorous independence assessments to satisfy the committee that they are still independent?	
Chair	
Is the Chair of the audit committee an independent non-executive member?	
Is the Chair an experienced governing body member with relevant financial expertise?	
Does the Chair possess the core skills, knowledge and experience required of an effective Chair?	
Does the Chair have appropriate leadership and facilitation skills?	
Does the Chair have relevant public sector experience?	
Does the Chair demonstrate the personal attributes of an effective Chair?	
Does the Chair understand and regularly assess the needs of the audit committee?	
Does the Chair set and manage the audit committee agenda?	
Does the Chair have effective working relationships with all key stakeholders?	
Audit Committee Members	
Does the audit committee have an appropriate mix of core skills, knowledge and experience to address the needs and complexity of the organisation and as identified by the Chair?	
Do all or at least a majority of the audit committee members have financial knowledge?	
Does the audit committee have at least one member who is a financial management expert?	
Do the audit committee members possess the necessary personal attributes required for an effective audit committee?	
Has the audit committee been subject to an evaluation or analysis to determine whether it requires any specific skills and knowledge to deal with specific company concerns/issues?	
Evaluation/Assessment	
Is the performance of the audit committee and individual members evaluated/appraised annually?	
Does the audit committee adequately address those areas identified as requiring improvement in such evaluations?	
Are identified gaps in skills, knowledge and experience dealt with either through appropriate induction of new members; providing training to existing members, or identifying external specialists/consultants to advise the audit committee on such topics/areas?	

Results of the Checklist

This checklist provides a template that can be used to assess the audit committee's independence, composition and current competency. The results of the assessment can assist the audit committee Chair, nominations committee or the relevant authority responsible for the appointment of audit committee members in that organisation when considering the appointment or reappointment of audit committee members.
Any issues identified or arising from this checklist must be added to the audit committee meeting agenda for discussion.

Institute of Directors in Southern Africa
PSACF Secretariat

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APPENDIX 2

STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

01 April 2019

Ms June Williams
9 Oakley Gate
College Road
Rondebosch
7700

Per email: junewilliams9168@gmail.com

Dear Ms Williams

APPOINTMENT AS MEMBER OF THE STELLENBOSCH MUNICIPALITY'S AUDIT AND PERFORMANCE COMMITTEE

I am pleased to inform you that the Stellenbosch Municipality Council at its meeting held on 27 March 2019, unanimously agreed to your appointment as a member of the Council's Audit and Performance Audit Committee. Your appointment is for a period of three years, made in terms of Section 166 of the Municipal Finance Management Act, No 56 of 2003.

You will be paid a stipend of R4000,00 for every meeting of the Audit and Performance Committee you will attend and this will include two hours preparation you are required to do for these meetings. The Committee must meet as often as required but at least four times in a financial year. I attach with this appointment letter a copy of the approved Stellenbosch Municipality Audit Committee Charter for your perusal.

Thank you for your willingness to serve the Greater Stellenbosch Community in this manner and I wish you a successful and rewarding term of office as a member of the Audit and Performance Audit Committee. Please do not hesitate to contact the Chief Audit Executive, Mr Faiz Hoosain of Stellenbosch Municipality, if you have any enquiries in this regard.

Yours faithfully

WC PETERSEN
SPEAKER

APPENDIX 3

STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK
MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

INNOVATION CAPITAL

31 March 2016

Dr Len Mortimer
28 Kaneelsingel
Stellenbosch
7599

Dear Sir

APPOINTMENT AS MEMBER OF THE STELLENBOSCH MUNICIPALITY AUDIT COMMITTEE

I am pleased to inform you that the Stellenbosch Municipality Council at its meeting held on 30 March 2016, unanimously agreed to your appointment as a member of the Council's Audit and Performance Audit Committee. Your appointment is for a period of three years, made in terms of Section 166 of the Municipal Finance Management Act, No 56 of 2003.

