STELLENBOSCH
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MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

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2025-06-25

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MINUTES

SPECIAL COUNCIL MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY

2025-06-25 AT 10:00

M I N U T E S
SPECIAL MEETING OF THE COUNCIL
OF STELLENBOSCH MUNICIPALITY
2025-06-25
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MINUTES **SPECIAL COUNCIL MEETING OF STELLENBOSCH MUNICIPALITY** **2025-06-25**

TO

The Speaker, Cllr Q Smit [Chairperson]
The Executive Mayor, Ald JS Fasser
The Deputy Executive Mayor, Cllr M Slabbert
The Council Whip, Cllr P Crawley

COUNCILLORS

RA Adams	XL Mdemka
Ald JC Anthony	L Nkamisa
R Cupido	M Nkopane
MM Danana	N Ntsunguzi
JA Davids	N Olayi
R Du Toit	Z Olayi
A Ferns	GA Petersen
E Groenewald	RO Pheiffer
RB Hendrikse	WF Pietersen
SC Heneke	MG Rataza
J Joon	Ald JP Serdyn
O Jooste	SR Schäfer
JC Macfarlane	RB Van Rooyen
C Manuel	M Van Stade
EP Masimini	E Vermeulen
NE Mcombring	J Williams

****

OFFICIALS

Municipal Manager (G Mettler)
Chief Financial Officer: (K Carolus)
Director: Community and Protection Services (-G Boshoff)
Director: Infrastructure (S Chandaka)
Director: Planning and Economic Development (A Barnes)
Acting Chief Audit Executive (M Krige)
Senior Administration Officer (T Samuels)

****

1. OPENING AND WELCOME

The Speaker, Cllr Q Smit, welcomed all present at the Special Council meeting which was held in the Council Chamber.

2. COMMUNICATION BY THE EXECUTIVE MAYOR

- Today I need to talk about vandalism in our communities. Vandalism of municipal property is self-defeating. We are deeply disappointed by the malicious damage caused to the newly constructed fencing around our municipal rental properties in Rhode, Kloof, Lang Street and along the R44, as well as the pedestrian and vehicular gates were vandalised. The installation of the gates and the fencing were on request from the community raised constantly at IDP sessions, and it was installed to assist with improving the safety and security of Cloetesville residents. Thanks to swift intervention, the gates were recovered and reinstated. Still, these senseless acts require repairs - placing unnecessary financial strain on our ratepayers. We cannot accept this type of behaviour and urge the communities to report these acts of criminality.

- Gister het ons jong leiers hul eerste amptelike Junior Dorpsraadvergadering gehou – 'n volledige spesiale raadsitting waar hulle formeel aan die Stellenbosch Munisipale Raad voorgestel is. Tydens die sitting is hulle amptelik verwelkom, met raadslede in verbinding gestel en hul eerste agendapunte aangepak: ordereëls en werkskadugeleenthede. Alle voorspoed en sterkte aan die nuwe Junior raad. Net ook om alle ongeruindhede uit die weg te ruim – alle hoërskole in die Stellenbosch munisipale area is genader om verteenwoordigers voor te stel, en van die skole het ongelukkig nie op die uitnodigig reageer nie. daarom is verteenwoordigers van dardie skole nie teenwoordig nie maar hopelik met die volgende rondte sal alle hoërskole verteenwoordigers beskikbaar stel. Net weer ter herinnering:

  - Junior Burgemeester: Clayton Malgas – Hoërskool Franschhoek
  - Junior Onderburgemeester: Melvine Martin – Stellenzicht Sekondêre Skool
  - Speaker: Peyton Arendse – Rhenish Girls' High School
  - Portefeulje: Gemeenskapsinteraksie: Riane Louw – Hoërskool Stellenbosch
  - Portefeulje: Skole Uitreik: Kayleigh Cass – Groendal Sekondêre Skool

- I was proud to attend the 2nd Annual Street Store Winter Readiness Outreach. It was hosted in collaboration with Serve Stellenbosch. It is a heartfelt initiative aimed at supporting persons living on the street and members of vulnerable communities. An estimated 600 people attended this year’s event, receiving not only warm clothing, but something far more important - dignity and care. I really want to challenge all our councillors and residents to contribute towards this initiative and donate good clothing that you all have in the back of closets. Contact the Community Development department and they will assist.

- Ek het gister die oorhandiging van reuse buitelugskaakstelle in wyk 6, Idasvallei bygewoon. Dit is so wonderlik om te verneem dat al die skole in wyk 6 skaak as ‘n aktiwiteit bevorder, en spesiale dank met gaan aan rdl Nateshia Mcombring wat gesorg het dat die skole almal baat vind by hierdie oorhandiging.

- It is with great shock and sadness that the Municipality has learned of the passing of Mr Nyaniso Jindela in a fatal shooting incident.

  Mr Jindela was a former Councillor who served the community with distinction, including in the role of Deputy Mayor. We extend our deepest condolences to Mr Jindela’s family and loved ones.

  The incident is currently under investigation by the South African Police Service (SAPS) and the Municipality will fully support SAPS by providing any information they may require.

- We have entered the winter rain and cold season, and even during winter we urge residents and communities to focus on fire safety for both homes, dwellings and surrounding areas. Regularly inspect and maintain heating appliances, and be cautious with electrical heaters and blankets, unplugging when not in use and avoid overloading sockets. Also be vigilant to keep flammable materials like curtains away from heating sources like fires or heaters. Ensure paraffin appliances are used in well-ventilated areas and switch off after use.

3. COMMUNICATION BY THE SPEAKER

- The following items have been withdrawn from the Agenda:

  Item 9.3 on the open Agenda; and
  Item 4.3 on the In-Committee Agenda.

4. COMMUNICATION BY THE MUNICIPAL MANAGER

The Municipal Manager noted

that we are currently in the middle of winter and have already experienced several weather warnings. These alerts have been shared with Councillors, with the request that they also inform their communities. She emphasized the importance of remaining vigilant, noting that further flooding is likely. Preventative actions such as cleaning gutters and ensuring that stormwater drains are unclogged—especially in areas prone to mudslides—were strongly encouraged.

Reflecting on the end of Youth Month, the Municipal Manager acknowledged the significance of remembering the youth of 1976. More importantly, she highlighted a major milestone for the municipality: the inauguration of the Youth Council. She stressed the importance of preparing young people for an ever-changing world, especially considering current global and local challenges.

The Municipal Manager urged everyone to stay safe during the cold season. With many people using open fires to keep warm, she advised extreme caution and reminded everyone to extinguish fires before going to bed to prevent potential accidents.

