



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/1/5

2024-06-14

NOTICE OF THE 23RD MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY FRIDAY, 2024-06-14 AT 10:00

TO

The Speaker, Cllr Q Smit [Chairperson]
The Executive Mayor, Ald GMM Van Deventer
The Deputy Executive Mayor, Cllr JS Fasser
The Council Whip, Cllr P Crawley

COUNCILLORS

RA Adams	RS Nalumango
J Andrews	NR Ndalasi
Ald JC Anthony	L Nkamisa
ZJ Dalling	M Nkopane
MM Danana	N Ntsunguzi
I De Taillerfer	N Olayi
R Du Toit	GA Petersen
A Ferns	WC Petersen
E Groenewald	RO Pheiffer
AJ Hanekom	WF Pietersen
RB Hendrikse	MG Rataza
P Johnson	Ald JP Serdyn
J Joon	MJ Slabbert
O Jooste	SR Schäfer
X Kalipa	A Tomose
N Mananga-Gugushe	RB Van Rooyen
C Manuel	M Van Stade
EP Masimini	CA Van Wyk
NE Mcombring	E Vermeulen
XL Mdemka	J Williams
NM Mkhontwana	

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 **23RD MEETING** of the **COUNCIL** of **STELLENBOSCH MUNICIPALITY** will be held via **MS TEAMS** on **FRIDAY, 14 JUNE 2024** at **10:00** to consider the items on the Agenda.

SPEAKER
CLLR Q SMIT

A G E N D A
23RD MEETING OF COUNCIL
OF STELLENBOSCH MUNICIPALITY
2024-06-14

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7.	CONFIRMATION OF THE MINUTES OF PREVIOUS MEETING/S
7.1	22 nd COUNCIL MEETING: 2024-04-25

The minutes of the 22nd Council meeting: 2024-04-25 is attached as **APPENDIX 1**.

FOR CONFIRMATION

APPENDIX 1



STELLENBOSCH
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Ref no.3/4/1/5

2024-04-25

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MINUTES

22ND MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY

2024-04-25 AT 14:00

MINUTES
22ND MEETING OF COUNCIL
OF STELLENBOSCH MUNICIPALITY
2024-04-25

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	NONE	
18.	REPORT/S SUBMITTED BY THE EXECUTIVE MAYOR	
	NONE	
19.	MATTERS TO BE CONSIDERED IN-COMMITTEE	
	NONE	

MINUTES**22ND MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY****2024-04-25****TO**

The Speaker, Cllr Q Smit [Chairperson]
 The Executive Mayor, Ald GMM Van Deventer
 The Deputy Executive Mayor, Cllr JS Fasser
 The Council Whip, Cllr P Crawley

COUNCILLORS

J Andrews (until 15:43)	NR Ndalasi
Ald JC Anthony	L Nkamisa
ZJ Dalling	M Nkopane
MM Danana	N Olayi
R Du Toit	WC Petersen (from 15:01)
A Ferns	RO Pheiffer
E Groenewald (from 14:38)	WF Pietersen
AJ Hanekom (from 14:54)	MG Rataza
RB Hendrikse (from 14:35)	Ald JP Serdyn
P Johnson	A Tomose
J Joon	RB Van Rooyen
X Kalipa	M Van Stade
N Mananga-Gugushe (from 14:38)	CA Van Wyk
C Manuel	E Vermeulen (from 14:38)
EP Masimini	J Williams
XL Mdemka	

OFFICIALS

Municipal Manager (G Mettler)
 Chief Financial Officer (K Carolus)
 Director: Community and Protection Services (G Boshoff)
 Director: Corporate Services (A De Beer)
 Director: Planning and Economic Development (A Barnes)
 Director: Infrastructure (S Chandaka)
 Chief Audit Executive (F Hoosain)
 Senior Administration Officer (T Samuels)

1. OPENING AND WELCOME

The Speaker, Cllr Q Smit welcomed all present at the 22nd Council meeting which was held via MS Teams platform.

2. MAYORAL ADDRESS

- In the aftermath of the recent winds and fires that swept through our beloved towns, words seem inadequate to express the gratitude that fills our hearts. The outpouring of support and generosity from our community has been nothing short of amazing, reminding us of the strength and resilience that binds us together.

To each in resident, business, church, NGO, and individual who extended a helping hand, we offer our sincerest thanks. The donations that flooded in, ranging from clothing and food to toiletries, toys, and stationary, were a testament to the spirit of solidarity that exists within our community. No gesture was too small, and each contribution made a meaningful difference. Thank you, Stellenbosch.

- It fills me with immense pride to announce that Team Stellenbosch has clinched the top spot in the Best Red Tape Reduction / Ease of Doing Business category at the Western Cape Service Excellence Awards!

This win comes because of our dedicated efforts in the Adam Tas Overlay Zone Project, recognized for its profound impact on simplifying business processes.

The Award ceremony, hosted by the Western Cape Government at the Stellenbosch Town Hall on Friday, 19 April 2024, was a testament to the collective commitment towards service excellence. Moreover, we were honored to be acknowledged as a finalist in the esteemed Best Municipality Category.

- Die wynkelders van Stellenbosch het 'n boomplantveldtog begin in die nasleep van 'n verwoestende storm vroeër vandeemaand. Onder leiding van Stellenbosch Wynroetes is 'n verbintenis gemaak om vanjaar meer as 1 000 bome te plant om die landskap wat dramaties geraak is, vir toekomstige geslagte te herstel. Voorkeur word gegee aan Turkse, Speld- en Watereikebome.

Die storm het nie net oor die dorp en landerye getrek nie, maar het ook gelei tot 'n brand wat die historiese herehuis en Jonkershuis by Blaauwklippen, bekend vir sy kulturele erfenis en argitektoniese betekenis, tot niet gemaak het. Die storm het Stellenbosch se oudste boom vernietig, 'n landmerk op die hoek van Dorp- en Ryneveldstraat, wat meer as 200 jaar gelede geplant is, saam met meer as 200 bome regoor die dorp en op plase.

Ek versoek alle inwoners van Stellenbosch om die veldtog te ondersteun.

- Dankie aan al die inwoners en die personeel vir die IDP opedag sessies wat dwarsoor die munisipaliteit gehou was, waar die publiek insette in die konsepbegroting kon lewer. Julle insette en terugvoer word waardeer.
- In celebration of World Book day on 23 April 2024, it gives me great pleasure to congratulate two learners from Stellenbosch municipality who each won R30 000 for their school to spend on library resources in the poem category in the WCED World Libraries day 2023:

- **Tristan Cyster** – Groendal Primary School (Grade 7) – Afrikaans poem
- **Sinoxolo Mcimbi** – Dalubuhle Primary School (Grade 7) – Xhosa poem

3.	COMMUNICATIONS BY THE SPEAKER
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Opening and Welcome:

Executive Mayor
Deputy Mayor
Council whip
Members of the Mayoral Committee
MPAC Chair
All Councillors

Municipal Manager
Directors
Members of the Administration
Members of the Public

May Council meeting will be held on 31 May 2024 in COUNCIL CHAMBERS.

Birthdays – April

Councillor R Pheiffer – 4 April
Councillor E Groenewald – 18 April
Councillor P Crawley – 19 April
Councillor N Mcombring – 24 April
Councillor M Danana – 30 April

4.	COMMUNICATIONS BY THE MUNICIPAL MANAGER
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- “We are on the verge of celebrating Freedom Day on 27 April and Worker’s Day on 1 May respectively. The best way to celebrate Freedom Day is to vote in the upcoming elections. It is a responsibility of each and every eligible voter to cast their votes.
- Ward Councillors are encouraged to inform the community to join the municipality’s whatsapp channel where service delivery interruptions etc, are communicated. Information on the 3 ballots that will be used in the upcoming elections is also communicated on this whatsapp channel.
- Thank you to all the staff of the Disaster Relief Team and every single one that worked tirelessly to make all areas in their community accessible. We are still busy with the clean-up operations and I’m requesting all communities to be patient as clean-up operations are in progress to clear all the debris that is left.
- A heartfelt thank you to each and every person who made a contribution, no matter how small, to alleviate the plight of our people during the recent disaster. It is truly a privilege to work in and serve a community where the principle of Ubuntu is alive and well.

Thank you.”

5.	DISCLOSURE OF INTERESTS
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Cllr R Pheiffer disclosed his interest in Item 11.3.3 and Speaker gave permission that Councillor Pheiffer be recused when this item is dealt with.

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

Cllr O Jooste	-	25 April 2024
Cllr NM Mkhontwana	-	25 April 2024
Cllr NR Ndalasi	-	25 April 2024
Cllr N Ntsunguzi	-	25 April 2024
Cllr M Slabbert	-	25 April 2024

6.2 **ABSENT**

Cllr R Adams	-	25 April 2024
Cllr I De Taillerfer	-	25 April 2024
Cllr N Mcombring	-	25 April 2024
Cllr RS Nalumango	-	25 April 2024
Cllr S SR Schäfer	-	25 April 2024

7.	CONFIRMATION OF THE MINUTES OF PREVIOUS MEETING/S
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7.1	21ST COUNCIL MEETING: 2024-03-27
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The minutes of the 21st Council meeting: 2024-03-27 **were confirmed as correct without any changes.**

8.	STATUTORY MATTERS
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8.1	MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR MARCH 2024
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Collaborator No:

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: 17 April 2024 & 25 April 2024

1. SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR MARCH 2024

2. PURPOSE

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy 2023/2024 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 (2023/2024) stipulate that SCM deviations be reported to Council. In compliance thereto, this report presents to Council the SCM deviations that occurred during March 2024

22ND COUNCIL MEETING: 2024-04-25: ITEM 8.1

NOTED

that Council notes that there were no deviations approved for the month of March 2024.

NAME	Dalleel Jacobs
POSITION	Senior Manager Supply Chain Management
DIRECTORATE	Finance
CONTACT NUMBERS	021 808 8588
E-MAIL ADDRESS	<u>Dalleel.Jacobs@ Stellenbosch.gov.za</u>
REPORT DATE	05 April 2024

8.2	MFMA SECTION 52 REPORTING UP TO MARCH 2024
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Collaborator No:

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: 17 April 2024 & 25 April 2024

1. SUBJECT: MFMA SECTION 52 REPORTING UP TO MARCH 2024**2. PURPOSE**

To comply with section 52(d) of the Municipal Finance Management Act and report to Council on the implementation of the budget; and service delivery budget plan of the Municipality for the 3rd quarter of the 2023/24 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 and the financial affairs 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 January 2024 to 31 March 2024.

22ND COUNCIL MEETING: 2024-04-25: ITEM 8.2**NOTED**

that Council notes Section 52 Report (including quarterly performance report) for Third Quarter of the financial year.

FOR FURTHER DETAILS CONTACT:

NAME	Monique Steyl
POSITION	Senior Manager Financial Management Services
DIRECTORATE	Financial Services
CONTACT NUMBER	021 – 808 8512
E-MAIL ADDRESS	Monique.Steyl@Stellenbosch.gov.za
REPORT DATE	17 April 2024

8.3	OVERSIGHT ROLE OF COUNCIL: SUPPLY CHAIN MANAGEMENT POLICY-REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY OF STELLENBOSCH MUNICIPALITY: QUARTER 3 (01 JANUARY 2024 – 31 MARCH 2024)
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Collaborator No:

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: 17 April 2024 & 25 April 2024

1. SUBJECT: OVERSIGHT ROLE OF COUNCIL: SUPPLY CHAIN MANAGEMENT POLICY-REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY OF STELLENBOSCH MUNICIPALITY: QUARTER 3 (01 JANUARY 2024 – 31 MARCH 2024)

2. PURPOSE

To submit to Management a report for the period 01 January 2024 – 31 March 2024 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 2023/2024, 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 aid in the provision of municipal services.

22ND COUNCIL MEETING: 2024-04-25: ITEM 8.3

RESOLVED (majority vote with 1 abstention)

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

9.	REPORT BY THE MUNICIPAL MANAGER ON OUTSTANDING RESOLUTIONS
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No report submitted as outstanding resolutions serves at Section 80 Committees.

10.	ITEMS FOR NOTING
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10.1	REPORT/S BY THE EXECUTIVE MAYOR
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10.1.1	REPORT ON THE DECISIONS TAKEN BY THE EXECUTIVE MAYOR FOR THE QUARTER: [JANUARY – MARCH 2024]
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Collaborator No:

IDP KPA Ref No: Good Governance

Meeting Date: 25 April 2024

1. **SUBJECT: REPORT ON THE DECISIONS TAKEN BY THE EXECUTIVE MAYOR FOR THE QUARTER: JANUARY – MARCH 2024**

2. **PURPOSE**

To inform Council of the decisions taken by the Executive Mayor from January 2024 to March 2024 (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.”

22ND COUNCIL MEETING: 2024-04-25: ITEM 10.1.1

NOTED

The Report on the decisions taken by the Executive Mayor for the Quarter: January – March 2024.

FOR FURTHER DETAILS CONTACT:

NAME	DONOVAN MULLER
POSITION	MANAGER: COUNCILLOR SUPPORT
DIRECTORATE	CORPORATE SERVICES
CONTACT NUMBERS	021 8088314
E-MAIL ADDRESS	Donovan.Muller@ Stellenbosch.gov.za
REPORT DATE	15 April 2024

10.1.2	REPORT ON THE DECISIONS TAKEN BY THE EXECUTIVE MAYOR ON MATTERS RESOLVED UNDER AUTHORITY DELEGATED TO THE EXECUTIVE MAYOR IN CONSULTATION WITH THE MAYORAL COMMITTEE [JANUARY – MARCH 2024]
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Collaborator No:

IDP KPA Ref No: Good Governance

Meeting Date: 25 April 2024

- SUBJECT: REPORT ON THE DECISIONS TAKEN BY THE EXECUTIVE MAYOR ON MATTERS RESOLVED UNDER AUTHORITY DELEGATED TO THE EXECUTIVE MAYOR IN CONSULTATION WITH THE MAYORAL COMMITTEE [JANUARY – MARCH 2024]**

- PURPOSE**

To inform Council of the decisions taken by the Executive Mayor on matters resolved under the authority delegated to the Executive Mayor, in consultation with the Mayoral Committee, for meetings from January to March 2024 (see **APPENDIX 1**).

- DELEGATED AUTHORITY**

As per the delegations from Council and powers vested in the Executive Mayor by legislation. In terms of the Stellenbosch Municipality System of Delegations (2019) EM12 and section 56(5) of the Structures Act, the Executive Mayor must report to Council at such intervals as the latter may determine on decisions taken.

The Executive Mayor is herewith reporting on the decisions taken by the Executive Mayor in consultation the Mayoral Committee.

- 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.”

22ND COUNCIL MEETING: 2024-04-25: ITEM 10.1.2

NOTED

the decisions by the Executive Mayor taken in consultation with the Mayoral Committee meeting from January until March 2024.

FOR FURTHER DETAILS CONTACT:

NAME	DONOVAN MULLER
POSITION	MANAGER: COUNCILLOR SUPPORT
DIRECTORATE	CORPORATE SERVICES
CONTACT NUMBERS	021 8088314
E-MAIL ADDRESS	<u>Donovan.Muller@ Stellenbosch.gov.za</u>
REPORT DATE	15 April 2024

10.2	REPORT/S BY THE SPEAKER
10.2.1	QUARTERLY REPORT – WARD COMMITTEE FUNCTIONING 3 RD QUARTER OF 2023/2024 FINANCIAL YEAR

Collaborator No:

IDP KPA Ref No: *Good Governance*

Meeting Date: 25 April 2024

1. SUBJECT: QUARTERLY REPORT – WARD COMMITTEE FUNCTIONING 3RD QUARTER OF 2023/2024 FINANCIAL YEAR

2. PURPOSE

For Council to take note of the Functioning of Ward Committees within the Stellenbosch municipal areas.

3. DELEGATED AUTHORITY

For Notification by Municipal Council

4. EXECUTIVE SUMMARY

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.

At the Council meeting of 30 March 2022, Council noted the establishment of Ward Committees for all 23 wards within the Stellenbosch Municipality.

Wards who did not have the full complement of Ward Committees members were allowed to co-opt members in line with Council Policy and Procedures for Ward Committees. All ward committees are fully functional and are performing all duties as set out in the Policy and Procedures for Ward Committees.

Attached herewith as ANNEXURE A is a table outlining the functioning of all Ward Committees for the period January to March 2024, including dates and number of Ward Committee meetings held to date.

22ND COUNCIL MEETING: 2024-04-25: ITEM 10.1.3

NOTED

- (a) that Council notes the functioning of Ward Committees in all 23 wards; and
- (b) that Council takes note of the number of Ward Committee and Sector meetings held to date in all 23 wards from January to March 2024.

FOR FURTHER DETAILS CONTACT:

NAME	Jacqueline Beerwinkel
POSITION	EXECUTIVE SUPPORT OFFICER
DIRECTORATE	CORPORATE SERVICES
CONTACT NUMBERS	021808 8618
E-MAIL ADDRESS	<u>Jacqueline.Beerwinkel@ Stellenbosch.gov.za</u>
REPORT DATE	24 April 2024

10.3	REPORT/S BY THE MUNICIPAL MANAGER
10.3.1	DECISIONS TAKEN BY DIRECTORATES IN TERMS OF DELEGATED AUTHORITY FROM 1 JANUARY 2024 UNTIL 31 MARCH 2024

Collaborator No:

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: 25 April 2024

1. SUBJECT: DECISIONS TAKEN BY DIRECTORATES IN TERMS OF DELEGATED AUTHORITY FROM 1 JANUARY 2024 UNTIL 31 MARCH 2024

2. PURPOSE

To report to Council on the decisions taken by the Municipal Manager and the Directors in terms of Council's System of Delegations for the period 1 January 2024 until 31 March 2024, 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.

Furthermore, these delegations only indicate the delegations exercised as delegated by Council to the various Senior Managers.

22ND COUNCIL MEETING: 2024-04-25: ITEM 10.3.1

NOTED

the decisions taken for the period 1 January 2024 until 31 March 2024, by the following Section 56 Managers:

- Municipal Manager – Ms G Mettler (1 January 2024 until 31 March 2024)
- Chief Financial Officer – Mr Kevin Carolus (1 January 2024 until 31 March 2024)
- Director Infrastructure Services – Mr S Chandaka (1 January 2024 until 31 March 2024)
- Director Planning and Economic Development – Mr a Barnes (1 January 2024 until 31 March 2024)
- Director Corporate Services – Ms A de Beer (1 January 2024 until 31 March 2024)
- Director Community and Protection Services – Mr G Boshoff (1 January 2024 until 31 March 2024).

FOR FURTHER DETAILS CONTACT:

NAME	G Mettler
POSITION	Municipal Manager
DIRECTORATE	Office of the Municipal Manager
CONTACT NUMBERS	021 808 8025
E-MAIL ADDRESS	municipal.manager@ Stellenbosch.gov.za
REPORT DATE	10 April 2024

10.3.2	REPORTING ON THE RELIEF AND CHARITABLE FUND (MAYORAL FUND) 1 JULY 2023 – 31 DECEMBER 2023
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Collaborator No:

IDP KPA Ref No: Good governance and Compliance

Meeting Date: 25 April 2024

1. SUBJECT: REPORTING ON THE RELIEF AND CHARITABLE FUND (MAYORAL FUND) – 1 JULY 2023 – 31 DECEMBER 2023

2. PURPOSE

To provide feedback to council on the donations that was paid out to applicants from 1 July 2023 until 31 December 2023 as per the approved Guidelines.

3. DELEGATED AUTHORITY

Municipal Council

4. EXECUTIVE SUMMARY

The Executive Mayor receives on a regular basis applications for grants, donations and financial assistance from various organisations, groups and individuals. Most of these are dealt with through the normal Grants-in-Aid Policy, but some deserving applications fall outside the ambit of the policy.

It is for this reason that a mechanism was put in place that could address these deserving relief and/or charitable cases. Thus, the establishment of a "Relief and/or Charitable Fund" for this purpose.

22ND COUNCIL MEETING: 2024-04-25: ITEM 10.3.2

NOTED

the income and expenditure of the Relief and/or Charitable Fund (Mayoral Fund) from 1 July 2023 until 31 December 2023.

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 April 2024

11.	CONSIDERATION OF ITEMS BY THE EXECUTIVE MAYOR: [ALD G VAN DEVENTER]
11.1	PROTECTION SERVICES: (PC: CLLR R PHEIFFER)
11.1.1	APPOINTMENT AS REGIONAL DEPUTY CHAIRPERSON OF THE INSTITUTE FOR MUNICIPAL PUBLIC SAFETY OF SOUTH AFRICA - WESTERN CAPE AND EXECUTIVE COMMITTEE MEMBER OF THE NATIONAL INSTITUTE FOR MUNICIPAL PUBLIC SAFETY OF SOUTH AFRICA: MR CHARL KITCHING

Collaborator No: 765035

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: 17 April 2024 & 25 April 2024

1. **SUBJECT: APPOINTMENT AS REGIONAL DEPUTY CHAIRPERSON OF THE INSTITUTE FOR MUNICIPAL PUBLIC SAFETY OF SOUTH AFRICA - WESTERN CAPE AND EXECUTIVE COMMITTEE MEMBER OF THE NATIONAL INSTITUTE FOR MUNICIPAL PUBLIC SAFETY OF SOUTH AFRICA: MR CHARL KITCHING**

2. **PURPOSE OF REPORT**

For Council to take cognisance of the election and appointment of Mr Charl Kitching as the Western Cape Regional Deputy Chair of the Institute for Municipal Public Safety (IMPS-WC) and as an Executive Committee Member of the National Institute for Municipal Public Safety of South Africa (IMPS-SA).

3. **DELEGATED AUTHORITY**

Municipal Council

4. **EXECUTIVE SUMMARY**

Mr Kitching has been elected and appointed as the Institute for Municipal Public Safety Western Cape Regional Deputy Chair (IMPS-WC) and as an Executive Committee Member of the National Institute for Municipal Public Safety of South Arica (IMPS-SA).

The appointment is in line with the criteria set by SALGA for the recognition of municipal professional institutes towards the transformation of local government which embraces democracy, transparency, ethical conduct and equity.

As the Western Cape Regional Deputy Chair of the Institute for Municipal Public Safety of Western Cape (IMPS-WC) and an Executive Committee Member of the National Institute for Municipal Public Safety of South Africa (IMPS-SA), Mr Kitching will be required to attend, at the municipality's cost, at most four (4) National Council meetings held at various municipalities during the term of office.

22ND COUNCIL MEETING: 2024-04-25: ITEM 11.1.1

RESOLVED (majority vote with 7 abstentions)

- (a) that Council takes cognisance of the election and appointment of Mr Kitching as the Western Cape Regional Deputy Chair of the Institute for Municipal Public Safety (IMPS-WC) and an Executive Committee Member of the National Institute for Municipal Public Safety of South Africa (IMPS-SA);

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- (b) that Mr Kitching be congratulated on this achievement and that permission be granted that Mr Kitching attends the four (4) National Council meetings held annually at various municipalities in South Africa as well as any other related meetings to fulfil his duties in terms of the above;
- (c) that the attendance of the meetings be subject to prior approval by the Director Community and Protection Services in terms of his delegated authority.
- (d) that the applicable travel and subsistence allowance be paid to Mr Kitching when attending meetings; and
- (e) that provision be made in future for operational budgets for this expense.

FOR FURTHER DETAILS CONTACT:

NAME	Gary Boshoff
POSITION	Director
DIRECTORATE	Community and Protection Services
CONTACT NUMBERS	021 808 8437
E-MAIL ADDRESS	Gary.boshoff@ Stellenbsoch.gov.za
REPORT DATE	11 March 2024

11.1.2	STRONG CITIES NETWORK INVITATION TO STELLENBOSCH MUNICIPALITY, TO FACILITATE AND ASSIST WITH THE IMPLEMENTATION OF A NEIGHBOURHOOD WATCH PROJECT, AS PART OF A LOCAL SAFETY PROGRAM
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Collaborator No: 765429

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: 17 April 2024 & 25 April 2024

1. SUBJECT: STRONG CITIES NETWORK INVITATION TO STELLENBOSCH MUNICIPALITY, TO FACILITATE AND ASSIST WITH THE IMPLEMENTATION OF A NEIGHBOURHOOD WATCH PROJECT, AS PART OF A LOCAL SAFETY PROGRAM

2. PURPOSE

To obtain Council's permission to attend the training engagement with the Nansana Municipality, Uganda, which, as a member of the Strong Cities Network, requested Stellenbosch Municipality's assistance with the implementation of their own Neighbourhood Watch project.

3. DELEGATED AUTHORITY

In terms of 9.2 of the Cost Containment Policy 2019, it is only the Municipal Council that can approve the international travel of an official or political office bearer.

4. EXECUTIVE SUMMARY

Stellenbosch Municipality was elected as a Strong Cities Network partner on 25 July 2023. Two engagements have taken place whereby information was shared with partnering cities on crime prevention initiatives. The latest engagement was held in Cape Town in December 2023 where much interest was shown in our Neighbourhood Watch support programs and safety initiatives where we use Neighbourhood Watches as safety monitors and the "eyes and ears" project.

An invitation was received from the Mayor of Nansana, Uganda Ms Regina Bakitte via the Strong cities network platform, whereby Mr Gary Boshoff, Mr Charl Kitching, Ms Joan Felix was invited to provide input, training, sharing of policies, implementation plans, support plans etc., for safety initiatives related to Neighbourhood Watches. Stellenbosch Municipality was identified and highlighted as a leading and innovative municipality from which other municipalities and cities can learn from.

The trip of the three officials is fully funded by the Strong Cities Network.

Council should further take note of the following:

- 4.1 The extensive training and learning opportunity for municipal staff as part of the global Strong Cities Network.
- 4.2 The nomination of the Director Community and Protection Services, the Senior Manager: Protection Services and the Manager: Traffic and Law Enforcement that are invited by the organisers to represent Stellenbosch Municipality.
- 4.3 The continued sharing of expertise and knowledge with Strong City Network members and thereby growing Stellenbosch Municipality's status as a leader in the development and implementation of local safety initiatives and plans in South Africa.

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- 4.4 All costs will be covered by the Strong Cities Network. See attached as Annexure 1.
- 4.5 Council to take note that there will be further engagements linked to the partnership.

22ND COUNCIL MEETING: 2024-04-25: ITEM 11.1.2**RESOLVED** (majority vote with 2 abstentions)

that Council approves the request for the attendance of Mr. Boshoff, Mr. Kitching and Ms. Felix at the South African-Uganda learning network facilitation on 13-14 May 2024, in Nansana, Uganda.

FOR FURTHER DETAILS CONTACT:

NAME	Gary Boshoff
POSITION	Director
DIRECTORATE	Community and Protection Services
CONTACT NUMBERS	021- 808 8437
E-MAIL ADDRESS	Gary.boshoff@ Stellenbosch.gov.za
REPORT DATE	4 April 2024

11.2	SPORTS, YOUTH AND CULTURE: [PC: CLLR JC ANTHONY]
	NONE
11.3	CORPORATE SERVICES: (PC: CLLR L NKAMISA)
11.3.1	RETURN ITEM: APPLICATION HORIZON HOUSE TO EXTEND THE LEASE ON ERF 3722 AND PORTIONS OF ROAD RESERVE

Collaborator No:

IDP KPA Ref No: Good Governance

Meeting Date: 17 April 2024 & 25 April 2024

1. SUBJECT: RETURN ITEM: APPLICATION HORIZON HOUSE TO EXTEND THE LEASE ON ERF 3722 AND PORTIONS OF ROAD RESERVE

2. PURPOSE

To inform Council that no response was received after the publication of an official notice inviting the public to submit comments, objections or alternative proposals in respect of the in-principle decision to extend the lease agreement with Huis Horizon for Erf 3722 and a portion of road reserve for a period of 30 years. To make a final decision on the extension of the lease agreement.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Horizon House, situated on the outskirts of Onder Papegaaiberg, is an NGO catering for the needs of people living with disabilities. They indicated in 2020 that they have received a donation to put up new fencing around the facility and to develop walking trails, to be use by their residents, and the greater public. They wanted to extend the area onto a portion of municipal land, situated to the south of their property for this reason, on an encroachment basis. Council considered the matter and approved the lease of an area of approximately 2500m² for a period of 9 years and 11 months after a public participation process and considering the comments received.

An agreement was entered into with Huis Horizon whereafter we received a further request from them for a longer lease period. It seems from the information provided that none of the improvements envisaged in 2020 has materialised.

The item served before Mayco in February 2023 and was referred back for clarification and refinement. We contacted Huis Horizon and requested further information whereafter they clarified that they are requesting a 30-year lease agreement. Any agreement longer than 10 years should be registered with the deeds office and the information statement process where council advertise an intention to enter into the long-term lease must be advertised for public comment. Only after consideration of the comments that is received an in-principle decision be taken (which must again be advertised given that it is not an open market lease) regarding the extension of the current lease agreement. Council approved the information statement which was published on 18 August 2023 with a closing date of 11 September 2023. We received no comments or input from the public.

The matter served before Council on 28 October 2023 where it was resolved that Council takes note that no comments were received during the Information Statement public participation process, that Council approves, in principle, the extension of the lease for 30 years and that the in-principle decision be advertised for public comment and returned to Council for a final decision. The official notice was published on 27 February 2024 requesting comments, objections or alternative proposals before 28 March 2024. A copy of the Official Notice is attached as **APPENDIX 1**.

No evaluation of the property has been obtained yet. The valuation was now requested. The current rent of R150 a month was still determined based on the tariffs for encroachments, which are no longer applicable.

22ND COUNCIL MEETING: 2024-04-25: ITEM 11.3.1

RESOLVED (majority vote with 9 abstentions)

- (a) that Council takes note that no comments were received on the Official Notice;
- (b) that it be confirmed the land identified in **APPENDIX 5** be identified as land not needed to provide basic municipal services;
- (c) that Council approves the 30-year lease to Huis Horison on Erf 3722 and portions of Road Reserve (as reflected in Appendix 5); and
- (d) that it be noted that the valuation has not been received.
- (e) that the Municipal Manager be authorised to determine the rent when the valuation is received.

FOR FURTHER DETAILS CONTACT:

NAME	Annalene de Beer
POSITION	Director
DIRECTORATE	Corporate Services
CONTACT NUMBERS	021-8088018
E-MAIL ADDRESS	<u>Annalene.deBeer@ Stellenbosch.gov.za</u>
REPORT DATE	2024-04-05

11.3.2	APPLICATION TO CEDE LEASE AGREEMENT TO IHS TOWERS SOUTH AFRICA (PTY) LTD: USE OF COUNCIL-OWNED LAND FOR EXISTING TELECOMMUNICATIONS BASE STATION ON A PORTION OF FARM 183 STELLENBOSCH
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Collaborator No: 765619

IDP KPA Ref No: Good Governance

Meeting Date: 17 April 2024 & 25 April 2024

1. SUBJECT: APPLICATION TO CEDE LEASE AGREEMENT TO IHS TOWERS SOUTH AFRICA (PTY) LTD: USE OF COUNCIL-OWNED LAND FOR EXISTING TELECOMMUNICATIONS BASE STATION ON A PORTION OF FARM 183 STELLENBOSCH

2. PURPOSE

For Council-to consider the request from IHS Towers South Africa (Pty) Ltd for the cession of the current lease agreement with MTN of a portion of Council-owned land for an existing Telecommunications Base Station.

3. DELEGATED AUTHORITY

In terms of the approved System of Delegations the Executive Mayor, in consultation with the Executive Mayoral Committee, has the delegated authority to consider applications for Lease agreements, up to a contract value not exceeding R5M and not exceeding a period of 10 years.

4. EXECUTIVE SUMMARY

A lease agreement was entered into between the Municipality and MTN on 30 November 2015 for a period of 9 years 11 with the option to renew for a further 9 years and 11 months. The current lease agreement does not allow for a cession of the agreement and IHS Towers South Africa (Pty) Ltd has now brought an application to lease a portion of municipal land as they are taking over the tower from MTN. There is already an existing telecommunications tower. The zoning of the erf is "Rural and Agricultural, but the zoning does make provision for the erection of a communication tower on the property. Although the contract does not make provision for a session the parties can agree to the session. No public participation process was followed in 2015. The contract ran from 1 January 2015 and the contract lapses on 30 November 2024. IHS Towers will have to apply for a lease should they want to continue after 30 November 2024.

22ND COUNCIL MEETING: 2024-04-25: ITEM 11.3.2

RESOLVED (majority vote with 3 abstentions)

- (a) that Council confirms that the portion of Farm 183 on which the current telecommunication tower is situated is not needed for Basic Municipal Services;
- (b) that council in principle approves that the contract be ceded to IHS Towers South Africa (Pty) Ltd for the duration of the current lease;
- (c) that the Municipal Manager be authorised to sign an agreement with the parties to cede the lease agreement for the duration of the current agreement (30 November 2024) on the same terms as the current agreement; and
- (d) that IHS Towers be informed to apply for a lease should they want to continue after 30 November 2024.

11.3.3	TRANSFER OF 80 HOUSES IN, LA MOTTE: FEEDBACK AND STATUS REPORT ON TRANSFERS
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Collaborator No: 765629

IDP KPA Ref No: Good Governance

Meeting Date: 17 April 2024 & 25 April 2024

1. SUBJECT: TRANSFER OF 80 HOUSES IN, LA MOTTE: FEEDBACK AND STATUS REPORT ON TRANSFERS

2. PURPOSE

To provide further feedback on the transfer of the 80 houses situated in, La Motte.

3. DELEGATED AUTHORITY

Council to consider.

4. EXECUTIVE SUMMARY

An attorney firm is attending to the transfer of 80 properties situated in La Motte. Over the years there were several issues with the registration process which has caused delays in finalising all the transfers. As to date 31 properties have been registered, the last registration being on 13 March 2024. The transfers are progressing although slowly. There is a new attorney at the firm that are now dealing with these matters and we hope that there may now be more emphasis on getting the registrations done. As per the Council resolution they have until August to register the properties or put the attorneys in a position to deal with the transfers.

One of the biggest challenges the purchasers are faced with is the financial institutions not approving their bond applications. At least seven of the occupants were denied bonds by all financial institutions due to their financial position (see orange marked on attachment). To complicate matters further, the occupants are not getting clearance certificates due to outstanding fees owed to the municipality or the occupants are not in a financial position to pay the attorney's fees. It is proposed that these people make arrangements with the attorneys and with the municipality to pay the fees in instalments.

There are also some occupants that the administration has not been able to get in touch with, however with the assistance of the ward councillor contact was made with four of these occupants in the beginning of April 2024. Council will have to make a decision after end of August as to how to deal with the occupants – those who are making progress even if slowly maybe given more time to get the registration done if they agree to pay their services they use. Those who are not in a position to pay the amounts are the big challenge as they are staying in their houses for years and has been the legal occupants. Those that are illegal in the properties and have provided reasons Council can consider to allow them to take occupation. Those of them who are not in a financial position to take transfer is also a challenge as they have also stayed in the houses for years despite been illegal and they are in a similar position to the legal occupants who are unable to take transfer due to their financial position.

Attached hereto as **APPENDIX 1** is the status report on the different properties for Council to take note of the progress made since the previous report which served before Council in February 2024. The changes are indicated in red. A further progress report will serve July 2024.

22ND COUNCIL MEETING: 2024-04-25: ITEM 11.3.3

Cllr R Pheiffer recused himself for the duration of this matter.

NOTED

that Council takes note of the progress to date.

FOR FURTHER DETAILS CONTACT:

NAME	Annalene de Beer
POSITION	Director: Corporate Services
DIRECTORATE	CORPORATE SERVICES
CONTACT NUMBERS	021-8088018
E-MAIL ADDRESS	<u>Annalene.debeer@ Stellenbosch.gov.za</u>
REPORT DATE	09 APRIL 2024

11.4	FINANCIAL SERVICES: (PC: CLLR J FASSER)
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NONE

11.5	HUMAN SETTLEMENTS: (PC: CLLR R DU TOIT)
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11.5.1	PROGRESS REPORT: LA MOTTE FEASIBILITY FOR POTENTIAL INTEGRATED HOUSING PROJECT
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Collaborator No: 764536

IDP KPA Ref No: Valley of Opportunity

Meeting Date: 17 April 2024 & 25 April 2024

1. SUBJECT: PROGRESS REPORT: LA MOTTE FEASIBILITY FOR POTENTIAL INTEGRATED HOUSING PROJECT

2. PURPOSE

To provide a progress report to acquire the land parcels as well as the outcome of the pre-feasibility studies conducted for the La Motte integrated housing project on Portion 1 of Farm 1158 and Remainder of Farm 1158, Paarl.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

An Implementation Protocol Agreement (IPA) between Stellenbosch Municipality and Housing Development Agency (HDA) was entered into, to escalate the transfer of land from National Department of Public Works and Infrastructure (NDoPW&I) for the La Motte integrated housing project.

When a Power of Attorney (PoA) is received from the National Department of Public Works and Infrastructure, the IPA in accordance with the necessary legislation permits the HDA to appoint professionals to obtain the necessary statutory approvals for the establishment of the township on the said property. The professional team the HDA will appoint to obtain the development rights would consist of, but not limited to, a Town Planner, Land Surveyor, Civil Engineer, Electrical Engineer and an Environmental Consultant.

22ND COUNCIL MEETING: 2024-04-25: ITEM 11.5.1

RESOLVED (nem con)

- (a) that Council take note of the progress to acquire land from the National Department of Public Works and Infrastructure (NDoPW&I) and subsequent pre-feasibility studies;
- (b) that the Housing Development Agency (HDA) appoint through the appropriate legislation, a consortium of professionals to obtain the necessary statutory approvals for the La Motte integrated housing project after the issuing of a Power of Attorney (PoA) by NDoPW&I; and

-
- (c) that the funding provided by Provincial Department of Infrastructure (branch Human Settlements) (PDol) for planning approvals be utilised for specialist and other studies required to obtain the development rights.

FOR FURTHER DETAILS CONTACT:

NAME	<i>Lester van Stavel</i>
POSITION	<i>Manager: Housing Development</i>
DIRECTORATE	<i>Planning & Economic Development, Integrated Human Settlements</i>
CONTACT NUMBERS	<i>021 808 8462</i>
E-MAIL ADDRESS	<i><u>Lester.vanstavel@Stellenbosch.gov.za</u></i>
REPORT DATE	<i>23 February 2024</i>

11.5.2	STREET NAMING AND NUMBERING OF LONGLANDS HOUSING PROJECT ON FARM 393/11
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Collaborator No: 764536

IDP KPA Ref No: Valley of Opportunity

Meeting Date: 17 April 2024 & 25 April 2024

1. SUBJECT: STREET NAMING AND NUMBERING OF LONGLANDS HOUSING PROJECT ON FARM 393/11

2. PURPOSE

To enable the Portfolio Committee to make an informed recommendation to Council on the allocation of street names and numbers for the Longlands Housing Project on Farm No. 393/11, Stellenbosch.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

A Policy was approved by Council on 27 July 2022 in accordance with the delegations of the Policy on Naming Renaming of Streets, Public Places, Natural Areas, Artefacts and Council-owned Buildings and Facilities for Stellenbosch Municipality.

The Department: Development Management as the delegating functionary in accordance with the delegations of the Policy on Naming Renaming of Streets, Public Places, Natural Areas, Artefacts and Council-owned Buildings and Facilities, July 2022 as approved by Council item 11.8.3 and dated 23 November 2022, confirmed that the street naming and numbering of the Longlands Housing Project on Farm 393/11 as contemplated in Section 98 of the Stellenbosch Municipal Land Use Planning Bylaw, and indicated on the attached Street Numbering Plan and Option 1- flowers and Option 2- Trees- conform to the criteria and rules contained in the Policy for the Naming and Renaming of Streets, Public Places, Natural Areas, Artefacts and Council-owned Buildings and Facilities.

The road infrastructure and dwellings has already been completed by Council and most dwellings are currently occupied and only the naming of the streets that needs to be finalized. The applicant now intends to erect the proposed street names and allocate the new street numbers for postal services and other emergency needs.

The following 6 roads names were approved by the ward committee;

1. Roos Singel/ Crescent;
2. Dahlia Street;
3. Aster street;
4. Leeubekkie Street;
5. Daisy Street; and
6. Protea Street.

No street names and numbers were however approved after a consultative process with the ward councilor and ward members and it is now requested to approve the new street names and numbers.

22ND COUNCIL MEETING: 2024-04-25: ITEM 11.5.2**RESOLVED** (nem con)

that the application to allocate the proposed street names listed in **ANNEXURE 4**, to the public roads and to allocate street numbers for all erven in the Longlands Housing Project on Farm No. 393/11, Stellenbosch, **be approved** as contemplated in terms of Section 98 of the Stellenbosch Municipality Land Use Planning By-law and in compliance with the Stellenbosch Municipal Policy on Naming Renaming of Streets, Public Places, Natural Areas, Artefacts and Council-owned Buildings and Facilities, July 2022, subject to the conditions as per the attached **APPENDIX 11**.

FOR FURTHER DETAILS CONTACT:

NAME	<i>Lester van Stavel</i>
POSITION	<i>Manager: Housing Development</i>
DIRECTORATE	<i>Planning & Economic Development, Integrated Human Settlements</i>
CONTACT NUMBERS	<i>021 808 8462</i>
E-MAIL ADDRESS	<i><u>Lester.vanstavel@ Stellenbosch.gov.za</u></i>
REPORT DATE	<i>23 February 2024</i>

11.6	INFRASTRUCTURE SERVICES : (PC : CLLR P JOHNSON)
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11.6.1	DENNESIG NEIGHBOURHOOD PEDESTRIANIZATION
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Collaborator No: 765272

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: 17 April 2024 & 25 April 2024

1. SUBJECT: DENNESIG NEIGHBOURHOOD PEDESTRIANIZATION

2. PURPOSE

That Council takes note of this report and approves the proposals contained herein.

3. DELEGATED AUTHORITY

Municipal Council

4. EXECUTIVE SUMMARY

The Municipality aims is to promote and prioritize Non-Motorised Transport (NMT), as these were outcomes from IDP consultative processes and forms part of the Municipality's Strategic Planning.

The objective of the Dennesig Pedestrianization / Woonerf proposal is to change the character of the neighbourhood and the behaviour of motorists to create the Woon erf or "living streets" concept that would prioritise pedestrians and cyclists.

The Dennesig Pedestrianization / Woonerf proposal had been tabled at Council on the 16 November 2023. Council resolved that the proposal be accepted, and advertised for public comment. The proposal was duly advertised and all public comments received, supports the proposal.

22ND COUNCIL MEETING: 2024-04-25: ITEM 11.6.1

RESOLVED (majority vote with 3 abstentions)

- (a) that Council notes that Dennesig neighbourhood pedestrianization proposal was published for public comment;
- (b) that Council notes the comments received; and
- (c) that Council approves and adopts the Dennesig neighbourhood pedestrianization / woonerf proposal.

FOR FURTHER DETAILS CONTACT:

Name	Shane Chandaka
Position	Director
Directorate	Infrastructure Services
Contact Numbers	021 808 8213
E-mail Address	<u>Shane.Chandaka@ Stellenbosch.gov.za</u>
Report Date	27 March 2024

11.6.2	STATUS REPORT ON THE ALTERNATIVE ENERGY GENERATION PROGRAMME
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Collaborator No: 765274

IDP KPA Ref No: Green & Sustainable Valley

Meeting Date: 17 April 2024 & 25 April 2024

1. SUBJECT: STATUS REPORT ON THE ALTERNATIVE ENERGY GENERATION PROGRAMME

2. PURPOSE

For Council to note the progress of the Municipality's as well as Provincial Government initiatives regarding the loadshedding mitigation initiatives underway, to reduce the impact of electricity loadshedding in the Municipality.