You will be paid a stipend of R4000,00 for every meeting of the Audit and Performance Committee you will attend and this will include two hours preparation you are required to do for these meetings. The Committee must meet as often as required but at least four times in a financial year. I attach with this appointment letter a copy of the approved Stellenbosch Municipality Audit Committee Charter for your perusal.

Thank you for your willingness to serve the Greater Stellenbosch Community in this manner and I wish you a successful and rewarding term of office as a member of the Audit and Performance Audit Committee. Please do not hesitate to contact the Chief Audit Executive, Mr Faiz Hoosain of Stellenbosch Municipality, if you have any enquiries in this regard.

Yours faithfully

ALDERMAN C P JOOSTE
SPEAKER

13.4	ESTABLISHMENT OF WARD COMMITTEES

Collaborator No:
File No:
IDP KPA Ref No: **Good Governance**
Meeting Date: **30 March 2022**

1. SUBJECT: ESTABLISHMENT OF WARD COMMITTEES

2 PURPOSE

To inform Council of the progress towards the establishment of the ward committees within the Stellenbbosch municipal area.

3. DELEGATED AUTHORITY

In terms of section 73 of the Local Government: Municipal Structures Act, no 117 of 1998 and Regulations, ward committees must be established for each ward within the municipal area within 120 days after the election.

The system of delegations of the Stellenbosch Municipality (S6 and S7) designates the Speaker of Stellenbosch municipality to facilitate the establishment of ward committees in line with the provisions and stipulations of the Municipal Structures Act and Council's policy for the establishment of ward committees.

4. EXECUTIVE SUMMARY

At the meeting of 23 November 2021 Council resolved that ward committees must be established for each ward, and that the Speaker must facilitate the establishment of ward committees in line with the provisions and institutions of the Municipal Structures Act and Council's policy for the establishment of ward committees taking into consideration the Covid-19 protocol as outlined in paragraphs 22(3) and 30(4) of Council's Policy and Procedures for Ward Committees.

The process started in December 2021 when nominations for members were requested. The nominations closed on 17 January 2022 and the process to elect the members started on 24 January 2022 and concluded on 23 February 2022.

Attached herewith as **APPENDIX 1** are the results of the nominated Sectors and/or Geographic representative per ward.

5. RECOMMENDATIONS

(a) that Council note the establishment of all 23 wards;

(b) that wards 15, 19 and 21 (with 5 or less members) be allowed to have a further round of elections in the geographic blocks as may be needed;

(c) that those wards with six or more members who do not have the full complement of ward committees members be allowed to co-opt members in line with Council Policy and Procedures for Ward Committees;

(d) that the processes in (b) and (c) above be completed by 31 May 2022;

(e) that the Speaker be commissioned to report to Council in this regard within a period of three (3) months

6. DISCUSSION / CONTENTS

6.1 Background

Council at a meeting held on 23 November 2021 mandated the Speaker to facilitate the establishment of ward committees for all 23 wards. Ward Councillors were commissioned to on or before 30 November 2021 submit to the Office of the Speaker a lay-out of their geographic and/or sectors for their respective wards.

Subsequent to this an advertisement was placed on the municipal website, various social media platforms and the local newspapers in December 2021 and January 2022 inviting nominations from registered voters with cut-off date for nominations on 17 January 2022.

Stellenbosch Municipality rolled out the establishment of the 23 ward committees from 24 January to 23 February 2022. Insufficient nominations for wards 3 and 4 prompted the Speaker to allow an extension for said wards to submit nominations at a later stage. Further to this a total of four ward committee establishment meetings adjourned without electing ward committee members and each reconvened at a later stage with ward committee members duly elected.

Attached herewith as **APPENDIX 1** are the results of the nominated Sectors and/or Geographic representative per ward.

6.2 Financial Implications

Budgetary provision was made in the 2021/2022 budget for the establishment of ward committees.

6.3 Legal Implications

Recommendations comply with approved delegations, legislation and Council policies.