5. DISCLOSURE OF INTERESTS

NONE

6. APPLICATION FOR LEAVE OF ABSENCE

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

Cllr J Andrews	-	25 June 2025
Cllr I de Taillerfer	-	25 June 2025
Cllr AJ Hanekom	-	25 June 2025
Cllr TO Kumm	-	25 June 2025
Cllr N Mananga-Gugushe	-	25 June 2025
Cllr NM Mkhontwana	-	25 June 2025
Cllr NR Ndalasi	-	25 June 2025
Cllr WC Petersen	-	25 June 2025
Cllr A Tomose	-	25 June 2025

7.	STATUTORY MATTERS

7.1	MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR MAY 2025

Collaborator No:
IDP KPA Ref No: **Good Governance**
Meeting Date: **18 June and 25 June 2025**

1. SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR MAY 2025

2. PURPOSE

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy 2024/2025 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 (2024/2025) stipulate that SCM deviations be reported to the Council. In compliance thereto, this report presents to the Council the SCM deviations that occurred during May 2025.

SPECIAL COUNCIL MEETING: 2025-06-25: ITEM 7.1

NOTED

the Council notes that there were no deviations approved for the month of May 2025.

NAME	***Dalleel Jacobs***
POSITION	***Senior Manager SCM***
DIRECTORATE	***Finance***
CONTACT NUMBERS	***021 808 8137***
E-MAIL ADDRESS	***Dalleel.Jacobs@stellenbosch.gov.za***
REPORT DATE	***03 June 2025***

8.	**CONSIDERATION OF ITEMS BY THE EXECUTIVE MAYOR: [ALD J FASSER]**

8.1	**PROTECTION SERVICES: [PC: CLLR J WILLIAMS]**

NONE

8.2	**SPORTS, YOUTH AND CULTURE: [PC: CLLR TO KUMM]**

NONE

8.3	**CORPORATE SERVICES: (PC: CLLR L NKAMISA)**

8.3.1	**RETURN ITEM: POSSIBLE DISPOSAL OF A PORTION OF ERF 9190 PROTEA HOTEL**

Collaborator No:
IDP KPA Ref No: **Good Governance**
Meeting Date: **18 June 2025 and 25 June 2025**

1. SUBJECT: RETURN ITEM: POSSIBLE DISPOSAL OF A PORTION OF ERF 9190 PROTEA HOTEL

2. PURPOSE

To provide feedback after the public participation process and obtain Council's final approval for the disposal of a portion of erf 9190, Stellenbosch situated in Technopark, to Protea Hotel.

3. DELEGATED AUTHORITY

For decision by Municipal Council.

4. EXECUTIVE SUMMARY

Protea Hotel constructed a building on their property, encroaching onto erf 9190 (municipal property). Plans were approved and occupation certificates were provided.

They have tried to rectify the situation by proposing a land swap. This application, however, was turned down by the Planning Tribunal, based on planning principles.

The Planning Tribunal suggested that Protea Hotel request the adjustment of the common boundary and purchase the land from the Municipality that they are currently encroaching on. An application was then received from Protea Hotel.

The item served before Mayco in December 2023. The item was referred back for a valuation and further refinement. The refinement requested was to provide information on the encroachments and the adjacent land. Photos to that effect is included in the item. Planning also needed to provide comment on the approval of the plans. The land use rights also had to provided. Planning submitted a report on the history of the matter which is attached to the item.

The property management department appointed a valuator to determine the fair market value and a valuation report was provided to the applicant and is attached to the item.

After the applicant received the valuation report they submitted an amendment to their request wherein they only requested to purchase the section of the property where the function room was erected on Municipal land. This portion is only 488 square meters. They requested consent to purchase this portion of land and for council to consent to the sub-division of this portion of land and the consolidation thereof to their property, erf 9209. The amended application served before the Executive Mayoral Committee and Council during July 2024, and it was removed from the Council Agenda by the Speaker for the administration to enter further discussions with the applicant. These discussions took place, and the applicant then provided three alternative proposals on how to finalise this matter. Three alternative proposals submitted by Protea Hotel is attached to the item.

On 24 August 2024 Council resolved that they approve option 3 in principle and that the land can be sold to Protea Hotel, pending a public participation process and that the matter be brought back to Council for a final decision after the public participation process. This process has now been finalised, and no comments were received from the public. Council therefore needs to make a final decision on the sale of the land to Protea Hotel.

SPECIAL COUNCIL MEETING: 2025-06-25: ITEM 8.3.1

RESOLVED (majority vote with 4 abstentions)

(a) that Council takes note of the Official Notice that was published on 15 May 2025;

(b) that Council takes note that no comments, inputs or alternative proposals were received from the public during the public participation process;

(c) that Council approves the sale of the portion of Erf 9190, Stellenbosch to Protea Hotel as per option 3 in the item;

(d) that the sales price for the portion of land is R12 069 021.00 (excluding VAT);

(e) that the Municipal Manager be authorised to sign the sales agreement and all necessary transfer documents;

(f) that the sales price be paid to the Municipality upon registration of the property into the name of the Municipality which registration will have to be finalised within 6 months from date of signing of the agreement, failing which the sales agreement will terminate; and

(g) that Protea Hotel pays for all the fees for the registration of the property into their name.

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

Cllrs JA Davids; EP Masimini; M Nkopane; N Ntsunguzi; MG Rataza and A Tomose.

NAME	**Yolande van den Berg**
POSITION	***Head: Contract Management***
DIRECTORATE	***Corporate Services***
CONTACT NUMBERS	***021-8088073***
E-MAIL ADDRESS	***Yolande.vandenberg@stellenbosch.gov.za***
REPORT DATE	***2025/06/14***

8.3.2	REQUEST TO RECONSIDER EXECUTIVE MAYORAL COMMITTEE RESOLUTION IN RESPECT OF MONTHLY RENTAL CHARGED TO STELLENBOSCH ANIMAL HOSPITAL: ERVEN 2498 AND 2499, STELLENBOSCH

Collaborator No:
IDP KPA Ref No: **Good Governance**
Meeting Date: **18 June 2025 and 25 June 2025**

1. SUBJECT: REQUEST TO RECONSIDER EXECUTIVE MAYORAL COMMITTEE RESOLUTION IN RESPECT OF MONTHLY RENTAL CHARGED TO STELLENBOSCH ANIMAL HOSPITAL: ERVEN 2498 AND 2499, STELLENBOSCH

2. PURPOSE

To consider a request from Stellenbosch Animal Hospital regarding a reduction in the new monthly rental to be charged in terms of an Executive Mayoral Committee resolution.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

On 17 January 2024 the Executive Mayoral Committee considered a request from Dr. GA Giliomee on behalf of the Stellenbosch Animal Hospital for an extension of their lease agreement. It was resolved, *inter alia*, that the lease agreement be renewed for a period of nine years and 11 months and that the monthly rental be determined by a valuator.

A valuator was subsequently appointed, and a valuation report was received indicating that the market related monthly rental should be R39 500.00 per month exclusive of VAT. The valuation report calculated the parking spaces at R500.00 per parking per month which is not in line with the approved tariff. The approved tariffs should be used in terms of the parking spaces.