3. DELEGATED AUTHORITY

Municipal Council.

4. EXECUTIVE SUMMARY

4.1 Eskom in 2022-23, advised the Municipality to prepare an application to serve at their Loadshedding Committee, for the Municipality to be considered as a curtailment customer. Upon receipt of the said application, Eskom then rejected the application. A follow up meeting was held with Eskom and the outcome is that a revised application must be resubmitted for representation to the Eskom Loadshedding Committee. The draft application has been prepared and is due to serve at the Eskom Loadshedding Committee at the end of April 2024. Note that this is still on a load curtailment premise.

4.2 The Municipality has advertised a tender on 03 February 2024, for the possible purchase of 20MW of electricity from an Independent Power Producer (IPP), tender closed 28 March 2024, currently busy with evaluation.

4.3 The Supervisory Control and Data Acquisition (SCADA) project is on track with the implementation and the fitting of main substations with the additional equipment. Two main substations have been completed to date.

4.4 Municipal Court Building: Inverter has been successfully installed to ensure business continuity.

4.5 Emergency Loadshedding Relief Grant Expenditure: The first generator has been successfully installed at Groendal (One out of a system of three generators along this line). To date R 1 979 207.50 including VAT was invoiced and submitted for payment. Factory acceptance tests have been scheduled for the rest of the generators that is scheduled to be installed in April 2024 according to the contractor's latest construction programme.

4.6 The tender for the Stellenbosch Fire Station battery storage system closed on 26 February 2024 with tender evaluation underway at present.

4.7 Provincial Initiative to Establish a 50MW Solar Plant

Provincial Government Western Cape (PGWC) has appointed a Project Manager and Transactional Advisory Consultancy Team to facilitate a possible 50 MW Independent Power Producers project, with the following deliverables:

- Inception report has been completed by the Project Team.
- A Feasibility Study is now underway at present.
- The service level agreement between Province, their Project Management firm and the Municipality has been provided by PGWC and commented on by the Municipality.
- The Memorandum of Understanding between PGWC and Stellenbosch Municipality for the Energy Resilience programme has been signed and finalised.
- Provincial Government has expressed concerns about the Municipality's 20MW IPP tender, as per Item 4.2 above, and has been requested to submit these concerns in writing.

4.8 Provincial Project: Municipal Pooled Buying initiative:

The Provincial Government held a series of workshops with the Municipality's Legal, Financial and Technical teams. The Municipality has submitted comments during 2023 to PGWC. A follow up workshop is to be scheduled by PGWC by end March 2024.

22ND COUNCIL MEETING: 2024-04-25: ITEM 11.6.2

NOTED

the Alternative Energy Generation project updates identified by the AEG Committee and the latest progress with the Alternative Energy Generation projects in implementation at present.

FOR FURTHER DETAILS CONTACT:

NAME	Nombulelo Zwane
POSITION	Senior Manager: Electrical Services
DIRECTORATE	Infrastructure Services
CONTACT NUMBERS	021 808 8213
E-MAIL ADDRESS	shane.chandaka@ Stellenbosch.gov.za
REPORT DATE	02 April 2024

11.6.3	SECTION 116(3); B/SM 123/21: ZONE O, KAYAMANDI, HOUSING PROJECT - CONSTRUCTION OF INTERNAL CIVIL ENGINEERING SERVICES - PHASE 3
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Collaborator No: 765274

IDP KPA Ref No: Green & Sustainable Valley

Meeting Date: 17 April 2024 & 25 April 2024

1. SUBJECT: SECTION 116(3); B/SM 123/21: ZONE O, KAYAMANDI, HOUSING PROJECT - CONSTRUCTION OF INTERNAL CIVIL ENGINEERING SERVICES - PHASE 3

2. PURPOSE

To obtain the necessary authorization for the intended amendment of a current active contract with Diges Group. The objective is to amend the tender to include Contract Price Adjustment (CPA) for the original scope of works advertised under BSM 123/21. The service provider is appointed to install bulk engineering services to ensure 178 sites are serviced for future Top structures (Houses). Without amending the contract to include CPA, there is a huge risk of the contract not being completed and the contractor stopping works. The contractor is struggling to absorb the rising costs of labour and material that was not factored into their original tender submission.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

On the 12th of May 2022, the BAC awarded tender BSM 123/21 to Diges group for an amount of R12 120 851,13 Incl VAT and 10% contingencies. The appointment letter was signed and the contractor was expected to commence works on the 20th of June 2022. The contractor had to be appointed to ensure that the contract remained within the validity date. In the time prior to the tender advertisement, to contractor appointment, the Informal Settlements department was required to relocate 55 families (Informal structures) in Zone O, Kayamandi to make space for the civil services and the scope of works under tender BSM 123/21. The contractor was only able to establish and commence works from the 1st of June 2023. In this time materials and labour increased but the contract did not allow for Contract Price Adjustment. The contractor did not claim for additional extension of time claims or costs and waited patiently for the municipality to give them access to the site once the families were eventually relocated. This process to relocate families took much longer than anticipated. The contractor is now requesting that they be paid appropriate compensation in the form of Contract Price Adjustment and or an amicable settlement that will relate to costs incurred, for the rise in materials and labour costs for the delayed access to site. The risk of not approving compensation to the contractor will most likely result in the contractor terminating works. That would force the municipality to go on another tender process which in turn would delay the houses that need to be built on the service sites. The ISUP grant funds have been gazetted, and therefore any further delays could put that funding at risk of being taken away by the provincial government departments. The current project phase is solely funded by the ISUP grant.

22ND COUNCIL MEETING: 2024-04-25: ITEM 11.6.3**RESOLVED** (nem con)

- (a) that Council notes in terms of MFMA Section 116(3) the reasons for the amendment of tender BSM 123/21;
- (b) that Council notes the public participation process that needed to be followed was followed and that no comments were received (ANNEXURE C & D); and
- (c) that the addition of Contract Price Adjustment in the form of a settlement to BSM 123/21 be approved.

FOR FURTHER DETAILS CONTACT:

NAME	<i>Myra Francis</i>
POSITION	<i>Senior Manager: Development Services, Asset Management and Systems & Project Management Unit (PMU)</i>
DIRECTORATE	<i>Infrastructure Services</i>
CONTACT NUMBERS	<i>021 808 8760</i>
E-MAIL ADDRESS	<i>myra.francis@ Stellenbosch.gov.za</i>
REPORT DATE	<i>08 April 2024</i>

11.6.4	ELECTRICITY BULK CONTRIBUTION LEVY
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Collaborator No: 765487

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: 17 April 2024 & 25 April 2024

1. SUBJECT: ELECTRICITY BULK CONTRIBUTION LEVY

2. PURPOSE

To inform Council of the review of the Electricity Bulk Infrastructure Contribution Levy which is the basis upon which development charges will be determined i.t.o. electricity will be as per NRS 069: Code of practice for the recovery of capital costs for distribution network assets.

That the current valid Electricity Development Charge (DC) also known as Development Contribution Levy in the 2024/25 draft tariffs be replaced with the proposed updated Development Contribution Levy calculation detailed in ANNEXURE A and approved for public participation.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The Bulk Electrical Contribution Levy is not the electrical usage charge per kilowatt which consumers normally use for electricity usage. It is a once-off payment by consumers when they choose to upgrade their system from a 40 amperes to a 60-ampere system for example, or increase their monthly ampere allowance which the Municipality has allocated them to use.

This increase in capacity warrants an upgrade fee which the Municipality uses to ultimately upgrade the bulk electrical infrastructure system. The Municipality has been consistently keeping this once-off levy as low as possible, but has conducted a study to ascertain what the appropriate levy should be.

This has also been benchmarked against what other Municipalities are charging to ensure that the Municipality is also fair and ensuring value for money. The Municipal towns benchmarked against are: Paarl, Wellington, Worcester, Overstrand and the City of Cape Town as per the Table below.

The Municipality must adjust the unit cost for each municipal infrastructure service on an annual basis during the budget preparation process referred to in Section 21 of the Local Government: Municipal Finance Management Act 56 of 2003, to take account of inflationary impacts and must publish the adjusted unit costs within two months of approving the municipal budget. The Municipality will use the Contract Price Adjustment Factor as prescribed in the SAICE General Conditions of Contract for Construction Works (as amended) to determine the annual effect of inflation.

Where possible, unit costs for each municipal infrastructure service should be recalculated every five years to take into account the current and planned capacity for each municipal infrastructure service at the date of re-calculation, and any other relevant factors.

A Development Charge ('DC') also known as Development Contribution Levy is a once-off capital charge to recover the actual cost of external infrastructure required to accommodate the additional impact of a new development on engineering services. A DC calculation is triggered by a land use change/ development application that will, if approved, intensify the municipal infrastructure demand. The threshold is the level up to which a new land use is deemed to have the same infrastructure impact as the existing permissible use and is determined based on a technical assessment. The current development contribution charge is R 4 130.33 per kVA inclusive of Vat. The proposed development contribution charge based on the revised calculation study is calculated at R 5 293. 85 per kVA inclusive of Vat. The request from the Executive Mayor to indicate the comparison is included below.

Below find a table detailing the comparison of Development Contribution Levy's per Municipality in our area. It must be noted that each Municipality has a unique electricity distribution network which, it is these unique attributes in the infrastructure that would be used during the compilation of the Levy. The Levy's are reviewed every five years and therefore the different financial years indicated below.

Comparison of BICL Cost per kVA per Municipality					
CoCT	Paarl	Wellington	Overstrand	Worcester	Stellenbosch
23/24	23/24	23/24	23/24	22/23	24/25
R 5 456.40	R 4 317.00	R 3 795.00	R 6 439.13	R 4 046.09	R 5 293.85

22ND COUNCIL MEETING: 2024-04-25: ITEM 11.6.4

RESOLVED (nem con)

- (a) that the content of this report be noted; and
- (b) that the current valid Electricity Development Charge (DC) also known as Development Contribution Levy in the 2024/25 draft tariffs be replaced with the proposed updated Development Contribution Levy calculation detailed in ANNEXURE A and approved for public release.

FOR FURTHER DETAILS CONTACT:

NAME	Shane Chandaka
POSITION	Director
DIRECTORATE	Infrastructure Services
CONTACT NUMBERS	021 808 8213
E-MAIL ADDRESS	<u>shane.chandaka@ Stellenbosch.gov.za</u>
REPORT DATE	2024 – 04 - 09

11.6.5	CONSIDERATION OF THE CLOSURE OF TWO THOROUGHFARES IN CLOETESVILLE
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Collaborator No:

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: 17 and 24 April 2024

1. SUBJECT: CONSIDERATION OF THE CLOSURE OF TWO THOROUGHFARES IN CLOETESVILLE

2. PURPOSE

That Council considers the approval of the proposals for the closure of two thoroughfares in Cloetesville to create a safer environment for pedestrians.

3. DELEGATED AUTHORITY

Municipal Council.

4. EXECUTIVE SUMMARY

The Municipality aims to create a safe environment for all who live, work in and visit Stellenbosch. In certain neighbourhoods, instances of crime have escalated and are at high levels, putting the safety of the community at risk.

In Cloetesville two thoroughfares have been identified by the community, South African Police Services and our Law Enforcement as crime hotspots. One thoroughfare is located at the Old Apostolic Church and the other thoroughfare links Williams Road with the R44 (erf 7181 Stellenbosch). Residents have approached the Municipality, requesting the immediate closure the thoroughfare adjacent to the Church, and implementation of access control at the Williams Road thoroughfare. The community reported that of serious assaults and other crimes are committed there, and that these thoroughfares are used by criminals as an escape route to evade capture. The location of the thoroughfares are indicated in **APPENDIX 1**.

Thoroughfare at Old Apostolic Church

A thoroughfare existed and is used next to the Old Apostolic Church linking Eike and Curry Streets. This thoroughfare was created because the Old Apostolic Church did not put their fence on their erf boundary. This land therefore belongs to the Church and is not municipal land.

The closure of the thoroughfare is supported by both the Church and the South African Police Services, who are aware of the crimes committed there. The closure would not significantly impact pedestrian movements - a link between Eike and Curry Streets via Quarry and Lang Streets is a safe alternative that can be used by pedestrians.

It is therefore proposed, that the Municipality, closes the Eike Street thoroughfare (in the street reserve) by means of appropriate signage on both ends of the thoroughfare, and publishes, via a notification in the local newspaper its intention, and thereafter proceeds to erect a suitable fence to implement the closure, at Eike Street.

Thoroughfare at Williams Road

The thoroughfare at Williams Road near Ortell Park provides a thoroughfare between Williams Road and the R44. The land is zoned as Public Open Space and accommodates underground Municipal Services such as water, electricity, sewer and stormwater. The thoroughfare is used by the community for access to the R44 as well as access to schools in the vicinity. Therefore access for pedestrians and the Municipality (to maintain the area and the underground services) must remain in place. It is proposed that the Municipality implement access control on the Williams Street thoroughfare, by installing fencing and gates that maintains access to pedestrians and vehicles. The Municipality will access the thoroughfare through the vehicle gate to

maintain and area and access services as and when required. The pedestrian gate will be opened in the morning, and locked at night, through an existing agreement that is in place between the Municipality, local residents and the Neighbourhood watch.

It is therefore proposed that the Municipality erects appropriate signage on both ends of the Williams Road thoroughfare by means of appropriate signage and publishes, via a notification in the local newspaper its intention, and thereafter proceeds to erect suitable gates and fencing to effect the access control at Williams Road.

22ND COUNCIL MEETING: 2024-04-25: ITEM 11.6.5

RESOLVED (nem con)

- (a) that Council approve the request from the Cloetesville Community to close of the thoroughfare linking Curry and Eike Roads;
- (b) that Council approve the request from the Cloetesville Community to close off the throughfare at Williams Road and the R44 (Erf 7181) and implement access control at gates though an agreement with the Neighbourhood watch;
- (c) that Council inform the public of its intent to close the throughfares in (a) and (b) above and implement access control at (b), by means of appropriate signage (on both ends of the thoroughfares) and via placement of the notification in the local newspaper; and
- (d) that the Municipality after the notification proceeds to erect suitable fencing to gates to affect the closure at the Eike Street thoroughfare and implement the closure and access control at the Williams Road thoroughfare.

FOR FURTHER DETAILS CONTACT:

Name	Shane Chandaka
Position	Director
Directorate	Infrastructure Services
Contact Numbers	021 808 8213
E-mail Address	<u>Shane.Chandaka@ Stellenbosch.gov.za</u>
Report Date	15 April 2024

11.7	PARKS, OPEN SPACES AND ENVIRONMENT: (PC: J WILLIAMS)
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NONE

11.8	PLANNING AND LOCAL ECONOMIC DEVELOPMENT AND TOURISM: (PC: CLLR C VAN WYK)
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11.8.1	REQUEST FOR THE APPROVAL AND ADOPTION OF THE FINAL DRAFT STELLENBOSCH MUNICIPALITY FILMING BY-LAW, 2024
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Collaborator No: 763999

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: 20 March 2024 & 24 April 2024

**1. SUBJECT: REQUEST FOR THE APPROVAL AND ADOPTION OF THE FINAL
DRAFT STELLENBOSCH MUNICIPALITY FILMING BY-LAW, 2024**

2. PURPOSE

To provide Council with the pertinent facts to consider the approval and adoption of the final Draft Stellenbosch Municipality Filming By-Law, 2024.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The Stellenbosch Municipality Filming By-Law has been drafted to govern the process of filming within the Stellenbosch Municipality and to provide guidance to prospective film organisers and municipal officials on film permit applications and related matters.

The By-Law is aligned to the constitutional mandate of the Stellenbosch Municipality and designed to provide guidance in terms of the use of public spaces, safety considerations, and the impact of filming activities on the local community.

The purpose of the Stellenbosch Filming By-Law is to provide the necessary municipal structures and systems to facilitate and regulate film permit applications and to assist and guide the municipality in managing and regulating film-related activities in an efficient, effective and sustainable manner whilst contributing towards job creation, investment and social inclusivity. The By-Law also provides legislative certainty and assist in removing red tape and facilitate the ease of doing business.

Through the enforcement of this By-Law, the Municipality can perform its constitutionally role to facilitate and regulate economic development initiatives within its jurisdictional area, which includes filming.

22ND COUNCIL MEETING: 2024-04-25: ITEM 11.8.1**RESOLVED** (majority vote with 1 abstention)

- (a) that Council takes note that the Final Draft Filming By-Law was advertised for a period of 30 days and that copies of the proposed By-Law were placed at the venues as indicated in the advertisement, copy attached as **APPENDIX 2** to this report;
- (b) that Council **approves and adopts** the Final Draft Filming By-Law, attached as **APPENDIX 1**; and
- (c) that Council **approves** that the Final Draft Filming By-Law be promulgated.

FOR FURTHER DETAILS CONTACT:

NAME	Joh-ne Jansen
POSITION	Senior Economic Development Officer: Tourism & Business Development
DIRECTORATE	Planning and Economic Development
CONTACT NUMBERS	021 808 8144
E-MAIL ADDRESS	<u>joh-ne.jansen@ Stellenbosch.gov.za</u>
REPORT DATE	29 February 2024

11.8.2	REQUEST FOR THE APPROVAL AND ADOPTION OF THE FINAL DRAFT STELLENBOSCH MUNICIPALITY EVENTS BY-LAW, 2024
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Collaborator No: 764277

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: 20 March 2024 & 24 April 2024

1. SUBJECT: REQUEST FOR THE APPROVAL AND ADOPTION OF THE FINAL DRAFT STELLENBOSCH MUNICIPALITY EVENTS BY-LAW, 2024

2. PURPOSE

To provide Council with the pertinent facts to consider the approval and adoption of the final Draft Stellenbosch Municipality Events By-Law, 2024.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The final Draft Events By-Law aims to replace and update the current Stellenbosch Municipality Events By-Law, which was promulgated in 2016.

A number of concerns were raised by Local Tourism Organisations and stakeholders within the tourism fraternity regarding the outdated bylaw, as well as the tedious land use application processes which deemed it necessary for the bylaw to be updated.

An updated Events By-Law will contribute in a sustainable manner toward growth in job creation, investments, and social inclusivity.

22ND COUNCIL MEETING: 2024-04-25: ITEM 11.8.2

RESOLVED (majority vote with 1 abstention)

- (a) that Council take note of the final Draft Stellenbosch Municipality Events By-Law which was advertised for a period of thirty (30) days and that copies of the proposed By-Law were placed at the venues as indicated in the advertisement, copy attached as **APPENDIX 2** to this report,
- (b) that Council **approve and adopts** the final Draft Events By-Law, attached as **APPENDIX 1**, and
- (c) that Council **approves** that the final Draft Events By-Law be promulgated.

FOR FURTHER DETAILS CONTACT:

NAME	Joh-ne Jansen
POSITION	<i>Senior Economic Development Officer</i>
DIRECTORATE	<i>Planning and Economic Development</i>
CONTACT NUMBERS	021 808 8144
E-MAIL ADDRESS	joh-ne.jansen@ Stellenbosch.gov.za
REPORT DATE	12 March 2024

11.9	COMMUNITY SERVICES:(PC: CLLR X KALIPA)
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(See item 11.11.2)

11.10	RURAL MANAGEMENT: (PC: CLLR J JOON)
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NONE

11.11	MUNICIPAL MANAGER
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11.11.1	REVIEW OF THE CONSEQUENCE MANAGEMENT POLICY
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Collaborator No:

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: 17 April 2024 & 24 April 2024

1. SUBJECT: REVIEW OF THE CONSEQUENCE MANAGEMENT POLICY**2. PURPOSE**

To submit the reviewed Consequent Management Policy to Council for consideration and approval.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

The reviewed Consequence Management Policy (**APPENDIX 1**) with which Stellenbosch Municipality seeks to formalise and consolidate the principles of consequence management (encompassing remedial and recourse measures) that can be implemented. In line with the objectives of the MFMA the policy seeks to, amongst others, improve the internal control processes relating to the reporting of allegations of financial misconduct and financial offences to the Council.

22ND COUNCIL MEETING: 2024-04-25: ITEM 11.11.1**RESOLVED** (nem con)

that Council approves the reviewed Consequence Management Policy.

NAME	Helena Priem
POSITION	Chief Risk Officer
DIRECTORATE	Office of the Municipal Manager
CONTACT NUMBERS	021 – 808 8157
EMAIL ADDRESS	helena.priem@stellenbosch.gov.za
REPORT DATE	8 April 2024

11.11.2	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 2023/2024: SAFE HANDS ANIMAL RESCUE AND STELLENBOSCH ANIMAL WELFARE SOCIETY
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Collaborator No: 765415

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: 17 April 2024 & 24 April 2024

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 2023/2024: SAFE HANDS ANIMAL RESCUE AND STELLENBOSCH ANIMAL WELFARE SOCIETY**

2. **DELEGATION**

Council.

3. **PURPOSE OF MEETING**

To discuss and consider the funding applications for the the 2023 / 2024 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.

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 dated 19 October 2023, attached as **APPENDIX 1** of which the closing date to submit such applications was at 12:00 midday on 11 November 2023.

Stellenbosch Municipality invited external bodies performing a municipal function in accordance with the policy, for funding facilities for the accommodation and burial of animals.

The closing date for the applications was advertised as 11 November 2023. Thus, were sufficient time awarded for organizations to provide the requested information.

Submissions were received from the below bodies (**APPENDIX 3** – Safe Hands Animal Rescue Franschhoek) (**APPENDIX 4** Stellenbosch Animal Welfare Society) and to perform accommodation and burial of animals' function for Council for the 2023/2024 financial year. A comparison was made with the funding granted for 2022/2023 financial year.

Applicants	2023 / 2024 Funding Requested in Rand Value
Safe Hands Animal Rescue Franschhoek	R 450 000.00
Stellenbosch Animal Welfare Society	R 4 741 611.78
Total Funding Requested	R 5 191 611,78

22ND COUNCIL MEETING: 2024-04-25: ITEM 11.9.1**RESOLVED** (majority vote with 1 abstention)

- (a) that the amount of R 229 500.00 be allocated to Safe Hands Animal Rescue for the 2023 / 2024 financial year; and
- (b) that the amount of R1 300 500.00 be allocated to Stellenbosch Animal Welfare Society for the 2023 / 2024 financial year.

FOR FURTHER DETAILS, CONTACT:

NAME	Mrs Joan Felix
POSITION	Manager: Law Enforcement & Traffic Service
DIRECTORATE	Law Enforcement
CONTACT NUMBERS	021 808 8497
E-MAIL ADDRESS	Joan.felix@ Stellenbosch.gov.za
REPORT DATE	5 December 2023

12.	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC): [CLLR WF PIETERSEN]
12.1	CONSIDERATION OF EXPENDITURE INCURRED THAT WAS PREVIOUSLY CERTIFIED AS IRREGULAR BY MPAC

Collaborator No:

IDP KPA Ref No: Good Governance

Meeting Date: 18 April 2024 & 24 April 2024

1. SUBJECT: CONSIDERATION OF EXPENDITURE INCURRED THAT WAS PREVIOUSLY CERTIFIED AS IRREGULAR BY MPAC

1. PURPOSE OF REPORT

To provide information regarding the irregular expenditure that was identified subsequent to the tenders serving at MPAC as the tender contracts are still valid and, to be recommended to and considered by Council to certify the expenditure as irrecoverable and to be written off by Council in terms of Section 32 of the MFMA.

2. DELEGATED AUTHORITY

Council

3. EXECUTIVE SUMMARY

Section 32(2)(b) of the Municipal Finance Management, 2003 (Act 56 of 2003) (MFMA) require a municipality to recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure, in the case of irregular or fruitless and wasteful expenditure, is, after investigation by a council committee, certified by the council as irrecoverable and written off by the council.

Expenditure was identified in the 2022/2023 and 2023/2024 financial years which was noncompliant with Council approved policies and the Municipal Financial Management Act. All known instances of non-compliance with legislation, which the Municipality is aware of and whose effects should be considered have been recorded.

22ND COUNCIL MEETING: 2024-04-25: ITEM 12.1.1

RESOLVED (majority vote with 6 abstentions)

- (a) that Council takes note of the circumstances as provided in the report;
- (b) that Council certifies the irregular expenditure to the amount of R 7 480 503.49 (including VAT) as irrecoverable; and
- (c) that Council writes off the irregular expenditure as irrecoverable in terms of the MFMA Section 32(2).

NAME	Kevin Carolus
POSITION	Chief Financial Office
DIRECTORATE	Financial Services
CONTACT NUMBERS	021 808 8528
E-MAIL ADDRESS	Kevin.Carolus@ Stellenbosch.gov.za
REPORT DATE	26 March 2024

13.	REPORTS BY THE MUNICIPAL MANAGER
13.1	QUARTERLY REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE OF STELLENBOSCH MUNICIPALITY FOR THE PERIOD 01 OCTOBER 2023 TILL 31 DECEMBER 2023

Collaborator No:

File No:

IDP KPA Ref No: Good Governance

Meeting Date: 24 April 2024

1. **SUBJECT: QUARTERLY REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE OF STELLENBOSCH MUNICIPALITY FOR THE PERIOD 01 OCTOBER 2023 TILL 31 DECEMBER 2023**

2. **PURPOSE**

To inform Council of the activities of the Audit and Performance Audit Committee for the period 01 October 2023 till 31 December 2023 (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.

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 and Performance 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 and performance reporting practices.

22ND COUNCIL MEETING: 2024-04-25: ITEM 13.1

NOTED

the report of the Audit and Performance Audit Committee for the period 01 October 2023 till 31 December 2023.

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	24 April 2024

13.2	AUDIT AND PERFORMANCE AUDIT COMMITTEE EFFECTIVENESS ASSESSMENT REPORT 2023-24
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Collaborator No:

IDP KPA Ref No:

Good Governance and Compliance

Meeting Date:

Council: 24 April 2024

1. SUBJECT: AUDIT AND PERFORMANCE AUDIT COMMITTEE EFFECTIVENESS ASSESSMENT REPORT 2023-24

2. PURPOSE OF REPORT

For Council to note the Effectiveness Assessment of the Audit and Performance Audit Committee

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The effectiveness of the Audit and Performance Audit Committee is assessed annually on behalf of Council via a performance assessment conducted by the Executive Mayor, the Municipal Manager (MM), and the Chief Audit Executive (CAE) annually (attached as **Appendices 1, 2 and 3** respectively.)

The Audit and Performance Audit Committee also conducts a self-assessment on their effectiveness annually. The outcome of this self-assessment is reported to Council annually (attached as **Appendix 4.**)

22ND COUNCIL MEETING: 2024-04-25: ITEM 13.2

NOTED

- (a) that Council notes the Effectiveness Assessment of the Audit and Performance Audit Committee conducted on behalf of Council.
- (b) that Council notes the outcome of the Audit and Performance Audit Committee's self-assessment.

FOR FURTHER DETAILS CONTACT:

NAME	<i>Faiz Hoosain</i>
POSITION	<i>Chief Audit Executive</i>
DIRECTORATE	<i>Municipal Manager</i>
CONTACT NUMBERS	<i>021 808 8555</i>
E-MAIL ADDRESS	<i>Faiz.Hoosain@ Stellenbosch.gov.za</i>
REPORT DATE	<i>24 April 2024</i>

13.3	APPOINTMENT OF 1 MEMBER TO THE AUDIT AND PERFORMANCE AUDIT COMMITTEE OF STELLENBOSCH MUNICIPALITY
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Collaborator No:

File No:

IDP KPA Ref No: Good Governance

Meeting Date: 24 April 2024

1. APPOINTMENT OF 1 MEMBER TO THE AUDIT AND PERFORMANCE AUDIT COMMITTEE OF STELLENBOSCH MUNICIPALITY

2. PURPOSE

To obtain Council's approval for the appointment of one (1) member to the Audit and Performance Audit Committee.

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 approved Audit and Performance Audit Committee Charter of Stellenbosch Municipality attached herewith as **APPENDIX 1**.

Ms June Williams has resigned from the Audit and Performance Audit Committee as per attached as **APPENDIX 2**. This has created a vacancy on the Audit and Performance Audit Committee. The vacancy was advertised and the closing date for this vacancy was 28 March 2024.

22ND COUNCIL MEETING: 2024-04-25: ITEM 13.3

RESOLVED (majority vote with 2 abstentions)

that Council appoint Dr NL Mortimer for a term of three years as from the 01 May 2024 concluding on the 30 April 2027.

FOR FURTHER DETAILS CONTACT:

NAME	<i>Faiz Hoosain</i>
POSITION	<i>Chief Audit Executive</i>
DIRECTORATE	<i>Municipal Manager's Office</i>
CONTACT NUMBERS	<i>021-808 8555</i>
E-MAIL ADDRESS	<i>Faiz.Hoosain@ Stellenbosch.gov.za</i>
REPORT DATE	<i>24 April 2024</i>

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

15.	CONSIDERATION OF URGENT MOTIONS
-----	---------------------------------

NONE

16.	URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER
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NONE

17.	REPORTS SUBMITTED BY THE SPEAKER
-----	----------------------------------

NONE

18.	REPORTS SUBMITTED BY THE EXECUTIVE MAYOR
-----	--

NONE

19.	MATTERS TO BE CONSIDERED IN-COMMITTEE
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NONE

The meeting adjourned at 16:10.

CHAIRPERSON:

DATE:

Confirmed onwithout amendments.

7.2	SPECIAL COUNCIL MEETING: 2024-05-31
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The minutes of the Special Council meeting: 2024-05-31 is attached as **APPENDIX 1**.

FOR CONFIRMATION

APPENDIX 1



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/1/5

2024-05-31

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MINUTES

SPECIAL MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY

2024-05-31 AT 10:00

MINUTES
SPECIAL MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY
2024-05-31

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5.	DISCLOSURE OF INTERESTS	
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9.	URGENT MATTERS	
	NONE	
10.	MATTERS TO BE CONSIDERED IN-COMMITTEE	
	NONE	

PRESENT

The Speaker, Cllr Q Smit [Chairperson]
 The Executive Mayor, Ald GMM Van Deventer
 The Deputy Executive Mayor, Cllr JS Fasser
 The Council Whip, Cllr P Crawley

COUNCILLORS

RA Adams	NR Ndalasi
J Andrews	L Nkamisa
Ald JC Anthony	M Nkopane
MM Danana	N Ntsunguzi
R Du Toit	N Olayi
A Ferns	GA Petersen
E Groenewald	WC Petersen
AJ Hanekom	RO Pheiffer
RB Hendrikse	WF Pietersen
P Johnson	MG Rataza
J Joon	Ald JP Serdyn
O Jooste	MJ Slabbert
X Kalipa	RB Van Rooyen
N Mananga-Gugushe	M Van Stade
EP Masimini	CA Van Wyk
NE Mcombring	E Vermeulen
XL Mdemka	J Williams
NM Mkhontwana	

OFFICIALS

Acting Municipal Manager (A Barnes)
 Chief Financial Officer (K Carolus)
 Director: Community and Protection Services (G Boshoff)
 Director: Corporate Services (A De Beer)
 Director: Infrastructure (S Chandaka)
 Chief Audit Executive (F Hoosain)
 Senior Administration Officer (T Samuels)

1.	OPENING AND WELCOME
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The Speaker, Cllr Q Smit, welcomed all present at the Special Council meeting.

2.	COMMUNICATION BY THE EXECUTIVE MAYOR
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- Thank you to all councillors present here today. I know you have not slept and rest much and are still tired but thank you for attending the important Council meeting today, we the budget will be tabled.
- With the elections behind us, it is now time to re-focus and implement and perform our oversight over the new budget. There are some exciting and interesting projects in the pipeline.
- Last week I was fortunate enough to hand out title deeds in Kylemore and Groendal. This is part of my Mayoral commitment since I was elected Mayor in 2016, and to date we have handed out approximately 2 500 title deeds. I am committed to ensure all historical title deeds are handed over and have requested the administration to focus on areas with outstanding deeds to be expedited.
- As deel van die veiligheidsinisiatief is 'n buurtwaghuisie in Cloeterville geopen, waar die buurtwag, gemeenskap en polisie kan vergader om te verseker daar is planne in werking om ons strate en gemeenskappe veilig te hou. Ons is van plan om die inisiatief ook na ander areas uit te brei.
- Met die begin van die koue winter en reën seisoen doen ons 'n beroep op inwoners om te verseker hul huise en strukture is veilig. Die storms wat ons area die afgelope paar weke en maande getref het, getuig daarvan dat ons meer voorbereid en waaksaam moet wees.
- We had a long, dry summer and it is not letting up. Thankfully, the wetter winter months are still ahead, and we are hopeful for good rainfall. In the meantime, let us all do our part to use water sparingly and bring down our usage wherever we can. Every drop counts!"

3.	COMMUNICATION BY THE SPEAKER
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Opening and Welcome:

Executive Mayor
Deputy Mayor
Council whip
Members of the Mayoral Committee
MPAC Chair
All Councillors

Municipal Manager
Directors
Members of the administration
Members of the public

Welcome new PR Councillor: GOOD Party

Councillor Grechard Petersen

Next Council meeting

Friday, 14 June 2024 at 10:00, in the Council Chambers.

Birthdays – May

Councillor J Williams – 7 May
Councillor E Vermeulen – 20 May

Recess

17 June 2024 – 5 July 2024

4.	COMMUNICATION BY THE ACTING MUNICIPAL MANAGER [MR A BARNES]
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NONE

5.	DISCLOSURE OF INTERESTS
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NONE

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

Cllr Z Dalling - 31 May 2024
 Cllr C Manuel - 31 May 2024
 Cllr S Schafer - 31 May 2024
 Cllr A Tomose - 31 May 2024

- 6.2 The Speaker Ruled that the absence of the following Councillors only be NOTED:

Cllr I De Taillerfer
 Cllr RS Nalumango

7.	STATUTORY MATTERS
7.1	ADOPTION OF THE 2ND REVIEW OF THE 5TH GENERATION INTEGRATED DEVELOPMENT PLAN (IDP) 2022 – 2027

Collaborator No:

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: 22 May 2024 & 31 May 2024

1. SUBJECT: ADOPTION OF THE 2ND REVIEW OF THE 5TH GENERATION INTEGRATED DEVELOPMENT PLAN (IDP) 2022 – 2027

2. PURPOSE

To submit the following to the Council for adoption:

- (a) The 2nd review of the 5th Generation Integrated Development Plan (IDP) 2022 – 2017, attached as **ANNEXURE A**; and
- (b) The public participation input and comments, written submissions and the Provincial Government SIME Assessment Report on the draft 2nd review of the 5th Generation IDP 2022 - 2027, attached as **ANNEXURE B**.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

In terms of Section 34(a)(i)(ii) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), each municipal council must review its Integrated Development Plan annually in accordance with an assessment of its performance measurements in terms of Section 41 of MSA and to the extent the changing circumstances so demand. Therefore, taking into account the changing circumstances in the municipal environment, including the community's needs and priorities.

The 2nd review of the 5th Generation IDP 2022 – 2027 informs the municipality's budget and details the municipality's actions to address the vision, mission, strategic objectives, and needs of the community.

The municipal IDP must be reviewed annually to ensure that:

- municipalities and communities keep track of progress in implementing development projects and spending the municipal budget; and
- communities are presented with an opportunity to review their community needs and to recommend changes to the ward priorities outlined in the municipality's IDP.

The IDP and Budget public participation period was open from 02 – 23 April 2024 (22 days) to allow members of the community and stakeholders sufficient time to provide written inputs and or comments on the draft 2nd review of the 5th Generation IDP 2022 - 2027. A total of eight (8) area-based public participation open days were held from 09 – 15 April 2024 in the respective areas / wards. The open days offered an opportunity for community members to engage in one-on-one discussions with departmental representatives and submit to submit verbal input. An IDP and Budget stakeholder engagement was held on 16 April 2024, attended by councillors, senior management, stakeholders, and role-players in the Stellenbosch Municipal area.

SPECIAL COUNCIL MEETING: 2024-05-31: ITEM 7.1**RESOLVED** (majority vote with 2 abstentions)

- (a) that the Stellenbosch Municipality's 2nd review of the 5th Generation IDP 2022 – 2027 be adopted in terms of Section 34 of the MSA, attached as **ANNEXURE A**;
- (b) that the public participation inputs and written submissions on the draft 2nd review of the 5th Generation IDP 2022 – 2027 and the Provincial Government SIME Assessment Report, attached as **ANNEXURE B**, be noted;
- (c) that an advertisement be placed on the official website of the municipality and in the local newspaper notifying the public that the 2nd review of the 5th Generation IDP 2022 – 2027 has been adopted by the Council; and
- (d) that the adopted 2nd review of the 5th Generation IDP 2022 – 2027 be submitted to the MEC for Local Government, Environmental Affairs and Development Planning, Western Cape: Department of Local Government, Western Cape: Provincial Treasury, the Cape Winelands District Municipality, and the Office of the Provincial Speaker.

FOR FURTHER DETAILS CONTACT:

NAME	<i>Geraldine Mettler</i>
POSITION	<i>Municipal Manager</i>
DIRECTORATE	<i>Office of the Municipal Manager</i>
CONTACT NUMBERS	<i>021 – 808 8025</i>
E-MAIL ADDRESS	<i>geraldine.mettler@stellenbosch.gov.za</i>
REPORT DATE	<i>06 May 2024</i>

7.2	MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2024/2025-2026/2027
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Collaborator No:

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: 22 May 2024 & 31 May 2024

1. SUBJECT: MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2024/2025-2026/2027

2. PURPOSE

The purpose of this report is as follows:

- (a) To consider the views/submissions of the local community in terms of Section 23(1) (a) of Municipal Finance Management Act (Act 56 of 2003), herein after called the MFMA and to allow the Executive Mayor to respond to the views of the public envisaged in terms of Section 23 (2) (a) and (b).
- (a) To approve 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 R600 million of which over the MTREF R200 million will be required in year one, R200 million in year two and R200 million in year three (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirms approval of same in order for the Chief Financial Officer to attend to the necessary legislative requirements.

3. DELEGATED AUTHORITY

FOR APPROVAL BY MUNICIPAL COUNCIL

4. EXECUTIVE SUMMARY

BUDGET

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

SPECIAL COUNCIL MEETING: 2024-05-31: ITEM 7.2

The Speaker afforded the Executive Mayor the opportunity to deliver her Budget Speech (attached as an **APPENDIX**).

RESOLVED (majority vote)

- (a) that the Draft High Level Budget Summary, as set out in **APPENDIX 1 – PART 1 – SECTION C**; be approved;
- (b) that the Annual Budget Tables as prescribed by the Budgeting and Reporting Regulations, as set out in **APPENDIX 1 – PART 1 – SECTION D**, be approved;

- (c) that the Grants-In-Aid allocations as set out in **APPENDIX 1 – PART 2 – SECTION J**, be approved;
- (d) that the three-year Capital Budget for 2024/2025, 2025/2026 and 2026/2027, as set out in **APPENDIX 1 – PART 2 – SECTION N**, be approved;
- (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;
- (f) that the proposed amendments to existing budget related policies and other policies as set out in APPENDICES 4 - 34, be approved;
- (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 R600 million of which R200 million will be required in year one, R200 million in year two and R200 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;
- (i) that Council takes note of MFMA circulars 126 and 128 that was published to guide the MTREF for 2024/2025 to 2026/2027 as set out in **APPENDICES 35 – 36**;
- (j) that Council takes note of the Long-Term Financial Plan that contains the financial management principles for sound financial management that was considered with the compilation of the final budget as set out in **APPENDIX 37**;
- (k) that Council takes note of the Capital Investment Plan as set out in **APPENDIX 38**; and
- (l) that Council takes note that the public comments and submissions were considered with the compilation of the final budget.

FOR FURTHER DETAILS CONTACT:

NAME	KEVIN CAROLUS
POSITION	DIRECTOR: FINANCIAL SERVICES
DIRECTORATE	FINANCIAL SERVICES
CONTACT NUMBERS	021 808 8528
E-MAIL ADDRESS	kevin.carolus@ Stellenbosch.gov.za
REPORT DATE	22 May 2024

7.3	MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR APRIL 2024
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Collaborator No: 767023
 IDP KPA Ref No: Good Governance and Compliance
 Meeting Date: 22 May 2024 & 31 May 2024

1. SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR APRIL 2024

2. PURPOSE

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy 2023/2024 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 (2023/2024) stipulate that SCM deviations be reported to Council. In compliance thereto, this report presents to Council the SCM deviations that occurred during April 2024.

SPECIAL COUNCIL MEETING: 2024-05-31: ITEM 7.3

NOTED

that there were no deviations approved for the month of April 2024.

FOR FURTHER DETAILS CONTACT:

NAME	Dalleel Jacobs
POSITION	<i>Senior Manager Supply Chain Management</i>
DIRECTORATE	<i>Finance</i>
CONTACT NUMBERS	021 808 8588
E-MAIL ADDRESS	<i>Dalleel.Jacobs@ Stellenbosch.gov.za</i>
REPORT DATE	06 May 2024

8.	REPORTS BY THE MUNICIPAL MANAGER
8.1	FINANCIAL SUPPORT TO STELLENBOSCH SPORT AND RECREATION ASSOCIATION

Collaborator No:

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: 22 May 2024 & 31 May 2024

1. SUBJECT: FINANCIAL SUPPORT TO STELLENBOSCH SPORT AND RECREATION ASSOCIATION

2. PURPOSE

To obtain Council's approval to provide financial support to the Stellenbosch Sport and Recreation Association (SSRA).

3. DELEGATED AUTHORITY

(FOR DECISION BY MUNICIPAL COUNCIL)

In terms of Municipal Finance Management Act (MFMA), Act (56 of 2003) Section 17. (3) (e) relating to content of annual budgets and supporting documents.

4. EXECUTIVE SUMMARY

The Municipality is required to forge meaningful, mutually beneficial partnerships with community-based organisations which represent the interests of the community. The objective with the partnerships is to encourage public participation, promote cooperative governance and improve service delivery to its residents.

Active community participation and cooperative governance between communities and government constitutes the bedrock of responsible and accountable local government. The process followed to review the municipality's Sport Facility Management Plan (SFMP) gives credence to these principles of good governance.

By forging good relationships with community-based organisations like the Stellenbosch Sport and Recreation Association (SSRA) and involving them in the development of municipal policies, plans and programs, the Municipality has demonstrated that it wishes to work with the sport fraternity to identify challenges and design the best possible solutions to overcome them. With reference to the review of the SFMP the municipality has consulted with the SSRA, regional and provincial structures to develop a model that responds to the needs of the broader WC024 community.

The Municipality with the assistance of the SSRA implemented the new SFMP and concluded user agreements with 15 sport councils.

The successful implementation of the SFMP requires a fully functioning and capacitated SSRA.

SPECIAL COUNCIL MEETING: 2024-05-31: ITEM 8.1**RESOLVED** (majority vote with 2 abstentions)

- (a) that Stellenbosch Sport and Recreation Association be exempted from the application process in the Grants-in-Aid policy;
- (b) that Council approves a Grants-in-Aid allocation of R40 000 to Stellenbosch Sport and Recreation Association for the 2023/2024 financial year; and
- (c) that the Grant-in-Aid allocation is subject to the Stellenbosch Sport and Recreation Association entering into a Memorandum of Agreement with the Municipality.