6.4 Staff Implications

Ward administrators has been appointed for all but 8 wards. The assessments for 6 of the wards will be done on 28 and 29 March 2022. Two wards will have to repeat the recruitment process. The appointment of the respective ward administrators are linked to the term in office of the ward councillor, and the ward administrators are part of the staff structure of the municipality.

6.5 Previous / Relevant Council Resolutions:

2021-11-23 [item 6.13]

6.6 Risk Implications

Addressed in the item.

6.7 Comments from Senior Management:

No comments were requested from Senior Management.

ANNEXURES

APPENDIX 1: Results of the nominated Sectors and/or Geographic representative per ward

FOR FURTHER DETAILS CONTACT:

NAME	NICKY CEASER
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DIRECTORATE	***CORPORATE SERVICES***
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REPORT DATE	***15 February 2022***

APPENDIX 1

Ward 1				**Councillor R Pheiffer**
Name	**Surname**	**Geographic Block and/or Sector**		**Male/Female**
Raylene	Plaatjies	**1**		F
Masande	Nyanga			M
William	Jefthas	**2**		M
Bula	Mnqayi	**3**		M
Raylene	Plaatjies	**4**		F
	SECTOR			
Siegfried	Schafer	**LED, Tourism & Agriculture**		M
Ashley	Bauer	**Youth Sports, Culture & Community Safety**		M
Anton	Kilian	**Infrastructure & Community Services**		M
George	Mihalopoulos	**Town Planning and Property**		M

Ward 2			**Councillor WC Petersen**
Name	**Surname**	**Geographic Block /Area Sector**	**Male/Female**
Salie	Peters	**1**	M
Frederick	Simons	**2**	M
Joseph	Petersen	**3**	M
Nobathembu	Fata	**5**	F
Mabonang	Phori	**5**	F
Justin	Jacobs	**7**	M
Jacq-Louie	Manuel	**8**	M

Ward 3			**Councillor C Manuel**
Name	**Surname**	**Geographic Block /Area Sector**	**Male/Female**
Melissa	Pieterse	**1**	F
Gregory	Moodie	**2**	M
Lewies	Cloete	**3**	M
Marion	Adams	**4**	F
Linda	Plaatjies	**5**	F
Ben	Kwago	**5**	M
Wilmarie	Moses	**6**	F

Ward 4			**Councillor R Adams**
Name	**Surname**	**Geographic Block and/or Sector**	**Male/Female**
Yvonne	Carolissen	**2**	F
Sandra	Jooste	**2**	F
Abraham	Lackay	**3**	M
Karin	April	**3**	F
Ashley	Williams	**5**	M
Shaun	Phillips	**6**	M
Kelly	Petersen	**7**	F

Ward 5			**Councillor RB Van Rooyen**
Name	**Surname**	**Geographic Block /Area Sector**	**Male/Female**
Norman	Rhode	**1**	M
Rubin	Arends	**2**	M
Charles	Toutie	**3**	M
Jennifer	Meyer	**4**	F
Johanna	Naude	**4**	F
Gerrit	Louw	**6**	M
Eon	Hendrikse	**6**	M
Adam	Pieterse	**7**	M

Ward 6			**Councillor N Mcombring**
Name	**Surname**	**Geographic Block and/or Sector**	**Male/Female**
Diana	Jones	**1**	F
George	August	**3**	M
Peter	Gordon	**4**	M
Mildred	Davids	**5**	F
Owen	Bergstedt	**6**	M
Madelein	Hendricks	**7**	F
Johannes	Brandt	**7**	M
Patricia	Constable	**8**	F

Ward 7			**Councillor A Ferns**
Name	**Surname**	**Geographic Block and/or Sector**	**Male/Female**
Barend	Buys	**1**	M
Petrus (Deon)	Carstens	**2**	M
Andrea	Marent-Hegewisch	**3**	F
Bertus	Swanepoel	**4**	M
Dawid	Botha	**5**	M
Jacqueline	Wiese	**Environment Sector**	F
Johanna	Turkstra	**Elderly Sector**	F
William	Van Aswegen	**Security Sector**	M
Albrecht	Gantz	**Business Sector**	M