In April 2024 the item returned to the Executive Mayoral Committee after the public participation process. It was resolved, *inter alia*, that the property be leased to the applicant for 9 years 11 months and that the Municipal Manager be mandated to determine the monthly rental after the valuation report is received.

The applicant was informed about the Executive Mayoral Committee resolution as well as the valuation report and in July 2024 the applicant wrote a letter wherein, they request that the monthly rental be reconsidered. According to the applicant the substantial increase in rental is way above inflation. The applicant further states that they moved into the premises in 1981 after the building, which was constructed in 1947, was standing empty for a couple of years. Over the last 43 years they have spent lots of money on maintenance and improvements of the building. All the capital expenses from when they moved into the building has been paid by the Stellenbosch Animal Hospital, which includes the doubling of the usable floor space, new floors, new water piping, complete electrical rewiring, air conditioning etc. In effect, they are being charged to lease a portion of the building which they themselves paid for.

The applicant suggests and requests that the new lease agreement be based on the old monthly rental with a 6% escalation as per the previous agreement which will be an increase to R31 361.81 per month for the building as well as the parking spaces.

Although the Municipal Manager has been mandated to determine the monthly rental, the Executive Mayoral Committee resolution states that it should be in line with the valuation report. Considering the substantial difference in valuation and the request received from the applicant the Department is of the opinion that the request should be considered by the Executive Mayoral Committee.

SPECIAL COUNCIL MEETING: 2025-06-25: ITEM 8.3.2

RESOLVED (majority vote with 3 abstentions)

(a) that Council takes note of the application received for a reconsideration of the monthly rental payable by the lessee;

(b) that Council approves the request received from the lessee for the lease amount to be based on the previous lease agreement including an escalation of 6%, the monthly rental being R31 361.81; and

(c) that the monthly rental will escalate yearly at a rate of 6% from July of every year.

NAME	**Yolande van den Berg**
POSITION	***Head: Contract Management***
DIRECTORATE	***Corporate Services***
CONTACT NUMBERS	***021-808 8073***
E-MAIL ADDRESS	***Yolande.vandenberg@stellenbosch.gov.za***
REPORT DATE	***21/05/2025***

8.3.3	REVISED AND CONSULTED MICRO-STRUCTURES FOR THE CORPORATE SERVICES (HUMAN RESOURCE MANAGEMENT AND LEGAL SERVICES) AND FINANCIAL SERVICES (SUPPLY CHAIN MANAGEMENT AND REVENUE AND EXPENDITURE SERVICES)

Collaborator No:
IDP KPA Ref No: **Good Governance**
Meeting Date: **18 June 2025 and 25 June 2025**

1. SUBJECT: REVISED AND CONSULTED MICRO-STRUCTURES FOR THE CORPORATE SERVICES (HUMAN RESOURCE MANAGEMENT AND LEGAL SERVICES) AND FINANCIAL SERVICES (SUPPLY CHAIN MANAGEMENT AND REVENUE AND EXPENDITURE SERVICES)

2. PURPOSE

To inform the Council of the revised and consulted micro-structures for the revised and consulted micro-structures for the **CORPORATE SERVICES (HUMAN RESOURCE MANAGEMENT AND LEGAL SERVICES) AND FINANCIAL SERVICES (SUPPLY CHAIN MANAGEMENT AND REVENUE AND EXPENDITURE SERVICES)**.

3. DELEGATED AUTHORITY

The delegated authority is Council.

4. EXECUTIVE SUMMARY

The review of the 2017/2019 micro-structures has been a standing item under "matters emanating" on the Local Labour Forum agenda since November 2020. Since then, various consultative engagements were held with the respective departments and directorates. These engagements resulted in revised structures, which were amended through consensus. In 2024 and 2025, the Employer, IMATU, and SAMWU reached agreement on the revised structures after thorough consultation. The structures were subsequently submitted to the Restructuring Working Group and endorsed for Council consideration.

SPECIAL COUNCIL MEETING: 2025-06-25: ITEM 8.3.3

RESOLVED (nem con)

that the revised/amended and consulted structures for the **Corporate Services (Human Resource Management and Legal Services) and Financial Services (Supply Chain Management and Revenue and Expenditure Services)** be approved.

FOR FURTHER DETAILS CONTACT:

NAME	*Alexander Kannemeyer*
POSITION	*Senior Manager Human Resource Management*
DIRECTORATE	*Corporate Services*
CONTACT NUMBERS	*021-808 8751*
E-MAIL ADDRESS	*Alexander. Kannemeyer@stellenbosch.gov.za*
REPORT DATE	*11TH May 2025*

8.3.4	RECRUITMENT AND SELECTION POLICY

Collaborator No:
IDP KPA Ref No: **Good Governance**
Meeting Date: **18 June 2025 and 25 June 2025**

1. SUBJECT: RECRUITMENT AND SELECTION POLICY

2. PURPOSE

To inform of the revised and consulted Recruitment and Selection Policy and to submit the said policy to MAYCO and Council for approval.

3. DELEGATED AUTHORITY

The delegated authority for the approval is the Council.

4. EXECUTIVE SUMMARY

COGTA, during 2021, promulgated new Staffing Regulations which had to be implemented from 1st July 2022. In terms of these regulations many of the recruitment process provisions have changed and had to be incorporated into our Recruitment and Selection Policy to ensure that the Municipality becomes compliant and implement the provisions as from 1st July 2022. The Recruitment and Selection Policy was subsequently approved on the 22nd June 2022. Since this date there had not been any revision of this policy until March 2024 when the policy was submitted to the Local Labour Forum. At the Labour Forum at the time, referred the policy to the Human Resources Development Sub-Committee for consultation with the labour unions and these discussions were eventually concluded on the 12th of June 2025 hence the submission of the revised and consulted Recruitment and Selection.

SPECIAL COUNCIL MEETING: 2025-06-25: ITEM 8.3.4

RESOLVED (nem con)

that Council approves the revised and consulted Recruitment and Selection Policy.

NAME	*Alexander Kannemeyer*
POSITION	*Senior Manager Human Resources*
DIRECTORATE	*Corporate Services*
CONTACT NUMBERS	*021-808 8751*
E-MAIL ADDRESS	*Alexander.Kannemeyer@stellenbosch.gov.za*
REPORT DATE	*19 May 2025*

8.4	**FINANCIAL SERVICES: (PC: CLLR JC ANTHONY)**

8.4.1	**MFMA CIRCULAR 131: IMPLICATIONS FOR TOURISM-RELATED EXPENDITURE AND SECTOR GROWTH**

Collaborator No:
IDP KPA Ref No:
Meeting Date: 25 June 2025

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1. SUBJECT: MFMA CIRCULAR 131: IMPLICATIONS FOR TOURISM-RELATED EXPENDITURE AND SECTOR GROWTH

2. PURPOSE

That Council notes the content of MFMA Circular 131 issued by National Treasury and considers the implications, particularly its potential negative impact on the municipality's tourism development and related activities.