FOR FURTHER DETAILS CONTACT:

NAME	<i>Kevin Carolus</i>
POSITION	<i>Chief Financial Officer</i>
DIRECTORATE	<i>Financial Services</i>
CONTACT NUMBERS	<i>021 808 8528</i>
E-MAIL ADDRESS	<i>Kevin.Carolus@ Stellenbosch.gov.za</i>
REPORT DATE	<i>22/05/2024</i>

8.2	THE ANNUAL REVIEW OF STELLENBOSCH MUNICIPALITY HOUSING PIPELINE FOR THE MTREF PERIOD OF 2024 – 2027
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Collaborator No: 767521

IDP KPA Ref No: Good Governance

Meeting Date: 31 May 2024

1. SUBJECT: THE ANNUAL REVIEW OF STELLENBOSCH MUNICIPALITY HOUSING PIPELINE FOR THE MTREF PERIOD OF 2024 – 2027

2. PURPOSE

To seek Council's approval of the Stellenbosch Municipality's Housing Pipeline (Projects) for the Medium-Term Revenue and Expenditure Framework (MTREF) period 2024 to 2027 attached herein as **ANNEXURE 1**.

To inform Council of the Human Settlement Development Grant (HSDG) and the Informal Settlements Upgrading Partnership Grant (ISUPG) allocation for human settlements development projects received from the Provincial Department of Infrastructure (PDol) for the (MTREF) 2024 to 2027.

To inform Council on the process being followed to prepare a Development Plan for Stellenbosch Urban Core PHSHDA (Priority Human Settlement and Housing Development Area) within the jurisdiction area of the Stellenbosch Municipality in conjunction with the Provincial Department of Infrastructure (PDol).

To request that the Housing Pipeline be submitted to the Provincial Department of Infrastructure (PDol) upon attainment of Council's approval.

To provide a status report to Council on the progress of existing human settlement development projects that were previously approved on the Housing Pipeline.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

This Council item relates to the annual review of the Stellenbosch Municipality's Housing Pipeline for the MTREF period 2024 – 2027.

The Provincial Department of Infrastructure (PDol) 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.

According to the PDol housing demand database, Stellenbosch Municipality's current housing demand waiting list comprises of 19 575 applicants. The Municipality currently has numerous housing development projects under consideration to ensure a healthy delivery pipeline towards fulfilling the housing demand and its legislative mandate. The overall housing pipeline of the Municipality articulates active housing development projects that are at various stages of planning and implementation.

In 2020, the Minister of Human Settlements Gazetted the declaration of the Priority Human Settlements and Housing Development Areas (PHSHDA's). The PHSHDAs intends to advance Human Settlements Spatial Transformation and Consolidation by ensuring that the delivery of housing is used to restructure and revitalise towns and cities, strengthen the livelihood prospects of households and overcome apartheid spatial patterns by fostering integrated urban forms.

SPECIAL COUNCIL MEETING: 2024-05-31: ITEM 8.2**RESOLVED** (nem con)

- (a) that **Council approves** the reviewed annual Housing Pipeline (Projects) for the Medium-Term Expenditure Framework ("MTREF") period 2024 to 2027 for Stellenbosch Municipality, attached as **ANNEXURE 1** to this report;
- (b) that **Council takes note** of the Human Settlement Development Grant ("HSDG") and Informal Settlements Upgrading Partnership Grant ("ISUPG") budget allocations for human settlements development projects received from the Provincial Department of Infrastructure (PDol) for the MTREF period of 2024 to 2027;
- (c) that **Council takes note** that the reviewed annual Housing Pipeline is aligned to the Stellenbosch Municipality's Spatial Development Framework ("MSDF") as amended in 2023; and the Stellenbosch Municipality's Capital Expenditure Framework (CEF);
- (d) that **Council approves** the submission of the revised Stellenbosch Municipality's Housing Pipeline to the Provincial Department of Infrastructure (PDol);
- (e) that **Council takes note** of the progress of the human settlements development projects that are at pre-planning, and/or planning phase as reflected in table 1 below, as contained in this report; and

<i>*PRE-PLANNING AND/OR PLANNING PHASE</i>					
Name of project / settlement		Type of project / subsidy Mechanism	Estimated Number of opportunities	Status of project	Progress update
1.	Jamestown Development: Phases 2 & 3	IRDP, FLISP	274 service sites (top structures TBD)	Detailed planning	The MPT approved the Land Use Application for Phases 2 and 3 on 1 March 2024. An appeal has been received.
2.	Jamestown Development: Phase 4	IRDP, FLISP	TBD	Detailed planning	A service provider has been appointed to undertake planning studies and obtain development rights for a mixed-used housing development. Specialist studies are being undertaken.
3.	Erf 7001, Cloetesville ("Soek-mekaar")	IRDP, FLISP	± 250 – 300 service sites (top structures TBD)	Detailed planning	A service provider has been appointed to undertake planning studies and obtain development rights for middle to higher GAP housing development. The Land Use Application has been advertised for public comment before a decision can be made by the MPT.
4.	Erf 64, Kylemore	IRDP	+ 402 service sites and top structures	Detailed planning	Power of Attorney has been obtained by the HDA from the NDoPW&I for the planning and development of the property. The HDA has appointed a team of professionals to finalise detailed planning studies and to obtain development rights.
5.	Adam Tas Precinct 10 (Northern Extension), Kayamandi	IRDP, FLISP	± 4500 residential opportunities	Detailed planning	Service provider has been appointed to obtain development rights for a mixed-use development. The Land Use Application has been advertised for public comment before a decision can be made by the MPT.
6.	Erven 412, 217, Groendal, Franschhoek	IRDP, FLISP	Business opportunities	Pre-planning	A service provider has been appointed to draft different conceptual layout designs and proposals to make provision business orientated opportunities. The different layouts will be presented to Council to decide on a preferred option.

7.	La Motte Old Forest Station	IRDP, FLISP	±1000 sites serviced sites; possible temporary relocation units	Planning	The HDA has been appointed to facilitate the transfer of land. The HDA submitted a new request for the State Land Release for the subject property to the NDoPW&I in order to provide HDA with Power of Attorney for the planning to obtain development rights.
8.	Droë Dyke	TBD	TBD	TBD	HDA is involved to facilitate the transfer of land. The HDA submitted a new request for the State Land Release for the subject property to the NDoPW&I in order to provide HDA with Power of Attorney for the planning to obtain development rights.
Name of project / settlement		Type of project / subsidy Mechanism	Estimated Number of opportunities	Status of project	Progress update
9.	Watergang Phase 2C – Erf 3603, Kayamandi	UISP	87 sites	Detailed planning	The services are extremely vandalised and a report to determine the cost of damages was submitted for scrutiny. A funding application will be prepared and submitted PDol.
<i>*Social Housing Project</i>					
Name of project / settlement		Type of project / subsidy Mechanism	Estimated Number of opportunities	Status of project	Progress update
1.	Cloeteville Social Housing (Farms 81/2 and 81/9, Stellenbosch)	Social Housing	± 250 – 350 rental units	Detailed planning	An accredited Social Housing Institute (SHI) and/or Other Development Agency (ODA) to develop social housing was approved by the BAC on 16 February 2024. A Draft Land Availability Agreement (LAA) and Draft Project Agreement to be concluded before the end of July 2024.
<i>*Formalising and upgrading of informal settlements and existing settlements</i>					
Name of project / settlement		Type of project / subsidy Mechanism	Estimated Number of opportunities	Status of project	Progress update
1.	Erf 2183, La Rochelle, Klappmuts	UISP	109 serviced sites; possible temporary relocation units	Detailed planning	The MPT approved the Land Use Application end of February 2024. Funding applications have been submitted to the PDol for the implementation of the project. Awaits funding approval from the PDol.
2.	Langrug, Franschhoek	UISP	1900 sites	Detailed planning	The appointment of a service provider for finalizing detailed conceptual layout plans for the rehabilitation of the freshwater dam and implementation of an in-situ upgrade project has been completed. Funding applications have been submitted to the PDol for the planning and implementation of the project. Awaits funding approval from the PDol.
3.	Kayamandi Town Centre	UISP, Institutional	1854 service sites and top structures	Detailed planning	The service provider submitted the land use application to obtain development rights for township establishment for 3-storey (BNG) walk-ups. Additional bulk services investigation studies were undertaken due to requests from

					Infrastructure services. Await land use rights.
Name of project / settlement		Type of project / subsidy Mechanism	Estimated Number of opportunities	Status of project	Progress update
4.	Five housing projects in Kayamandi	Township establishment	396 erven	Detailed planning	The MPT approved the 4 projects on 27 January 2023 and the registration of 4 projects was registered at the Surveyor General (SG)'s office. One project that was submitted to Land Use Planning is currently withheld due to an outstanding PoA of Erf 66 which are not in ownership of the Municipality.
5.	3460 Meerlust, Franschhoek (200)	IRDP	200 housing units	Feasibility study	The HDA has been appointed to facilitate the transfer of land and to finalise detailed planning studies for township establishment.

- (f) that **Council takes note** of the projects under construction (within the implementation phase which is dealt by the Section: Project Management Unit (PMU) as reflected in table 2 below contained in this report:

<i>*Housing projects being Implemented</i>					
Name of project / settlement		Type of project / subsidy Mechanism	Estimated Number of opportunities	Status of project	Progress update
1.	Erf 3229, Mooiwater	UISP	253 sites	Implementation	Development rights for the project have been obtained. A contractor was appointed, and construction will commence in 2024/2025 for the installation of infrastructure services.
2.	ISSP Kayamandi Zone 0 (711) UISP	UISP	178 sites	Implementation	A contractor to implement the civil infrastructure services has been appointed for the implementation of the project. 49 (forty-nine) of the 55 (fifty-five) households received and signed the MoU and/or relocation notices; 6 (six) structures / family members that re residing with the main family does not want to move with the main family.

FOR FURTHER DETAILS CONTACT:

NAME	<i>Lester van Stavel</i>
POSITION	<i>Manager: Housing Development</i>
DIRECTORATE	<i>Planning and Economic Development</i>
CONTACT NUMBERS	<i>021 808 8462</i>
E-MAIL ADDRESS	<i>Lester.vanstavel@stellenbosch.gov.za</i>
REPORT DATE	<i>13 May 2024</i>

9.

URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER

NONE

10.

MATTERS TO BE CONSIDERED IN-COMMITTEE

NONE

The meeting adjourned at 12:10.**CHAIRPERSON:****DATE:**

Confirmed onwithout amendments.

8.	STATUTORY MATTERS
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8.1	APPROVAL OF DEBT AGREEMENT
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Collaborator No: 768239

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: 14 June 2024

1. SUBJECT: APPROVAL OF DEBT AGREEMENT

2. PURPOSE

To obtain Council's approval for the raising of an external loan in terms of Section 46 (2) of the Municipal Finance Management Act (Act No 56 of 2003).

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

During April 2024, an advertisement was placed in the newspaper "Die Burger", the e-portal and municipal website, inviting interested parties to make submissions regarding the financing of the proposed loan of R137 446 093.

Submissions were received from five authorised financial institutions:

- (a) Development Bank of Southern Africa (DBSA)
- (b) ABSA Bank
- (c) Nedbank
- (d) Standard Bank
- (e) First National Bank (FNB)

After due process, in terms of the municipality's approved Supply Chain Management Policy, the offer of *Nedbank for the term of 15 years*, was adjudicated by the Bid Adjudication Committee and approved by the Municipal Manager as being the most favorable for Council.

5. RECOMMENDATIONS

- (a) that Council approves the debt (loan) agreement as stipulated in **APPENDIX 1**, and
- (b) that the Municipal Manager be mandated to enter into a debt agreement with Nedbank.

6. DISCUSSION

6.1 Background

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 R137 446 093.

6.2 Purpose of funding

The following infrastructure projects, as included in the capital budget and approved by Council on 24 May 2023, requires external loan funding, but it can possibly be used on other capital items as well:

PROJECT NAME	IDP OBJECTIVE
Expansion of the Landfill Site (New cells)	Green and Sustainable Valley
Landfill Gas To Energy	Green and Sustainable Valley
Major Drop-Offs: Construction - Franschhoek	Green and Sustainable Valley
Alternative Energy	Valley of Possibility
Bien don 66/11kV substation new	Valley of Possibility
Electricity Network: Pniel	Valley of Possibility
General System Improvements - Franschhoek	Valley of Possibility
General System Improvements - Stellenbosch	Valley of Possibility
Infrastructure Improvement - Franschhoek	Valley of Possibility
Jan Marais Upgrade: Remove Existing Tx and replace with 20MVA	Valley of Possibility
Laterra Substation	Valley of Possibility
System Control Centre & Upgrade Telemetry	Valley of Possibility
Bulk Water Supply Klappmuts	Valley of Possibility
Bulk Water Supply Pipeline & Reservoir - Jamestown	Valley of Possibility
Water Conservation & Demand Management	Valley of Possibility
Upgrade of WWTW Wemmershoek	Dignified Living
Upgrade of WWTW: Pniel & Decommissioning Of Franschhoek	Dignified Living

6.3.1 Financial Implications

The total estimated cost of the borrowing over the repayment period is disclosed in the table below.

DESCRIPTION	15 YEAR TERM
Capital	R137 446 093
Interest	R 129 733 992
Total	R 267 180 085

6.4 Legal Implications

In terms of Section 160(2) of the Constitution, a Council may not delegate the function to raise a loan. Section 160(3) stipulates that any decision regarding the raising of a loan must be taken by Council with the supporting vote of the majority of its members.

The procedures to be followed in order to raise a loan, is stipulated in Section 46 of the Municipal Finance Management Act (MFMA). According to Section 46 of the MFMA, the following procedures must be followed:

- s.46(2)(a) A Council resolution must be obtained to approve the debt agreement. The Mayor must then sign such a resolution.
- s.46(3)(a) The Accounting Officer (Municipal Manager) must sign the Debt Agreement.
- s.46(3)(a) An information statement must be made public 21 days prior to the Council meeting. The public, National Treasury and the Provincial Treasury must be invited to submit written comments in respect of the proposed loan.

Comment: A copy of the information statement is attached as **APPENDIX 2** and was published in the newspapers, “Eikestadnuus” and “Die Burger”. In the information statement the public was invited to submit written comments in respect of the proposed loan.

National Treasury and the Provincial Treasury were invited by letter to submit their comments in respect of the proposed loan. Provincial treasury has provided their response and is attached as **APPENDIX 3**. The municipality has responded to this letter and is attached as **APPENDIX 4**.

National Treasury and the Provincial Treasury were invited by letter to submit their comments in respect of the proposed loan. S46(3)(b) The information statement must be submitted to Council at least 21 days prior to the Council meeting at which Council is to consider taking up the loan, this was distributed accordingly.

Comment: The information statement, as well as other supporting documentation, was distributed to each individual councillor on 21 May 2024.

The closing date for comments was 6 June 2024 and all comments received will be distributed and included for Council's consideration.

6.5 **Staff Implications**

This report has no staff implications to the Municipality.

6.6 **Previous / Relevant Council Resolutions:**

Council approved the external loan funding at the Council meeting held on 24 May 2023.

6.7 **Risk Implications**

This report has no risk implications for the Municipality.

6.8 **Comments from Senior Management:**

6.8.1 **Municipal Manager:**

Agree with the recommendations

FOR FURTHER DETAILS CONTACT:

NAME	Monique Steyl
POSITION	<i>Senior Manager: Financial Management Services</i>
DIRECTORATE	<i>Financial Services</i>
CONTACT NUMBERS	<i>021 808 8512</i>
E-MAIL ADDRESS	<i>Monique.Steyl@ Stellenbosch.gov.za</i>
REPORT DATE	<i>05 June 2024</i>

CHIEF FINANCIAL OFFICER – KEVIN CAROLUS

The contents of this report have been discussed with the Portfolio Committee Chairperson and the Councillor agrees with the recommendations.

APPENDIX 1



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

(TERM LOAN: R137,446,093.00)

LOAN AGREEMENT

entered into between

NEDBANK LIMITED

(Registration Number 1951/000009/06)

and

STELLENBOSCH MUNICIPALITY

A Municipality duly established in terms of Section 12 of the Local Government: Municipal Structures Act, Act 117 of 1998

Herein represented by in her/his capacity as **MUNICIPAL MANAGER** duly authorised thereto.

NEDBANK



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1. DEFINITIONS AND INTERPRETATION

1.1. In this Agreement unless clearly inconsistent with or otherwise indicated by the context the following expressions shall bear the meanings ascribed to them hereunder and cognate expressions shall bear corresponding meanings -

1.1.1. **"Accounting Officer"** will have the meaning ascribed thereto in the MFMA;

1.1.2. **"Advance Date"** means 3 June 2024;

1.1.3. **"Agreement"** means the agreement set out in this document;

1.1.4. **"Applicable Laws"** means and includes common or customary law and any constitution, decree, judgement, legislation, order, ordinance, statute, treaty or other legislative measure applicable to any of the Parties and includes any present or future directive, regulation, guideline, practice, concession, instruction, request or requirement issued by any national, regional or local government or any governmental, administrative, fiscal, judicial or government owned body, department, agency, public or regulatory authority, corporation or commission, court or tribunal or any person having jurisdiction within the Republic of South Africa, whether or not government owned or controlled and howsoever constituted;

1.1.5. **"Applicable Public Sector Legislation"** means legislation applicable to the public sector, including but not limited to the Municipal Finance Management Act No. 56 of 2003 (**"MFMA"**), the Treasury Regulations promulgated in terms of section 76 of the PFMA, the Borrowing Powers of Provincial Governments Act No. 48 of 1996, the MFMA, Local Government: Municipal Systems Act No. 32 of 2000, the Preferential Procurement Policy Framework Act No. 5 of 2000 (**"PPPFA"**) and the Preferential Procurement Regulations promulgated in terms of section 5 of the PPPFA;

1.1.6. **"Amortising Schedule"** means the amortisation schedule contained in schedule 1, indicating the repayment amounts, consisting of Capital and interest, payable in bi-annual instalments in arrears on the respective Interest and Capital Payment Dates, in terms of this Agreement, to be provided on the Interest Rate Quotation Date;

1.1.7. **"Basic Municipal Service"** will have the meaning given to it in the MFMA;

1.1.8. **"Banks Act"** means the Banks Act No. 94 of 1990;

1.1.9. **"Base Rate"** means Nedbank's variable rate linked to Prime from time to time;

Base Rate	8.51% (Eight Comma Five One Percent) Indicative Rate
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1.1.10. **"Basis Point"** means 1/100 (One Hundredth) of 1 (One) percentage point;

1.1.11. **"Borrower"** means Stellenbosch Municipality;

1.1.12. **"Borrower Account"** means the Borrower's bank account as advised to Nedbank in writing by the Borrower;

1.1.13. **"Breakage Costs"** means the aggregate of all loss, premiums, penalties, fees, costs, charges, expenses and disbursements incurred or suffered by Nedbank or successful claims made against Nedbank in closing out, settling or unwinding any hedging arrangements, including, *inter alia*, any loan, swap, forward interest rate agreement, foreign exchange contract or other financial instrument relating directly or indirectly to the financing in terms of the Agreement;



- 1.1.14. **"Breakage Gains"** means the aggregate of all gains, premiums, penalties, fees, costs, charges, expenses and disbursements saved by Nedbank in closing out, settling or unwinding any hedging arrangements, including, *inter alia*, any loan, swap, forward interest rate agreement, foreign exchange contract or other financial instrument relating directly or indirectly to the financing of the Loan;
- 1.1.15. **"Business Day"** means any day other than a Saturday, Sunday or an official public holiday in the Republic of South Africa;
- 1.1.16. **"Capital"** means an amount of R137,446,093.00 (one hundred and thirty seven million four hundred and forty six thousand and ninety three rand);
- 1.1.17. **"Capital Budget"** shall have the meaning ascribed to it in the MFMA, as approved in terms of Section 5, 16, 17, 19 and 24;
- 1.1.18. **"Capital Outstanding"** means that portion of the Capital that is at any time outstanding, reduced in accordance with any repayment thereof made in terms of this Agreement;
- 1.1.19. **"Capital Projects"** means the Borrowers capital projects for the 2024/2025 financial year, as contemplated in the Capital Budget;
- 1.1.20. **"Capital Project Assets"** means the assets that will be acquired by the Borrower as identified in the Capital Project;
- 1.1.21. **"Capital Repayments"** means the bi-annually repayments of the Capital Outstanding as per the Amortising Schedule;
- 1.1.22. **"Companies Act"** means the Companies Act No. 71 of 2008;
- 1.1.23. **"Confidential Information"** shall have the meaning set out in clause 23;
- 1.1.24. **"Cross Default"** means any material Indebtedness or obligation or any loan, debt or guarantee constituting Indebtedness of the Borrower becomes due and payable prior to its specified maturity by reason of any default, or is not paid when due, whether or not the Bank is concerned therewith or any creditor of the Borrower becomes entitled to declare any indebtedness cancelled or suspended or due and payable prior to its specified maturity;
- 1.1.25. **"Default Interest Rate"** means the applicable Interest Rate plus 300 (Three Hundred) Basis Points per annum expressed as a NACS rate;
- 1.1.26. **"Dispose"** means to sell, transfer, cede, assign, lease, alienate, donate, renounce, surrender, waive, relinquish, exchange or otherwise dispose of;
- 1.1.27. **"Encumbrance"** means any mortgage, pledge, hypothecation, lien, lease, option restriction, right of first refusal, right of pre-emption, right of retention, right of set-off, right of consolidation or merger (excluding any right of set-off, consolidation or merger arising in favour of Nedbank by operation of law) third party right or interest, assignment, title extension, trust arrangement, cession, security interest or any kind or any other encumbrance or any other type of preferential arrangement having the effect of creating a security interest or right of retention;
- 1.1.28. **"Event of Default"** means any of the events described in clause 14;
- 1.1.29. **"Final Repayment Date"** means 31 December 2038 as stipulated in the Amortising Schedule.
- 1.1.30. **"Going Concern"** means that should the Auditor-General raise a going concern issue with regards to this Borrower, the repayment of the outstanding capital and accrued interest will be accelerated.
- 1.1.31. **"GRAP"** means Generally Recognised Accounting Practice;



- 1.1.32. **"Indebtedness"** shall be construed as widely as possible so as to include any obligation (whether incurred as principal, guarantor or surety) for the payment or repayment of money, whether present or future, actual or contingent and shall include, without limitation –
- 1.1.32.1. monies borrowed or raised;
 - 1.1.32.2. the outstanding principal amount of any bond, note, loan stock, debenture or similar instrument;
 - 1.1.32.3. any amount raised pursuant to any issue of shares which are expressed to be redeemable; and
 - 1.1.32.4. deferred payments for assets or services acquired;
- 1.1.33. **"Integrated Development Plan"** will have the meaning given to it in Chapter 5 of the Local Government: Municipal Systems Act No. 32 of 2000;
- 1.1.34. **"Interest Rate"** means a variable rate option equal to the Base Rate relative to the prime rate of 8,51% plus the all-in margin rate of 2,20%;
- 1.1.35. **"Interest Rate Quotation Date"** means the day on which Nedbank advises the Borrower of the Interest Rate applicable to the Loan;
- 1.1.36. **"Interest Period"** means –
- 1.1.36.1. the period commencing on the Advance Date and ending on the first Repayment Date thereafter;
 - 1.1.36.2. each period after the period described in clause 1.1.36.1 commencing on the previous Repayment Date and ending on the next Repayment Date, inclusive of the final Interest Period commencing on the last Repayment Date and ending on the Final Repayment Date;
- 1.1.37. **"JIBAR"** means, on any applicable date and in respect of the relevant period described in this Agreement –
- 1.1.37.1. the arithmetic mean (rounded, if necessary, to the nearest 3rd (Third) decimal place) of the mid-market rates for Rand deposits for the relevant period as they appear on the Reuters display page designated as "SAFEY" (or such other page as may replace such page on such service) at or about 11:00am Johannesburg time on such date; or
 - 1.1.37.2. if no such service is available, "JIBAR" shall mean the arithmetic mean (rounded, if necessary, to the third decimal place and excluding (to the extent applicable) the 2 (Two) highest rates and the 2 (Two) lowest rates) of the mid-market deposit rates, as supplied to Nedbank and confirmed by Nedbank to the Borrower in reasonably sufficient detail, quoted by the JIBAR Reference Banks in the ordinary course of business in the Johannesburg interbank market at or about 11:00am (Johannesburg time) on such date for Rand deposits for the relevant period, provided that if any of the JIBAR Reference Banks shall be unable or otherwise fail to supply such rate by 11:00am (Johannesburg time) on the required date, JIBAR for the relevant period shall be determined, on the basis of the quotation(s) of the remaining JIBAR Reference Bank(s), on the same basis, to the extent possible, as set out above;
- 1.1.38. **"JIBAR Reference Banks"** means the principal Johannesburg offices of the banks that quote deposit rates to the South African Futures Exchange from time to time, it being recorded that as at the Signature Date the JIBAR Reference Banks are Standard Bank of South Africa Limited, First National Bank of Southern Africa Limited, Absa Bank Limited and Investec Bank Limited;
- 1.1.39. **"Loan"** means the term loan in an amount equal to the Capital which is made available by Nedbank to the Borrower in terms of this Agreement;
- 1.1.40. **"Margin"** means 2,20 % (Two comma two Percent) per annum expressed as an NACS rate;
- 1.1.41. **"Market Disruption Event"** means an event or circumstance specified as such in clause 8.



- 1.1.42. **"Market Disruption Premium"** means the difference between the Nedbank Liquidity Premium on the Interest Rate Quotation Date and the Nedbank Liquidity Premium on the Advance Date;
- 1.1.43. **"Material Adverse Change"** means an event, circumstance or matter or combination of events, circumstances or matters, including but not limited to:
- 1.1.43.1. Serious Financial Problems
The criteria for determining serious financial problems shall be those stipulated in section 138 of the MFMA, singularly or in combination occurs or the criteria for determining serious or persistent material breach of financial commitments occurs as contemplated in section 140 of the MFMA.
- 1.1.43.2. Provincial Intervention
It is necessary for a provincial intervention in terms of section 136 of the MFMA, whether it is a discretionary intervention (section 137) or a mandatory provincial intervention (section 139).
- 1.1.43.3. Financial Recovery Plan
A financial recovery plan, as contemplated in Chapter 13 of the MFMA, is in relation to the Borrower.
- 1.1.43.4. Stay of Legal Proceedings
If the Borrower applies for an order to stay legal proceedings and/or for extraordinary relief, as contemplated in Chapter 13 of the MFMA.
- which has not been disclosed in writing to Nedbank prior to the signing of the loan agreement and which, in the reasonable opinion of Nedbank, will have or would be likely to have a material adverse effect on –
- 1.1.43.5. the business, operations, property, assets, condition (financial or otherwise) or prospects of the Borrower; or
- 1.1.43.6. the ability of the Borrower to deliver services and conduct its business in the normal, regular and ordinary course; or
- 1.1.43.7. the ability of the Borrower to perform its obligations under this Agreement; or
- 1.1.43.8. the legality, validity or enforceability of this Agreement;
- without derogating from the foregoing, **"Material Adverse Change"** will also include any significant change in the MFMA and/or other Applicable Laws;
- 1.1.44. **"Mayor"** will have the meaning given to it in the MFMA;
- 1.1.45. **"MFMA"** means the Local Government Municipal Finance Management Act No. 56 of 2003;
- 1.1.46. **"NACS"** means nominal, annual, compounded bi-annually in arrears on the first day of the month immediately following the calendar period in which the interest has accrued;
- 1.1.47. **"Nedbank"** means Nedbank Limited, (registration number 1951/000009/06), a company registered and incorporated in accordance with the Companies Act and registered as and conducting the business of a bank in terms of the Banks Act;
- 1.1.48. **"Nedbank Liquidity Premium"** means, at 9h00 on a specified date, the difference between the 1 (One) year NCD rate as quoted on the Reuters NEDMM screen, as a nacq (nominal annual compounded quarterly) rate and the 1 (One) year swap rate as quoted on the Reuters NDIRS screen, as a nacq (nominal annual compounded quarterly).



- 1.1.49. **"Outstanding Capital"** means the balance of the Capital from time to time as it is reduced in terms of clauses 10 and 11;
- 1.1.50. **"Outstandings"** means at any given time, and from time to time, the aggregate of –
 - 1.1.50.1. the Outstanding Capital;
 - 1.1.50.2. any other amounts due from time to time under this Agreement which have not been paid; and
 - 1.1.50.3. any unpaid interest accrued or capitalised on the amounts described in clauses 1.1.50.1 and 1.1.50.2 in terms of this Agreement;
- 1.1.51. **"Parties"** means Nedbank and the Borrower;
- 1.1.52. **"Permitted Encumbrances"** means any encumbrance which is existing prior to the advance date of the Agreement and which has been disclosed to Nedbank prior to the advance date or provided for in the audited annual financial statements of the Borrower;
- 1.1.53. **"Permitted Indebtedness"** means –
 - 1.1.53.1. indebtedness accruing from capital and operational expenditure, incurred in implementation of approved budgets of the Borrower; and
 - 1.1.53.2. indebtedness which complies in all respects with the provisions of the MFMA and other Applicable Laws;
- 1.1.54. **"Potential Event of Default"** means any event which may become (with the passage of time, the giving of notice, the making of a determination hereunder or any combination thereof) an Event of Default;
- 1.1.55. **"Prepayment Date"** shall have the meaning set out in clause 10.1.2;
- 1.1.56. **"Repayment Dates"** means, with the exception of the Final Repayment Date, the date on which the Borrower has the obligation to make payment of Capital plus interest as specified in the Amortising Schedule, provided that where such dates fall on a date which is not a Business Day, the relevant Repayment Date shall be the immediately preceding Business Day;
- 1.1.57. **"Signature Date"** means the date on which this Agreement is signed by the Party signing last in time;
- 1.1.58. **"Suspensive Conditions"** means the suspensive conditions described in clause 2;
- 1.1.59. **"Taxes"** means any tax, charge, impost, duty, deduction, withholding, fee or levy of any kind whatsoever (or any amount payable on account of or as security for any of the foregoing) levied, imposed, collected, withheld or assessed, or which may after the Signature Date become levied, imposed, collected, withheld or assessed by any central, provincial or local government body or other organ of state on any other person, whether under the Income Tax Act, 58 1962 or any other present or future legislation, including any interest, additions, fines, surcharges or other penalties imposed by the applicable body in respect thereof, and **"Tax"** shall have a corresponding meaning;
- 1.1.60. **"Term"** means the period of 15 (Fifteen) years commencing on the Advance Date and terminating on the Final Repayment Date or such earlier date on which this Agreement is otherwise terminated in accordance with its terms;
- 1.1.61. **"Unpaid Sum"** means any sum due and payable but unpaid by the Borrower under this Agreement;
- 1.1.62. **"VAT"** means value added tax levied in terms of the Value Added Tax Act 89 of 1991; and
- 1.1.63. **"Warranties"** shall have the meaning set out in clause 12.
- 1.2. any reference to a statute or statutory provision includes a reference to that statute or statutory provision as amended, extended or re-enacted and to any regulation, order, instrument or subordinate legislation under such statute or statutory provision;



- 1.3. any reference to any other agreement, document or instrument shall be to that agreement, document or instrument as amended, varied, novated or replaced from time to time;
- 1.4. words and expressions defined in any clause shall, notwithstanding that they are not defined in clause 1.1, bear the meanings assigned to such words and expressions in such clause wherever they are used in this Agreement;
 - 1.4.1. when any number of days is prescribed, such number shall be calculated inclusively of the first and exclusively of the last day;
 - 1.4.2. any reference to days (other than a reference to Business Days), months or years shall be a reference to calendar days, months or years, as the case may be;
 - 1.4.3. where any act is to be performed on a day which is not a Business Day, such act shall be performed on the next Business Day save for Repayment Dates;
- 1.5. words importing the singular shall include the plural and vice versa;
- 1.6. words referring to one gender shall include a reference to the other genders;
- 1.7. any reference to a person shall include a reference to an individual, a firm, a body corporate, a trust, an unincorporated association, government or a partnership and that person's legal representatives and successors;
- 1.8. if any provision in clause 1.1 is a substantive provision conferring rights or imposing obligations on any Party, effect shall be given to that provision as if it were a substantive provision in the body of this Agreement;
- 1.9. clause headings have been inserted for convenience only and shall not be taken into account in its interpretation;
- 1.10. the rule of construction that a contract or any term thereof shall be interpreted against the party responsible for the drafting of or preparation of that contract or term, shall not apply; and
- 1.11. the use of the word "including" followed by a specific example shall not be construed as limiting the meaning of the general wording preceding it.

2. **SUSPENSIVE CONDITIONS**

- 2.1. The rights and obligations of the Parties under this Agreement (other than those set out in this clause 2, and clauses 16 and 19 to 24, which shall be of immediate force and effect) are subject to and conditional upon the fulfilment of the following Suspensive Conditions on or before the Advance Date ("**Fulfilment Date**") or such later date as may be determined in terms of clause 2.3–
 - 2.1.1. Nedbank has been provided with a certified copy of a resolution of the Municipal Council, signed by the Mayor approving the Transaction contemplated by this Agreement and authorising the Accounting Officer, on its behalf, to sign this Agreement and all documents and notices to be signed by it under or in connection with this Agreement;
 - 2.1.2. receipt by Nedbank of a specimen of the signature of each person authorised by the resolution referred to in clause 2.1.1;
 - 2.1.3. written confirmation by the Borrower that it has complied with the requirements of the MFMA and all other Applicable Laws in so far as it relates to the Agreement inclusive of copies of:
 - 2.1.3.1. an information statement, setting out the particulars of the debt, the amount, the purpose of the debt and that the public, the national treasury and the provincial treasury has been invited to submit written



comments to the council, has been made public 21 (Twenty-One) days prior to the meeting of the council;

- 2.1.3.2. a copy of the information statement has been submitted to the municipal council 21 (Twenty-One) days prior to the meeting together with particulars of the repayment terms, the anticipated payment schedule and the anticipated total costs.
- 2.1.4. execution of necessary legal documentation relating to the funding by all parties;
- 2.1.5. the Borrower having complied with all requests for information made by Nedbank in terms of the Financial Intelligence Centre Act, No. 38 of 2001, the Prevention of Organised Crime Act No. 121 of 1988, the Banks Act and any other money laundering legislation applicable at the time such requests are made;
- 2.1.6. written confirmation by the Borrower that no Event of Default or Potential Event of Default or Material Adverse Change has occurred and is continuing.
- 2.2. The Borrower shall use its best endeavours to procure the fulfilment of the Suspensive Conditions.
- 2.3. The Suspensive Conditions are stipulated to be for the benefit of Nedbank, which shall, by written notice to the Borrower to that effect given by not later than the Fulfilment Date, be entitled to waive some or all of the Suspensive Conditions and/or to extend the date by which some or all of the Suspensive Conditions are to be fulfilled.
- 2.4. If any of the Suspensive Conditions are not fulfilled (and fulfilment thereof is not waived in terms of clause 2.3) on or before the Fulfilment Date, this Agreement will terminate and be of no further force or effect and, to the extent that this Agreement may have been partially implemented, the Parties shall be restored as nearly as may be possible to the positions in which they would have been had this Agreement not been entered into and neither Party shall have any claim against the other Party as a result of the failure of the Suspensive Conditions, save for such claim as may arise out of a breach of this clause 2 or under any clause which remains in force and effect.

3. **PURPOSE**

The Loan shall be used by the Borrower to finance its Capital Projects for the 2024/2025 financial year. Without prejudice to the foregoing obligations of the Borrower, Nedbank shall be entitled but shall not be obliged to ascertain whether or not the Borrower has applied the Loan for the aforesaid purposes.

4. **ADVANCE**

- 4.1. Nedbank, relying upon each of the representations, undertakings and Warranties included in this Agreement, hereby agrees to lend and advance to the Borrower, which agrees to borrow, an amount equal to the Capital.
- 4.2. On the Advance Date, Nedbank shall advance the Capital to the Borrower by paying to the credit of the Borrower Account an amount equal to R137,446,093.00 (one hundred and thirty seven million four hundred and forty six thousand and ninety three rand).
- 4.3. The payment by Nedbank of this amount as aforesaid shall discharge the obligation of Nedbank to make the advance described in clause 4.1.
- 4.4. Against payment by Nedbank of the Capital in terms of clause 4.2 Nedbank shall be deemed to have advanced the entire Loan to the Borrower.



- 4.5. The aggregate of the Capital will be disbursed in full on the Advance Date. No terms pertaining to the separate drawdowns of the Capital will be allowed.

5. INTEREST

- 5.1. Interest shall be calculated on the Outstandings at the Interest Rate during each Interest Period in accordance with clause 5.2.
- 5.2. Interest shall accrue daily, on the basis of actual days elapsed and a 365 (Three Hundred and Sixty Five) day year, irrespective of whether such year is a leap year or not.
- 5.3. Interest shall be due and payable by the Borrower to Nedbank on each Repayment Date and the Final Repayment Date.
- 5.4. Interest shall be calculated and levied on a NACS basis.

6. AMENDMENT OF TYPE OF INTEREST RATE

- 6.1. Variable to fixed: The Borrower is entitled to exercise the option to amend a variable rate to a fixed rate subject thereto that-
- 6.1.1. such amendment may not occur within 90 days after disbursement date;
- 6.1.2. the Bank is provided with 7 business days' written notice of a request to amend such rate;
- 6.1.3. the Bank will quote the fixed base rate based on Nedbank's Internal Funding curve at the point of fixing the rate and in addition an all-in margin to be determined on the date of fixing applies.
- 6.2. Fixed to variable: The Borrower is entitled to exercise the option to amend the fixed rate to a variable rate subject thereto that-
- 6.2.1. such amendment may not occur within 90 days after disbursement date;
- 6.2.2. the Bank is provided with 7 business day's written notice of a request to amend such rate;
- 6.2.3. the Bank will quote a variable rate based on the JIBAR rate at that point in time and in addition an all-in margin to be determined on the date of change.
- 6.2.4. The Borrower will in addition be liable for penalties and breakage costs.

7. INTEREST RATE INCREASE

- 7.1. Each time during the term of this Loan that the long-term local rating attributed by the Global Credit Rating Company Proprietary Limited (or any other rating agency registered with the Financial Services Board) which is currently [BB] (ZA), to the Sovereign is lowered in aggregate by two notches, then the Lender shall be entitled to review the interest rate applicable to the Loan and shall notify the Borrower in writing (**the New Interest Rate**) of the revised interest rate (**the New Interest Rate**) by no later than 28 Business Days after becoming aware of such rating downgrade.
- 7.2. If the Borrower:
- 7.2.1. accepts, in writing, the rate prescribed by the Lender as constituting the New Interest Rate (the New Interest Rate Acceptance Notice) by not later than 28 (twenty eight) Business Days after receipt of the New Interest Rate Notice, then the New Interest Rate shall be effective from the date which is 90 (ninety) days after the most recent Interest Period or, if such 90 (ninety) day period has elapsed, the first day of the next Interest Period, together with any Breakage Costs that may be applicable; or



- 7.2.2. fails to accept in writing the rate prescribed by the Lender as constituting the New Interest Rate by not later than 28 (twenty eight) Business Days after receipt of the New Interest Rate Notice, then the Lender may, on prior written notice to the Borrower, cancel the Facilities and declare all Outstanding Amounts (including, for the avoidance of doubt, any contingent liabilities), together with accrued interest, Breakage Costs and all other amounts accrued under the Loan due and payable within 180 (one hundred and eighty) days, whereupon the Facility will be cancelled and all such outstanding amounts will become due and payable within 180 (one hundred and eighty) days.
- 7.3. Should the long-term rating referred to in clause 1 above increase in aggregate by two notches immediately after any two notch downgrade (and the Lender has elected to impose the Interest Rate increase as a result of that two-notch downgrade), then the Lender shall return the Interest Rate to the Interest Rate applicable prior to the relevant two notch downgrade by sending a notice to the Borrower by no later than 28 (twenty eight) Business Days after becoming aware of such rating increase. The revised Interest Rate shall similarly be effective from 90 days after the most recent Interest Period.
- 7.4. The rights afforded to Nedbank in terms of this clause are in addition to the rights stipulated in clause 17 below.

8. MARKET DISRUPTION

- 8.1. A Market Disruption Event is deemed to have occurred if:
- 8.1.1. because of circumstances affecting the Johannesburg interbank market generally, reasonable and adequate means do not exist for ascertaining JIBAR and less than 2 of the Reference Banks quote JIBAR for the relevant period; or
 - 8.1.2. matching deposits are not available to Nedbank in the Johannesburg interbank market in the ordinary course of business to fund the Loan; or
 - 8.1.3. Nedbank advises the Borrower before close of business in Johannesburg on the Advance Date, that the cost to Nedbank of obtaining matching deposits in the Johannesburg interbank market would be in excess of the JIBAR; or
 - 8.1.4. if for the period between the Interest Rate Quotation Date and the Advance Date, the Market Disruption Premium is in excess of 25 (twenty five) Basis Points; or
 - 8.1.5. at or about noon on the quotation day for the relevant Interest Period the screen rate is not available and none or only one of the reference banks supplies a rate to determine JIBAR for the relevant Interest Period.
- 8.2. If, for any Interest Period, a Market Disruption Event occurs in respect of the Loan then the Interest Rate shall be the percentage rate which is the sum of:
- 8.2.1. the rate notified to the Borrower by Nedbank as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to Nedbank of funding its participation in that loan from whatever source it may reasonably select;
 - 8.2.2. mandatory costs (cost of funds plus liquid asset cost); and
 - 8.2.3. the all-in Margin.



- 8.3. If a Market Disruption Event occurs in terms of clause 8.1.4 then the Margin will be increased by the Market Disruption Premium.
- 8.4. Notwithstanding anything to the contrary contained in this Agreement, the Market Disruption provisions may only be applied in the event that the Interest Rate Quotation Date is a date other than the Advance Date.

9. CAPITAL REPAYMENTS

- 9.1. The Outstandings in respect of the Loan shall be repaid by the Borrower to Nedbank, in the amounts and on the Repayment Dates set out in the Amortising Schedule. The Repayment Dates will be bi-annually.
- 9.2. Once the whole or any part of the Capital has been repaid in accordance with this clause 9, Nedbank will not be obliged to re-advance any such repaid amount.
- 9.3. Notwithstanding the provisions of clause 9.1, the Borrower shall ensure that all Outstandings in respect of the Loan, have been repaid in full by no later than the Final Repayment Date.
- 9.4. Should any payment of the Outstanding Capital or Interest as set out in the Amortising Schedule not be made on a Repayment Date or Final Repayment Date, the Interest Rate shall be amended to the Default Interest Rate, which shall be calculated and levied in the same manner as the Interest Rate until date of payment of any amounts due which have not been paid ("the arrears"). After the arrears have been settled, the Default Interest Rate will be amended to the Interest Rate.

10. PREPAYMENT OR EARLY SETTLEMENT

10.1. Prepayment

- 10.1.1. Subject to the clauses hereunder, the Borrower shall be entitled to prepay any part of the Outstandings not then due for payment.
- 10.1.2. Should the Borrower wish to prepay any part of the Outstandings it shall, not less than 1 (One) month prior to the date on which it wishes to prepay any part of the Outstandings, furnish Nedbank with written notice to that effect and shall specify the date on which any part of the Outstandings shall be prepaid ("**Prepayment Date**") and the amount of its intended prepayment. Once such written notice of prepayment has been issued by the Borrower, it shall be irrevocable, and the amount stipulated in such notice shall be due and payable on the Prepayment Date specified therein.
- 10.1.3. No amount shall be deemed to have been prepaid unless and until Nedbank has irrevocably received payment of all amounts due but not paid in terms of this Agreement.
- 10.1.4. The Borrower shall be entitled to prepay any part of the Outstandings subject to the payment of a prepayment penalty of-
 - 10.1.4.1. 2% (Two Percent) of the amount prepaid if the prepayment is made within 12 (Twelve) months from the Advance Date; and
 - 10.1.4.2. 1% (One Percent) of the amount prepaid if the prepayment is made on a date which falls within the period which is more than 12 (Twelve) months from the Advance Date but less than the full Term of the Loan.
- 10.1.5. In addition to the prepayment penalty contemplated in clause 10.1.4, the Borrower will be liable for such Breakage Costs as Nedbank may have incurred or will incur as a consequence of such prepayment, whilst Nedbank shall pass on any Breakage Gains to the Borrower. Within 10 (ten) Business Days of receipt by Nedbank of any notice in terms of clause 10.1.2, Nedbank shall certify in writing to the



Borrower the amount of any Breakage Costs, or Breakage Gains, as the case may be, arising in respect of the prepayment so notified.