Ward 8			**Councillor C Van Wyk**
Name	**Surname**	**Geographic Block and/or Sector**	**Male/Female**
Liam	Erasmus	**1**	M
Mu-Een	Khan	**1**	M
Mieke	Wiehman	**2**	F
Sure	Van der Bank	**2**	F
Abraham	Van Wyk	**3**	M
Richard	De Villiers	**4**	M

Ward 9			**Councillor Z Dalling**
Name	**Surname**	**Geographic Block /Area Sector**	**Male/Female**
Albertus	Louw	**1**	M
William	Sezoe	**1**	M
Johan	Meyer	**1**	M
Christo	Van der Bank	**2**	M
Dewald	Pieterse	**2**	M
Tamryn	Kumm	**3**	F
Kgomotso	Morake		F
Karla	Brits	**4**	F
Doreen	Hall		F
Dr Louise	Combrink	**5**	F

Ward 10			**Councillor R Du Toit**
Name	**Surname**	**Geographic Block /Area Sector**	**Male/Female**
Pieter	Hough	**1**	M
Graham	Lamberts	**1**	M
Doreen	Smit	**2**	F
Stanwin	Adonis	**2**	M
Richard	Hind	**3**	M
Shireen	Williams	**3**	F
Lizzie	Neft	**3**	F
Glen	Daniels	**3**	M

Ward 11			**Alderman JP Serdyn**
Name	**Surname**	**Geographic Block and/or Sector**	**Male/Female**
Eric	Schreiber	**2**	M
Ronel	Fourie	**3**	F
Petrus	Carinus	**4**	M
Christiaan	Roux		M
Sandy	Spangenberg	**5**	F
Marius	Snyman		M
Francois	Malan		M
Isak	Fourie	6	M
Melodie	Claassen		F

Ward 12			**Councillor A Tomose**
Name	**Surname**	**Geographic Block and/or Sector**	**Male/Female**
Thunyelwa	Naku	1	F
Patuleni	Lamla	**2**	M
Portia	Menze	**3**	F
Alungile	Mxokozeli	**4**	F
Tankiso	Qhu	**5**	F
Thembakazi	Gugushe	**6**	F
Zoliswa	Mantshi	**7**	F
Yoliswa	Makuleni	**8**	F

Ward 13			**Councillor M Nkopane**
Name	**Surname**	**Geographic Block and/or Sector**	**Male/Female**
Azola	Fayo	**1**	M
Zephora (Busisiwe)	Ndlovu		F
Mihla	Ndlebe	**2**	M
Siyabonga	Maxhawulana	**3**	F
Zithobile	Magadana	**4**	M
Simthembile	Lobi	**5**	M
Sonwabo	Mnqwazana	**6**	M
Moses	Zondiwe	**7**	M
Nomalungisa	Bhayibhile	**8**	F
Madoda	Naku	**9**	M

Ward 14			**Councillor R Pheiffer**
Name	**Surname**	**Geographic Block /Area Sector**	**Male/Female**
Lungelwa	Magazi	**1**	F
Ayanda	Mpanyu		F
Daphney	Mdunyelwa	**3**	F
Bulelwa	Mbaqa	**4**	F
Alfred	Bululu	**4**	M
Nomvisiswano	Samente	**5**	F
Labelle	Mbasane	**6**	M
Nonkangeleko	Boyce	**7**	F
Nobelungu	Mpemnyama	8	M

Ward 15			**Councillor E Mazimini**
Name	**Surname**	**Geographic Block /Area Sector**	**Male/Female**
Nokukhanva	Sesman	**1**	F
Thokozanizani	Lepheana	**2**	F
Phumla	Nyakaza	**2**	F
Mavis Nongogo	Nyakaza	**3**	F