3. DELEGATED AUTHORITY

Municipal Council

4. EXECUTIVE SUMMARY

MFMA Circular 131 provides guidance on Section 67 of the MFMA regarding the transfer of funds by the Municipality to Organisations and Bodies outside of Government. While the intention is to promote financial prudence and eliminate non-essential expenditure, some of the provisions—such as restrictions on events, catering, and promotional spending—may unintentionally hinder the growth and recovery of the tourism sector.

Stellenbosch Municipality, being a renowned tourism destination, may face limitations in executing key marketing and hospitality functions necessary for maintaining its competitive position in the sector.

SPECIAL COUNCIL MEETING: 2025-06-25: ITEM 8.4.1

RESOLVED (majority vote with 3 abstentions)

Amended recommendations (b) and (c)

(a) that Council notes MFMA Circular 131 issued by National Treasury;

(b) that the potential negative impact of the cost containment provisions on tourism-related activities, including destination marketing, hosting of events, and hospitality engagements, be noted; and

(c) that Council do not adopt the Circular in terms of Section 168 of the MFMA.

FOR FURTHER DETAILS CONTACT:

NAME	**Kevin Carolus**
POSITION	***Chief Financial Oficer***
DIRECTORATE	***Financial Services***
CONTACT NUMBERS	***021 808 8528***
E-MAIL ADDRESS	***Kevin.carolus@stellenbosch.gov.za***
REPORT DATE	

8.5	HUMAN SETTLEMENTS: (PC: CLLR R DU TOIT)

NONE

8.6	INFRASTRUCTURE SERVICES : (PC : R PHEIFFER)

NONE

8.7	PARKS AND OPEN SPACES: (PC: N OLAYI)

NONE

8.8	PLANNING AND LOCAL ECONOMIC DEVELOPMENT AND TOURISM :(PC: DEPUTY MAYOR M SLABBERT)

8.8.1	REQUEST FOR TARIFF FEE REDUCTION AT THE KAYAMANDI CORRIDOR TO FACILITATE SERVICE DELIVERY BY THE SOUTH AFRICAN SOCIAL SECURITY AGENCY (SASSA)

Collaborator No: **787955**
IDP KPA Ref No: **Good Governess**
Meeting Date: **18 June 2025 and 25 June 2025**

1. SUBJECT: REQUEST FOR TARIFF FEE REDUCTION AT THE KAYAMANDI CORRIDOR TO FACILITATE SERVICE DELIVERY BY THE SOUTH AFRICAN SOCIAL SECURITY AGENCY (SASSA)

2. PURPOSE

To attain Council's approval to obtain the necessary authorisation for the intended amendment of an Agreement/ MOU concluded with the government agency, South African Social Security Agency (SASSA) to further reduce the standard tariff for the Kayamandi Corridor Conference Centre from R2 500 (Incl VAT) per day to R592 (Incl. VAT) per day, to align with the current tariff and Agreement/ MOU for the Eike Hall.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

The South African Social Security Agency (SASSA) was awarded a 3-year Agreement/ MOU for the use of premises, within the WC024, on specific days for the administration of social security applications and enquiries as well as any business related thereto and for no other purpose, except with the written consent of Stellenbosch Municipality.

In order to achieve a cost effective and centralised installation of services, a decision was made to install SASSA services at the Klapmuts Multi-Purpose Centre, Franschhoek Community Hall and the Cloetesville Eike Hall. The current safety challenges in Cloetesville have necessitated the roll-out of the service at an alternative venue, which has been identified as the Kayamandi Corridor Conference Centre.

The amendment to the existing Agreement/MOU between SASSA and Stellenbosch Municipality, which involves relocating SASSA services to the Kayamandi Corridor, will result in additional costs due to the higher tariff associated with the Kayamandi venue. These costs will remain elevated even after applying the 30% reduction in accordance with the tariff policy. SASSA has requested that the Municipality apply the same daily tariff for the Kayamandi Corridor as they are currently paying at Eike Hall, Cloetesville.

SPECIAL COUNCIL MEETING: 2025-06-25: ITEM 8.8.1

RESOLVED (nem con)

(a) that the rental amount for the provision of SASSA services be reduced from R2 500 per day to R592, per day; and

(b) that the Municipal Manager be authorised to conclude the contract or agreement after (d) above, is finalized in terms of the applicable Act/Regulation.

FOR FURTHER DETAILS CONTACT:

NAME	Carmen Saville
DIRECTORATE	***Planning & Economic Development***
CONTACT NUMBERS	***021 808 8151***
E-MAIL ADDRESS	***Carmen.Saville@stellenbosch.gov.za***
REPORT DATE	***06 June 2025***

8.9	COMMUNITY SERVICES:(PC:)

8.9.1	REVIEW STELLENBOSCH MUNICIPALITY EARLY CHILDHOOD DEVELOPMENT POLICY

Collaborator No: 787976
IDP KPA Ref No: Dignified Living
Meeting Date: 18 June 2025

1. SUBJECT: REVIEW STELLENBOSCH MUNICIPALITY EARLY CHILDHOOD DEVELOPMENT POLICY

2. PURPOSE

To obtain approval for the review of the Stellenbosch Municipality Early Childhood Development Policy

3. DELEGATED AUTHORITY

For approval by council.

4. EXECUTIVE SUMMARY

The Department: Community Development is responsible for services relating to children including assistance towards achieving full registration. The department, however, is not responsible for the registration of Early Childhood Development Centres nor for the approvals relating to local government services and processes required. The above-mentioned services and processes are spread among the Provincial Department of Basic Education (previously the Department of Social Development), the Cape Winelands District Municipality Environmental Health and several local government departments. In order to ensure coordinated service delivery between the above-mentioned entities, a policy has been developed to provide a framework and guide as to the process for the registration of ECD facilities in Stellenbosch Municipal area. Comments on the Children's Amendment Bill has been submitted through SALGA, but it is not near to being enacted. The changes suggested in the Amendment Bill is thus not included in this review of the policy.

The review of the policy takes into consideration the migration of the registration function from the Department of Social Development to the Department of Basic Education.

SPECIAL COUNCIL MEETING: 2025-06-25: ITEM 8.9.1

RESOLVED (nem con)

(a) that Council supports the revised Early Childhood Development Policy;

(b) that the revised Early Childhood Development Policy be approved in principle for public comment; and

(c) that the Policy be brought back to Council for consideration after the public participation process.