10.2. **Settlement**

- 10.2.1. Subject to the clauses hereunder, the Borrower shall be entitled to settle the whole of the Outstandings not then due for payment.
- 10.2.2. Should the Borrower wish to settle the whole of the Outstandings it shall, not less than 1 (one) month prior to the date on which it wishes to settle the whole of the Outstandings, furnish Nedbank with written notice to that effect and shall specify the date on which the whole of the Outstandings shall be settled ("**Settlement Date**"). Once such written notice of settlement has been issued by the Borrower, it shall be irrevocable and the settlement amount in such notice shall be due and payable on the Settlement Date specified therein.
- 10.2.3. No amount shall be deemed to have been settled unless and until Nedbank has irrevocably received payment of all amounts due but not paid in terms of this Agreement.
- 10.2.4. The Borrower shall be entitled to settle the Outstandings subject to the payment of a settlement penalty of -
 - 10.2.4.1. 2% (Two Percent) of the settlement amount if the settlement is made within 12 (Twelve) months from the Advance Date; or
 - 10.2.4.2. 1% (One Percent) of the settlement amount if the settlement is made on a date which falls within the period which is more than 12 (Twelve) months from the Advance Date but less than the full Term of the Loan.
- 10.2.5. In addition to the settlement penalty contemplated in clause 10.2.4, the Borrower will be liable for such Breakage Costs as Nedbank may have incurred or will incur as a consequence of such settlement, whilst Nedbank shall pass on any Breakage Gains to the Borrower. Within 10 (Ten) Business Days of receipt by Nedbank of any notice in terms of clause 10.2.2, Nedbank shall certify in writing to the Borrower the amount of any Breakage Costs, or Breakage Gains, as the case may be, arising in respect of the settlement so notified.

11. **PAYMENTS**

- 11.1. Any payments to be made by the Borrower in terms of this Agreement shall be made before 12h00 on due date to the credit of the following Nedbank account number 1979373078, branch code: 198605, [IB Lending Settlement Account], Reference: Stellenbosch Municipality; or in such other manner as Nedbank may timeously notify the Borrower in writing from time to time.
- 11.2. Any payment made by the Borrower under this Agreement shall be made free of exchange or right of deferment, avoidance or set-off and without deduction for or on account of any Tax unless the Borrower is, under law, required to make such payment subject to the deduction or withholding of Tax, in which case the amount payable by the Borrower in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, Nedbank receives and retains (free from any liability in respect of such deduction or withholding) a net amount equal to the amount which it would have received and so retained had no such deduction or withholding been required to be made.



- 11.3. All amounts received in terms of this Agreement shall be appropriated, first to the payment of costs (including Breakage Costs) and any other amounts other than Capital and interest outstanding in terms of this Agreement, then towards the payment of interest (whether interest or default interest) and thereafter in reduction of the Outstanding Capital.
- 11.4. The Borrower's obligation to repay the Outstandings in accordance with this Agreement shall be unconditional (except as otherwise expressly provided herein or prohibited by law) irrespective of any contingency whatsoever including, but not limited to –
- 11.4.1. any right of set-off, counterclaim, recoupment, defence or other right unless and to the extent that the law entitles such right to be exercised;
- 11.4.2. any insolvency, bankruptcy, administration, judicial management, reorganisation, arrangement, readjustment of debt, dissolution, liquidation or similar proceedings by or against Nedbank;
- 11.4.3. any invalidity or unenforceability of any part of this Agreement, or lack of due authorisation of any signatory to this Agreement,
- 11.5. Once the whole or any part of the Outstandings has been repaid or prepaid in terms of this Agreement, Nedbank shall not be obliged to re-advance any such repaid or prepaid amount.
- 11.6. While the funds drawn down by the Borrower in terms of this Agreement are to be used solely for the purpose of funding the Borrower's Capital expenditure programme, Nedbank's recourse in terms of this facility is to be to the Borrower and is in no way limited by the success or progress of the Integrated Development Plan.

12. REPRESENTATIONS AND WARRANTIES

- 12.1. The Borrower represents and warrants on a continuous basis from the Signature Date for the duration of the Term to Nedbank that –
- 12.1.1. **Status:** It is a Municipality, as contemplated in section 155 of the Constitution of the Republic of South Africa Act no. 108 of 1996.
It is compliant with the terms of the Financial Intelligence Centre Act No. 38 of 2001 and to the best of its knowledge, all Applicable Laws and Applicable Public Sector Laws.
The obligations assumed by it in terms of this Agreement are legal and valid obligations binding upon it and enforceable against it in accordance with the terms hereof;
- 12.1.2. **Non-conflict with other Obligations**
- 12.1.2.1. The entry into and performance by it of and the transactions contemplated by this Agreement to which it is a party do not and to the best of its knowledge, will not –
- 12.1.2.1.1. conflict with or result in a breach of any of the terms or provisions of, constitute a default under any agreement, deed, mortgage, bond or other instrument or treaty to which it is a party or which is binding upon it or any of its assets or revenues; and/or
- 12.1.2.1.2. does not and to the best of its knowledge, will not conflict with any Applicable Laws, including, without limitation, the MFMA.
- 12.1.3. **Power and Authority:** It has taken all necessary action and has complied with Applicable Laws and relevant applicable procedures to authorise, and has obtained all necessary authorisations in respect of its entry into, performance and delivery of this Agreement and the transactions contemplated by this Agreement.



- 12.1.4. **Long-term debt:** The Borrower undertakes to incur long term debt in accordance with the provisions of the MFMA and such long term debt shall be raised after approval by the Borrower's bid adjudication committee and a resolution by the Borrower's Municipal Council signed by the Mayor passed at a duly constituted meeting approving the debt agreement.
- 12.1.5. **No Proceedings pending or threatened:** No litigation, arbitration or administrative proceedings are presently current or pending against the Borrower or, to the knowledge of the Borrower, threatened against it which, if adversely determined, would result in a Material Adverse Change.
- 12.1.6. **No Misleading Information**
- 12.1.6.1. All of the information supplied by it in connection with this Agreement is true, complete and accurate in all material respects.
- 12.1.6.2. It has disclosed to Nedbank any and all material information relating to the Borrower as well as such other information within its personal knowledge which, in the reasonable opinion of Nedbank would have affected Nedbank's decision to advance the Loan.
- 12.1.6.3. Nedbank can rely on any representation made by any person on behalf of the Borrower that has interacted with Nedbank for the purpose of this Agreement and disclosed information, as being true and correct and has furnished such information with the due authorisation.
- 12.1.7. **Pari Passu Ranking:** Its payment obligations under this Agreement rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, save those whose claims are preferred solely by insolvency liquidation or other similar laws of general application.
- 12.1.8. **Assets:** As at the Signature Date and subsequent to such date, it has not sold or otherwise disposed of its assets which disposal may directly or indirectly impact on the Borrower's ability to operate as a going concern, save as are disclosed in writing to Nedbank prior to the Signature Date, or as may be disposed of in the ordinary course of its operations, the nature of which it shall fully disclose to Nedbank.
- 12.1.9. **Financial Statements:** Its financial statements will be prepared in accordance with GRAP and in line with the National Treasury guidelines (as updated from time to time) for the 2022/2023 financial year and thereafter.
- 12.1.10. **Compliance with Laws:** It has complied in all material respects with all Applicable Laws to the extent that a failure to comply would result in the Borrower not being able to comply with its payment obligations to Nedbank in terms of this Agreement.
- 12.1.11. **Compliance with MFMA:** Notwithstanding anything to the contrary contained herein, it has complied with the MFMA in respect of the provisions pertaining to the conclusion and enforceability of this Agreement.
- 12.1.12. **Indebtedness:** All Indebtedness incurred by the Borrower shall constitute Permitted Indebtedness.
- 12.1.13. **Serious Financial Problems:** As at the Signature Day, none of the factors contained in sections 138 and 140 of the MFMA, indicating serious financial problems and/or persistent material breach of financial commitments, has occurred in relation to the Borrower.
- 12.1.14. **Provincial Intervention:** As at the Signature Date, no steps have been taken to bring about any provincial intervention whatsoever in relation to the Borrower, whether or not discretionary or mandatory, as contemplated in Chapter 13 of the MFMA.



- 12.1.15. **Financial Recovery Plan:** As at the Signature Date, no financial recovery plan, as contemplated in Chapter 13 of the MFMA, is being prepared in relation to the Borrower.
- 12.1.16. **Stay of Legal Proceedings:** As at the Signature Date, the Borrower has not applied for an order to stay legal proceedings and/or for extraordinary relief, as contemplated in Chapter 13 of the MFMA.
- 12.1.17. **No Default**
- 12.1.17.1. No Event of Default or Potential Event of Default has occurred and is continuing or might reasonably be expected to result from any utilisation of the Loan.
- 12.1.17.2. No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or to which its assets are subject which might result in a Material Adverse Change.
- 12.1.18. **Withdrawal of Municipal Bank Accounts:** Any withdrawal from the Borrower's bank accounts for the purpose of payment in terms of this Agreement, complies with section 11 of the MFMA in that the official withdrawing the money is duly authorised and that such withdrawal is for an authorised purpose.
- 12.1.19. **Approved Expenditure:** The expenditure incurred for the payment in terms of this Agreement has been incurred in terms of an approved budget and within the limits of the amounts appropriated for the different votes in an approved budget.
The long-term debt is consistent with the Borrower's Capital Budget as stipulated in its annual budget.
- 12.1.20. **Proceeds of the Agreement:** The proceeds of the Agreement is solely to be spent on Capital Projects that have been approved in compliance with section 19 of the MFMA.
- 12.1.21. **Maintenance of Systems:** The Accounting Officer has taken all reasonable steps to ensure compliance with subsection 63(2)(a), (b) and (c) (the maintaining of information systems, the correct valuation of the Borrower's assets and liabilities and the maintaining of internal control of assets and liabilities) of the MFMA.
- 12.1.22. **Encumbrance:** No Encumbrance exists in respect of Capital Project Assets except for permitted Encumbrances.
- 12.1.23. **Integrated Development Plan:** The Borrower will at all times, act in accordance with its Integrated Development Plan.
- 12.2. Each of the Warranties and representations ("**Warranties**") given by the Borrower in terms of clause 12.1 shall –
- 12.2.1. *prima facie* be deemed to be a Warranty of fact inducing Nedbank to enter this Agreement;
- 12.2.2. insofar as any of the Warranties is promissory or relates to a future event, be deemed to have been given as at the due date for the fulfilment of the promise or the happening of the event, as the case may be; and
- 12.2.3. be a separate Warranty and in no way limited or restricted by reference to or influence from the terms of any other Warranty.

13. UNDERTAKINGS

In addition to such other undertakings as the Borrower may have made elsewhere in this Agreement, the Borrower hereby irrevocably agrees and undertakes to Nedbank from Signature Date for so long as any amount is due and payable under this Agreement that it shall-



13.1. **Financial Statements**

The Borrower shall supply to Nedbank:

- 13.1.1. as soon as the same are available (and in any event by the end of October each year) its unaudited annual consolidated financial statements; and
- 13.1.2. the audited annual consolidated financial statements within 6 (Six) months after the end of its financial year; and
- 13.1.3. such material information as Nedbank may from time to time require in respect of the financial condition of the Borrower within 30 (Thirty) calendar days of request being made therefore, or such earlier date as agreed in writing between Nedbank and the Borrower.

13.2. **Covenants**

The Borrower shall maintain the following covenants:

- 13.2.1. Debt to income ratio of < 45% (forty five percent) with debt to income calculated as follows: Total interest-bearing Debt (Short term borrowing + Bank overdraft + Short term lease + Long term borrowing + Long term lease) / (Total operating revenue – Operating Conditional Grant);
- 13.2.2. Debtor collection rate not to deteriorate below 85% (eight five percent). The collection rate is calculated as follows: Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance – Bad Debts written Off) / Billed Revenue x 100.

13.3. **Compliance with Applicable Laws**

In as far as the Borrower needs to fulfil its obligations in terms of this Agreement, the Borrower undertakes to comply at all times in full, with all relevant Applicable Laws, including, without limitation, the MFMA.

13.4. **Proof of Compliance**

Forthwith upon request by Nedbank, the Borrower shall provide Nedbank with such proof as Nedbank may reasonably require indicating compliance by the Borrower with all Applicable Laws, including, without limitation, the MFMA.

13.5. **Capital Budget**

The Borrower shall at all times comply with the Borrower's approved Capital Budget and/or approved adjustment budget as contemplated in section 28 of the MFMA ("Adjustment Budget") and shall provide Nedbank, forthwith after it has become available, with a copy of the Capital Budget and Adjustment Budget as the case may be.

13.6. **Notification of Default**

Forthwith upon becoming aware thereof the Borrower shall inform Nedbank in writing of any occurrence of which it becomes aware which may result in any Event of Default or Potential Event of Default or any Material Adverse Change and will, from time to time, if so requested by Nedbank, confirm to Nedbank in writing that, save as otherwise stated in such confirmation, no such Event of Default or Potential Event of Default or Material Adverse Change has occurred and/or is continuing.

13.7. **Information: Miscellaneous**

- 13.7.1. The Borrower shall forthwith inform Nedbank if legal proceedings which will or may materially and adversely affect the Borrower's ability to perform its obligations in terms of this Agreement (including, without limitation, arbitration proceedings) are instituted or threatened against it in an amount to the excess of R10,000,000 (ten million rand).



- 13.7.2. The Borrower shall forthwith upon becoming aware thereof inform Nedbank in writing of any occurrence of which it becomes aware which will or may adversely affect the Borrower's ability to perform or observe its obligations in terms of this Agreement.

13.8. **Authorisations**

The Borrower shall obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations, approvals, licences and consents required in or by the Applicable Laws and regulations of South Africa to enable it lawfully to enter into and perform its obligations under this Agreement and to conduct its business and affairs, including, without limitation any authorisations, approvals and consents required by the MFMA.

13.9. **Disposals**

The Borrower shall not, contrary to the provisions of the MFMA and in any event to the detriment of Nedbank, or in contravention of its obligations, whether express or implied herein, dispose of, whether by one or more transactions or series of transactions any of the Capital Project Assets.

13.10. **Positive Undertakings**

The Borrower undertakes for the duration of the Agreement to do the following:

- 13.10.1. to make provision in its budgets for the payment of its financial obligations in terms of this Agreement, including Capital and interest;
- 13.10.2. to retain revenues, other charges, fees or funds at a level sufficient to meet its financial obligations in terms of the Agreement;
- 13.10.3. to ensure that the Accounting Officer furnishes a copy of a report written to the municipal council (in compliance with section 70 of the MFMA) in respect of impending shortfalls, overspending and overdrafts to Nedbank;
- 13.10.4. to furnish Nedbank by no later than 10 (Ten) working days after the end of each month with a copy of a statement in the prescribed format (as prescribed in section 71 in respect of monthly budget statements) on the state of the Borrower's budget;
- 13.10.5. to furnish Nedbank with a copy of the midyear budget and performance assessment (in compliance with section 72 of the MFMA);
- 13.10.6. to furnish Nedbank with the information that must be placed on the website as referred to in section 21(A) of the Municipal Systems Act within 5 (Five) days after its tabling in the council or on the date on which it must be made public, whichever occurs first as contemplated in section 75 of the MFMA;
- 13.10.7. to furnish Nedbank with an annual report in accordance with Chapter 12 of the MFMA and within 7 (Seven) days after the adoption of the oversight report in respect of aforementioned annual report, furnish Nedbank with same;
- 13.10.8. to notify Nedbank, prior to encumbering any of the Capital Project Assets as security for its creditors, that the Borrower intends to do so.

14. **EVENTS OF DEFAULT**

Each of the following events or circumstances is an Event of Default –

- 14.1. **Non-Payment:** The Borrower fails to pay any amount due by it in terms of this Agreement on the due date for payment therefore, unless the failure to pay is solely due to technical or administrative reasons and the relevant amount is duly paid within 3 (Three) Business Days of its due date.



- 14.2. **Misrepresentation:** A representation, warranty, statement made or deemed to be made or repeated, or undertaking given in connection with this Agreement or in any document delivered by or on behalf of the Borrower under or in connection with this Agreement, is or proves to have been incorrect or misleading in any material respect when made or deemed to be made or repeated or given and as a consequence results in a Material Adverse Change.
- 14.3. **Material Adverse Change:** Any event (or any series of events) or circumstance occurs (or any existing circumstance continued) which will result in a Material Adverse Change provided that such Material Adverse Change will have or would be likely to have a material adverse effect on the Borrower's ability to perform its obligations under this Agreement.
- 14.4. **Cessation of Delivery of Minimum Level of Basic Municipal Services :** The Borrower becomes unable or ceases, for any reason whatsoever, to deliver a minimum level of Basic Municipal Services, or any material part thereof, as contemplated in section 73(1)(c) of the Local Government: Municipal Systems Act, No. 32 of 2000, in an ordinary and regular manner provided that such cessation will have or would be likely to have a material adverse effect on the Borrower's ability to perform its obligations under this Agreement..
- 14.5. **Repudiation:** The Borrower repudiates this Agreement or does or causes to be done any act or thing evidencing an intention to repudiate this Agreement.
- 14.6. **Cross Default:** Any material Indebtedness or obligation or any loan, debt or guarantee constituting Indebtedness of the Borrower becomes due and payable prior to its specified maturity by reason of default, or is not paid when due, whether or not Nedbank is concerned therewith or any creditor of the Borrower becomes entitled to declare any Indebtedness due and payable prior to its specified maturity.
- 14.7. **Judgements and writs of execution:** Any judgement to the value of R500 000,00 (Five Hundred Thousand Rand) or more, of any court or arbitration awarded against the Borrower, respectively, remains unsatisfied for a period of 10 (Ten) Business Days after a writ of execution was served on the Borrower, respectively, and has not been the subject of an application for rescission or review or appealed against within the period allowed for such rescission, review or appeal, which in each instance is diligently pursued and, in the event of such application, review or appeal being unsuccessful, the Borrower, respectively, fail to make immediate payment thereof.
- 14.8. **Unlawfulness:** It be or become unlawful for the Borrower to perform or comply with any or all of their obligations under this Agreement or any of the obligations of the Borrower not be or cease to be legal, valid, binding and enforceable.
- 14.9. **Adverse Determination by the Auditor General:** If the Auditor General or its successor after performing its audit on the Borrower raises a going concern issue with regards to the affairs of the Borrower.
- 14.10. **Other Obligations:** The Borrower does not comply with any provision of this Agreement (including for the avoidance of doubt, any of the undertakings set out in clause 13 of this Agreement).
In the event the Borrower fails to comply with the undertakings set out in clause 13, and fails to provide a written proposal to Nedbank setting out the remedial action to be taken in respect of such non-compliance within 10 (Ten) Business Days after delivery by Nedbank to the Borrower of a written notice requiring the Borrower to provide such a proposal and in the event that such a proposal is received by Nedbank within the stated period, the Borrower failing to remedy such non-compliance within the period stipulated in the Borrower's written proposal or such other period as may be agreed by the Parties.



14.11. **Additional Default Events**

It would be an Event of Default if:

- 14.11.1. the municipal council of the Borrower has not approved the annual budget by the start of the budget year or any revenue raising measures necessary to give effect to the budget;
- 14.11.2. the national treasury stops the transfer of funds to the Borrower as contemplated in section 38(1) of the MFMA (funds due to the Borrower as its share of the local government's share or transfer of funds due to the Borrower as an allocation referred to in section 214(1)(c) of the Constitution;
- 14.11.3. the Borrower faces any serious financial problems as contemplated in section 54(2) of the MFMA, in terms of which the Mayor must respond to and initiate steps;
- 14.11.4. the Accounting Officer fails to submit financial statements to the auditor general in accordance with section 126(1) or (2) of the MFMA or if the Mayor fails to table the annual report of the Borrower in accordance with section 127(2).
- 14.11.5. during the term, the covenants listed in clause 13.2 above are not met (after receipt of a 10-day notification to do so).
- 14.12. **Default by Nedbank:**
- 14.12.1. If Nedbank is in default of any of the terms of the Agreement the Borrower may, after 7 (seven) Business days written notice with no rectification from Nedbank, proceed to demand specific performance and/or to terminate this agreement.
- 14.12.2. In the event that the Borrower has to incur legal fees for the enforcement of the Agreement, Nedbank will be held liable for payment of these legal fees on an attorney and client scale, including costs of counsel.

15. **ACCELERATION**

On or at any time after the occurrence of an Event of Default, Nedbank shall, in addition to and without prejudice to any rights it may have in terms of this Agreement or in law, including its rights to claim damages, be entitled to, with notice of 7 days to the Borrower, and in the event that the Borrower does not rectify the default, to –

- 15.1. cancel the Loan; and/or
- 15.2. re-price the Loan; and/or
- 15.3. immediately claim and recover from the Borrower –
 - 15.3.1. the Outstandings; and/or
 - 15.3.2. Breakage Costs arising on the Event of Default; and/or
 - 15.3.3. any other charges, costs or expenses incurred by Nedbank and/or payable in terms of this Agreement, including but not limited to arrear payments and any default interest; and/or
- 15.4. subject to clause 9.4, levy finance charges calculated in accordance with the Default Interest Rate, if the Borrower does not remedy a breach within 20 (Twenty) days of written notice to do so;
- 15.5. enforce compliance with the terms and conditions of all or part this Agreement and claim such damages as Nedbank may have suffered as a result of the Event of Default.



16. INDEMNITIES

- 16.1. Without prejudice to the other remedies of Nedbank under this Agreement and/or in law, the Borrower hereby irrevocably indemnifies and holds Nedbank harmless against any costs, claim, loss, expense (including legal fees on the scale as between attorney and own client) or liability, together with any VAT thereon, which may be suffered or incurred by Nedbank as a result of the occurrence of any Event of Default or the operation of clause 14, unless the default was caused by Nedbank.
- 16.2. For the purposes of this clause, "loss" shall include (but not be limited to) any amounts of Capital, interest, fees, Break Costs or other sums whatsoever paid or payable on account of any funds borrowed by Nedbank in order to enable Nedbank to advance the Loan to the Borrower.
- 16.3. The rights of Nedbank in respect of the indemnities contained in this clause 16 shall continue in full force and effect in favour of Nedbank for a period terminating on the 3rd (Third) anniversary of the last day of the Term.

17. CHANGE IN COSTS

- 17.1. If, at any time during the Term, there occurs –
 - 17.1.1. any adoption, amendment, variation, replacement or change in interpretation of any of the Applicable Laws or of any authorisation with which commercial banks generally in the Republic of South Africa are required to comply or any change in circumstances occurs or any duties are imposed on such commercial banks at any time after the Signature Date; and/or
 - 17.1.2. any directive, requirement, request or guidance (whether or not having the force of law but if not having the force of law, one which applies generally to a class or category of financial institutions and/or financial service companies directly or indirectly) of any central bank or any other fiscal, monetary, regulatory or other authority in the Republic of South Africa; and/or
 - 17.1.3. any change in banking practice, as it affects or is applied generally to or by any financial institution directly or indirectly in the Republic of South Africa; and/or
 - 17.1.4. a requirement by any statutory or monetary authority in the Republic of South Africa, to –
 - 17.1.4.1. pay levies or any other amounts whatsoever or to maintain special deposits or reserve assets, in addition to those paid or maintained or reserved by Nedbank as at the Signature Date; or
 - 17.1.4.2. comply with any reserve, cash ratio, special deposit or liquid requirements (or any other similar requirements) in respect of this Agreement in addition to those anticipated by Nedbank at the Signature Date; or
 - 17.1.4.3. to pay any Tax; and/or
 - 17.1.5. any compliance by Nedbank with any capital adequacy, reserve, cash ratio, special deposit, liquidity or similar requirements of a statutory or monetary authority, howsoever arising in South Africa in respect of this Agreement, including any increase in the amount of the Capital to be allocated by Nedbank to the amount advanced under this Agreement or a change of weighting of the commitment under this Agreement; or
 - 17.1.6. any compliance by Nedbank with "International convergence of capital measure and capital standards, a revised framework" published by the Basel Committee on banking supervision in June 2004 in the form existing hereof (Basel II) or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by government, regulator or Nedbank but excluding any



increases as would ordinarily be excluded), incurred by it in making, maintaining or funding its obligations under the Agreement arising by reason of a change in law or the interpretation thereof, or compliance with any central bank or similar request occurring after the Interest Rate Quotation Date ; or any other event attributable to a statutory or monetary authority which is beyond control of Nedbank, with the result that –

- 17.1.7.1. Nedbank is subjected to any Tax, duty or other charge in respect of the Loan or a change in the basis of taxation of Nedbank in respect of amounts payable to Nedbank in terms of this Agreement; or
- 17.1.7.2. any reserve, special deposit or similar requirement is imposed against the assets or deposits with or for the account of, or credit extended by Nedbank; or
- 17.1.7.3. any other obligation or condition directly affecting the cost of Nedbank is imposed on Nedbank of maintaining or funding its commitment under this Agreement; or
- 17.1.7.4. the cost to Nedbank of making or maintaining the Loan is increased or any amounts received or receivable by Nedbank under this Agreement are reduced; or
- 17.1.7.5. Nedbank's rate of return on its capital is reduced by reason only of change in the manner in which it is required to allocate capital resources to its obligations under this Agreement; or
- 17.1.7.6. Nedbank is required to make a payment or forego the return on any amount received or receivable by it under this Agreement;
- 17.1.8. And the result of any of the above is to increase the net after Tax cost to Nedbank of maintaining or funding its commitment under this Agreement or reduces the net after Tax return to Nedbank in respect of maintaining or funding its commitment under this Agreement, the Parties shall consult in relation to the manner in which such increased costs or the reduction of the return to Nedbank may be recovered, to place Nedbank in the same position in which it would have been if such increase or reduction had not taken place.

Nedbank will promptly notify the Borrower of such increased costs or reduction, disclose the event giving rise to such increased costs or reduction and certify the calculation of such amount to the Borrower. The Borrower shall have the right to have such amount verified by the auditors of Nedbank. The Parties will meet to discuss means of reducing the impact of any increased costs or aforesaid reduction on the Borrower.

If no solution is found within 30 (Thirty) days after receipt of the written notification, the Borrower has the choice between paying the additional costs, provided they could not have been avoided by Nedbank, and repaying the Loan.

- 17.2. This clause does not apply to any increased cost arising in terms of clause 17.1–
- 17.2.1. on account of Tax payable on any income, profits or gains of Nedbank to the extent arising from amendments or changes which affect corporate taxpayers generally; or
- 17.2.2. resulting from any breach or violation by Nedbank of, or breach by Nedbank of any limits imposed by, any provision of any law, ruling, regulation or practice by any relevant monetary or fiscal authority or court or competent official, arising as a consequence of any action or omission by Nedbank after the introduction of such provision and/or imposition of such limits or after the relevant change in the



interpretation thereof has become known to Nedbank and/or generally known amongst banks operating in the Republic of South Africa.

- 17.3. If Nedbank is entitled to any tax benefit by reason of any circumstance in respect of which the Borrower has paid the fee as contemplated in clause 17.1, Nedbank shall pay to the Borrower such amount, limited to the maximum of the fee paid by the Borrower as aforesaid, as will leave Nedbank with the same net after Tax return as it would have received in respect of maintaining or funding its commitment under this Agreement had the tax benefit not been granted. Payment of such sum shall be made within 10 (Ten) Business Days of Nedbank becoming entitled to such tax benefit.
- 17.4. If any of the events or circumstances envisaged in clause 17.1 occur with the result that the net after Tax cost to Nedbank of maintaining or funding its commitment under this Agreement reduces or the net after Tax return to Nedbank in respect of maintaining or funding its commitment under this Agreement increases, then Nedbank shall pay to the Borrower such fee as would be necessary to place Nedbank in the same position in which it would have been if such increase or reduction had not taken place, which fee shall be payable within 10 (Ten) Business Days of receipt by Nedbank of a written demand from the Borrower, and accompanied by the requisite documentation to substantiate the Borrower's entitlement to such fee.

18. ILLEGALITY

18.1. Nedbank Illegality

- 18.1.1. If, at any time, it becomes unlawful, or contrary to any request from or requirement of any fiscal, monetary or other similar authority compliance with which is in accordance with the general practice of persons to whom such request or requirement is intended to apply, for Nedbank to make, fund or allow to remain outstanding all or any of the Outstandings then Nedbank shall, as soon as reasonably practicable after becoming aware of the same, deliver to the Borrower a certificate to that effect and if Nedbank so requires, the Borrower shall on such date as Nedbank shall have specified repay all the Outstandings. The Borrower shall be liable for any Breakage Costs arising as a consequence of such prepayment, which Breakage Costs the Borrower shall be required to pay to Nedbank within 10 (ten) days of receipt of such certificate.
- 18.1.2. If Nedbank becomes entitled to give notice pursuant to clause 18.1.1, it will endeavour to avoid the circumstances therein referred to, but nothing in this clause 18.1.2 shall oblige Nedbank to incur any costs or expenses or to take or refrain from taking any action where, in its reasonable opinion, to take or refrain from taking (as the case may be) such action would be materially prejudicial to its interests.

18.2. Borrower Illegality

- 18.2.1. If at any time it is or becomes unlawful for the Borrower to perform or comply with any or all of its obligations hereunder the Borrower shall as soon as reasonably possible notify Nedbank in writing. If the Borrower is unable, within 10 (Ten) days of the aforesaid notice of the performance becoming unlawful, to procure that a replacement Borrower is substituted for it on such terms as may be reasonably acceptable to Nedbank, then Nedbank shall, after the expiry of such 10 (Ten) day period be entitled to deliver to the Borrower a notice requiring the Borrower to repay all Outstandings on a date



specified in such notice and the Borrower shall on such date as Nedbank shall have specified repay all Outstandings together with any Breakage Costs arising as a result of the early termination.

- 18.2.2. If Nedbank becomes entitled to give notice pursuant to clause 18.2, it will endeavour to avoid the circumstances therein referred to, but nothing in this clause 18.2.2 shall oblige it to incur any costs or expenses or to take or refrain from taking any action where, in its reasonable opinion, to take or refrain from taking (as the case may be) such action would be materially prejudicial to its interests.

19. CERTIFICATE OF INDEBTEDNESS AND OTHER NOTICES

- 19.1. A certificate signed or purporting to be signed by a manager or director of Nedbank (whose appointment it shall not be necessary to prove) shall be *prima facie* proof of –
- 19.1.1. the amount of any debt owing by the Borrower to Nedbank (including, without limitation, accrued interest and default interest) in terms of this Agreement;
 - 19.1.2. the due dates of performance in respect of any obligations of the Borrower in terms of this Agreement;
 - 19.1.3. any Interest Rate; or
 - 19.1.4. the fact that the debts are due and owing and have not been paid or otherwise discharged.
- 19.2. In addition to and in application of the provisions of clause 19.1, any schedule, certificate or other document provided by Nedbank in terms of this Agreement shall, if signed by any manager or director of Nedbank, be deemed to be *prima facie* proof of the correctness of its contents.

20. ASSIGNMENT

- 20.1. This Agreement shall be binding upon and enure to the benefit of each Party and its or any subsequent successors-in-title.
- 20.2. The Borrower shall not be entitled to cede, delegate or assign (as the case may be) all or any of its rights, benefits and obligations under this Agreement to any person, without the prior written consent of Nedbank.
- 20.3. Nedbank may, at any time after the Advance Date, sell down all (and not part) of the Outstandings, and assign its corresponding rights and obligations under this Agreement, provided that such transfer will not result in any increased costs to the Borrower in terms of clause 17. Nedbank shall promptly notify the Borrower of any such intended assignment (including the identity, address and contact number for notices and the *domicilium citandi et executandi* of the assignee) and shall obtain the written consent of the Borrower before making such assignment.

21. DOMICILIUM CITANDI ET EXECUTANDI

- 21.1. The Parties choose the addresses set out opposite their names below as their *domicilium citandi et executandi* (whether in respect of notices, court processes or any other documents or communications of whatsoever nature) for all purposes of this Agreement:

- 21.1.1. Nedbank
- | | |
|-------------------|--|
| Physical Address: | 135 Rivonia Road
Sandown, Sandton
2196 |
| Per email: | levfin@nedbank.co.za |
| Attention: | Team Manager |



21.1.2. the Borrower:

Physical Address: Plein Street
Stellenbosch
7600
Per email: Monique.Steyl@ Stellenbosch.gov.za
Attention: Chief Financial Officer

- 21.2. Any notice or communication required or permitted to be given in terms of this Agreement shall be valid and effective only if in writing. It shall be acceptable to give notice by email provided that proof of such email transmission is provided to the Party to whom notice is addressed and physical copies of the notice or communication are delivered to the aforesaid address of the Party to whom such notice is addressed within 3 (three) Business Days of such email transmission.
- 21.3. Any Party may by written notice to the other Parties change its chosen address to another physical address, provided that the change shall become effective on the 7th (Seventh) day after delivery of such notice to the addressee.
- 21.4. Any notice to a Party contained in a correctly addressed envelope and delivered by hand to a responsible person during ordinary business hours at its chosen address shall be deemed to have been received, unless the contrary is proved, on the first Business Day after delivery.
- 21.5. Notwithstanding anything to the contrary contained in this clause 21, a written notice or communication actually received by a Party shall be an adequate written notice or communication to it, notwithstanding that it was not sent to or delivered at its chosen address.

22. COSTS AND EXPENSES

- 22.1. Each Party shall be responsible for its own costs of negotiating, drafting and implementing this Agreement.
- 22.2. The guilty party shall on demand, reimburse the innocent party, for all reasonable costs and expenses (including legal fees on the attorney and client scale and cost of counsel) incurred as a result of its unremedied breach of this Agreement by the guilty party.

23. CONFIDENTIAL INFORMATION

- 23.1. The Parties acknowledge that for the duration of this Agreement information will be required and furnished in terms of this Agreement.
- 23.2. The Parties undertake to utilise such information solely for the purpose of the administration of this Agreement.
- 23.3. This undertaking will be effective for the duration of this Agreement and will survive the termination of this Agreement. It will be irrespective for what reason the Agreement is terminated.

24. MISCELLANEOUS

- 24.1. **Partial Invalidity:** The illegality, invalidity or unenforceability of any provision of this Agreement under the law of any jurisdiction will not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.



- 24.2. **Waivers and Remedies Cumulative:** Unless condoned in writing, no failure to exercise, and no delay in exercising on the part of either Party, of any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. No waiver by either Party shall be effective unless it is in writing and duly executed by the Party granting such waiver.
- 24.3. **Entire Contract:** This Agreement contains all the express provisions agreed on by the Parties with regard to the subject matter of the Agreement and the Parties waive the right to rely on any alleged express provision not contained in this Agreement.
- 24.4. **Duration:** This Agreement shall endure for the Term.
- 24.5. **No Partnership:** Nothing in this Agreement shall be deemed to constitute a partnership, or establish a relationship of principal and agent or any other relationship of a similar nature between any of the Parties or, unless expressly provided, entitle either Party to commit or bind the other Party in any manner.
- 24.6. **No Representations:** A Party may not rely on any representation or warranty which allegedly induced it to enter into this Agreement, unless the representation or warranty is recorded in this Agreement.
- 24.7. **Variation, Cancellation and Waiver:** No contract varying, adding to, deleting from or cancelling this Agreement, and no waiver of any right under this Agreement, shall be effective unless reduced to writing and signed by or on behalf of the Parties.
- 24.8. **Indulgences:** The grant of any indulgence by a Party under this Agreement shall not constitute a waiver of any right by the grantor or prevent or adversely affect the exercise by the grantor of any existing or future right of the grantor.
- 24.9. **Severability:** Any provision in this Agreement which is or may become illegal, invalid or unenforceable in any jurisdiction affected by this Agreement shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be treated *pro non scripto* and severed from the balance of this Agreement without invalidating the remaining provisions of this Agreement or affecting the validity or unenforceability of such provision in any other jurisdiction.
- 24.10. **Applicable Law:** This Agreement is to be interpreted and implemented in accordance with the law of the Republic of South Africa.
- 24.11. **Counterparts:** This Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.
- 24.12. **Independent Advice:** The Parties hereby acknowledge and agree that they have been free to secure independent legal and other professional advice (including legal, financial and taxation advice) as to the nature and effect of the provisions of this Agreement and the Security Documents and that they have either taken such independent advice or has dispensed with the necessity of doing so.
- 24.13. **Ranking of documents:** Should there be any conflict between the provisions of this agreement and the tender document BSM78/24, then the tender document provisions shall prevail.



Signed at _____ on this the _____ day of _____

As Witnesses:

1. _____

For: Nedbank Limited

2. _____

Name:
Capacity:

Name:
Capacity:

Signed at _____ on this the _____ day of _____

As Witnesses:

1. _____

For: Stellenbosch Municipality

2. _____

Name:
Capacity: _____

Name:
Capacity: _____



AMORTISING SCHEDULE

APPENDIX 2

Annexure A

INFORMATION STATEMENT: RAISING OF EXTERNAL LOAN		
	In terms of Section 46(3) of the Local Government: Municipal Finance Management Act (Act 56 of 2003) read together with Section 21A of the Local Government Municipal Systems Act (Act 32 of 2000), the following information statement is made public.	
AMOUNT	R137 446 093	
PURPOSE	Stellenbosch Municipality has approved a final budget on 24 May 2023 and made provision for incurring long-term debt to the amount of R200 000 000 for the funding of capital projects.	
	PROJECT NAME	IDP OBJECTIVE
	Expansion of the Landfill Site (New cells)	Green and Sustainable Valley
	Landfill Gas To Energy	Green and Sustainable Valley
	Major Drop-Offs: Construction - Franschhoek	Green and Sustainable Valley
	Alternative Energy	Valley of Possibility
	Bien don 66/11kV substation new	Valley of Possibility
	Electricity Network: Pniel	Valley of Possibility
	General System Improvements - Franschhoek	Valley of Possibility
	General System Improvements - Stellenbosch	Valley of Possibility
	Infrastructure Improvement - Franschhoek	Valley of Possibility
	Jan Marais Upgrade: Remove Existing Tx and replace with 20MVA	Valley of Possibility
	Lattera Substation	Valley of Possibility
	System Control Centre & Upgrade Telemetry	Valley of Possibility
	Bulk Water Supply Klipmuts	Valley of Possibility
	Bulk Water Supply Pipeline & Reservoir - Jamestown	Valley of Possibility
	Water Conservation & Demand Management	Valley of Possibility
	Upgrade of WWTW Wemmershoek	Dignified Living
	Upgrade of WWTW: Pniel & Decommissioning Of Franschhoek	Dignified Living
PROPOSED BORROWING DETAIL	REPAYMENT PERIOD	15 Years
	FINANCIAL INSTITUTION	Nedbank
	TYPE OF INSTRUMENT	Long Term Loan
	AMOUNT OF PROPOSED DEBT	R137 446 093
	SECURITIES TO BE PROVIDED	None
	INTEREST RATE	10.71%
	- BASE RATE	8,51%
	- CREDIT MARGIN	2,2%
	INSTALMENTS	Six Monthly (Interest And Redemption)
	NUMBER SIX MONTHLY INSTALMENT	30 Payments
	ESTIMATED SIX MONTHLY INSTALMENTS	R8 906 003
	ESTIMATED INTEREST REPAYMENTS	R129 733 992
	ESTIMATED REDEMPTIONS REPAYMENTS	R137 446 093
	ESTIMATED TOTAL REPAYMENTS	R267 180 084
SCHEDULE OF CONSULTATION	Written comments or representations are invited from the public and can be lodged with Adele Wagenaar at Ecclesia Building, 2nd floor, Plein Road, Stellenbosch Central, Stellenbosch, 7600. Enquiries in this regard can be directed to Adele Wagenaar at 021 808 8512 or Adele.Wagenaar@stellenbosch.gov.za	
		
Signed: Executive Mayor: Advocate Gesie van Deventer		

APPENDIX 3

**Reference:** PTR 16/1/11/1**Enquiries:** Mr WS AlexanderPrivate Bag X9165
CAPE TOWN
8000The Municipal Manager
Stellenbosch Municipality
P O BOX 17**STELLENBOSCH**

7599

Via email: municipal.manager@ Stellenbosch.gov.za

For attention: Ms G Mettler

WESTERN CAPE PROVINCIAL TREASURY COMMENT ON THE LONG-TERM BORROWING PROPOSAL FOR THE STELLENBOSCH MUNICIPALITY

Provincial Treasury (PT) has considered the long-term borrowing proposal of the Stellenbosch Municipality and herewith provides comments based on compliance with the legislative requirements in terms of the Local Government: Municipal Finance Management Act (Act No. 56 of 2003) (MFMA) and the affordability of the proposed long-term borrowing proposal. It is expected that the Provincial Treasury's written comments are tabled in the Municipal Council.

Compliance Assessment

1. The Municipality made public an information statement setting out particulars of the proposed external financing of its capital programme.
2. PT notes that the Municipality has submitted the required information as per MFMA Circulars 26, 42 and 115.
3. The Municipality has established its goals in accordance with section 152 of the South African Constitution (Act No. 108 of 1996) and has ensured compliance with the MFMA and Municipal Supply Chain Management Regulations, based on the information presented.
4. Table 1 indicates the relevant sections in relation to the National Treasury Circulars which provide the necessary legislative guidelines and information required to make the required comments as stated in section 46(3)(a) of the MFMA.

Table 1 Compliance with MFMA in relation to MFMA Treasury Circular 26, 42 & 115 as issued by National & Provincial Treasury

MFMA/ Treasury Circulars	Details	Compliance Yes/No
S46(3)(a)(i) and (ii)	The information statement and media advertisements were made public in the "Eikestadnuus and Die Burger" as well as in libraries, on notice boards of the Municipality and the Municipal Website on 16 May 2024.	Yes
S46(3)(b)(i) and (ii)	The loan funds will be sourced from financial institutions accredited in terms of the Banks Act.	Yes
S46(6), S17(2), S19	The long-term loan is consistent with its Capital budget as referred to in section 17(2) of the MFMA. The total loan amount is for R137.45 million.	Yes
S46(5)	This section is not applicable, because the borrowing (debt) purpose is not for refinancing existing long-term borrowing (debt).	N/A
S19(1)(d)	The sources of the funding have been considered, are available and have not been committed for other purposes.	Yes
MFMA National Treasury Circular No. 26/2005	A schedule of all long-term borrowing (debt) obligations in the format of the QBMR showing principal and interest payments for the life of all loans and any associated investments set up as sinking funds etc.	Yes
MFMA Provincial Treasury Circular No. 42/2010	The Long-Term Debt Certification to be dated and signed by the Municipal Manager (Accounting Officer) and the Executive Mayor/Chairperson of the Board.	Yes
S 18 of MFMA, Reg 22 of MBRR & MFMA National Treasury Circular 115	The Annual Budget may only be funded by realistically anticipated revenues to be collected, cash-backed accumulated funds from previous years' surpluses not committed for other purposes, and borrowed funds, but only for capital budget referred to in section 17(2) of the MFMA. An adjustments budget of a Municipality must be appropriately funded.	Yes

Affordability Assessment

5. The affordability assessment that follows is based on the Audited 2021/22 and 2022/23 Annual Financial Statements (AFS); the In-year monitoring (IYM) operating and capital expenditure reports for the 2022/23 financial year as at 30 April 2024; Cash Flow Actual performance for the 2023/24 financial year as at 30 April 2024; as well as the Integrated Development Plan (IDP) 2023/24.
6. The purpose of the external loan is to raise funds from a financial institution over a fifteen -year period to finance the 2023/24 approved capital projects to improve Council's service delivery to the community by constructing the necessary infrastructure. The Municipality targeted 17 capital projects for which the loan is earmarked, ranging across electrical services, water services as well as solid waste management projects. All projects are aligned to the Municipality's IDP objectives, and forms part of the Municipality's top priority areas which include the expansion of the landfill site that will enable waste to be disposed of in the Municipal area and increase the Municipality's revenue stream.
7. The Municipality intends to raise an external loan of R137.45 million with Nedbank (Pty) Ltd over a period of 15 years. The interest rate applicable to the loan is set at a fixed rate of 10.71 per cent which is in line with the current prime lending rate of 11.75 per cent for borrowing.