Ward 16			**Councillor E Vermeulen**
Name	**Surname**	**Geographic Block and/or Sector**	**Male/Female**
Carol	Williams	**1**	F
Jerome	Williams	**1**	M
Niklaas	Willemse	**1**	M
Patrick	Fray	**2**	M
Margaret	Fredericks	**2**	F
Angela	Flink	**3**	F
Melany	Johannes	**4**	F
Paulina	Appollis	**4**	F
Judie	Isaacs	**4**	F

Ward 17			**Councillor P Johnson**
Name	**Surname**	**Geographic Block and/or Sector**	**Male/Female**
George	Jacobs	**2**	M
Liezel	Van der Rheede	**2**	F
Baradeen	Louw	**4**	F
Taahiera	Crombie	**4**	F
George	Noble	**5**	M
Arnold	Arends	**5**	M

Ward 18			**Alderman JC Anthony**
Name	**Surname**	**Geographic Block /Area Sector**	**Male/Female**
Gordon	Wentzel	**1**	M
William	Johannes	**2**	M
Elliot	Mbikwana	**3**	M
Saartjie	Hector	**4**	F
Ncediswa	Peter	**5**	M
Nkuluza	Chelesi	**6**	M
Phelokazi	Nogwaza	**7**	F
Matthys	Everts	**Sport Sector**	M
Pastor Willem Cloete	Cloete	**Religion Sector**	M
Guillaume	Du Toit	**Safety Sector**	M

Ward 19			**Councillor J Williams**
Name	**Surname**	**Geographic Block /Area Sector**	**Male/Female**
Anne	Afrika	**4**	F
Jennifer	May	**6**	F
Abraham	Kamfer	**8**	M
Carol	Martins		F

Ward 20			**Councillor J Joon**
Name	**Surname**	**Geographic Block /Area Sector**	**Male/Female**
Chantia	Matthys	**1**	F
Cheslin	Steenkamp		M
Reon	Muller	**2**	M
Iris	Johnson	**3**	F
Ester	Jacobs		F
Hendrik	Brink	**4**	M
Pieter	Esau		M
Pieter	Taaibosch	**Religion Sector**	M
Jeanette	Casper	**Health Sector**	F

Ward 21			**Councillor R Badenhorst**
Name	**Surname**	**Geographic Block and/or Sector**	**Male/Female**
Petrus	De Wet	**1**	M
Anna	Verwey	**2**	F
Renier	Kriel		M
Renie	Van Rooyen	**3**	F
Susan	McNaughton	**4**	F

Ward 22			**Councillor E Groenewald**
Name	**Surname**	**Geographic Block and/or Sector**	**Male/Female**
Pieter	Schaafsma	**1**	M
Carin	Bedingfield	**2**	F
Ilana	Maree	**3**	F
Willem	Joubert	**4**	M
Helmien	Slabber	**5**	F
Simon	Wilson	**6**	M
Andre	Pelser	**7**	M
Hanli	Hill	**8**	F
Prof Paul	Kruger	**9**	M
Margaretha	Vlok	**10**	F

Ward 23			**Councillor L Nkamisa**
Name	**Surname**	**Geographic Block and/or Sector**	**Male/Female**
Jacobus	Venter	**1**	M
Mart-Marie	Serfontein		F
Aydn	Parrott	**2**	M
Ayanda	Nompume		M
Thembalethu	Seyisi	**3**	M
Muhammed	Lokhat	**Religion**	M
Nothando	Gulube	**Education and Youth**	F
Thandile	Lucas	**Education and Youth**	F

13.5	**APPOINTMENT OF A CHAIRPERSON FOR THE DISCIPLINARY COMMITTEE**

Collaborator No:
File No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **30 March 2022**

1. SUBJECT: APPOINTMENT OF A CHAIRPERSON FOR THE DISCIPLINARY COMMITTEE

2. PURPOSE

For Council to appoint a chairperson of the Disciplinary Committee for the Stellenbosch Council.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

Council established a Disciplinary Committee at the meeting of 23 February 2022. This committee is seen as a section 79 Committee as it fulfils the function of Council provided for in the Code of Good Conduct to deal with disciplinary allegations against councilors and to make recommendations to council after the hearings took place.