FOR FURTHER DETAILS CONTACT:

NAME	Michelle Aalbers
POSITION	Manager Community Development
DIRECTORATE	Community and Protection Services
CONTACT NUMBERS	8408
E-MAIL ADDRESS	Michelle.aalbers@stellenbosch.gov.za
REPORT DATE	23/05/2025

8.10	RURAL MANAGEMENT AND ENVIRONMENT: (PC: CLLR C MANUEL)

NONE

8.11	MUNICIPAL MANAGER

8.11.1	ADOPTION OF THE PUBLIC PARTICIPATION POLICY

Collaborator No: **787996**
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **18 June 2025 and 25 June 2025**

1. SUBJECT: ADOPTION OF THE PUBLIC PARTICIPATION POLICY

2. PURPOSE

For Council to consider and approval:

(a) The final Public Participation Policy, attached as **ANNEXURE A;**

(b) Written submissions on the draft Public Participation Policy, attached as **ANNEXURE B.**

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) mandates a local municipality to develop a culture of community participation by creating conditions for the local community to participate in the affairs of the municipality as stipulated in Chapter 4 of Section 16 (1)(a)(i)(v).

Stellenbosch Municipality values the community's contributions in attaining its mandates by making every effort to create invited public participation spaces and platforms. The municipality is continuously evaluating methods and strategies to enhance opportunities for public participation in municipal processes. On the premise of this, the municipality drafted an inclusive policy on how Stellenbosch Municipality conducts public participation in municipal matters, as stated in Section 16 (1)(a)(i)(v) of the MSA.

In formulating a comprehensive and inclusive Public Participation Policy, a notice for public input on the draft policy was published on 06 March 2025, following the Council's adoption of the draft policy on 26 February 2025. The stakeholders and community were given not less than 21 days to provide written input on the draft Public Participation Policy. A consolidated report of all written submissions on the draft Public Participation Policy is attached as **ANNEXURE B**.

SPECIAL COUNCIL MEETING: 2025-06-25: ITEM 8.11.1

RESOLVED (majority vote)

(a) that the final Public Participation Policy of Stellenbosch Municipality be adopted in terms of Chapter 4 of the MSA, attached as **ANNEXURE A**; and

(b) that the written submissions on the draft Public Participation Policy, attached as **ANNEXURE B**, be noted; and

(c) that an advertisement be placed on the official website of the municipality and in the local newspaper notifying the public that the final Public Participation Policy has been adopted by the Council.

FOR FURTHER DETAILS CONTACT:

NAME	*G Cain*
POSITION	*Manager: IDP/PMS/PP*
DIRECTORATE	*Office of the Municipal Manager*
CONTACT NUMBERS	*021 808 8174*
E-MAIL ADDRESS	*gurswin.cain@stellenbosch.gov.za*
REPORT DATE	*12 June 2025*

8.11.2	ADOPTION OF THE INTERGOVERNMENTAL RELATIONS (IGR) AND INTERNATIONAL RELATIONS (IR) POLICY

Collaborator No: 787995
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: 18 June 2025 and June 2025

1. SUBJECT: ADOPTION OF THE INTERGOVERNMENTAL RELATIONS (IGR) AND INTERNATIONAL RELATIONS (IR) POLICY

2. PURPOSE

For the Council to consider and approval:

(a) The final Intergovernmental Relations (IGR) and International Relations (IR) Policy, attached as **ANNEXURE A;** and

(b) Written submissions on the draft IGR and IR Policy, attached as **ANNEXURE B**.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

The Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005), aims to promote cooperative governance between the national and provincial governments, including other municipalities. It stipulates mechanisms for consultation, cooperation, and coordination among the three spheres of government to ensure effective service delivery and development.

Stellenbosch Municipality drafted an Intergovernmental Relations (IGR) and International Relations (IR) Policy to facilitate effective communication and collaboration with the provincial and national governments, as well as the district and other local municipalities. The policy sets the foundation for Stellenbosch Municipality to collaborate with other government departments and municipalities to facilitate challenges, coordinate resources, and enact policies that benefit the community.

In terms of international relations, the desired outcome of the IGR and IR Policy is to promote Stellenbosch Municipality as a competitive global destination for economic, social, and cultural activities and one that values international partnerships as a means to facilitate economic growth, actively encourages inward investment, and exchanges knowledge and best practices.

The final IGR and IR Policy stipulates the criteria and procedures to be followed when establishing formal relations with international parties to enable sufficient flexibility so that the municipality is able to capitalise on opportunities when they are deemed valuable and in the interest of service delivery.

The purpose of this item is to submit the final Intergovernmental Relations (IGR) and International Relations (IR) Policy to the Council for adoption. An internal and external consultation process was conducted to obtain input on the draft Intergovernmental Relations (IGR) and International Relations (IR) Policy. A report containing all written submissions on the draft Intergovernmental Relations (IGR) and International Relations (IR) Policy is attached, as **ANNEXURE B**.

SPECIAL COUNCIL MEETING: 2025-06-25: ITEM 8.11.2

RESOLVED (nem con)

(a) that the final Intergovernmental Relations (IGR) and International Relations (IR) Policy of Stellenbosch Municipality be adopted, attached as **ANNEXURE A**; and

(b) that the written submissions on the draft Intergovernmental Relations (IGR) and International Relations (IR) Policy, attached as **ANNEXURE B**, be noted; and

(c) that an advertisement be placed on the official website of the municipality and in the local newspaper notifying the public that the final Intergovernmental Relations (IGR) and International Relations (IR) Policy has been adopted by the Council.

FOR FURTHER DETAILS CONTACT:

NAME	G Cain
POSITION	Manager: IDP/PMS/PP
DIRECTORATE	Office of the Municipal Manager
CONTACT NUMBERS	021 808 8174
E-MAIL ADDRESS	gurswin.cain@stellenbosch.gov.za
REPORT DATE	12 June 2025

9.	REPORTS BY THE MUNICIPAL MANAGER

9.1	RECRUITMENT AND SELECTION PROCESS: DIRECTOR CORPORATE SERVICES

Collaborator No:
IDP KPA Ref No: Good governance and Compliance
Meeting Date: 25 June 2025

1. SUBJECT: RECRUITMENT AND SELECTION PROCESS: DIRECTOR CORPORATE SERVICES

2. PURPOSE OF REPORT

To commence with the recruitment process for the appointment of Director: Corporate Services.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

Following the vacancy of Director Corporate Services, a recruitment and selection process must commence to maintain and enhance stability within the organisation.

SPECIAL COUNCIL MEETING: 2025-06-25: ITEM 9.1

RESOLVED (majority vote with 5 abstentions)

a) that a selection panel be appointed as per the Regulations on the Appointment and Conditions of Employment of Senior Managers for the Director: Corporate Services which must consist of at least three but not more than five members, constituted as follows:

- The Municipal Manager, who will be the Chairperson;
- A member of the Mayoral Committee or Councillor who is a Portfolio Head of the relevant Portfolio; and
- At least one other person, who is not a councillor or a staff member of the municipality, and who has expertise or experience in the area of the advertised post.

b) that an independent external consultant be appointed to assist with the recruitment and selection process;

c) that the Senior Manager Human Resource Management, Mr Alexander Kannemeyer, be appointed to act as Director Corporate Services for three months, or until the finalisation of the recruitment process, whichever comes first;

d) that, if the period exceeds three months that the Minister of Local Government in the Province extends the period on good cause shown; and

e) that an acting allowance be paid as per the approved Acting Allowance Policy.