8. The repayment on the R137.45 million will be made bi-annually, with the first instalment expected to be paid on 28 June 2024 and the last payment due on 31 December 2038 (15-year).
9. In considering the affordability of the proposed loans, a selected number of financial ratios (based on the Audited AFS of 2021/22 and 2022/23) were considered and are depicted in Table 2.

Table 2 Ratio analysis

Ratio	National Treasury Norm or acceptable range	Comment	2021/22 (Audited)	2022/23 (Audited)	M10 April 2024 (In-year monitoring)
Current Ratio	1.5:1 to 2	Within NT norm	1.73	1.92	2.60
Debtors' collection period	30 days	Outside NT norm	38 days	49 days	89 days
Capital Cost (Interest paid and redemption to total operating expenditure)	6% - 8%	Within NT norm	3.7%	4.8%	1.6%
Total Liabilities to Total Assets	<50%	Within NT norm	18.1%	17.5%	16.8%
Cash and cash equivalents to Current liabilities	1:1	Below NT norm based on the Audited outcomes	0.3	0.5	1.3
Debt (Total Borrowings) to Total Operating Revenue	45%	Within NT norm	25.1%	24.3%	27.3%

10. The current ratio has increased from 1.73:1 in 2021/22 to 1.92 in the 2022/23 financial year and remains within NT's acceptable norm. The ratio indicates that the Municipality may have sufficient cash and cash equivalents to meet its short-term obligations as they fall due.
11. The net debtor's collection increased from 38 days in 2021/22 to 49 days in 2022/23. The ratio is outside the acceptable NT norm of 30 days. The Municipality should strengthen its present credit management and debtor collection policies and processes to intensify cash flow from outstanding debt and align the debtor collection period with NT's norms.
12. The interest paid and redemption to total operating expenditure ratio has increased from 3.7 per cent in 2021/22 to 4.8 per cent in 2022/23 and remains favourably within the NT norm of 6 – 8 per cent. The proposed uptake of additional loan appears to be within the Municipality's affordability range, and the Municipality has capacity to increase its borrowing further, however, other cashflow projections will have to be considered as part of the Municipality's long -term financial planning.
13. The total liabilities to total assets ratio improved marginally from 18.1 per cent in 2021/22 to 17.5 per cent in 2022/23 and remains within the NT norm. This ratio result indicates that the Municipality's liquidity position is sound and is an indication that the municipality may pay its long-term and short-term liabilities as they become due.
14. The cash and cash equivalents to current liabilities ratio increased from 0.3:1 in 2021/22 to 0.5:1 in 2022/23 financial year. However, the ratio remains below the suggested NT norm of 1:1, suggesting that the Municipality's cash and cash equivalents will have to be supplemented to settle its short-term obligations as they become due. Notwithstanding this, the cash coverage and current ratios indicates

that the Municipality holds sufficient liquid cash resources to cover its current liabilities and remain positive for the period under review.

15. The debt-to-total-operating-revenue ratio has decreased from 25.1 per cent in 2021/22 to 24.3 per cent in 2022/23 and remains within the NT norm of 45 per cent. This indicates that there is capacity for additional borrowings, to expand the capital funding mix. Consideration should be given to the implicit impact of increased borrowing on the municipal operations. It is therefore recommended that the Municipality effectively manage its debt levels in order to create revenue opportunities as its current liabilities increase.
16. In addition to the financial ratios calculated from the 2021/22 audited and 2022/23 audited AFS, further analyses based on the 2023/24 IYM have been performed.
 - a) The repayment of the loan will be funded from revenue from trading services to be collected in the future, with the Municipality's current collection rate as at April 2024 reported at 100 per cent. The Municipality maintained a high collection rate throughout the financial year, however, total debtors as at 30 April 2024 amounted to R483.68 million. Thus, indicating a year-on-year increase of 34.2 per cent from the R360.47 million reported in April 2023. The Municipality is encouraged to utilise the collection rate formula as per MFMA circular 71 to calculate collection rates. Debtors over 90 days increased by R103.93 million year-on-year, which is concerning and could indicate some pressure on households to service their monthly municipal accounts. The Municipality should carefully monitor the impact of the repayment of loans on current households.
 - b) The Municipality adjusted its operating revenue upwards during the 2023/24 financial year, the adjustments included an R8.73 million reduction in service charges. The Municipality's April 2024 in-year monitoring report indicates an overperformance of R161.38 million against the total operating revenue year-to-date budget which resulted into an operating surplus of R311.99 million, which is significantly higher than the projected operating deficit in the adjustment budget.
 - c) The capital spending to date of R254.28 million is below the year-to-date budget of R311.59 million. However, the Municipality's capital commitments for the period ended April 2024 amounted to R151.58 million. Due to the slower than anticipated implementation of the capital programme, existing project implementation and monitoring mechanisms must be revisited to ensure that the capital budget is implemented as planned for the current financial year.
 - d) It was noted that the proposed loan of R137.45 million is lower than the projected borrowing amount of R146.88 million in the adopted 2023/24 adjustments budget.
 - e) In April 2024, the liquidity ratio decreased from 1.31 times reported in March 2024 to 1.29 times. The ratio remains above the National Treasury recommended norm of 1.1, indicating that the Municipality can pay its short-term debt immediately when it is due.
 - f) In April 2024, the cost coverage ratio decreased from 5.20 months to 3.91 months compared to March 2024. The ratio is still above National Treasury recommended norm of between 1 – 3 months, indicating that the Municipality can meet its monthly fixed operating commitments from available cash and short-term investments without collecting any additional revenue.

Conclusion

17. After assessing the proposed long-term borrowing, PT draws the Municipality's attention to the following:
- a) The proposed borrowings are integral to the funding mix to finance the approved 2023/24 capital programme of the Municipality. The intended loan will contribute towards the creation of new and the expansion of existing economic and social infrastructure that will improve the lives of citizens within the municipal area.
 - b) The Municipality is advised to continue implementing stringent credit control and debt collection measures to enable timeous collection.
 - c) The Municipality should ensure that it sets an appropriate tariff structure which is affordable to ensure sufficient revenue is generated to sustain the long-term debt obligation.
 - d) All factors considered, the PT concludes that the Municipality has the fiscal capacity to borrow money and service the loan but must continue to carefully manage any potential risks due to current economic uncertainties, project implementation, affordability criteria, and the Municipality's solvency.
 - e) PT supports the loan application and advises the Municipality to consider the comments/recommendations.
 - f) This letter should be presented to Council for review.

Kind regards

MS S ROBINSON
CHIEF DIRECTOR: PUBLIC POLICY SERVICES
WESTERN CAPE PROVINCIAL TREASURY

APPENDIX 4



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK
MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

OFFICE OF THE MUNICIPAL MANAGER

Enquiries: Mr Lindsay Syster

Tel: 021 808 8734

Email: lindsay.syster@stellenbosch.gov.za

Our reference: PTR 16/1/11/1

07 June 2024

Attention: Ms S. Robinson

Chief Director: Public Policy Services

Western Cape Provincial Treasury

7 Wale Street

Cape Town

8000

Dear Ms Robinson

**RESPONSE PERTAINING TO COMMENTS MADE BY THE WESTERN CAPE PROVINCIAL TREASURY ON
THE RAISING OF THE EXTERNAL LOAN**

This letter serves to provide a response on the areas highlighted in the letter dated 05 June 2024, reference PTR 16/1/11/1. Stellenbosch Municipality expresses its appreciation, to the office of the Provincial Treasury, for the positive commentary encapsulated in the letter received and endeavour to respond to all aspects raised.

In terms of Section 46(3)(b) of the Local Government: Municipal Finance Management Act, (No. 56 of 2003):

A municipality may incur long term debt only if the accounting officer of the municipality has, in accordance with section 21A of the Municipal Systems Act-

(i) at least 21 days prior to the meeting of the council at which approval for the debt is to be considered, made public an information statement setting out particulars of the proposed debt. Including the amount of the proposed debt, the purposes for which the debt is to be incurred and particulars of any security to be provided.

Stellenbosch Municipality has duly complied with S46(3)(b) of the Local Government: Municipal Finance Management Act (MFMA) as well as S21A of the Municipal Systems Act.

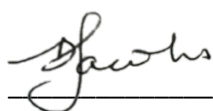
In terms of compliance the municipality has followed all due processes in terms of all the applicable legislation as alluded by the comments.

The municipality would like to raise the following points in the terms of its financial ratios as highlighted by the provincial treasury:

- The municipality note that the ratio's highlighted are predominantly favourably within the treasury norms apart from the debtor's collection period and the cash and cash equivalents to current liabilities.
- The municipality will continue to strive and improve on its debt collection mechanisms to ensure that older debt is collected and propose to council to consider writing off debt which is substantially older than 365 days.
- The municipality does not agree with the calculation in relation to the cash and cash equivalents to current liabilities. The short-term investments should form part of this calculation as these investments are considered liquid and provide substantial backing to the municipalities cash flow forecasting. The municipality uses this mechanism as better interest rates on investments can provide better returns for the municipality as opposed to holding the funding as part of the primary banking account. The separate disclosure is also warranted in terms of the accounting standards and provide the user with a better understanding of the investments held by the municipality. The municipality has recalculated this ratio as 1.16:1 (580 301 200/498 794 960). This is within the national treasury norms.

In conclusion, the municipality believes it is in good financial health and strives to further investigate aspects that is highlighted by your comments especially with regards to the debtor's collection rate.

Yours faithfully,



Dalleel Jacobs
Acting Chief Financial Officer
7 June 2024

8.2	MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR MAY 2024
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Collaborator No: 768241
 BUDGET KPA Ref No: Good Governance and Compliance
 Meeting Date: 14 June 2024

1. SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR MAY 2024

2. PURPOSE

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy 2023/2024 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 (2023/2024) stipulate that SCM deviations be reported to Council. In compliance thereto, this report presents to Council the SCM deviations that occurred during May 2024

5. RECOMMENDATIONS

that Council notes the deviations as listed for the month of May 2024.

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 May 2024:

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 13/24	2024/05/30	A T C t/a CBI ELECTRIC AFRICAN CABLES	Extensive damages to Jan Marais substation and fence during the period 25-27 May 2024	Emergency and Exceptional case and it is impractical or impossible to follow the official procurement processes	<p>On the 27th of May 2024, the Manager: Operations & Maintenance discovered after his inspections that extensive damages to the electrical High Voltage equipment were caused by vandalism. This was brought to the attention of the Senior Manager: Electrical Services who also conducted a site inspection to determine the extent of the damages. At first the High Voltage feeder cable and accessories which was an open point in the electricity network were damaged. Damages included the cutting of earthing – and feeder cable as well as damages to the fence which is to safeguard the electrical equipment.</p> <p>Arrangements for security through the Electricity Labor tender BSM 27/23 were made to prevent any further access to the substation and damage to the electrical infrastructure. A site inspection between the Manager: Operations and Maintenance and a representative of the Security Company, Mafoko, was conducted to arrange for security for the protection of the electricity infrastructure to avoid further damages.</p> <p>Another site inspection took place on the morning of 28 May 2024, where further severe damage to the Substation was discovered. The earthing cable on both high voltage feeders as well as both feeder cables were cut resulting in the substation not being safe and which required emergency load shifting to isolate the substation to avoid a potential fire hazard and further damages to the associated electrical infrastructure since feeder cables were leaking oil. Oil gauges were also damaged so it was impossible to measure the pressure. Further damages were also discovered on the</p>	<u>R1 563 145.52</u> (Incl. VAT)

					<p>transformers. To conclude the repairs on the oil cables before commissioning, the 66 kV substation needs to be tested and confirmed as safe.</p> <p>A T C t/a CBI Electric African Cables was appointed to repair the extensive damages to the Jan Marias Substation, the repair work is estimated to cost R604,939,88 (Including VAT). The 66 kV cables currently in the Stellenbosch electrical network are specialized cables, manufactured by CBI. It is important that the manufacturer conducts the repairs since they are the original equipment manufacturer. This will reduce any safety hazards and potential risk of further outages.</p> <p>A service provider was also appointed to repair the fence. This is to safeguard the Substation and prevent any vandalism.</p> <p>GM Gateway Metalworks was appointed to repair the fence at the Substation. The repair work to the fence is estimated to cost R958 205.64 (including VAT).</p> <p>This is an emergency and these services are required to ensure uninterrupted services to the community. It is also an exceptional case and it is impractical or impossible to follow the official procurement processes.</p>	
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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.

FOR FURTHER DETAILS CONTACT:

NAME	Dalleel Jacobs
POSITION	<i>Senior Manager SCM</i>
DIRECTORATE	<i>Finance</i>
CONTACT NUMBERS	<i>021 808 8137</i>
E-MAIL ADDRESS	<i>Dalleel.Jacobs@ Stellenbosch.gov.za</i>
REPORT DATE	05 June 2024

9.	ITEMS FOR NOTING
9.1	REPORT/S BY THE EXECUTIVE MAYOR
9.1.1	REPORT BY THE EXECUTIVE MAYOR ON THE MAYOR – RECTOR FORUM MEETING: 20 FEBRUARY 2024

Collaborator No: 768235
IDP KPA Ref No: Good Governance
Meeting Date: 14 June 2024

1. SUBJECT: REPORT BY THE EXECUTIVE MAYOR ON THE MAYOR – RECTOR FORUM MEETING: 20 FEBRUARY 2024

2. PURPOSE

To inform Council of the matters under discussion at the Mayor – Rector Forum meeting held on 20 February 2024.

3. DELEGATED AUTHORITY

For information.

4. EXECUTIVE SUMMARY

The Executive Mayor has since her election reported to Council on discussions that takes place at the regular meetings of the Mayor – Rector Forum. The meeting was held on 20 February 2024. The minutes is attached as **Annexure A**. The University of Stellenbosch caused the delay with the circulation of the minutes.

5. RECOMMENDATION

that Council take note of the report from the Executive Mayor.

6. DISCUSSION / CONTENTS

6.1 Background

The Mayor – Rector Forum was established to collaborate and share information and research on main areas of agreement regarding the challenges facing Stellenbosch and the possible solutions.

6.2 Discussion

The Executive Mayor has since her election reported to the Council on discussions that takes place at the regular meetings of the Mayor – Rector Forum. The minutes is attached as **Annexure A**.

The following concerns were discussed: 20 February 2024.

- Matters arising from previous meeting
 - o Recent events and engagements on campus
 - o Update on Adam Tas Corridor
 - o Pedestrian safety in Merriman Avenue
 - o Khampepe response / CIRCORE – MACC Meeting and Engagement

- Feedback from standing committees
 - o Stellenbosch Municipality Mobility Forum
 - o Infrastructure Forum
 - o Stellenbosch Municipal Water Management
 - o Monitoring & Advisory Committee on Crime (MACC)
- New Matters
 - o Electrical network in Stellenbosch

6.3 Financial Implications

Dealt with in terms of the approved budget.

6.4 Legal Implications

The decisions are in line with approved delegations or powers vesting in the Executive Mayor.

6.5 Staff Implications

This report has no additional staff implications to the Municipality.

6.6 Previous / Relevant Council Resolutions

Item 10.1.1 – Council meeting: 2023-11-29

6.7 Risk Implications

Addressed through the content of the item.

6.8 Comments from Senior Management

The report was not circulated for comment. The Executive Mayor discusses relevant issues with the Municipal Manager who takes up actions with the Directors directly.

ANNEXURES

Annexure A: Minutes of the Mayor – Rector Forum meeting: 20 February 2024

FOR FURTHER DETAILS CONTACT:

NAME	DONOVAN MULLER
POSITION	MANAGER: COUNCILLOR SUPPORT
DIRECTORATE	CORPORATE SERVICES
CONTACT NUMBERS	021 8088314
E-MAIL ADDRESS	<u>Donovan.Muller@ Stellenbosch.gov.za</u>
REPORT DATE	03 June 2024

ANNEXURE A

STELLENBOSCH RECTOR / EXECUTIVE MAYOR FORUM

Minutes of the Rector / Executive Mayor Forum

Date: Tuesday, 20 February 2024

Time: 15h00 – 17h00

Venue: Microsoft TEAMS platform

Chair: Mayor van Deventer

Members present:

Stellenbosch Municipality	
Adv GMM van Deventer (GvD)	Executive Mayor
Ms G Mettler (GM)	Municipal Manager
Mr G Boshoff (GB)	Director: Community and Protection Services
Mr S Chandaka (SC)	Director: Infrastructure Services
Mr C Alexander (CA)	Senior Manager: Development Planning
Mr D Muller (DM)	Manager: Councilor Support
Stellenbosch SU	
Prof W de Villiers (WdV)	Rector and Vice-Chancellor
Prof S Moyo (SM)	Vice-Rector: Research, Innovation & Post Graduate Studies
Prof N Koopman (NK)	Vice-Rector: Social Impact, Transformation and Personnel
Dr L van Rooi (LBvR)	Senior Director: Social Impact and Transformation
Mr N van der Merwe (NvdM)	Corporate Communication and Marketing
Ms M Douman (MD)	Manager: Executive Corporate Communicate and Marketing
Ms J Felix	Facilities Management
Ms A Mawson	Secretariat

Members absent with apology:

Stellenbosch Municipality (the Municipality)	
Mr C Kitching (CK)	Deputy Director: Protection Services
Stellenbosch University (the SU)	
Prof S du Plessis (SdP)	Chief Operating Officer
Prof H Klopper (HK)	Deputy Vice-Chancellor: Strategy and Internationalisation
Ms N van den Eijkel (NvdE)	Chief Director: Facilities Management

ITEM	DISCUSSION	RESPONSIBLE PERSON
1.	Opening and welcome	
	GvD welcomed all members present.	GvD
2.	Finalisation of agenda	
	No items added to agenda	GvD
3.	Approval of previous minutes	
3.1	Point of correction in previous minutes on 5.2, referencing the Mobility Forum, which needs to change to the ET Project. A motion for adopting minutes was made by the Chair, noting the one amendment and seconded by WdV.	GvD
4.	Matters from previous meeting	

4.1	<p>Recent events and engagements on campus WdV shared current events and some highlights at the start of the academic year, noting the following:</p> <p>SU Registrations Students have returned in full force and registration is going well. SU will have the final number of registrations by end of March. Up to now SU has seen a record number of first-time entry students (6900) registering.</p> <p>Capacity Issues SU faces a number of capacity challenges including that of lecture halls and accommodation related capacity. However, accommodation has been and remains a challenge as residences and private accommodation are at full capacity. This issue is compounded by the NSFAS funding issues which has capped students' accommodation fees, leading to private providers becoming reluctant to enter into rental agreements with students.</p> <ul style="list-style-type: none"> For the first time ever, SU had 518 students arrived on campus without accommodation. SU has since managed to address the immediate need to a large degree, where 480 students were accommodated in emergency accommodation. The remaining 38 senior returning students who were without accommodation and funding had to return home. <p>Events SU recently held a ground break ceremony at STIAS – Stellenbosch Institute for Advanced Studies, where 600sqm of accommodation and fellow-rooms will be built due for completion in December 2024.</p> <p>In addition, SU has a further instalment of the African Nobel Symposium in mid-March, and will host the Economics Nobel laureates.</p> <p>Wilgenhof An update on the Wilgenhof Residence matter was noted as subject to an investigation which is still in progress. WdV highlighted that out of the 200 senior students and 64 first year students, only 3 first year students opted for a move to another residence. The 3 open spots were immediately filled, and the residence is fully occupied.</p> <p>NK added, noting the media coverage of this matter and wanted to assure this Committee and SU's partners, that SU takes this matter very seriously and are dealing with it, with the sensitivity and attention required.</p>	<p>Page 126</p> <p>NK</p>
4.2	<p>Update on Adam Tas Corridor GM provided an update, noting that the Municipality has appointed EDP (Economic Development Partnership) in the Western Cape to assist with the ATC Project Facilitation Unit. A decision was taken that a Project Facilitation unit will look at the ATC as a whole and manage the project, to ensure smooth project approvals.</p> <p>EDP will assist with the appointment of the Project Facilitation Unit and the ATC Steering Committee has been established who will lead this interview process.</p> <p>Positive spin-offs, from the ATC Project, 1. Inclusionary Housing Newen Bosch 100% sold out, as ATC must make 30% available for inclusionary housing. Criteria includes that occupants had to live or work in Stellenbosch for more than 2 years. 2. Upgrading of George Blake area, making it safer space for pedestrians, which has several projects happening, e.g.: looking at Bergkelders upgrading, cleaning up of the areas, functional art and how to involve the communities.</p> <p>GvD added, that several companies have been engaged, requesting them to consider using their social responsibility funds toward the clean-up and upgrade of the Goerge Blake area and the responses has been positive.</p>	<p>GM</p> <p>GvD</p>
4.3	<p>Pedestrian safety in Merriman Avenue LBvR confirmed the point was addressed in the previous meeting and can be removed from the agenda. A point of clarity was raised by WdV on the procedure for installing speed bumps. SC confirmed the process involves checking of jurisdiction, sending a team to assess viability for installing speed bumps and then a decision is taken based on assessment results.</p>	<p>LBvR</p> <p>WdV</p> <p>SC</p>
4.4	<p>Khampepe Response / CIRCORE – MACC Meeting and Engagement LBvR stated that that stakeholder engagements around the Khampepe Report process has started, indicating a presentation with a full update will be presented at the next meeting and to be added to the next meeting's agenda.</p>	<p>LBvR</p>
5.	<p>Feedback from standing committees</p>	
5.1	<p>Stellenbosch Municipality Mobility Forum</p>	<p>SC</p>

	<p>SC provided an update noting that there was several discussions with SU's Prof J. Anderson and Megan Joubert, on Non-Motorized Transport (NMT) working group in November 2023, with the involvement of interested and affected parties, which made a proposal for specialist cyclist study for implementation.</p> <p>SC noted that the Comprehensive Transport Plan, the Roads Master Plan and MNT Master Plan, was approved by Council.</p> <p>SC added that the SU prepared a draft MOU on how the Mobility Forum should work, which proposed to invite industry specialists. The municipality is looking at possibly sponsoring a SU Masters student to help with the projects.</p> <p>GdV advised both partners, Municipality and SU to watch social media as the two institutions are often "blamed" for mobility issues. Noting, the plans to build a parking garage behind Eikestad Mall, which has been in the works for 7 years, has received lots of negative social media attention. GdV recommended that a press release be issued sharing what is in place and what is being done to address the various issues. This matter may need to be an agenda item going forward, as a major issue and concern is the safety of students which needs to be addressed. GvD called for comments/actions from the Committee, noting there is 2 groups which has been calling for more parking in the CBD and another for a park and ride solution.</p> <p>LBvR shared discussion points from a recent Visit Stellenbosch meeting on the congestion and parking on/around campus, indicating that a presentation was made by the Vehicle and Fleet Office which shared SU's mobility and transport plans on campus, which the Mobility Forum should be aware of. LBvR also indicated that SU has numerous empty parking bays in and around campus and that the issue is not necessary "not enough parking" but rather that parking may not be conveniently located, as students in general want to be able to park as close as possible to a particular venue. It is also noted that SU rents out bicycles and provide shuttle services to staff and students.</p> <p>GdV requested the Forum to discuss comments around SU and Municipal staff who has the privilege to parking at campus and on municipal grounds respectively. It is noted that there is a view that staff should all park at a safe central location and take a shuttle in. GvD indicated that the municipality had attempted to introduce the park and ride system, which was not well received by staff and unions and estimates that SU might face the same challenges.</p> <p>LBvR indicated that the Old Bloemhof areas are clearly an issue and that the Forum may want to consider how this area is used at night. LBvR supported the GvD's suggestion of a discussion adding, to include Visit Stellenbosch, with the Municipality and SU to do a think tank on the matter.</p> <p>GvD shared that 2 requests were received from road engineers living in the area namely (i) To turn certain roads into one-way streets and (ii) building a 2nd bridge in the Coetzenberg area, (one way bridge) which is being put through Section 80 Committee and has served at Council. It is yet to be determined if this will be received positively by community members.</p> <p>GvD highlighted that there is a need to address the issue immediately by writing a joint press release statement in the interim as to inform what SU and the Municipality is doing and what is planned. The Forum confirmed that the joint statement will be prepares by Shane Chandaka from the Municipality and Naude Van der Merwe from SU.</p>	<p>Gvd</p> <p>LBvR</p> <p>GvD</p> <p>LBvR</p> <p>GvD</p> <p>SM/NvdM</p>
5.2	<p>Infrastructure Forum SC provided a brief update on projects (see below) from the Infrastructure Forum.</p> <p>End Term Control System on traffic signals along the R44 corridor in conjunction with Johan Anderson. The contract with Stellenbosch Municipality PTV is coming to an end in June 2024 which means that a new tender needs to be issued. The model is currently being updated and running efficiently.</p> <p>Landfill Project, SC indicated that the municipality is progressing well with construction on the Landfill site. Clayton Hendricks, the senior manager for Solid Waste was to meet with SU's Prof Christina Troy, the former Chair of Waste and Climate Forum at UKZN. The landfill liner is being installed currently.</p>	SC

	<p>Alternative Generation and Procurement of Electricity Project, the Municipality currently does have an independent power producers (IPP) tender out for the possible construction of a 20mw plant or the purchasing of energy from IPPs in the market, on the premise of possibly solar. Under the auspices of the Provisional Government a Transaction Advisor Team has been appointed on a separate project as well as a project management firm to assist the Municipality to scope a possible 50mw IPP premise plant to tender. The inception report has been finished and a feasibility study is in progress.</p> <p>Municipality is to roll out of battery backup, as well as solar and inverter systems at key/critical locations, as well as the Municipal Court Building, where the installation is complete. The municipality is also looking at the Stellenbosch Fire Station and have ordered 5 new generators, of which 3 will be placed at critical pump stations Groendal, Mooiwater and Langrug area.</p> <p>Municipal Energy storage study, the University is waiting for feedback from the Municipality on the final reports that was sent. The Municipality Electrical Team is deliberating internally with the appointed consultants (Linus Consulting) and Dr Arnold Ricks will engage with Nombolelwa Swane on that aspect, together with Prof Stan Du Plessis.</p> <p>Electric Minibus Taxi Project, under Prof Tinus Booysen, it was mentioned that the SU's e-Taxi was nearly declared as road worthy in December 2023 and went to Johannesburg for adjustments. It is projected to be back in Stellenbosch mid December 2024. There is an intent to have a launch/show and tell in front of City Hall.</p> <p>Bergzicht Tax Rank, the Municipality has approved plans in principle, aiming to start phase 1 in February 2024, which is currently in the tender evaluation process (civil works and not the electrical work). The Municipality is enabling the upgrade but also made provision for future EV infrastructure for a taxi charging facility. Phase 2 of setting up of the charging facility will start soon and the Municipality will send the drawing to Tinus Booysen, and Wikus van Niekerk.</p> <p>Sewage Slug Project under Andre Berger and Paul Joubert: there is agreement on the visibility and conceptual study through the university which is nearing a service level agreement stage and, should the concept proof be financially viable, the tender process will proceed.</p> <p>Biomass Power Station, SC provided the report on behalf of Prof Wikus van Niekerk, noting 2 sites was identified, close to the Municipal Sewage works and the dumping site and at the Klapmuts site close to the sewage works. The electrical infrastructure however belongs to Eskom and not the Municipality, so both sites have positive and negative attributes to consider. Once the reports are done, it will be shared with all stakeholders.</p> <p>Other matters arising: River damage at Suidwal. This is an area many community members had enquired about. The Municipality has put in place temporary measures to make the area structurally safe for use. The long-term measure has always been to put out a tender to do a proper assessment and design, which is now in progress and closes on the 4th March 2024. The project for major construction work will then flow from this assessment work.</p>	
5.3	<p>Stellenbosch Municipal Water Management</p> <p>SC provided an update noting the current project status as follows:</p> <ul style="list-style-type: none"> • Vlothenberg Water Scheme is as per the last meeting, which is completed. • Jamestown reservoir project, a contractor has been appointed and the project is in progress. • Kayamandi Stellenbosch 10 mega liter reservoir project will commence in mid-2024. 	SC
5.4	<p>Monitoring and Advisory Committee on Crime (MACC)</p> <p>Joan Felix, standing in on behalf of NvdE, provided a brief update on the MACC, noting that the last meeting held in November 2023, provided an overview of feedback regarding safety and security. An emergency exercise was proposed for 2024, which included further follow up and recommendations.</p> <p>Planning for severe weather conditions was also discussed, as well as the safety awareness events which were up and coming for November 2024 at the Facilities Management Expo.</p>	NvdE / JF

	<p>Overview from the Municipality regarding challengers experienced with noise complaints from community members and homeless persons was discussed.</p> <p>GvD added the increase of crime and serious crimes by youngsters posing as security guards or tourists and who target students and tourists in the area. The youngsters who engage in these criminal activities can't be prosecuted (age), which leads to the Police not being able to do much. GvD called for a discussion and suggestions on the matter to address these issues and also calls for a press release to inform the community that the matter is being addressed.</p> <p>WdV added, agreeing with the suggestion for NvdE to note the point to increase vigilance and for campus security to accompany students and others on the north south routes, as well to increase the security presence on the Rooiplein and at the Neelsie where there has been an increase in incidents – LBvR to remind NvdE.</p> <p>GvD suggested SU to do a map highlighting support and increase security to make students aware that the university is SU is doing something to address these issues. SU should also share its campaigns with the broader community.</p>	<p>GvD</p> <p>WdV</p> <p>NvdE</p> <p>GvD</p>
6	New Matters	
6.1	<p>Electrical Network in Stellenbosch</p> <p>The point will stand over to the next meeting.</p>	SdP
7	Closing	
	<p>Meeting adjourned at 16:15</p> <p>The next meeting is scheduled for Wednesday, 5 June 2024 (Chair and Secretariat: Municipality)</p>	

9.2	REPORT/S BY THE SPEAKER
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NONE

9.3	REPORT/S BY THE MUNICIPAL MANAGER
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NONE

10.	CONSIDERATION OF ITEMS BY THE EXECUTIVE MAYOR: [ALD G VAN DEVENTER]
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10.1	PROTECTION SERVICES: (PC: CLLR R PHEIFFER)
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NONE

10.2	SPORTS, YOUTH AND CULTURE: [PC: CLLR JC ANTHONY]
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NONE

10.3	CORPORATE SERVICES: (PC: CLLR L NKAMISA)
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10.3.1	UPDATED REPORT ON OUTDOOR DINING AND CONSIDERATION OF GENERAL CONDITIONS FOR OUTDOOR DINING
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Collaborator No: 767403

IDP KPA Ref No: Good Governance

Meeting Date: 22 May 2024 & 14 June 2024

1. SUBJECT: UPDATED REPORT ON OUTDOOR DINING AND CONSIDERATION OF GENERAL CONDITIONS FOR OUTDOOR DINING

2. PURPOSE

To provide feedback on the Outdoor Dining Applications.

3. DELEGATED AUTHORITY

In terms of the approved System of Delegations the Executive Mayor, in consultation with the Executive Mayoral Committee, has the delegated Authority to consider applications for Lease Agreements, up to a contract value not exceeding R5M and not exceeding a period of 10 years. The approval of lease agreements of three (3) years and less has been delegated to the Municipal Manager.

4. EXECUTIVE SUMMARY

During the Council Meeting of June 2022, it was resolved that communication was to be handed to all restaurants and businesses indicating that they need to apply for lease agreements in order to comply with the Outdoor Dining Policy of the municipality.

The department delivered the communication (letters requesting all restaurants that are using council property for outdoor dining to apply for a lease) and the municipality received applications from a number of restaurants and businesses and items have been prepared for consideration by the Mayoral Committee. 41 applications have served before the Mayoral Committee since August 2023 and 35 other establishments have received the communication to apply but have failed to file applications. Attached hereto as **APPENDIX 1** is an update on all establishments who have received formal notifications.

Council approved the general conditions for Outdoor Dining in February 2024. During the Mayoral Committee meeting in April 2024 certain amendments to these general conditions were suggested, which suggestions still need to be considered by Council – **see Appendix 2.**

5. RECOMMENDATIONS

- (a) that Council takes note of the updated report; and
- (b) that the general conditions as per **APPENDIX 2** be accepted as the amended general conditions for approval by Council.

6. DISCUSSION / CONTENT

6.1 Background

In 2022 Council approved formal communication to be delivered to all restaurants and businesses making use of road reserved for Outdoor Dining purposes. This included businesses making use of the sidewalk.

In February 2023 the communication was hand delivered to most restaurants and businesses in the Stellenbosch CBD. On several other dates the property management department has delivered more notices and letters to establishments requesting them to apply. As a result, applications for lease of municipal land were received from several institutions and items have been prepared for consideration, with the intention of successful applicants to enter into lease agreements with the municipality.

41 Applications have served before the Mayoral Committee however there are still many establishments who are either ignoring the requests from the municipality or refusing to apply and comply.

6.2 DISCUSSION

During February 2023 the property management administration team, together with law enforcement, hand delivered 65 letters in the Stellenbosch CBD requesting businesses to apply for the lease of municipal land in order to be compliant with the Outdoor Dining Policy. To date, the municipality has received 42 applications of which 41 have served before the Mayoral Committee and the last one will serve at the Mayoral Committee meeting in May 2024.

A list of the restaurants and businesses that received notification letters, as well as a summary of applications received and updates is attached hereto marked as **APPENDIX 1.**

Council has also approved the general conditions for Outdoor Dining however during the April 2024 Mayoral Committee suggestions were made for certain amendments to the general conditions. These amendments still need to be considered by Council.

There are still many establishments in the Stellenbosch CBD who have failed to file their applications. Letters also need to be hand delivered in Franschhoek to all establishments making use of the sidewalk. To date only two establishments in Franschhoek have filed applications.

6.2.2 Legal requirements

6.2.2.1 Municipal Asset Transfer Regulations

In terms of Section 36 of the Municipal Asset Transfer Regulation, when considering an application for an approval of a right to use municipal property, the following needs to be taken into account, *inter alia*-:

- a) whether the capital asset may be required for the municipality's own use during the period for which the right is to be granted;
- b) the extent to which any compensation to be received for the right, together with the estimated value of improvements or enhancements to the asset, will result in a significant financial benefit to the municipality;
- c) the (possible) risks and rewards associated with the use in relation to the municipality's interests;
- d) Any comments received from the local community, and
- e) compliance with the legislative regime applicable to the proposed granting of the right.

6.2.2.2 Stellenbosch By-Law on Roads and Streets

In terms of section 4 of the Stellenbosch By-Law on Roads and Streets, no person may, **without prior written permission of the Municipality**, cause an encroachment on a street, sidewalk or road reserve forming part thereof.

6.2.2.3 Property Management policy

Section 9 2.2 deals with deviations from the competitive process, and reads as follows:

The Municipal Council **may dispense with the competitive processes** established in this policy and may enter into a Private Treaty Agreement through any convenient process, which may include direct negotiations, including in response to an unsolicited application, but only in the following circumstances, and only after having advertised Council's intention so to act. Should any objections be received as a consequence of such a notice, such objections first be considered before a final decision is taken to dispense with the competitive process established in this policy. However, should any objections, be received from potential, competitive bidders, then a public competitive process must be followed. The advertisement referred to above should also be served on adjoining landowners, where the Municipal Manager is of the opinion that such transaction may have a detrimental effect on such adjoining landowner(s):

- (h) where encroachment applications are received from adjoining owners, including applications for outdoor dining permits, subject to approved tariff structure.

6.2.2.4 Outdoor Dining Policy

6.2.2.4.1 Policy Objective

To regulate the use of sidewalks or road reserves for the purpose of outdoor dining and trading, and the temporary use of Public Places for commercial ventures and displays.

6.2.2.4.2 Suitable Locations

Outdoor cafes, restaurants and traders may apply for lease where local conditions are favorable for their operation, including areas of Council e.g. road reserves, sidewalks, Public Open Spaces. All applications in locations of high pedestrian usage, e.g. a retail center, will be required to take pedestrian needs into consideration.

6.2.2.4.3 Assessment Criteria

The most important local conditions to be considered when an application for encroachment of the road reserve area is received will be those issues pertaining to pedestrian (including pedestrians who are using wheelchairs, baby prams or are visually impaired) and vehicular circulation, convenience and safety of patrons and the general public, existing streetscape elements and residential amenity.

The ground surface must be sufficiently level to support a proper layout and safe use.

6.2.2.4.4 Layout

The style, layout and orientation of furniture should be chosen according to the extent and shape of the available space of the encroachment area.

The size of an outdoor cafe or placement of any object on the sidewalk will depend on the width of the sidewalk.

6.2.2.4.5 Defined Area

The applicant will be required to define the area with appropriate markers. (ie a single galvanized steel nail inserted in between the pavers, or a paint spot no larger than 5cm in diameter placed at the corners of the defined area in a semi- permanent paint) to the satisfaction of Council.

6.2.2.4.6 Lease Conditions

The applicant must comply with the conditions set out in the lease agreement and this policy. The lease will be for a period of not more than 5 years with an option to renew. These conditions would also generally require that the local environmental factors be reviewed annually and adjustments to the lease agreement may be required.

If the lease agreement that is entered into is seen as not providing long-term rights there is no need to advertise the proposed agreement for public input/comments or objections. Should the municipality receive any complaints the lease agreement may be terminated due to the objections.

6.3 Financial Implications

In terms of the current, approved tariff structure for outdoor dining lease agreements a fee of R150 per m² is charged on a monthly basis. The suggested fee for the next financial year is R159.00 per m². The financial implications will therefore be determined by the size and area that each applicant has applied for. This tariff is amended on a yearly basis during the approval of the budget and a new fee is then automatically implemented from 1 July every year.

6.4 Legal Implications

The legal implications are discussed under 6.2.2 above. As the proposed term of the lease agreement is three (3) years and when the value of the lease and property is taken into account the asset transfer regulations are not applicable as it is not seen as long-term rights on council property that are being given.

6.5 Staff Implications

The letters must be hand delivered by the contract administrator for property management. All site inspections are also done by the contract administrator.

6.6 Previous / Relevant Council Resolutions

SPECIAL COUNCIL MEETING: 2022-06-22: ITEM 9.2.5 RESOLVED (nem con)

- (a) That Council takes note of the intended communication to the public;
- (b) That Council takes note that all restaurants and business will be given notice to apply / re-apply for a lease to use council property for outdoor dining purposes; and
- (c) That the approval of the leases of three (3) years and less be delegated to the Municipal Manager for approval.

20TH COUNCIL MEETING: 2024-02-21: ITEM 11.3.1

RESOLVED

- (a) that Council takes note of the report; and
- (b) that the amended General Conditions on Outdoor dining be approved.

There has been a number of resolutions at the Mayco since June 2022 as the items served before Mayco under delegation.

6.7 Risk Implications

Restaurants ignore the decisions taken by Council and refuse to sign lease agreements. This will lead to further illegal use of the council property for outdoor dining and complaints from residents that they are unable to use the sidewalks due to restaurants not adhering to the rules.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2024-05-22: ITEM 7.3.9

- (a) that Council takes note of the updated report; and
- (b) that the general conditions as per **APPENDIX 2** be accepted as the amended general conditions for approval by Council.

ANNEXURES

Appendix 1: Updated report on outdoor dining applications.

Appendix 2: Updated General Conditions

FOR FURTHER DETAILS CONTACT:

NAME	Yolande van den Berg
POSITION	Contract Administration Property Management department
DIRECTORATE	CORPORATE SERVICES
CONTACT NUMBERS	021-8088073
E-MAIL ADDRESS	Yolande.vandenBerg@ Stellenbosch.gov.za
REPORT DATE	2024-05-14

APPENDIX 1

RESTAURANT	DATE RECEIVED	APPLICATION RECEIVED	COMMENTS:	
DECAMERON RESTAURANT	23/02/2023	YES	Item served at Mayco in August 2023	Approved. Compliant. New lease agreement to be provided upon acceptance of general terms and conditions by council.
VADAS	23/02/2023	YES	Item served at Mayco in November 2023	Approved in principle. Compliant. To sign new lease agreement when general terms and conditions are accepted by council.
FIDDERS	23/02/2023	YES	Item served at Mayco in November 2023	Approved in principle. To do an investigation at premises for current compliance and serve outcome letter. Site inspection done on 13 May 2024 and there is sufficient walkway for pedestrians, however not 80cm space next to the street. Owners were informed of in principle approval.
MANOUSHE	23/02/2023	YES	Item served at Mayco in August 2023	Approved in principle. Not compliant. Outcome letter served on 6 September 2023. Currently paying in terms of old encroachment agreement and new lease agreement to be entered into upon acceptance of general term and conditions by council. Site inspection done on 13 May 2024 and establishment is not compliant in that there is no space for pedestrian use on the sidewalk and the establishment is still using the area in front of the shop next door.