Council appointed 5 members to the Disciplinary Committee namely:

Cllr R Badenhorst (DA)

Cllr C Van Wyk (Ms) (DA)

Cllr J Fasser (DA)

Cllr N Rataza (ANC)

Cllr R Hendrickse (GOOD)

In terms of section 79 Council must also appoint a chairperson to the committee. Such chairperson can be additional to the appointees or from amongst the members.

5. RECOMMENDATIONS

For consideration

6. DISCUSSION / CONTENTS

6.1 Background

The Municipal Local Government Systems Act Act 32/2000as amended from time to time contained the Code of Conduct for Councillors.

6.2 Discussion

The Local Government Municipal Structures Amendment Act (Act 3/2021) moved the Code of Conduct from the Systems Act to the Structures Act. Schedule 7 of the Structures act now contains the Code of Conduct. Section 15 of the Code contains the provision on the “Breaches of the code”. The Speaker after investigating the “facts and

circumstances of the alleged breach and giving the councillor an opportunity to respond, must report the matter to Council and to the MEC. Section 16 of the Schedule provides that Council then may:

(d) Investigate the alleged breach and make a finding; or
(e) Establish a special committee to (i) investigate and make a finding and (ii) make an appropriate recommendation to council.

Council may then impose a sanction as set out in section 16(2) of the schedule.

There is no prescription on the amount of members for the committee, Council may determine that. In terms of Section 160(8) of the Constitution of the Republic of South Africa, members of a municipal Council are entitled to participate in its proceedings and those of its Committees in a manner that, *inter alia:-*

(a) allows parties and interests reflected within the Council to be fairly represented; and

(b) is consistent with democracy.

Council established a 5 member disciplinary committee to assist in the discipline of Councillors by conducting disciplinary hearings and to make recommendations to Council in terms of its findings.

Council must appoint the chairperson to the committee in terms of section 79 of the Structures Act.

6,3 Financial Implications

Councillors are not remunerated additionally for attending the disciplinary committee. Councillors will only be allowed to claim for out of pocket expenses not already covered in their all-inclusive remuneration package

6.4 Legal Implications

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

6.5 Staff Implications

The administration provides a scribe and assist if need be with the administrative tasks around a sitting of the committee.

6.6 Previous / Relevant Council Resolutions:

ADJOURNED 1ST COUNCIL MEETING: 2021-11-23: ITEM 6.8.2

RESOLVED

(a) that the establishment of the disciplinary committee stands over

SPECIAL COUNCIL: 2022-02-16: ITEM 8.11.3

RESOLVED (nem con)

that the following Councillors serve on the Disciplinary Committee:

Cllr R Badenhorst (DA)

Cllr C Van Wyk (Ms) (DA)

Cllr J Fasser (DA)

Cllr N Rataza (ANC)

Cllr R Hendrickse (GOOD)

6.7 Risk Implications

Risks has been addressed through the item.

6.8 Comments from Senior Management:

The item was not circulated for comment.

ANNEXURES

None

FOR FURTHER DETAILS CONTACT:

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POSITION	***Director***
DIRECTORATE	***Corporate Services***
CONTACT NUMBERS	***021 808 8018***
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REPORT DATE	***18/3/2022***

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

NONE

15.	**CONSIDERATION OF URGENT MOTIONS**

NONE

16.	**URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER**

17.	**REPORTS SUBMITTED BY THE SPEAKER**

NONE

18.	**REPORTS SUBMITTED BY THE EXECUTIVE MAYOR**

NONE

19.	**MATTERS TO BE CONSIDERED IN–COMMITTEE**

NONE

THE AGENDA HAS BEEN DISCUSSED WITH THE SPEAKER, CLLR Q SMIT AND HE AGREES WITH THE CONTENT.