FOR FURTHER DETAILS CONTACT:

NAME	Geraldine Mettler
POSITION	Municipal Manager
DIRECTORATE	Office of the Municipal Manager
CONTACT NUMBERS	021 808 8025
E-MAIL ADDRESS	municipal.manager@stellenbosch.gov.za
REPORT DATE	4 June 2025

9.2	INFORMATION AND COMMUNICATION TECHNOLOGY POLICIES

Collaborator No:
IDP KPA Ref No: **Good Governance**
Meeting Date: **25 June 2025**

1. SUBJECT: INFORMATION AND COMMUNICATION TECHNOLOGY POLICIES

2. PURPOSE OF REPORT

For Council to approve the Policies for Information and Communication Technology.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

The Municipality is advancing in its use of technology to enhance service delivery. The Municipality further recognise the need to review/update the ICT policies to comply with all the legislative and regulatory requirements and to ensure operational efficiency. These policies form an integral part for effective municipal corporate governance.

SPECIAL COUNCIL MEETING: 2025-06-25: ITEM 9.2

RESOLVED (nem con)

that Council adopts the following Information and Communications Technology Policies **(ANNEXURE 1):**

i) ICT Acceptable Usage Policy
ii) ICT Data Backup and Recovery Policy
iii) ICT Desktop Replacement and Allocation Policy
iv) ICT Disaster Recovery Architecture
v) ICT Business Impact and Risk Analysis
vi) ICT DR Plan Review
vii) ICT Disaster Recovery Test Plan
viii) ICT Laptop Security Policy
ix) ICT Network Maintenance Policy
x) ICT operating System Security Controls Policy
xi) ICT Security Controls Policy
xii) ICT User Access Management Policy

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	*19 June 2025*

9.3	SPONSORSHIP OPPORTUNITY TO ATTEND THE ASIA PACIFIC CITIES SUMMIT (APCS) AND MAYORS FORUM IN DUBAI FROM 27 - 29 OCTOBER 2025

Collaborator No:
IDP KPA Ref No:
Meeting Date: **25 June 2025**

1. SUBJECT: SPONSORSHIP OPPORTUNITY TO ATTEND THE ASIA PACIFIC CITIES SUMMIT (APCS) AND MAYORS FORUM IN DUBAI FROM 27 - 29 OCTOBER 2025

2. PURPOSE OF THE REPORT

To obtain Council's permission for the Executive Mayor and two (2) Officials to attend the Asia Pacific Cities Summit and Mayors Forum, which is taking place from the 27th to the 29th of October 2025.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Stellenbosch Municipality has been singled out as a city of significant interest. As a result, Gratiya Advisory is offering sponsorship to the Executive Mayor, which will cover travel and accommodation expenses for attending the Asia Pacific Cities Summit and Mayors Forum in Dubai from 27 to 29 October 2025 (**ANNEXURE 1**).

The 2025 Asia Pacific Cities Summit, a worldwide convention hosted by Dubai, brings together Executive Mayors, city officials, business leaders, innovators, and young professionals from Asia Pacific, Europe, the Middle East, Africa, South Asia, and other regions to discuss the future development of urban areas.

Taking place at Expo City Dubai, the venue that previously hosted Expo 2020 and COP28, the 2025 APCS lies at the center of international dialogue and innovation. Dubai's role as a central hub for trade, logistics, and innovation positions the Summit as a platform for global collaboration, progress, and practical solutions.

According to the Mayoral Programme Pack (**ANNEXURE 2**), the Summit is organised around the main themes of Collaborate, Inspire, and Transform, with a focus on three specific subtopics:

- **Centers of Connection** – Enabling connectivity through infrastructure, mobility, and digital networks;
- **Centers of Solution** – Promoting scalable innovation and integrated solutions to urban issues;
- **Centers of Resilience** – Developing adaptive, inclusive strategies for climate and economic stability.

SPECIAL COUNCIL MEETING: 2025-06-25: ITEM 9.3

The Speaker **RULED**

that this item be withdrawn.

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	19 June 2025

10.	**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC): [CLLR WF PIETERSEN]**

10.1	**CONSIDERATION OF EXPENDITURE INCURRED ON BSM 86/24: FRANSCHHOEK FLOOD REHABILITATION – RECONSTRUCTION OF DIRKIE UYS AND AKADEMIE STREET BRIDGES**

Collaborator No: **785452**
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **12 & 20 June 2025 and 25 June 2025**

1. SUBJECT: INVESTIGATION INTO IRREGULAR EXPENDITURE RELATED TO EXPENDITURE INCURRED ON BSM 86/24: FRANSCHHOEK FLOOD REHABILITATION – RECONSTRUCTION OF DIRKIE UYS AND AKADEMIE STREET BRIDGES

2. PURPOSE OF REPORT

To present information for the consideration of MPAC regarding expenditure that may constitute irregular expenditure and to recommend appropriate actions based on the findings.

3. EXECUTIVE SUMMARY

During the September 2023 floods, record levels of rainfall were recorded in the Franschhoek valley, 391 millimetres of rain fell in 41 hours, the high volume of rainfall coupled with high intensities caused the Lacotte River to burst its banks. Private properties and Municipal infrastructure such as electricity, water services, roads, bridges etc. incurred significant damage.

A National Disaster was declared and the Municipality successfully attained disaster response funding from the National Department of Co-operative Governance and Traditional Affairs (COGTA). Planning and design processes commenced immediately, and the necessary environmental and heritage approvals attained. Due to the current circumstances namely, eroded water courses, damaged and exposed municipal infrastructure, an approaching winter season etc., emergency procurement processes were followed.

Contract BSM 86/24, The Reconstruction of the Dirkie Uys and Akademie Street Bridges was awarded to Amandla GCF Construction Pty (Ltd) amounting to R8 572 569.26 (Incl. Vat), on the 13th of May 2024.

The following events that had occurred, during construction that resulted in additional expenditure:

a) Heavy rainfall experienced during the 2024 winter season while the contractor was on site.

b) Large quantities of debris, silt, and gravel being washed away (out of the work area),

c) On other occasions, materials were washed into the works area. This has caused an increase in unstable ground conditions, which required additional excavation and material removal beyond the original scope, leading to increased labour and material costs.

d) Adjustments to the approach roads to accommodate reduced gradients resulted in the need for more road construction materials than originally planned. These additional materials added procurement and transportation costs.

e) Minor improvements to the bridge design were required, which included the addition of apron slabs and wing walls, which required more concrete, falsework, and reinforcement. These changes, essential for stability and durability, increased both material and labour costs.

f) Additional works also comprised the accommodation of bulk Municipal Services which was damaged during the flood. Delays were encountered when a support structures for a temporary bulk water line had to be constructed across the river to ensure continuous water supply to residents.