MORO	23/02/2023	YES	Item served at Mayco in August 2023	Approved in principle. Not compliant. Outcome letter served on 6 September 2023. To sign new lease agreement when general terms and conditions are accepted by council.
STELLENBOSCH WINE BAR	23/02/2023	YES	Item Served at Mayco In January 2024	Approved in principle. Not compliant.
LYNNE	23/02/2023	NO	Moved - no longer making use of sidewalk	
JARDINE	23/02/2023	YES	Closed	
COGNITO	23/02/2023	YES	Item served at Mayco in August 2023	Approved in principle. Not compliant. Outcome letter served on 10 October 2023 wherein it is indicated that they need to provide details for POA to lodge building plans. No requests received from them, so no building plans submitted for approval. Heritage Advisory Committee has indicated that they are very unhappy with this deck and there is no Heritage approval. Establishment closed. New premises to open on site.
SUSHI BOX	23/02/2023	YES	Item served at Mayco in August 2023	Approved in principle. Not compliant. Outcome letter served on 6 September 2023. New lease agreement to be entered into upon acceptance of general terms and conditions by council. Site inspection done on 13 May 2024. Sufficient walking space for pedestrians however not sufficient space for car doors to open next to the road.
RYKAARTS	23/02/2023	YES	Establishment closed down	

BRAMPTON WINE STUDIO	23/02/2023	YES	Item served at Mayco in August 2023	Approved in principle. Not compliant. Outcome letter served on 6 September 2023. Lease to be entered into on acceptance of general terms and conditions by council. Site inspection done on 13 May 2024. Establishment not compliant. No sufficient walkway left for pedestrians or space for opening of car doors next to road.
HYGGE HYGGE	23/02/2023	YES	Item served at Mayco in November 2023	Approved in principle. Not compliant. Establishment is not compliant. Not sufficient space on the sidewalk for pedestrian use or next to the road for the opening of car doors.
JAVA BISTRO	23/02/2023	YES	Item served at Mayco in November 2023	Not compliant. Matter referred to Heritage Advisory Committee. Heritage Advisor Committee did not approve the application however they were not able to provide guidance on requirements. HAC has requested that the municipality provide a plan of the entire street to indicate where the trees and all other obstructions are before they can give a formal answer.
BASIC BISTRO	23/02/2023	YES	Item served at Mayco in August 2023	Referred back. Not compliant. Letter not served as guidance is needed on the way forward with the long standing deck which is only 1.4m from road, not 1.5m.
LIRA & FYNN	23/02/2023	NO	No longer using sidewalk	

DE STOMME JONGE	23/02/2023	NO	Closed	
THE WINE GLASS STELLENBOSCH	23/02/2023	YES	Item served at Mayco in August 2023	Approved in principle. Not compliant. Outcome letter served in September 2023 wherein it was indicated that they need to submit building plans. New lease agreement to be entered into when the general terms and conditions are accepted by council. POA provided and building plans have been submitted.
BOOTLEGGER COFFEE COMPANY	23/02/2023	YES	Item served at Mayco In January 2024	Approved in principle. Compliant. New lease agreement to be entered into upon acceptance of general terms and conditions by council.
VIDA E CAFÉ	23/02/2023	YES	Item served at Mayco in August 2023	Plein street approved in principle, Ryneveld street referred back. Not compliant. Outcome letter served on 6 September 2023. New lease agreement to be entered into upon acceptance of general terms and conditions by council.
DE WARENMARKET	23/02/2023	YES	Item served at Mayco in August 2023	Plein street approved in principle, wooden deck not approved and referred back. Not compliant. Outcome letter served on 6 September 2023. Illegal building work took place and matter currently being considered by Legal Department.
KAPSTADT BRAUHAUS		YES	Item served at Mayco in August 2023	Referred back for further administration. Not compliant. There has been several engagements with the

				establishment over the last year in terms of the illegal structure. Matter currently with legal department and an attorney has been appointed to attend to the legal proceedings against the applicant. Encroachment to be cancelled on 23 May 2023. Awaiting papers to be filed for demolition. Restaurant owner indicated that he is prepared to break down part of the deck. Informed he must submit building plans to Planning and it must serve before Heritage Advisory committee. In the mean time the legal process continues.
ZUSIPHE RESTAURANT		YES	Item served at Mayco in September 2023	Approved in principle. Compliant. Outcome letter was served and upon request of the Mayor the engineering department is busy with the upgrading of the sidewalk at the establishment. New lease agreement to be entered into upon acceptance of general terms and conditions by council.
SHIFT EXPRESSO		YES	Old application, to obtain new application form	
LE GRAND DOMAINE		YES	Item served at Mayco in August 2023	Referred back for further administration. Not compliant. Outcome letter served on 6 September 2023. Site inspection done on 13 May 2024 and the establishment is still not compliant in that there is not sufficient walkway for pedestrian use or

				80cm next to the road for the opening of car doors.
JULIAN'S CAFÉ BAR	14/03/2023	YES	Item served at Mayco in August 2023	Approved in principle. Not compliant. Outcome letter served on 6 September 2023 however they need guidance from the Heritage Department for demarcation purposes. Currently paying in terms of old encroachment agreement.
CIOVITA	14/03/2023	YES	Item served at Mayco in August 2023	No longer using area. Area now being used by Seattle Coffee Co who has not filed an application.
HUDSONS	14/03/2023	YES	To determine erf line before submitting to Mayco	Not using municipal land
THE WAFFLE MILL	14/03/2023	YES	Item served at Mayco in August 2023	Approved in principle, however demarcation was referred back. Not compliant. Outcome letter served on 6 September 2023. Awaiting guidance from Heritage department in terms of acceptable demarcation.
ART WICKER MALAWI	14/03/2023	NO	No longer using sidewalk	
ADAM & EVE COLAB	14/03/2023	YES	Item served at Mayco in August 2023	Not approved. Not compliant. A meeting was held with Danneel during the end of 2023 at our offices. He indicated that the area will no longer be used for Outdoor Dining but as a shop front for a clothing store. No new application received.
CASA CERVEZA	14/03/2023	YES	Item served at Mayco in August 2023	Referred back. Not compliant. To serve outcome letter, however waiting for guidance from Heritage Department on way

				forward as this one is in line with De Vleispaleis and Kapstadt Brauhaus. Although this item did not serve in front of the Heritage Advisory Committee there is still no guidance received from the three matters that did serve. The HAC requires a map of the street to indicate where all trees and power boxes etc. are located before they will give further guidance.
GOCHU GANG		YES	Item served before Mayco in August 2023.	Approved in principle. Outcome letter served on 6 September 2023. The applicant was initially compliant however they have changed the demarcation and placement of furniture and is currently not compliant as approved by council. Contract management had a meeting with the owner and indicated that they are not using the area as approved and requested that they remove the demarcation. They are disputing this as they are of the opinion that they have the right to use the full area. Lease agreement still to be signed.
DE VLEISPALEIS	14/03/2023	YES	Item served before Mayco in November 2023	Referred back. Not compliant. Heritage Advisor Committee did not approve the application however they were not able to provide guidance on requirements. HAC has requested that the municipality provide a

				plan of the entire street to indicate where the trees and all other obstructions are before they can give a formal answer.
BLIX	14/03/2023	YES	Item served at Mayco in August 2023	Approved. Compliant. Outcome letter served in September 2023. New lease agreement to be entered into upon acceptance of general terms and conditions by council.
MILL COFFEE HOUSE	14/03/2023	YES	Item served at Mayco in August 2023	Dorp street approved in principle. Not compliant. To determine erf line on the one side of the property and then serve outcome letter. Site inspection done on 13 May 2024 and the establishment is still not compliant.
JACKS BAGELS	14/03/2023	YES	Item served at Mayco in August 2023	Approved in principle. Compliant. Outcome letter served on 6 September 2023. New lease agreement to be signed after general terms and conditions approved by council. Site inspection done on 13 May 2024 and the establishment is still compliant.
THE MEETING PLACE	14/03/2023	YES	Item served at Mayco in August 2023	Approved. Compliant. To sign new lease agreement when general terms and conditions are accepted by council.
GARY ROM MAN	14/03/2023	YES	Item served before Mayco in November 2023	Approved in principle. Compliant. To sign new lease agreement when general terms and conditions are accepted by council.
COL CACHIO FRANSCHHOEK		YES	Item served at Mayco in November 2023	Currently compliant with requirements for

				Outdoor Dining. Waiting for instructions on way forward in terms of area being used, possibly parking spaces. Old encroachment agreement still in place. Will only be able to provide new lease agreement once finalised. Item has been prepared for consideration by the Mayoral Committee and ready to serve after consultation with the engineering department in terms of parking.
TAISHAN RESTAURANT		YES	Application withdrawn, unhappy about fees	Still using outdoor area
ROME IN A BITE		YES	Item served before Mayco in September 2023	Referred back for further administration. Not compliant. Outcome letter served in December 2023. Site inspection done on 13 May 2024 and establishment is still not compliant. Sufficient walkway for pedestrian use however no space left next to the road for the opening of car doors.
CAFÉ SOFIA		YES	Item served before Mayco in September 2023	Approved in principle but referred to Heritage Advisory committee. Not compliant. Heritage Advisor Committee did not approve the application however they were not able to provide guidance on requirements. HAC has requested that the municipality provide a plan of the entire street to indicate where the trees and all other obstructions are before

				they can give a formal answer.
TOEBROODJIE		YES	Item served before Mayco in September 2023	Establishment closed down. New establishment opened, to serve letter requesting them to apply.
BEYERSKLOOF WINE BAR		YES	Item served before Mayco in September 2023	Establishment closed down. No new restaurant or shop trading from the premises. Deck broken down.
FRANKS FRANSCHHOEK		YES	Item served before Mayco in August 2023.	Approved. Compliant. Outcome was communicated to the applicant and a Power of Attorney was provided whereafter building plans were submitted. A new lease agreement to be entered into upon acceptance of general terms and conditions by council.
BAE-GOALS		YES	Item served before Mayco in November 2023.	Approved in principle. Compliant. Outcome letter to be served.
WIJNHUIS		YES	Item served before Mayco in August 2023.	Approved. Compliant. Outcome letter served. New lease agreement to be entered into upon acceptance of general terms and conditions by council.
THE POTTERY		YES	Item served before Mayco in August 2023	Approved in principle. Not compliant. Outcome letter served on 6 September 2023 indicating that they need to apply for building plans. No application for building plans received.
STEERS		YES	Item served before Mayco in April 2024	General conditions of Outdoor Dining was suggested to be changed during the Mayoral Committee meeting and an item will

				be prepared for Council to consider the amendments.
COL'CACCHIO STELLENBOSCH			Item prepared for consideration by Mayco in May 2024	
MERAKI			Item to be prepared for renewal of agreement consideration by Mayco	The establishment has been successfully leasing the outdoor dining area for almost three years and wish to enter into a new agreement for five years. Current lease agreement comes to an end in September 2024 and an item will be prepared for consideration by the Mayoral Committee.

NO
APPLICATIONS
RECEIVED:

MOJI	23/02/2023	06/09/2023	No response	
TASTE	23/02/2023	06/09/2023	No response	
STUD	23/02/2023	06/09/2023	No response	
LA COCO	23/02/2023	06/09/2023	No response	
COFFEE AT JUSTICE	23/02/2023		No response	Establishment closed down.
LEGADO ANDRING	23/02/2023		No response	
JUVENATE	23/02/2023		No response	
LEGADO	23/02/2023		No response	
MOOD COFFEE BAR	23/02/2023	06/09/2023	No response	
STELLENBOSCH KITCHEN	23/02/2023		No response	
TUTTI	23/02/2023		No response	
CRÈME DE LEVAIN	23/02/2023		No response	
SWIRL'N	23/02/2023		No response	
CRAFT WHEAT AND HOPS	23/02/2023		No response	

CRÈME DE LEVAIN	23/02/2023		No response	
KOOPMANHUIJS	23/02/2023		No response	
THE CHURCH STREET AFRICA ART GALLERY	23/02/2023		No response	
SKEP	23/02/2023		No response	
ADDRES WHAT TO WEAR	23/02/2023		No response	
MILIEU	23/02/2023		No response	
STARBUCKS	14/03/2023		No response	
MUGG & BEAN	14/03/2023	06/09/2023	No response	
SUSHI GURU	14/03/2023		No response	
EMMA'S FRESHLY BAKED	14/03/2023	06/09/2023	No response	
BOOBABEAUTEA	14/03/2023	06/09/2023	No response	
LE SIEMMA CAFÉ BISTROT	14/03/2023		Application withdrawn, unhappy about fees	
DE AKKER	14/03/2023	06/09/2023	No response	
ROCOMAMAS	14/03/2023	06/09/2023	Large outstanding debt, no response	
SEATTLE COFFEE CO	14/03/2023	06/09/2023	No response	
SIMPLY GREEK	14/03/2023	06/09/2023	No response	
POST AND PEPPER	06/12/2023		No response	
DE VREIJEBURGER	06/12/2023		No response	
ASTA LA PASTA	06/09/2023		No response	
GELATO LAB	06/09/2023		No response	
DREW'S KITCHEN BAR	06/09/2023		No response	

APPENDIX 2

GENERAL CONDITIONS FOR OUTDOOR DINING

- 5.1. That the land....., measuring approximatelym² in extent, be identified as land not needed to provide the minimum level of basic municipal services during the period that the rights are awarded;
- 5.2 That the application for outdoor dining be approved for an initial period of 3 years with the option of a renewal subject to the following conditions:
 - 5.2.1 That no permanent structure or deck be erected without the prior written consent of council, including approved building plans and approval from the Heritage Advisory Committee.
 - 5.2.2 A minimum of 1.5m (unobstructed walkway) be left open for pedestrian use, adjacent to the street kerb. In exceptional circumstances, a 1.5m unobstructed walkway adjacent to a shop front, may be allowed, in these instances a further 0.8m must be left open adjacent to the street kerb. **Any deviations must be approved by the Municipal Manager on application.**

The impact of proposed outdoor dining on pedestrian movements, is subject to an assessment in terms of the Municipality's Sidewalk Accessibility Policy and the Municipal Manager is mandated to amend the layout and demarcation of the area when assessing applications.

- 5.2.3 That a site development plan be submitted for approval which must address at least the following requirements:
 - (a) Demarcation of the lease area relative to its abutting context with the street, the user property, and neighbouring properties. The demarcation of the outdoor dining area **must be clearly demarcated as per the approved site development plan. The type of demarcation must be done in consultation with the Municipal Manager.** If **natural features** is not possible the **demarcation** must be indicated on the plan with lines and applicable measurements. A line indicating the area for outdoor dining **must then be used and must be painted on the pavement in a colour as decided on by the Municipal Manager.** In the event that the outdoor dining spills over the demarcated area the furniture will be confiscated.
 - (b) Indicate the accurate location of all existing infrastructure, landscaping features and street furniture. The layout of all furniture and features that will be used for the outdoor dining activity.
- 5.2.4 Demarcation must be provided and maintained by the lessee.
- 5.2.5 No advertising signs(including A- frames) to be placed on the sidewalk or displayed against the building without the prior approval of **the Municipal Manager or delegate** and if such signs is displayed, it must be within the demarcated area. All signs **displayed outside the demarcated area may be removed by law enforcement** and outdoor dining furniture outside the demarcated area can be confiscated and repeated offences may result therein that the lease be cancelled **after a 30 day notice period.**

- 5.2.6 All umbrellas to be used has to be at least 2.2m high.
- 5.2.7 Any awnings will require pre-approval from council.
- 5.2.8 Council is indemnified against all possible 3rd party claims.
- 5.2.9 The municipality or other public service providers must not be prohibited from maintaining, repairing, upgrading and / or installing new public services within the leased area. For planned maintenance and repairs, upgrades or new installations, the applicant will be provided with a 5-day written notice to remove all furniture for the municipality and any other public service provider to gain access. For emergency work the applicant will be required to remove everything immediately for the municipality or other public service providers to gain access.
- 5.2.10 The municipality reserves the right to end the lease agreement when the need arises, i.e. when the leased area is required for municipal or other public services purposes or when the applicant refuses the municipality or other public service providers access if required.
- 5.3 That the rental amount be determined by the Municipal Manager in terms of the approved tariffs and an escalation of CPI per annum applies.
- 5.4 Where the establishments do not comply with the conditions attach to their leases within 30 days after receipt of the approval, the approval ~~will~~ **may be withdrawn and the lease ended after a 30 day notice period**. Such establishment will not be allowed to trade on Municipal Property until they comply and then re-apply for approval.
- 5.5 The lease agreement with the municipality must be signed within 30 days after receipt of the letter of approval and the draft agreement.
- 5.6 Where Establishments put furniture or signs outside the demarcated agreed areas such furniture and signs will be removed by Law Enforcement **after a notice was served on the establishment**.
- 5.7 Establishments who have not applied for permission and have been given a letter putting them to terms, must apply within 30 days of receipt of the letter. Should they fail they **will be given a notice and must cease** ~~operations no longer be allowed to do~~ outdoor dining trading on municipal land.

10.4	FINANCIAL SERVICES: (PC: CLLR J FASSER)
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NONE

10.5	HUMAN SETTLEMENTS: (PC: CLLR R DU TOIT)
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NONE

10.6	INFRASTRUCTURE SERVICES : (PC : CLLR P JOHNSON)
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10.6.1	STATUS REPORT ON THE ALTERNATIVE ENERGY GENERATION PROGRAMME
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Collaborator No: 767308
 IDP KPA Ref No: Good Governance and Compliance
 Meeting Date: 22 May 2024

1. SUBJECT: STATUS REPORT ON THE ALTERNATIVE ENERGY GENERATION PROGRAMME

2. PURPOSE

For Council to note the progress of the Municipality's as well as Provincial Government initiatives regarding the loadshedding mitigation initiatives underway, to reduce the impact of electricity loadshedding in the Municipality.

3. DELEGATED AUTHORITY

Municipal Council.

4. EXECUTIVE SUMMARY

4.1 Eskom in 2022-23, advised the Municipality to prepare an application to serve at their Loadshedding Committee, for the Municipality to be considered as a curtailment customer. Upon receipt of the said application, Eskom then rejected the application. A follow up meeting was held with Eskom and the outcome is that a revised application must be resubmitted for representation to the Eskom Loadshedding Committee. The draft application has been prepared and is due to serve at the Eskom Loadshedding Committee at the end of April 2024. This meeting with Eskom Loadshedding Committee has been rescheduled to a future date pending the outcome of our workshop with Eskom Customer Executives scheduled for 22 May 2024. Note that this is still on a load curtailment premise.

4.2 The Municipality has advertised a tender on 03 February 2024, for the possible purchase of 20MW of electricity from an Independent Power Producer (IPP), tender closed 28 March 2024. The service provider Lyners Consulting Engineers has completed their technical evaluation on the 02 May 2024, the user department is busy compiling their technical evaluation that will be submitted to SCM by the end of May 2024.

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- 4.3 The Supervisory Control and Data Acquisition (SCADA) project is on track with the implementation and the fitting of main substations with the additional equipment to enable remote monitoring (Phase 1). Three main substations have been brought online to date. Main, Golf- and Jan Marias substations are online (for remote viewing). University substation will come online (for remote viewing) at the end of June 2024. Markotter- and Suidwal substations have unstable communication links that ITC is addressing. Cloetesville- and Franschhoek substations will only come online after June 2024. At this stage only four of the seven main incoming substations will be online (for remote viewing- Phase 1 of the SCADA)
- 4.4 Municipal Court Building: Inverter has been successfully installed to ensure business continuity. All other municipal buildings that require alternative energy supplies are being investigated as part of the AEG initiatives. The municipality has also applied for grant funding from DMRE Energy Efficiency Demand Side Management for 2024/25 ,2025/26,2026/27 & 2027/28 financial years. This funding can be utilized for the installation of energy efficient lighting and smart/intelligent lighting devices/initiatives in Municipal offices and -buildings. These initiatives are driven by SANEDI & DMRE.
- 4.5 Emergency Loadshedding Relief Grant Expenditure: Groendal, Wemmershoek and Dwarsrivier generators have been installed and commissioned at the end of March 2024. The loadshedding relief grant was expended in full at the end of April 2024.
- 4.6 The tender for the Stellenbosch Fire Station battery storage system closed on 26 February 2024. The user department's tender evaluation report was completed and submitted to SCM on 4 April 2024 the BEC is scheduled for 16 May 2024. The Main building and NPK buildings have been earmarked for Business Continuity Initiative, which entails the installation of BESS, Hybrid Inverters and PV, investigations are in process. An assessment report with estimated costs to establish the feasibility of the implementation of the projects will be submitted to the AEG Committee by the end of June 2024.

4.7 Provincial Initiative to Establish a 50MW Solar Plant

Provincial Government Western Cape (PGWC) has appointed a Project Manager and Transactional Advisory Consultancy Team to facilitate a possible 50 MW Independent Power Producers project, with the following deliverables:

- Inception report has been completed by the Project Team.
- A Feasibility Study is now underway at present. A draft feasibility report will be presented to all the stakeholders and relevant departmental officials from Stellenbosch Municipality on 17 May 2024 for final comments and feedback.
- The service level agreement between Province, their Project Management service providers and the Municipality has been provided by PGWC and commented on by the Municipality.
- The Memorandum of Understanding between PGWC and Stellenbosch Municipality for the Energy Resilience programme has been signed and finalised.
- Provincial Government has expressed concerns about the Municipality's 20MW IPP tender, as per Item 4.2 above, and has been requested to submit these concerns in writing.

4.8 Provincial Project: Municipal Pooled Buying initiative

The Provincial Government held a series of workshops with the Municipality's Legal, Financial and Technical teams. The Municipality has submitted comments during 2023 to PGWC. A follow up workshop is to be scheduled by PGWC by end March 2024. An updated final business case report compiled by PGWC was submitted to Stellenbosch Municipality officials for review on 24 April 2024 from Western Cape Provincial Government.

5. RECOMMENDATION

that Council notes the Alternative Energy Generation project updates identified by the AEG Committee and the latest progress with the Alternative Energy Generation projects in implementation at present.

6. DISCUSSION / CONTENTS**6.1 Background**

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

6.2 Discussion

Progress to date on the various initiatives are as follows:

6.2.1 Outcome of Eskom Engagements

Various meetings and interactions have taken place with Eskom.

The following feedback has been received from Eskom so far:

- Application for load curtailment has not been granted by Eskom. Eskom has formally responded on 19 January 2024 indicating that the application cannot be considered since the Municipality's load curtailment application seems to be interpreted by Eskom as not in line with the NRS 048-9 principles. At the meeting held with Eskom on 7 February 2024, Eskom recommended that the Municipality revise our application for reconsideration. The revised application is being prepared at present before resubmission to Eskom's Loadshedding Committee.
- As an immediate objective and for the proposed strategies to materialize, an agreement with Eskom on curtailment is still of crucial importance.
- As part of the long-term loadshedding mitigation strategy, the municipality will be initiating self loadshedding but for this to take place, it necessitates the installation of a Supervisory Control and Data Acquisition (SCADA) system and a fully operational manned control room.
- The objective is still to obtain approval from Eskom and sign an agreement as soon as possible. This strategy is dependent on the approval from Eskom. Without the approval from Eskom, the Municipality is at risk of not being able to implement any of the strategies to mitigate the impact of loadshedding.

6.2.2 Loadshedding Mitigation Investigations Concluded to Date

Extensive analysis has been undertaken and the following conclusions were reached:

6.2.2.1 Various strategies were investigated at the Alternative Energy Steering Committee:

- Installation of big renewable plants via Independent Power Producers (IPPs).
- Mass roll-out of consumer Small Scale Embedded Generation (SSEG) Photovoltaic (PV) systems.
- Energy switching by consumers.
- Energy efficiency of municipal facilities including streetlights.

6.2.2.2 Various strategies that would qualify as load shedding mitigation were also investigated including the following:

- Use of batteries to store electricity in order to provide the required load during load shedding. This has been found to be not financially viable.
- Use of batteries plus a Solar (PV) station with batteries to curtail the required load to mitigate the impact of loadshedding were investigated and found to be not financially viable,

6.2.2.3 Extensive analysis has shown that it would be easier to mitigate the impact of load shedding by becoming a load curtailment consumer rather than being a self-load shedding consumer. The following strategies have been analyzed, and found to be affordable and qualify for load curtailment:**6.2.2.3.1 Large consumer load curtailment strategies together with own generation facilities.**

- To enable load curtailment, the Municipality will have to design and implement tariffs to encourage participation by large consumers.

6.2.2.3.2 Using the geyser remote control system.

- Extensive communication and engagement with the municipality's customers will be required as the implementation of this strategy will result in some instances to customers being without hot water for extended periods especially during peak hours. Council to note that it has since come to light that technology changes might influence the viability of this strategy. The department is investigating all options and will report on the outcome.

6.2.3 Proposed Load Curtailment Strategy

Taking the above into consideration the following load shedding mitigation strategy is proposed:

6.2.3.1 Load curtailment.

Load Curtailment is usually for 4 hours from 14h00 to 18h00.

The large load curtailment consumers will be used to reduce the load by 10% from 14h00 to 18h00 during the majority of load curtailment days.

6.2.3.2 The geyser control system

The geyser control system will be used to curtail the load by 10% from 18h00 to 22h00 however it has since come to light that technology changes might influence the viability of this strategy. The department is investigating all options and will report on the outcome.

In cases where curtailment is required for more than 8 hours per day or for higher stages of load shedding, the following will apply:

6.2.4 The maximum amount of load curtailment / geyser control will be used to meet the requirements. This may incur additional costs to the municipality in order to compensate the customer for the extended period they would be without hot water.

6.2.5 When all possible curtailment has been applied and the requirements are still not met, the municipality will have to apply self loadshedding. To enable to self loadshedding the following is required:

- A SCADA remote control facility equipped network
- A proper operating system control room.
- A minimum staff complement of x 4 System network operators with administrative support.

Due to the costs involved in above load curtailment strategies, it is also proposed to contract with an Independent Power Producer (IPP) with renewable power to supply 20 MW of power to the Stellenbosch Main substation. This will not assist with loadshedding mitigation but will reduce the Eskom bulk purchase expenditure and may thus reduce the total cost of load shedding mitigation strategies.

6.2.6 **Municipal Initiatives**6.2.6.1 **Appoint Alternative Energy Independent Power Producers (IPP's)**

The Municipality has advertised a tender on 03 February 2024, for the possible purchase of 20MW of electricity from an Independent Power Producer (IPP), tender closed 28 March 2024, currently busy with evaluation.

Possible second Tender: Three sites were identified by Stellenbosch Municipality with the view to establishing IPP's. The Municipality is continuing to facilitate a possible separate tender process to procure IPP's as follows:

- Erf RE/119 Idas Valley for possible Biomass.
- Erf 181/0 Stellenbosch (below reservoir) for possible photovoltaic site.
- Erf 279/0 Stellenbosch (Droëdyke site opposite the landfill) for a possible photovoltaic site.

As a result of extensive investigations that are still required to be conducted to ensure that the tender specifications adhere to the Municipality's needs and ensure the responsiveness of bidders, this tender will be the second tender to be issued. The Municipality is continuously engaging with other Municipalities who are also following the same process to learn from their experiences, but this tender will only be advertised once the evaluation for the 20 MW IPP tender process has been concluded.

6.2.6.2 Implementation of Supervisory Control and Data Acquisition (SCADA)

The completion of Phase 1, which is the remote **monitoring** of seven main substations, is scheduled for completion by 30 June 2024. The total cost estimate for this phase R12 600 051.28 (VAT incl). To date 50% of this phase has been completed.

The total estimated cost to complete Phase 2 (implementation of remote switching at the 7 main substations) and Phase 3 (remote monitoring of the 11 kV substations) is R35 916 310.15 (VAT incl). These phases are proposed for implementation in the 2024/25 financial year.

6.2.6.3 Municipal Critical Buildings and Plants

The investigation for the most suitable alternative energy for the key infrastructure (water- and wastewater plants) to ensure continued service delivery is underway.

The progress on the four municipal buildings identified for business continuity is:

- Municipal Court – Battery backup installation (16 kVA inverter with 10 kWh battery back) has been installed.
- Fire Station – The tender for the supply and installation of a 100 kVA inverter and 400 kWh battery storage closed on 26 February 2024 and tender evaluation is underway.
- NPK Building – Investigation for the most feasible option is underway
- Main Building – Preliminary investigations have revealed that the existing electrical wiring of the main building is not suitable for the installation of an inverter with battery back-up. The existing electrical wiring must first be separated into essential and non-essential loads, and this will require the complete rewiring of the Main Building. Detailed investigations for the most suitable solution are underway.

6.2.6.4 Provincial Initiative to Establish a 50MW Solar Plant

Provincial Government Western Cape (PGWC) has appointed a Project Manager and Transactional Advisory Consultancy Team to facilitate the 50 MW IPP project.

The following deliverables are applicable to this process:

- Inception report has been completed by the Project Team.
- Feasibility Study now underway.
- The service level agreement between the Project Manager and the Municipality has been provided by PGWC and commented on by the Municipality.
- The Memorandum of Understanding between PGWC and Stellenbosch Municipality for the Energy Resilience programme has been signed.
- Provincial Government has expressed concerns about the Municipality's 20MW IPP tender, as per Item 4.2 above, and has been requested to submit these concerns in writing.

6.2.7 Decisions taken by the AEG Steering Committee on prioritized projects

The Department to drive the process to get the geyser load control system fully operational and integrated into the control room however it has since come to light that technology changes might influence the viability of this strategy. The department is investigating all options and will report on the outcome.

- The Department to continue with the discussions with bulk consumers and develop details of the product to become load curtailment consumers.
- The Department to continue with the IPP tender for 20 MW IPP at Main substation and the signing of a Power Purchase Agreement (PPA) to deliver power within 2 years after signing of the PPA. The tender is currently in the evaluation stage.
- The Department undertakes the tariff study and get the cost of supply study and tariffs approved by NERSA.
- The Department to continue with investigations into the Small-Scale Embedded Generation (SSEG) impact and possible strategies and option to use SSEG consumer batteries as load shedding mitigation.
- The Municipality continues participating in the Provincial 50 MW IPP project
- The Municipality continues participating in the Provincial Pool Buying project
- The Department facilitates projects for the upgrading of the substations to enable self loadshedding.
- The Department conduct investigations on possible affordable network upgrades to absorb more than 20 MW into the network.

6.3 Financial Implications

This report has further financial implications to the municipality than what has been mentioned in this report, but the exact impact will only become known once all the investigations have been concluded.

6.4. Legal Implications

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

6.5. Staff Implications

It is foreseen that 4 staff members would be required operate the control room which is required to manage self loadshedding.

A minimum staff complement of x 4 System Network Operators with Administrative support for the Network systems control room.

Further to the above, specialized technical staff would be required to facilitate and implement the loadshedding initiatives. The department has identified vacancies that need to be funded and filled to enable the loadshedding initiatives.

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 of completed investigations within the determination of the 2021/22 budget process.

16TH COUNCIL MEETING: 2023-08-23: ITEM 11.6.3

NOTED

The progress of the Alternate Energy Generation initiatives and studies.

20TH COUNCIL MEETING: 2024-02-21: ITEM 11.6.1

NOTED

The Alternative Energy Generation strategies identified by the AEG Committee and the progress with the Alternative Energy Generation projects initiated.

6.7. Risks / Challenges: Implications and Mitigation:

- With both initiatives (Municipal 20 MW tender and Provincial 50 MW proposed tender) currently underway, Provincial Government has raised concerns about the Municipal 20 MW tender currently being evaluated. The PGWC were requested to submit their concerns in writing to the Municipality.
- A meeting was facilitated with the Provincial Government Heads of Department of the Department of Local Government, and Department of Infrastructure on 26th January 2024, to discuss the above matters.
- The implementation of the load shedding mitigation strategies is still subject to the approval of the municipality's load curtailment application by Eskom's Load Shedding Committee. Regular follow-up engagements are being held with Eskom and the Municipality's revised application is being finalised at present.
- To enable self-loadshedding, a significant capital investment will be required. The Department is implementing in phases the upgrades to the electrical network and has budgeted accordingly.
- The identified resources (vacancies and equipped operational control room) will be budgeted, for the strategies and initiatives to be realised.
- The existing ICT network infrastructure needs to be upgraded, but it will be a phased in approach over time, so that the existing bandwidth of the ICT network is sufficient to deal with the volume of the SCADA traffic. The ICT Department is investigating solutions to enable a functioning SCADA on the ICT network.
- The preliminary simulations investigation that was conducted by the Municipality's service provider revealed that the maximum suitable size for a solar plant without batteries that can be absorbed into the Stellenbosch network is 20MW.
- Therefore, for both the Provincial 50MW power plant and the 20MW Municipal power plant to be accommodated into the current Stellenbosch electrical network, upgrades will be required by the electrical network. These plants must be connected to the Main substation to be able to transfer the load to the various load centres. To enable the existing electrical network to absorb both the 50MW and 20 MW capacities at the Main Substation, the Department has submitted for consideration its proposed MTREF budget for the anticipated upgrades.

**RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO THE COUNCIL MEETING IN JUNE:
2024-05-22: ITEM 7.6.1**

that Council notes the Alternative Energy Generation project updates identified by the AEG Committee and the latest progress with the Alternative Energy Generation projects in implementation at present.

FOR FURTHER DETAILS CONTACT:

NAME	Mark Benson/Nombulelo Zwane
POSITION	<i>Manager: Planning, Design, Construction & Services/ Senior Manager: Electrical Services</i>
DIRECTORATE	<i>Infrastructure Services</i>
CONTACT NUMBERS	021 808 8770/ 021 808 8333
E-MAIL ADDRESS	mark.benson@ Stellenbosch.gov.za/ nombulelo.zwane@ Stellenbosch.gov.za
REPORT DATE	16 May 2024

10.7	PARKS, OPEN SPACES AND ENVIRONMENT: (PC: J WILLIAMS)
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NONE

10.8	PLANNING AND LOCAL ECONOMIC DEVELOPMENT AND TOURISM: (PC: CLLR C VAN WYK)
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10.8.1	EXTENSION OF APPOINTMENT OF THE MEMBERS TO SERVE ON THE STELLENBOSCH MUNICIPALITY CONSERVATION ADVISORY COMMITTEE
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Collaborator No: 767244

IDP KPA Ref No: Good Governance and Compliance

Meeting Date: 22 May 2024

1. SUBJECT: EXTENSION OF APPOINTMENT OF THE MEMBERS TO SERVE ON THE STELLENBOSCH MUNICIPALITY CONSERVATION ADVISORY COMMITTEE

2. PURPOSE

To provide Council with the pertinent facts to extend the current appointed Members for the Stellenbosch Municipality Conservation Advisory Committee for an additional two (2) years.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

At the 11th Council meeting: 2023-02-22: Item 11.8.1 (**APPENDIX 1**) the Council appointed (7) seven members for an initial period of 12 months, from the date of acceptance of the nomination, in terms of Section 249(1) of the Stellenbosch Zoning Scheme By-Law, 2019, the municipality shall establish a Conservation Advisory Committee to make recommendations on planning applications in Urban and Rural Conservation Overlay Zones.

On 26 May 2023, Johann Clemens Slee resigned from the Stellenbosch Municipality Conservation Advisory Committee. Based on the Terms and Reference (**APPENDIX 2**) as approved by Council on 28 August 2021, (**APPENDIX 3**), (5) five to (7) seven members must be appointed therefore the current (6) six members still meet the requirements of the Terms and Reference.

Based on the Terms and Reference approved by Council on 28 August 2021, a member holds office for a term of three (3) years.

5. RECOMMENDATIONS

- (a) that Council appoints the following qualifying six (6) members for a term of three (3) years;

Nominee	Residence
Petrus Jakobus Kruger Dekker	Stellenbosch
Jan Raymond Dirk Bouma	Jonkershoek, Stellenbosch
Brian Henry Howard	Franschhoek
Piet Eduard Classen	Mostertsdrift, Stellenbosch
Rudia Pool-Stanvliet	Mostertsdrift, Stellenbosch
Cornelia Hendrika Smart	Devon Park, Stellenbosch

- (b) that the members are to be remunerated at an hourly rate of R1250; and
- (c) that the members are to sign The Code of Conduct of the Members of the Advisory Committee (**APPENDIX 4**) approved by the Council at the 11th Council meeting: 2023-02-22.

6. DISCUSSION / CONTENTS

6.1 Background

In terms of Section 249(1) of the Stellenbosch Zoning Scheme By-Law, 2019, the municipality shall establish a Conservation Advisory Committee to make recommendations on planning applications in Urban and Rural Conservation Overlay Zones.

On 28 August 2021, a term of reference for the establishment of a Stellenbosch Municipality Conservation Advisory Committee was drawn up and presented to Council for adoption and approval.

At the 11th Council meeting: 2023-02-22: Item 11.8.1 the Council appointed (7) seven members.

On 26 May 2023, Johann Clemens Slee resigned from the Stellenbosch Municipality Conservation Advisory Committee. Based on the Terms and References as approved by Council on 28 August 2021, (5) five to (7) seven members must be appointed therefore the current (6) six members still meet the requirements of the Terms and Reference.

6.2 Discussion

In appointing members to the committees, it is important to take into account the functions of the new Stellenbosch Municipality Conservation Advisory Committee to manage the Urban environments in a manner that accommodates the needs of all the residents of the WC024, the demographic composition of the new committee must be given serious attention just like the skills and experience of such members.

The functions of the committee are as follows:

1.	To advise Council on the aesthetical, functional, architectural, cultural, and historical aspects of any new development or contemplated development and with respect to any proposed alterations or additions to existing buildings, structures and elements of the built environment within all declared heritage areas.
2.	To advise Council on the aesthetical, functional, architectural, cultural, and historical aspects with respect to any proposed alterations or additions to existing buildings or structures that are specified in terms of Sections 27 & 34 of the NHRA.
3.	To advise Council on any application received for the demolition or partial demolition of any building or structure within any declared Heritage Area or to any structure that is specified in terms of Sections 27 & 34 of the NHRA.
4.	To advise, to Council on any applications received in terms of Section 38 of the NHRA.
5.	To advise, to Council on any applications received that is specified in Terms of the National Environmental Act (No. 107 of 1998).
6.	To provide Council with comments and input on Outdoor Advertising and Signage applications.
7.	To advise Council with the compilation of a heritage register and demarcation of heritage areas as specified in section 30 or 31 of the NHRA of all heritage resources within the greater Stellenbosch.

8.	To evaluate and advise Council on any application for signage as per the approved Outdoor Advertising Signage Policy or Bylaw.
9.	Provide input to the Directorate: Planning and Environment with the development of specific development strategies, guidelines, regulations, and procedures pertaining to the preservation and appropriate development of individual declared Heritage Areas.
10.	To provide advice on applications that requires approval by SAHRA and HWC in terms of Section 27 & 34 of the National Heritage Resources Act
11.	Should Council be assessed by Heritage Western Cape and be deemed a competent authority in terms of Section 26 read together with section 8 of the Heritage Resource Act, the Committee is to advise Council on the identification and management of Grade III heritage resources.

The approved Terms and Reference recommended that a minimum of (5) five to (7) seven members must be appointed by the Council who are not employees and/or Political Office Bearers of Stellenbosch Municipality as per the Terms of Reference for the Establishment of a Stellenbosch Municipality Conservation Advisory Committee

At the 11th Council meeting: 2023-02-22: Item 11.8.1, the Council appointed (7) seven members for an initial period of 12 months, from the date of acceptance of the nomination.

6.3 **Financial Implications**

The Committee members will be remunerated at an hourly rate of R1250. Meeting procedures are limited to five (5) hours per meeting and should the duration of meetings require an extension of such hours, prior approval must be obtained from the delegated authority.

The current budgetary provision was made for one (1) meeting per month within the 2023/ 2024 approved operational budget.

6.4 **Legal Implications**

The Establishment of the Conservation Advisory Committee is required in terms of Section 249 of the Stellenbosch Municipality Zoning Scheme Bylaw, 2019, the municipality shall establish a Conservation Advisory Committee to make recommendations on planning applications in Urban and Rural Conservation Overlay Zones.

6.5 **Previous / Relevant Council Resolutions:**

11th Council Meeting: 2023-02-22: Item 11.8.1
Resolved (majority vote with abstentions)

- b. that Council approves the appointment of the following nominations to serve on the Stellenbosch Municipality Conservation Advisory Committee ("CAC"):
- Petrus Jakobus Kruger Dekker (Stellenbosch)
 - Johann Clemens Snee (Stellenbosch)
 - Jan Raymond Dirk Bouma (Stellenbosch)
 - Brian Henry Howard (Franschhoek)
 - Piet Eduard Claassen (Stellenbosch)
 - Rudia Pool-Stanvliet (Stellenbosch)
 - Cornelia Hendrika Smart (Stellenbosch)

The applications of the nominees are attached as APPENDIX 2 of this report.

- c. that Council approves that the above listed nominees be appointed for an initial period of 12-months from the date of acceptance of the nomination;
- d. that the nominees be remunerated at a rate of R1250.00 per nominee per hour for actual sitting with an estimated maximum 5 hours per sitting;
- e. and that Council approves the Code of Conduct for the members of the Stellenbosch Municipality Conservation Advisory Committee ("CAC"), attached as APPENDIX 3 of this report.

1.3 **Risk Implications**

There are currently no risk implications.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO THE COUNCIL MEETING IN JUNE: 2024-05-22: ITEM 7.8.1

- (a) that Council appoint the following qualifying six (6) members for a term of one (1) year;

Nominee	Residence
Petrus Jakobus Kruger Dekker	Stellenbosch
Jan Raymond Dirk Bouma	Jonkershoek, Stellenbosch
Brian Henry Howard	Franschhoek
Piet Eduard Classen	Mostertsdrift, Stellenbosch
Rudia Pool-Stanvliet	Mostertsdrift, Stellenbosch
Cornelia Hendrika Smart	Devon Park, Stellenbosch

- (b) that the members are to be remunerated at an hourly rate of R1250; and
- (c) that the members are to sign The Code of Conduct of the Members of the Advisory Committee (**APPENDIX 4**) approved by the Council at the 11th Council meeting: 2023-02-22.

APPENDICES

- Appendix 1: 11th Council meeting: 2023-02-22: Item 11.8.1
- Appendix 2: Terms of Reference for the Establishment of a Stellenbosch Municipality Conservation Advisory Committee
- Appendix 3: Council Minutes 28 August 2021
- Appendix 4: Code of Conduct of a Stellenbosch Municipality Conservation Advisory Committee

APPENDIX 1

MINUTES

11TH MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2023-02-22

11.8	PLANNING :(PC: CLLR C VAN WYK)
11.8.1	REQUEST FOR THE APPOINTMENT OF THE NOMINATIONS TO SERVE ON THE STELLENBOSCH MUNICIPALITY CONSERVATION ADVISORY COMMITTEE ("CAC")

Collaborator No: 743921
 IDP KPA Ref No: Good Governance and Compliance
 Meeting Date: 15 February 2023 and 22 February 2023

1. SUBJECT: REQUEST FOR THE APPOINTMENT OF THE NOMINATIONS TO SERVE ON THE STELLENBOSCH MUNICIPALITY CONSERVATION ADVISORY COMMITTEE ("CAC")

2. PURPOSE

To provide Council with the pertinent factors to consider the appointment of the members of the Conservation Advisory Committee as stipulated in Section 249 of the Stellenbosch Municipality Zoning Scheme By-law, 2019.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The Stellenbosch Municipality Zoning Scheme requires the appointment of members to serve on the Stellenbosch Municipality Conservation Advisory Committee ("CAC") in terms of Section 249 of the said By-law.

Section 249(3) of the said bylaw required that the ordinary rules and procedures be prescribed, such rules were adopted by Council on 28 July 2021 at its 44th Council Meeting, copy attached as **APPENDIX 1**, where the Terms of Reference were duly adopted, which included the guidelines for appointment of the members of the CAC. The Terms of Reference required the appointment of seven (7) members to serve on the CAC.

The Department has per the resolution of Council, therefore undertook the process to appoint the members of the CAC for an initial period of 12-months from the date of appointment.

11TH COUNCIL MEETING: 2023-02-22: ITEM 11.8.1

RESOLVED (majority vote with abstentions)

- (a) that Council approves the appointment of the following nominations to serve on the Stellenbosch Municipality Conservation Advisory Committee ("CAC"):

- Petrus Jakobus Kruger Dekker (Stellenbosch)
- Johann Clemens Snee (Stellenbosch)
- Jan Raymond Dirk Bouma (Stellenbosch)
- Brian Henry Howard (Franschhoek)
- Piet Eduard Claassen (Stellenbosch)
- Rudia Pool-Stanvliet (Stellenbosch)
- Cornelia Hendrika Smart (Stellenbosch)

The applications of the nominees are attached as **APPENDIX 2** of this report.

MINUTES

11TH MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2023-02-22

-
- (b) that Council approves that the above listed nominees be appointed for an initial period of 12-months from the date of acceptance of the nomination;
- (c) that the nominees be remunerated at a rate of R1250.00 per nominee per hour for actual sitting with an estimated maximum 5 hours per sitting; and
- (d) that Council approves the Code of Conduct for the members of the Stellenbosch Municipality Conservation Advisory Committee ("CAC"), attached as **APPENDIX 3** of this report.

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

Cllrs J Andrews; M Danana; RB Hendrikse; N Mananga-Gugushe; E Masimini; N Mkhontwana; R Nalumango; Z Ndalasi; M Nkopane; C Noble; N Ntsunguzi; M Rataza; A Tomose and M Van Stade.

FOR FURTHER DETAILS CONTACT:

NAME	Katherine Robinson
POSITION	Senior Heritage Planner
DIRECTORATE	Planning & Economic Development
CONTACT NUMBERS	021 808 8608
E-MAIL ADDRESS	Katherine.Robinson@ Stellenbosch.gov.za
REPORT DATE	30 January 2023

APPENDIX 2



STELLENBOSCH

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TERMS AND REFERENCES FOR THE ESTABLISHMENT OF A STELLENBOSCH MUNICIPALITY CONSERVATION ADVISORY COMMITTEE

Draft Version

APRIL 23, 2021

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Definitions and interpretation of rules

In this document, unless the context requires otherwise -

"Delegated Authority"	Means a municipal employee / Committee who is authorized in terms of delegated by Municipality to exercise a power or perform a duty in terms of National Heritage Resources Act 25 of 1999 and Chapter 25 and 26 of the Stellenbosch Municipality Zoning Scheme Bylaw, 2019.
"Chairperson"	Means the person who presides over the meeting. The Chairperson is responsible for making sure that each meeting is effectively conducted according to the constitution and that matters are dealt with in an orderly and efficient manner.
"Committee"	Means the Stellenbosch Municipality Conservation Advisory Committee appointed by Council.
"Committee Officer"	Means an authorized employee appointed/ designated by the Stellenbosch Municipality, whose function is to provide administrative and secretarial support to the Stellenbosch Municipality Conservation Advisory Committee.
"Conservation"	Means the process for managing heritage resources to retain their cultural significance. This includes protection, maintenance, preservation and adaptive re-use of resources. Conservation requires the retention of an appropriate visual context and other relationships that contribute to the significance of place.
"Consultant"	Means a person authorized in terms of the power of attorney to make an application on behalf of the owner of land.
"Council"	Means Municipal Council of Stellenbosch Municipality.
"Cultural landscape"	Means a physical area with natural features and elements that have been modified by human activity which results in layered evidence that has been built up overtime that gives a landscape its descriptive spatial historical aesthetic character that is symbolic and memorable.
"Cultural significance"	Means aesthetic, architectural, historical, social, linguistic, scientific and technological value or significance.
"Development"	Means any physical intervention, excavation or action that are not the result of natural forces, which may, in the opinion of a heritage authority, result in a change to the appearance or physical nature of the place or will influence its stability and future wellbeing.
"Heritage area"	Means a designated geographical area of special architectural historic, social, symbolic, aesthetic/scenic character which is protected by legislative mechanisms wither at provincial or municipal level.
"Heritage resources"	Means any place or object that has cultural significance.
"Heritage site"	Means a place that has been declared a national heritage site (Grade 1) by SAHRA or declared a provincial heritage site (Grade 2) by the provincial resource authority.
"HWC"	Means Heritage Western Cape - the provincial heritage resource authority.
"Member"	Means a person appointed a member of the Stellenbosch Municipality Conservation Advisory Committee by the Stellenbosch Council.
"Minister"	Means the Minister of Arts and Culture
"Municipality"	Means Stellenbosch Municipality located in the Cape Winelands District of the Western Province.
"NHRA"	Means the National Heritage Resources Act, (Act 25 of 1999)

"SAHRA"	Means the South African Heritage Resources Agency
"Zoning Scheme"	Means the Stellenbosch Zoning Schemes Bylaw adopted by Stellenbosch Council

1. The purpose of the Stellenbosch Municipality Conservation Advisory Committee

The Stellenbosch Municipality Conservation Advisory Committee is appointed by Council to assist them with the expertise required in heritage related matters to satisfy the required mandate of Section 249(1) of the Stellenbosch Zoning Scheme By-Law, 2019.

The Conservation Advisory Committee must evaluate and provide advise on all heritage matters in terms of the National Heritage Resources Act 25 of 1999 and any new developments in Overlay Zones in terms of Stellenbosch Zoning Scheme By-Law.

2. Functions of the Stellenbosch Municipality Conservation Advisory Committee

The function of the Conservation Advisory Committee is to advise Council on the various aspects in lieu of the preservation and furthering of the cultural landscape and natural environment of the Greater Stellenbosch Area.

The committee therefore has the following functions:

- 2.1 To advise Council on the aesthetical, functional, architectural, cultural and historical aspects of any new development or contemplated development and with respect to any proposed alterations or additions to existing buildings, structures and elements of the built environment within all declared heritage areas.
- 2.2 To advise Council on the aesthetical, functional, architectural, cultural and historical aspects with respect to any proposed alterations or additions to existing buildings or structures that are specified in terms of Sections 27 & 34 of the NHRA.
- 2.3 To advise Council on any application received for the demolition or partial demolition of any building or structure within any declared Heritage Area or to any structure that is specified in terms of Sections 27 & 34 of the NHRA.
- 2.4 To advise, to Council on any applications received in terms of Section 38 of the NHRA.
- 2.5 To advise, to Council on any applications received that is specified in Terms of the National Environmental Act (No. 107 of 1998).
- 2.6 To provide Council with comments and input on Outdoor Advertising and Signage applications.
- 2.7 To advise Council with the compilation of a heritage register and demarcation of heritage areas as specified in section 30 or 31 of the NHRA of all heritage resources within the greater Stellenbosch.
- 2.8 To evaluate and advise Council on any application for signage as per the approved Outdoor Advertising Signage Policy or Bylaw.
- 2.9 Provide input to the Directorate: Planning and Environment with the development of specific development strategies, guidelines, regulations and procedures pertaining to the preservation and appropriate development of individual declared Heritage Areas.

2.10 To provide advise on applications that requires approval by SAHRA and HWC in terms of Section 27 & 34 of the National Heritage Resources Act.

2.11 Should Council be assessed by Heritage Western Cape and be deemed a competent authority in terms of Section 26 read together with section 8 of the Heritage Resource Act, the Committee is to advise Council on the identification and management of Grade III heritage resources.

3. Mandate of the Stellenbosch Conservation Advisory Committee

The mandate of the Committee is to: only advise the delegated authority as per Council's Register of Delegations, on all heritage related applications in the declared Stellenbosch Municipality Urban and Rural conservation overlay zones and all heritage buildings and sites related to the NHRA.

No individual member and/or group of members of the Committee may represent the views and/or authority of the Stellenbosch Municipality.

4. Structure of the Stellenbosch Conservation Advisory Committee

It is recommended that a single Committee structure is adopted, to advise the delegated authority on all heritage related applications in the declared Stellenbosch Municipality Urban and Rural conservation overlay zones and all heritage buildings and sites in Stellenbosch (WC024) Municipality.

A Heritage Committee must consist of:

- 4.1 A must consist of a minimum of five (5) members and a maximum of seven (7) members appointed by Council who are not employees of the Municipality or Councillors.
- 4.2 All members must be residents of the Stellenbosch (WC024) Municipality.
- 4.2 In addition, there will be a minimum of two (2) employees of the Municipality.
- 4.3 The Committee must have reasonable knowledge, experience and expertise in the following interrelated fields and professions:
 - Built Environment
 - Cultural Heritage
 - Heritage Management
 - Natural Environment
- 4.4 The Committee members must have appropriate knowledge of the current heritage planning and environmental legislations and policies.
- 4.5 It would be considered advantageous if members have experience in documentation and archival research of South African Heritage or expertise in design and supervision of construction in the heritage environment.
- 4.6 The Committee members are to be representative of diversity, inclusion and equity.

5. Terms of Office of the Stellenbosch Conservation Advisory Committee members.

- 5.1 The Municipality will select members by means of an advertised application process.
- 5.2 Members of the Conservation Advisory Committee shall be appointed in accordance with the principles of transparency and representativity.

- 5.3 Their appointment must consider that the members are to have, amongst them, qualifications and / or proven experience in the fields relevant to heritage resources for the efficient functioning of the Heritage Committee.
 - 5.4 A member holds office for a term of three (3) years.
 - 5.5 A member may be re-appointed by Council for a second term, for a period of two (2) years, provided that the member may not hold office for more than five (5) consecutive years.
 - 5.6 On appointment the members must sign a letter of acceptance of the post and a copy of a Code of Conduct of Committee Members that has been approved by the Council.
 - 5.7 A member of the Conservation Advisory Committee must vacate the office if a member:
 - 5.7.1 Resigns in writing 1 month prior to date of resignation.
 - 5.7.2 Has been absent from three consecutive meetings of the Heritage Committee without leave of absence.
 - 5.7.3 The Municipal Manager, after consultation with the Director: Planning and Economic Development and the relevant delegated authority, may remove a member from office if in the opinion of the Council there is sound reasons for doing so after hearing the member on those reasons.
 - 5.8 If a member vacates the office prior the expiration of the period for which they have been appointed as a member of the Conservation Advisory Committee, another person may be nominated by the Committee and appointed by the Council to fill the vacancy for the remaining portion of the period for which the member was appointed.
 - 5.9 Should the need arise, the Committee can put forward a request to Council for the right to co-opt additional members to the committee on a temporary basis should a development issue be dealt with that will have a direct impact on a specific geographic area and a person or persons with sound knowledge of that area exist.
6. Reimbursement of expenses incurred by the Stellenbosch Conservation Advisory Committee

The delegated authority may determine the reimbursement of expenses incurred by members of the Heritage Committee in terms of Stellenbosch Municipality relevant reimbursement policy, only when such expenses have been pre-approved in writing by the delegated authority.

7. Rules of procedure for Meetings of the Stellenbosch Conservation Advisory Committee:

7.1. General:

- 7.1.1 The Conservation Advisory Committee must meet at least once a month or as per request.
- 7.1.2 The Chairperson must determine the dates and times of the Stellenbosch Municipality Conservation Advisory Committee in consultation with the Delegated Authority and the Committee Officer.
- 7.1.3 Meetings must be held through Microsoft Teams or any other virtual platform available at the time of such meeting, and should the need arise meetings may be held in person, subject to prior approval granted by the delegated authority.
- 7.1.4 The first meeting is to be in person. At this meeting the Members will nominate and vote for a Chairperson, Deputy Chairperson and a Committee Officer, who will record the minutes for the meeting which will be sent to the Delegated Authority.

- 7.1.5 The Committee Officer will be responsible for creating the yearly meeting schedule based on the dated determined by the Conservation Advisory Committee in consultation with the Delegated Authority.
- 7.1.6 The Committee Officer will create the meeting agenda and compile information packs that will be sent to the members through electronic communication a minimum of five (5) working days prior to the meeting.
- 7.1.7 All Members of the Committee must, in writing, specify an electronic mail address, where they will receive a notice of meetings and other official correspondence and are required to acknowledge receipt, in writing, of the upcoming scheduled meeting and receipt of the information packs.
- 7.1.8 Electronic notices of a meeting or any other official correspondence to these addresses will constitutes a paper notice of a meeting.
- 7.1.9 If a member has not received notice of a meeting or all relevant documentation, this will invalidate any proceedings of the meeting.
- 7.1.10 Should the Chairperson be absent on the day of the meeting, the Deputy Chairperson will undertake the duties of the Chairperson.

7.2. Quorum

- 7.2.1 A quorum for a meeting of the Stellenbosch Municipality Conservation Advisory is half (50%) plus 1 of the appointed members.
- 7.2.2 The Chairperson shall, in the event of equality of votes, have a casting vote in addition to his / her deliberative vote.
- ~~7.2.3 If there is no quorum at the beginning of the meeting and the Chairperson is present, the meeting must be postponed 15 minutes. If at the end of that period, if there is still no quorum, the meeting may proceed, however all items discussed will be recorded as "Discussion".~~
- 7.2.4 The minutes can only be recorded as recommendations once a quorum is present. This can be done later via email. Evidence of communication should be sent to the Chairperson to be attached to the minutes.

7.3. Agenda and Site Inspections:

- 7.3.1 A copy of the minutes from the previous meeting, an agenda for the scheduled meeting and copies of all information packs for the meeting must be sent to the Committee Members by the Committee Officer.
- 7.3.2 Meetings should be conducted according to the order in which the matter appear on the agenda, and only matters which are on the agenda and are in writing may be debated. Notwithstanding this, the Chairperson may change the order of matters appearing on the agenda or withdraw an item or refer it back to the Administration, except for allocated appointment items on the agenda.
- 7.3.3 The Committee may conduct a site inspection, with prior approval from the delegated authority, relevant to an application being considered or make use of an official appointed by Council to conduct an inspection.

- 7.3.4 Should a site inspection be required, arrangements are to be made by the Committee Official. All members to confirm dates of availability at the end of the meeting for ease of arrangements.
- 7.3.5 All site inspections are to be recorded in a Site Inspection Report by the members and which should be attached to the minutes of the next meeting.

7.4. Conduct at Meetings and Site Inspections

The Chairperson must:

- 7.4.1 Ensure that the minutes of the previous meeting is adopted and seconded by the Committee Members.
- 7.4.2 Request members to declare any personal or other interest in respect of the agenda before them and indicate whether they have been approached by any party concerned prior to the meeting. Recusals by members, if any should be minute accordingly.
- 7.4.3 Maintain order during the meeting.
- 7.4.4 Refer any alleged contravention of the code of conduct by members at the meetings to the Delegated Authority.
- 7.4.5 Ensure that the meetings are conducted in accordance with these rules.
- ~~7.4.6 Ensure that any person refusing to comply with his / her ruling leaves the venue immediately and, in case of members, reports these instances to the Director Planning and Economic Development.~~
- 7.4.7 Ensure that when members go on site inspections they are representing the Municipality and should always act in accordance with the Code of Conduct.

7.5. Oral/ electronic presentation

- 7.5.1 Should an applicant wish to present an oral / verbal / visual presentation to the Committee, they are to put their request in writing to the Committee Officer at least seven (7) days prior to that meeting so that they can be allocated a time slot.
- 7.5.2 The purpose of an oral presentation is to allow the applicant/consultant an opportunity to present the application to the members of the committee and provide accuracy or merit on the documentation/plans before the committee and also to elaborate on relevant issues which committee members may have. The applicant may not be present when the Committee discuss the application and make the recommendation.
- 7.5.3 The applicant must provide at least 1 set of hard copies of documentation and also electronic documents to the Committee Officer on the closing date for submission ten (10) days prior to the next meeting.
- 7.5.4 The Committee Officer will electronically distribute the electronic document to the Committee members in order that the Committee members may have time to consider the matter in advance.
- 7.5.5 The Chairperson may limit the oral presentation to specified matters relating to an application.

7.5.6 As a general guide, the applicant / consultant, must be permitted reasonable time to make their presentation.

~~7.5.7 Notwithstanding Rule 10.6 above, the allocated time may be increased at the discretion of the Chairperson, if the circumstances of the application warrant this.~~

7.5.8 After the introduction of the application by the Committee Officer, the order of speakers will, subject to the Chairperson's discretion be as follow:

7.5.8.1 The applicant or consultant who requested the presentation will address the Committee; whereafter

7.5.8.2 The Chairperson will give members of the committee an opportunity to ask the applicant relevant question of clarification.

7.5.8.3 No cross examination of any party is permitted.

7.6. Recommendations and Voting:

7.6.1 All recommendation must be taken by the supporting vote agreed upon by the majority of members present at the meeting.

7.6.2 If the Chairperson ask members whether they agree with the recommendation/s on the matter before the Committee, and such recommendation/s are opposed by any members present, a decision must be taken by show of hands by approving an application in (1) whole or (2) in part, or (3) refuse it. Should there be no opposition, it must be recorded in the minutes that the decision was unanimous.

7.7. Minutes

The Committee Secretary must ensure that all proceedings of the Stellenbosch Municipality Conservation Advisory Committee are to be recorded during the meeting. All recommendations, including reasons, must be recorded in the minutes.

Every member of the Committee, as well as any other person attended a meeting, must sign the attendance register, and the Committee Officer must ensure that a record is made in the minutes of the names of those members who:

- (a) Are absent with leave having been granted by the Chairperson;
- (b) In the case of the Chairperson, absent with leave must be granted by the Senior Manager: Development Planning;
- (c) Any leave that has not been authorised must be recorded;
- (d) Arrived after the meeting has started (time of arrival must be recorded);
- (e) Leave the meeting prior to the conclusion thereof (time and reason for departure must be recorded)
- (f) The correctness of the minutes must, after the meeting, be signed off by the Chairperson after circulation to the members present, and thereafter be made available within one week (seven working days) following a meeting;
- (g) A copy of the confirmed minutes must be included in the Agenda of the next meeting of the Stellenbosch Municipality Conservation Advisory Committee for information and record purposes.

APPENDIX 3

MINUTES

44TH MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY

2021-07-28

11.7	PLANNING, LOCAL ECONOMIC DEVELOPMENT AND TOURISM: (PC: CLLR E GROENEWALD (MS))
11.7.1	TERMS OF REFERENCE FOR THE ESTABLISHMENT OF A STELLENBOSCH MUNICIPALITY CONSERVATION ADVISORY COMMITTEE

Collaborator No:

IDP KPA Ref No:

Meeting Date: 15 June 2021 and 28 July 2021

1. SUBJECT: TERMS OF REFERENCE FOR THE ESTABLISHMENT OF A STELLENBOSCH MUNICIPALITY CONSERVATION ADVISORY COMMITTEE

2. PURPOSE

To provide Council with the terms of reference for the Establishment of the Conservation Advisory Committee as required in terms of Section 249 of the Stellenbosch Municipality Zoning Scheme Bylaw, 2019, and to obtain the required approval to place advertisements for the invitation for members to serve on the said Committee.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Section 249 of the Stellenbosch Municipality Zoning Scheme By-law, 2019 stipulate the following:

"(1) The Municipality shall establish a Conservation Advisory Committee, which may consist of various sub-committees for different overlay zone areas, to make recommendations on planning applications in Urban and Rural Conservation Overlay zones."

44TH COUNCIL MEETING: 2021-07-28: ITEM 11.7.1

RESOLVED (majority vote)

- (a) that Council approves and adopts the Terms of Reference for the Establishment of the Conservation Advisory Committee, as contained in **APPENDIX 1** of this report;
- (b) that Council approves that the Directorate: Planning and Economic Development commences with a process to place an advertisement that will invite suitably qualified and experienced persons to apply to serve as Members of the Conservation Advisory Committee;
- (c) that Council notes that the Directorate: Planning & Economic Development will submit the list of preferred candidates to serve as members of the Conservation Advisory Committee to the next Council Meeting for approval; and
- (d) that Council notes that the Directorate: Planning & Economic Development will submit the Code of Conduct of the Members of the Conservation Advisory Committee for approval to the next Council meeting.

APPENDIX 4



STELLENBOSCH
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CODE OF CONDUCT OF A STELLENBOSCH MUNICIPALITY CONSERVATION ADVISORY COMMITTEE

Draft Version

JANUARY 30, 2023

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These Rules of Procedure must be read with the Stellenbosch Municipal Land Use Planning By-law (2015) published in the Provincial Extraordinary Gazette No 7512, dated 7 October 2015;

1. Application of rules of procedure

- 1.1. The Rules of Procedure (hereafter named "Rules") apply to all the meetings of the Stellenbosch Municipality Conservation Advisory Committee appointed by Council.

2. Definitions and interpretation of rules

- 2.1. In these Rules, unless inconsistent with the context hereof or the Stellenbosch Municipal Planning By-law:

"Agent" or "Consultant"	Means a person authorised in terms of a power of attorney to make an application on behalf of the owner of the land
"Applicant"	Means a person referred to in Section 15 who makes an application to the Municipality as contemplated in that section and includes its agent or consultant or other legal representative
"Authorised Employee"	Means a municipal employee who is authorised in terms of delegated or sub-delegated authority by the Municipality to exercise a power or perform a duty in terms of the Stellenbosch Municipal Land Use Planning By-law (2015) and includes the author of land use assessment report served before the Committee.
"By-law"	Means By-law on Land Use Planning on Land Use Planning 2015, published in the Provincial Extraordinary Gazette No 7512, dated 7 October 2015
"Chairperson"	Means the Chairperson designated in terms of Section 72(10) of the Stellenbosch Municipal Land Use Planning By-law (2015) and includes the Deputy Chairperson or as elected at such meetings in the event that the Chairperson or Deputy Chairperson is not able to act as such
"Committee"	Means the Stellenbosch Municipality Conservation Advisory Committee appointed by Council.
"Committee Officer"	Means an authorized employee appointed/ designated by the Stellenbosch Municipality, whose function is to provide administrative and secretarial support to the Stellenbosch Municipality Conservation Advisory Committee.
"Consultant"	Means a person authorized in terms of the power of attorney to make an application on behalf of the owner of the land.

"Council"	Means Municipal Council of Stellenbosch Municipality.
"Cultural landscape"	Means a physical area with natural features and elements that have been modified by human activity which results in layered evidence that has been built up over time that gives a landscape its descriptive spatial historical aesthetic character that is symbolic and memorable.
"Cultural significance"	Means aesthetic, architectural, historical, social, linguistic, scientific and technological value or significance.
"Day"	Means calendar day and <i>not</i> a working day;
"Development"	Means any physical intervention, excavation, or action that is not the result of natural forces, which may, in the opinion of a heritage authority, result in a change to the appearance or physical nature of the place or will influence its stability and future wellbeing.
"Heritage area"	Means a designated geographical area of special architectural historic, social, symbolic, aesthetic/scenic character which is protected by legislative mechanisms wither at provincial or municipal level.
"Heritage resources"	Means any place or object that has cultural significance.
"Heritage site"	Means a place that has been declared a national heritage site (Grade 1) by SAHRA or declared a provincial heritage site (Grade 2) by the provincial resource authority.
"HWC"	Means Heritage Western Cape - the provincial heritage resource authority.
"Member"	Means a person appointed a member of the Stellenbosch Municipality Conservation Advisory Committee by the Stellenbosch Council.
"Minister"	Means the Minister of Arts and Culture
"Municipality"	Means Stellenbosch Municipality located in the Cape Winelands District of the Western Province.
"NHRA"	Means the National Heritage Resources Act, (Act 25 of 1999)
"SAHRA"	Means the South African Heritage Resources Agency
"Zoning Scheme"	Means the Stellenbosch Zoning Schemes Bylaw adopted by Stellenbosch Council

- 2.2. The ruling of the Chairperson regarding the application of these Rules and any other procedural matters not dealt with herein is final and binding on the meeting at which such ruling is made and shall be recorded in the minutes.

3. Notice of meetings

- 3.1. If a member has not received notice of a meeting in accordance with these Rules, this will not invalidate any proceedings of the meeting.
- 3.2. The Chairperson and officials who are Committee members will receive such notification via their email addresses and at their place of work.
- 3.3. Electronic notices of a meeting or any other official correspondence to these addresses will constitute a paper notice of a meeting. Hard copies of an agenda and all official correspondence will be delivered to a member on request, provided it is practical and/or economical to do so in the circumstances.
- 3.4. The Conservation Advisory Committee must meet at least once a month or as per request.
- 3.5. The Chairperson must determine the dates and times of the Stellenbosch Municipality Conservation Advisory Committee in consultation with the Delegated Authority and the Committee Officer.
- 3.6. Meetings must be held through Microsoft Teams or any other virtual platform available at the time of the such meeting, and should the need arise meetings may be held in person, subject to prior approval granted by the delegated authority.
- 3.7. The first meeting is to be in person. At this meeting, the Members will nominate and vote for a Chairperson, Deputy Chairperson, and a Committee Officer, who will record the minutes of the meeting which will be sent to the Delegated Authority.
- 3.8. The Committee Officer will be responsible for creating the yearly meeting schedule based on the date determined by the Conservation Advisory Committee in consultation with the Delegated Authority.
- 3.9. The Committee Officer will create the meeting agenda and compile information packs that will be sent to the members through electronic communication a minimum of five (5) working days before the meeting.
- 3.10. All Members of the Committee must, in writing, specify an electronic mail address, where they will receive a notice of meetings and other official correspondence and are required to acknowledge receipt, in writing, of the upcoming scheduled meeting and receipt of the information packs.
- 3.11. Electronic notices of a meeting or any other official correspondence to these addresses will constitute a paper notice of a meeting.
- 3.12. If a member has not received notice of a meeting or all relevant documentation, this will invalidate any proceedings of the meeting.

- 3.13. Should the Chairperson be absent on the day of the meeting, the Deputy Chairperson will undertake the duties of the Chairperson.

4. Meetings open to the public.

- 4.1. Meetings of the Committee must be open to the public, except in so far as the Committee may in special cases direct otherwise, namely that the meeting is closed as matters are of such a nature that confidential treatment is considered reasonable and justifiable.
- 4.2. Certain items on the agenda may be discussed in-camera. A Committee member may call for an in-camera discussion. However, such a decision on any item must be taken in a meeting open to the public.

5. Quorum

- 5.1. If there is no quorum and the Chairperson is present, he/she must postpone the meeting for 15 minutes. If at the end of that period, there is still no quorum, the meeting must again be postponed for a period determined by the Chairperson at his/her discretion. The Chairperson may postpone the meeting till another time and date at the same venue or another venue.
- 5.2. In the absence of the Chairperson and Deputy-Chairperson and where no quorum exists, the Committee Officer shall postpone the meeting for 15 minutes. If, after 15 minutes of the appointed time for the commencement of the meeting the required quorum is not present, the meeting shall be cancelled.
- 5.3. A quorum for a meeting of the Stellenbosch Municipality Conservation Advisory is half (50%) plus 1 of the appointed members.
- 5.4. The Chairperson shall, in the event of an equality of votes, have a casting vote in addition to his / her deliberative vote.
- 5.5. The minutes can only be recorded as recommendations once a quorum is present. This can be done later via email. Evidence of communication should be sent to the Chairperson to be attached to the minutes.

6. Agenda

- 6.1. A copy of the minutes from the previous meeting, an agenda for the scheduled meeting, and copies of all information packs for the meeting must be sent to the Committee Members by the Committee Officer.
- 6.2. Meetings should be conducted according to the order in which the matter appears on the agenda, and only matters which are on the agenda and are in writing may be debated. Notwithstanding this, the Chairperson may change the

order of matters appearing on the agenda or withdraw an item or refer it back to the Administration, except for allocated appointment items on the agenda.

- 6.3. The Committee may conduct a site inspection, with prior approval from the delegated authority, relevant to an application being considered or make use of an official appointed by the Council to conduct an inspection.
- 6.4. Should a site inspection be required, arrangements are to be made by the Committee Official. All members are to confirm dates of availability at the end of the meeting for ease of arrangements.
- 6.5. All site inspections are to be recorded in a Site Inspection Report by the members and which should be attached to the minutes of the next meeting.

7. Conduct at meetings and site inspections.

- 7.1. The Chairperson must:
 - 7.1.1. Ensure that the minutes of the previous meeting are adopted and seconded by the Committee Members.
 - 7.1.2. Request members to declare any personal or other interest in respect of the agenda before them and indicate whether they have been approached by any party concerned prior to the meeting. Recusals by members, if any should be minute accordingly.
 - 7.1.3. Maintain order during the meeting.
 - 7.1.4. Refer any alleged contravention of the code of conduct by members at the meetings to the Delegated Authority.
 - 7.1.5. Ensure that the meetings are conducted in accordance with these rules.
 - 7.1.6. Ensure that when members go on-site inspections they are representing the Municipality should always act in accordance with the Code of Conduct.

8. Oral/ electronic presentation

- 8.1. Should an applicant wish to present an oral/verbal/visual presentation to the Committee, they are to put their request in writing to the Committee Officer at least seven (7) days prior to that meeting so that they can be allocated a time slot.
- 8.2. The purpose of an oral presentation is to allow the applicant/consultant an opportunity to present the application to the members of the committee and provide accuracy or merit on the documentation/plans of the committee and also to elaborate on relevant issues which committee members may have. The applicant may not be present when the Committee discusses the application and make the recommendation.

- 8.3. The applicant must provide at least 1 set of hard copies of documentation and electronic documents to the Committee Officer on the closing date for submission ten (10) days prior to the next meeting.
- 8.4. The Committee Officer will electronically distribute the electronic document to the Committee members in order that the Committee members may have time to consider the matter in advance.
- 8.5. The Chairperson may limit the oral presentation to specified matters relating to an application.
- 8.6. As a general guide, the applicant/consultant, must be permitted reasonable time to make their presentation.
- 8.7. After the introduction of the application by the Committee Officer, the order of speakers will, subject to the Chairperson's discretion be as follow:
- 8.8. The applicant or consultant who requested the presentation will address the Committee; where after
- 8.9. The Chairperson will give members of the committee an opportunity to ask the applicant relevant questions of clarification.
- 8.10. No cross-examination of any party is permitted.

9. Recommendations and Voting:

- 9.1. All recommendations must be taken by the supporting vote agreed upon by the majority of members present at the meeting.
- 9.2. If the Chairperson asks members whether they agree with the recommendation/s on the matter before the Committee, and such recommendation/s are opposed by any members present, a decision must be taken by show of hands by approving an application in (1) whole or (2) in part, or (3) refuse it. Should there be no opposition, it must be recorded in the minutes that the decision was unanimous.
- 9.3. A member may vote only if he/she has been present during the debate on the matter.

10. Interruption, Suspension, and Adjournment

- 10.1. The Chairperson must, on reasonable motivation and a majority vote of the members, interrupt or postpone proceedings and adjourn the meeting.
- 10.2. On resumption of the meeting at a later time or date, the meeting will consider the unfinished business before continuing with any new matters on the agenda.

11. Minutes

- 11.1. The Committee Secretary must ensure that all proceedings of the Stellenbosch Municipality Conservation Advisory Committee are to be recorded during the meeting. All recommendations, including reasons, must be recorded in the minutes.
- 11.2. Every member of the Committee, as well as any other person who attended a meeting, must sign the attendance register, and the Committee Officer must ensure that a record is made in the minutes of the names of those members who:
 - 11.2.1. Are absent with leave having been granted by the Chairperson;
 - 11.2.2. In the case of the Chairperson, absent with leave must be granted by the Senior Manager: Development Planning;
 - 11.2.3. Any leave that has not been authorised must be recorded;
 - 11.2.4. Arrived after the meeting has started (time of arrival must be recorded);
 - 11.2.5. Leave the meeting prior to the conclusion thereof (time and reason for departure must be recorded)
 - 11.2.6. The correctness of the minutes must, after the meeting, be signed off by the Chairperson after circulation to the members present, and thereafter be made available within one week (seven working days) following a meeting;
 - 11.2.7. A copy of the confirmed minutes must be included in the Agenda of the next meeting of the Stellenbosch Municipality Conservation Advisory Committee for information and record purposes.

12. Recommendations on applications

- 12.1. In respect of an application referred to in Section 15(2) of the Stellenbosch Municipal Land Use Planning By-law (2015), the Committee must:
 - 12.1.1. approve, in whole or in part, or reject the application with reasons;
 - 12.1.2. impose conditions in terms of Section 66 of the Stellenbosch Municipal Land Use Planning By-law (2015) upon the approval of that application; and conduct any necessary inspection to assess an application in terms of Section 59 of the Stellenbosch Municipal Land Use Planning By-law (2015).
- 12.2. Any decisions made by the Committee must also take into account: criteria for decision-making as contained in Section 65 of the Stellenbosch Municipal Land Use Planning By-law (2015) and Section 42 of the Spatial Planning Land Use Management Act (2013); impose Conditions as per Section 66 of the Stellenbosch Municipal Land Use Planning By-law (2015); take into account the Development principles referred to in Chapter VI of the Land Use Planning Act 2014 and Chapter 2 of Spatial Planning Land Use Management Act (2013); and applicable provisions of the zoning schemes of WC024.

10.9	COMMUNITY SERVICES:(PC: CLLR X KALIPA)
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NONE

10.10	RURAL MANAGEMENT: (PC: CLLR J JOON)
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NONE

10.11	MUNICIPAL MANAGER
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NONE

11.	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC): [CLLR WF PIETERSEN]
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**KINDLY NOTE: THE ITEMS FROM MPAC WILL BE DISTRIBUTED
UNDER SEPARATE COVER IN DUE COURSE**

12.	REPORTS BY THE MUNICIPAL MANAGER
12.1	MFMA SECTION 116(3) – PROPOSAL TO AMEND THE CURRENT ICT CONTRACTS FOR SOFTWARE LICENCES AND SUPPORT AGREEMENTS FOR A PERIOD OF THIRTY-SIX MONTHS, EFFECTIVE FROM 01 JULY 2024 TO 30 JUNE 2027

Collaborator No:

IDP KPA Ref No: Good Governance

Meeting Date: 14 June 2024

- SUBJECT: MFMA SECTION 116(3) – PROPOSAL TO AMEND THE CURRENT ICT CONTRACTS FOR SOFTWARE LICENCE AND SUPPORT AGREEMENTS FOR A PERIOD OF THIRTY-SIX MONTHS, EFFECTIVE FROM 01 JULY 2024 TO 30 JUNE 2027**

- PURPOSE**

To obtain Council's approval on the proposed amendment of the listed ICT contracts that terminates on 30 June 2024. The amendment will extend the contracts for a period of 3 years effective 1 July 2024 to 30 June 2027. Council may terminate any of the contracts on a 6 months' notice period during this period. The changes may be affected in terms of the enabling provisions of Section 116(3) of the Local Government: Municipal Finance Management Act, Act No. 56 of 2003 (MFMA).

- DELEGATED AUTHORITY**

Municipal Council.

- EXECUTIVE SUMMARY**

All the current ICT contracts were amended in 2021 through a Section 116 (3) process in order to accommodate the mSCOA implementation and the investigation in regard to an assessment on ERP solutions for the Municipality. The Finance department is in constant contact with the owners of the Financial System (SAMRAS) to ensure that the system developments are of such a nature that it can deal with mSCOA in full before a final decision is made on the continuation with SAMRAS as the financial system or not.

During the last 3 years the administration embarked on a process to determine which

of ICT systems in use should we continue to use or should the municipality embark on the acquisition of a brand-new system. Should the municipality decide to procure a new system, National Treasury must approve such a system as it needed to be mScoa compliant.

During these engagements, an assessment of current ICT systems, their capability to integrate with the financial system SAMRAS was explored as well as the MScoa compliance issue. This included unpacking the system capabilities as per the MSCOA business processes as well as eliminating standalone systems that have duplicated modules available on the SAMRAS solution. The long-term impact of investments made in business systems and services warrants that the Stellenbosch Municipality to continually re-assess its investment strategies to ensure on-going alignment with the deployment of business systems in line with mSCOA business processes.

To date various improvements have been made on the SAMRAS financial system to modernize the system to accommodate the growing needs of the municipality based on the MSCOA business processes. The majority of the ICT systems that have modules available on SAMRAS as per the 15 business processes will be evaluated and replaced by a module on SAMRAS as they are developed provided that they give the same functionality as the systems they replace.

SAMRAS has been required to provide the Stellenbosch Municipality with an implementation roadmap of their system modernisation. The recommendation from the administration is that we do not procure a new financial system and that we ensure that the ICT systems in use and retained integrate to SAMRAS. There is in our view no ERP system that is compliant with mScoa and that can provide us the functionalities of other systems like for example Spatial capabilities at a cost that is feasible to the Municipality.

It has been further formalised that no ICT system may be procured that is not approved by the ICT Steering Committee. The Committees work going forward, is to ensure that integration takes place and that no duplication is allowed by procuring new systems where that functionality already exists in current systems. No new systems may be procured by any Directorates unless it has been debated at the ICT steering committee to ensure integration with the SAMRAS system and duplication is avoided. Future requirement specifications will be written to ensure that systems can integrate, and that functionality is not duplicated.

Council may terminate any of the contracts listed below on a 6 months' notice period during this time, to ensure that as new models of current systems are developed which includes functionalities or modules of current systems in place, these systems in place a phased out without interrupting any services.

The amendment was advertised on 3 May 2024 in die Burger (see **APPENDICES 1 and 2**) Municipal Notice Boards and Municipal Website. On the closure date of 24 May 2024, no comments were received.

5. RECOMMENDATION

- (a) Council approves that the current ICT contracts listed below for ICT related systems and services be amended to be run for a further period of 36 months, effective from 1 July 2024 to 30 June 2027 with the provision that the Municipality can cancel any of the systems with a six (6) month notice period during this time;

Service Provider	Scope of Services
1. SOLVEM (used to be Bytes System Integration)	Financial Services - SAMRAS is the Core Financial System for the Stellenbosch Municipality.
2. PAYDAY	Corporate Services - HR and Payroll System for the Stellenbosch Municipality
3. BUSINESS ENGINEERING	Corporate Services - Data and Workflow System with Document Archiving Capabilities
4. IGNITE	Corporate Services - Performance and Compliance Management System
5. IMQS	Engineering Services - Support and Information System to Manage and Report on Municipal infrastructure Assets
6. ABC SERVICES	Financial Services – Valuations and Rates for the Stellenbosch Municipality
7. CATS	Financial Services – Water and Electricity Meter Reading for the Stellenbosch Municipality

-
- (b) that the municipality do not procure a new ERP system and that we ensure that the current ICT systems in use and retained integrate to SAMRAS;
 - (c) that Council takes note that the Municipalities intention to amend the contracts for a period of 36 months were advertised on the 4 May 2024 on the local newspaper Eikestad Nuus and Die Burger, Municipal Notice Boards and Municipal Website and no comments were received; and
 - (d) that Council notes that sufficient funding was approved on the operational budget vote for the Software Licensing Ukey: 20180711010516 is approved on an annual basis, to finance the extension and renewal of all the listed ICT systems and services.

6. DISCUSSION / CONTENTS

6.1 Background

Section 116(3) of the MFMA provides as follows: “(a) the reasons for the proposed amendment have been tabled in the council of the municipality or, in the case of a municipal entity, in the council of its parent municipality; and (b) the local community- (i) has been given reasonable notice of the intention to amend the contract or agreement; and (ii) has been invited to submit representations to the municipality or municipal entity.”

The municipality should ideally have a single business system with a single database and workflow. Considerations to introduce such a strategy for business systems should however always be assessed carefully against initial investment costs for such ventures, as well as the potential risks if the anticipated operational efficiencies and return on investments are not realized. The municipality did an assessment and it is regarded as not viable to procure an ERP system mainly due to the costs involved and the disruption of an implementation of such a system.

Migration strategies for local government institutions must remain aligned with architectures and technologies of selected manufacturers as well as trusted relationships with selected service providers. Investments made by local government institutions in business system architectures and trusted relationships with service providers are seen as long-term investments which cannot readily be changed without exposing the municipality to continuity and contingency risks.

When an information system is bought the long-term impact is that the Municipality will be using that system for a period longer than the normal 3 of 5 years that is set for a tender processes. An information system is the intellectual property of a company and no other company can provide the support or licencing for that information system. The dynamic nature of Information and Communications Technology, as well as investments made in business systems warrant a continuous re-assessment of investments and system functionalities to ensure that value for money is achieved at all times. The long-term impact of investments made in business systems and services warrants that the Stellenbosch Municipality continually re-assess its investment strategies to ensure on-going alignment with the deployment of business systems in line with mSCOA business processes.

The portfolio of ICT contracts terminating on 30 June 2024 for which a section 116(3) process is followed are depicted on the table below:

Table 1: Portfolio of ICT Contracts

Service Provider	Scope of Services
1. SOLVEM (used to be Bytes System Integration)	Financial Services - SAMRAS is the Core Financial System for the Stellenbosch Municipality.
2. PAYDAY	Corporate Services - HR and Payroll System for the Stellenbosch Municipality
3. BUSINESS ENGINEERING	Corporate Services - Data and Workflow System with Document Archiving Capabilities
4. IGNITE	Corporate Services - Performance and Compliance Management System
5. IMQS	Engineering Services - Support and Information System to Manage and Report on Municipal infrastructure Assets
6. ABC SERVICES	Financial Services – Valuations and Rates for the Stellenbosch Municipality
7. CATS	Financial Services – Water and Electricity Meter Reading for the Stellenbosch Municipality

6.2 Discussion

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

MFMA Circular 57 dated 20 October 2011: MFMA Circular 57 Issued by

National Treasury states: “It is imperative that municipalities operate effectively and utilise financial applications optimally to present credible information on a timely basis for internal and external use”.

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

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

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

The ability to remain constantly aligned with the strategic goals and objectives of the municipality as well as the statements of direction from National Government are inhibited by two factors namely legacy business systems and contractual obligations to service providers.

6.2.2 **Amendment of contractual considerations with service providers**

It is proposed that all business system contracts terminating on 30 June 2024, be amended to remain in effect for a period of three (3) years from 1 July 2024 to 30 June 2027 for the following reasons:

- (a) To limit the administrative costs of following Supply Chain Management processes to request deviations and funding over the short term, specifically taking into account the strategic intent and requirement to be mSCOA compliant. For all such agreements with service providers, the provision is that the Stellenbosch Municipality may terminate the Agreement at any time and is bound to give at least 6 months prior notice.
- (b) To align the integration of current systems with each other as oppose to procuring a new ERP system with all the complications and costs associated with that;
- (c) To ensure that the strategic intent of the Municipality to integrate the similar functionalities into the core financial system can be optimized to its full potential.
- (d) To ensure that stability in the business processes remain intact;

It remains the strategic intent of the Stellenbosch Municipality to assimilate similar functionalities from the other business systems deployed in the municipality into the Samras Financial System or at the least build the integration of the functionalities to the Samras Financial System where it is cost effective and functionally viable and is mSCOA compliant. Due to the complexities inherent to such business system conversions and integration, a phased approach will need to be followed.

Council advertised its intention to amend all ICT systems related contracts for a period of 36 months on the 3 May 2024 on the local newspaper Eikestad Nuus and Die Burger, Municipal Notice Boards and Municipal Website and no comments were received on the closing date of 20 May 2021 – **APPENDIX 1 and APPENDIX 2.**

6.3 **Financial Implications**

Licence fees are payable on all ICT systems after their procurement and is applicable even if an ERP system should be procured. The systems below has been procured and customised to the municipalities needs and is money already invested in the systems. The procurement and customisation of an ERP system may also run into millions of Rands and may not produce the results promised by companies marketing such a system.

This report has the following financial implications in terms of licence fees for the next 3 years.

Service Provider	Duration (Months)	Estimated Cost (Excl. Vat)
1. SOLVEM (SAMRAS)	36 months	R 9 468 379,97
2. PAYDAY	36 months	R 1 924 378,95
3. BUSINESS ENGINEERING	36 months	R 2 084 198,13
4. IGNITE	36 months	R 2 042 289,12
5. IMQS	36 months	R 256 000,00
6. ABC SERVICES	36 months	R 1 210 050,00
7. CATS	36 months	R 884 703,05
Estimated Cost (Excluding 15% VAT)		R 17 869 999,22

6.4 Legal Implications

Section 116 (3) of the MFMA requires the Municipality to follow a process before it may make changes to existing contract(s) entered into through the Supply Chain Process. It provides for a notification to the public of the intention to make changes to the contracts, invite the public to provide comments and consider the input, if any, before a final decision on the changes to the contracts are made. The recommendations of the item comply with the requirements

6.5 Staff Implications

This report has no additional staff implications to the Municipality.

6.6 Previous / Relevant Council Resolutions:**43RD COUNCIL MEETING: 2021-05-26: ITEM 13.2****RESOLVED** (majority vote with abstentions)

- (a) takes note of assessments done by the administration on ICT systems to be used and the procurement of an ERP system;
- (b) approves the recommendation that the current ICT contracts listed below for ICT related systems and services be amended to be run for a further period of 36 months, effective from 1 July 2021 to 30 June 2024 with the provision that the Municipality can cancel any of the systems with a six (6) month notice period during this time.