The challenges encountered and design modifications required, understandably led to an overrun in both the time and cost of the project. See Annexure A, Close out Report. These overruns were submitted by the Contractor to the Consultant, just before practical completion (December 2024), as official Contractual Claims

The Consultant was however only able to analyse and assess the claim after the December holidays and submitted the outcome of the analysis and assessment to the Municipality at the end of February 2025.The outcomes confirmed that additional costs were in fact justified, the outcome also confirmed the total additional cost of R 3 606 287.79 (Inc. VAT) (42% increase to initial budget). Following a review, the Municipality concurred with the Consultant's ruling on the claims.

In terms of Section 32 of the Municipal Financial Management Act (MFMA) the additional cost is irregular because the additional work exceeded the 20% allowable variation was completed prior to Municipal approval being granted.

4. BACKGROUND AND SEQUENCE OF EVENTS

In September 2023, the Franschhoek valley experienced an unprecedented weather event, recording 391mm of rainfall within a 41-hour period. The high intensity and volume of rain caused the Lacotte River to overflow its banks, resulting in widespread damage to private properties and municipal infrastructure, including electricity, water services, roads, and notably, the Dirkie Uys and Akademie Street bridges. The Dirkie Uys bridge was completely washed away, while the Akademie Street bridge was damaged beyond repair, severely limiting access to Franschhoek town.

Following the declaration of a National Disaster and confirmation of the event as a 1:100-year flood, the Municipality secured disaster response funding from the National Department of Co-operative Governance and Traditional Affairs (COGTA). Among the priority projects identified for rehabilitation was the reconstruction of the aforementioned bridges. The Municipality was allocated approximately R30 million, with specific conditions requiring the full expenditure of funds within six months or risk forfeiture.

Given the urgency, the Municipality initiated accelerated planning, design, and environmental and heritage approval processes. Due to the seasonal constraints and degraded site conditions, an emergency procurement process was followed. Amandla GCF Construction (Pty) Ltd was appointed through Bid B/SM 86/24, with the contract amounting to R8,572,569.26 (VAT inclusive). Work commenced in May 2024 under tight time constraints to ensure completion before the December holiday period and to meet grant conditions.

SPECIAL COUNCIL MEETING: 2025-06-25: ITEM 10.1

RESOLVED (majority vote with 4 abstentions)

(a) that Council certifies the irregular expenditure to the amount of R 3 606 287.79 (including VAT) for Amandla GCF Construction Pty (Ltd) as irrecoverable; and

(b) that Council writes off the irregular expenditure as irrecoverable in terms of MFMA Section 32(2).

FOR FURTHER DETAILS CONTACT:

NAME	***Johan Fullard***
POSITION	***Senior Manager: Roads, Transport and Stormwater***
DIRECTORATE	***Infrastructure Services***
CONTACT NUMBERS	***021 808 8207/021 808 8222***
E-MAIL ADDRESS	**Johan.fullard@stellenbosch.gov.za**
REPORT DATE	***9 May 2025***

10.2	CONSIDERATION OF EXPENDITURE INCURRED RELATING TO SERVICES RENDERED BY NEIL LYNERS AND ASSOCIATES (PTY) LTD UNDER TENDER: B/SM 13/21 - ESP.6 PROFESSIONAL ELECTRICAL ENGINEERING SERVICES FOR THE STELLENBOSCH MUNICIPALITY SELF LOADSHEDDING IMPLEMENTATION PROJECT

Collaborator No: 785703
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: 12 June 2025

1. SUBJECT:CONSIDERATION OF EXPENDITURE INCURRED RELATING TO SERVICES RENDERED BY NEIL LYNERS AND ASSOCIATES (PTY) LTD UNDER TENDER: B/SM 13/21 - ESP.6 PROFESSIONAL ELECTRICAL ENGINEERING SERVICES FOR THE STELLENBOSCH MUNICIPALITY SELF LOADSHEDDING IMPLEMENTATION PROJECT

2. PURPOSE OF REPORT

To present information for the consideration of MPAC regarding expenditure that may constitute irregular expenditure and to recommend appropriate actions based on the findings.

3. EXECUTIVE SUMMARY

Neil Lyners and Associates (Pty) Ltd was appointed to assist the Municipality with the implementation of the Alternative Energy Generation (AEG) Programme that the Municipality embarked on in 2022. The primary objective was to develop and implement a Self Loadshedding scenario for the Municipality. The challenge was the absence of a precedent or established methodology in the public sector as such ventures primarily took place in the private sector industry. Stellenbosch Municipality is the first Category B municipality attempting to achieve the municipalities strategic AEG objectives by means of these pioneering projects.

Neil Lyners and Associates (Pty) Ltd was appointed on 19 May 2023 for a three-year period ending 30 June 2026 under bid B/SM 13/21 – ESP .6. The estimated consultant fees for the bid were R 3 000 000.00, with Neil Lyners and Associates (Pty) Ltd’s initial estimate being R 2 932 500.00 (Inc.VAT and a 15% discount.

The project was envisaged to be iterative, with a focus on exploring what Eskom would allow, as well as adapting and refining strategies during the process based on learnings. Some of the initial work initially was investigative and relied heavily on guidance from Eskom during various engagements to determine what was permissible. Some of the work was clearly defined projects such as the project management of the Independent Power Producers project, the Supervisory Control and Data Acquisition (SCADA) project, as well as the retrofitting of solar panels, generators, inverters and batteries to critical plant, equipment and buildings.

After several engagements with Eskom, it was determined that Stellenbosch Municipality does not meet the necessary requirements for self-loadshedding. Consequently, it was then advised by Eskom that the Municipality apply for load curtailment instead. However, negotiations with Eskom regarding the load curtailment application have not progressed effectively for two years, despite interventions from the Western Cape Government to assist.

Given the above, the absence of load shedding for over 300 days, and Eskom's significant tariff increases, the Municipality proceeded with various sub-projects to address the energy crisis by reducing dependence on Eskom, ensuring business continuity during loadshedding and creating alternative energy sources, all within the Alternative Energy Program and council approved AEG strategy. These projects are aligned with the strategic focus areas of the Municipality and support net-zero and Climate Change goals.

Some sub-projects which emanated from the Alternative Energy Programme, did not strictly adhere to the original scope of the consultant as expected, and therefore a Section 116 process was followed to apply for a scope amendment as per the above.

This was partially expected because this was the first time that a Category B Municipality was attempting a self-loadshedding program, as well as an Alternative Energy Generation Programme.