<i>Service Provider</i>	<i>Scope of Services</i>
1. <i>SOLVEM (used to be Bytes System Integration)</i>	Financial Services - SAMRAS is the Core Financial System for the Stellenbosch Municipality.
2. <i>PAYDAY</i>	Corporate Services - HR and Payroll System for the Stellenbosch Municipality
3. <i>BUSINESS ENGINEERING</i>	Corporate Services - Data and Workflow System with Document Archiving Capabilities
4. <i>IGNITE</i>	Corporate Services - Performance and Compliance Management System
5. <i>IMQS</i>	Engineering Services - Support and Information System to Manage and Report on Municipal infrastructure Assets
6. <i>GIJIMA</i>	Corporate Services – IP based NEC PABX Telephone System and Support Services
7. <i>ABC SERVICES</i>	Financial Services – Valuations and Rates for the Stellenbosch Municipality
8. <i>CATS</i>	Financial Services – Water and Electricity Meter Reading for the Stellenbosch Municipality
9. <i>MICROSOFT IRELAND</i>	Corporate Services – Microsoft Office 365 Application Software Licenses and Azure Support Services.

- (c) Takes note that the Municipalities intention to amend the contracts for a period of 36 months were advertised on the 29 April 2021 on the local newspaper Eikestad Nuus and Die Burger, Municipal Notice Boards and Municipal Website and no comments were received; and
- (d) Approves that sufficient funding on the operational budget vote for the Software Licensing Ukey: 20180711010516 is approved on an annual basis, to finance the extension and renewal of all the listed ICT systems and services.

6.7 Risk Implications

The recommendations of this item manage the risks associated with the ICT Contracts coming to an end on 30 June 2021. Should changes not be made to the contracts to allow for another year of service the Municipality will not have the necessary systems to ensure optimal functioning.

6.8 Comments from Senior Management

The item was discussed at the BAC and ICT Forum and all inputs incorporated.

ANNEXURES

Annexure 1: ICT Public Notice for ICT Contracts 1 July 2024 – 30 June 2027

Annexure 2: Publication in newspaper on 3 May 2024

FOR FURTHER DETAILS CONTACT:

Name	Regan Mooideen
Position	Senior Manager ICT
Directorate	Corporate Services
Contact Numbers	(021) 808 8538
E-mail Address	regan.mooideen@ Stellenbosch.gov.za
Report Date	10 June 2024

ANNEXURE 1



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

AMENDMENTS TO LICENSE AND SUPPORT CONTRACTS FOR ICT RELATED SYSTEMS AND SERVICES

ADVERTISED IN: MUNICIPAL NOTICE BOARD, MUNICIPAL WEBSITE, EIKESTAD NUUS AND DIE BURGER

DATE PUBLISHED: 3 May 2024 **NOTICE NO :** 51/2024

In terms of the Municipal Finance Management Act, Act 56 of 2003, Section 116(3)(b), notice is hereby given of the proposed amendment of the contract below:

CONTRACT NO:	DESCRIPTION	REASON FOR AMENDMENT
DEPARTMENT:	CORPORATE SERVICES	
INFORMATION SYSTEM & SERVICES	<ul style="list-style-type: none"> SOLVEM (SAMRAS Financial System) Payday (HR & Payroll) Ignite (Performance Management) IMQS (Infrastructure & Assets) CATS (Meter Reading) ValueProp (Valuation System) Business Engineering (Collaborator) 	<p>After a thorough analysis of the business operation of the municipality the administration concluded that the Stellenbosch Municipality will not be procuring any new ERP solution but will rather integrate the existing systems with the core financial system as the backbone over the next 3 years.</p> <p>Due to the complexities inherent to the municipal business application systems conversions, a best practice implementation methodology will be followed over the next three financial years (2024/2025, 2025/2026 and 2026/2027) commencing 01 July 2024.</p> <p>The municipality therefore intends extending the indicated ICT systems by 36 months (1 July 2023 – 30 June 2027)</p>

- The public is hereby invited to submit written presentations to the municipality for the extension of the listed ICT systems from 1 July 2024 – 30 June 2027.
- Any person, who cannot write, may come to the municipality, where the staff member of the municipality, named below, will assist that person to transcribe that person's comments or representations, during office hours.
- Comments and supporting documents may be placed in a sealed envelope and externally endorsed with **"RESPONSE TO NOTICE OF AMENDMENTS TO CONTRACTS FOR LICENSE AND SUPPORT AGREEMENTS FOR ICT RELATED SYSTEMS AND SERVICES"**, and be deposited in the Tender Box, at the office of the, **The Supply Chain Management Unit, Stellenbosch Municipality, 1st Floor, Room no.121, Plein Street, Stellenbosch**, or by post, addressed to: **The Municipal Manager, Stellenbosch Municipality, PO Box 17, Stellenbosch, 7599**, not later than the closing date and time.

CLOSING DATE:	24 MAY 2024	AT THE TIME:	On or before 12:00
ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:		ANY ENQUIRIES REGARDING THE COMMENT PROCEDURE MAY BE DIRECTED TO:	
Section:	Information Systems & Services	Section:	Supply Chain Management
Contact Person:	Mr. R Mooideen	Contact Person:	Mr. D Jacobs
Tel:	E-mail enquiries only	Tel:	E-mail enquiries only
Email:	s116.contracts@stellenbosch.gov.za	Email:	s116.contracts@stellenbosch.gov.za
Authorised by:	MS. G Mettler	MUNICIPAL MANAGER	

ANNEXURE 2

STELLENBOSCH
STELLENBOSCH • PNIFL • FRANSCHHOEK
MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

ANNOUNCEMENTS TO LICENSE AND SUPPORT CONTRACTS FOR ICT RELATED SYSTEMS AND SERVICES

ADVERTISED IN: MUNICIPAL NOTICE BOARD, MUNICIPAL WEBSITE, EKESTAD HUIS AND DE BURGERS

DATE PUBLISHED: 3 May 2024 **RECEIVED:** 31/05/2024

In terms of the Municipal Finance Management Act, Act 56 of 2003, Section 116(3)(b), notice is hereby given of the proposed amendment of the contract below:

CONTRACT NO.	DESCRIPTION	REASON FOR AMENDMENT
INFORMATION SYSTEM SERVICES	<ul style="list-style-type: none"> • SOCCOM (SAMRAS Financial System) • PaydayHR & Payroll • System Performance Management • MOS Infrastructure & Assets • CATS (Auto Raising) • ValueUp (Valuation System) • Business Engineering (Collaboration) 	<p>After a thorough analysis of the business operation of the municipality the administration concluded that the Stellenbosch Municipality will not be procuring any new ERP solution but will rather integrate the existing systems with the core financial system in the budgetary over the next 3 years.</p> <p>Due to the complexities inherent to the municipal business application systems conversions, a best practice implementation methodology will be followed over the next three financial years (2024-2025, 2025-2026 and 2026-2027) commencing 01 July 2024.</p> <p>The municipality therefore intends extending the existing ICT systems by 36 months (1 July 2022 - 30 June 2027).</p>

1. The public is hereby invited to submit written representations to the municipality for the extension of the total ICT systems from 1 July 2024 - 30 June 2027.

2. Any person, who is not a member of the municipality, who is not a member of the Stellenbosch Municipality, may submit written representations to the municipality for the extension of the total ICT systems from 1 July 2024 - 30 June 2027.

3. Comments and supporting documents may be placed in a sealed envelope and securely addressed with "RESPONSE TO NOTICE OF AMENDMENTS TO CONTRACTS FOR LICENSE AND SUPPORT/AGREEMENTS FOR ICT RELATED SYSTEMS AND SERVICES", and be deposited in the Tender Box, at the office of the The Supply Chain Management Unit, Stellenbosch Municipality, 1st Floor, Room no. 12, Punt Street, Stellenbosch, or by post addressed to: The Municipal Manager, Stellenbosch Municipality, PO Box 17, Stellenbosch, 7599, not later than the closing date and time.

CLOSING DATE	24 MAY 2024	AT THE TIME	On or before 12:00
ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:	ANY ENQUIRIES REGARDING THE COMMENT PROCEDURE MAY BE DIRECTED TO:		
Backbone	Information Systems & Services	Backbone	Supply Chain Management
Contracted Person	Mr. R. Meester	Contracted Person	Mr. D. Jacobs
Ref:	Email enquiries only	Ref:	Email enquiries only
Phone:	+276 220 00 00 or +276 220 00 01	Phone:	+276 220 00 00 or +276 220 00 01

GEKLASSIFISEERD



TENDERKENNISGEWING

Kennis gegee hiermee dat die volgende tender op Hessequa Municipality se webwerf by www.hessequa.gov.za en op die munisipale kennisgewingsbord by ons kantore in Riverdal, Heidelberg, Albertina en Sibaas geadverteer word.

• HES-FIN 02/2324: AANSTELLING VAN 'N DIENSVERSKAFER VIR DIE ONTWIKKELING EN IMPLEMENTERING VAN 'N LANGTERMYN FINANSIELE HULPMIDDEL VIR 'N TYDPERK VAN DRIE (3) JAAR

Voorname verwerfings kan ook vir Leanne Windvogel by tel. 028 713 8887 of e-pos leanne@hessequa.gov.za kontak om 'n elektroniese woorboek van die gedetailleerde advertensie te bekom.

A.S.A. DE KLERK - MUNISIPALE BE STUURDE R



BERGRIEVE MUNICIPALITY

TENDER NOTICE: T.8/3/24-2024 (MN122-2024)

INSTALLATION & MANAGEMENT OF AN STS6 EDITION 2 COMPLIANT PREPAYMENT ELECTRICITY VENDING SYSTEM FOR THE PERIOD OF 01 JULY 2024 UNTIL 30 JUNE 2027

BERGRIEVE MUNICIPALITY invites tenders from service providers for the installation and management of an STS6 Edition 2 Compliant Prepayment Electricity vending system for the period of 01 July 2024 until 30 June 2027, as per the specifications set out in the official bid documents.

The bid documents and specifications that contain the minimum requirements are available on Bergvliet Municipality's website (www.bergvlietmunicipality.co.za) from 01 June 2024, or a hard copy on request at a non-refundable fee of R70,00 from Mr. Hendrik van der Merwe at tel. no. 022 913 0000 or bergvlietmunicipality@bergvlietmunicipality.co.za during office hours.

A compulsory clarification meeting will be held on Tuesday, 14 May 2024 at 10:00 at Bergvliet Municipal Office, 13 Kerk Street in Phokeng. Tender closing date is Tuesday, 04 June 2024 at 12:00.

All technical enquiries can be addressed to Mr. Martin Groot at tel. no. 022 913 0000 or email bergvlietmunicipality@bergvlietmunicipality.co.za.

MUNICIPAL OFFICES
13 KERKSTREET
PHOKENG
7930

ROSE VAN ELIEN
MUNICIPAL MANAGER

MN122-2024

01 May 2024

FOR INFO ONLY

Eksklusief op
NETWERK24
Luisterboeke in Afrikaans!

Anella Heese
DIENSPLIG
Hoekom stotter ons pa's so?

Ons jongste luisterboek, eksklusief vir intekenaars. Luister saam!

"Stout, knaagende" - Wouter Burger

Anella Heese

Gaan na www.netwerk24.com en word 'n intekenaar.

NETWERK24

nb

2024

STELLENBOSCH
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MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

OFFICIAL NOTICE

PROPOSED RECONSTRUCTION OF THE MAIN ROADS IN THE TOWN OF RIVERDAL, HEIDELBERG, ALBERTINA AND SIBAAS.

The Municipality of Stellenbosch is currently in the process of reconstructing the main roads in the town of Riverdal, Heidelberg, Albertina and Sibaas. The project is a major infrastructure project that will improve the road network and the quality of life for the residents of the town.

The Municipality is currently in the process of tendering for the reconstruction of the main roads. The tender is open to all registered contractors who are interested in participating in the project.

The tender is available on the Municipality's website (www.stellenboschmunicipality.co.za) and at the Municipality's offices. The tender closing date is 15 May 2024 at 12:00.

The Municipality is currently in the process of tendering for the reconstruction of the main roads. The tender is open to all registered contractors who are interested in participating in the project.

The tender is available on the Municipality's website (www.stellenboschmunicipality.co.za) and at the Municipality's offices. The tender closing date is 15 May 2024 at 12:00.

FURTHER INFORMATION

For more information, please contact the Municipality's offices. The contact details are as follows:

Municipal Manager: Mr. D. Jacobs
Telephone: 021 220 0000
Email: stellenboschmunicipality@stellenboschmunicipality.co.za

PERSONS WITH DISABILITIES

The Municipality is committed to providing accessible services to all persons, including persons with disabilities. If you are a person with a disability and you are interested in participating in the project, please contact the Municipality's offices for more information.

CONTACT DETAILS

Physical Address: 1, Punt Street, Stellenbosch, 7599
Telephone: 021 220 0000
Email: stellenboschmunicipality@stellenboschmunicipality.co.za

DATE

01 May 2024

13.	CONSIDERATION OF NOTICES OF QUESTIONS AND NOTICES OF MOTIONS RECEIVED BY THE SPEAKER
13.1	NOTICE OF A QUESTION BY CLLR M VAN STADE OF GOOD PARTY: ACCESS TO THE PRIVATE ENTRANCE LOCATED BETWEEN WEIDENHOF STREET AND STADLER STREET FROM THE R44 ROAD

A Notice of a Question, dated 2024-04-26, was received from Councillor M Van Stade.

The said Question is attached as **APPENDIX 1** and the appropriate response as **APPENDIX 2**.

APPENDIX 1



Stellenbosch

Stellenbosch.forgood@gmail.com

24 April 2024

Our Ref: GOOD_WC024: Notice of Question: In a matter relating to accessibility to streets with reference to the Stellenbosch Municipality By-Law on Roads and Streets.

Ms Geraldine Mettler
The Municipal Manager
Office of the Municipal Manager
Stellenbosch Municipality
PO Box 17
Stellenbosch
7600



Dear Municipal Manager

NOTICE OF QUESTIONS

This notice of question is submitted in terms of Rule 35.1 as contemplated in the Standing Rules and Order for the Meetings of Council and its Committees approved by Council on 27 July 2022.

The Stellenbosch Municipality By-Law on Roads and Streets gives effect to the right contained in section 24 of the Constitution of the Republic of South Africa, 1996 which allows to promote the realisation of a safe environment and universal accessibility to streets.

Stellenbosch Municipality, as the Road Authority for Municipal Roads and Streets within the jurisdiction of the Municipality, regulates activities and functions on roadways, walkways, and other spaces within road reserves. The By-Law on Roads and Streets aims to promote a safe environment for the benefit of all road and sidewalk users and to manage the use of roads, streets, sidewalks, and road verges.

This notice of question relates to concerns raised by business owners, residents, students, and domestic travellers residing and using accommodation in the Lower Dorp Street area. Motorists are prevented from accessing a private entrance from the R44 road located between Weidenhof Street and Stadler Street due to a white barrier line in the middle of the road. In contrast, hereto, access is being given to Weidenhof Street to access from both directions from the R44 and R310 roads. Also, access is granted to all private entrances and streets inbound from the R44 road to Dorp Street up to Drostdy Street. (See attached Annexure A: Images of Accessibility to Streets.)

The following questions have reference to this matter:

1. Why did Stellenbosch Municipality allow a white barrier line in the middle of the road to prevent access to the private entrance located between Weidenhof Street and Stadler Street from the R44 road?
2. Why did Stellenbosch Municipality not consult with the business owners and residents giving them a fair opportunity for input relating to their right to street accessibility from the R44 and R310 roads?

PROPOSED BY: CLLR. MARIUS VAN STADE

A large, stylized handwritten signature in black ink, appearing to read 'Marius Van Stade'.

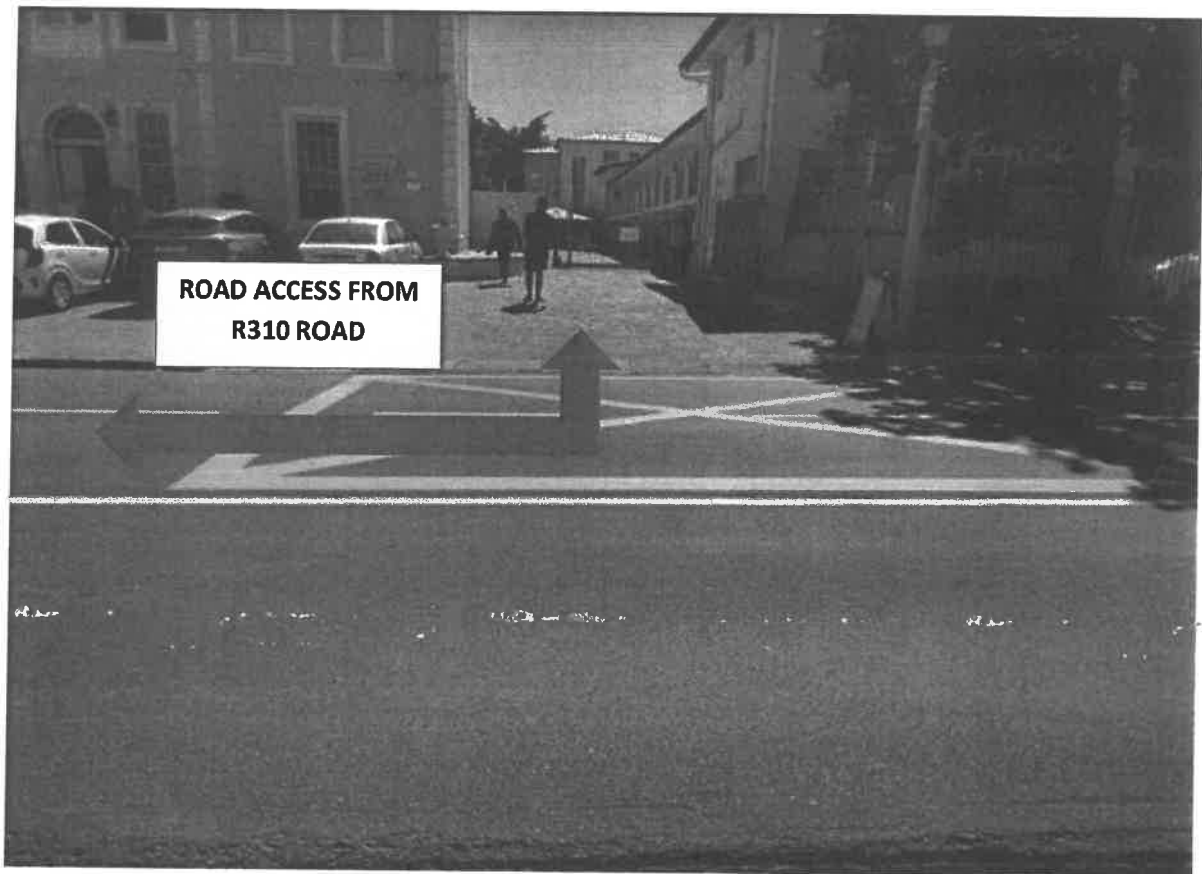
SECONDED BY: CLLR. ROBIN HENDRIKSE

A handwritten signature in black ink, appearing to read 'Robin Hendrikse'.

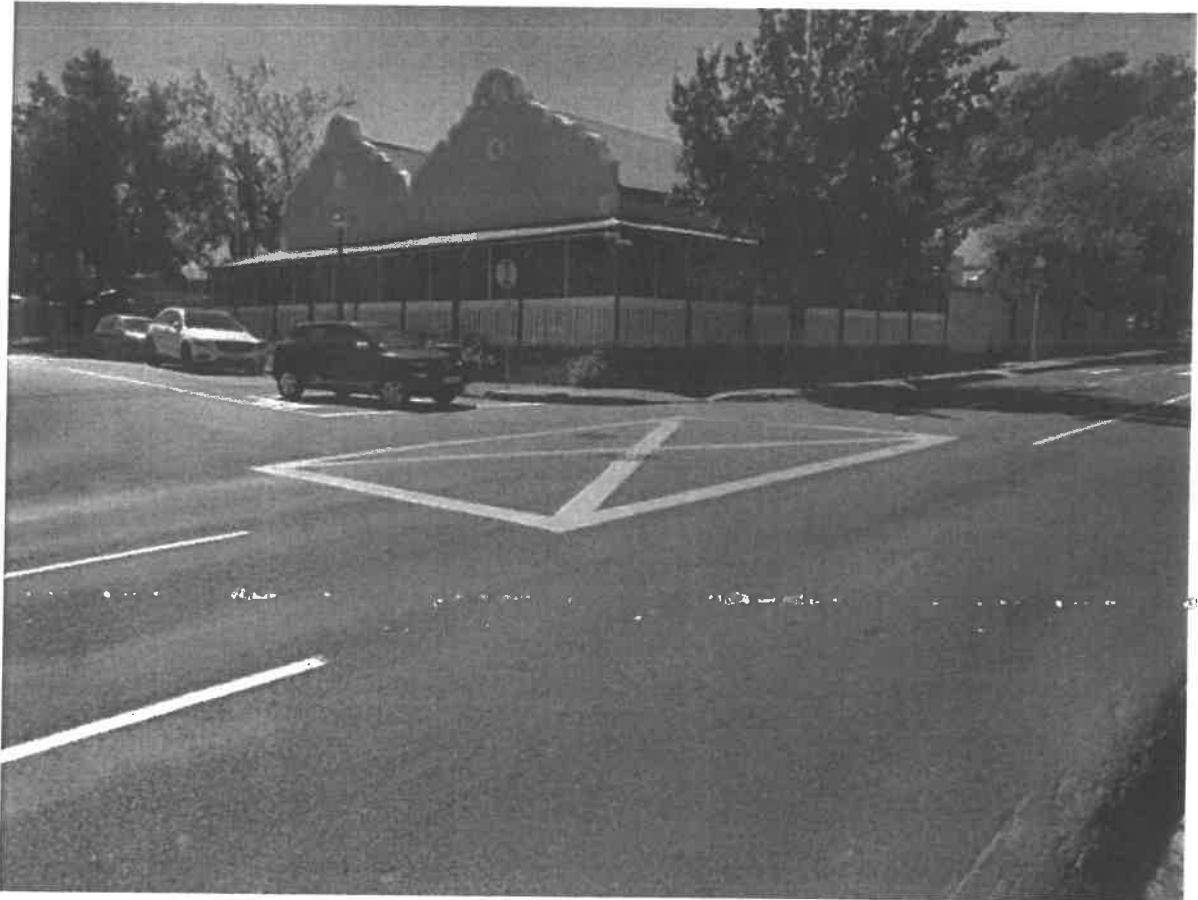
THIS NOTICE OF QUESTION TO BE SERVED AT THE NEXT COUNCIL MEETING DATED 31 MAY 2024.

THE END.

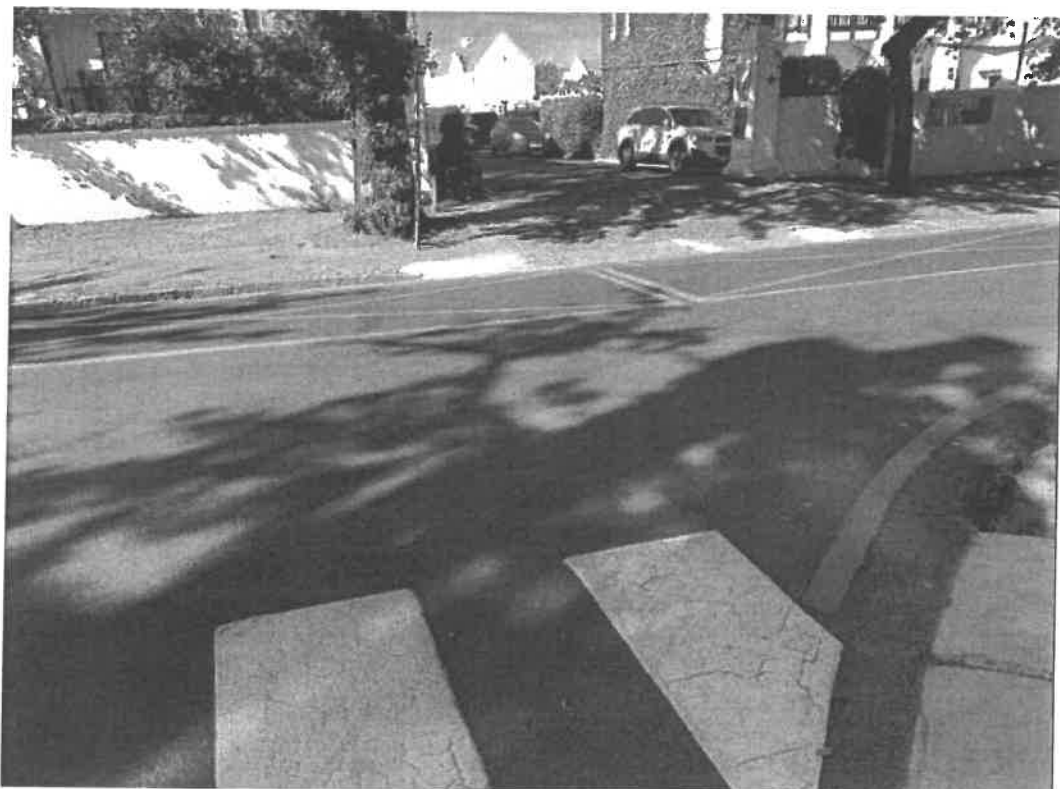
ANNEXURE A: IMAGES OF ACCESSIBILITY TO STREETS: NO STREET ACCESS FROM R44 ROAD.

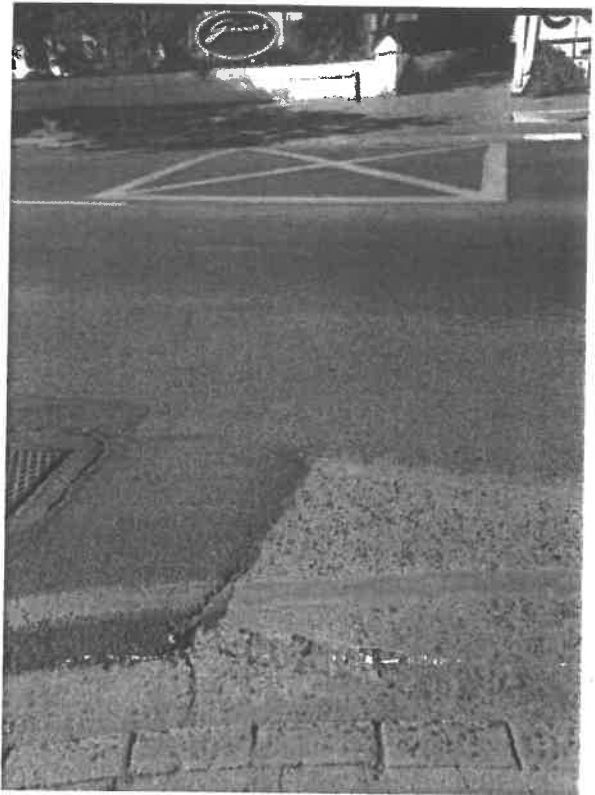


STREET ACCESS FROM BOTH R44 AND R310 ROADS



STREET ACCESS TO PRIVATE ENTRANCES FROM BOTH DIRECTIONS IN DORP STREET.





THE END.

APPENDIX 2



TO : SPEAKER
FROM : MUNICIPAL MANAGER
DATE : 07 JUNE 2024
RE : NOTICE OF QUESTION: COUNCILLOR VAN STADE DATED 26 APRIL 2024

Dear Speaker

With reference to the question received from the Good Councillor M van Stade, submitted in terms of Section 21 of the Rules of Order Regulating the Conduct of Council and Council Committee Meetings, received by my office on 26 April 2024.

QUESTION 1:

- i. *"Why did Stellenbosch Municipality allow a white barrier line in the middle of the road to prevent access to the private entrance located between Weidenhof Street and Stadler Street from R44 road?"*

RESPONSE

Vehicles which have been transgressing over this solid barrier line have been doing so illegally since around 2009, hence the necessity for the constant repainting of the solid barrier line.

The yellow junction box was painted around 2015 which prohibits road users from stopping over this area, to allow vehicles to turn into Lower Dorp Street. This was implemented to improve safety and traffic flow for motorist exiting the private property, especially during peak traffic flow conditions.

Each traffic scenario is unique and evaluated on its own merits.

Pertinent to this scenario are the following:

- Vehicles that are crossing the solid barrier line are causing a safety risk since high traffic volumes are encountered at this location, right turning movements will cause additional traffic congestion that will result in hazardous situations for road users and pedestrians. The Municipality has therefore, made provision for right turn movements only where it is absolutely essential, namely at the Weidenhof Street Intersection only.
- The solid barrier line, preventing the right turn movements was implemented to improve safety for vehicles exiting the private property and vehicles travelling along Lower Dorp Street. The curve on Dorp Street, located near the private Access, restricts sight distance at the private access thereby necessitating a solid barrier line that prevents the unsafe right turn movements.

13.2	NOTICE OF A QUESTION BY CLLR M VAN STADE OF GOOD PARTY: NO CONSULTATION WITH BUSINESS OWNERS AND RESIDENTS
------	--

A Notice of a Question, dated 2024-04-26, was received from Councillor M Van Stade.

The said Question is attached as **APPENDIX 1** and the appropriate response as **APPENDIX 2**.

APPENDIX 1



Stellenbosch

Stellenbosch.forgood@gmail.com

24 April 2024

Our Ref: GOOD_WC024: Notice of Question: In a matter relating to accessibility to streets with reference to the Stellenbosch Municipality By-Law on Roads and Streets.

Ms Geraldine Mettler
The Municipal Manager
Office of the Municipal Manager
Stellenbosch Municipality
PO Box 17
Stellenbosch
7600



Dear Municipal Manager

NOTICE OF QUESTIONS

This notice of question is submitted in terms of Rule 35.1 as contemplated in the Standing Rules and Order for the Meetings of Council and its Committees approved by Council on 27 July 2022.

The Stellenbosch Municipality By-Law on Roads and Streets gives effect to the right contained in section 24 of the Constitution of the Republic of South Africa, 1996 which allows to promote the realisation of a safe environment and universal accessibility to streets.

Stellenbosch Municipality, as the Road Authority for Municipal Roads and Streets within the jurisdiction of the Municipality, regulates activities and functions on roadways, walkways, and other spaces within road reserves. The By-Law on Roads and Streets aims to promote a safe environment for the benefit of all road and sidewalk users and to manage the use of roads, streets, sidewalks, and road verges.

This notice of question relates to concerns raised by business owners, residents, students, and domestic travellers residing and using accommodation in the Lower Dorp Street area. Motorists are prevented from accessing a private entrance from the R44 road located between Weidenhof Street and Stadler Street due to a white barrier line in the middle of the road. In contrast, hereto, access is being given to Weidenhof Street to access from both directions from the R44 and R310 roads. Also, access is granted to all private entrances and streets inbound from the R44 road to Dorp Street up to Drostdy Street. (See attached Annexure A: Images of Accessibility to Streets.)

The following questions have reference to this matter:

1. Why did Stellenbosch Municipality allow a white barrier line in the middle of the road to prevent access to the private entrance located between Weidenhof Street and Stadler Street from the R44 road?
2. Why did Stellenbosch Municipality not consult with the business owners and residents giving them a fair opportunity for input relating to their right to street accessibility from the R44 and R310 roads?

PROPOSED BY: CLLR. MARIUS VAN STADE



SECONDED BY: CLLR. ROBIN HENDRIKSE



THIS NOTICE OF QUESTION TO BE SERVED AT THE NEXT COUNCIL MEETING DATED 31 MAY 2024.

THE END.

APPENDIX 2



TO : SPEAKER
FROM : MUNICIPAL MANAGER
DATE : 07 JUNE 2024
RE : NOTICE OF QUESTION: COUNCILLOR VAN STADE DATED 26 APRIL 2024

Dear Speaker

With reference to the question received from the Good Councillor M van Stade, submitted in terms of Section 21 of the Rules of Order Regulating the Conduct of Council and Council Committee Meetings, received by my office on 26 April 2024.

QUESTION 1:

- i. *"Why did Stellenbosch Municipality allow a white barrier line in the middle of the road to prevent access to the private entrance located between Weidenhof Street and Stadler Street from R44 road?"*

RESPONSE

Vehicles which have been transgressing over this solid barrier line have been doing so illegally since around 2009, hence the necessity for the constant repainting of the solid barrier line.

The yellow junction box was painted around 2015 which prohibits road users from stopping over this area, to allow vehicles to turn into Lower Dorp Street. This was implemented to improve safety and traffic flow for motorist exiting the private property, especially during peak traffic flow conditions.

Each traffic scenario is unique and evaluated on its own merits.

Pertinent to this scenario are the following:

- Vehicles that are crossing the solid barrier line are causing a safety risk since high traffic volumes are encountered at this location, right turning movements will cause additional traffic congestion that will result in hazardous situations for road users and pedestrians. The Municipality has therefore, made provision for right turn movements only where it is absolutely essential, namely at the Weidenhof Street Intersection only.
- The solid barrier line, preventing the right turn movements was implemented to improve safety for vehicles exiting the private property and vehicles travelling along Lower Dorp Street. The curve on Dorp Street, located near the private Access, restricts sight distance at the private access thereby necessitating a solid barrier line that prevents the unsafe right turn movements.

- ii. *"Why did Stellenbosch Municipality not consult with the business owners and residents giving them a fair opportunity for input relating to their right to street accessibility from the R44 and R310 roads?"*

RESPONSE

Formal public participation processes are normally conducted on larger projects. Matters of this nature are normally dealt with through the Municipality's complaints system whereby residents can list their complaint on an activity carried out by the Municipality, requesting a review or alteration.

The Municipality has not received complaints in the past regarding the solid line and we can confirm that no major incident has occurred since the solid line was implemented.
I trust that the above is in order.

Kind regards,



Geraldine Mettler
Municipal Manager

13.3	NOTICE OF A QUESTION BY CLLR R HENDRIKSE OF GOOD PARTY: MUNICIPAL RENTAL HOUSING (LAPLANDE)
------	--

A Notice of a Question, dated 2024-04-26, was received from Councillor R Hendrikse.

The said Question is attached as **APPENDIX 1** and the appropriate response as

APPENDIX 1



Stellenbosch

Stellenbosch.forgood@gmail.com

24 April 2024

Our Ref: GOOD_WC024: Notice of Question: In a matter relating to the long-term tenancy of municipal rental housing stock in terms of the Tenancy of Stellenbosch Municipality Rental Housing Stock Policy.

Ms Geraldine Mettler
The Municipal Manager
Office of the Municipal Manager
Stellenbosch Municipality
PO Box 17
Stellenbosch
7600



Dear Municipal Manager

NOTICE OF QUESTIONS

This notice of question is submitted in terms of Rule 35.1 as contemplated in the Standing Rules and Order for the Meetings of Council and its Committees approved by Council on 27 July 2022.

The Stellenbosch Municipality Policy and Guidelines for the Allocation and Transfer of Municipal Rental Housing Stock allow for rental accommodation to qualifying residents. On 2 May 1996, the Stellenbosch Municipal Council approved and adopted a policy document "Special Housing" also known as the "Proposed Housing Allocation Process" to regulate and manage the allocation of rental stock allocations.

The principles contained in the above-mentioned policy are as follows:

1. To heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights.
2. Laying the foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by Law.
3. To improve the quality of life of all citizens and free the potential of each person.
4. Building a united, non-racial, non-sexist, democratic and prosperous greater Stellenbosch.

The Constitution of the Republic of South Africa, 1996 addresses the right to adequate housing in terms of the following key pieces of legislation:

Article 26 (1):

Everyone has the right to have access to adequate housing.

Article 26 (2):

The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right.

Article 26 (3):

No one may be evicted from their home, or have their home demolished, without an order of court made after considering all the relevant circumstances. No legislation may permit arbitrary evictions.

The following questions have reference to this matter:

1. Did Stellenbosch Municipality sell the municipal rental housing stock known as LAP land (Lavanda, Aurora and Phyllaria Flats) to Stellenbosch University, property developer and or business entity?
2. Did Stellenbosch Municipality conduct community participation meetings with the legal occupants of LAP land (Lavanda, Aurora and Phyllaria Flats) to discuss the long-term tenancy and occupancy?

PROPOSED BY: CLLR. ROBIN HENDRIKSE

A handwritten signature in black ink, appearing to read 'R. Hendrikse', written over a horizontal line.

SECONDED BY: CLLR. MARIUS VAN STADE

A handwritten signature in black ink, appearing to read 'M. van Stade', written over a horizontal line.

THIS NOTICE OF QUESTION TO BE SERVED AT THE NEXT COUNCIL MEETING DATED 31 MAY 2024.

THE END.

APPENDIX 2



TO : SPEAKER
FROM : MUNICIPAL MANAGER
DATE : 07 JUNE 2024
RE : NOTICE OF QUESTION: COUNCILLOR HENDRIKSE DATED 26 APRIL 2024

Dear Speaker

With reference to the question received from the Good Councillor R Hendrikse, submitted in terms of Section 21 of the Rules of Order Regulating the Conduct of Council and Council Committee Meetings, received by my office on 26 April 2024.

QUESTION 1:

- i. *"Did Stellenbosch Municipality sell the municipal rental housing stock known as LAP land (Lavanda, Aurora and Phyllaria Flats) to Stellenbosch University, property developer and or business entity?"*

RESPONSE

No.

QUESTION 2:

- ii. *"Did Stellenbosch Municipality conduct community participation meetings with the legal occupants of LAP land (Lavana, Aurora and Phyllaria Flats) to discuss the long-term tenancy and occupancy?"*

RESPONSE

No.

Kind regards,

Geraldine Mettler
Municipal Manager

13.4	NOTICE OF A QUESTION BY CLLR R HENDRIKSE OF GOOD PARTY: COMMUNITY PARTICIPATION MEETINGS (LAPLANDE)
------	--

A Notice of a Question, dated 2024-04-26, was received from Councillor R Hendrikse.

The said Question is attached as **APPENDIX 1** and the appropriate response as

APPENDIX 1



Stellenbosch

Stellenbosch.forgood@gmail.com

24 April 2024

Our Ref: GOOD_WC024: Notice of Question: In a matter relating to the long-term tenancy of municipal rental housing stock in terms of the Tenancy of Stellenbosch Municipality Rental Housing Stock Policy.

Ms Geraldine Mettler
The Municipal Manager
Office of the Municipal Manager
Stellenbosch Municipality
PO Box 17
Stellenbosch
7600



Dear Municipal Manager

NOTICE OF QUESTIONS

This notice of question is submitted in terms of Rule 35.1 as contemplated in the Standing Rules and Order for the Meetings of Council and its Committees approved by Council on 27 July 2022.

The Stellenbosch Municipality Policy and Guidelines for the Allocation and Transfer of Municipal Rental Housing Stock allow for rental accommodation to qualifying residents. On 2 May 1996, the Stellenbosch Municipal Council approved and adopted a policy document "Special Housing" also known as the "Proposed Housing Allocation Process" to regulate and manage the allocation of rental stock allocations.

The principles contained in the above-mentioned policy are as follows:

1. To heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights.
2. Laying the foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by Law.
3. To improve the quality of life of all citizens and free the potential of each person.
4. Building a united, non-racial, non-sexist, democratic and prosperous greater Stellenbosch.

The Constitution of the Republic of South Africa, 1996 addresses the right to adequate housing in terms of the following key pieces of legislation:

Article 26 (1):

Everyone has the right to have access to adequate housing.

Article 26 (2):

The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right.

Article 26 (3):

No one may be evicted from their home, or have their home demolished, without an order of court made after considering all the relevant circumstances. No legislation may permit arbitrary evictions.

The following questions have reference to this matter:

1. Did Stellenbosch Municipality sell the municipal rental housing stock known as LAP land (Lavanda, Aurora and Phyllaria Flats) to Stellenbosch University, property developer and or business entity?
2. Did Stellenbosch Municipality conduct community participation meetings with the legal occupants of LAP land (Lavanda, Aurora and Phyllaria Flats) to discuss the long-term tenancy and occupancy?

PROPOSED BY: CLLR. ROBIN HENDRIKSE

A handwritten signature in black ink, appearing to read 'R Hendrikse', written over a horizontal line.

SECONDED BY: CLLR. MARIUS VAN STADE

A handwritten signature in black ink, appearing to read 'M Van Stade', written over a horizontal line.

THIS NOTICE OF QUESTION TO BE SERVED AT THE NEXT COUNCIL MEETING DATED 31 MAY 2024.

THE END.

APPENDIX 2



TO : SPEAKER
FROM : MUNICIPAL MANAGER
DATE : 07 JUNE 2024
RE : NOTICE OF QUESTION: COUNCILLOR HENDRIKSE DATED 26 APRIL 2024

Dear Speaker

With reference to the question received from the Good Councillor R Hendrikse, submitted in terms of Section 21 of the Rules of Order Regulating the Conduct of Council and Council Committee Meetings, received by my office on 26 April 2024.

QUESTION 1:

- i. *"Did Stellenbosch Municipality sell the municipal rental housing stock known as LAP land (Lavanda, Aurora and Phyllaria Flats) to Stellenbosch University, property developer and or business entity?"*

RESPONSE

No.

QUESTION 2:

- ii. *"Did Stellenbosch Municipality conduct community participation meetings with the legal occupants of LAP land (Lavana, Aurora and Phyllaria Flats) to discuss the long-term tenancy and occupancy?"*

RESPONSE

No.

Kind regards,

Geraldine Mettler
Municipal Manager

13.5	NOTICE OF A MOTION BY CLLR G PETERSEN OF GOOD PARTY: BOTMASKOP ESTATE DEVELOPMENT
------	--

A Notice of a Motion, dated 2024-05-10, was received from Councillor G Petersen regarding Botmaskop Estate Development.

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

FOR CONSIDERATION

APPENDIX 1



09 May 2024

Our Ref: GOOD-WC024_Notice of Motion – Motion in terms of Chapter 4, Section 21(1)(a)(b) of the Municipal Systems Act and Regulations, Act 32 of 2000 relating to the Botmaskop Estate Development.

Ms Geraldine Mettler
The Municipal Manager
Office of the Municipal Manager
Stellenbosch Municipality
PO Box 17
Stellenbosch
7600

Dear Municipal Manager



NOTICE OF MOTION

This notice of motion is hereby submitted in terms of rule 24.4 in terms of the Standing Rules and Order for the Meetings of Council and its Committees.

This notice of motion relates to a resolution taken at a council meeting of Stellenbosch Municipality dated 21 February 2024. It was resolved that the Botmaskop Estate Development agenda item be advertised for public participation by the local community. Local community members approached GOOD Stellenbosch about the Botmaskop Estate Development awaiting an opportunity to submit their inputs and comments regarding the public participation process.

However, the advertisement for public participation was published in Die Burger newspaper instead of the local newspaper known as the EikestadNuus. Stellenbosch Municipality has always used the EikestadNuus, a free local newspaper to communicate or to publish notices to the local community while the local newspaper is free of charge and accessible to residents. However, the advertisement of Botmaskop Estate Development was treated differently, and the local community was excluded from public participation.

This notice of motion is submitted in terms of Chapter 4, Sections 21 and 16 of the Municipal Systems Act and Regulations, Act 32 of 2000 which provides for public participation and participatory governance.

Therefore, this notice of motion requests this Council to consider re-advertising the Botmaskop Estate Development agenda item in the local newspaper, the EikestadNuus to allow for local community participation and participatory governance.

PROPOSED BY: CLLR. GRECHARD PETERSEN

SECONDED BY: CLLR. MARIUS VAN STADE

**THIS NOTICE OF MOTION TO BE SERVED AT THE COUNCIL MEETING SCHEDULED FOR 31 MAY 2024.
THE END.**

14.	CONSIDERATION OF URGENT MOTIONS
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15.	URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER
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16.	REPORTS SUBMITTED BY THE SPEAKER
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NONE

17.	REPORTS SUBMITTED BY THE EXECUTIVE MAYOR
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NONE

18.	MATTERS TO BE CONSIDERED IN-COMMITTEE
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NONE

***THE AGENDA HAS BEEN DISCUSSED WITH THE SPEAKER,
CLLR Q SMIT AND HE AGREES WITH THE CONTENT.***