This matter was presented to Bid Evaluation Committee (BEC) and the Committee recommended that Section 116 (3) process be followed to expand the scope to include these projects which were not in the original scope. As per Section 116(3) protocol, a public notice was advertised to explain this, and no comments or objections were received. However, the expenditure incurred to date under these projects is regarded as irregular as it was for services rendered outside of the original scope of works.

It was also recommended during the formulation and preparation of the Section 116 item that the expenditure amounting to R3 280 855.66 (Inc. VAT) must be reported to the Municipal Public Accounts Committee (MPAC).

4. BACKGROUND AND SEQUENCE OF EVENTS

Inception of the Programme

In 2022, Stellenbosch Municipality initiated the Alternative Energy Generation (AEG) Programme, aimed at reducing reliance on Eskom and mitigating the impacts of loadshedding. The programme sought to develop and implement a Self-Loadshedding strategy, a pioneering effort for a Category B municipality in South Africa.

Appointment of Neil Lyners and Associates

Neil Lyners and Associates (Pty) Ltd was appointed on 19 May 2023 under tender B/SM 13/21 – ESP.6 for a 3-year term ending 30 June 2026. The estimated value of the contract was R3 000 000, with the initial quote from the consultant being R2 932 500 (incl. VAT and 15% discount).

Project Characteristics and Challenges

The project was designed as an iterative and exploratory process due to the lack of a clear public sector precedent. Early phases were largely investigative, focusing on determining what Eskom would permit, requiring intensive technical support and adaptive planning. Several sub-projects emerged from engagements with Eskom and internal strategic planning, including SLA with Eskom, SCADA system, IPP Project Management, and PV feasibility for critical infrastructure.

Change in Scope

Due to shifting priorities and learning gained throughout the implementation, certain services rendered were outside the original scope. A Section 116(3) process in terms of the MFMA was followed and the amendment was approved by Council on 26 February 2025. No objections were received during the public participation process. The revised scope had an estimated value of R5 342 527.04 (incl. VAT).

SPECIAL COUNCIL MEETING: 2025-06-25: ITEM 10.2

RESOLVED (majority vote with 5 abstentions)

(a) that Council certifies the irregular expenditure to the amount of R 3 280 855.66 (including VAT) for Neil Lyners and Associates (Pty) Ltd as irrecoverable; and

(b) that Council writes off the irregular expenditure as irrecoverable in terms of MFMA Section 32(2).

FOR FURTHER DETAILS CONTACT:

NAME	**Preshane Chandaka**
POSITION	***Director***
DIRECTORATE	***Infrastructure Services***
CONTACT NUMBERS	***021 808 8213***
E-MAIL ADDRESS	shane.chandaka@stellenbosch.gov.za
REPORT DATE	***09 May 2025***

10.3	CONSIDERATION OF EXPENDITURE INCURRED RELATING TO SERVICES RENDERED AR PROJECTS & DEVELOPMENT (PTY) LTD

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **12 June 2025 and 25 June 2025**

1. SUBJECT: CONSIDERATION OF EXPENDITURE INCURRED RELATING TO SERVICES RENDERED AR PROJECTS & DEVELOPMENT (PTY) LTD

2. PURPOSE OF REPORT

To present information for the consideration of MPAC regarding expenditure that may constitute irregular expenditure and to recommend appropriate actions based on the findings.

3. EXECUTIVE SUMMARY

B/SM 66/23 was awarded to AR Projects & Development on 2 June 2023 for the Structural Maintenance/ Upgrading of Stellenbosch Townhall Complex. An order number: 000000900009910 was generated for a total amount of R 5 193 789,18 (VAT inclusive) for the service (see Annexure A). After the project commenced, it was discovered by testing that there was more asbestos slate roof than what was quantified in the Bill of Quantities (BoQ). The BoQ only made provision for 6 m2 while the entire roof was 1390 m2. Due to the increase, the cost of the removal of- and disposal of the asbestos slate material, appointment of an Asbestos Inspection Authority (AIA) and to meet the statutory requirements for asbestos, work increased from the initial quoted cost of R 25 740.00 to R 297 509.40 VAT inclusive (See Annexure B).

The contingencies of R 588 424.78 from the total of R 589 509.40 was used for additional painting of the walls, supply and installation of the flashing, supply and install extra membranes to ridges, extra purlins, additional roof slate material, additional safety requirements (additional time), Community Liaison Officer (additional time), Supply and install ridge capping, removal of rusted sheets at the Building Control Section, replace ceiling and broken glass in Office 115E, toilets and passage, removal roof slate removal, repainting of the foyer and fixing and repainting the counter area at Building Control Section.

Due to the statutory nature of the asbestos work, the work had to be carried out by a registered and approved AIA and registered asbestos contractor.

4. BACKGROUND AND SEQUENCE OF EVENTS

On 2 June 2023, Stellenbosch Municipality awarded Tender B/SM 66/23 to AR Projects & Development (Pty) Ltd for the structural maintenance and upgrading of the Stellenbosch Townhall Complex. The total contract value amounted to R 5,193,789.18 (VAT inclusive), and an official purchase order (No. 000000900009910) was generated.

Shortly after project initiation, it was discovered that the asbestos slate roof coverage was grossly underestimated in the Bill of Quantities (BoQ). While the BoQ accounted for only 6 m², the actual area requiring asbestos removal amounted to 1390 m².

Given the statutory requirements around asbestos removal, additional services became necessary, including:

- Appointment of a certified Asbestos Inspection Authority (AIA)
- Procurement of a registered asbestos contractor
- Compliance with health and safety regulations
- Removal and disposal of asbestos materials

This resulted in an increase in costs for the removal of asbestos from R 25,740.00 to R 297,509.40 (VAT inclusive). In comparison with the total award of R5,193,789.18 the increase is approximately 5% and within the limits of a variation order (limit for construction projects is 20%).

SPECIAL COUNCIL MEETING: 2025-06-25: ITEM 10.3

RESOLVED (majority vote with 6 abstentions)

(a) that Council certifies the irregular expenditure to the amount of R 162 677.65 (including VAT) for AR Projects & Development (Pty) Ltd as irrecoverable; and

(b) that Council writes off the irregular expenditure as irrecoverable in terms of MFMA Section 32(2).

FOR FURTHER DETAILS CONTACT:

NAME	**Ehrel Maletzky**
POSITION	**Project Manager: Capital & Operational Projects**
DIRECTORATE	**Corporate Services**
CONTACT NUMBERS	**021 808 8153**
E-MAIL ADDRESS	**Ehrel.Maletzky@stellenboch.gov.za**
REPORT DATE	**17 April 2025**

11.	URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER

NONE

12.	MATTERS TO BE CONSIDERED IN–COMMITTEE

SEE PINK DOCUMENTATION

The meeting adjourned at 12:30.

CHAIRPERSON: ……

DATE: ……

Confirmed on ……